



SUSTAINABILITY REPORT

Sustainability report

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INTRODUCTION

The Group is proud to present its integrated report which covers the reporting period from 1 March 2012 to 28 February 2013, in compliance with King III. Consistent with the previous year's report (issued 26 July 2012 and which covered the period 1 March 2011 to 29 February 2012), the Global Reporting Initiative (GRI) guidelines are used as a reporting framework and the GRI C application level was nominated. The applicable indices reported on in terms of this application level have been included on pages 141 to 142 of this Integrated Annual Report.

The organisational boundaries for the collection of data are those used for financial purposes to ensure alignment between financial, environmental and social reporting. Data is collected at operational level and consolidated at divisional and Group levels. The basis for reporting on wholly owned subsidiaries and associates does not significantly affect comparability from period to period.

The board has decided not to obtain external assurance on the sustainability disclosures included in this report, as it recognised that its own internal reporting processes and indicators should be further refined before external assurance would add value.

The process for defining report content is based on a materiality analysis of sustainability issues which focuses on the effect on stakeholders and the impact on the business.

The board manages these principles and, guided by the social and ethics committee, is responsible for the regular review of the Group Safety, Health, Environmental and Quality (SHEQ) policies, for the guidance in their implementation, and for monitoring performance.

The social and ethics committee has completed its first full year since its formation. The highlight of the year was the creation of the Group's Corporate Citizenship Policy. This policy acts as the formal vehicle for communication of the Group's principles with internal stakeholders. It formalises and documents the Group's policies and practices with regards to the Group's environmental impact, transformation and employee practices, social investment and product responsibility.

The social and ethics committee monitors the Group's performance against this policy and is accountable for its effective implementation.

This is yet another important step in refining our internal reporting process and further endorses the Group's continued commitment to be a good corporate citizen.

The diagram below represents the Group's core principles with regards to sustainability.



The Group considers its sustainability reporting responsibilities under the following broad categories:

- Environment
- Transformation
- Employees
- Social investment
- Product responsibility

STAKEHOLDER ENGAGEMENT

Communication is paramount to ensure honest, extended and prosperous relationships with stakeholders. The Group is accountable to all its stakeholders and through this report, aims to provide each of these stakeholders with the essential information required to maintain and grow their mutually beneficial partnership with the Group.

Engagement with these stakeholders takes a variety of forms, depending on the matter at hand, and may vary in frequency.

Tabled below are the key matters identified in our communications, identifying the stakeholder group, the reason we engage and how we engage.

STAKEHOLDER	REASON WE ENGAGE	METHOD OF ENGAGEMENT	HIGHLIGHTS ON ENGAGEMENT PROCESS
Employees	To maintain a high performance work force	<p>Formal engagement</p> <ul style="list-style-type: none"> ● The Group's performance review process which is aimed at staff development together with the various ongoing training initiatives. ● Health and safety and HIV/Aids awareness campaigns. <p>Informal engagement takes place on an ongoing basis and includes the use of:</p> <ul style="list-style-type: none"> ● newsletters ● ad hoc HR questionnaires ● corporate and one-on-one communication ● e-mails and intranet. <p>The Group is a member of the National Bargaining Council for the Road Freight and Logistics Industry (NBCRFL) which empowers stakeholders to negotiate matters that are of mutual interest to the industry.</p>	<p>The performance review process allows the Group to provide feedback to employees, and in turn allows employees to voice their recommendations and concerns.</p> <p>September and October 2012 saw violent industrial actions bring the industry to a standstill. The Group was negatively impacted, however, due to a long history of good employee relationships, the Group's principal services continued.</p>

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STAKE-HOLDER	REASON WE ENGAGE	METHOD OF ENGAGEMENT	HIGHLIGHTS ON ENGAGEMENT PROCESS
Customers	To build long-term relationships with customers for the mutual benefit of both parties	A dedicated sales team, with direct access to top management, engages with customers on issues of service requirements and query resolution. Similarly, ongoing operational engagement is performed in meeting the unique needs of different customer requirements.	During this challenging year, certain customers' contracts expired, and they opted not to renew which added further volume pressures to the Group. However, financial effects were cushioned greatly with the Group seeing an improvement in the diversity of the customer base and new customers coming on board in the new financial year.
Suppliers	To ensure provision of goods and services in a responsible manner	Suppliers are engaged regarding service level agreements for the procurement of essential goods and services.	The Group negotiated with its suppliers for the timely procurement of essential supplies.
Investors	Timely and transparent communication	The Group's interim and final results are published in the media followed by analyst presentations conducted by the chief executive officer and Group financial director. The Group engages with shareholders and investors in various ways regarding the safeguarding of their interests and includes one-on-one meetings, and the distribution of circulars and press releases which provide relevant information related to material transactions.	The JSE reduced its requirement for publicising interim and final results in the media, recognising the use of websites amongst stakeholders. The Group embraced this decision and printed only pertinent information for its final results, which directed stakeholders to the Group's website for full results. This decreased the publishing cost significantly.
Community	To ensure the Group impacts the environment in which it operates positively	The Group acknowledges the importance of building sustainable communities and engages with the community on aspects of socio-economic development on a continuous basis. The Group's engagement with the community is discussed further in the social investment section of this report.	Refer to page 56.

ENVIRONMENT

The Group aims to minimise the impact of its operations on the environment through minimising consumption of natural resources and generation of waste without negatively impacting profitability.

The key points to achieving this are:

- Evaluating operations and ensuring they are as efficient as possible
- Actively promoting recycling both internally and amongst customers and suppliers
- Sourcing and promoting a product range to minimise the environmental impact of both production and distribution
- Meet or exceed all the environmental legislation that relates to the Group
- Use an accredited programme to offset the greenhouse gas emissions generated by its activities
- Attain ISO 14001 accreditation.

