

IMPALA TERMINALS  
2020 RESPONSIBILITY REPORT



CONNECTING  
➤ SUSTAINABLY



## 2020 PERFORMANCE INDICATORS<sup>1</sup>

### GOVERNANCE, CONDUCT AND COMPLIANCE

831

KNOW YOUR COUNTERPARTY CHECKS

805

TOTAL MANDATORY COMPLIANCE  
TRAINING COURSES COMPLETED BY  
EMPLOYEES

99%

COMPLETION RATE OF MANDATORY  
COMPLIANCE TRAINING BY EXISTING  
EMPLOYEES

### HEALTH AND SAFETY

0

FATALITIES  
(2019: 0)

1.59

LOST-TIME INCIDENT RATE  
(2019: 1.43)

### ENVIRONMENT AND CLIMATE CHANGE

30%

REDUCTION TARGET IN SCOPE 1 AND  
SCOPE 2 EMISSIONS BY 2025

30,135<sub>TCO<sub>2</sub>E</sub>

SCOPE 1 AND SCOPE 2  
GREENHOUSE GAS EMISSIONS  
(2019: 32,221)

118,766<sub>TCO<sub>2</sub>E</sub>

SCOPE 3  
GREENHOUSE GAS EMISSIONS  
(2019: 98,316)

### COMMUNITIES AND OUR PEOPLE

759

AVERAGE TOTAL NUMBER OF  
EMPLOYEES<sup>2</sup>  
(2019: 719)

14.93

AVERAGE HOURS OF HSEC TRAINING  
PER EMPLOYEE

1. All data reported as per our financial year from 1 January to 31 December.
2. The total employee number is calculated as an average from 1 January to 31 December and refers to those employed at Impala Terminals. Employees included are those directly employed by, or 100 percent sub-contracted to Impala Terminals.

In this publication, the terms "Impala", "the company", "we", "us" and "our" are used for convenience to denote the Impala Terminals joint-venture and/or the local entity with responsibility for management at the relevant activity. These terms are used where no useful purpose is served by identifying a specific company or entity within Impala Terminals.



# ➤ CONNECTING MARKETS

*Impala Terminals Group is a multimodal logistics provider focused on export-driven economies. It owns and operates a network of ports, terminals and warehouses, and transport assets, which provide end-to-end logistics solutions for dry and liquid bulk cargoes, general cargo and containers.*



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Executive Officer

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# ➤ SUSTAINABILITY PERFORMANCE



Nicolas Konialidis  
Chief Executive Officer

I am delighted to present our first standalone environmental, social and governance summary for the assets and activities of Impala Terminals, a Trafigura Group and IFM Investors joint venture.

In this report, we reflect on our ongoing commitment to improving transparency, promoting good governance and delivering the highest standards of health, safety, environmental and communities (HSEC) performance across our operations. We are also proud to announce the greenhouse gas (GHG) emissions reduction targets agreed by shareholders which are explained in the Environment and Climate Change section of this report, and our new carbon-neutral freight service. This and other similar initiatives play a key role in the transition to a low-carbon economy.

As a business, Impala Terminals is focused on the safe, economic and reliable transfer of cargoes worldwide. We specialise in connecting producers and consumers in hard-to-reach locations with international markets. All our operations provide essential logistic and distribution services for vital commodities, or are situated close to resource-rich locations or key hub ports, where we handle critical commodities for Trafigura and for numerous international mining companies. To do this, we design, deliver and operate high-quality infrastructure assets. Our aim is to minimise our environmental impact and to meet or exceed international HSEC standards and quality procedures and processes at all our operations across our network of sites.

Our ongoing commitment to delivering the highest standards of HSEC performance enhances the efficiency of our operations. Our employees, contractors and partners are well equipped and thoroughly trained to operate safely and effectively. This ensures we have a

more productive, committed workforce, less time lost to incidents and a more attractive workplace for new recruits.

In recent years, environmental, social and governance factors have been increasingly significant for investors, customers and other stakeholders. Impala Terminals committed to augmenting its performance in these areas in 2013. Since then, we have been working hard to improve transparency, promote good governance and strengthen and grow the depth of our HSEC practices.

## HEALTH AND SAFETY

During 2020, our commitment to high standards of HSEC performance has been tested in a way that we never expected and I am proud to say that Team Impala has risen to the challenge. When COVID-19 struck, we were ready. We acted quickly to protect our employees and contractors and to minimise the impact on our business operations. We moved swiftly to procure additional personal protective equipment, provide training on personal hygiene and impose a strict social distancing regime, among many other measures, to minimise risks to our people. As a result of our strong focus on HSEC and best practices, we were able to adapt quickly; we are pleased to report that all of our sites remained operational despite the complexity of operating in such an environment. I would like to take this opportunity to thank our employees for their perseverance, hard work and resilience during these challenging times.

Technology is playing a key role in our resilience. An example is the development and trial of the smartphone-enabled application, ImpalApp, which is designed to reduce the need for paperwork and signatures and to improve the productivity and safety of warehouse-based employees and third-party contractors. If the trial is successful, we intend to roll out ImpalApp at other Impala Terminals locations.



*"We are clear about our future and sustainability is an integral part of our business strategy."*

## CLIMATE CHANGE MITIGATION

We are also committed to playing our part in the transition to a low-carbon economy. Momentum is building behind this generational change, with an increasing emphasis on lowering GHG emissions across the supply chain.

We have been progressively measuring our GHG footprint since 2015. This data is getting more accurate every year. It's provided us with a benchmark for future measurement and for assessing our progress.

We are focusing on reducing GHG emissions generated at our sites and by our operations, through the implementation of a range of measures, including:

- Improving efficiency at the operational level through improved planning, and by optimising the use of existing equipment and facilities to reduce existing energy use;
- Investing in the supply of green energy to our offices and warehouses, by procuring electrically powered forklifts, replacing smaller vehicles with battery-powered ones and making the use of LED lighting a standard practice;
- Using more environmentally efficient modes of transport where possible. For example, in sub-Saharan Africa, we are increasing our use of rail-based transportation: in 2020, we transported over 50 percent more commodities by rail there compared to 2019;
- Reviewing sustainability-linked funding options that will support accelerated emissions reduction.

These and other measures will help to significantly reduce our carbon footprint. With this journey in mind, we have agreed with our shareholders to set a target to reduce the level of Scope 1 and Scope 2 GHG emissions generated by our warehouses and offices by 30 percent by 2025, against a 2020 baseline. We are confident that we can achieve this goal.

Our multimodal strategy has already yielded significant reductions in GHG emissions in recent years. We operate inland logistics infrastructures based on the best attributes of different transport modes. We transport commodities and cargoes by river, road and rail, and we are investing in high-quality infrastructure to achieve efficiency at scale.

Our multimodal operations are yielding operational efficiencies and environmental and safety gains. Despite the challenges posed in 2020 by the COVID-19 pandemic, we dramatically increased volumes in freight forwarding and have attracted several new customers for our third-party logistics services. In January 2021, we introduced a new green logistics solution for customers to transport freight on a carbon-neutral basis, enabling them to meet their objectives for emissions reduction (for more details, see the case study on page 27).

In September 2020, our shareholders established a new joint-venture, Nala Renewables. The company plans to generate up to two gigawatts of renewable energy over the next five years by procuring companies and assets, by developing third-party projects and by using land at existing Impala Terminals and Trafigura facilities. Impala Terminals has a strong track record of providing high-quality, cost-effective logistics for commodities and Nala Renewables will benefit from this expertise and the global knowledge and capabilities of Trafigura and IFM Investors.

We are clear about our future and sustainability is an integral part of our business strategy. Just as we are focused on expanding our global footprint, we are committed to maintaining our high health and safety standards and reducing our carbon footprint. We look forward to reporting on our progress toward the delivery of sustained profitability through a strategy of sustainable, quality-led growth in 2021 and beyond.

# ➤ IMPALA TERMINALS AT A GLANCE

*Impala Terminals multimodal logistics and strategic infrastructure connect producers and consumers around the world, providing access to the essential commodities required to transition to a low-carbon economy.*

We connect our customers. We design, implement, own and operate logistics assets, focusing on the safe, economic and reliable transfer of cargoes to and from inland sites of production and consumption through deep-sea ports for onward distribution to end-users. We work with regional partners to unlock competitive value.

We integrate river, rail and road transport to simplify complex journeys. We operate terminals in strategic locations that connect producers with global markets. We co-ordinate global freight forwarding and inland logistics services. Our inland warehouse network provides just-in-time delivery at major consumption areas. Our value-added services, including container stuffing and unstuffing, laboratory sampling, customs clearance and forwarding, support international trade.

Our smart, economic, customer-focused solutions are built on years of expertise in fast-growing markets. Through our facilities around the world, we are making trade happen.

## IMPALA TERMINALS GROUP

Impala Terminals Group is a joint venture formed in 2018 between parent company Trafigura and global investment management firm IFM Investors, to acquire and operate a network of base metals terminals in Mexico, Peru and Spain; refined products storage, distribution and fluvial operations in Paraguay; a multimodal transportation service in the African Copperbelt; and a global freight-forwarding business operating from offices including Switzerland and Uruguay. It comprises two main business units: Impala Terminals' ports and logistics business and newly formed global power and renewable energy investment platform, Nala Renewables.

This report covers the environmental, social and governance (ESG) performance of the Impala Terminals Group owned and operated assets in 2020 and includes a number of case studies to illustrate how the joint venture is working to manage its social and environmental impacts.

This report excludes the activities of Nala Renewables as it was formed in September 2020 and currently has over 2,000MW of projects under review.

Trafigura continues to operate a number of additional assets which have the right to use the Impala Terminals brand name and platform but these do not form part of the Impala Terminals Group joint venture and are therefore not included in this report.

