

The nature of Imperial Logistics' business, whether we are transporting or warehousing consumer products, pharmaceuticals or chemicals, requires robust safety controls that protect all our stakeholders and ensure safe working conditions for our employees.

Safety is a standard requirement in client contracts and requires daily focus by senior management. To minimise a client's supply chain risk, we offer customised and specialised safety solutions, ranging from the storage and distribution of hazardous materials to warehouse design that enables better inventory management, guarding against the expiration of consignment stock. In addition, temperature control and cleaning processes are key factors in maintaining food grades and the quality of pharmaceuticals.

We distribute a diverse range of products from cyanide and fuel to contact lenses, antiretrovirals and whiskey. In South Africa, we make more than 2,5 million consumer packaged goods deliveries annually and, in Africa, we manage more than 150 000 healthcare stock keeping units. In Europe, we manage more than 20 automotive warehouses with an annual production of more than 2,3 million cars and we have unmatched capability in the chemical industry with more than 60 tankers, 17 gas tanker vessels and 26 specialised warehouses.

We are contractually bound to inform our clients of any potential risks to consumer health and safety. We consider regulatory requirements, best practice and industry guidelines, as well as our own expertise, to ensure the safe receipt, storage and distribution of goods.

Our pharmaceutical-compliant operations in six African countries are subject to internal and external regulatory reviews. All Imperial Health Sciences and Pharmed operations are licensed with their local regulatory authorities, and Imperial Health Sciences is ISO 9001: 2008 certified in Ghana, Kenya and South Africa.

Similarly, clients of consumer goods regularly audit our warehousing and distribution standard operating procedures. In South Africa, our in-house safety audit protocol has been benchmarked with the systems of some of our key clients. Site audits take place once or twice a year by senior management and assist our companies to prepare for client-driven audits.

Occupational health and safety (OHS) management frameworks are in place for Africa and Europe, and policies, procedures and safety initiatives are continually reviewed to ensure they are relevant and meet client requirements.

Our management systems in Africa align to the requirements of each country's OHS legislation, and in Europe they meet the International Labour Office's OHS guidelines (NLF/ILO-OSH 2001), and ISO's specifications for OHS management (BS OHSAS 18001) and quality management systems (ISO 9001).

A new set of key performance indicators has been identified to manage OHS in Europe and will be reported in the Imperial Logistics integrated annual report for the next financial year. The performance indicators assist to identify unsafe conditions and weaknesses in OHS management, and cover the regulatory requirements of all countries of operation. Targets for OHS will be set annually by each company going forward. Over the next three years, we aim to achieve the new ISO 45001:2018 (international OHS auditing) standard across all European company sites. Training and changes to processes and documents will start at the end of 2018 in preparation for the first round of internal audits in 2020.

Link to material issues

- › Combine people, partnerships and processes to ensure consistently excellent execution.
- › Ensure legitimacy in demanding markets to underpin competitive advantage.
- › Establish corporate citizenship credentials.

Opportunity

High employee and product safety standards contribute to attractive client and employee value propositions.

Risks and challenges

- › Increased costs and compliance risk from failure to manage health and safety risks effectively.
- › Reputational risk from not meeting client expectations and requirements.

Boundary

All Imperial Logistics entities.

Performance measure

No material instances of non-compliance with laws and regulations for the provision and use of our products and services were reported during the year.

