



**supergroup** 

**SUSTAINABILITY REPORT** for the year ended 30 June 2018

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# Sustainability Report

## Introduction

The Sustainability Report has been created to report, in more detail, on Super Group's employees, the Group's Corporate Social Investment (CSI) and the impact of the Group's operations on the environment.

These issues are of significant importance to the Group in terms of its obligations to all of its stakeholders, who include its employees, suppliers and customers, shareholders and the communities in the countries in which the Group operates.

Super Group recognises the essential need to actively contribute to the social upliftment of previously disadvantaged communities.

## Employment equity

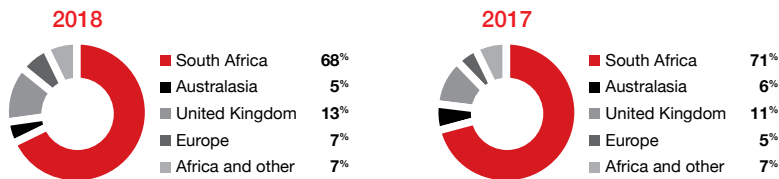
Individual development, equality and performance-based advancement are the cornerstones of Super Group's approach to bring and maintain a balanced and highly skilled workforce.

The Group has embarked upon a broad-based initiative with the intention of impacting on the lives of all of its employees, their families and the communities in which they live. The Group believes that this approach will ensure that its employees become responsible individuals, citizens and parents. Super Group's success, in part, is as a result of its dedicated and committed employees.

## Employees

### Headcount per geography:

For the year ended 30 June 2018, Super Group employed 11 930 (2017: 10 797) permanent employees, of whom 67.9% (2017: 70.5%) are based in South Africa, 7.4% (2017: 7.4%) based in sub-Saharan Africa, 5.3% (2017: 6.0%) are based in Australasia, 12.6% (2017: 10.6%) in the UK and 6.8% (2017 5.5%) in Europe.



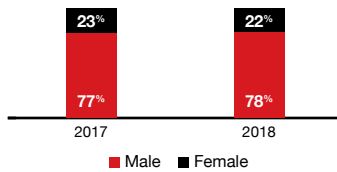
Country	Male	Female	2018	2017
South Africa	6 366	1 734	8 100	7 617
Australasia	331	303	634	644
United Kingdom	1 171	332	1 503	1 146
Europe	536	275	811	594
Africa and other	858	24	882	796
<b>Total employees</b>	<b>9 262</b>	<b>2 668</b>	<b>11 930</b>	<b>10 797</b>



# Sustainability Report (continued)

## Headcount per gender:

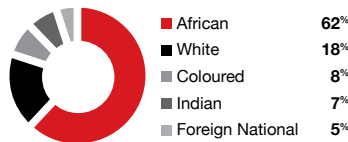
Male employees constituted 78% (2017: 77%) of Super Group's workforce.



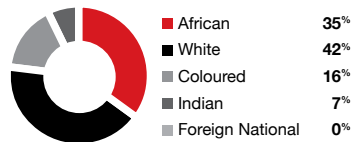
## Headcount per ethnic group:

Super Group's South African employees are represented by the following ethnic groups:

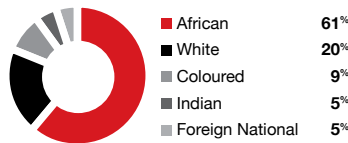
### SA Employees Male 2018



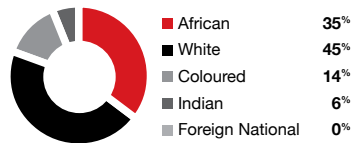
### SA Employees Female 2018



### SA Employees Male 2017



### SA Employees Female 2017



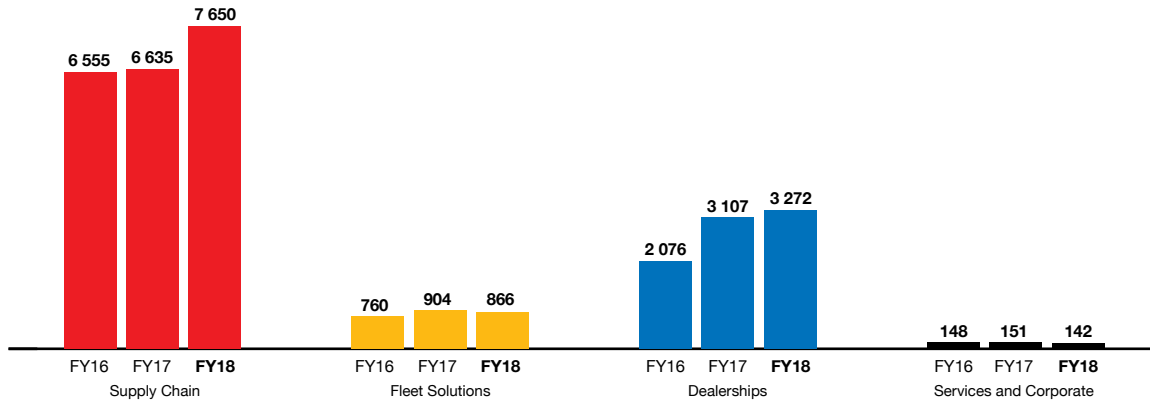
## The South African employees' positions within the Group are:

JUNE 2018	WHITE		BLACK		COLOURED		INDIAN		FOREIGN NATIONAL		TOTAL
	Male	Female	Male	Female	Male	Female	Male	Female	Male	Female	
Top management	5	-	2	2	-	-	-	-	-	-	9
Senior management	80	19	17	6	11	3	11	3	1	-	151
Middle management	645	245	727	80	164	31	87	17	29	1	2 026
Junior management	266	287	1 846	201	191	134	135	59	184	2	3 305
Semi-skilled	120	176	1 094	273	161	100	224	34	90	3	2 275
Unskilled	6	-	241	50	5	7	3	-	21	1	334
<b>Total</b>	<b>1 122</b>	<b>727</b>	<b>3 927</b>	<b>612</b>	<b>532</b>	<b>275</b>	<b>460</b>	<b>113</b>	<b>325</b>	<b>7</b>	<b>8 100</b>
Disabled (incl. in above totals)	15	2	18	9	1	-	1	-	-	-	46

JUNE 2017	WHITE		BLACK		COLOURED		INDIAN		FOREIGN NATIONAL		TOTAL
	Male	Female	Male	Female	Male	Female	Male	Female	Male	Female	
Top management	30	8	1	1	-	-	1	-	-	-	41
Senior management	330	117	75	12	94	26	45	4	-	-	703
Middle management	427	222	586	59	150	55	73	20	35	1	1 628
Junior management	331	313	1 761	206	204	89	151	54	166	1	3 276
Semi-skilled	48	103	1 072	257	79	58	27	27	58	2	1 731
Unskilled	4	2	147	61	-	1	1	-	22	-	238
<b>Total</b>	<b>1 170</b>	<b>765</b>	<b>3 642</b>	<b>596</b>	<b>527</b>	<b>229</b>	<b>298</b>	<b>105</b>	<b>281</b>	<b>4</b>	<b>7 617</b>
Disabled (incl. in above totals)	15	2	18	9	1	-	-	1	-	-	46

## Headcount per division:

The headcount within Super Group's divisions is as follows:



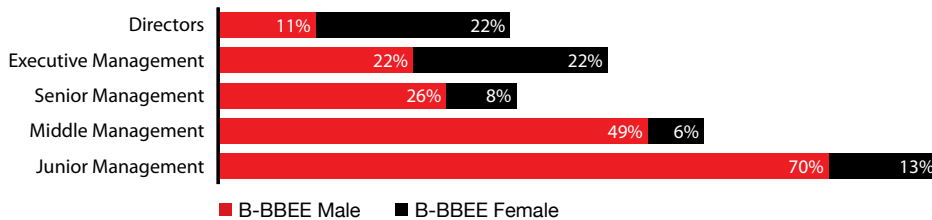
## Broad-Based Black Economic Empowerment

Super Group has embraced the concept of Broad-Based Black Economic Empowerment (B-BBEE) and as such developed a corporate policy framework that incorporates all of its interventions.