## INFRASTRUCTURE

**0.7M CBM**

LIQUID VOLUMES TRANSPORTED AND DISTRIBUTED

**+6.4M MT**

NON-FERROUS THROUGHPUT CAPACITY

**+360KM<sup>2</sup>**

WAREHOUSE FACILITIES

**1.7MT**

MULTIMODAL AND FREIGHT-FORWARDING VOLUMES HANDLED IN 2020

**3**

LIQUID TERMINALS

**170**

RETAIL STATIONS

**+5 CONVOYS**

WET AND DRY FLEET IN PARAGUAY



## BUSINESS SERVICES

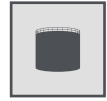
### CONCENTRATE TERMINALS

- Export processing through owned facilities at strategic locations
- Value-added services, e.g. blending



### TERMINALS AND DISTRIBUTION

- Import of refined products, storage and local regional distribution



### LOGISTICS AND FREIGHT FORWARDING

- End-to-end logistics solutions for landlocked mineral resources
- Global value-added consulting and container freight-forwarding services
- International multimodal logistics services for transporting goods on land via road or rail



### FLUVIAL INFRASTRUCTURE

- Import of refined products via barges into landlocked countries



#### Manzanillo, Mexico

- Port-based warehouse and processing facility
- Moving concentrate exports through the number one concentrate export port in the country

#### Callao, Peru

- Terminal-integrated warehouse and processing facility
- Moving metals from the world's second largest mining region

#### Huelva, Spain

- Import/export integrated terminal
- The only dedicated concentrates terminal in the leading export port in the country

#### Geneva, Switzerland

- Corporate offices
- Global freight forwarding coordination
- Multimodal logistics services

#### Paraná River Waterway

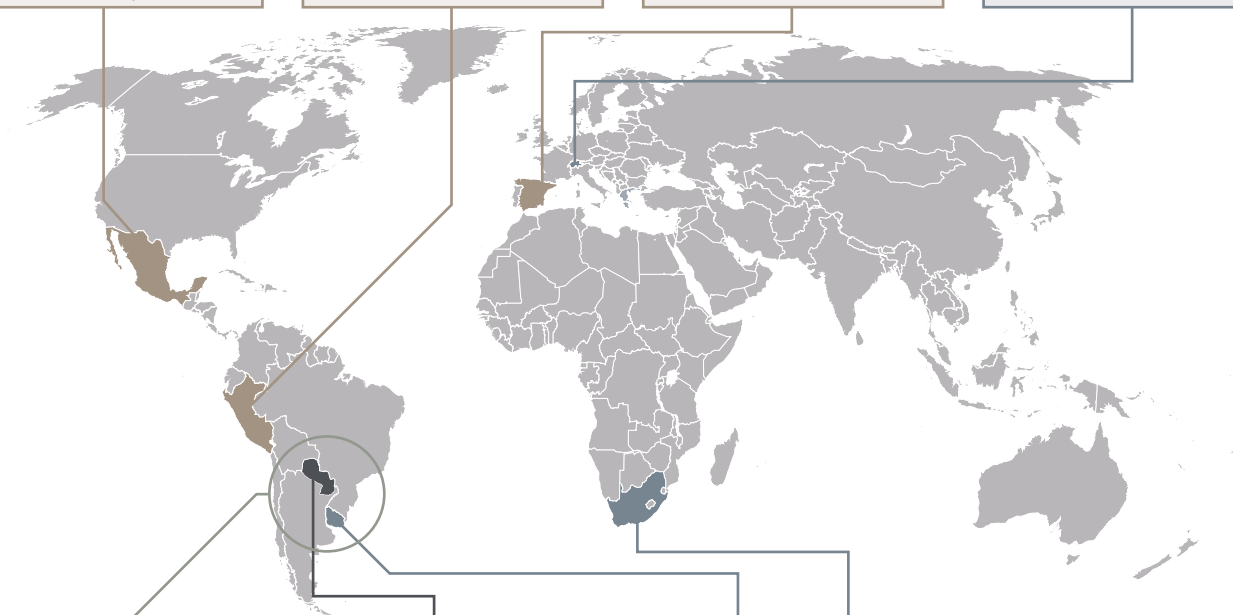
- Fluvial barge transport through the Paraná-Paraguay Waterway
- Supplying transport to major state-owned companies and private distributors

#### Asunción, Paraguay

- Products include gasoline, diesel, jet fuel, LPG and lubricants
- Supplying, storing and distributing refined petroleum products

#### Montevideo, Uruguay Johannesburg, South Africa

- Regional import/export and freight forwarding offices



**TRAFIGURA**

[trafigura.com](https://trafigura.com)

**ifm**  
investors

[ifminvestors.com](https://ifminvestors.com)

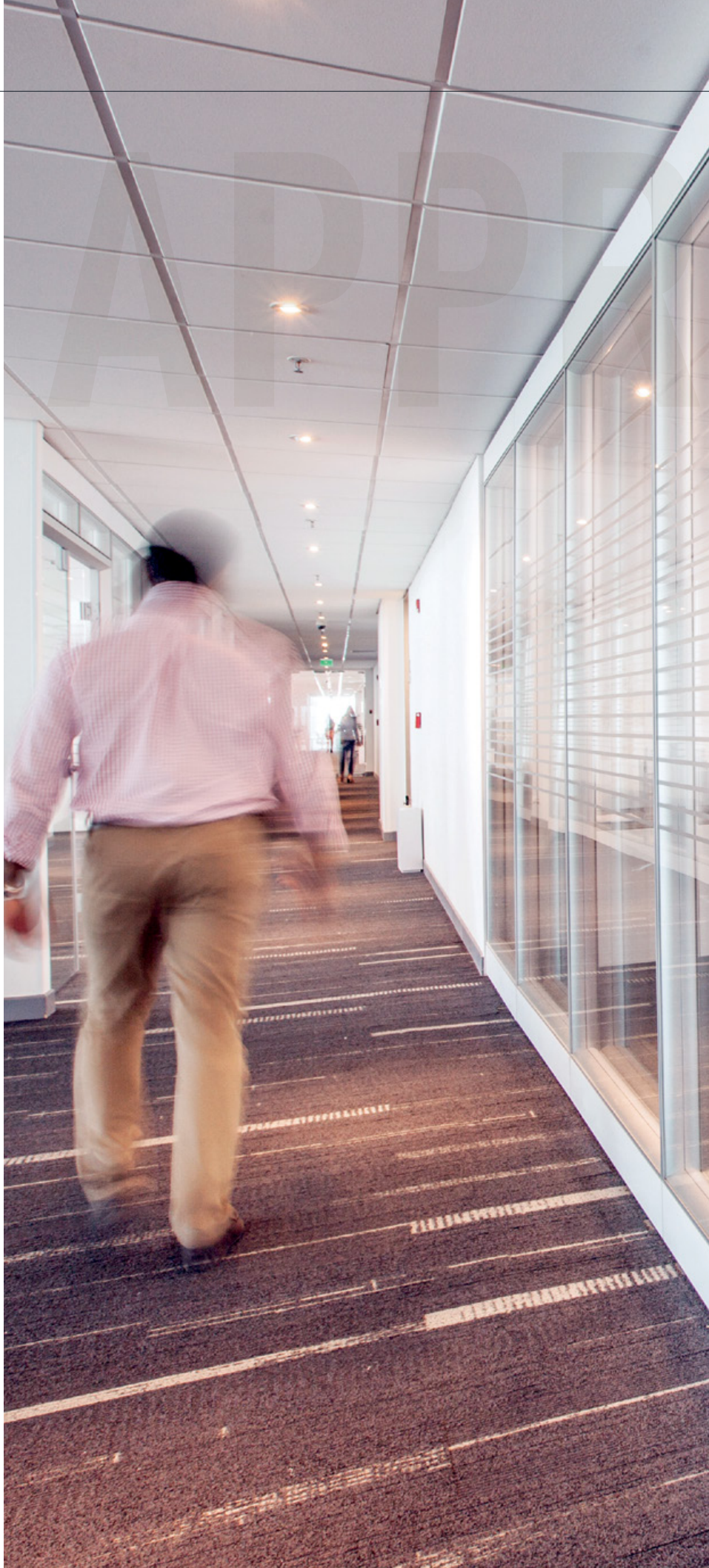
# ➤ OUR APPROACH

*Impala Terminals is committed to conducting business with integrity, professionalism and diligence. We aim to grow prosperity and long-term sustainable value for our stakeholders and for society as a whole.*

## ABOUT THIS REPORT

Impala Terminals operates independently as a joint venture co-owned by Australian investment management company IFM Investors and Trafigura Group, a multinational commodity trading company. The company has adapted the Trafigura Group's responsibility framework and adopted relevant HSEC policies to Impala Terminals' particular circumstances.

This report presents Impala Terminals' environmental, social and governance (ESG) performance in 2020, focusing on the joint venture's activities, operations and people. It sets out our policies on, and our approach to, responsible and sustainable business practice – and our progress in implementing them. It also outlines future areas of focus.







## POLICIES AND GOVERNANCE

Our policies and guidelines define how we conduct business and set out the high standards of responsible behaviours required of every employee, individually and collectively, as well as our expectations of our counterparties.

The joint venture partners, IFM and Trafigura, have together appointed an independent Board of Directors with extensive industry expertise and commercial experience. The Board acts in a fiduciary and advisory capacity, providing guidance and oversight of Impala Terminals activities and operations.

Impala Terminals Management based in Geneva, led by the CEO and CFO, are responsible for day-to-day management. The Management Team is charged with implementing adopted policies across the company.

Impala Terminals HSEC principles and practices are informed by and aligned with Trafigura's responsibility framework. The framework sets out a consistent, comprehensive and flexible approach to managing sustainability at Trafigura trading entities, subsidiaries and affiliated companies.

Impala Terminals also shares best-practice advice and guidance with both its shareholders via meetings on sustainability strategy, and policy and participating in regular conference calls chaired by independent environmental consultancy ERM.

Governance and oversight of our policies and guidelines are both set and enforced by senior management and the above-mentioned interactions. Our policies and guidelines are approved by and aligned to the principles of our shareholders.