The Group has elected to report on the most significant contributors to its environmental footprint. These contributors are:



Fuel



Electricity



Water management



Waste management

This report provides feedback on the above areas.



Fuel

The nature of the business and the volatility of the fuel price make the consumption of this limited natural resource a key focus area. The Group has processes in place which measure and manage the fuel consumption of its fleet. In broad terms these processes include:

- the debriefing process, which measures fuel consumption achieved after every trip against expected fuel consumption with deviations investigated by management
- vehicle utilisation and route planning techniques which are applied on an ongoing basis to ensure the optimal application of vehicle mix
- routine servicing of vehicles which are maintained to manufacturer standards by the Group's accredited in-house workshops
- the process of de-fleeting older vehicles and their replacement to ensure that the Group has a modern, more fuel efficient fleet.

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How we are improving

Micro Alert system

The Micro Alert system is a fuel management system that integrates the Group's current enterprise resource planning software, with the fuel issuing process.

The Micro Alert system which went live on 1 April 2013 provides business units with accurate and up-to-date fuel costs and usage statistics for their fleet.

This is expected to assist in the management of the fleet and associated fuel consumption. An annual fuel cost saving of 5% has been targeted.

Additionally, oil dispensing is currently under investigation in an effort to facilitate the current method within the Micro Alert system and a desktop management tool that expedites the calculation of consumption figures is currently in development phase.

The Group uses the "business carbon footprint calculator" on <http://carbon.ecoforests.org/> to determine its direct carbon emissions. The online tool makes use of a rate of 2,63 kilograms of carbon emissions per liter of fuel consumed.

Fuel consumed varies with the level of operational activity within the Group, however in the current year consumption decreased by 2% to 20 825 kilolitres from 21 337 kilolitres in 2012. Revenue increased by an inflationary 8% with a slight decrease in volumes, however the primary reason for the decrease in consumption is due to the efficient operation of the fleet table below.

Recorded fuel consumption and equivalent carbon emissions are tabled below:

Fuel	2013	2012
Consumption (kilolitres)	20 825	21 337
Carbon emissions (tons)	54 770	56 116
Average kilometres travelled (km'000)	101 185	97 137
Improvement in consumption to kilometres	4%	—
Carbon emissions (kg) per kilometre	0,541	0,577
Improvement in carbon emissions	6%	—

The decrease in fuel consumption and the associated carbon emissions is pleasing to the Group. The Micro Alert system discussed above has, subsequent to the date of this report become operational, and further savings are envisaged.



Electricity

South Africa's profile of energy demand, characterised by relatively high energy intensity, makes the more efficient use of energy particularly important. Important energy policy initiatives are already underway with respect to energy efficiency and renewable energy.

Branches report to head office on a weekly basis regarding the progress of various initiatives aimed at reducing electricity consumption. Initiatives include the following:

- Greater visibility of electricity usage through improved metering
- New buildings are required to have energy efficient features
- Working with leading power utility companies to ensure existing supply grid technology are optimally utilised
- Replacing redundant technology with energy efficient technology
- Newsletters and e-mail communiqué to promote awareness.

Eskom's rate of 1,03 kilograms of carbon emitted per kilowatt hour of electricity consumed is used to determine the Group's indirect carbon emissions.

Electricity consumption and equivalent carbon emissions are tabled below:

Electricity	2013	2012
Indirect energy consumption (MWh)	10 368	10 561
Indirect carbon emissions (tons)	10 680	10 878

In the prior year's Intergrated Annual Report, the Group addressed the urgent need for warehousing and logistics services in the Midrand and Olifantsfontein industrial area with the opening of its 40 000 m² multi-principle warehouse in Clayville in August 2011.

The Group set out to reduce the site's carbon footprint through its relevant strategies.

The Group decreased monthly energy usage and related carbon emissions by 82% from 93 792 kWh to 16 754 kWh, this coupled with an effective saving of 51% in the running costs (associated with energy), made the Clayville site a great example of how the Group's policies are being implemented.

Following the success of the Clayville site, and in line with the Group's stringent cost control measures, the Group selected two sites where the Group set out to minimise the site's carbon footprint in line with its current policy. Various in-house energy saving techniques were developed to minimise the carbon footprint and lower energy usage without negatively affecting service delivery. The enhancements to the sites included:

- upgrading the warehouse roofs to make extensive use of natural lighting
- replacement of conventional light bulbs with energy efficient light bulbs
- redesigning the floor area to make use of natural ventilation.

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The electricity consumption savings were as follows:

Enhancements vs “Business as usual” on our two sites

Site	“Business as usual” MWh	After enhancements MWh	Saving MWh
Cato Ridge	208,03	112,34	95,69
Spartan	65,53	35,39	30,14
Total saving per year			125,83
Total carbon emissions saved			129,60

Working in partnership with Eskom, the Group is in the process of replacing inefficient lighting with the latest energy efficient technology available, benefitting both Eskom and the Group in the quest to save electricity.

Lighting at the long standing Freightpak warehouse in Spartan was considered very inefficient and outdated. Additionally the output of the existing light fittings were very low by today’s standards and so was the light quality. The Group embarked on retrofitting the warehouse with brand new energy efficient light fittings, improving light quality and reducing costs.



A success story

The Group identified a requirement for improved lighting levels in the Value City warehouse. 100 new energy efficient light fittings together with motion sensors were sourced from a leading supplier. The efficiency of the new light fittings and their design has contributed to the highest artificial light quality ever measured in one of the Group’s warehousing facilities. The energy efficient fittings will save 47 MWh of electricity per year compared to conventional fittings without motion sensors. The impact of the additional lighting (100 x

fittings) and motion sensors added to the Group warehouses is hardly noticeable on the electricity account such is the efficiency on the new light fittings.