On 1 October 2012, the shareholders of Super Group approved a B-BBEE Scheme for the Black (as defined by the Black Economic Empowerment (BEE) Act) staff. The Group has empowered its South African operations by allocating an effective 10.04% ownership of the South African operations to the Black South African Super Group employees. Super Group Holdings, the holding company for the Group's South African operations, received a Level 1 B-BBEE Contributor status for the year ended 30 June 2018.

B-BBEE gender representation for management (South Africa):

### B-BBEE Male/Female



The South African Operations spent 3.06% (2017: 1.59%) profit after taxation on Enterprise Development and Supplier Development.

## Skills development

The Group has embarked on extensive skills development initiatives which include Learnership, Apprenticeship and Management Development Programmes. These programmes focus on the upskilling of staff as well as unemployed learners in order to increase productivity and know-how in the business and have been a major priority for the past two years and will be for the next three years.

The Group's Skills Development strategy, a sub-component of the Group's B-BBEE strategy, covered various skills development initiatives over the reporting period including but not limited to Learnerships, Apprenticeships and Internships for both employed learners and unemployed learners. In the interest of diversity, the Group's Skills Development strategy included both able-bodied and disabled learners, mirroring the Economic Active Population demographics of the country, who participated in skills development programmes.

During the financial year ended 30 June 2018, 16% (2017: 23%) of Super Group's staff received training. Training programmes included, amongst others, the following – Automotive Apprenticeships, Learnerships in Business Practice, Business Administration, Call Centre and General Management courses and programmes. 56 unemployed Black learners as well as 12 disabled Black ladies were recruited to participate in learnership programmes this past year and we expect that most of these learners would be absorbed into the business upon completion of their respective training programmes.

During the financial year ended 30 June 2018, the Group invested more than 5% of its payroll cost on staff skills development.

The Group will continue to develop and promote Black staff through its development programmes and on-the-job training. The Group recognises that there is strength in diversity and that this will contribute towards a successful organisation in the future.

The value of goods and services from suppliers who are accredited B-BBEE Level 3 Contributors and better was 59.1% (2017: 51.5%) of the Group's total spend.

# Sustainability Report (continued)

## Health and safety

### Employee health and wellness

The Group has a comprehensive Health and Wellness Policy that is available to all employees on the Group's Intranet as well as included in each new employee's starter pack.

The policy addresses life threatening diseases which include, but are not limited to, AIDS, cancer, chronic obstructive airways disease, heart disease and tuberculosis. The policy provides comprehensive background information about HIV and AIDS and some of the key issues covered include:

- / Confidentiality of medical information and employee privacy.
- / Voluntary testing with counselling.
- / Non-discrimination.
- / Support for ill employees.
- / The employees' duty to report to their manager when they are not well enough to perform their duties and may endanger their colleagues.
- / Managers' duties and responsibilities to ill employees.
- / Health education.

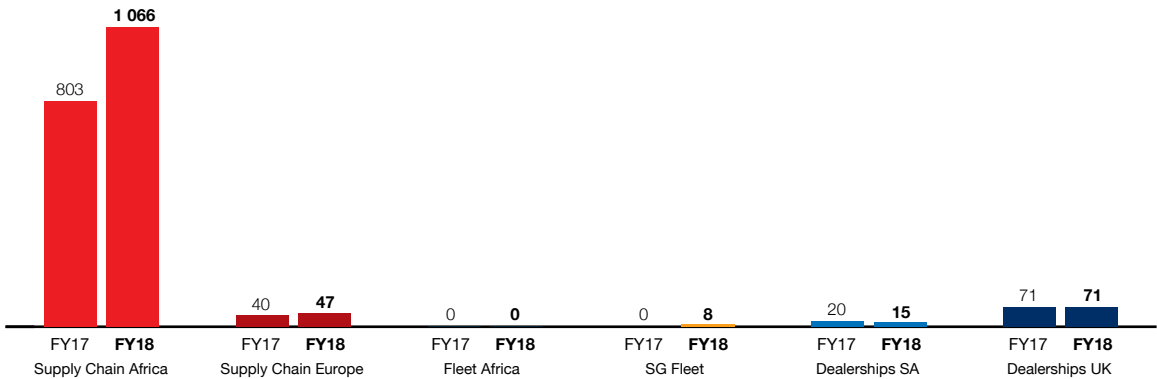
The Group hosts wellness days for its employees at various sites. The Supply Chain Division also participates in the Trucking Wellness programme which is a Road Freight Association project where mobile clinics focus on the wellbeing of the truck drivers and support staff and the message of wellness and information about HIV and AIDS is given.

