

C0. Introduction

C0.1

(C0.1) Give a general description and introduction to your organization.

Barloworld is an industrial processing, distribution, and services company with two primary areas of focus: **Industrial Equipment and Services and Consumer Industries (food and ingredient solutions)**. Our provision of Industrial Equipment and related services, offers earthmoving equipment, industrial services, and power systems, which enable the operation and maintenance of a large array of mining, construction, and power solutions for our customers, with whom we have built enduring relationships based on mutual trust. Through our Consumer Industries business, Ingrain, we provide large enterprises with the ingredients essential to the manufacturing of a range of products including food and beverages, paper, pharmaceuticals, building materials and adhesives, amongst others. Barloworld has a proven track record of long-term relationships with global principals and customers. We have an ability to develop and grow businesses in multiple geographies including challenging territories with high growth prospects. One of our core competencies is an ability to leverage systems and best practices across our chosen business segments. As an organisation we are committed to sustainable development and playing a leading role in empowerment and transformation. The Company was founded in 1902 and currently has operations in 16 countries around the world. Our shared value approach is based on the understanding that sustainable value creation requires that the interests of all stakeholders are addressed and ultimately benefits society at large.

Central to our approach is the:

- Broader conception of value creation
- Focus on connections between economic and societal progress
- Aims to enhance competitiveness while simultaneously advancing economic and social conditions of communities
- Requires looking at business decisions and opportunities through the lens of shared value
- Leads to new approaches that generate greater innovation and growth.

We are committed to moving away from traditional stakeholder trade-offs to create shared value and meaningful relationships. We aim to enhance business competitiveness while simultaneously advancing social and environmental outcomes. The Barloworld Way of doing business focuses on developing and maintaining mutually beneficial, long-term relationships.

Our strategy consists of:

- Delivering top quartile shareholder returns
- Driving profitable growth
- Instilling a high-performance culture

These are underpinned by our Sustainable Development framework.

Material issues that impact our strategic priorities, the risks to our goals and performance, and alignment of these issues to concerns identified by our stakeholders are:

1. Capital allocation (Focus on optimal capital deployment): Key Features: Cash release and distribution, Maximising returns, Active portfolio management, Performance monitoring and Opportunities for growth.
2. Operational performance (Driving our business to full potential): Levers for operational efficiencies, Unlocking our full potential, Customer centricity and Future outlook.
3. High-performance culture (Instil a high-performance culture with execution ability): Key Features: Talent and performance management, Diversity and inclusion, Remuneration and reward, Organisational culture and Safety and health
4. Sustainable development (We embrace our role as a responsible corporate citizen, and strive to play an active and meaningful role in the societies where we operate): Our role in communities, Environmental stewardship and Transformation. The interests of our stakeholders are factored into our business operations and the management of our economic, social and environmental issues. We believe in creating shared value and meaningful relationships through in-depth planning and rigorous relationship management programmes. We are committed to sustainable development and long-term value creation for all our stakeholders, and we manage our business in an integrated manner, embraced by a strong governance environment which is underpinned by our BAW [Worldwide Code of Conduct](#).

Aligned with the significant increase in non-renewable energy consumption, group emissions (scope 1 and 2) significantly increased in FY2021: 468 810tCO₂e (44 521 tCO₂e scope 1 & 2 FY2020). This is mainly due to the inclusion of acquisitions, namely Ingrain, in the group effective November 2020 (FY2021), which is not included in the comparative periods. Ingrain uses coal, gas, and electricity in the production process. Coal was the major contributor (52%), followed by grid electricity that contributed 39% of total 2021 group carbon emissions, the group electricity consumption increased significantly due to the inclusion of Ingrain. For indicative purposes, a like-for-like comparison, excluding Ingrain from the current period, reflects a 2% decrease in scope 1 and 2 emissions against FY2020.

C0.2

(C0.2) State the start and end date of the year for which you are reporting data.

	Start date	End date	Indicate if you are providing emissions data for past reporting years	Select the number of past reporting years you will be providing emissions data for
Reporting year	October 1 2020	September 30 2021	Yes	3 years

C0.3

(C0.3) Select the countries/areas in which you operate.

- Angola
- Australia
- Botswana
- Democratic Republic of the Congo
- Eswatini
- Ghana
- Lesotho
- Malawi
- Mongolia
- Mozambique
- Namibia
- Russian Federation
- South Africa
- United Kingdom of Great Britain and Northern Ireland
- Zambia
- Zimbabwe

C0.4

(C0.4) Select the currency used for all financial information disclosed throughout your response.

ZAR

C0.5

(C0.5) Select the option that describes the reporting boundary for which climate-related impacts on your business are being reported. Note that this option should align with your chosen approach for consolidating your GHG inventory.

Financial control

C0.8

(C0.8) Does your organization have an ISIN code or another unique identifier (e.g., Ticker, CUSIP, etc.)?

Indicate whether you are able to provide a unique identifier for your organization	Provide your unique identifier
Yes, an ISIN code	BAW ISIN: ZAE000026639

C1. Governance

C1.1

(C1.1) Is there board-level oversight of climate-related issues within your organization?

Yes

C1.1a

(C1.1a) Identify the position(s) (do not include any names) of the individual(s) on the board with responsibility for climate-related issues.

Position of individual(s)	Please explain
Board-level committee	The board holds the highest level of responsibility for climate related issues within Barloworld and entrenches a common framework and approach to sustainability across the Group in line with the One Barloworld approach. In assisting the board to fulfil its responsibilities with respect to key aspects related to environmental sustainability: The social, ethics and transformation committee monitors: ○ the company's activities, having regard to legislation and codes of best practice relevant to social and economic development, good corporate citizenship, the environment, health and public safety, consumer relationships, products or services, labour and employment matters; the tone at the top and how management actively cultivates a culture of ethical conduct in accordance with the King IV report on corporate governance; applicable aspects of integrated reporting to ensure credibility, clarity, completeness and comparability; the company's progress towards achieving the energy, emission and water efficiency improvements as well as its responsible waste management activities; all substantive sustainability, climate change, environmental and health and safety risks to which the group is exposed and ensures that the requisite management culture, practices, policies and systems are implemented and function effectively. In considering Safety, Health and Environmental (SHE) aspects of the group, the committee receives SHE reports on a quarterly basis which includes water-related and climate change information such as water withdrawals, recycling and rainwater harvesting, emissions and energy usage and related efficiency improvement initiatives, and progress towards set aspirational targets. Examples of decisions taken include approvals of the suite of environmental policies; efficiency improvement targets for energy, emissions and water; the assurance approach over selected non-financial indicators, including energy, emissions and water indicators. The risk committee: Environmental sustainability related objectives of the committee in assisting the board include: ○ reviewing the adequacy and effectiveness of the risk management process, the significant risks facing the company and the mitigating controls and activities addressing sustainable development in the company including climate change and environmental stewardship.

C1.1b

(C1.1b) Provide further details on the board's oversight of climate-related issues.

Frequency with which climate-related issues are a scheduled agenda item	Governance mechanisms into which climate-related issues are integrated	Scope of board-level oversight	Please explain
Scheduled – all meetings	<ul style="list-style-type: none"> Reviewing and guiding strategy Reviewing and guiding major plans of action Reviewing and guiding risk management policies Setting performance objectives Monitoring implementation and performance of objectives Monitoring and overseeing progress against goals and targets for addressing climate-related issues 	<Not Applicable>	<p>The Group Social, Ethics and Transformation Committee, which is one of five sub-board committees, holds the highest level of responsibility for Sustainability aspects within Barloworld.</p> <p>This Committee was established to assist the board in ensuring sound corporate governance, improving internal controls and monitoring company performance. The Committee assists the board in recognising all substantive sustainability, climate change, environmental and, health and safety risks to which the group is exposed and in ensuring that the requisite management culture, practices, policies and systems are implemented and function effectively within the group. In giving consideration to Safety, Health and Environmental (SHE) aspects of the group, the committee receives SHE reports on a quarterly basis which includes climate change information such as emissions and energy usage as well as related efficiency improvement initiatives, and progress towards aspirational non-renewable and emissions (scope 1 and 2) efficiency improvement and renewable energy targets. The Group Risk committee has oversight of the risk management framework, identified risks and mitigation strategies/ measures. Environmental risks, including climate change aspects are included in the group's identified risks. The Chairperson of each of the Board sub-committees, including the Social, Ethics and Transformation Committee and the Risk Committee report to the Board on a quarterly basis.</p>
Scheduled – some meetings	<ul style="list-style-type: none"> Reviewing and guiding strategy Reviewing and guiding major plans of action Reviewing and guiding business plans 	<Not Applicable>	The group has a comprehensive strategic planning process that includes identified major risks and opportunities. These plans are presented at various levels within the organisation to ensure integration across the group and include an overall presentation to the Board. This process takes place on an annual basis.

C1.1d

(C1.1d) Does your organization have at least one board member with competence on climate-related issues?

	Board member(s) have competence on climate-related issues	Criteria used to assess competence of board member(s) on climate-related issues	Primary reason for no board-level competence on climate-related issues	Explain why your organization does not have at least one board member with competence on climate-related issues and any plans to address board-level competence in the future
Row 1	Not assessed	<Not Applicable>	<Not Applicable>	<Not Applicable>

C1.2

(C1.2) Provide the highest management-level position(s) or committee(s) with responsibility for climate-related issues.

Name of the position(s) and/or committee(s)	Reporting line	Responsibility	Coverage of responsibility	Frequency of reporting to the board on climate-related issues
Other C-Suite Officer, please specify (Group and Divisional CEOs)	<Not Applicable >	Other, please specify (Achievement of group strategy)	<Not Applicable>	Quarterly
Other, please specify (Divisional Risk and Sustainability Committees)	<Not Applicable >	Other, please specify (Directing, monitoring, assessing & managing environmental aspects and related risks)	<Not Applicable>	Quarterly
Environment/ Sustainability manager	<Not Applicable >	Other, please specify (Achievement of Environmental Sustainability strategy)	<Not Applicable>	Quarterly
Other, please specify (Divisional Sustainability champions)	<Not Applicable >	Other, please specify (Driving Environmental Sustainability strategy)	<Not Applicable>	Quarterly
Other C-Suite Officer, please specify (Group Executive: Risk, Ethics and Governance)	<Not Applicable >	Other, please specify (Achievement of Environmental Sustainability strategy)	<Not Applicable>	Quarterly

C1.2a

(C1.2a) Describe where in the organizational structure this/these position(s) and/or committees lie, what their associated responsibilities are, and how climate-related issues are monitored (do not include the names of individuals).

Position: Group and Divisional CEOs

Responsibilities: These individuals are part of the group Executive Committee, which is the highest level of executive management within Barloworld (BAW). As the highest level/s of executive management, these individuals are responsible for driving the achievement of the approved group strategy within their respective operations, which include sustainability and environmental objectives. The Chief Executive Officer and Board of Directors in each division are ultimately responsible and accountable for climate change management. Climate change aspects are an integral part of management in the company and are recognised as a corporate priority.

Monitoring: Implemented processes ensure that the Chief Executive Officer and Board of Directors remain fully informed about all pertinent environmental issues, including those relating to climate change. For example, a SHE report is presented at divisional risk and sustainability meetings and at the Group Social, Ethics and Transformation Committee (SETC) meetings, which include performance against set aspirational targets and pertinent issues including climate change. These individuals are responsible for the achievement of the group strategy, including non-financial metrics. Included in individual/personal scorecard metrics are other role-based non-financial elements. Sustainability related objectives incorporate efficiency improvement targets for non-renewable energy, greenhouse gas emissions (scope 1 and 2), water withdrawals (municipal sources), and where relevant, achievement of the renewable energy targets. The achievement of such targets contributes towards climate change mitigation.

Position: Divisional Risk and Sustainability Committee

Responsibilities: Divisional executive management committee which is chaired by the divisional CEOs. These CEOs sit on the Group Executive Committee, the highest level of executive management within BAW.

Directing, monitoring, assessing & managing divisional activities, including environmental aspects and related risks. The Chief Executive Officer in each division is ultimately responsible and accountable for climate change management. Climate change aspects are an integral part of management in the division and is recognised as a corporate priority.

Monitoring: Implemented processes ensure that the committee remains fully informed about all pertinent environmental issues, including those relating to climate change. For example, a SHE report is presented at the divisional risk and sustainability meetings, which includes performance against set aspirational targets and pertinent issues including climate change. The committee monitors progress against Sustainability related objectives including efficiency improvement targets for non-renewable energy, greenhouse gas emissions (scope 1 and 2), water withdrawals (municipal sources), and where relevant, achievement of the renewable energy targets.

Position: Group Sustainability Manager

The Group Manager is part of the management team, who reports to the Group Executive: Risk, Ethics and Governance.

Responsibilities and Monitoring:

- Co-ordinate, compile and execute the overall group environmental sustainability strategy which includes addressing climate change.
- Set group sustainability objectives, including climate change related targets e.g., GHG emission intensity reductions.
- Compile environmental related policies, including climate related policies.

- Ensure day-to-day operational requirements, systems, reports, etc. are in place to ensure relevant, timely and accurate reporting to stakeholders on sustainability issues, including measurement and monitoring of environmental impacts e.g., emissions generated.

- Appropriate engagement with relevant stakeholders on environmental related matters.

Position: Divisional Sustainability Champions

These are generally Divisional Executive level individuals.

Responsibilities: The Divisional Sustainability Champions are responsible for the achievement of and reporting on defined sustainability initiatives/objectives (including climate change), energy and emission efficiency improvement targets.