Newsletters and e-mail communiqué to promote awareness

Getting employees on board is key to being successful at energy efficiency initiatives. In order to have buy-in from management and employees, energy saving material is distributed through the Group to create awareness. The communiqué includes: newsletters, electricity savings tips and myths, and interesting electricity facts.

Employees at branches receive monthly site reports detailing electricity cost and consumption figures specific to the site they are based in. This method has been very exciting for employees to see how their actions effect electricity consumption. Several employees have implemented similar initiatives in their homes.

To increase the effect of the awareness campaign, stickers to promote awareness are placed on light switches at certain branches. It is estimated that the awareness campaign contributes to a 7% reduction in the Group's electricity consumption annually.



Water management

With increase in water tariffs looming, the Group considers water management a key component in managing its sustainability.

The Group manages water usage directly and indirectly. For each site, the Group will consider specific water management policies, which may necessitate a capital outlay, to directly reduce water usage.

In addition to this, a Group-wide water management policy is applied, which aims to minimise water

use and spread awareness of responsible water use to its employees.

In the current reporting period, the Group has assigned a specialist team to assess water use at sites. The assessments are on-going and generally include the performance of the following steps for each site:

- Performance of benchmarking studies
- Measurement and understanding of site specific water usage
- Identify best water savings strategy
- Assess cost, achievable savings and payback period
- Consider training and awareness.

After the plan has been introduced, the Group will monitor the actual results and compare this to the plan.

In addition to the above, specific water projects are also in the pipeline. These include:

- low flow shower heads for all showers
- feasibility investigation to use borehole water for irrigation
- rain water harvesting
- introduction of enhanced awareness campaign
- preventative maintenance on water infrastructure.

Wash bay water recycling plant

The Group is excited about the positive results yielded from the water recycling plant installed at its Tunney site. This particular recycling plant is one of the largest of its kind in South Africa. By recycling the water used by the wash bay, the amount of water drawn from a municipal source is greatly reduced.

The plant gathers used wash bay water and through a natural biological process, breaks down soap and grease in the used wash bay water. No harmful chemicals are required to clean the water and the monthly running costs are minimal.

Due to evaporation and driveout water loss, 90% of the wash bay water is recovered for cleaning and reuse. A rainwater harvesting system has been installed to make up the 10% loss. The Group expects the Tunney washbay site to be independent of municipal water during the summer months. No runoff water is discharged to the municipal sewerage system. The Group has purchased a water recycling plant for its Cato Ridge site and plans to purchase another for its Cape Town site.

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Waste management

The Group's motives for recycling have always been the increasing scarcity and cost of natural resources and the resultant pollution waste on the environment. The Group follows the idea of there being two types of recycling, internal and external.

Products

kg

White paper	81 796
Plastic	96 132
Card boxes	133 919
Scrap metal	268 275
Polystyrene	1 286
Oil rags	1 520

Internal recycling is the reuse of resources used in our operations that are considered waste. External recycling is the reclaiming of resources from products that are worn out or no longer useful. Examples range from the recycling of paper at all our sites to the effective management of the life and disposal of tyres.

The Group has instituted sustainable recycling projects to ensure that, as a responsible corporate citizen, we contribute to waste minimisation.

The following are sustainable projects that the Group introduced or intend to introduce and develop over the next year:



- Introduction of colour coded bins for waste separation and recycling on all its sites
- Recycling initiatives of office consumables and equipment
- Encourage a green environment through the use of site posters, toolbox talks and newsletters.

Truck and trailer spray booth



Overspray and fumes are extracted through ducts in the floor, into a filtration system that captures all the paint particles and only then is the air expelled into the atmosphere.

TRANSFORMATION

The Group is committed to the transformation process and embraces the spirit of addressing these changes while ensuring the sustainability of this ongoing development. The Group's BEE committee has and continues to address the transformation challenges by focusing on each element separately.

The Group ensures that equal opportunity principles are applied in all its human resources policies, and in particular to the procedures relating to the recruitment, training, and development of employees. Where appropriate and where permissible under the relevant legislation and codes of good practice, employees of under-represented groups are given focused training and encouragement to achieve equal opportunity.

The following awareness measures were implemented during the year:

- Formal communication through employment equity meetings
- Policy statements with reference to employment equity
- Employment equity training
- Discrimination awareness programmes.

The Group's B-BBEE rating has been scored in terms of the Road Freight Sub-Sectors Code for B-BBEE. The Group has achieved a level 4 status, improving its score to 71,89 from the prior year score of 66,53.

B-BBEE scorecard

Element	Weighting	2013	2012
Ownership	20	12,41	12,01
Management	10	4,72	3,38
Employment equity	15	5,52	5,03
Skills development	15	10,91	7,03
Preferential procurement	20	18,33	20,00
Enterprise development	15	15,00	15,00
Socio-economic development	5	5,00	4,08
Total	100	71,89	66,53

The individual elements are discussed below:

Ownership

The Group's ownership score has improved to 12,41 compared to the prior year's score of 12,01.

Management

The current year saw an improvement from 3,38 to 4,72 out of 10, however, this element remains one of the Group's biggest transformation challenges. The Group has a continuous process of identifying candidates who will add value and increase the black representation of the board and management.

Employment equity

The Group, which scores 5,52 out of 15 compared to the prior year score of 5,03, acknowledges this element as one of the most difficult transformation challenges due to the difficulties of procuring employees with the appropriate skills, particularly within the area of senior management. In order to address this issue, management is actively pursuing the employment and or promotion of historically disadvantaged people in the appropriate positions.