## KEY SUSTAINABILITY OBJECTIVES

Our commitment to responsible business is expressed in practical activities that guide our operations in five key areas.

### CONDUCT AND COMPLIANCE

Ensuring our activities comply with all applicable laws and regulations and that employees abide by the Impala Terminals Code of Business Conduct.

### TRANSPARENCY

Our business model underpins our license to operate. We work to introduce best practice and extend transparency and openness across the supply chain.

### HEALTH AND SAFETY

Operating safely and protecting the health and wellbeing of our own people and all those affected by our activities.

### ENVIRONMENT AND CLIMATE CHANGE

Minimising any adverse impacts from our operations on the natural environment. Adapting our business to meet the risks and opportunities of climate change and reducing our own carbon footprint.

### COMMUNITIES AND OUR PEOPLE

Safeguarding human rights and earning our social licence to operate by engaging positively with local communities.

Attracting, developing and retaining the best people in a working environment that promotes integrity, diversity, equal opportunity and mutual respect.

## CONDUCT AND COMPLIANCE

We ensure that our conduct is always in line with all applicable laws and seek to apply internationally recognised standards across our global activities.

### 2020 performance

- 831 know your counterparty (KYC) checks.
- 805 total mandatory compliance training courses completed by employees.
- 99 percent completion rate of mandatory compliance training by employees.

### A rigorous compliance culture

We maintain a responsible compliance culture where all staff recognise personal and collective responsibility. The high standard of behaviour we expect from all of our people is enshrined in our Code of Business Conduct (the Code) which is based on applicable standards of international law.

All management teams are charged with promoting responsible behaviour. Every member of staff must attest to receiving, understanding and complying with the Code. Both existing and new employees complete mandatory online compliance training modules.





## OUR COMPLIANCE

Our shareholder's Compliance department provides compliance services to Impala Terminals' global activities under a service level agreement.

The Compliance department aims to verify that all employees are Code-compliant, specifically in the following areas:

- Anti-money laundering
- Anti-trust and competition law
- Sanctions and trade restrictions
- Anti-bribery and corruption
- Reporting violations and grievance procedures

### Our know your counterparty programme

Our KYC methodology is continually reviewed to ensure it remains up to date with developing international standards. Technology is being increasingly used to review, monitor, identify and flag high-risk counterparties and activities faster and more accurately.

### Anti-money laundering

Our KYC and screening procedures aim to identify prospective counterparties that might pose a risk to our business. A range of measures have been implemented to raise awareness internally, including mandatory online training, to give employees a detailed understanding of anti-money laundering and associated control processes.

### Sanctions and trade restrictions

The sanctions landscape is constantly shifting; we ensure that we remain compliant by paying close attention to developing policy. We review and revise our policies accordingly.

### Monitoring developing issues

We aim to not just keep pace with, but also anticipate changing regulatory conditions. Relationships with regulatory experts and advisors are maintained in various jurisdictions to monitor developments that may impact our business. During 2020, we focused on ensuring we retained effective controls and monitoring systems despite the disruption to normal working practices caused by the COVID-19 pandemic.



# ► HEALTH AND SAFETY

*Protecting the wellbeing of our employees, suppliers, contractors and collaborators, and of the communities within which we operate is of the utmost importance to Impala Terminals. We are committed to minimising risk wherever it occurs.*

## 2020 PERFORMANCE

To achieve zero fatalities.	✓
20 percent improvement in lost-time incident rates (LTIR) <sup>1</sup> on 2019 data.	⊗
To increase the frequency of near-miss reporting and lessons to be learnt (L2BL) shared across the company.	✓

## 2021 TARGETS

To achieve zero fatalities.
To achieve a 20 percent improvement in lost-time incident rates (LTIR) on 2020 data.
To encourage greater reporting of total recordable incidents.
To reduce the average time taken to complete incident investigations within 28 days.

✓ Achieved

◐ In progress

⊗ Not achieved

# 1.59

LOST-TIME INCIDENT RATE (LTIR)  
(2019: 1.43)

# 120

LESSONS TO BE LEARNT (L2BL) SHARED  
(2019: 83)

# 333

NEAR-MISS REPORTING FREQUENCY RATE<sup>2</sup>  
PER MILLION HOURS (2019: 176)

1 Lost-time incident rate (LTIR): The number of incidents that resulted in at least one day (or shift) being lost from work, divided by actual total hours worked over one year, multiplied by one million.

2 Near-miss reporting frequency rate (NMFR): The number of near-misses reported divided by the actual total hours worked in one year, multiplied by one million.



## OUR APPROACH

We seek to embed strong health and safety awareness at every level of the business and to promote a culture where all colleagues recognise that health and safety objectives are indivisible from our commercial objectives.

We have three core health and safety objectives. First, we aim for zero work-related fatalities; second, we seek to reduce the number and severity of incidents; and third, we work to share lessons from incidents and near misses, with a view to continually improving our performance.

## Key performance indicators

	Impala Terminals	
	2020	2019
Number of fatalities: employees and contractors <sup>1</sup>	0	0
Value of HSEC-related fines and penalties (USD)	0	750
LTIs <sup>2</sup>	6	6
LTIR <sup>3</sup>	1.59	1.43

1 Includes the death of any employee of Impala Terminals as a result of an occupational injury or disease sustained on sites or undertaking a work-related activity on behalf of Impala Terminals.

2 The number of incidents that resulted in time lost from work amounting to at least one day (or shift) by employees and contractors working on Impala Terminals-owned or managed sites.

3 Lost-time incidents per million hours worked.  
The LTIFR is slightly higher in 2020 vs 2019 due to a reduced number of working hours across the business due to COVID-19 related disruptions.

## Certifications at base metals terminals

	ISO 9001	ISO 14001	OHSAS 18001	ISO 17025
Callao	✓	✓	✓	✓
Huelva	✓	✓	✓	
Manzanillo	✓	✓		



## FORMALISING HEALTH AND SAFETY GOVERNANCE

Impala Terminals has implemented a collection of policies, systems and protocols that embed effective health, safety, environment and community (HSEC) management across the company. In 2020, these procedures were formalised for all entities working within the Impala Terminals Group, as the HSEC Management System Framework (MSF).

The MSF sets out expectations for all Impala Terminals operating facilities. It describes in detail how we manage HSEC risks across the company, the expectations we have of the people who work for us and how we assure ourselves that these expectations are being met.

Everyone at Impala Terminals is expected to have a clear understanding of their roles and responsibilities in relation to supporting and advancing international HSEC best practice. As such, all employees are required to be familiar with the MSF. We conduct regular training sessions at all levels of the organisation in all operational areas and with our contractors to ensure that everyone has the knowledge and skills they need to operate in a safe and responsible manner. These interactions provide us with a strong platform to continuously review our operations and to ensure a safe work environment for all involved parties. We also use the framework to share our approach to managing HSEC risks with investors, counterparties and customers.

The MSF establishes baseline HSEC performance standards to ensure that HSEC risks are managed and minimised as far as reasonably practicable at all Impala Terminals operational facilities. These standards are mandatory and we encourage those we do business with, including partners, suppliers and sub-contractors, to adopt and implement comparable standards whenever they are working on the company's behalf.

The systematic HSEC risk management set out in the MSF follows a recognised four-part methodology (plan, do, check and act). Within these four categories are 14 subcategories that define detailed expectations.

Operational facilities manage risks, implement systems and identify HSEC performance improvement in line with their own businesses. There are specific requirements in areas such as risk management, reporting transparency, resourcing, contingency planning and skills and behavioural training.

The framework is supported by HSEC documentation that delineates policies, principles, standards and guidance for the company. Policies and principles are mandatory and non-negotiable. Standards are also mandatory, but a dispensation process exists in order that facilities can demonstrate that risks are being effectively managed in a different way. Guidance documents provide guidelines and advisory material to assist operations in achieving best-practice outcomes.

Having adopted the MSF, Impala Terminals now conducts comprehensive gap analysis, covering 15 HSEC-related subjects, to identify and address any areas of sub-optimal HSEC performance. This analysis is conducted annually, allowing us to continuously review and monitor our performance and to implement improvements when gaps are identified.

Our initial gap analysis identified no critical HSEC failings at any of our sites, but it did highlight areas for potential improvement, such as (i) more rigorous on-site documentation verification to ensure that all work permits are correctly completed at all times; and (ii) more frequent follow-up engagement with contractors to ensure that any previous requests for improvement, made by Impala Terminals, have been implemented. Both issues were addressed and remedied by management during 2020.

The COVID-19 pandemic posed distinct challenges in 2020. In response to this, we singled out leadership, accountability, training and competence as subject areas that merited special attention. Following a fresh review of our HSEC capabilities at the end of 2020, we are defining new areas of focus for 2021. Crisis and emergency management is one of these.

## HEALTH AND SAFETY PERFORMANCE

In accordance with the structure and expectations set out in the MSF, our operations develop and maintain management systems appropriate to the nature and scale of their activities. These are designed to:

- identify and evaluate health and safety risks;
- implement controls that eliminate or minimise risks as much as reasonably practicable;
- take action to prevent repeat incidents;
- report all incidents and near misses;
- investigate serious incidents and high-potential near misses;
- plan for emergencies;
- set improvement targets and track performance;
- ensure that the workforce has the appropriate level of competency and adequate resources;
- undertake periodic checks and audits to verify the effectiveness of these measures.

Senior managers, facility managers and operational staff are incentivised to achieve HSEC goals within their specific areas of responsibility. Both quantitative and qualitative targets form part of performance assessments. These are tailored to their individual responsibilities but may include, for instance, reducing LTIR below a target level, improving the quality and frequency of near-miss reporting, and delivering tangible improvements in contractor risk management.

Despite our compliance with applicable national and international laws and regulatory frameworks, incidents can sometimes occur that incur legal penalties. However, no penalties were incurred in 2020.