Monitoring: Included in their performance indicators are non-renewable and greenhouse gas emissions (scopes 1 and 2) efficiency improvements. Champions identify and drive initiatives in support of set objectives and targets. The achievement of the group aspirational efficiency improvement targets contributes towards climate change mitigation. Appropriate engagement with relevant stakeholders on environmental related matters.

Position: Group Executive: Risk, Ethics and Governance

The Group Executive is a Group Executive Committee member

Responsibilities and Monitoring: This position is required to:

- Drive the Environmental Sustainability strategy at an Executive Committee level, including risks and opportunities, education and awareness and reputation
- Reporting pertinent Environmental matters at Group SETC

C1.3

(C1.3) Do you provide incentives for the management of climate-related issues, including the attainment of targets?

	Provide incentives for the management of climate-related issues	Comment
Row 1	Yes	Efficiency improvement targets, including those related to improved scope 1 and 2 greenhouse gas emissions are set. Performance is monitored on a monthly basis at group and divisional levels. Achievement of targets are included in the relevant Executive scorecards.

C1.3a

(C1.3a) Provide further details on the incentives provided for the management of climate-related issues (do not include the names of individuals).

Entitled to incentive	Type of incentive	Activity incentivized	Comment
Other, please specify (Group and Divisional CEs, and Group Executive: Risk, Ethics and Governance)	Monetary reward	Efficiency target	Included in the performance indicators are the group's aspirational efficiency improvement target for non-renewable energy and greenhouse gas emissions (scopes 1 and 2). The achievement of the aspirational efficiency improvement targets will contribute towards climate change mitigation.

C2. Risks and opportunities

C2.1

(C2.1) Does your organization have a process for identifying, assessing, and responding to climate-related risks and opportunities?

Yes

C2.1a

(C2.1a) How does your organization define short-, medium- and long-term time horizons?

	From (years)	To (years)	Comment
Short-term	1	3	Identified risks in the short-term that are often of an operational nature.
Medium-term	3	5	Risks coincide with the strategic planning period that are often of a strategic nature given the group's business model.
Long-term	5	10	The group has long-term ambitions, and these risks are assessed and addressed in the context of such ambitions

C2.1b

(C2.1b) How does your organization define substantive financial or strategic impact on your business?

BAW has a robust and systematic risk management process in place which assesses risks on their probability, severity and quality of the control environment and gives each risk a residual risk score. On an annual basis the Risk Committee sets a risk appetite that is used in the risk assessment process. Definition of Substantive Risk: risks with a Residual (opposed to Inherent) score of critical or high relative to the set Risk Appetite may have the ability to substantively change BAW's business model or business operations, revenue or expenditure. Such risks are identified in BAW's risk assessment process together with related impacts and mitigation as reflected in response C2.3.a.

Aligned with our increase in non-renewable energy consumption, the group emissions (scope 1 and 2) is 953% higher than 2020 levels. This is mainly due to the inclusion of acquisition, namely Ingrain, in the group effective November 2020 (FY2021), which is not included in the comparative periods. For indicative purposes, a like-for-like comparison, excluding Ingrain from the current period, reflects a 2% decrease in scope 1 and 2 emissions against FY2020. Coal is the major contributor (52%) of total 2021 group carbon emissions. Grid electricity contributed 39%, gas 5%, diesel 3% and petrol 1% to the group's 2021 total carbon emissions. In 2021, scope 1 emissions made up 61% of total group emissions (scope 1 and 2).

It may not always be possible or practical to reduce absolute energy consumption and resultant carbon emissions year-on-year given the correlation between business activity and energy consumption and carbon emissions. To mitigate against this, Barloworld measures carbon emissions against activity levels and consumption drivers, resulting in an intensity indicator. BAW considers a number of environmental-related risks to its operations and value chain. These include climate change and related physical risks due to changing weather patterns; regulatory risks associated with greenhouse gas emissions; financial risks resulting from carbon taxes; operational risks due to constraints in energy supply and the availability of natural resources, such as water. The group identifies the predominant use of fossil fuel-based energy in its supply chain, operations, products and solutions as a risk to itself and its value chain. This is built into the group's strategic planning process.

In considering such risks and related opportunities, a number of variables are considered, some of which may overlap with the various climate related scenarios.

Ongoing engagement assists BAW in understanding challenges currently being faced or anticipated by its customers as well as its suppliers. Customer satisfaction is primarily gauged through a range of informal and formal surveying tools, including regular direct engagement with customers. This, in addition to market surveys and analysis, allow the various BAW business units to track customer demand, satisfaction and anticipate demand trends. This allows BAW to assess risks and opportunities in its value chain which will inform business strategy and risk management as appropriate. BAW engages with organised business to remain aware of climate-related trends which may influence its management of risks and opportunities and its business strategy.

While the above is incorporated into our business strategy, we are currently considering the optimal manner in which to incorporate climate-related scenario analysis. Within its 2022 financial period, divisional climate change workshops have commenced to highlight potential risks and opportunities that could stem from climate change scenarios. The intention is that the increased awareness of such impacts are to be incorporated into existing strategic planning and risk management processes.

BAW strives to minimise the environmental impact of its direct operations and to manage emissions appropriately, including efficiency targets for non-renewable energy consumption and GHG emissions (scope 1 and 2). BAW has considered its direct operations, as well as supply chain and customers in its risk assessment.

C2.2

(C2.2) Describe your process(es) for identifying, assessing and responding to climate-related risks and opportunities.

Value chain stage(s) covered

Direct operations
Upstream
Downstream

Risk management process

Integrated into multi-disciplinary company-wide risk management process

Frequency of assessment

More than once a year

Time horizon(s) covered

Short-term
Medium-term
Long-term

Description of process

Risks are identified through robust risk assessment and systematic strategic management procedures. A biannual High Level Risk Assessments (HLRA) engages various levels (BU, divisional and group) of the organisation and involves ongoing review and reporting at management, executive and board levels. Identification and assessment of risks, including climate change, begins with divisional management at asset level. The risks are assessed in terms of timeframe, likelihood, impact and quality of controls. A high-level risk assessment (HLRA) which takes place quarterly and considers all risk exposures facing the group. HLRA's are held at both divisional and group levels. Material risks and management responses are disclosed in the group's reported risks as part of its integrated reporting.

Our Intrinsic Value Model (IV Model) addresses:

- Long term shareholder value
- Short term value creation
- Value drivers
- Financial drivers
- Operational drivers.

The impact of changes to the various drivers on both the long- and short-term value of the group is assessed using the model. Such drivers can be influenced by inflation, exchange rates and interest rates. The model enables sensitivity analysis and stress testing on these and other relevant aspects that affect its value drivers. It is central to our strategic planning process, evaluating potential opportunities and assessing related risks in the group. Using our IV Model is part of all potential acquisitions and other corporate restructuring evaluations.

C2.2a

(C2.2a) Which risk types are considered in your organization's climate-related risk assessments?

	Relevance & inclusion	Please explain
Current regulation	Relevant, always included	<p>Identification of risks follows a robust and systematic process. A comprehensive risk management policy is in operation throughout the group, complemented by the Barloworld Limited risk management philosophy. Enhancing and entrenching a risk culture in the group includes dedicated divisional risk assessment interventions at which internal audit and group risk management services are present. Risk management is incorporated into the group's strategic planning process.</p> <p>BAW considers current regulations in its risk assessments, including those related to climate change.</p> <p>Examples of current climate change related regulations include mandatory emissions reporting, carbon pricing and budget regulations. Impacts of national commitments in the various regions BAW operates are also taken into consideration to better understand challenges that may be faced not only directly by BAW but also in its value chain. BAW does consult with legal specialist on current and emerging regulations to ensure the impacts of these are understood and appropriately responded to. In the case of Carbon Taxes, BAW complies with submission requirements to SARS. An example of a regulatory risk that BAW currently faces in South Africa is the uncertainties around pass through costs related to electricity and the impact this could also have on BAW's suppliers. This poses additional costs to BAW's current operating model and could pose a financial risk to BAW. BAW also engages with organised business to better understand the impacts of current regulations within its own operations and throughout its value chain. Changes to existing regulations and/or emergence of new regulations influence customer behaviour and can lead to uncertainty in the purchase/investment decision. Such impacts could negatively influence demand for BAW's products and services.</p> <p>In its 2022 financial period, divisional climate change workshops commenced that are aimed at enhancing awareness of potential climate change impacts, including physical and transitional related risks and opportunities. Physical and transitional risks (and opportunities) specific to the relevant divisional jurisdictions, industry and customer base were highlighted and discussed with divisional executive committees, including those related to current regulations. The intention of such workshops is to enhance awareness of such impacts and for these to be considered within the existing strategic planning and risk management processes.</p>
Emerging regulation	Relevant, always included	<p>Identification of risks follows a robust and systematic process. A comprehensive risk management policy is in operation throughout the group, complemented by the Barloworld Limited risk management philosophy. Enhancing and entrenching a risk culture in the group includes dedicated divisional risk assessment interventions at which internal audit and group risk management services are present. Risk management is incorporated into the group's strategic planning process.</p> <p>BAW considers emerging regulations in its risk assessments, including those related to climate change. Examples of emerging climate change related regulations include carbon pricing and carbon budget in South Africa and cross-border trade adjustment e.g., European Green Deal. Impacts of national commitments in the various regions BAW operates are also taken into consideration to better understand current and emerging challenges that may be faced not only directly by BAW but also in its value chain.</p> <p>BAW does consult with relevant specialists on current and emerging regulations to ensure the impacts of these are understood and appropriately responded to. BAW also engages with organised business to better understand the impacts of emerging regulations within its own operations and throughout its value chain.</p> <p>Changes to existing regulations and/or emergence of new regulations influence customer behaviour and can lead to uncertainty in the purchase/investment decision. An example could be the introduction on emission thresholds on equipment, plant and vehicles. Such impacts could negatively influence demand for BAW's products and services as well as influence decision-making of BAW's broader stakeholders.</p> <p>In its 2022 financial period, divisional climate change workshops commenced that are aimed at enhancing awareness of potential climate change impacts, including physical and transitional related risks and opportunities. Physical and transitional risks (and opportunities) specific to the relevant divisional jurisdictions, industry and customer base were highlighted and discussed with divisional executive committees, including those related to emerging regulations. The intention of such workshops is to enhance awareness of such impacts and for these to be considered within the existing strategic planning and risk management processes.</p>