### Occupational Health and Safety

The Group continued with its emphasis on Occupational Health and Safety (OHS) during the financial year. The OHS Officer visited every one of the Group's South African operations during the year. He identified issues and in conjunction with site management developed plans to address problem areas. Significant focus continues to be placed on the training of Safety Officers and First Aiders.

The total number of incidents and accidents for the years ended 30 June 2017 and 2018 are set out in the graph below:

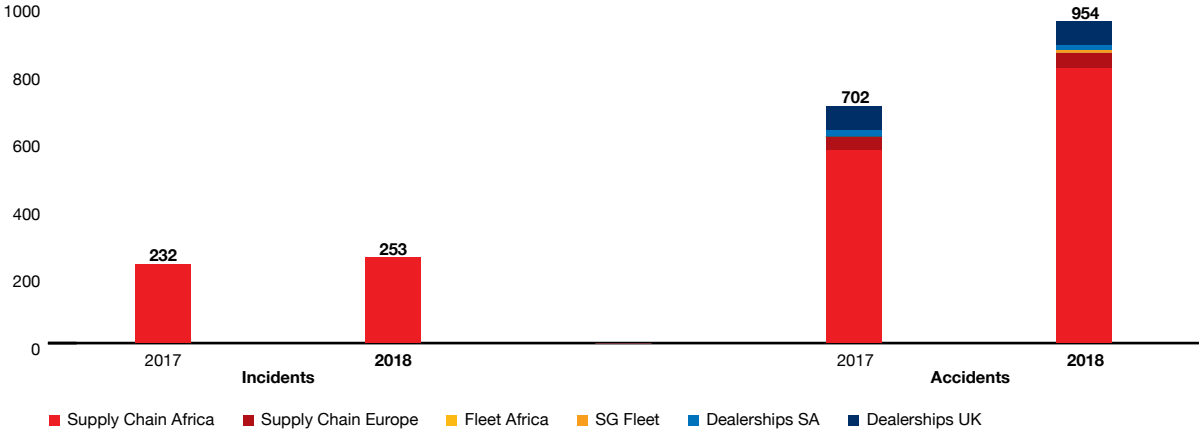
**2018: Total of 1 207 incidents and accidents** (2017: Total of 934 incidents and accidents)



The Supply Chain Division also participates in the **Trucking Wellness programme which is a Road Freight Association project** where mobile clinics focus on the wellbeing of the truck drivers and support staff and the message of wellness and information about HIV and AIDS is given.

The incidents and accidents per business for the years ended 30 June 2017 and 2018 are set out in the graph below:

**Incidents and accidents**



**Meaning of each category:**

<b>Incident</b>	An unwanted event which, in different circumstances, could have resulted in harm to people, damage to property or loss to a process.
<b>Accident</b>	An unplanned event that results in harm to people, damage to property or loss of process.

The Group had 225 injuries (2017: 184) and two fatalities (2017: 0) as a result of the incidents and accidents above.

A number of Super Group’s operations are ISO9001:2008 accredited.





# Sustainability Report (continued)

## Community Social Investment (CSI)

The Group actively encourages the divisions and their employees to get involved in CSI activities. The Group continued to support Rise Against Hunger: Africa as a core project in South Africa. In addition, the Group in co-operation with the Dealerships SA Division, commenced a project with Rays of Hope. The different operating units continued with other activities in the communities in which they operate. This enables the employees to get involved in activities that are relevant to them and the communities in which they operate.

The Group's divisions were involved in a wide range of projects supporting education and nutrition and contributed to and supported various charities. The South African operations spent 1.64% (2017: 1.30%) of profit after taxation of the South African operations on Social Economic Development (SD) in the financial year ended 30 June 2018.