## GOLDEN RULES

Seven golden rules apply to all Impala Terminals operations. These are non-negotiable and central to our strategy to embed safe working practices throughout the organisation. The rules are prominently displayed at all operational facilities. Every employee and contractor operating at an Impala Terminals-controlled site undertakes regular training that highlights and reinforces the golden rules.

 <b>FOLLOW</b> SAFETY PROCEDURES	OBEY LAWS AND REGULATIONS COMPLY WITH OUR STANDARDS AND PROCEDURES
 <b>LOOK OUT</b> FOR EACH OTHER	HELP EACH OTHER STAY PROTECTED
 <b>EQUIP</b> YOURSELF CORRECTLY	WEAR PROTECTIVE GEAR ENSURE EQUIPMENT AND TOOLS ARE FIT FOR PURPOSE
 <b>CHALLENGE</b> UNSAFE ACTS	SPEAK OUT IF SAFETY PROCEDURES ARE NOT BEING FOLLOWED INTERVENE WHERE SITUATIONS MAY CAUSE HARM
 <b>STOP WORK</b> IF UNSAFE	IF IN DOUBT, STOP YOUR WORK OR THE WORK OF OTHERS
 <b>SHARE</b> GOOD PRACTICES	MAKE SURE SAFETY IS A PRIORITY FOR THOSE AROUND YOU SHARE SAFE PRACTICES AMONGST YOUR PEERS
 <b>REPORT</b> ALL INCIDENTS	ALERT YOUR TEAM LEADER OR HSEC MANAGER IMMEDIATELY REPORT ALL INCIDENTS

BE VIGILANT  
**THINK SAFETY**  
OUR EMPLOYEES AND PARTNERS DESERVE THE BEST IN SAFETY STANDARDS



20%

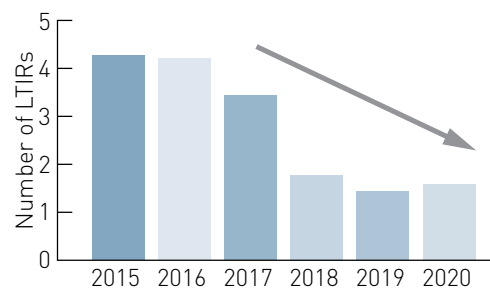
TARGET TO REDUCE LTIR IN 2021

### VIGILANCE AND PREPAREDNESS

As a responsible company, we go to great lengths to prevent incidents occurring and to mitigate their potential impact. We develop emergency plans to manage incidents from high-consequence activities. We rehearse our responses to worst-case outcomes by conducting simulations. We investigate incidents and near misses to identify their causes to learn lessons that can prevent their recurrence.

The lost-time incident rate (LTIR) is a key safety metric. While the number of incidents in 2020, at six, remained unchanged from 2019 and down one from seven in 2018, the LTIR of 1.59 for the year increased by 12 percent from the 2019 figure of 1.43 (2018: 1.78), as a result of a decrease in the overall number of hours worked across the business because of the disruption caused by the COVID-19 pandemic, coupled with the additional tasks required from managers above their regular remit during this period. This issue was promptly identified and remedied through the hiring of additional staff and the provision of additional support to all site managers resulting in a decreased LTIR towards the end of the financial year. All the affected workers who suffered lost-time injuries during 2020 have since returned to work. We recognise that LTIR is only a partial measure of safety performance and we continue to invest in technical, organisational and behavioural safety improvements, even where existing arrangements appear satisfactory.

#### HSEC improvement and LTIFR reduction\*



\* Figures from 2015 – 2018 are from pre-joint venture period and for reference only.

Continued emphasis on HSEC training is a key part of maintaining vigilance and preparedness. We delivered 11,335 hours of HSEC training during 2020, averaging 14.93 hours per person in operational roles.

11,335

HOURS OF HSEC TRAINING COMPLETED IN 2020

### LEARNING LESSONS

Accurate and timely incident reporting provides valuable data that allows us to develop our safety performance. We focus primarily on incidents and near misses with significant actual or potential consequences. We apply a five-level scale to assess these incidents and near misses. Relatively minor incidents are recorded as Level 1 incidents, while Level 4 and 5 incidents are reserved for serious injuries or events with significant financial, environmental or social implications.

We conduct investigations for the following kinds of incidents:

- Incidents with a Level 3, 4 or 5 actual consequence
- Incidents and near misses with a Level 4 or 5 potential consequence
- Level 1 and 2 incidents that occur frequently

### NEAR-MISS REPORTING

Near-miss reporting is enshrined in our HSEC golden rules, with all employees and contractors strongly encouraged to report any such event. These are then logged according to their potential severity. Frequently occurring and more serious incidents are singled out for further investigation.

Our no-blame culture helps to reinforce safety consciousness across the organisation. Impala Terminals employees and contractors understand that they will not be blamed for mistakes but instead credited with being ready to share valuable learning experiences if they report near misses. This encourages people to stay alert and to improve working conditions for themselves and their colleagues.

The near-miss frequency rate increased by 92 percent in 2020, to 333 near misses reported per million hours worked (2019: 173). This increase is primarily due to positive recognition being given for reporting high-quality near misses. More frequent, detailed and accurate near-miss reporting enhances safety performance and delivers operational benefits for the company. This culture is actively encouraged by the Impala Terminals leadership team.



### LESSONS TO BE LEARNT

Near misses and incidents reported are fed into our lessons to be learnt (L2BL) programme. Root causes are identified and actions taken are noted so that useful lessons can be shared with other similar operations. We are now focusing on improving our follow-up procedures to ensure that these lessons are implemented consistently and in an accurate and timely way, as well as promoting the sharing of lessons from near misses and environmental improvement opportunities.

### CONTRACTOR HSEC MANAGEMENT

Impala Terminals conducts a formal, two-phase due diligence process that includes specified minimum HSEC expectations for contractors undertaking high-risk activities.

Impala Terminals works with a wide range of contractors globally. Road haulage contractors are a particular area of focus.

We can – and we do – reward positive, and penalise negative, behaviour indirectly through our procurement and sourcing policies.

Our due-diligence requirements are designed to identify and avoid contractors that cannot meet our HSEC expectations. For qualifying contractors, our terms of business incentivise safe working practices.

In phase one of the due diligence process, prospective contractors undergo a know-your-counterparty check and a desk-based HSEC assessment. Those that pass these checks then proceed to the phase two review, where they receive an on-site inspection within a set timeframe.

Contractors that fail our due diligence, but are willing and able to work with us to upgrade their processes, can gain temporary approval for an interim period. Those that are unable or unwilling to improve are rejected. This approach allows us both to ensure high HSEC standards among our own contractors and to encourage improved HSEC performance in the sectors where we are active.

Contractors are re-audited annually and we hold regular meetings to review their performance. If problem areas are identified, we expect these to be dealt with promptly. If not, we may elect to end our relationship with them. In practice, we have found that contractors usually respond very positively to our recommendations, which aim to bring long-term benefits to both organisations through higher operational and safety standards.



# ➤ ENVIRONMENT AND CLIMATE CHANGE

*We seek to minimise any adverse impacts from our business operations on the natural environment and we play our part in supporting the worldwide transition to low-carbon energy sources.*

## 2020 PERFORMANCE

- To achieve zero Level 4 and Level 5 environmental incidents. ✓
- To set a GHG emissions reduction target. ✓
- To report on carbon intensity in kilogrammes per tonne of commodity moved per kilometre. ●
- To expand environmental performance reporting. ●

## 2021 TARGETS

- To reduce Scope 1 and 2 GHG emissions of existing warehouses and offices by 30 percent against our 2020 baseline within five years.
- To maintain zero Level 4 and Level 5 environmental incidents.
- To expand our carbon-neutral logistics offer.

✓ Achieved   
 ● In progress   
 ✗ Not achieved

### 30%

REDUCTION TARGET IN SCOPE 1 AND 2 GHG EMISSIONS FOR WAREHOUSE OPERATIONS AND OFFICES BY THE END OF 2025

### 30,135<sub>TCO<sub>2</sub>E</sub>

SCOPE 1 AND SCOPE 2 GREENHOUSE GAS EMISSIONS

### 118,766<sub>TCO<sub>2</sub>E</sub>

SCOPE 3 GREENHOUSE GAS EMISSIONS





# CLIMATE CHANGE

## OUR APPROACH

We are committed to protecting the environment and to playing our part in the transition to low-carbon energy sources. We set challenging targets and monitor performance indicators that strengthen our ability to manage our environmental impacts.

We engage with our suppliers, customers and trading partners, and the many stakeholders in our business, to understand, manage and mitigate our risks and impacts more effectively.

## Key performance indicators

	Impala Terminals	
	2020	2019
Number of environmental incidents reported	<b>43<sup>1</sup></b>	52
Number of product spills	<b>4<sup>2</sup></b>	2
Value of HSEC-related fines (USD 000s)	<b>0</b>	0.75

## GHG emissions (in tCO<sub>2</sub>e)

	Impala Terminals	
	2020	2019
Scope 1 and 2	<b>30,135</b>	32,221
Scope 3	<b>118,766</b>	98,316

<sup>1</sup> Environmental incidents are classified incrementally in terms of their severity from Level 1 to Level 5. Of the 45 incidents reported in 2020, 44 were Level 1 (minor) and Level 2 (limited).

<sup>2</sup> The 4 minor product spills reported comprise a total of 16 litres of spillage immediately remediated.

# ENVIRONMENTAL MANAGEMENT

## OUR APPROACH

Our overall approach to managing environmental impacts reflects our status as a leading logistics specialist with a portfolio of interests in industrial assets, storage and handling facilities, logistics and downstream operations. We aim to adopt, develop and promote best practice across our business. If current practice falls short of this standard, we address the areas we can affect directly. Where we don't have operational control, we exert our influence to encourage our partners to make improvements.

Effective management of our environmental impacts is critical. Sound environmental performance is a prerequisite for financial and community support and business partnerships.