	Relevance & inclusion	Please explain
Technology	Relevant, always included	<p>Identification of risks follows a robust and systematic process. A comprehensive risk management policy is in operation throughout the group, complemented by the Barloworld Limited risk management philosophy. Enhancing and entrenching a risk culture in the group includes dedicated divisional risk assessment interventions at which internal audit and group risk management services are present. Risk management is incorporated into the group's strategic planning process.</p> <p>Adaptation of processes, products and technologies are required to meet shifts in customer preferences and expectations, including a transition to a lower carbon economy. An inability or slow response to adapting current and innovating future technologies to support such a transition may result in a loss in competitive advantage and reduced demand for BAW's products and services.</p> <p>Risks related to products and services, including the technologies these incorporate are factored into risk assessments.</p> <p>BAW engages with principals, customers and organised business associations to better understand emerging requirements and technological trends, which inform its risk assessments and mitigation where relevant. Changes to current climate change related regulations and/or emergence of new regulations in this regard could also influence technological preferences and are considered under technology related risks.</p> <p>An example is the transition in energy solutions from fossil-fuel based to renewable energy. BAW product offerings include solar PV solutions and microgrids, energy efficient plant and equipment, fuel efficient as well as hybrid and electric vehicles.</p> <p>In its 2022 financial period, divisional climate change workshops commenced that are aimed at enhancing awareness of potential climate change impacts, including physical and transitional risks and opportunities. Physical and transitional risks (and opportunities) specific to the relevant divisional jurisdictions, industry and customer base were highlighted and discussed with divisional executive committees, including technology related risks. The intention of such workshops is to enhance awareness of such impacts and for these to be considered within the existing strategic planning and risk management processes.</p>
Legal	Relevant, always included	<p>Identification of risks follows a robust and systematic process. A comprehensive risk management policy is in operation throughout the group, complemented by the Barloworld Limited risk management philosophy. Enhancing and entrenching a risk culture in the group includes dedicated divisional risk assessment interventions at which internal audit and group risk management services are present. Risk management is incorporated into the group's strategic planning process.</p> <p>Possible legal exposure, claims and litigation form part of the risk assessment process. Claims made are directed to Group and Divisional legal departments. Past claims and the validity of these will inform the risk assessments and management process.</p> <p>An example of a legal risk which BAW faces is the transition to a low-carbon economy and the imposition of new or amendments to existing regulations may impact the inherent likelihood and/or the severity of litigation risks.</p> <p>In its 2022 financial period, divisional climate change workshops commenced that are aimed at enhancing awareness of potential climate change impacts, including physical and transitional risks and opportunities. Physical and transitional risks (and opportunities) specific to the relevant divisional jurisdictions, industry and customer base were highlighted and discussed with divisional executive committees, including those related to legal risks. The intention of such workshops is to enhance awareness of such impacts and for these to be considered within the existing strategic planning and risk management processes.</p>
Market	Relevant, always included	<p>Identification of risks follows a robust and systematic process. A comprehensive risk management policy is in operation throughout the group, complemented by the Barloworld Limited risk management philosophy. Enhancing and entrenching a risk culture in the group includes dedicated divisional risk assessment interventions at which internal audit and group risk management services are present. Risk management is incorporated into the group's strategic planning process.</p> <p>Market risks are considered in BAW's risk assessment process. An example of possible market risk that BAW faces is the shifts in consumer behaviour and preferences, possibly driven by amendments to existing and/or emergence of new regulations, which may impact cost of ownership of BAW products and services e.g., Carbon pricing. Global consumer shifts towards lower carbon products and services necessitate greater customer engagement and improved understanding of customers' sustainability related approaches and targets. Also, customer requirements may evolve more rapidly in certain of BAW's markets than others, impacting which products/technologies are offered in each of the markets, i.e., market differentiation e.g. ICE vs Electric drive vehicles, plant and equipment. Another example is the inclusion of Environmental and Social criteria in customer due diligence processes, which influence the decision-making process for the awarding of contracts.</p> <p>In its 2022 financial period, divisional climate change workshops commenced that are aimed at enhancing awareness of potential climate change impacts, including physical and transitional risks and opportunities. Physical and transitional risks (and opportunities) specific to the relevant divisional jurisdictions, industry and customer base were highlighted and discussed with divisional executive committees, including market-related risks. The intention of such workshops is to enhance awareness of such impacts and for these to be considered within the existing strategic planning and risk management processes.</p>
Reputation	Relevant, always included	<p>Identification of risks follows a robust and systematic process. A comprehensive risk management policy is in operation throughout the group, complemented by the Barloworld Limited risk management philosophy. Enhancing and entrenching a risk culture in the group includes dedicated divisional risk assessment interventions at which internal audit and group risk management services are present. Risk management is incorporated into the group's strategic planning process.</p> <p>Reputational risks are considered in BAW's risk assessment process. Shareholders are becoming increasingly aware of climate change related matters and the inherent risks thereof not only related to companies, but also to their value chains. As such Barloworld continues to assess its physical, regulatory, reputational and financial risks associated with climate change and, where practicable, adapt its operations, processes and procedures accordingly.</p> <p>BAW actively manages such risks through ongoing stakeholder engagement to identify and better understand stakeholder concerns and formulate appropriate responses to meet expectations, manage perceptions and enhance the position of the group. Such engagement informs reputational risks including those stemming from climate change in a global context where companies are increasingly under pressure to recognise and take action on climate change.</p> <p>Stakeholder engagement includes relevant disclosures and reporting on BAW's commitments, strategies, responsible citizenship programme, and sustainable development framework, all of which assist in managing BAW's reputation.</p> <p>Reputational risks could also stem from an organisation's supply chain. In this regard, within its Industrial Equipment and Services segment, BAW represents globally leading principals who have in place risk management frameworks that allow them to manage their climate change related risks accordingly. Efforts are underway to review the group's supplier due diligence and risk assessment processes to remedy any identified gaps from an environmental perspective, including climate change. The frequency of such procedures are anticipated to be carried out at an on-boarding stage as well as on a regular basis. Additionally, Barloworld benchmarks its ESG performance, including aspects related to climate change against peers and stakeholder expectations with a view of continuous improvement through focusing on improvement areas identified.</p>
Acute physical	Relevant, always included	<p>Identification of risks follows a robust and systematic process. A comprehensive risk management policy is in operation throughout the group, complemented by the Barloworld Limited risk management philosophy. Enhancing and entrenching a risk culture in the group includes dedicated divisional risk assessment interventions at which internal audit and group risk management services are present. Risk management is incorporated into the group's strategic planning process.</p> <p>Physical risks are considered in BAW's risk assessment process.</p> <p>By way of example, extreme weather events, like flooding, hail, snow and ice could result in damage to BAW assets including buildings, vehicles, plant and equipment as well as those of suppliers and/or customers. Such impacts may result in disruptions to BAW, its suppliers and/or customers operations impacting on demand, operating costs, raw materials and availability of capital due to repair costs. Depending on the severity of damage, such instances may also impact on BAW's ability to service and supply its customers' with goods and services. Such risks also pose health and safety risk to employees.</p> <p>Business continuity and contingency plans as well as relevant insurance coverage are place in this regard.</p> <p>In its 2022 financial period, divisional climate change workshops commenced that are aimed at enhancing awareness of potential climate change impacts, including physical and transitional risks and opportunities. Physical and transitional risks (and opportunities) specific to the relevant divisional jurisdictions, industry and customer base were highlighted and discussed with divisional executive committees, including those related to acute physical risks. The intention of such workshops is to enhance awareness of such impacts and for these to be considered within the existing strategic planning and risk management processes.</p>

	Relevance & inclusion	Please explain
Chronic physical	Relevant, always included	<p>Identification of risks follows a robust and systematic process. A comprehensive risk management policy is in operation throughout the group, complemented by the Barloworld Limited risk management philosophy. Enhancing and entrenching a risk culture in the group includes dedicated divisional risk assessment interventions at which internal audit and group risk management services are present. Risk management is incorporated into the group's strategic planning process.</p> <p>Chronic physical risks are considered in the above process.</p> <p>Examples are the increase in average temperatures and changing rainfall patterns, which may impact on agricultural and human settlements and possible relocation of these. These could impact demand for BAW's products and services if such relocation is outside BAW's distribution geographies. Agricultural yields could also be impacted giving rise to supply disruptions or higher cost of inputs. This may also impact on the health and safety of BAW staff and its ability to attract and retain key talent.</p> <p>In the longer term, BAW may have to increase capital expenditure to ensure employees operate in a safe and healthy work environment.</p> <p>In its 2022 financial period, divisional climate change workshops commenced that are aimed at enhancing awareness of potential climate change impacts, including physical and transitional related risks and opportunities. Physical and transitional risks (and opportunities) specific to the relevant divisional jurisdictions, industry and customer base were highlighted and discussed with divisional executive committees, including those related to chronic physical risks. The intention of such workshops is to enhance awareness of such impacts and for these to be considered within the existing strategic planning and risk management processes.</p>

C2.3

(C2.3) Have you identified any inherent climate-related risks with the potential to have a substantive financial or strategic impact on your business?

No

C2.3b

(C2.3b) Why do you not consider your organization to be exposed to climate-related risks with the potential to have a substantive financial or strategic impact on your business?

	Primary reason	Please explain
Row 1	Risks exist, but none with potential to have a substantive financial or strategic impact on business	<p>Climate change related impacts (including physical and transition risk) form part of the group risk universe and relevant risks are identified, assessed and managed aligned to Barloworld's risk management framework and process. None of the identified climate change related risks are considered substantive at an aggregated group level when assessed against the risk appetite. For information purposes, and at a high level climate change related impacts identified include damage to infrastructure, extreme weather events, market risk, energy and water constraints, inclusion of Environmental (including climate change), Social and Governance considerations in stakeholder decision making, including customers and investors, and reputational aspects. Further, climate change related impacts are considered across the various value chains and not limited to Barloworld's direct operations. The risk assessment process also includes an assessment of current control measures and the effectiveness of such to address the identified root cause or risk. The current controls together with the high levels of geographic, industry, supplier and customer diversification, offer Barloworld sufficient resilience for the identified climate change related risks. Resilience is further enhanced through various mitigation measures, including capital and infrastructure investment cases currently under consideration. Stakeholder engagement across our value chain informs the group's risk management and strategic planning processes. For the reasons listed, there is currently no identified climate-related risks with the potential to have a substantive financial or strategic impact on Barloworld business.</p>

C2.4

(C2.4) Have you identified any climate-related opportunities with the potential to have a substantive financial or strategic impact on your business?

No

C2.4b

(C2.4b) Why do you not consider your organization to have climate-related opportunities?

	Primary reason	Please explain
Row 1	Opportunities exist, but none with potential to have a substantive financial or strategic impact on business	<p>The group appreciates that while climate change related impacts could present risks, they can conversely present opportunities. These are appropriately incorporated into entrench risk management and strategic processes within the group. While such opportunities are presented, these are not of a substantive nature in the short-to medium-term. Examples of opportunities include cost savings driven by efficient use of energy and water, amidst significant tariff increases; enhanced operational resilience through efficient use in light of supply constraints and disruptions; increased demand for BAW's products eg. Solar PV, aligned to shifts in consumer preferences to products with a lower environmental footprint; increased demand for resources required to fuel the green energy transition; reputation and investor attractiveness, etc. Market dynamics influence the extent and timing of related opportunities. These are monitored closely within the group and ongoing stakeholder engagement, including with customers, suppliers and regulators, inform our approach and ensure we are well poised to leverage identified opportunities.</p>

C3. Business Strategy

C3.1

(C3.1) Does your organization’s strategy include a transition plan that aligns with a 1.5°C world?

Row 1

Transition plan

No, but our strategy has been influenced by climate-related risks and opportunities, and we are developing a transition plan within two years

Publicly available transition plan

<Not Applicable>

Mechanism by which feedback is collected from shareholders on your transition plan

<Not Applicable>

Description of feedback mechanism

<Not Applicable>

Frequency of feedback collection

<Not Applicable>

Attach any relevant documents which detail your transition plan (optional)

<Not Applicable>

Explain why your organization does not have a transition plan that aligns with a 1.5°C world and any plans to develop one in the future

Climate Change related risks form part of the Barloworld risk universe and are considered in the risk management process. Risk management outcomes (and opportunities), including relevant responses inform our strategy and related approach. Within the group, aspirational targets have been set which aim to reduce its environmental footprint, and include efficiency improvement targets for non-renewable energy and greenhouse gas emissions (scope 1 and 2). The group has adopted a MARSO approach - Measure (credible monitoring and performance tracking), Avoid (reduce wastage), Reduce (enhance efficiency), Switch (Transition to renewable / lower carbon technologies), Offset (where practicable offset emissions that cannot be eliminated). The diverse nature of our operations, geographies, regulatory environments and stages of maturity, mean each division may be at different stages of the MARSO approach and consequently the extent of efficiency opportunities will also vary between divisions . To drive alignment and track performance against set targets, monthly meetings are held with divisions and aggregated performance is reported at Group EXCO. In its 2022 financial period, divisional climate change workshops commenced that are aimed at enhancing awareness of potential climate change impacts, including physical and transitional related risks and opportunities. Physical and transitional risks (and opportunities) specific to the relevant divisional jurisdictions, industry and customer base were highlighted and discussed with divisional executive committees. By way of example, highlighted impacts included changes to sea-level rise, chance of ice-free Arctic summer, frequency of extreme rainfall, increase in wildfire extent, people facing extreme heatwaves, land area hospitable to malaria, global GDP impact, stranded assets and food supply across the 1.5, 2, 3 and 5 degree scenario. The intention of such workshops is to enhance awareness of such impacts and for these to be considered within the existing strategic planning and risk management processes. It is anticipated that such workshops may evolve over time as the operating environment responds to climate change and related impacts.

Explain why climate-related risks and opportunities have not influenced your strategy

<Not Applicable>

C3.2

(C3.2) Does your organization use climate-related scenario analysis to inform its strategy?

	Use of climate-related scenario analysis to inform strategy	Primary reason why your organization does not use climate-related scenario analysis to inform its strategy	Explain why your organization does not use climate-related scenario analysis to inform its strategy and any plans to use it in the future
Row 1	No, but we anticipate using qualitative and/or quantitative analysis in the next two years	Other, please specify	During the 2022 financial period, divisional climate change workshops commenced that are aimed at enhancing awareness of potential climate change impacts, including physical and transitional related risks and opportunities. Physical and transitional risks (and opportunities) specific to the relevant divisional jurisdictions, industry and customer base were highlighted and discussed with divisional executive committees. Highlighted impacts also included changes to sea-level rise, chance of ice-free Arctic summer, frequency of extreme rainfall, increase in wildfire extent, people facing extreme heatwaves, land area hospitable to malaria, global GDP impact, stranded assets and food supply across the 1.5, 2, 3 and 5 degree scenarios. The intention of such workshops is to enhance awareness of such impacts and for these to be considered within the existing strategic planning and risk management processes. It is anticipated that such workshops may evolve over time as the operating environment evolves in response to climate change and related impacts. The intention is to further enhance the quantitative assessments of relevant climate change impacts across Barloworld’s geographies and industries and across its value chain. Additionally, the group risk management function is engaging various stakeholders on the incorporation of broader scenario analysis, including those related to climate change in the risk management process. Such an approach ensures that climate change related impacts stemming from the various scenarios are incorporated into the existing entrenched risk management framework and approach and not seen as a standalone aspect that is managed in isolation from other potential risks the business may face.

C3.3

(C3.3) Describe where and how climate-related risks and opportunities have influenced your strategy.