Skills development

The Group recognises the importance of training and development of its people as it is fundamental in ensuring sustainability. Learnerships for historically disadvantaged people are on-going as well as the graduate development programme whereby graduates from local tertiary institutions have the opportunity to visit the organisation and apply for places on the programme. The Group is registered with the Transport Education and Training

Authority (TETA) as well as the Sector Education and Training Authority (SETA) and is compliant with the conditions of the Skills Development Act and Skills Development Levies Act and has engaged in programmes targeted at developing priority skills. The Group's score has increased from 7,03 to 10,91 mainly due to these programmes.

Preferential procurement

The procurement department has actively pursued preferential procurement as a further method to hasten economic empowerment and will continue to actively pursue this process to the benefit of the economy.

Enterprise development

Enterprise Development is the provision of support to black empowered business that qualify as enterprise development beneficiaries. The Group's contribution exceeded the target of 3% of net profit after tax for the period and therefore scored the full 15 points for this element.

Socio-economic development

The contribution towards socio-economic development exceeded the 1% of net profit after tax target, therefore the maximum score of 5 was achieved. Examples of initiatives undertaken by the Group are included under social investment.

EMPLOYEES

Aligned with the Group's vision, the human resources strategy is to create value for our employees and thereby ensuring that we sustain a competent workforce who will enable us to achieve our goals and targets.

The Group identified the following items as our primary concerns which are related to employees:

RISK AND POTENTIAL EFFECTS	MITIGATION	
Industrial transformation targets not met which may limit entry into markets. (Employment equity.)	Employee numbers adding to the Group's transformation statistics are continually monitored. Further, the Group has embarked on various initiatives to improve its transformation statistics. Refer to transformation section for further details.	+ ↑ RISK ↓ -
Human resources legal compliance and amendments bill to Labour Relations Act.	The Group is in an ongoing process of attending to legal compliance audits.	
Business continuity: The effect that Aids may have on the workforce.	The Group continues educational programmes and makes voluntary, confidential screening available to all employees.	
Labour unrest and strike action will negatively affect operations and service delivery.	The Group engages in open and continuous communication	

The sections that follow deal in more detail of how the Group is mitigating the above, in order to achieve its goals and objectives; to produce a stable working environment for all our employees and to provide long-term security.

The Group is of firm belief that it is only through people development and a stable working environment that we can achieve improvements in the predictive value of all our business units. The Group implemented various organisation development and human resource management solutions combining transactional, consulting and strategic interventions, to ensure that goals and targets are achieved on an annual basis.

Recruitment and selection

South Africa's skills shortages are widely regarded as a key factor preventing the achievement of targeted growth rates. Workforce planning has therefore become an integral part of the Group's strategy.

The Group's recruitment policy and procedures are based on the following provisions:

- All positions are advertised internally in order to give the Group's employees the opportunity to apply for the vacant position
- Recruitment is conducted on a competency based level
- Targeted selection interviewing principles are used
- Internal and external appointments follow a transparent process
- Fair and non-discriminatory recruitment and selection practices are the foundation of recruitment for all positions
- Compliance with all provisions of the Labour Relations Act (1995) and the Employment Equity Act (1998) and their subsequent amendments.

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In order to assist both the Group and the employees to fully understand what is expected of them, all new employees attend an induction programme. The aim of the programme is to assist employees to become highly productive as soon as possible.

As part of the Group's recruitment strategy, a graduate recruitment programme was rolled out to increase brand exposure at the universities. Graduates are placed on training programmes and form an integral part of the Group's overall succession planning.

Exit interviews are conducted with all employees that resign and enable the Group's management to review and improve the creation of value for employees and the Group which will have a positive effect on retention.

Staff complement

The table below indicates the staff complement as at 28 February 2013, and the region they are employed in:

Region	2013		2012	
	Number	%	Number	%
Gauteng	1 985	68,5	2 137	69,4
KwaZulu-Natal	302	10,4	328	10,6
Western Cape	240	8,3	223	7,2
Eastern Cape	152	5,2	162	5,3
Free State	69	2,4	74	2,4
Limpopo	42	1,5	48	1,6
Mpumalanga	28	1,0	38	1,2
North West	41	1,4	36	1,2
Namibia	35	1,2	35	1,1
Northern Cape	2	0,1	1	—
Total	2 896	100,0	3 082	100,0

In addition, the Group utilised the services of outsourced staff throughout the reporting period.

Employment equity

The Group's recruitment policy is aligned with current Broad-based Black Economic Empowerment (B-BBEE) requirements. The number of employees per category, gender and diversity are tabled below:

Occupational levels	2013										Total
	Male				Female				Foreign nationals		
	African	Coloured	Indian	White	African	Coloured	Indian	White	Male	Female	
Top management	2	—	1	9	1	—	—	4	—	—	17
Senior management	—	1	1	10	1	—	1	9	—	—	23
Professionally qualified and experienced specialists and mid-management	36	14	31	138	7	1	9	78	1	—	315
Skilled technical and academically qualified workers, junior management, supervisors, foremen and superintendents	330	64	73	207	124	68	58	284	—	1	1 209
Semi-skilled and discretionary decision making	1 071	37	24	7	81	24	9	15	—	—	1 268
Unskilled and defined decision making	53	3	—	1	7	—	—	—	—	—	64
Total permanent	1 492	119	130	372	221	93	77	390	1	1	2 896
Temporary employees	—	—	—	—	—	—	—	—	—	—	—
Total	1 492	119	130	372	221	93	77	390	1	1	2 896

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Occupational levels	2012										
	Male				Female				Foreign nationals		Total
	African	Coloured	Indian	White	African	Coloured	Indian	White	Male	Female	
Top management	—	—	1	8	1	—	—	4	—	—	14
Senior management	1	—	—	8	—	—	—	4	—	—	13
Professionally qualified and experienced specialists and mid-management	18	10	17	109	3	1	6	62	—	—	226
Skilled technical and academically qualified workers, junior management, supervisors, foremen and superintendents	354	69	85	266	98	51	54	300	—	1	1 278
Semi-skilled and discretionary decision making	1 168	48	31	51	91	34	22	35	—	—	1 480
Unskilled and defined decision making	54	2	—	1	8	—	—	—	—	—	65
Total permanent	1 595	129	134	443	201	86	82	405	—	1	3 076
Temporary employees	1	—	1	1	1	1	—	1	—	—	6
Total	1 596	129	135	444	202	87	82	406	—	1	3 082

The above compared positively with the prior year. Significant progress has been made at top, middle and junior management levels where the Group exceeded the 2013 targets.