The charities and initiatives the South African operations were involved in and contributed to include:

### Group

The main CSI initiative at Group level is the continued support for Rise Against Hunger: Africa.

## Super Group contributes to ending hunger in South Africa and providing a secure and safe place for children to obtain a quality education

Super Group has been providing logistical support on an ongoing basis for over five years to international NGO, Rise Against Hunger: Africa in South Africa.

"This logistical support has enabled us to continue our momentum of growth and from just 9 000 beneficiaries in 2015 we are now servicing close to 66 000 beneficiaries as at February 2018! A truly remarkable achievement", says CEO, Saira Khan. "Without this vital support to distribute meals to children living in vulnerable and poverty stricken conditions, we would not have been able to achieve the success we currently experience in a sustainable manner. Our heartfelt thanks for investing in the future of children", she concludes.

The Super Group vehicles for the financial year July 2017 to June 2018 have distributed over four million meals countrywide to support children and university students nationally. Further, the two offices in the Eastern Cape and KwaZulu-Natal that were funded by Super Group on a once-off grant are now providing service to vulnerable children in these regions.

### MANDELA DAY:

Despite its own challenges, Super Group was again able to provide us with additional Super Link vehicles to achieve our targets for this important date in the calendar. We packaged 784 000 meals on Mandela Day at the Sandton Convention Centre. Without this support, we would have been hard pressed to undertake these deliveries.

We owe our growth and success to companies like Super Group who continue to see the "Bigger picture" of investing in vulnerable children and ensuring a quality education by providing them with a nutritious meal. Our heartfelt thanks go to Super Group for this unconditional support.

**Saira Khan**

**Chief Executive**

*Together we can end hunger!*





## Supply Chain Africa

Some of the activities that the various divisions of Supply Chain participated in included:

- / Sponsorship of the Sani2C Cycle Tour. The tour supports a number of worthy beneficiaries including schools, education bursaries, conservation and environmental groups.
- / Sponsorship of the Tour de Tuli. The tour supports the Children of the Wilderness.
- / SG Consumer sponsored food for families through the Laerskool van Riebeeck and made a donation to the Edenvale SPCA.
- / SG Freight made donations to I-Care, the Teddy Bear Foundation, People in Trouble Time Boxes, NSRI, SG Mobility's Blanket Drive, 26 Vieve Acrobatic Dance and Maricha Havemann Memorial Trust.
- / SG Agility made donations to Hope Baby House, an underprivileged school, Rotary, Santa Shoebox, Careways and ER24. SG Agility provided major logistical support to the Tour de Tuli, for the benefit of the Children of the Wilderness.
- / SG Mobility organised and supported a blanket drive for disadvantaged communities. Made a number of donations to various deserving charities and organisations and provided bursaries for members of staff.
- / Digistics made donations to the Ronald McDonald House Charity projects, the KFC Add Hope and other KFC charity projects, the Pizza Hut charity projects, the King Pie Charity projects, the 1000 Hills Community Home project in KZN and the Compass Children's Home in Edenvale.
- / Phola Coaches provided free busses for events related to local community activities including football teams, schools and other institutions.
- / SG Coal contributed to the Vaalbank Evergreen Primary School Renovation and Crèche Building Initiative and to the rehabilitation of parks and other facilities in local disadvantaged communities in which it operates.
- / Legend Logistics donates money to disadvantaged communities in which it operates to fix roads, to pave areas at schools, to provide backpacks, clothing and shoes to learners and to funeral costs for members of the communities.
- / Vsc supported a house in an SOS Children's village, made a donation to SG Mobility's Blanket Drive and Spar for the drivers' competition.

## Supply Chain Europe

- / inTime made a donation to a charitable society that supports the children of Chernobyl.



# Sustainability Report (continued)



## Fleet Africa

Some of the activities the staff of Fleet Africa participated in include:

- / Provision of transport for Splash Projects.
- / Donated a vehicle to Johannesburg Child Welfare.