We work continuously to reduce the risk of environmental incidents and mitigate any negative impacts. We categorise the significance of incidents according to a five-level scale for both actual and potential consequence. Relatively minor incidents are

recorded as Level 1 incidents, while Level 4 and Level 5 incidents are reserved for serious injuries or death. During 2020, no serious (Level 4 and 5) environmental incidents occurred. Our environmental monitoring system logged 43 low-impact incidents during the more than 3.7 million hours worked by Impala Terminals personnel and on-site contractors. The total number of incidents comprised 4 minor spills which were immediately remediated and 39 on-site minor operational incidents.

Environmental performance and commercial performance are indivisible. Our environmental strategy extends beyond a narrow focus on mitigating risk. We are building our knowledge and evolving a more holistic sense of our long-term environmental impacts, and we are working to help facilitate a smooth and swift transition to a low-carbon economy. Our environmental performance informs core business strategy and is stimulating innovation and business transformation.

*Environmental performance and commercial performance are indivisible. Our environmental strategy extends beyond a narrow focus on mitigating risk.*





## ENVIRONMENTAL REPORTING

In recent years, we have committed to expanding our environmental performance reporting. We are realising this ambition with more detailed reporting, improved accuracy and increased scope.

Extensive environmental reporting is providing a more granular picture of our activities and this is encouraging new ways of thinking about our environmental impacts and how we address them. We now collate data centrally on emissions, waste generation and water usage and discharge, which directly informs a continuous improvement programme to reduce emissions, minimise waste and improve efficiency at the operational level.

Many of our offices, industrial assets and operational activities are certified under local, national or industry-specific management systems. External assurance schemes add value to our operations by ensuring continued adherence to best practice. We will continue to support certification where it makes business sense.

## RISK MANAGEMENT

The commodities we transport pose significant social and environmental risks if not handled correctly. The severity of these risks varies according to the type of commodity, the activity and the location, but eliminating or minimising such risks is a key priority.

We aim to anticipate risks and develop concrete action plans to pre-empt polluting incidents and avoid the worst consequences should they ever occur. For example, in Paraguay, where we maintain a fluvial fleet, we conduct an annual simulation event with our supply chain partners and local authorities, including the Ministry of Environment, to rehearse and accelerate our response to environmental disasters in remote locations.

In 2020, we began a global project to improve our approach to emergency preparedness in all our operations. A template for a comprehensive plan was shared with all locations during the year. This is now being reviewed and adapted by the local responsible management teams according to specific risk profiles.

## ON SITE TESTING

Across each of our assets, we conduct annual audits and tests, and where applicable, in collaboration with local governments, to ensure that our operations are in line with all regulatory requirements relating to air quality, noise levels, soil and water contamination levels. Our on site testing also extends to our employees, who are entitled to receive regular health checks.

*Extensive environmental reporting is encouraging new ways of thinking about how we address our impacts.*



# CLIMATE CHANGE

## RESPONDING TO CLIMATE CHANGE

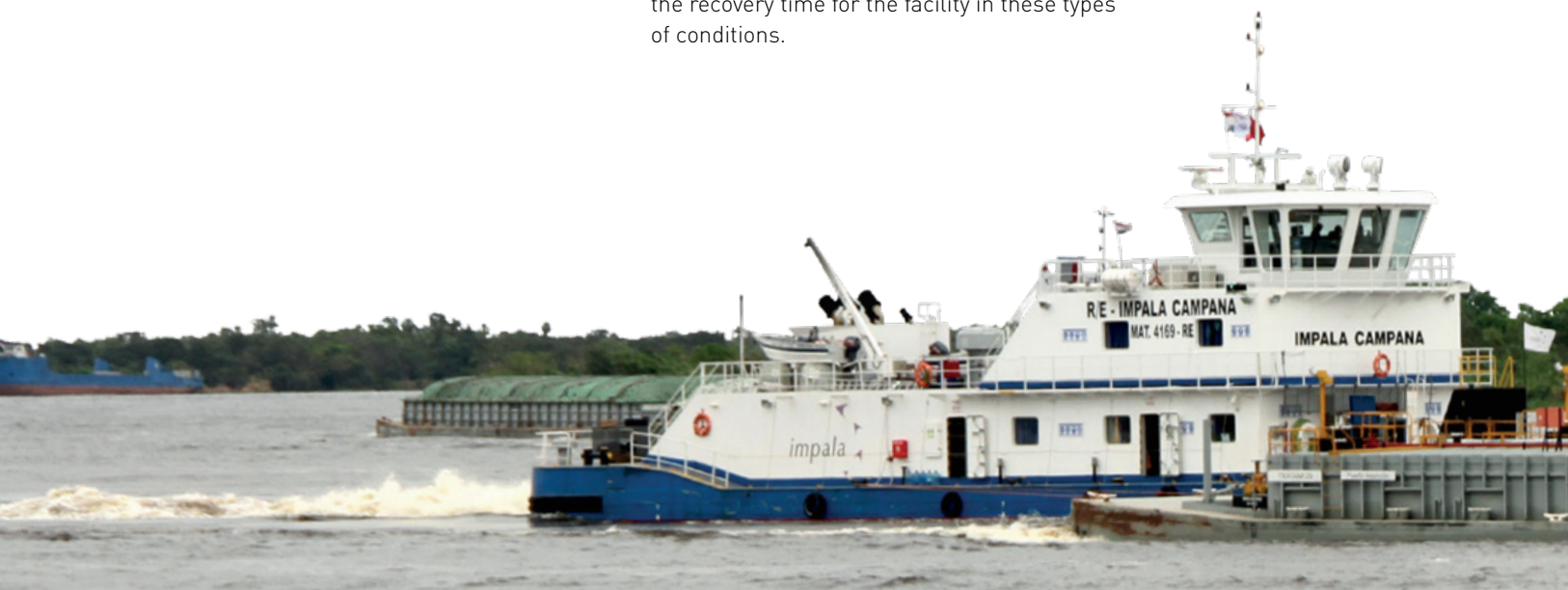
Climate change is the most urgent issue of our time. There are particular implications for the commodities industry and we are determined to play our part. We are doing so by committing to reduce our own carbon footprint and by collaborating with supply chain partners to offset the carbon cost of our freight services.

We recognise and respond to the latest scientific assessments, as set out by the United Nations Intergovernmental Panel on Climate Change. We continue to transport the commodities needed for the transition to a low-carbon economy. And we are ramping up our efforts to reduce emissions in line with Paris Agreement goals, both internally and with our customers, most recently through our carbon-neutral freight offering (see the case study on page 27).

## MANAGING CLIMATE CHANGE RISKS

Our shareholders assist in shaping the Impala Terminals joint venture's climate change strategy. Our approach to climate change risk management is aligned with the priorities set out by the Task Force on Climate-related Financial Disclosures. In this report, we follow their guidance by reporting on governance, strategy, risk management, metrics and targets.

We manage climate change threats to our business continuity using risk assessment matrices that quantify outcomes according to the likelihood and severity of projected events in a worst-case scenario. We have conducted physical climate change risk assessments at high-risk sites. At our Manzanillo warehouse on the west coast of Mexico, which was impacted by Hurricane Patricia in 2015, the risk assessment found that climate change increased the likelihood of the site being subject to both high wind speeds and the extreme precipitation and flooding events associated with higher category hurricanes. Measures have subsequently been taken locally to improve the resilience of warehousing and increasing the water collection capabilities as well as the recovery time for the facility in these types of conditions.



*We have committed to a 30 percent reduction in Scope 1 and 2 GHG emissions from fixed installations, offices and warehouse operations over the next five years compared to a 2020 baseline.*

## REDUCING EMISSIONS

We have undertaken a comprehensive review of emissions performance at all of our facilities. Each of our sites was asked to identify achievable greenhouse gas (GHG) reduction opportunities.

Following this consultation, we have set an ambitious but achievable GHG emissions reduction target. We have committed to a 30 percent reduction in Scope 1 and 2 GHG emissions from fixed installations, offices and warehouse operations over the next five years compared to a 2020 baseline. This equates to an annual reduction in GHG emissions of nearly 4,000 tCO<sub>2</sub>e.

Achieving this target will have a material impact upon our emissions profile. It is an important step that adds momentum to the work we are already undertaking to decarbonise our operational footprint.

We will employ three main strategies to lower emissions and reach our GHG reduction target:

### 1 Reducing emissions intensity

As a multimodal logistics operator, integrating and optimising transportation modes is embedded in our business model. We invest in infrastructure and implement improvements that use energy more efficiently across our operations.

### 2 Operating expenses

Our managed programme of continuous improvement is lowering emissions and increasing operational efficiency at all our facilities on a year-on-year basis.

### 3 Securing renewable electricity

We are switching to renewable energy supplies wherever we can. We seek to procure electricity from renewable sources in jurisdictions where electricity regulators and suppliers offer Guarantees of Origin.

## REDUCING EMISSIONS INTENSITY

We work continuously to reduce emissions intensity across our network. In our offices and warehouses, we encourage frontline workers to find ways to maximise fuel and energy efficiency. Their understanding of their own work domains allows them to present proposals that are often achievable at minimal or zero cost. Efficiency improvements continue to be identified and implemented.

We are also focusing on measures that reduce Scope 3 GHG emission intensity. At a strategic level, our multimodal logistics operation aims to increase energy efficiency by favouring less emission-intensive alternatives. In sub-Saharan Africa, we are maximising the switch from road-based to rail-based transportation. Impala Terminals is playing a leading role in accelerating the transition to rail in Africa; we transported 53 percent more commodities by rail in the region in 2020 compared to 2019.

Our freight-forwarding initiatives are lowering carbon intensity still further by optimising both road and rail transportation. We draw on our existing network to supply mining facilities in Africa's Copperbelt with fuel, chemicals, machinery, spare parts and vital equipment, while collecting their metal and concentrates for export. Maximising the distance travelled with useful cargo on both legs of the journey helps to reduce the total carbon intensity associated with the overall operation.