As per the Group B-BBEE audits in 2012 and 2013, the Group's Employment Equity strategy has yielded a respectable and improving BEE score.

During 2012, the scorecard specific to the logistics and transport industry was ratified. The Group implemented the above scorecard during 2012 and continues to do so in 2013. The Group furthermore subscribes to internal and external training programmes to assist in alleviating the skills shortage.

The Group's Employment Equity forum review and discuss strategies to ensure employment equity principles are adhered to. Please refer to transformation section for further details.

Employee turnover

The Group implemented various retention strategies which are designed to ensure we add value to our employees. The Group's policies and procedures are aligned to the Basic Conditions of Employment Act, with the following notice periods applicable:

- One week, if the employee has been employed for six months or less
- Two weeks, if the employee has been employed for more than six months but less than a year
- Four weeks, if the employee has been employed for one year or longer.

The turnover statistics are tabled below:

Rate of employee appointments and turnover by age	2013				2012			
	Appointments		Turnover		Appointments		Turnover	
	Number	%	Number	%	Number	%	Number	%
18 – 28 years	102	29,7	223	31,1	303	34,0	154	25,9
28 – 38 years	147	42,9	250	34,9	329	36,9	223	37,4
38 – 48 years	67	19,5	137	19,1	183	20,5	129	21,6
48 – 58 years	23	6,7	64	8,9	69	7,7	65	10,9
58 – 68 years	4	1,2	43	6	8	0,9	25	4,2
Rate of employee appointments and turnover by gender:								
Male	231	67,3	484	67,5	653	73,2	398	66,8
Female	112	32,7	233	32,5	239	26,8	198	33,2
Rate of employee appointments and turnover by region, based on average headcount:								
Gauteng	206	60,0	451	63,0	626	70,2	399	67,0
KwaZulu-Natal	21	6,1	106	14,8	39	4,4	49	8,2
Western Cape	51	14,9	57	7,9	92	10,3	49	8,2
Eastern Cape	17	5	26	3,6	56	6,3	37	6,2
Namibia	25	7,3	29	4	42	4,7	20	3,4
Free State	7	2	15	2,1	10	1,1	18	3,0
Mpumalanga	9	2,6	18	2,5	9	1,0	8	1,3
North West	5	1,5	3	0,4	8	0,9	7	1,2
Limpopo	2	0,6	10	1,4	7	0,8	8	1,3
Northern Cape	0	0	2	0,3	3	0,3	1	0,2
Total	343	100,0	717	100,0	892	100,0	596	100,0

The Group abides to minimum notice periods, which may become necessary due to operational changes/requirements, as specified in the Basic Conditions of Employment Act and the Main Agreement of the National Bargaining Council for the Road Freight and Logistics Industry.

Human rights

The Group believes in supporting and respecting human rights, workers are treated with dignity and given fair opportunities through policies related to:

- freedom of association
- implementation of non-discriminatory labour practices
- ensuring that the Group doesn't use directly or indirectly forced labour or child labour
- providing access to basic health and education
- accommodating employees' religious observance and practices
- safe and healthy working conditions.

At year end, 36,93% of our employees are covered by collective agreement including the National Bargaining Council for Road Freight Logistics Industry Main Agreement.

The Group engages in open and continuous communication with its labour force and union representatives. Employees' concerns are therefore addressed before they become a risk to the business. In the case of national protected strikes, employees who are members of participating unions have the right to strike under a "no work no pay basis". The total percentage of the union membership is 17,24%.

The Group implemented an anonymous whistle blower initiative where employees and contracted labour employees can raise concerns related to human rights infringement, unfair labour practices and any dishonesty related incident.

We furthermore ensure that our contracted labour providers adhere to legal requirements prescribed by the relevant Acts by conducting monthly audits on contracted labour providers' labour practices.

Employee wellness

The Group subscribes to occupational health and safety strategies to prevent events that lead to injuries, illness and material loss. The Group assessed, designed and implemented various proactive risk-based occupational health care initiatives over the last year to improve employee health and well-being thereby minimising the overall occupational health risks. Tabled below is the current year's statistics regarding employee wellness:

Region	Injuries	
	Male	Female
Inland	25	3
KwaZulu-Natal	8	—
Eastern Cape	10	—
Mpumalanga	—	—
Limpopo	3	—
Free State	—	—
Namibia	—	—
North West	1	—
Western Cape	9	2
Total 28 February 2013	56	5
Total 29 February 2012	34	4

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To enhance health and safety at the Group, the SHEQ department has implemented the following:

a) Toolbox talks

All warehouse personnel are informed of the SHEQ topic of the week, and it is discussed amongst the employees themselves and feedback given to the SHEQ department.

b) SHEQ circulars

These are also used by the SHEQ department to assist employees to be more informed in SHEQ matters.

GO GREEN newsletter

• VALUE GREEN Objectives
• Cost saving • Meeting legal requirements • Reducing expenditure
• Reducing our carbon footprint • Meeting social responsibility
• Promoting a safe and healthy environment for all.

• RE: recycling our waste • WASTE: recycle our waste water
• ENERGY: reduce our energy consumption • WATER: recycle our crop/milk

Going Green

Value Projects

Harvesting Rain water Preventative Maintenance Recycling Waste Water

IMPORTANT WATER FACTS

Water covers 70.9% of the Earth's surface and is vital for all known forms of life.