	Have climate-related risks and opportunities influenced your strategy in this area?	Description of influence
Products and services	Yes	<p>Sustainability, one of our core values includes 'We innovate to make our customers more efficient and productive'. Accordingly, this is regarded as being material and related risks and opportunities are incorporated into our risk management and strategic processes. BAW's strategy has been influenced by these aspects of climate change:</p> <ul style="list-style-type: none"> i. Changes in customer expectations: The group's customers may require environmentally sound products and/or low carbon produced products that assist them in achieving their emission reduction targets. BAW and its world class principals develop new technologies, adapt existing technologies and offer new products and services that address customer demands. ii. Long-term strategy (>5yrs) impact: BAW has placed long-term strategic focus on offering products and solutions that assist customers in achieving their ambitions and environmental objectives, including GHG emission management. Climate change has influenced BAW's long-term strategy by increasing focus on development of more environmentally friendly products and service offerings and internal environmental stewardship initiatives that reduce the environmental footprint of manufactured products. BAW is focused on product development to retain existing markets and to enter new markets. Embedded in the existing, short-term and long-term strategy is continued association with world-class principals and diversification in terms of geographies, products and customers. These aspects of BAW's strategy allows the group to mitigate many of the risks associated with climate change. iii. Strategic advantage over competitors: BAW strives to reduce its operational costs through implementation of non-renewable energy and emissions efficiency improvement projects in pursuit of its aspirational targets. Not only are the implemented projects aimed at improving emissions efficiency, but they have also positively impacted on energy consumption and related operational costs, and have improved organisational resilience. <p>Examples addressing the above include: BAW offers renewable and efficient energy solutions, including Solar Photovoltaic (PV) and gas-to-power; BAW has Caterpillar Rebuild and Remanufacture facilities which extend the lifespan of machines and equipment. Less energy and emissions are used to remanufacture than to produce a completely new product.</p>
Supply chain and/or value chain	Yes	<p>Barloworld's Supplier and Service Provider Code of Conduct sets out the required standards for doing business with Barloworld or a Barloworld group, subsidiary, division or business unit. Such standards include legal and ethical standards as well as health, safety and environment related standards.</p> <p>Further, Sustainability, one of our core values includes 'We focus on environmental responsibility and preventing waste'; and 'We innovate to make our customers more efficient and productive'. Accordingly, this is regarded as being material and related risks and opportunities are incorporated into our risk management and strategic processes. BAW's strategy has been influenced by these aspects of climate change:</p> <ul style="list-style-type: none"> i. Changes in customer expectations: The group's customers may require environmentally sound products that assist them in achieving their emission reduction targets. BAW and its world class principals develop new technologies, adapt existing technologies and offer new products and services that address customer demands. Examples include: BAW offers renewable and efficient energy solutions, including Solar Photovoltaic (PV) and gas-to-power. Barloworld Power is also an internal supplier of Solar PV within the Barloworld Group and forms part of its supply chain. ii. Long-term strategy (>5yrs) impact: BAW has placed long-term strategic focus on offering products and solutions that assist customers in achieving their ambitions and environmental objectives, including GHG emissions. These solutions, such as Solar PV Solutions, gas-to-power energy, and component rebuild and remanufacture facilities will also assist customers in terms of operational resilience and long-term sustainability. Climate change has influenced BAW's long term strategy by increasing focus on development of more environmentally friendly products and service offerings and internal environmental stewardship initiatives that reduce the environmental footprint of manufactured products. BAW is focused on product development to retain existing markets and to enter new markets. Embedded in the existing, short term and long-term strategy is continued association with world-class principals and diversification in terms of geographies, products and customers. These aspects of BAW's strategy allows the group to mitigate many of the risks associated with climate change.
Investment in R&D	Yes	<p>BAW and its world class principals develop new technologies, adapt existing technologies and offer new products and services that address customer demands. Examples of such innovative products is the highly fuel efficient CAT 395 Excavator, and energy efficient configurations that use combined heat and power and gas-to-power to meet customer energy requirements. Barloworld provides feedback to principals through established engagement structures which then influence research and development. Risk management, including risks and opportunities related to climate change are incorporated into the strategic planning process across the group.</p> <p>Additionally, there are feasibility case studies underway to assess viability of wastewater treatment facilities combined with gas capture to be reused for heating, and also further installations of solar PV capacity.</p>
Operations	Yes	<p>Sustainability, one of our core values includes 'We focus on environmental responsibility and preventing waste'. BAW's strategy has been influenced by these aspects of climate change:</p> <ol style="list-style-type: none"> 1. Reputation and responsibility: BAW is committed to conducting its activities in an environmentally responsible manner. Integration of climate change into the business strategy comes from the need to act responsibly and to conduct business in a transparent and ethical manner. BAW strives to manage the impacts to ensure that the group's reputation as a responsible corporate citizen is maintained. 2. Increased operational costs: In South Africa, carbon tax coupled with the increase in fuel and grid electricity prices has driven the need to improve energy efficiency, and consequently GHG emissions. BAW's aspirational targets drive non-renewable energy and emission efficiency improvements, and renewable energy consumption which will limit its contribution to climate change and reduce anticipated negative impacts of carbon taxes. 3. Linking BAW's business strategy to targets driven by our ambition to reduce our environmental footprint, efficiency improvement targets are set for non-renewable energy consumption and greenhouse gas emissions (scope 1 and 2). To drive accountability, visibility and governance at the various levels of the organisation, the targets are monitored monthly at operational, divisional and group levels. 4. Substantial business decisions include investments into energy efficient and renewable energy initiatives in support of targets and will contribute to climate change mitigation. This includes solar photovoltaic (PV) in its product offerings. Installed solar PV capacity to date is some 1 200(peak) within Equipment SA. Actual consumption from Solar PV sources during FY2021 was 1 300MWh avoiding of c.1 300tCO_{2e}. 5. Short term strategy (5yrs): Climate change has influenced short term strategy through the introduction of aspirational targets. The group has adopted a MARSO approach to manage emissions. Initiatives include climate change data collection, reporting, communication, internal awareness, energy efficiency initiatives, tracking performance against targets, new buildings incorporating environmentally beneficial aspects, recycling (including component rebuild and remanufacture), and waste disposal.

C3.4

(C3.4) Describe where and how climate-related risks and opportunities have influenced your financial planning.

	Financial planning elements that have been influenced	Description of influence
Row 1	Revenues Indirect costs Capital expenditures Acquisitions and investments Access to capital Assets Liabilities	<p>Identification of risks follow a robust and systematic process. A comprehensive risk management policy is in operation throughout the group, complemented by the Barloworld Limited risk management philosophy. Enhancing and entrenching a risk culture in the group includes dedicated divisional risk assessment interventions at which internal audit and group risk management services are present. Risk management is incorporated into the group's strategic planning process. Risks are quantified in financial terms considering the likelihood and severity of the risk and the control effectiveness (to derive the residual risk value). Where relevant, opportunities are incorporated into the group strategic planning process.</p> <p>Such financial values could impact BAW through its:</p> <ol style="list-style-type: none"> 1. Revenues: Example increased/decreased revenue impacted by demand, new markets, competitiveness, shifts in consumer preferences e.g. sales of solar PV solutions (e.g. the supply of efficient and renewable energy solutions) and increased demand for fuel efficiency plant and equipment; 2. Indirect Costs: Operating costs (e.g. increased/decreased compliance/administration costs, contingency measures and plans, 'pass-through' energy costs, energy tariff increases, changes to fuel levies/taxes, transitioning to lower emission sources of energy, changes to insurance premiums, etc.). Conversely decreases in operating costs could be realised from energy efficiency and switching to alternate renewable energy sources; 3. Capital expenditure: increases stemming from infrastructure development or repair due to damage, investment required to adapt product and service offerings e.g. BAW Remanufacture and Rebuild facilities, investment in alternate/renewable energy sources and water filtration, treatment, recycling and rainwater harvesting facilities, etc. which have been undertaken; 4. Acquisitions and divestment: A business acquisition policy and procedure is in place that sets out a structured approach and framework to be used when acquisitions and/or joint ventures are being made or entered into. This includes a pre-acquisition phase that includes the requirement to conduct a comprehensive strategic analysis of intended targets, development of acquisition criteria for both strategic and financial aspects, and the quantification of risk-adjusted value creation potential for the respective business unit and the group. The acquisition phase includes legal, financial, tax, human capital, transformation, information systems and technology, technical, risk, governance and responsible corporate citizenship and environmental due diligence processes to verify and validate assumptions and future projections. We consider the climate impact as it flows through in our own metrics and ESG tracking as part of the due diligence considerations. Following acquisitions and/or the formation of joint ventures, planning and task teams are established to focus on the realisation and management of identified value creation opportunities, including synergies; 5. Access to capital and any related risks are managed centrally by the Group Treasury function. Ongoing engagement with key stakeholders, including investors/shareholders assist the group in managing this risk, and reducing any impact/s. Anticipated impacts relate to increased cost of capital and challenges accessing capital. Opportunities exist to leverage current environmental targets in accessing sustainability linked finance options (During the 2022 financial period, two such instruments have leveraged existing ESG targets, one target of which related to the increased consumption of renewable energy in the group) ; 6. Asset classes possibly impacted include inventory, fixed assets, working capital and rental fleet and equipment. Shifts in customer preferences and demand patterns may impact on assets. For example, preference may be given to more energy efficient fleet/equipment with lower carbon emissions which could have a negative impact on demand for BAW's products and if sustained could render current inventory obsolete. Climate related events may disrupt customer operations which in turn may impact demand for BAW's products and services affecting inventory levels, and impacting customer's ability to service debt obligations. Potential areas of credit risk includes trade receivables. Trade receivables consist mainly of a large and widespread customer base. Group companies monitor the financial position of their customers on an ongoing basis. Where considered appropriate, use is made of credit guarantee insurance. The granting of credit is controlled by application and account limits. Provision is made for bad debts; 7. Liability: This may be impacted by possible legal claims and litigation. The transition to a low-carbon economy and the imposition of new or amendments to existing regulations may impact the prevalence of such claims/litigation resulting from non-compliance.

C4. Targets and performance

C4.1

(C4.1) Did you have an emissions target that was active in the reporting year?

No target

C4.1c

(C4.1c) Explain why you did not have an emissions target, and forecast how your emissions will change over the next five years.

	Primary reason	Five-year forecast	Please explain
Row 1	Other, please specify (Change in target approach)	Emissions forecasts are not quantified and will depend on a number of variables. As activity levels normalise post the COVID pandemic and related restrictions, it is anticipated that emissions in absolute terms will increase over the next five years against a business-as-usual scenario. There are however a number of energy efficiency initiatives under consideration and the implementation of such may reduce emissions depending on the timing of commissioning should these prove feasible.	<p>New targets therefore needed to be established post FY2021. These will address identified material environmental aspects, including efficiency targets for non-renewable energy, fuel efficiency, electricity consumption, greenhouse gas emissions (Scope 1 and 2), water efficiency and responsible waste management. During FY2021, acquisitions also came into effect that materially impacted the group's environmental footprint. During FY2021, we established divisional-level intensity metrics to allow for enhanced operational management and efficiencies. Given the diverse nature of our operations and the dissimilar consumption drivers across of our various operations, it is not possible nor practical to aggregate the intensity metric to a group level. Conversely, intensity based targets at a group-level necessitate the use of revenue as the denominator in the intensity calculation, which loses operational relevance given its often weak correlation to energy consumption and emissions. To establish targets that were both operationally relevant and supported the group aspiration to reduce its environmental footprint, a hybrid approach had to be adopted. This entails establishing intensity metrics for each operating division and where appropriate per energy source, where the consumption driver may vary, establishing a baseline intensity, and a targeted intensity. On a monthly basis the business-as-usual (Baseline intensity x actual consumption driver quantum) and targeted (Targeted intensity x actual consumption driver quantum) consumption figure are calculated and compared with the actual consumption. The aggregation of each operational business-as-usual, targeted and actual consumption/emissions indicates the group performance against an efficiency improvement target against a business-as-usual scenario.</p> <p>Given the complexity of establishing the target approach together with onboarding of the targeted acquisition during 2021, a nominal target was implemented and tracked monthly internally. This assisted the group to assess and refine the target-setting methodology during the year. Having bedded down the methodology, a revised level of efficiency improvement has been endorsed by the Barloworld Executive Committee in FY2022 for 5 years to FYE2027. This will be shared in the public domain in our next reporting cycle.</p>

C4.2

(C4.2) Did you have any other climate-related targets that were active in the reporting year?

No other climate-related targets

C4.3

(C4.3) Did you have emissions reduction initiatives that were active within the reporting year? Note that this can include those in the planning and/or implementation phases.

Yes

C4.3a

(C4.3a) Identify the total number of initiatives at each stage of development, and for those in the implementation stages, the estimated CO2e savings.

	Number of initiatives	Total estimated annual CO2e savings in metric tonnes CO2e (only for rows marked *)
Under investigation	8	80.56
To be implemented*	9	834.6
Implementation commenced*	3	68.81
Implemented*	8	145.72
Not to be implemented		

C4.3b

(C4.3b) Provide details on the initiatives implemented in the reporting year in the table below.

Initiative category & Initiative type

Energy efficiency in buildings	Lighting
--------------------------------	----------

Estimated annual CO2e savings (metric tonnes CO2e)

14.52

Scope(s) or Scope 3 category(ies) where emissions savings occur

Scope 2 (location-based)

Voluntary/Mandatory

Voluntary

Annual monetary savings (unit currency – as specified in C0.4)

198348

Investment required (unit currency – as specified in C0.4)

111043

Payback period

1-3 years

Estimated lifetime of the initiative

3-5 years

Comment

Installation of the LED Lights (Industrial Equipment and Services: Novosibirsk, Russia).

Initiative category & Initiative type

Energy efficiency in buildings	Lighting
--------------------------------	----------

Estimated annual CO2e savings (metric tonnes CO2e)

Scope(s) or Scope 3 category(ies) where emissions savings occur

Scope 2 (location-based)

Voluntary/Mandatory

Voluntary

Annual monetary savings (unit currency – as specified in C0.4)

Investment required (unit currency – as specified in C0.4)

883150

Payback period

Please select

Estimated lifetime of the initiative

3-5 years

Comment

Actual savings to be confirmed.
(BWE SnA - Isando, Bellville, BRC, E&T, BFN, Kathu)

Initiative category & Initiative type

Energy efficiency in buildings	Lighting
--------------------------------	----------

Estimated annual CO2e savings (metric tonnes CO2e)

Scope(s) or Scope 3 category(ies) where emissions savings occur

Scope 1

Voluntary/Mandatory

Voluntary

Annual monetary savings (unit currency – as specified in C0.4)

Investment required (unit currency – as specified in C0.4)

1060000

Payback period

1-3 years

Estimated lifetime of the initiative

3-5 years

Comment

Installation of the LED Lights & Security Floodlights (BWE Isando). Actual savings to be confirmed.