## CAPITAL EXPENDITURE

We are pursuing multiple opportunities to reduce emissions and lower energy costs. As a matter of policy, all procurement is now assessed from an environmental perspective.

We are progressively replacing our fleet of forklifts with electrically powered versions. In Peru, electric light vehicles have been procured to replace fossil fuel-based vehicles. Over time, our entire smaller vehicles fleet is being switched from diesel- or petrol-based engines to electric and battery-powered alternatives. We are also taking out halogen and tungsten lighting rigs both indoors and outdoors and replacing them with LED-based systems.

We are also investing in green energy. We have advanced plans in place to install solar panels to supply several warehouse and office sites. In Mexico, we are currently installing solar panels across the entire roof of our 30,000m<sup>2</sup> Manzanillo warehouse facility. Once the system is fully operational, we expect it to generate sufficient electricity to meet all of the facility's energy needs.

## SECURING RENEWABLE ELECTRICITY

Elsewhere, we are switching to renewable sources for the energy we buy from national grids. We aim to acquire energy from certified renewable sources wherever possible. However, this form of energy is not always available in the regions where we are active. We are currently negotiating contractual arrangements with energy suppliers in Peru and Spain to link our energy procurement to certified renewable sources for our Callao and Huelva facilities.

## GHG EMISSIONS

All our GHG emissions calculations are externally assured. They are subject to a regular external audit by an independent external assurance provider, ERM CVS.

In 2020, our GHG emissions were 148,902 tCO<sub>2</sub>e, a 14 percent increase over 2019. Of this total, 118,766 tCO<sub>2</sub>e were Scope 3 emissions. Scope 1 and Scope 2 emissions declined by 6.5 percent to 30,135 tCO<sub>2</sub>e in 2020.

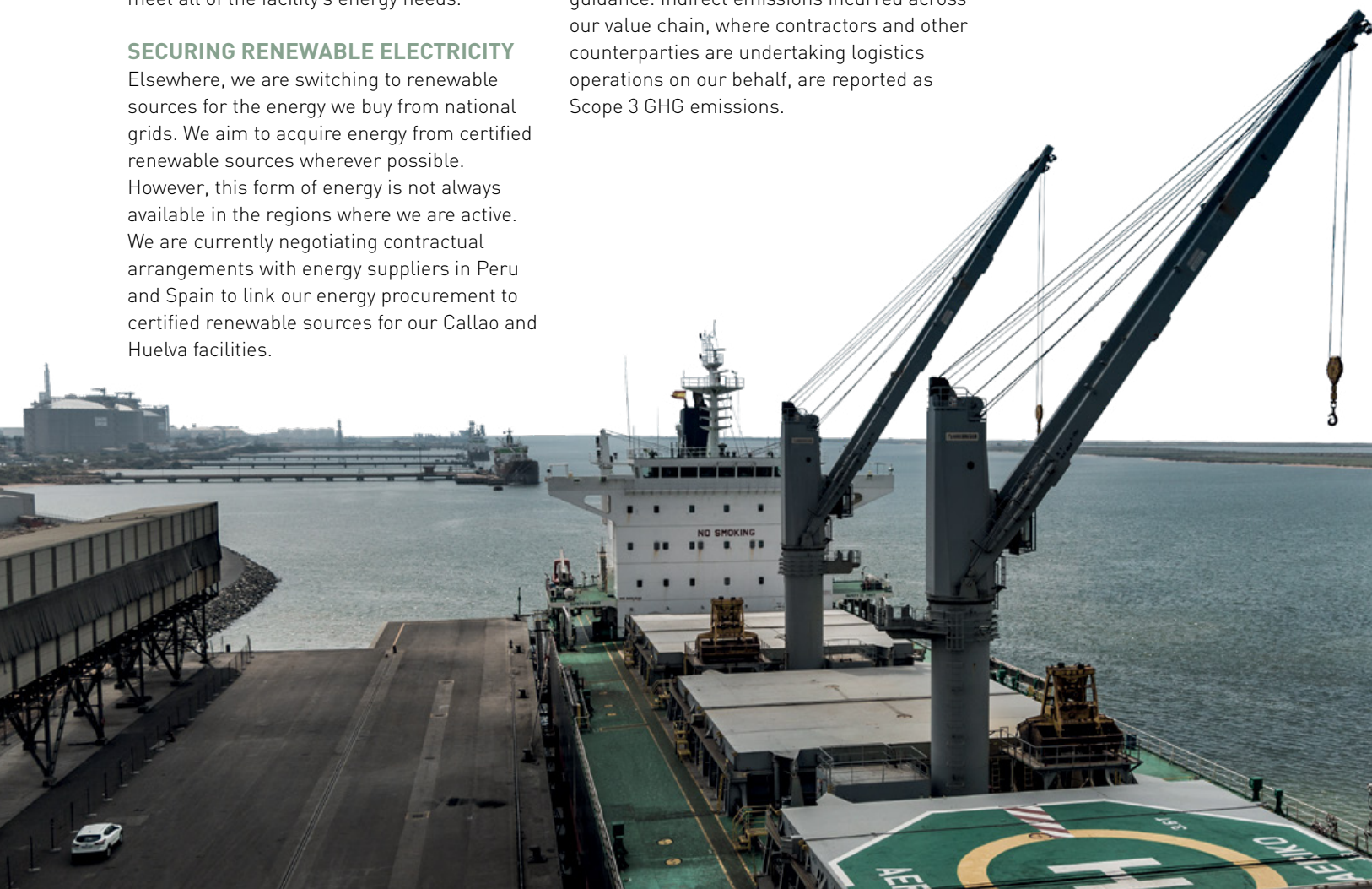
**ERM CVS**  
Informed Assured

[www.ermcvs.com](http://www.ermcvs.com)

### Total emissions performance (in tCO<sub>2</sub>e)

	Scope 1	Scope 2	Scope 3	Total
2020	26,775	3,360	118,766	<b>148,902</b>
2019	27,967	4,254	98,316	<b>130,537</b>

We report direct emissions from owned or controlled sources as Scope 1 GHG emissions. Under Scope 2, we report indirect emissions from the generation of purchased energy. Scope 2 GHG emissions are based on the best available emissions factors at the time as per the Greenhouse Gas Protocol reporting guidance. Indirect emissions incurred across our value chain, where contractors and other counterparties are undertaking logistics operations on our behalf, are reported as Scope 3 GHG emissions.



### SCOPE 1 AND SCOPE 2 GHG EMISSIONS

Scope 1 GHG emissions include those from power generation and Impala Terminals-owned vehicles and fluvial transportation. During 2020, Scope 1 GHG emissions fell by 6.5 percent and Scope 2 GHG emissions – mostly electricity purchased for our operations – fell by 21 percent. The reductions were mainly attributable to the impact of COVID-19 on operational activity at our sites, electricity substitution and more energy-efficient production techniques. Reducing the carbon intensity of electricity purchased will continue to be a focus in 2021.

### SCOPE 3 GHG EMISSIONS

Scope 3 GHG emissions are the indirect GHG emissions associated with the activities of others in our value chain. For Impala Terminals, these are primarily based on data provided by our contractors. There was a 21 percent year-on-year increase in Scope 3 GHG emissions during 2020. This increase was partly attributable to an improvement in the scope and accuracy of our reporting, but there was also more cargo transported via third-party logistics operators. Scope 3 GHG emissions now account for around 80 percent of our total GHG inventory. Road and rail haulier activities in Africa are responsible for the majority of these.

We also report emissions resulting from the transportation of container-based cargo in our sea logistics operations. This data is based on the industry-standard methodology developed by the Clean Cargo Working Group (CCWG). There was a 14 percent year-on-year increase in this category of Scope 3 GHG emissions, partly because of increased volumes handled and in part as a result of changes in CCWG methodology in 2020. Additionally, we report Scope 3 GHG emissions of fluvial contractors and road hauliers in our Paraguay operation and of trucking contractors in Mexico, Peru and Spain.

We continue to improve the quality of our Scope 3 GHG emissions reporting, but are aware of the need for further progress. We are reliant on contractors for source data and in some cases only have access to incomplete information. We are working with our contractors to improve reporting and enhance transparency.

### IMPROVED GHG EMISSIONS REPORTING

Accurate emissions reporting and forecasts are the foundation on which appropriate GHG emission reduction strategies are based. We publish quarterly GHG emissions performance reports internally so that in-year action can be taken to address reporting errors, manage trends and meet our goals, and to provide us with a more rounded picture of our environmental impacts.

Our Greenhouse Gas Manual, published in 2020, has improved GHG governance by specifying a consistent approach to GHG accounting within Impala Terminals. This document sets out how we align with the GHG Protocol, the Global Logistics Emissions Council (GLEC) Framework and CDP benchmarking expectations. It defines the organisational and operational boundaries for our reporting and describes how changes in the portfolio are managed, including when and how the baseline year should be recalculated.

The Greenhouse Gas Manual is the single source for all GHG accounting enquiries. As such, it is a key internal assurance tool for GHG accounting, alongside the GHG Protocol and GLEC Framework.



[www.clean-cargo.org](http://www.clean-cargo.org)



## MEASURING EMISSIONS INTENSITY

Emissions intensity provides a standard metric across all our operations. It allows us to measure our performance internally, benchmark it against our peers, monitor GHG emissions across the supply chain and, crucially, drive performance improvements. Since 2019, we have tracked GHG emissions in grammes per tonne of commodity moved per kilometre. This was applied to all modes of inland transportation – road, rail and fluvial – using an approach aligned with the GLEC Framework.

Impala Terminals' logistics intensity metric, gCO<sub>2</sub>e per tonne of volume, measures the energy efficiency of throughput of our activities. Although there will always be variations between different locations and for different kinds of commodity and cargo, this metric allows us to focus in on potential areas of improvement.