96.5% of the planet's water is found in oceans;

1.7% in groundwater;

1.7% in glaciers and the ice caps of Antarctica and Greenland;

0.001% is in the air as vapour;

Only 2.5% of the Earth's water is freshwater, 98.8% of that water is in ice and groundwater.

Less than 0.3% of all freshwater is in rivers, lakes, and the atmosphere, and an even smaller amount of the Earth's freshwater (0.003%) is contained within biological bodies.

HOW CAN I SAVE WATER?

Do not leave any taps running;

Report all water leaks;

Use water sparingly;

Report water contamination/pollution immediately;

Educate others about the importance of saving water;

Use "low flow" shower heads in your showers;

Harvest or trap water when it rains, this can be used for irrigation during the drier months.

c) SHEQ notice boards

The SHEQ boards have been posted at all departments. These boards display information relating to:

- Injury statistics
- Legal appointments

- Emergency procedures and evacuation plans
- OHSAS 18001 targets
- Toolbox talks and any other SHE related matters.

d) Training

The SHEQ department, with the assistance of the training department hold training sessions to up-skill staff in SHEQ related matters, ensuring employees are able to complete their tasks in a healthy and safe manner. The training conducted includes:

- WSP (work standard procedures) training session, that are relevant to tasks undertaken by employees
- Smoking training – to highlight to smokers the dangers of smoking so that they can make informed decisions
- Contractor control – to ensure parties that hire contractors comply with the Group's Safety, Health and Environmental standards.

e) Reporting of sustainability targets – IsoMetrix

In November 2012 the Group invested in an electronic system to assist with the capturing and monitoring of sustainability statistics. The IsoMetrix system is in the final stages of its project phase and will be fully implemented early in the 2014 financial year end.

IsoMetrix will integrate with, or replace current electronic systems and provide timely, accurate and relevant statistics. This information will be used to monitor targets and identify any further actions required.

f) Wellness

The once stable industry of some 70 000 drivers is now challenged by the impact of poor health and shortened lifespans on its driving workforce. The effects of HIV and Aids is felt in the constant search to replace lost drivers, either through high absenteeism or death.

This necessitates the need for the Driver Care Centre, the primary function of which is to conduct medical assessments on all prospective drivers, whether permanent, temporary or outsourced labour. The Group has an in-house Driver Health Care Centre. The type of examination is determined by the work and the nature of the hazard faced by the driver. Where drivers display adverse symptoms, these drivers are removed from the exposure source and monitored. Should any adverse effects be detected, drivers will be placed on the Group's clinic medical surveillance database.



g) Trucking wellness, HIV and malaria prevention

The Group implemented an effective HIV/Aids management programme with the aim to educate and create awareness amongst workers pertaining to this world wide pandemic. The Group seeks to minimise the social, economic and developmental consequences to the Group and its staff. Where an employee's HIV status becomes known, this knowledge is treated in the strictest confidence. There is no obligation on an existing or prospective employee to disclose their status.

h) OHSAS 18001 system

This is an occupational health and safety system which will be in place in May 2013. The system will assist in ensuring that health and safety goals set out in the Occupational Health and Safety policy are realised.

i) Occupational hygiene audits, risk assessments

The outcomes of these assessments identify the hazards, the exposures, the risks and the risk control action plans. Hygiene management has

been rolled out to ensure that adequate and clean facilities are provided and that ongoing monitoring of service providers is managed.

General training and development

The Group implemented various training initiatives in the past and will continue to implement initiatives to improve the competence levels of our employees to meet the Group's and industry's requirements.

Over the last couple of years the Group has accelerated training and development spend on historically disadvantage individuals (unskilled, semi-skilled, skilled and professional categories) as classified by the B-BBEE codes/legislation in conjunction with Annual Training Plans and Workplace Skills Plans, leveraged against the Transport Education and Training Authority (TETA) and the Services Sector Education and Training Authority (SETA) grants.

In conjunction with the above, the Group rolled out various learnerships for permanent employees as well as unemployed people.

Sustainability report

(continued)



Like father, like son; Emmanuel Mfuzo Mashicolo (Top Student) and his father, Alson Mashicolo, who was the top student in the 2011/2012 programme.

Unemployed graduates

Sixty-two students enrolled and successfully completed the 2013 learnership programme, acquiring a qualification in general education training certificate in business practice NQF1 GETC1.

Two specific learners have risen to the top, Jacobus Frederick Theart and Emmanuel Mfuzo Mashicolo. Emmanuel follows in his father's footsteps who was the top student in the 2011/2012 programme.

The salient statistics with regards to learnerships are tabled below:

Average learnership hours per year per employee

Employee category	2013		2012	
	Male	Female	Male	Female
Professionals and legislators	320	320	320	320
Clerks	320	320	322	320
Elementary	320	320	326	320
Plant and machine operators	320	320	—	—
Craft	—	—	325	—
Service and sales	320	320	320	320

The number of individuals enrolled into the learnership programme were:

Year	Male		Female		Total
	Black*	White	Black*	White	
2013	78	11	81	6	176**
2012	97	7	25	7	136**

*includes African, Indian, Coloured and other

**includes 25 unemployed persons

Number of individuals trained in the current financial year

	Female					Male					Grand total
	African	Coloured	Indian	White	Total	African	Coloured	Indian	White	Total	
2013	208	91	87	359	745	1 404	144	96	353	1 997	2 742
2012	141	79	64	598	882	1 161	151	166	466	1 944	2 826

Average hours of training per year per employee

Employee category	2013		2012	
	Male	Female	Male	Female
Professionals and legislators	6	5	5	6
Clerks	3	5	6	6
Elementary	4	—	8	1
Plant and machine operators	6	—	—	—
Technicians	2	13	17	1
Craft	12	6	8	8
Service and sales	5	6	5	5

Sustainability report

(continued)

The Value Group Driver Training Academy provides accredited training to employees as well as external customers.