Initiative category & Initiative type

Energy efficiency in buildings	Lighting
--------------------------------	----------

Estimated annual CO2e savings (metric tonnes CO2e)

Scope(s) or Scope 3 category(ies) where emissions savings occur

Scope 2 (location-based)

Voluntary/Mandatory

Voluntary

Annual monetary savings (unit currency – as specified in C0.4)

Investment required (unit currency – as specified in C0.4)

93329

Payback period

1-3 years

Estimated lifetime of the initiative

3-5 years

Comment

Installation of the LED Lights (BWE Namibia (Walvis Bay)). Actual savings to be confirmed.

Initiative category & Initiative type

Energy efficiency in buildings	Lighting
--------------------------------	----------

Estimated annual CO2e savings (metric tonnes CO2e)

Scope(s) or Scope 3 category(ies) where emissions savings occur

Scope 2 (location-based)

Voluntary/Mandatory

Voluntary

Annual monetary savings (unit currency – as specified in C0.4)

Investment required (unit currency – as specified in C0.4)

49044

Payback period

1-3 years

Estimated lifetime of the initiative

3-5 years

Comment

Installation of the LED Lights (BWE Namibia (Walvis Bay)). Actual savings to be confirmed.

Initiative category & Initiative type

Company policy or behavioral change	Other, please specify (Changing energy use behaviour)
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Estimated annual CO2e savings (metric tonnes CO2e)

76.2

Scope(s) or Scope 3 category(ies) where emissions savings occur

Scope 2 (location-based)

Voluntary/Mandatory

Voluntary

Annual monetary savings (unit currency – as specified in C0.4)

65141

Investment required (unit currency – as specified in C0.4)

11004

Payback period

<1 year

Estimated lifetime of the initiative

Ongoing

Comment

Employee awareness program on reducing energy and waste. Energy efficiency in the workplace cuts costs, improves competitiveness and helps safeguard profits and employment.

Initiative category & Initiative type

Transportation	Company fleet vehicle efficiency
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Estimated annual CO2e savings (metric tonnes CO2e)

55

Scope(s) or Scope 3 category(ies) where emissions savings occur

Scope 1

Voluntary/Mandatory

Voluntary

Annual monetary savings (unit currency – as specified in C0.4)

236424

Investment required (unit currency – as specified in C0.4)

56480

Payback period

<1 year

Estimated lifetime of the initiative

6-10 years

Comment

Eco System device – reduces emissions 70-90% and fuel consumption up to 30%. We are piloting it on 8 trucks which is estimated to reduce overall fuel usage by 9%. (BWE Mongolia)

C4.3c

(C4.3c) What methods do you use to drive investment in emissions reduction activities?

Method	Comment
Compliance with regulatory requirements/standards	Compliance drives investment in emission reduction activities. BAW ensures compliance with regulatory requirements/standards and has established processes in support of these. BAW has an aspirational target to improve emissions efficiency and is actively implementing emission reduction projects to reduce the impact of carbon pricing (current and in the future) and related indirect impacts on tariff pricing. BAW was an early signatory to South Africa's Energy Efficiency Accord (EEA) with the South African Department of Minerals and Energy, and subsequently a signatory of the South African National Business Initiative's (NBI) Energy Efficiency Leadership Network's (EELN) Energy Efficiency Pledge. The company also participates in Business Unity South Africa (BUSA)'s Environment committee which assists in keeping the company informed of leading practice, policies and regulatory changes. Where required, BAW also engages with legal experts regarding compliance and regulatory related matters. Impacts stemming from regulatory requirements are considered for BAW's operations and considered throughout its value chain.
Dedicated budget for energy efficiency	Costs of energy efficiency initiatives are incorporated into standard budgets and the on-going cost base of BAW divisions. However, BAW has implemented and is considering implementing a number of energy efficiency projects including renewable energy installations. Since FY17 to FY21, BAW spent some R8.9m on energy efficiency projects, including HVAC, lighting and management systems. In addition, there have been a number of solar installations, some of which have been commissioned and others in progress. An example of such expenditure was the 500kW (peak) installation at Barloworld Equipment's Isando campus at a cost of some R6.1m in FY2017. BAW participated in the NBI's Private Sector Energy Efficiency programme which assisted company's identify opportunities for energy efficiency. The cost to BAW for participation was R200 000 (FY16). Barloworld Equipment Russia and Equipment Southern Africa spent cumulatively R2.3m on the implementation of Energy Efficiency initiatives in FY2021.
Dedicated budget for low-carbon product R&D	BAW's divisions and principals are engaged in the development of new products and offerings that reduce emissions. An example is the Solar Photovoltaic offerings and alternate drive trains. One of key principals has committed in its integrated report 2021 to having 100% of its new products through 2030 be more sustainable than the previous generation through collaborating with customers, reduced waste, improved design for rebuild/remanufacturing, lower emissions or improved efficiency. Additionally, internally feasibility considerations are underway on the viability of water treatment and gas capture and additional renewable energy capacity.
Dedicated budget for other emissions reduction activities	Costs of emission reduction activities are incorporated into standard budgets and on-going cost base of BAW divisions. Currently BAW uses the MARSO approach: Measure, Avoid, Reduce, Switch and, finally, Offset. Dedicated budgets for offsetting, if and when appropriate, are likely to be a consideration. Most divisions are within the MAR processes, with some at the Switch and Offset stages. Since FY17 to FY21, BAW spent some R8.9m on energy efficiency projects, including HVAC, lighting and management systems. In addition, there have been a number of solar installations, some of which have been commissioned and others in progress.
Employee engagement	Internal and external communication strategies have been developed. Employee engagement is used as a means to drive behaviour change that will result in greater awareness and energy savings. Specific employees are appointed as sustainability champions in order to communicate and liaise at divisional level, monitor, measure and report usage/emissions. Communication on initiatives and progress, as well as pertinent information is through management meetings, publications, intranet sites, screen savers, posters, exhibitions, email banners and newsletters. Communication initiatives share information on energy consumption/ emissions/ costs by branch or division and legally and appropriately disseminate information on best practice. An aspect of BAW's Integrated Employee Value Model is environmental stewardship. BAW is committed to training and upskilling. BAW has a human resources practice which is constantly engaged in ensuring that it manages, retains and recruits required skills and key talent. 'Sustainability' is a Value in the group's Worldwide Code of Conduct, which is widely communicated, and all employees are expected to uphold them. A suite of group-wide environmental policies, including the Barloworld Energy Efficiency and Barloworld Climate Change Policies, and an Environmental Sustainability Framework are publicly available via the group website and is communicated to all employees.
Financial optimization calculations	Incorporated into feasibility studies and capital vote applications. Financial optimisation drives investment in emission reduction projects as it considers the capital cost of projects against the energy cost savings achieved over the project life. Relevant business case calculations also factor in impacts of carbon taxes in South Africa. All new property developments incorporate sustainable "green building" principles which incorporate financial considerations. The development of the Equipment facility in Isando, while not certified, was built to level 4 green building standards. Operations have switched to more environmentally friendly practices with improved financial returns such as retrofitted lighting, renewable energy and recycling.
Internal price on carbon	The cost of carbon is used in the decision-making process for emission reduction initiatives. The current and future carbon tax rate in South Africa is considered when evaluating the feasibility of various emission reduction projects, including renewable energy such as solar photovoltaic installations. The basic drivers to improve efficiencies for energy consumption and carbon emissions include increasing energy costs and applicable carbon pricing including carbon tax.
Internal incentives/recognition programs	Relevant and appropriate group, division, team and individual aligned key performance indicators, scorecards and awards are used to drive investment in improving efficiency in energy and greenhouse gas emission reduction activities.
Other (Aspirational efficiency improvement targets)	Divisional level targets implemented were informed by material operational environmental aspects and included efficiency targets for fuel, electricity consumption, water consumption and waste reduction and responsible disposal. Reductions achieved by business units will consequently result in an overall reduction in the group's non-renewable energy consumption, water consumption, emissions and waste generation. Performance against set targets are monitored internally on a monthly basis and drive focus to better understand consumption drivers and related correlations. Targets play a major role in focusing our efforts on energy efficiency with significant benefits for the organisation. Functional responsibilities are managed through a group-wide, integrated performance scorecard system which includes defined climate change related objectives.
Partnering with governments on technology development	SA government is involved in bringing about a 'green economy'. BAW is a signatory of the Energy Efficiency Leadership Network's Energy Efficiency Pledge, together with the Department of Energy. BAW also contributes where possible to assist with the development of new technologies, including related policy development.
Marginal abatement cost curve	BAW does consider the least cost option in terms of reducing emissions. However, it is not only about least cost, but also about operational requirements. Other factors, apart from cost, are considered in the business case when considering investment in emission reduction projects. Emissions trading, credits and/or offsets could reduce the group's or group companies' overall cost of compliance with emission constraints by taking advantage of differences in marginal abatement costs across different emission sources. For example, a company could choose to purchase carbon offsets for its carbon emissions instead of paying a carbon tax. Alternately it could drive investment in emission reduction projects. This is dependent on the state of the carbon market and the success of market mechanisms created, relative to the carbon tax rate and the price of alternate low carbon technologies.

C4.5

(C4.5) Do you classify any of your existing goods and/or services as low-carbon products?

Yes

C4.5a

(C4.5a) Provide details of your products and/or services that you classify as low-carbon products.

Level of aggregation

Product or service

Taxonomy used to classify product(s) or service(s) as low-carbon

Other, please specify (Component rebuild programme.)

Type of product(s) or service(s)

Other	Other, please specify (Component rebuild programme.)
-------	--

Description of product(s) or service(s)

Barloworld's Industrial Equipment and Services segment has business models that enable plant, and equipment solutions to be provided as new or used and through long- or short-term rental applications. In the Equipment division, this is augmented by a significant component rebuild programme. This business model ensures efficiencies and synergies throughout the lifecycle of vehicles, plant, and equipment, and extended useful lives for these products. We focus on ensuring maximum and efficient use of the products we sell, rent and lease, including extending their operating lifetime. A relatively high percentage of Caterpillar components are rebuilt, prolonging their life, and reducing waste. In 2021, some 84% of total component sales in Equipment southern Africa related to remanufactured and rebuilt components, of which 59% related to Barloworld Equipment remanufactured parts and 41% related to Caterpillar remanufactured parts. VT some 40% of total component sales related to remanufactured and rebuilt components, of which 58% related to Barloworld Equipment remanufactured parts and 42% related to Caterpillar remanufactured parts. In prior years, Barloworld has invested USD11 million and R240 million in facilities in Russia and South Africa respectively. Equipment Mongolia remanufactured and rebuilt parts constitute 48% of total parts sales, of which 71% related to Barloworld remanufactured parts and 29% to Caterpillar remanufactured and rebuilt parts.

Have you estimated the avoided emissions of this low-carbon product(s) or service(s)

No

Methodology used to calculate avoided emissions

<Not Applicable>

Life cycle stage(s) covered for the low-carbon product(s) or services(s)

<Not Applicable>

Functional unit used

<Not Applicable>

Reference product/service or baseline scenario used

<Not Applicable>

Life cycle stage(s) covered for the reference product/service or baseline scenario

<Not Applicable>

Estimated avoided emissions (metric tons CO2e per functional unit) compared to reference product/service or baseline scenario

<Not Applicable>

Explain your calculation of avoided emissions, including any assumptions

<Not Applicable>

Revenue generated from low-carbon product(s) or service(s) as % of total revenue in the reporting year

C5. Emissions methodology

C5.1

(C5.1) Is this your first year of reporting emissions data to CDP?

No

C5.1a

(C5.1a) Has your organization undergone any structural changes in the reporting year, or are any previous structural changes being accounted for in this disclosure of emissions data?

Row 1

Has there been a structural change?

Yes, an acquisition

Name of organization(s) acquired, divested from, or merged with

Ingrain (Previously Tongaat Hulett Starch) which forms part of the Barloworld Consumer Industries segment and was effective November 2020 (BAW's FY2021). An additional acquisition worth noting is the Equipment Mongolia operations (Previously owned by Wagner Asia) which forms part of the Industrial Equipment and Services segment effective September 2020 (One month of BAW's FY2020).

Details of structural change(s), including completion dates

We successfully executed two significant acquisitions in 2020, Equipment Mongolia (Sep 2020) and Ingrain (Nov 2020). The integration of these acquisitions into the group is progressing well and both businesses are delivering ahead of our initial expectations. Our short-term priorities are to complete these integrations and extract further value. The integration and alignment of these acquisitions also contributed to the need for refinement of the FY2021 emission, energy and water target setting approach for FY2021. While the Mongolia operations have a minimal contribution to the BAW's environmental footprint, the manufacturing nature of Ingrain's operations makes a material contribution to the Barloworld environmental footprint.

C5.1b

(C5.1b) Has your emissions accounting methodology, boundary, and/or reporting year definition changed in the reporting year?

	Change(s) in methodology, boundary, and/or reporting year definition?	Details of methodology, boundary, and/or reporting year definition change(s)
Row 1	No	<Not Applicable>

C5.1c

(C5.1c) Have your organization's base year emissions been recalculated as result of the changes or errors reported in C5.1a and C5.1b?