By monitoring intensity quarterly and by location we are able to quantify performance over time and at specific sites. For instance, at our terminal in Huelva, Spain, already one of our most energy-efficient operations, emissions intensity fell by more than a third during the second half of 2020 as a result of switching to renewable electricity. Over the same period, emissions intensity at Manzanillo in Mexico remained stubbornly high, although a significant improvement is anticipated here with the planned installation of solar-powered energy supply.

We continue to shift to more energy-efficient modes of transport where available. In Africa, we are increasing the proportion of commodity transportation moved by rail rather than by truck. Rail-based logistics accounted for 19 percent of cargo carried in Africa during 2020 versus 13 percent in 2019. This is lowering the average emissions of our transported commodities in Africa. The emission intensity of rail-based transportation in Africa is around 39 percent lower than road-based transportation.

*By comparing performance by asset, activity, sector and region, we are identifying operational improvements that increase our efficiency and help us reduce emissions intensity across the company.*

## TRANSITIONING TO A LOW-CARBON ECONOMY

Impala Terminals is playing its part in the transition to a low-carbon economy. We transport vital commodities efficiently and responsibly. Lead and nickel are needed for batteries; aluminium is important in the construction of lighter, more efficient vehicles; zinc, through the galvanising process, protects steel from corrosion; and copper is essential for electrification and a wide range of renewable energy solutions.

We are working closely with counterparties that share our commitment to reducing climate change impacts. We are investing in multimodal logistics, renewable power and low-energy infrastructure.

Reducing emissions across the value chain is an increasingly important priority for many of our customers. We are responding to this with low-carbon logistics services and with rigorous reporting on the carbon costs of commodity transportation.

There is growing interest from investors and customers in integrated zero-carbon logistics solutions. In 2020, we ran a pilot scheme for Trafigura, offering carbon-neutral delivery from Terrafame's nickel plant in Finland to customers in Asia. The success of the pilot scheme has led to the introduction of a global zero-carbon logistics freight service to serve this customer interest.





## CASE STUDY:

# GREEN LOGISTICS WITH CERTIFIED CARBON-NEUTRAL FREIGHT

We recognise our shared responsibility to work alongside our customers and partners towards a lower-carbon future. Through our green logistics offering, we are providing them with the transparency and flexibility to manage their emissions more effectively.

In early 2021, we launched a new service that allows customers to incorporate zero-carbon logistics into their procurement process. Impala Terminals' carbon-neutral freight service builds on the knowledge and expertise gained over the past few years from monitoring the emissions performance of our global freight service.

Our carbon-neutral freight service gives customers an insight into the indirect GHG emissions generated by the transportation of their shipments of non-ferrous metals and minerals by container. They can offset these emissions by funding carbon-positive projects across the world.

We provide customers with accurate, externally audited, Scope 3 GHG emissions data from collection point to point of delivery. We discuss with each customer a range of potential emission reduction projects that can offset these emissions. Once the customer has designated their preferred project, we purchase the requisite carbon credits on their behalf through Natural Capital Partners to offset transportation emissions.

Natural Capital Partners is then able to certify the freight service as CarbonNeutral®. Customers can declare these deliveries as being in accordance with the CarbonNeutral Protocol and include the offsets in their Scope 3 GHG emissions reporting.



[www.impalaterminals.com/integrated-operations/freight-forwarding/](https://www.impalaterminals.com/integrated-operations/freight-forwarding/)



# ➤ COMMUNITIES AND OUR PEOPLE

*We support communities where we are active by placing contracts with local suppliers and employing local people in high-quality jobs. Our meritocratic and collaborative work environment promotes an atmosphere of integrity, ethical conduct, equal opportunity and mutual respect. We invest in attracting, developing and retaining the best people.*

## 2020 PERFORMANCE

To build and implement training materials, including e-learning, that develop the core technical and interpersonal skills of our employees. ✓

To continue the roll-out of existing people management and leadership modules and coaching across the business. ✓

To improve the efficiency and productivity of our workforce through continuous improvement of processes, systems and work organisation. ◐

To provide career development opportunities for employees who have demonstrated they are ready and able to take on increased responsibilities. ◐

To roll out training to further develop employees' skills in accountability, effective communication, planning and aligning, and customer focus. ◐

## 2021 TARGETS

To improve gender diversity at the recruitment phase through targeted outreach initiatives aimed at under-represented groups within our business.

To achieve a 50:50 gender split on all interviewees for the graduate programme.

To continue the roll-out of existing training to further develop employees' skillsets and careers.

To further develop our digital platform for learning and development to provide comprehensive access for our global workforce.

✓ Achieved

◐ In progress

✗ Not achieved





# TIES AND

# OF

## OUR APPROACH

Impala Terminals is firmly embedded in the communities where we are active. We rely on the continued support of local people to operate effectively. We seek to earn our social licence to operate by engaging with local communities and contributing positively where we can. Our preference for recruiting locally helps us remain rooted in local concerns.

We succeed in the long term by building and retaining a highly skilled, engaged and productive workforce. We invest in attracting, developing and retaining the best people from all backgrounds. Our meritocratic and collaborative working environment promotes an atmosphere of integrity, ethical conduct, equal opportunity and mutual respect.

## Key performance indicators

	Impala Terminals	
	2020	2019
Average number of employees <sup>1</sup>	<b>759</b>	719
Male (%)	<b>88</b>	89
Female (%)	<b>12</b>	11
Under 30 years (%)	<b>27</b>	29
30 – 50 years (%)	<b>65</b>	63
Over 50 years (%)	<b>8</b>	8
Professional/commercial (%)	<b>29</b>	29
Technical/operational (%)	<b>71</b>	71
Full time (%)	<b>99</b>	99
Part time (%)	<b>1</b>	1
Covered by collective bargaining agreements (%)	<b>75</b>	77

1. Average calculated over the financial year from 1 January to 31 December

### A CULTURE OF RESPONSIBILITY

The Impala Terminals joint venture employs 759 people in Europe, Latin America and Southern Africa. Around a third of our employees are professional/commercial workers, the remaining two-thirds are in technical/operational roles.

We have structured our organisation to devolve decision-making and empower employees with the accountability and responsibility to work effectively, ethically and in the long-term interests of the company. Teamwork, effective communication and collaboration are vital components of our company culture.

Responsibility is an important competitive differentiator. We promote a culture where all colleagues are encouraged to consider the wider consequences of their actions and are prepared to question practices that may expose the business to social, environmental, reputational or commercial risk.

Our employee handbook articulates the defining characteristics of our company culture and our expectations of all employees. It is provided to all members of staff and is available in English and Spanish. There is an accompanying video online.

All new starters watch the video and receive the handbook, together with the Impala Terminals HSEC Principles, as part of their induction. They are also required to take the Responsible Trading and Code of Business Conduct training courses, among others, as appropriate to their role.



[www.impalaterminals.com/media/1292/impala-hsec-business-principles.pdf](http://www.impalaterminals.com/media/1292/impala-hsec-business-principles.pdf)



[www.impalaterminals.com/media/1291/impala-hsec-policy.pdf](http://www.impalaterminals.com/media/1291/impala-hsec-policy.pdf)



[www.impalaterminals.com/media/1506/code\\_of\\_business\\_conduct\\_en.pdf](http://www.impalaterminals.com/media/1506/code_of_business_conduct_en.pdf)





## ENGAGING LOCALLY

We recognise that we have a duty to engage with the communities most affected by our operations. Impala Terminals' activities assist communities where we have physical facilities by supporting local peoples' livelihoods and helping to sustain local economies.

# 97%

LOCALLY RECRUITED EMPLOYEES

Over 97 percent of our employees are recruited locally. This ensures we share local concerns and priorities. We offer high-quality jobs with attractive training and career opportunities.

In addition to those we employ directly, we work on- and off-site with numerous contractors and suppliers. We ask all our commercial counterparts to respect local laws and follow best-practice employment procedures.

## COLLECTIVE BARGAINING

We respect the right of our employees to collective representation in locations where our people are members of labour unions, and we aim to maintain open channels of communication and dialogue with their representatives.

Impala Terminals regularly reviews collective agreements with union representatives. We enter all such negotiations in a spirit of cooperation, focusing on arriving at affordable, sustainable agreements that promote workforce stability.



## COMMUNITY ACTION DURING THE PANDEMIC

During 2020, much of our focus was on combatting COVID-19 and dealing with its effects. We donated money and materials to a broad range of good causes.

In Mexico, Impala Terminals Manzanillo distributed personal protective equipment and sanitisers to hospitals, care homes and social service centres. It also provided ready meals for hard-pressed nurses, resources for schools and universities, and a range of materials for a local addiction centre.

In Paraguay, through Puma Energy Paraguay, local teams provided bottled LPG to local charities to cook for those badly affected by the pandemic. Ethanol was donated to make antibacterial gel, and complementary gasoline and diesel was supplied for cars transporting medical staff to and from hospitals and to local fire services.

In Peru, our local team provided relief packs containing essential medical and food supplies to the local community. In Spain, many vulnerable people and families faced difficult financial situations, job losses and social isolation with many relying on food banks. Employees at Impala Terminals' Huelva warehouse launched a campaign to help them and enlisted the support of local suppliers. Together, they collected 1.85 tonnes of food for the Huelva Food Bank. This was complemented by a EUR25,000 donation from the Trafigura Foundation.



## ATTRACTING TALENT

We aim to attract the most talented people, irrespective of their age, gender, sexual orientation or ethnicity. Experience, skills and a self-starting attitude are our primary criteria.

Our interview process places emphasis on applicants' character and social skills. We get early feedback from new recruits to help refine our induction process. We also invest in developing management skills in team leaders so that they can support the career development of their employees.

In 2020, we hired 106 new employees globally (2019: 50). Our people come from across the globe and many walks of life. People with diverse backgrounds contribute differing perspectives and this breadth of experience enriches and informs our culture.