The vision of the Academy is:

- to supply the most proficient and efficient driver training programmes
- supporting the logistics function of the Group
- striving towards establishment as a leading service provider in the industry.

The following courses are attended annually:

- Conveying of dangerous goods
- Customer care
- Operating a rigid vehicle
- Logistics administration
- AARTO training
- Professional driving
- Load distribution and overloading
- Coupling and uncoupling of trailers.

Once the driver completed the above training interventions, in-depth evaluations are conducted to assess competency levels.

Compliance with legislation

Compliance in the Group is achieved through management processes which identify the applicable requirements (defined for example in laws, regulations, contracts, strategies and policies), assess the state of compliance, assess the risks and the projected expenses to achieve compliance. Refer to pages 58 to 59 of this report for further details.

Remuneration philosophy

The aim of the Group's remuneration philosophy is to adapt a market related remuneration, reward and retention strategy that will attract, retain and motivate competent employees.

Furthermore the strategy is to distinguish on the basis of job responsibility, individual performance and potential.

Remuneration policy

Individual performance is measured by means of a formal appraisal process. Performance is measured against set goals and objectives specific to the position and business unit. Salaries are benchmarked against market rates and market best practice utilising various remuneration surveys. Increases are based on three elements:

- Performance rating given in the appraisals
- Market rates
- The Group's budget.

The Group subscribes to the Patterson position grading methodology with the objective of grading the specific position in terms of level of responsibility, technical knowledge and levels of expertise.

The varying levels of responsibility within the organisational hierarchy are measured by the job evaluation process and are expressed as job grades. The pay structure is based on the hierarchy of job grades. The basic fundamental is that reward is commensurate with the level of responsibility.

Overall methodology

Various salary surveys are consulted with on a regular basis to analyse total remuneration packages inclusive of fringe benefits to that of leading companies within Africa.

Wage earners within the Group are governed by means of the Main Agreement of the National Bargaining Council for the Road Freight and Logistics Industry. The main agreement is determined by means of the centralised bargaining within the industry.

Annual bonus payments for the general staff component

The bonus payment for the general staff component is paid annually in December and February and is awarded strictly at the discretion of the Group's management, individual performance as well as based on the Group's performance.

The December bonus is determined by the employee's performance during the year and represents 50% of the bonus element. The remaining 50% of the bonus is payable in February and based on the division's financial performance for the period.

Those employees who are governed by the National Bargaining Council will receive bonuses in accordance with the main agreement of the Bargaining Council.

Annual incentive scheme for senior management

Participation to the incentive scheme for the senior management team is based on seniority in the business and level of responsibility and accountability. The senior management team comprises directors and senior heads of divisions.

The fundamentals of the senior management incentive scheme are based on the following:

- Set percentage of annual cost to company earnings, the percentage is based on seniority within the business
- Payable in March of any given year subject to,
 - The achievement of set KPIs that is specific to the position
 - These KPIs are pre-agreed upon at the beginning of the financial year and reviewed at the end of this financial year.

Employee benefits

The Group offers a non-compulsory medical aid to permanent salaried and waged employees and a compulsory provident fund and group life cover. The Group's contribution in respect of the provident fund and group life cover amounted to R36 505 000 for the year ended 28 February 2013.

Prospects

As part of our strategy, to ensure that we sustain a competent workforce who will enable us to achieve our goals and targets, the following human resources objectives have been identified for the next financial year:

- Maximising of skills development and talent management
- Skills retention of high performers and those with critical skills
- Creating a platform for succession planning through the identification of young leaders of tomorrow
- Capitalising and acting on feedback from surveys conducted in-house
- Enhanced performance management and feedback
- Increased emphasis on all pillars of B-BBEE and alignment with our business
- Internal mentoring programmes to close the gap between competency levels of junior, middle and senior management
- Integrated SHEQ data management system rolled out on all sites within the Group.

Sustainability report

(continued)

SOCIAL INVESTMENT

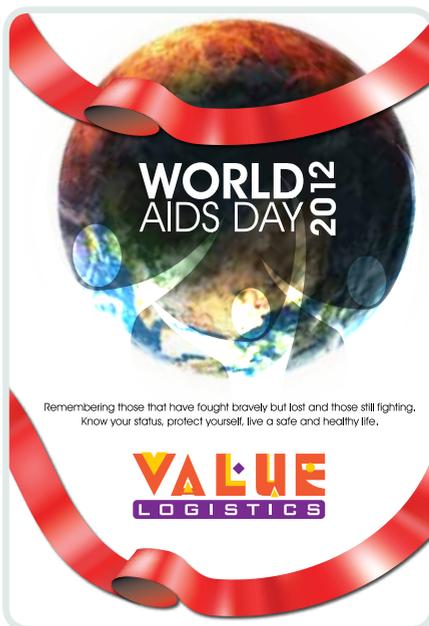
Community

The Group acknowledges its corporate social responsibility and has a balanced approach to address economic, environmental and social issues in ways that aims to benefit people, communities and society. Although we are proud on all our achievements this year, we were particularly proud of the following:

- Launched in 2004, the stationary project has benefitted almost 50 000 students to date across the country.



- The Group continued its HIV/Aids awareness initiatives. Managed and run through the Group Human Resources department, creating awareness of the illness, offering voluntary testing and treatment for drivers affected by the illness.
- Delivery in excess of 28 000 books to libraries in underprivileged rural areas.



