

Sustainability Report

> continued

Dealerships

SA

- Leons Rustenburg funded a cochlea implant for a member of staff.
- Grand Central Motors supported Reach for a Dream, Jabez, Crime Reporting, Care for the aged, Blind SA and a Women's Day project.

UK

- Action Medical Research for Children
- The Forever Friends Appeal in conjunction with Bath Royal United Hospitals
- Events to raise funds for the Haven House Children's Hospice
- A charity football tournament for the Lymphoma Leukemia Charity
- Sponsorship of local sports clubs

Environment

Carbon emissions

The Group continues to focus on environmentally friendly business practices. Many of these initiatives make good business sense in that they form part of the Group's continuing drive to improve efficiencies. The new development at Super Park has included energy efficient lighting, solar electricity generation and heating and the re-use of waste water for the Truck Wash. The Group continues to replace office lights with LED lights for further electricity saving. During the current year total emissions declined as a result of the slow down in the South African economy, in particular within Supply Chain Africa.

The Group continues to ensure that its vehicles are properly maintained and not overloaded. Along with continuous driver training, this ensures that carbon emissions from all vehicles meet manufacturers' specifications. Unfortunately the Group has no control over the Fuel Emission Standards. Currently South African Fuel complies with

"Euro-2 Standards". Europe is on "Euro-5 Standards". It is expected that South Africa will move to the "Euro-5 Standard" by 2017.

This data is used to implement programmes to control, mitigate and reduce where possible the carbon emissions used by the Group. Road travel comprises the most material element of the Group's carbon footprint and as a result of having no control over Fuel Emission Standards, the Group does not believe there is any benefit in setting emission reduction targets. The Group recognises both the financial and environmental benefits of ongoing carbon emission reduction and will continue to look for opportunities to reduce its carbon footprint.

The reduction in CO₂e emissions per R1 billion of turnover from FY2015 to FY2016 are as a result of the slowdown in the South African economy and the inclusion of Allen Ford which has lower carbon emissions than a logistics business.

Electricity and water usage

In South Africa, the Group has put significant focus on reduction in the use of electricity. At Super Park only low energy lighting is used as well as in most of the Group's dealerships and other offices. This initiative has already resulted in a significant reduction in electricity consumption. Throughout the Group similar initiatives have resulted in significant reduction in electricity usage. With the above inflation increases in electricity, these initiatives result in direct cost savings to the Group.

In a number of property developments completed or in progress, environmentally friendly features have been or will be implemented to reduce the use of electricity and water at these sites. These include the use of solar technology, natural light, grey water systems and energy-efficient lighting, cooling and heating equipment.

SG Fleet has had a carbon reduction programme in place since 2008. In that period SG Fleet has achieved a 13.3% (2015: 17%) reduction in emissions measured as per 1000 cars against a target of 20%.

During the 2014, 2015 and 2016 financial years ended 30 June, the Group reported that its carbon emissions were as follows:

Description	1 July 2013 to 30 June 2014	1 July 2014 to 30 June 2015	1 July 2015 to 30 June 2016	Change FY2014 to FY2015
	Total	Total	Total	
	CO ₂ e tonnes	CO ₂ e tonnes	CO ₂ e tonnes	%
Road travel	209 383	216 607	203 480	(6.06)
Electricity	41 422	53 568	54 451	1.65
Other ²	910	1 307	2 456	43.63
Total	251 715	271 482	260 387	(4.09)
CO₂e tonnes per R1 billion turnover	17 604	16 415	10 941	(33.35)

¹ These figures included Allen Ford for the first time.

² Includes electricity, generator fuel, air travel, hotels, waste and water. This figure increased in FY2016 as a result of increased international travel following the expansion into new geographical areas and the extensive use of generators in Southern Africa as a result of Eskom's load-shedding.

³ The figures in the table do not include IN TIME, which will be reported from 1 July 2016.