	Base year recalculation	Base year emissions recalculation policy, including significance threshold
Row 1	Yes	<p>The non-financial reporting boundary, including the environmental reporting boundary aligns to the financial control approach. For comparability, entities for which financial performance is included in the consolidated financial statements, will be included in the consolidated group environmental footprint.</p> <p>Where divestments are made or assets are held for sale or classified as discontinued operations, should the financial statements be restated, the environmental figures would similarly be restated as well. This ensures comparability between current and comparative reporting periods and also between financial and non-financial metrics.</p> <p>The 2021 financial period was the first year in which the acquired Ingrain business (November 2020) and the Equipment Mongolia (September 2020) business reported the respective environmental footprint under the Barloworld consolidated figures. The environmental footprint for each operation was not available retrospective to the respective effective date. The 2021 financial period was used to align reporting metrics and processes, to identify consumption drivers for the intensity based metrics, and establish and refine appropriate emissions, energy and water related efficiency targets. Emission, energy and water efficiency targets set in FY2022, are off a comparable and complete FY2021 baseline in which both acquired operations are included.</p>

C5.2

(C5.2) Provide your base year and base year emissions.

Scope 1

Base year start

October 1 2020

Base year end

September 30 2021

Base year emissions (metric tons CO2e)

286082

Comment

Used as the base for the intensity calculation. The FY2021 figures disclosed here has been restated for discontinued operations and operations classified as held for sale. For comparative purposes, and aligned to the approach detailed above, the comparative period FYE2020 has also been restated.

Scope 2 (location-based)

Base year start

October 1 2020

Base year end

September 30 2021

Base year emissions (metric tons CO2e)

182728

Comment

Used as the base for the intensity calculation. The FY2021 figures disclosed here has been restated for discontinued operations. For comparative purposes, and aligned to the approach detailed above, the comparative period FYE2020 has also been restated.

Scope 2 (market-based)

Base year start

Base year end

Base year emissions (metric tons CO2e)

Comment

Not reported

Scope 3 category 1: Purchased goods and services

Base year start

Base year end

Base year emissions (metric tons CO2e)

Comment

Not reported

Scope 3 category 2: Capital goods

Base year start

Base year end

Base year emissions (metric tons CO2e)

Comment

Not reported

Scope 3 category 3: Fuel-and-energy-related activities (not included in Scope 1 or 2)

Base year start

Base year end

Base year emissions (metric tons CO2e)

Comment

Not reported

Scope 3 category 4: Upstream transportation and distribution

Base year start

Base year end

Base year emissions (metric tons CO2e)

Comment

Not reported

Scope 3 category 5: Waste generated in operations

Base year start

Base year end

Base year emissions (metric tons CO2e)

Comment

Not reported

Scope 3 category 6: Business travel

Base year start

October 1 2020

Base year end

September 30 2021

Base year emissions (metric tons CO2e)

2192

Comment

While the group does not report the energy consumed outside the organization, it does report certain scope 3 emissions which are related to such energy consumption. The group is currently gathering this information as we remain mindful of the impact this has on the communities in which we operate. We are refining these reporting processes and we will consider reporting this externally in due course. Nonetheless, we appreciate the impact our operations have on the external environment, and in this regard, we currently report scope 3 emissions relating to our business air travel (2 192 tCO2e). Business air travel is calculated based on average distance per long, medium, and short flight multiplied by the respective conversion factor.

Scope 3 category 7: Employee commuting

Base year start

Base year end

Base year emissions (metric tons CO2e)

Comment

Not reported

Scope 3 category 8: Upstream leased assets

Base year start

Base year end

Base year emissions (metric tons CO2e)

Comment

Not reported

Scope 3 category 9: Downstream transportation and distribution

Base year start

Base year end

Base year emissions (metric tons CO2e)

Comment

Not reported

Scope 3 category 10: Processing of sold products

Base year start

Base year end

Base year emissions (metric tons CO2e)

Comment

Not reported

Scope 3 category 11: Use of sold products

Base year start

Base year end

Base year emissions (metric tons CO2e)

Comment

Not reported

Scope 3 category 12: End of life treatment of sold products

Base year start

Base year end

Base year emissions (metric tons CO2e)

Comment

Not reported

Scope 3 category 13: Downstream leased assets

Base year start

Base year end

Base year emissions (metric tons CO2e)

Comment

Not reported

Scope 3 category 14: Franchises

Base year start

Base year end

Base year emissions (metric tons CO2e)

Comment

Not reported

Scope 3 category 15: Investments

Base year start

Base year end

Base year emissions (metric tons CO2e)

Comment

Not reported

Scope 3: Other (upstream)

Base year start

Base year end

Base year emissions (metric tons CO2e)

Comment

Not reported

Scope 3: Other (downstream)

Base year start

Base year end

Base year emissions (metric tons CO2e)

Comment

Not reported

C5.3

(C5.3) Select the name of the standard, protocol, or methodology you have used to collect activity data and calculate emissions.

The Greenhouse Gas Protocol: A Corporate Accounting and Reporting Standard (Revised Edition)

C6. Emissions data

C6.1

(C6.1) What were your organization's gross global Scope 1 emissions in metric tons CO2e?

Reporting year

Gross global Scope 1 emissions (metric tons CO2e)

286082

Start date

October 1 2020

End date

September 30 2021

Comment

Reflects continuing operations only. Logistics classified as a discontinued operation in FY2021 and therefore not reflected in the figure above.

Past year 1

Gross global Scope 1 emissions (metric tons CO2e)

21559

Start date

October 1 2019

End date

September 30 2020

Comment

Restated to reflect continuing operations only. Logistics classified as a discontinued operation in FY2021 and therefore not reflected in the comparative figure above.

Past year 2

Gross global Scope 1 emissions (metric tons CO2e)

28310

Start date

October 1 2018

End date

September 30 2019

Comment

Restated to reflect continuing operations only. Logistics classified as a discontinued operation in FY2021 and therefore not reflected in the comparative figure above.

Past year 3

Gross global Scope 1 emissions (metric tons CO2e)

Start date

End date

Comment

C6.2

(C6.2) Describe your organization's approach to reporting Scope 2 emissions.

Row 1

Scope 2, location-based

We are reporting a Scope 2, location-based figure

Scope 2, market-based

We have no operations where we are able to access electricity supplier emission factors or residual emissions factors and are unable to report a Scope 2, market-based figure

Comment

Emission calculations are assured externally in line with a ISAE3000 standard and is conducted on a Limited assurance basis. Emission and energy factors used for the respective calculations are also publicly disclosed via the Barloworld website: https://www.barloworld.com/pdf/cpd_disclosures/2021/barloworld-energy-and-emissions-conversion-factors-fy2021.pdf

C6.3

(C6.3) What were your organization's gross global Scope 2 emissions in metric tons CO2e?

Reporting year

Scope 2, location-based

182728

Scope 2, market-based (if applicable)

<Not Applicable>

Start date

October 1 2020

End date

September 30 2021

Comment

Reflects continuing operations only. Logistics classified as a discontinued operation in FY2021 and therefore not reflected in the figure above.

Past year 1

Scope 2, location-based

22962

Scope 2, market-based (if applicable)

<Not Applicable>

Start date

October 1 2019

End date

September 30 2020

Comment

Restated to reflect continuing operations only. Logistics classified as a discontinued operation in FY2021 and therefore not reflected in the comparative figure above.

Past year 2

Scope 2, location-based

32582

Scope 2, market-based (if applicable)

<Not Applicable>

Start date

October 1 2018

End date

September 30 2019

Comment

Restated to reflect continuing operations only. Logistics classified as a discontinued operation in FY2021 and therefore not reflected in the comparative figure above.

Past year 3

Scope 2, location-based

Scope 2, market-based (if applicable)

<Not Applicable>

Start date

End date

Comment

C6.4

(C6.4) Are there any sources (e.g. facilities, specific GHGs, activities, geographies, etc.) of Scope 1 and Scope 2 emissions that are within your selected reporting boundary which are not included in your disclosure?

No

C6.5

(C6.5) Account for your organization's gross global Scope 3 emissions, disclosing and explaining any exclusions.

Purchased goods and services

Evaluation status

Relevant, not yet calculated

Emissions in reporting year (metric tons CO₂e)

<Not Applicable>

Emissions calculation methodology

<Not Applicable>

Percentage of emissions calculated using data obtained from suppliers or value chain partners

<Not Applicable>

Please explain

These emissions principally include those resulting from the combustion of fossil fuels (consumption of energy) by suppliers in the manufacturing process of products purchased by BAW. The group has not yet formally quantified emissions from its supply chain, but it appreciates that these could be significant and continues considering carbon reporting and management in the supply chain. BAW would work closely with material supplier including principals to appropriately evolve this over time. These are not currently being included in reporting.

Capital goods

Evaluation status

Relevant, not yet calculated

Emissions in reporting year (metric tons CO₂e)

<Not Applicable>

Emissions calculation methodology

<Not Applicable>

Percentage of emissions calculated using data obtained from suppliers or value chain partners

<Not Applicable>

Please explain

This refers to emissions associated with the manufacturing of the capital equipment (e.g., rental fleets, trucks) of which BAW divisions use to provide logistical services and leasing products. This equipment has an extended life so that it is regarded as fixed assets. Emissions from this source have not yet been quantified but could be significant. BAW will consider carbon reporting and management in upstream and downstream activities in due course. Given the diversified nature of the group, this reporting is relatively complex and would commence with significant suppliers with entrenched sustainability practices and reporting.

Fuel-and-energy-related activities (not included in Scope 1 or 2)

Evaluation status

Relevant, not yet calculated

Emissions in reporting year (metric tons CO₂e)

<Not Applicable>

Emissions calculation methodology

<Not Applicable>

Percentage of emissions calculated using data obtained from suppliers or value chain partners

<Not Applicable>

Please explain

This refers to emissions associated with the production of electricity and fuels consumed by BAW. This includes emissions such as those associated with the mining of coal to produce electricity that is used by BAW and the refining of liquid fuel used (petrol and diesel). These emissions are not being quantified currently, but it is anticipated that these may be significant.

Upstream transportation and distribution

Evaluation status

Relevant, not yet calculated

Emissions in reporting year (metric tons CO₂e)

<Not Applicable>

Emissions calculation methodology

<Not Applicable>

Percentage of emissions calculated using data obtained from suppliers or value chain partners

<Not Applicable>

Please explain

This includes emissions from the transportation of goods purchased/acquired by BAW, e.g., the transportation of equipment and maize from the supplier to BAW's sites. These emissions are not being quantified currently, but it is anticipated that they may be significant. BAW will consider carbon reporting and management in upstream and downstream activities in due course. Given the diversified nature of the group, this reporting is relatively complex and would commence with significant suppliers with entrenched sustainability practices and reporting.

Waste generated in operations

Evaluation status

Relevant, not yet calculated

Emissions in reporting year (metric tons CO2e)

<Not Applicable>

Emissions calculation methodology

<Not Applicable>

Percentage of emissions calculated using data obtained from suppliers or value chain partners

<Not Applicable>

Please explain

This relates to the emissions generated in the group's waste disposal activities. The group recycled 26.92 tons of paper and in FY2021. For indicative purposes; recycling of 1000 kg of paper results in the avoidance of 0.75 tCO2e. Certain waste service providers servicing operations within the group quantify emissions avoided from not disposing of waste via landfills. 91% of the total solid waste and 87% of the total liquid waste generated was disposed of by a certified waste provider during FY2021.

Business travel

Evaluation status

Relevant, calculated

Emissions in reporting year (metric tons CO2e)

2192

Emissions calculation methodology

Other, please specify (Emissions from business air travel is calculated based on the average distance per long, medium and short haul flights multiplied by an emissions factor.)

Percentage of emissions calculated using data obtained from suppliers or value chain partners

100

Please explain

The methodology followed to estimate the emissions involve multiplying activity data for mode of transport (e.g., kms travelled) by an applicable emission factor for that mode of transport (e.g., tCO2e/km). The mode of transport included in the reported figure is limited to business travel using aircraft. The GHG Protocol Corporate Value Chain Accounting and Reporting Standard is used. Emissions from business air travel is calculated based on the average distance per long, medium, and short haul flights multiplied by an emissions factor.

Employee commuting

Evaluation status

Relevant, not yet calculated

Emissions in reporting year (metric tons CO2e)

<Not Applicable>

Emissions calculation methodology

<Not Applicable>

Percentage of emissions calculated using data obtained from suppliers or value chain partners

<Not Applicable>

Please explain

Employee commuting emissions include those associated with the travel of employees between their homes and work from employee-owned vehicles and public transport. These have not been estimated to date.

Upstream leased assets

Evaluation status

Relevant, not yet calculated

Emissions in reporting year (metric tons CO2e)

<Not Applicable>

Emissions calculation methodology

<Not Applicable>

Percentage of emissions calculated using data obtained from suppliers or value chain partners

<Not Applicable>

Please explain

The group will, in due course, consider its approach and reporting in this regard.

Downstream transportation and distribution

Evaluation status

Relevant, not yet calculated

Emissions in reporting year (metric tons CO₂e)

<Not Applicable>

Emissions calculation methodology

<Not Applicable>

Percentage of emissions calculated using data obtained from suppliers or value chain partners

<Not Applicable>

Please explain

This includes emissions from the transportation of goods sold by BAW, e.g., the transportation of goods, products and/or services to customers' sites. These emissions are not being quantified currently, but it is anticipated that they may be significant. BAW will consider carbon reporting and management in upstream and downstream activities. Given the diversified nature of the group, this reporting is relatively complex and would commence with significant suppliers with entrenched sustainability practices and reporting.