CORRUPTION

The Group is uncompromisingly opposed to corruption. The Group does not offer, pay or accept bribes in its dealings in the marketplace and does not tolerate any such activity by its employees. All divisions in the Group are continually assessed for corruption related risks. An active fraud plan is in place and is administered by internal audit. All instances of fraud are investigated. In an effort to minimise fraud and corruption, the Group has secured the services of Whistle Blowers, an independent information gathering company, to whom the Group employees, its contractors, suppliers and customers, can report illicit activity without fear of victimisation. The whistle-blowing mechanism ensures that all reports are dealt with at the highest level and that the identity of whistle blowers remains anonymous. The toll-free number is 0800 22 32 27.

PRODUCT RESPONSIBILITY

Customer health and safety

In high-risk operations, such as transporting hazardous products, health and safety is managed by professionally staffed departments where specific procedures have been implemented to protect employees and the public from exposure to hazardous substances. The Freightpak division within the Group is most impacted by health and safety due to the hazardous nature of the chemicals warehoused and distributed by the division. The Freightpak Durban warehouse has been built on a three stage catch basin arrangement which is in accordance with South African National Standard specifications in SANS 10263: The Warehousing of Dangerous Goods.

Freightpak is compliant with the transportation of dangerous goods as regulated by the National Road Traffic Act (NRTA) and incorporated South



African National Standard specifications including SANS 10231: Transport of Dangerous Goods – Operational requirements for road vehicles.

Compliance requirements include:

- specially trained, qualified, medically approved permit holding drivers
- vehicles configured, equipped and licensed for the transportation of dangerous goods
- vehicle compliance with SANS 1518: Design Requirements for Road Tankers
- vehicle inspections
- loading practices in accordance with SANS 10187: Load Securement on Vehicles
- set routes, planned stopping areas, tracking of vehicles, pre-trip and on route checks
- emergency preparation including on-road emergency procedures and liaison with on-route emergency services

Sustainability report

(continued)

- required documentation including trencards and dangerous goods declarations
- cleaning of tankers by compliant and licensed tanker cleaning services
- insurance for environmental cleanup and rehabilitation.

For the Group, compliance is essential for minimising on-route incidents which could have a direct impact on the environment, health and safety of communities. The above requirements do however increase consumption of resources such as wood, plastics and metals.

COMPLIANCE

The following significant acts have been identified as applicable to the Group and compliance reviews have been performed during the current financial year with no material inconsistencies identified.

Labour Law

- Basic Conditions of Employment Act, 75 of 1997
- Broad Based Black Economic Empowerment Act, 53 of 2003
- Employment Equity Act, 55 of 1998
- Labour Relations Act, 66 of 1995
- Skills Development Act, 97 of 1998
- Unemployment Insurance Act, 63 of 2001

Tax Law

- Income Tax Act, 58 of 1962
- Value Added Tax Act, 58 of 1962
- Skills Development Levies Act, 9 of 1999
- Unemployment Insurance Contributions Act, 2 of 2002

Information Technology Law

- Electronic Communications and Transactions Act, 25 of 2002
- Regulation of Interception of Communications and Provisions of Communication Related Information Act, 70 of 2002
- Promotion of Access to Information Act, 2 of 2002

Financial Law

- National Credit Act, 34 of 2005
- Financial Intelligence Centre Act, 38 of 2001
- Financial Advisory and Intermediary Act, 37 of 2002
- Financial Services Board Act, 97 of 1990
- Financial Institutions (Protection of Funds) Act, 28 of 2001
- Short-term insurance Act, 53 of 1998

Other Transport

- Carriage by Air Act, 17 of 1946
- Carriage of Goods by Sea Act, 1 of 1986
- Sea Transport Documents Act, 65 of 2000 (relevant, but no requirements)

Other

- Security Services Act, 36 of 2004 (not applicable but the JSE Listings Requirements are applicable)
- Customs and Excise Act, 91 of 1964
- Pension Funds Act, 24 of 1956
- Prevention of Constitutional Democracy against Terrorist and Related Activities Act, 33 of 2004

Health and Safety Law

- Compensation for Occupational Injuries and Diseases Act, 130 of 1993
- Occupational Health and Safety Act, 85 of 1993

Environmental Law

- National Environmental Management Act, 107 of 1998
- National Environmental Management: Waste Act, 59 of 2008
- National Water Act, 36 of 1998
- Environmental Conservation Act 73 of 1989
- National Environmental Management: Air Quality Act 39 of 2004

Administrative Law

- Protected Disclosures Act, 26 of 2000
- Prevention of Organised Crime Act, 121 of 1998
- Prevention and Combating of Corrupt Activities Act, 12 of 2004

Company Law

- Competition Act, 89 of 1998
- Consumer Protection Act, 121 of 1998
- Companies Act, 71 of 2008

Road Transport

- Cross Border Road Transportation Act, 4 of 1998
- National Road Traffic Act, 93 of 1996
- Road Transportation Act, 74 of 1977
- Administrative Adjudication of Road Traffic Offences Act, 46 of 1998

Product Transport

- Meat Safety Act, 40 of 2000 (relevant, but only once the transportation of meat products is performed by the Group)
- Hazardous Substances Act, 15 of 1973
- Fertilizers, Farm Feeds, Agricultural Remedies and Stock Remedies Act, 36 of 1947
- Petroleum Products Act, 120 of 1977
- Medicines and Related Substances Act, 101 of 1965

The Protection of Personal Information Bill ("POPI") has been approved by the Justice Committee. The Bill will change direct marketing and the way in which unsolicited electronic mail may be used. It is also intended to prevent the sale of personal information without permission. POPI is expected to be passed in 2013, where after the same procedure applied to all the other Acts mentioned herein will be followed.

Fines and penalties are reported by the Group regardless of size or significance. The Group's traffic fines department investigates the nature and amount of all traffic fines incurred and redirect where appropriate on an ongoing basis. Traffic fines incurred before recoveries for the current year amounted to R478 000 compared to R214 000 for the prior year.