Areas of focus

Manage occupational health and safety	Ensure quality consumer and medical products	Develop and embed robust safety solutions for clients in the automotive and chemical and energy sectors
<p>Priorities</p> <ul style="list-style-type: none"> › Manage safety governance through a network of safety committees and safety representatives (located at all sites and on board shipping vessels) who ensure that safety standards are implemented and identify areas for improvement. › In Europe, develop a new health and safety strategy and implement new OHS risk assessment processes and governance structures in preparation for the new ISO 45001:2018 standard. › Investigate all accidents and incidents whether or not they result in injury or occupational disease. This enables a clear understanding of what constitutes unacceptable risk and the preventative measures needed. › Regular OHS checks conducted by internal safety specialists or external certified experts to ensure adherence to standards and regulations with oversight from the Imperial Logistics risk team. Independent external audits at all sites take place annually. › Training, including e-learning, and safety awareness campaigns. <p>For information on road safety, see defensible road safety practices.</p>	<p>Priorities</p> <ul style="list-style-type: none"> › Procure products directly from principals and serialise them to enable traceability. › Controls to ensure that medicines entering Africa through our channels are genuine. › Maintain constructive relationships with regulators and governments to ensure the sustainable supply of quality medicines. › Registered pharmaceutical professionals ensure we comply with legislation and client-specific standards and processes. › Implement warehousing and distribution procedures that reduce the risk of product deterioration, including temperature-controlled distribution capabilities for perishable products. › Specialised training for OHS teams. › Regular trade visits to retailers. Concerns over product handling are communicated to the responsible executive for correction. › Certificates of destruction to ensure that products that fail to meet required standards are destroyed in accordance with client specifications. › Board membership of People that Deliver, a global initiative which focuses on upskilling and professionalising pharmaceutical supply chain workforces in developing countries. › Provide warehouse management training to employees and health and logistics practitioners in public health facilities, government health departments and private logistics companies through the Imperial Logistics Supply Chain Academy. 	<p>Priorities</p> <p>Chemical and energy</p> <ul style="list-style-type: none"> › Ongoing customised training for employees handling chemicals. › State-of-the-art fire protection and safety technology in warehouses storing hazardous materials. › Specialised transport of fuel, bulk lubricants and gas products, including: <ul style="list-style-type: none"> • Hulls of new gas barges reinforced with extra collision protection. • Vehicles transporting bulk liquid chemicals in Europe fitted with state-of-the-art tanks, active brake assist, tyre-pressure warning systems, light emitting diode (LED) daytime running lights, lane departure warning systems, built-in rain and light sensors, semitrailer coupling sensors and breathalysers linked to engine mobilisers. <p>Automotive</p> <ul style="list-style-type: none"> › Management systems that meet the VDA 6 (Verband Der Automobilindustrie/VDA Automotive) standard for suppliers to the automotive industry. › A new specialised training intervention developed for safety representatives.

Using technology to ensure employee safety

At tank cleaning stations in Germany, our employees are exposed to risks including dangerous atmospheres and working at heights, requiring fast response times in emergency situations. In December 2017, we introduced a customised gas detection instrument that features wireless communication, location technology and automatic gas and fall detection capabilities. The Blackline Safety G7c sends an alert with relevant information to site managers and monitoring personnel when an employee working in a lone location needs help. A built-in industrial-grade speakerphone automatically connects to monitoring personnel who are able to speak directly to the employee to assess the emergency and understand the response required. Nearby co-workers are dispatched as the first responders. The technology gives comfort to employees as the emergency response time is minimised in potentially life-threatening situations.

A new state-of-the-art healthcare building

During the year, we unveiled our new 9 000m² world-class healthcare facility in Centurion, South Africa. The increased pharmaceutical-compliant storage space and new picking methodology enables us to get lifesaving medicine to locations in Africa faster and more cost effectively.

The biggest challenge faced during the project was staying operational 24/7 and meeting client service levels while the existing buildings were demolished to make space for the re-development. Unwavering health and safety regulations were enforced in areas that remained operational and stock worth more than R1 billion was protected.

The heating, ventilation and air-conditioning (HVAC) system ensures that temperature levels remain constant between 18°C and 25°C. The fire suppression and smoke extraction system includes water storage tanks with a storage capacity of 775 000 litres, 12 000 sprinkler heads and smoke extraction fans capable of extracting 84 cubic metres of smoke per second from the building. Advanced materials handling equipment able to operate at temperatures of 5°C was sourced to construct two cold storage warehouses that store rare vaccines and a one-hour fire rated enclosure was designed to surround and effectively protect the cold rooms.

The new LED lighting system will achieve a total energy saving of 30% per month.

Delivering modular healthcare infrastructures across Africa

In Africa, healthcare supply chains face a number of challenges, including a need for health posts in remote areas and solutions to the lack of quality supply chain infrastructure needed to ensure that health commodities are available and maintained in good quality.

