

Trencor is an investment holding company quoted on the JSE Limited. Its core businesses are the owning, leasing, managing and reselling marine cargo containers worldwide, and related financing activities.

Strategy

Trencor's strategy is to invest in operations that have as their business the enablement of the controlled movement of goods by providing, managing and integrating the use of equipment, services, knowledge and information.

We aim to do this by providing a global and integrated set of offerings through owning, managing, and/or leasing of container assets used by customers in the controlled movement of goods, including investing in related information and communication technologies and appropriate forms of information management.

This strategy is intended to contribute to the growth and improvement of those existing businesses already involved in the movement of goods, and to include in their activities similar businesses that have the potential to render acceptable returns.

Origins and history

Trencor started life in 1929 as a General Motors dealership. In 1929 Trencor's founders converted a Buick sedan to a truck and started a road transport business which in due course became a leading nationwide carrier. Since then, the company has undergone a number of changes to adjust to changing circumstances.

In 1955 the company listed on the JSE. 1969/70 saw the branching out into road trailer manufacturing through the acquisition of Henred Trailer Manufacturing Company, which subsequently merged with Fruehauf South Africa to form Henred-Fruehauf Trailers.

1977 marked the beginning of manufacturing dry-freight marine cargo containers for the export market. This was later expanded to include the manufacture of folding flatrack containers and stainless steel tank containers. In 1979 Trencor commenced financing the sale of containers on long-term credit. The aggregate sales value of containers so exported exceeded US\$1 billion.

With the advent of globalisation and the freeing up of the South African economy, the focus shifted to the core activities of the group as described above. Today, Textainer, in which Trencor currently has a 60,1% beneficiary interest, is the world's largest container leasing company based on fleet size and its shares are listed on the New York Stock Exchange.

Sustainability strategy

Trencor recognises the interest of both internal and external stakeholders in its organisational and operational performance. As a socially responsible group of companies it embraces the goal of sustainable development.

The group believes that the non-financial aspects of sustainability may ultimately have a financial impact on its business and thus cannot be ignored. Sustainability is therefore important

in enhancing shareholder value, quite apart from fulfilling the group's social responsibility.

The group's sustainability strategy focuses on high level target areas, specific objectives and key performance indicators for each functional area within the group.

Managing sustainability

A sustainability committee is currently in the process of being established and will have its own terms of reference as a committee of the board and will seek to ensure that the group operates its business activities in a socially responsible manner.

Sustainability risk focus areas

The following have been identified as the main risk focus areas which the group believes are critical to its long-term success and sustainability: shareholders, employees, customers, suppliers, regulatory issues, environment and community.

Measuring performance

Sustainability is measured by the 'value add' and wealth created for the benefit of its stakeholders over the long term, through the group's operations.

The statement below shows the wealth created during the year ended 31 December 2011 and how it was distributed:

Wealth created:	Rm
Total revenue	4 649
Less: costs of goods and services	(2 073)
	2 576
Wealth distributed:	
Employees' compensation	205
Government (direct taxes)	100
Shareholders (dividends)	452
Depreciation and amortisation	626
Net earnings retained	1 193
	2 576
	Cents per share
Shareholders	
Growth of shareholder wealth and returns:	
Earnings	554
Dividends	175
Trencor share price at year-end	3 800

Employees

Trencor and Textainer both have succession plans approved by their respective corporate governance and nomination committees, as well as their boards.

The group promotes an environment where employees have continuing opportunities for improving their professional skills and enhancing their personal growth through various training and development programmes. The group also offers its employees assistance in continuing their education.

Details of the employee benefits provided by Trencor and Textainer are detailed in the notes to the financial statements.

SUSTAINABILITY REPORT

The group aims to maintain an open and productive work environment that is responsive to the needs and concerns of its employees. The group believes that communication is the key to building successful relationships. The aim is to foster an environment of mutual respect and confidence in which employees can develop their skills and talents.

The group is committed to a policy of non-discrimination. Employees with a disability or life-threatening illness will be allowed to continue working as long as they are able to meet the company's performance standards, and their work does not present a direct threat to their own health or safety or that of others.

Remuneration

The company's remuneration practices and policies are described in the remuneration report above.

Customers

Through ongoing interaction with its customers the group believes it is able to provide an excellent product and service to its customers.

Suppliers

Trencor acknowledges that to remain competitive and offer a comprehensive product range, goods also need to be sourced internationally. This involves establishing business relations with suppliers and manufacturers in developing countries where production cannot always be monitored. Trencor will not tolerate any violation of human rights and basic social standards of which it may become aware. At the same time Trencor respects local laws, norms and culture provided they are not in conflict with fundamental ethical and human rights. Workplace standards of suppliers are monitored, where possible, and corrective action proposed when deemed appropriate, although the ability to influence change is often limited.

Regulatory issues

Both Trencor and Textainer, as public listed companies, are subject to rules and regulations established and enforced by the regulatory bodies in the jurisdictions in which they are registered or operate. Both companies are in compliance with these rules and regulations.

Employment equity

The group's South African workforce at 31 December 2011 comprised the employees of Trencor Services (Pty) Limited at the group's corporate head office consisting of 19 persons: four executive white male directors, four white males in senior management, one coloured male in mid management, one white disabled and one coloured male and one white female in junior management, two coloured and three white semi-skilled females and one unskilled coloured male and African woman.

Environment

Textainer is currently involved in a project co-ordinated with the Institute of International Container Lessors to find a more environmentally friendly flooring material for containers.

Community

During the year under review, monetary assistance was granted to the Community Chest Western Cape, an organisation which provides assistance to various community and welfare organisations, which the group has supported since 1974. Financial support was also provided to The Red Cross War Memorial Children's Hospital, a highly specialised children's health care facility in the Cape well known for its excellence in child care and treatment on the African continent. Other organisations supported were St. Luke's Hospice, Accelerate Cape Town, National Sea Rescue Institute, MaAfrika Tikkun, Foodbank, Darling Trust, WWF South Africa, Cape Philharmonic Orchestra, The Make a Difference Foundation and ACWV Peninsula. In addition, donations were made to the University of the Western Cape, Stellenbosch University, University of Cape Town and the Cape Peninsula University of Technology.

Textainer's employees and directors combined to donate US\$27 500 to the American Red Cross Japan Earthquake Relief Fund. The company matched donations on a 3-to-1 basis, adding US\$82 500 to reach a total of US\$110 000.

External assurance

As this is the group's second sustainability report and as integrated reporting is viewed as a process which is dynamic and evolutionary, it would be premature to seek external verification of any elements of the report at this stage. The board confirms, to the best of its knowledge and belief, the accuracy and integrity of the data provided in this report. The group anticipates providing independent assurance of the material aspects of this report in the future.