We have an increasingly active social media presence where we advertise individual job positions and our regular recruitment drives. Most professional and commercial roles are posted globally via LinkedIn. We engage with a broad range of recruitment channels in pursuit of the best talent. We sometimes recruit externally for specialist senior positions that supplement our existing knowledge base, and we often promote from within. Our career development programme builds skills and competencies. Many of our top managers have worked their way up through the ranks.

The main pathway for new talent is our two-year graduate programme. The Impala Terminals Graduate Programme is built around structured placements in different parts of the business. Ten graduates have completed the programme over the past two years.

As the scope and scale of Impala Terminals' interests continue to grow, we want our people to grow with us. Our integrated approach to people management focuses on hiring the right people, developing their capabilities, incentivising performance, providing constructive feedback and prioritising job opportunities for qualified internal candidates. This has helped us maintain a healthy talent pipeline in markets that often have a shortage of suitably skilled people. Our approach will remain consistent in 2021.

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# 106

NEW EMPLOYEES RECRUITED  
GLOBALLY IN 2020





## LEARNING AND DEVELOPMENT

The learning and development agenda at Impala Terminals is designed to provide a platform of continuous growth for our employees. They are encouraged to invest time in enhancing their knowledge of the business and in improving communication and leadership skills in their current roles.

We offer a number of global workshops and coaching sessions designed to develop specific competencies targeted at our departments and key regional hubs. In 2020, these included the 'Brillamos' programmes in Latin America and local talent programmes globally. There was skills training for around 60 participants to build excellence in freight forwarding, maintenance and management, and HSE leadership. We held training sessions focusing on emotional intelligence and delivered online programmes that developed a range of soft skills. We also strengthened leadership capabilities with supervisor-level programmes in Mexico and Peru. In all, we delivered 2,651 hours of training to professional/commercial employees (equivalent to 12.0 hours per employee).

We provide regular training on both technical and HSEC topics. All new recruits receive formal training as part of the induction process. All employees also participate in regular review sessions to refresh and update skills and HSEC awareness. Operational and technical staff received 11,335 hours of training in 2020, equivalent to 14.93 hours per employee.

Our learning and development offering to employees continues to grow. We work with team managers to develop materials that drive business success and support career paths. This starts with induction kits for new joiners and continues through entire career paths to senior management level.

Impala Terminals personnel have access to an extensive library of learning resources. In 2020, over 50 additional e-learning courses were designed and delivered, along with 59 videos, nine user guides and a number of standard operating practices for use across the Group. With a catalogue of over 1,400 courses and more than 13,000 GetAbstract business articles, we have extended the expertise of world-renowned learning opportunities to all our staff.

Our open working culture maintains a flat hierarchy to empower local decision-making. Our learning and development strategy reflects this ethos; employees are encouraged to be self-aware and to understand their environment and their impact. Commercial and professional employees have access to individual coaching and can track and manage their performance on our platform. During the year, we invested in licences to provide complete access to professional development resources to nominated staff through our partnership with LinkedIn Learning.

In 2020, many of our offices transitioned to remote working as a result of the COVID-19 pandemic. This highlighted opportunities to enhance connectivity and communication within our global workforce by embracing existing technologies.

Training, which was previously delivered in person at our hubs, has now been adapted to a live virtual format due to COVID-19, expanding access to employees across all our regions. This has resulted in increased interaction between our employees in different locations around the world, more engaged participation and an enhanced sense of community. We continue to leverage technology to bring our workforce together and promote proactive learning and career development.





## INCREASING RESILIENCE IN A FAST-CHANGING WORLD

Resilience is the capacity to meet challenges, manage pressure and bounce back from difficult situations, whether through thoughts, feelings or behaviours. During the year, we adapted a global workshop on resilience to account for the way people's lives had been affected by COVID-19 and the resultant global volatility. In 2020, over 35 interactive resilience workshops were delivered around the world.

In Latin America, a region that has been hit particularly hard by pandemic lockdowns and COVID-19-related illnesses, once-a-month in-person workshops have been changed to offer people the opportunity for two or three virtual sessions a month. Any employee is eligible to join and additional sessions are scheduled after work hours for those who cannot log in during the day. The workshop covers strategies to embrace change, amplify positivity and remain flexible to increase resilience in personal and professional lives.

Margarita Restrepo, Global Head of Human Resources, explains the benefits of the workshop, particularly during uncertain times:

"People have shared worries about testing positive for COVID-19 and experiences of family members who have been infected or have passed away. People listen to one another, learn new things about each other and realise they share similar situations. We have created a place to show empathy and understanding, which is extremely important when it comes to the wellbeing of our employees."



## DIVERSITY AND INCLUSION

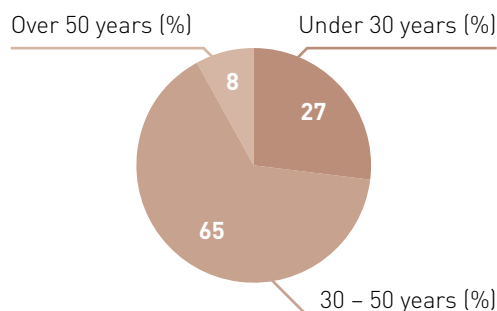
Impala Terminals has always benefited from understanding that we do our best work by encouraging difference. We aim to build an inclusive culture full of different voices that bring the best ideas to the fore. This insight drives our devolved managerial style. We are committed to empowering our people at all levels and encouraging collaborative working practices across the company.

We prefer to recruit, develop and retain employees locally where possible. Local understanding extends our effectiveness and helps to align the business with cultures around the world. At the same time, we want our organisation to appeal to a diverse range of people. Internally, our focus is on developing a network of programmes and tools to help all our employees realise their full potential.

As the world we operate in continues to evolve, so do our business priorities. Against this background, in 2021, a major focus will be broadening access to our industry for people from every background and of all genders and ethnicities.

The age distribution of Impala Terminals employees contributes to a dynamic, balanced and sustainable business, striking the right balance between the wisdom of experience and the enthusiasm of youth. Around 65 percent of our people are aged between 30 and 50. They provide the company with stable energy and maturity. A smaller but still significant group (27 percent) are younger; and older employees make up eight percent of the workforce. The energy and life lessons that these groups contribute help to invigorate and protect our business.

Workforce age groups



*We are committed to empowering our people at all levels and encouraging collaborative working practices across the company.*





## EQUAL OPPORTUNITIES

Impala Terminals is an equal opportunities employer. We regard any form of discrimination as both wrong in itself and harmful to our commercial interests. We work hard to ensure we do not discriminate during recruitment, training or career development.

Our pro-diversity stance supports our commitment to being an equal opportunities employer. In 2020, we conducted an internal mapping survey to identify our current employee gender breakdown across regions, key offices and management levels. The data obtained from this exercise has enabled us to identify areas of future focus and develop a targeted diversity strategy.

We run leadership training and coaching programmes that promote equal opportunities without bias in the organisation. We encourage our leaders to engage in open dialogue on diversity and equal opportunities topics. In 2021, we will introduce training for all staff to further promote a more inclusive work environment.

However, ultimately, diversity is not about quotas and special interests. It's about listening to different points of view, valuing them and benefitting from them. A culture is only truly inclusive when different perspectives are not just accepted but actively sought out, and people are ready to learn from each other and revisit their own opinions.

Improving diversity in the workplace is a business objective, because we know from experience that diversity enriches our decision-making and drives innovation. As an industry, we are currently under-performing on this front, specifically in terms of gender. Internationally, just 12 percent of our employees are female. We are working to achieve a better balance. We strongly support the participation of women in our talent programmes to develop their leadership skills and develop their operational capabilities. Cultural and social preconceptions make the task harder in certain regions, but we also recognise that we need to do more to attract and support women in our industry.

*We strongly support the participation of women in our talent programmes to develop their leadership skills and develop their operational capabilities.*





IN FOCUS:

# ALBA PEREZ – CONTAINER YARD MANAGER, MEXICO

After a three-year stint with SGS after graduating from the University of Colima in Mexico with a professional informatics degree, I joined Impala Terminals Mexico in 2009 as an Operations Assistant at the Manzanillo terminal. In those days, there were just seven of us, but even then it was obvious the company had big plans. That was perfect for me, as I'm someone who likes a challenge and going out of my comfort zone.



Now, I'm the Container Yard Manager. We're currently working on a big construction project at Manzanillo and that's incredibly motivating. I'm an early riser, I'm up at 6am. Then it's coffee, breakfast and a short drive to work. When I get to the office, my first task is to prioritise the day's jobs. After that, I'm solving problems and checking progress with a wide range of professionals. I get home around 2pm and typically spend an hour or two with my daughter; that's such a precious time. And after my working day ends, at around 6pm, I often go out for a run. Then, when my husband gets home, we all sit down for dinner. I'm very thankful to have a career that makes space for my family.

Our industry is often seen as something that only men do, but it shouldn't be like that. For me, logistics is in everything, from planning a vacation to loading containers for export – there are so many different roles. In my case, I spent time in the procurement and quality control departments on my path to my current job.

Being a woman in this business hasn't been a problem for me. The organisation values skills and it helps its people develop. Impala Terminals' equality policies ensure that men and women get the same benefits and opportunities. I must have done over 50 different training programmes over the years. Most recently, I took part in the Impala Excellence Programme, which shares best practice globally and equips managers with the soft skills and business knowledge they need to take on senior roles.

I believe that, by being determined and sticking to our goals, women can show we are capable of achieving everything that we set out to do. I also think we should be helping each other. It's as Michelle Obama says, "stay true to yourself and never let what somebody else says distract you from your goals."

*Our industry is often seen as something that only men do, but it shouldn't be like that.*



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For more information please contact:  
[enquiries@impalaterminals.com](mailto:enquiries@impalaterminals.com)  
**[www.impalaterminals.com](http://www.impalaterminals.com)**

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In this publication, the terms "Impala", "the company", "we", "us" and "our" are used for convenience to denote the Impala Terminals joint-venture. These terms are used where no useful purpose is served by identifying a specific company or entity within Impala Terminals.