Our In-a-Box solutions enable the rapid commission and installation of prefabricated modular facilities that are pharmaceutical compliant, validated, fully outfitted and can be deployed immediately. Suitable for urban and rural areas, the standards and operational benchmarks of these facilities are aligned with international warehousing practices and supply chain and design principles.

The materials used to build an In-a-Box facility are significantly cheaper than traditional building methods and have a 30-year plus lifespan. In addition, each solution is able to accommodate water and waste treatment options and systems that harvest water, HVAC condensate and solar power. Energy costs are reduced by energy-efficient panels, doors and lighting.

Warehouse-in-a-Box™ facilities have been installed in Tanzania and Abidjan in Côte d'Ivoire, and are under construction in Mali. In Tanzania, the modular design can deliver between 1 000 and 10 000m² of warehousing space, easily able to accommodate future growth demands. The 4 095m² warehouse in Abidjan was built for the New Public Health Pharmacy, which works with the Ministry of Health to distribute pharmaceuticals. Results are showing a significant improvement of the pharmaceutical distribution network in the country.

Clinic-in-a-Box™ is a prefabricated health post that includes a dispensary which can be erected within a day. The solution brings essential medical services to communities at the point of need. Storage-in-a-Box™ and Cold-Storage-in-a-Box™ units are pharmaceutical-compliant storage solutions deployed to expand healthcare supply chains, where required.

For information on making healthcare available to low-income communities in South Africa, see [supporting micro-enterprises that provide primary healthcare services](#).

In-a-Box solutions

Over 300 clinic and storage solutions deployed across Africa, with a further 150 Storage-in-a-Box™ units in production for Malawi.

Over 100 units are able to operate off-grid using solar power and water storage facilities. This is key given the crippling power outages experienced in some African countries and the poor access to water in rural areas.

The initiative also contributes to job creation and local business development during the construction of these facilities.

Using education and technology to drive access to affordable, quality-assured medicines

Funding, inadequate resource allocation, customs gridlock and counterfeit pharmaceuticals are major challenges to healthcare delivery in Africa. For patients, shortages can mean dangerous breaks in treatment and for the public health system, wasted funds on emergency orders. In addition, a significant portion of the total delivered cost of medicines in Africa – up to 40% – is made up of supply chain, distribution and other non-core costs. As Africa's leading healthcare supply chain partner, we play a key role in the access to and affordability of medicine through efficient service delivery.

According to new data published by the World Health Organisation (WHO), one in 10 medical products circulating in low and middle-income countries is either substandard or falsified, with antimalarials and antibiotics being the most commonly reported. More than 500 fake versions of pharmaceutical products are currently circulating across all disease areas with around 40 000 rogue online pharmacies active at any one time.

We are committed to fighting the scourge of counterfeit medicine and believe that technology and education are the two most effective weapons.

We have joined forces with global action campaign 'Fight the Fakes' to raise awareness in local communities on the dangers of counterfeit medicines. The campaign unites supply chain partners, provides accurate information on the risks of falsified medicines and educates people on how to avoid, identify and report suspicious products.

We use serialisation and authentication technology to respond to counterfeits and falsified medications. Serialisation is the assignment of unique, traceable numbers to individual items, providing traceability at all levels along the supply chain. We have recently partnered with German software giant, SAP, to further improve our serialisation process and make it easier for patients themselves to check whether their medicine is counterfeit.

Product authentication confirms a product's concentration of constituents at any point in the supply chain using Raman spectral techniques, which are commonly used in chemistry to provide a structural fingerprint by which molecules can be identified. The technology is non-invasive and non-destructive, providing a quick way to analyse medicines. We are also working to create a database of authenticated product spectral scan images of our clients' products using Raman technology. The database will be used to provide broad quality screening services in wholesale and retail settings.

Imperial Logistics has built the world's first blockchain-enabled pharmaceutical control tower to offer unmatched visibility across our pharmaceutical supply chains. The benefit ultimately serves the patient who receives the right medicines, in the right place, at the right time (see [*understanding the opportunities associated with supply chain control towers*](#)).

In addition, our mobile app, Clipboard for Healthcare, helps clinics and remote healthcare facilities manage patient records, dispense medicine, manage laboratory reports and stock, access remote medical resources and conduct field surveys using a smartphone or tablet.