## SG Fleet

SG Fleet's activities included:

- / Sponsorship of 15 children via the World Vision Programme. Besides financial assistance the children receive regular communication from staff including letters, cards and Christmas and birthday gifts.
- / Sponsorship of numerous Australian charities including the St George Foundation, Wespac Lifesavers, Arnott's Foundation, Can4Cancer, Woodlands and Wetlands Trust and various other charities in Australia.
- / Sponsorship of a number of charities in New Zealand.
- / Support of the Auckland Rescue Helicopter Trust.
- / Sponsorship of a number of charities in the UK.



## Dealerships SA

- / Sponsored a vehicle for Rays of Hope.
- / A donation to the Sani2C Cycle Race for the charities supported by this race.
- / Support for uBambisiwano, a Saturday School Programme for learners from disadvantaged schools.
- / Donation to the Laureus Sports Foundation - Sports initiatives for disadvantaged communities in SA.
- / A donation to the Mazda Foundation which supports schools in rural KwaZulu-Natal.



## Dealerships UK

- / Official Supplier to the Lord's Taverners Charity. The Lord's Taverners is the official charity for recreational cricket and the UK's leading youth cricket and disability sports charity. Its charitable objective is to 'give young people a sporting chance'.
- / Sponsored the Test Track 10K Charity Run for the benefit of St. Luke's Hospice.
- / Exhibited at Frankie's Classic Car Fest for the benefit of St. Francis Hospice.
- / Sponsorship of a "hole-in-one" prize at the Burstead Golf Day for the benefit of Lennox Children's Cancer Fund.
- / Donated GBP1 000 to the Billericay Lions for the benefit of a number of charities.
- / Platinum Club sponsor for the Essex Cricket Graham Gooch Cricket Centre Refurbishment for the benefit of Youth Cricket, Disability Cricket and the Essex Cricket Foundation.

## SG IT and SG Procurement

- / Made donations to the Rotary Club of Rosebank, The Miracle Trust Drive, SG Mobility's Blanket Drive and DL Link.

## 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 increased as a result of the inclusion of acquisitions.

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 not known when South Africa will move to the "Euro-5 Standard".

During the 2016, 2017 and 2018 financial years ended 30 June, the Group reported that its carbon emissions were as follows:

Description	1 July 2015 to	1 July 2016 to	1 July 2017 to	Change FY2017 to FY2018
	30 June 2016	30 June 2017	30 June 2018	
	Total	Total	Total	
	CO <sub>2</sub> e tonnes	CO <sub>2</sub> e tonnes	CO <sub>2</sub> e tonnes	%
Road travel <sup>Note 2</sup>	203 480	247 360	276 184	11.65
Electricity	54 451	61 700	71 969	16.64
Other <sup>Note 3</sup>	2 456	3 016	3 664	21.49
<b>Total</b>	<b>260 387</b>	<b>312 076</b>	<b>351 817</b>	<b>12.73</b>
<b>CO<sub>2</sub>e tonnes per R1 billion revenue</b>	<b>10 034</b>	<b>10 446</b>	<b>9 865</b>	<b>(5.56)</b>

1. These figures included Ader, EAG and Legend Logistics for the first time.
2. The increase in Road Travel Emissions results from increases in kilometers travelled in SG Coal and the addition of Legend Logistics. There were increases in Dealerships UK and inTime as a result of the increased number of locations as a result of the acquisitions mentioned in 1 above.
3. Includes generator fuel, air travel, hotels, waste and water. This figure increased in FY2018 as a result of increased international travel following the expansion into new geographical areas and additional locations as a result of acquisitions included for the first time.

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.

Despite adding 42 locations from which carbon data is collected for the year, there was a pleasing decrease in total CO<sub>2</sub>e emissions per R1 billion of revenue from FY2017 to FY2018. This is a result of the Groups' continuing efforts to reduce in CO<sub>2</sub>e emissions within the business units.

# Sustainability Report (continued)

## Electricity and water usage

In South Africa, the Group has continued 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. In many locations first generation low energy lighting has been replaced by second generation lighting namely LED lights. 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.

## Recycling

Throughout the Group the recycling of paper, plastic and glass is encouraged and the necessary recycling bins are found in various locations.

The Dealerships Division places significant emphasis on the recycling of used oil and parts, as well as ensuring that the environment is not impacted by the run-off of polluted water.