Processing of sold products

Evaluation status

Relevant, not yet calculated

Emissions in reporting year (metric tons CO₂e)

<Not Applicable>

Emissions calculation methodology

<Not Applicable>

Percentage of emissions calculated using data obtained from suppliers or value chain partners

<Not Applicable>

Please explain

The Industrial Equipment and Services segment is predominately a distribution and services business and there is no processing of sold goods. The Consumer Industries segment provides large enterprises with the ingredients essential to the manufacturing of a range of products including food and beverages, paper, pharmaceuticals, building materials and adhesives, among others. The processing of sold good and products within this segment may be material and quantification of such will be considered in due course.

Use of sold products

Evaluation status

Relevant, not yet calculated

Emissions in reporting year (metric tons CO₂e)

<Not Applicable>

Emissions calculation methodology

<Not Applicable>

Percentage of emissions calculated using data obtained from suppliers or value chain partners

<Not Applicable>

Please explain

This relates to the use of vehicles, plant equipment that is sold to customers. The mission factors per kilometres driven or per hour are available from Original Equipment Manufacturers, however this is currently not quantified under this category of emissions. This will however be reported under customers scope 1 emissions.

End of life treatment of sold products

Evaluation status

Relevant, not yet calculated

Emissions in reporting year (metric tons CO₂e)

<Not Applicable>

Emissions calculation methodology

<Not Applicable>

Percentage of emissions calculated using data obtained from suppliers or value chain partners

<Not Applicable>

Please explain

Not undertaken at present. Barloworld Component Remanufacture and Rebuild facilities extend the life of plant and equipment. This mitigates emissions associated with building new equipment and machinery.

Downstream leased assets

Evaluation status

Relevant, not yet calculated

Emissions in reporting year (metric tons CO2e)

<Not Applicable>

Emissions calculation methodology

<Not Applicable>

Percentage of emissions calculated using data obtained from suppliers or value chain partners

<Not Applicable>

Please explain

This includes emissions from assets leased by BAW to customers, e.g., leased fleet vehicles, equipment and machinery. These emissions are not quantified currently by BAW as the fuel is purchased and used by the client. However, BAW understands that these emissions may be significant and is engaging with suppliers to develop less emissions intensive technologies. BAW may consider quantifying these emissions at a later stage.

Franchises

Evaluation status

Relevant, not yet calculated

Emissions in reporting year (metric tons CO2e)

<Not Applicable>

Emissions calculation methodology

<Not Applicable>

Percentage of emissions calculated using data obtained from suppliers or value chain partners

<Not Applicable>

Please explain

The group has a limited number of franchisees through its Avis operations. The emissions from these operations are considered to be negligible against BAW's total group emissions.

Investments

Evaluation status

Relevant, not yet calculated

Emissions in reporting year (metric tons CO2e)

<Not Applicable>

Emissions calculation methodology

<Not Applicable>

Percentage of emissions calculated using data obtained from suppliers or value chain partners

<Not Applicable>

Please explain

BAW has a number of joint ventures. Data from joint venture operations are not consolidated into financial and non-financial reporting since these are not companies over which BAW exercises financial control. The emissions from these operations are not considered to be significant when compared to BAW's total group emissions.

Other (upstream)

Evaluation status

Not evaluated

Emissions in reporting year (metric tons CO2e)

<Not Applicable>

Emissions calculation methodology

<Not Applicable>

Percentage of emissions calculated using data obtained from suppliers or value chain partners

<Not Applicable>

Please explain

Not evaluated

Other (downstream)

Evaluation status

Not evaluated

Emissions in reporting year (metric tons CO2e)

<Not Applicable>

Emissions calculation methodology

<Not Applicable>

Percentage of emissions calculated using data obtained from suppliers or value chain partners

<Not Applicable>

Please explain

Not evaluated

(C6.5a) Disclose or restate your Scope 3 emissions data for previous years.**Past year 1****Start date**

October 1 2020

End date

September 30 2021

Scope 3: Purchased goods and services (metric tons CO2e)**Scope 3: Capital goods (metric tons CO2e)****Scope 3: Fuel and energy-related activities (not included in Scopes 1 or 2) (metric tons CO2e)****Scope 3: Upstream transportation and distribution (metric tons CO2e)****Scope 3: Waste generated in operations (metric tons CO2e)****Scope 3: Business travel (metric tons CO2e)**

2192

Scope 3: Employee commuting (metric tons CO2e)**Scope 3: Upstream leased assets (metric tons CO2e)****Scope 3: Downstream transportation and distribution (metric tons CO2e)****Scope 3: Processing of sold products (metric tons CO2e)****Scope 3: Use of sold products (metric tons CO2e)****Scope 3: End of life treatment of sold products (metric tons CO2e)****Scope 3: Downstream leased assets (metric tons CO2e)****Scope 3: Franchises (metric tons CO2e)****Scope 3: Investments (metric tons CO2e)****Scope 3: Other (upstream) (metric tons CO2e)****Scope 3: Other (downstream) (metric tons CO2e)****Comment**

While the group does not report the energy consumed outside the organization, it does report certain scope 3 emissions which are related to such energy consumption. The group is currently gathering this information as we remain mindful of the impact this has on the communities in which we operate. We are refining these reporting processes and we will consider reporting this externally in due course. Nonetheless, we appreciate the impact our operations have on the external environment, and in this regard, we currently report scope 3 emissions relating to our business air travel (2 192 tCO2e). Business air travel is calculated based on average distance per long, medium, and short flight multiplied by the respective conversion factor.

Past year 2

Start date

October 1 2019

End date

September 30 2020

Scope 3: Purchased goods and services (metric tons CO2e)

Scope 3: Capital goods (metric tons CO2e)

Scope 3: Fuel and energy-related activities (not included in Scopes 1 or 2) (metric tons CO2e)

Scope 3: Upstream transportation and distribution (metric tons CO2e)

Scope 3: Waste generated in operations (metric tons CO2e)

Scope 3: Business travel (metric tons CO2e)

4526

Scope 3: Employee commuting (metric tons CO2e)

Scope 3: Upstream leased assets (metric tons CO2e)

Scope 3: Downstream transportation and distribution (metric tons CO2e)

Scope 3: Processing of sold products (metric tons CO2e)

Scope 3: Use of sold products (metric tons CO2e)

Scope 3: End of life treatment of sold products (metric tons CO2e)

Scope 3: Downstream leased assets (metric tons CO2e)

Scope 3: Franchises (metric tons CO2e)

Scope 3: Investments (metric tons CO2e)

Scope 3: Other (upstream) (metric tons CO2e)

Scope 3: Other (downstream) (metric tons CO2e)

Comment

Past year 3

Start date

October 1 2018

End date

September 30 2019

Scope 3: Purchased goods and services (metric tons CO2e)

Scope 3: Capital goods (metric tons CO2e)

Scope 3: Fuel and energy-related activities (not included in Scopes 1 or 2) (metric tons CO2e)

Scope 3: Upstream transportation and distribution (metric tons CO2e)

Scope 3: Waste generated in operations (metric tons CO2e)

Scope 3: Business travel (metric tons CO2e)

7883

Scope 3: Employee commuting (metric tons CO2e)

Scope 3: Upstream leased assets (metric tons CO2e)

Scope 3: Downstream transportation and distribution (metric tons CO2e)

Scope 3: Processing of sold products (metric tons CO2e)

Scope 3: Use of sold products (metric tons CO2e)

Scope 3: End of life treatment of sold products (metric tons CO2e)

Scope 3: Downstream leased assets (metric tons CO2e)

Scope 3: Franchises (metric tons CO2e)

Scope 3: Investments (metric tons CO2e)

Scope 3: Other (upstream) (metric tons CO2e)

Scope 3: Other (downstream) (metric tons CO2e)

Comment

C6.7

(C6.7) Are carbon dioxide emissions from biogenic carbon relevant to your organization?

No

C6.10

(C6.10) Describe your gross global combined Scope 1 and 2 emissions for the reporting year in metric tons CO₂e per unit currency total revenue and provide any additional intensity metrics that are appropriate to your business operations.

Intensity figure

11.3

Metric numerator (Gross global combined Scope 1 and 2 emissions, metric tons CO₂e)

468810

Metric denominator

unit total revenue

Metric denominator: Unit total

41553000000

Scope 2 figure used

Location-based

% change from previous year

763

Direction of change

Increased

Reason for change

It may not always be possible or practical to reduce absolute energy consumption and resultant carbon emissions year-on-year given the correlation between business activity and non-renewable energy consumption and carbon emissions. To mitigate against this, Barloworld measures carbon emissions against activity levels. The intensities reflected below are a function of carbon emissions and activity (using revenue as a proxy for activity). The increased 2021 emissions (scope 1 and 2) intensity against 2020 indicates more carbon was emitted in generating R1 million revenue than in 2020. The increase is in line with the manufacturing nature of Ingrain's operations and its energy requirements and sources. Management is committed to exploring alternate energy sources that are appropriate to their energy requirements. For indicative purposes, a like-for-like comparison, excluding Ingrain from the FY2021, reflects a 2% decrease in the GHG emissions (scope 1 and 2) intensity against FY2020.

C7. Emissions breakdowns

C7.1

(C7.1) Does your organization break down its Scope 1 emissions by greenhouse gas type?

Yes

C7.1a

(C7.1a) Break down your total gross global Scope 1 emissions by greenhouse gas type and provide the source of each used greenhouse warming potential (GWP).

Greenhouse gas	Scope 1 emissions (metric tons of CO ₂ e)	GWP Reference
N ₂ O	119	IPCC Fourth Assessment Report (AR4 - 100 year)
CH ₄	24	IPCC Fourth Assessment Report (AR4 - 100 year)
CO ₂	285939	IPCC Fourth Assessment Report (AR4 - 100 year)

C7.2

(C7.2) Break down your total gross global Scope 1 emissions by country/region.

Country/Region	Scope 1 emissions (metric tons CO ₂ e)
South Africa	279083
Other, please specify (Eurasia (Russia, UK and Mongolia))	3385
Other, please specify (Other Africa)	3615

C7.3

(C7.3) Indicate which gross global Scope 1 emissions breakdowns you are able to provide.

By business division

C7.3a

(C7.3a) Break down your total gross global Scope 1 emissions by business division.

Business division	Scope 1 emissions (metric ton CO2e)
Industrial Equipment & Services	11948
Consumer Industries	267766
Car Rental and Leasing	5645
*Other Segments (Corporate Office South Africa, Corporate Office UK, SMD)	723

C7.5

(C7.5) Break down your total gross global Scope 2 emissions by country/region.

Country/Region	Scope 2, location-based (metric tons CO2e)	Scope 2, market-based (metric tons CO2e)
South Africa	176090	
Other, please specify (Eurasia (Russia, UK and Mongolia))	4336	
Other, please specify (Other Africa)	2302	

C7.6

(C7.6) Indicate which gross global Scope 2 emissions breakdowns you are able to provide.

By business division

C7.6a

(C7.6a) Break down your total gross global Scope 2 emissions by business division.

Business division	Scope 2, location-based (metric tons CO2e)	Scope 2, market-based (metric tons CO2e)
Industrial Equipment & Services	17300	
Consumer Industries	157295	
Car Rental and Leasing	5774	
*Other Segments (Corporate Office South Africa, Corporate Office UK, SMD)	2359	

C7.9

(C7.9) How do your gross global emissions (Scope 1 and 2 combined) for the reporting year compare to those of the previous reporting year?

Increased

C7.9a

(C7.9a) Identify the reasons for any change in your gross global emissions (Scope 1 and 2 combined), and for each of them specify how your emissions compare to the previous year.

	Change in emissions (metric tons CO2e)	Direction of change	Emissions value (percentage)	Please explain calculation
Change in renewable energy consumption	861	Increased	160	BWE SnA Installed solar photovoltaic capacity as at the end of the period was some 1 200 kW (peak), however not all installations were commissioned due to COVID-19 related delays. These installations have contributed to the generation of just over 1 300 MWh of renewable energy during the period and translated into an avoidance of some 1 300 tCO2e resulting from grid-electricity and monetary savings in excess of R1.5m for the financial period.
Other emissions reduction activities		<Not Applicable>		
Divestment		<Not Applicable>		
Acquisitions	424289	Increased	953	Aligned with our increase in non-renewable energy consumption. The Group emissions (scope 1 and 2) is 953% higher than 2020 levels. This is mainly due to the inclusion of acquisitions, namely Ingrain in the group effective November 2020 (FY2021), which is not included in the comparative periods. For indicative purposes, a like-for-like comparison, excluding Ingrain from the current period, reflects a 2% decrease in scope 1 and 2 emissions against FY2020.
Mergers		<Not Applicable>		
Change in output		<Not Applicable>		
Change in methodology		<Not Applicable>		
Change in boundary		<Not Applicable>		
Change in physical operating conditions		<Not Applicable>		
Unidentified		<Not Applicable>		
Other		<Not Applicable>		

C7.9b

(C7.9b) Are your emissions performance calculations in C7.9 and C7.9a based on a location-based Scope 2 emissions figure or a market-based Scope 2 emissions figure?

Location-based

C8. Energy

C8.1

(C8.1) What percentage of your total operational spend in the reporting year was on energy?

More than 0% but less than or equal to 5%

C8.2

(C8.2) Select which energy-related activities your organization has undertaken.