The Group continues to roll out recycling initiatives to all of its locations and continues to encourage additional recycling initiatives.

## Conclusion

Super Group's capacity to act as a responsible corporate citizen is directly impacted by its financial performance. The Group continues to focus on initiatives to significantly improve the lives of previously disadvantaged South Africans through training and mentorship.

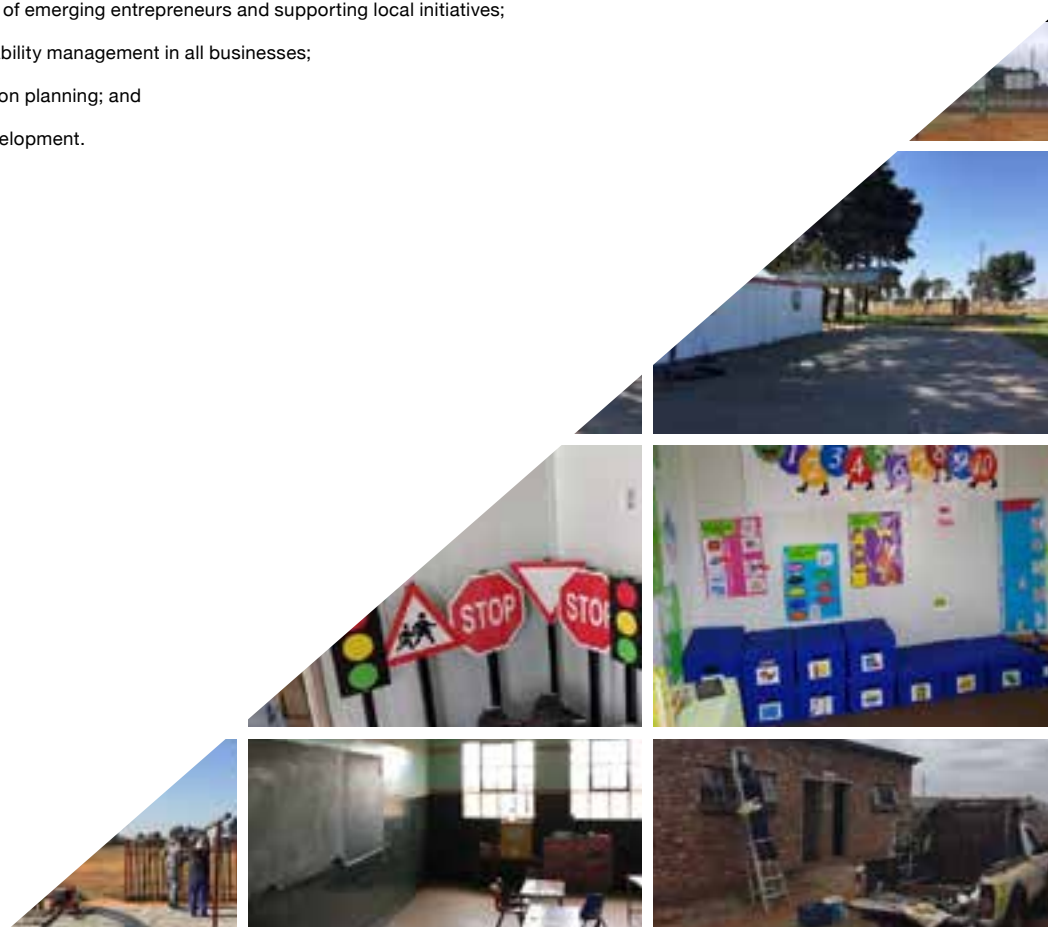
Despite the strides made to date, Super Group acknowledges that there is more to be done. The following imperatives, forming part of the Group's strategy, will provide the context for setting the Group's sustainability targets going forward:

- / actively contributing to the success of emerging entrepreneurs and supporting local initiatives;
- / continuing to firmly embed sustainability management in all businesses;
- / retention of key talent and succession planning; and
- / enterprise and socio-economic development.

### Peter Mountford

Chief Executive Officer

27 September 2018





# SG Coal's Vaalbank Creché and Primary School Refurbishment Project



**supergroup** 

[www.supergroup.co.za](http://www.supergroup.co.za)