	Indicate whether your organization undertook this energy-related activity in the reporting year
Consumption of fuel (excluding feedstocks)	Yes
Consumption of purchased or acquired electricity	Yes
Consumption of purchased or acquired heat	No
Consumption of purchased or acquired steam	No
Consumption of purchased or acquired cooling	No
Generation of electricity, heat, steam, or cooling	Yes

C8.2a

(C8.2a) Report your organization's energy consumption totals (excluding feedstocks) in MWh.

	Heating value	MWh from renewable sources	MWh from non-renewable sources	Total (renewable and non-renewable) MWh
Consumption of fuel (excluding feedstock)	LHV (lower heating value)		900548	900548
Consumption of purchased or acquired electricity	<Not Applicable>		181060	181060
Consumption of purchased or acquired heat	<Not Applicable>	<Not Applicable>	<Not Applicable>	<Not Applicable>
Consumption of purchased or acquired steam	<Not Applicable>	<Not Applicable>	<Not Applicable>	<Not Applicable>
Consumption of purchased or acquired cooling	<Not Applicable>	<Not Applicable>	<Not Applicable>	<Not Applicable>
Consumption of self-generated non-fuel renewable energy	<Not Applicable>	1399	<Not Applicable>	1399
Total energy consumption	<Not Applicable>	1399	1081608	1083007

C8.2b

(C8.2b) Select the applications of your organization's consumption of fuel.

	Indicate whether your organization undertakes this fuel application
Consumption of fuel for the generation of electricity	Yes
Consumption of fuel for the generation of heat	No
Consumption of fuel for the generation of steam	Yes
Consumption of fuel for the generation of cooling	No
Consumption of fuel for co-generation or tri-generation	No

C8.2c

(C8.2c) State how much fuel in MWh your organization has consumed (excluding feedstocks) by fuel type.

Sustainable biomass

Heating value

Please select

Total fuel MWh consumed by the organization

0

MWh fuel consumed for self-generation of electricity

0

MWh fuel consumed for self-generation of heat

0

MWh fuel consumed for self-generation of steam

0

MWh fuel consumed for self-generation of cooling

<Not Applicable>

MWh fuel consumed for self- cogeneration or self-trigeneration

<Not Applicable>

Comment

N/A

Other biomass

Heating value

Please select

Total fuel MWh consumed by the organization

0

MWh fuel consumed for self-generation of electricity

0

MWh fuel consumed for self-generation of heat

0

MWh fuel consumed for self-generation of steam

0

MWh fuel consumed for self-generation of cooling

<Not Applicable>

MWh fuel consumed for self- cogeneration or self-trigeneration

<Not Applicable>

Comment

N/A

Other renewable fuels (e.g. renewable hydrogen)

Heating value

Please select

Total fuel MWh consumed by the organization

0

MWh fuel consumed for self-generation of electricity

0

MWh fuel consumed for self-generation of heat

0

MWh fuel consumed for self-generation of steam

0

MWh fuel consumed for self-generation of cooling

<Not Applicable>

MWh fuel consumed for self- cogeneration or self-trigeneration

<Not Applicable>

Comment

N/A

Coal

Heating value

LHV

Total fuel MWh consumed by the organization

708146

MWh fuel consumed for self-generation of electricity

0

MWh fuel consumed for self-generation of heat

0

MWh fuel consumed for self-generation of steam

708146

MWh fuel consumed for self-generation of cooling

<Not Applicable>

MWh fuel consumed for self- cogeneration or self-trigeneration

<Not Applicable>

Comment

Coal fired boilers are utilised for steam generation in the manufacturing process within the Consumer Industries segment.

Oil**Heating value**

Please select

Total fuel MWh consumed by the organization

0

MWh fuel consumed for self-generation of electricity

0

MWh fuel consumed for self-generation of heat

0

MWh fuel consumed for self-generation of steam

0

MWh fuel consumed for self-generation of cooling

<Not Applicable>

MWh fuel consumed for self- cogeneration or self-trigeneration

<Not Applicable>

Comment

N/A

Gas**Heating value**

LHV

Total fuel MWh consumed by the organization

123591

MWh fuel consumed for self-generation of electricity

0

MWh fuel consumed for self-generation of heat

0

MWh fuel consumed for self-generation of steam

123591

MWh fuel consumed for self-generation of cooling

<Not Applicable>

MWh fuel consumed for self- cogeneration or self-trigeneration

<Not Applicable>

Comment

Gas fired boilers are utilised for steam generation in the manufacturing process within the Consumer Industries segment.

Other non-renewable fuels (e.g. non-renewable hydrogen)**Heating value**

LHV

Total fuel MWh consumed by the organization

2463

MWh fuel consumed for self-generation of electricity

2463

MWh fuel consumed for self-generation of heat

0

MWh fuel consumed for self-generation of steam

0

MWh fuel consumed for self-generation of cooling

<Not Applicable>

MWh fuel consumed for self- cogeneration or self-trigeneration

<Not Applicable>

Comment

This is related to fuel consumption in standby generators used to generate electricity.

There is no additional indicator available to report the mobile fuel usage for non-self-generated energy (petrol & diesel).

Total fuel

Heating value

LHV

Total fuel MWh consumed by the organization

834199

MWh fuel consumed for self-generation of electricity

2463

MWh fuel consumed for self-generation of heat

0

MWh fuel consumed for self-generation of steam

831736

MWh fuel consumed for self-generation of cooling

<Not Applicable>

MWh fuel consumed for self- cogeneration or self-trigeneration

<Not Applicable>

Comment

Total stationary diesel (2,463) , coal (708,146) and Sasol gas (123,591) consumption.

Mobile petrol and diesel consumption is not included in the totals above as they are not used for self-generation of electricity, heat or steam.

C8.2d

(C8.2d) Provide details on the electricity, heat, steam, and cooling your organization has generated and consumed in the reporting year.

	Total Gross generation (MWh)	Generation that is consumed by the organization (MWh)	Gross generation from renewable sources (MWh)	Generation from renewable sources that is consumed by the organization (MWh)
Electricity	2463	2463	1399	1399
Heat				
Steam	831736	831736		
Cooling				

C8.2g

(C8.2g) Provide a breakdown of your non-fuel energy consumption by country.

Country/area

South Africa

Consumption of electricity (MWh)

1399

Consumption of heat, steam, and cooling (MWh)

0

Total non-fuel energy consumption (MWh) [Auto-calculated]

1399

Is this consumption excluded from your RE100 commitment?

<Not Applicable>

C9. Additional metrics

C9.1

(C9.1) Provide any additional climate-related metrics relevant to your business.

Description

Energy usage

Metric value

93.71

Metric numerator

Non-renewable energy (GJ)

Metric denominator (intensity metric only)

Revenue (ZAR millions)

% change from previous year

738

Direction of change

Increased

Please explain

Group non-renewable energy consumption increased significantly over 2020 due to the inclusion of Ingrain effective November 2020 which is not included in the comparative period. Coal was major source of energy consumption, accounting for some 66% of group energy consumption.

Description

Energy usage

Metric value

1399

Metric numerator

MWh consumed from renewable solar energy

Metric denominator (intensity metric only)

% change from previous year

160

Direction of change

Increased

Please explain

Equipment southern Africa Installed solar photovoltaic capacity as at the end of the period was some 1 200 kW (peak), however not all installations were commissioned due to COVID-19 related delays. These installations have contributed to the generation of just over 1 399 MWh of renewable energy during the period and translated into an avoidance of some 1 300 tCO₂e resulting from grid-electricity .

C10. Verification

C10.1

(C10.1) Indicate the verification/assurance status that applies to your reported emissions.

	Verification/assurance status
Scope 1	Third-party verification or assurance process in place
Scope 2 (location-based or market-based)	Third-party verification or assurance process in place
Scope 3	No third-party verification or assurance

C10.1a

(C10.1a) Provide further details of the verification/assurance undertaken for your Scope 1 emissions, and attach the relevant statements.

Verification or assurance cycle in place

Annual process

Status in the current reporting year

Complete

Type of verification or assurance

Limited assurance

Attach the statement

Barloworld-Assurance-Report-2021.pdf

Page/ section reference

Refer Pages 1 to 4.

Relevant standard

ISAE 3410

Proportion of reported emissions verified (%)

100

C10.1b

(C10.1b) Provide further details of the verification/assurance undertaken for your Scope 2 emissions and attach the relevant statements.

Scope 2 approach

Scope 2 location-based

Verification or assurance cycle in place

Annual process

Status in the current reporting year

Complete

Type of verification or assurance

Limited assurance

Attach the statement

Barloworld-Assurance-Report-2021.pdf

Page/ section reference

Refer Pages 1 to 4.

Relevant standard

ISAE 3410

Proportion of reported emissions verified (%)

100

C10.2

(C10.2) Do you verify any climate-related information reported in your CDP disclosure other than the emissions figures reported in C6.1, C6.3, and C6.5?

Yes

C10.2a

(C10.2a) Which data points within your CDP disclosure have been verified, and which verification standards were used?

Disclosure module verification relates to	Data verified	Verification standard	Please explain
C8. Energy Barloworld-Assurance-Report-2021.pdf	Please select	ISAE3000. Limited Assurance	The energy consumption as measured and disclosed in Gigajoules is independently assured as well.

C11. Carbon pricing

C11.1

(C11.1) Are any of your operations or activities regulated by a carbon pricing system (i.e. ETS, Cap & Trade or Carbon Tax)?

Yes

C11.1a

(C11.1a) Select the carbon pricing regulation(s) which impacts your operations.

South Africa carbon tax

C11.1c

(C11.1c) Complete the following table for each of the tax systems you are regulated by.

South Africa carbon tax

Period start date

January 1 2021

Period end date

December 31 2021

% of total Scope 1 emissions covered by tax

96

Total cost of tax paid

10942423

Comment

Scope 1 emissions for which South African Carbon Tax is applicable (267 341 tCO₂e) over the total South African Scope 1 emissions (279 083 tCO₂e).

C11.1d

(C11.1d) What is your strategy for complying with the systems you are regulated by or anticipate being regulated by?

BAW's South African operations is impacted by the Carbon Tax which was introduced in South Africa in June 2019.

Strategy for compliance:

BAW engages externally with organised business e.g., National Business Initiative and Business Unity South Africa to keep informed of developments regarding the national climate change strategy which includes the Carbon Tax Act and internally with technical experts (e.g., Tax department) to better understand the impacts of the carbon tax.

Reporting systems are in place across the group for the collation, consolidation, and reporting of data for relevant emission indicators. Using the reported data, BAW has been able to calculate the financial impact of the Carbon Tax on its operations.

Additionally, 'pass-through' costs have also been quantified.

Emissions-related data is assured to ensure credibility of reported data.

Examples of strategic application:

Such engagement, reporting and assurance practices ensure that BAW complies with the Carbon Tax regulations and the mandatory GHG reporting regulations in South Africa.

Attempting to minimise its environmental impact, improve operational resilience and to realise cost savings, BAW undertook several initiatives which will also help it reduce the impacts of a Carbon Tax:

- BAW is a signatory of the Energy Efficiency Leadership Network's Energy Efficiency Pledge, together with the Department of Energy.
- Adopted a Measure, Avoid, Reduced, Switch and Offset (MARSO) approach with regarding to greenhouse gas emissions
- Implemented group aspirational efficiency improvement targets for non-renewable energy and greenhouse gas emissions (scope 1 and 2)
- Implemented a group aspirational target per annum of renewable energy consumption

C11.2

(C11.2) Has your organization originated or purchased any project-based carbon credits within the reporting period?

No

C11.3

(C11.3) Does your organization use an internal price on carbon?

No, and we do not currently anticipate doing so in the next two years

C12. Engagement

C12.1

(C12.1) Do you engage with your value chain on climate-related issues?

Yes, our suppliers

Yes, our customers/clients

C12.1a

(C12.1a) Provide details of your climate-related supplier engagement strategy.

Type of engagement

Other, please specify ((Ongoing engagement with original equipment manufacturers and principals))

Details of engagement

Other, please specify ((Ongoing engagement with original equipment manufacturers and principals))

% of suppliers by number

% total procurement spend (direct and indirect)

58

% of supplier-related Scope 3 emissions as reported in C6.5

Rationale for the coverage of your engagement

No new OEMs were included in the period. The existing OEMs from prior periods were again assessed during the current period. None of these principals were assessed as high risk on environmental criteria. These suppliers account for some 58% of our procurement spend in the group for the 2021 financial period. The Barloworld Group due diligence policy for doing business with third party service providers and suppliers (TPSP&S) includes a mandated requirement to assess all TPSP&S that are rated as high risk, including new suppliers. Identified TPSP&S are expected to sign a Supplier Code of Conduct to commit to ethical dealing and to prevent bribery and corruption. One of several provisions in this voluntary undertaking is stated as follows: "Health, safety, and environment: The supplier or service provider must comply with applicable health, safety and environmental laws, regulations and standards and provide a healthy and safe working environment to prevent accidents and injury and promote safety throughout the supply chain. The supplier or service provider recognises its responsibility towards the environment and maintains proper systems to prevent and/or minimise potential hazards As a means to monitor this requirement, each division maintains statistics of the number of TPSP&S that have signed this undertaking, including the number of new suppliers At Sept 2021 (FYE2021), in excess of some 5 900 of active suppliers (43%) TPSP&S have signed the Supplier Code of Conduct. Efforts are underway to have more suppliers sign the Supplier Code of Conduct, including acquired operations.

Impact of engagement, including measures of success

BAW engages with all principals on an ongoing basis. The material issues raised during engagements include product issues and innovation; market positioning; financial and other performance review; customer issues and satisfaction; sustainable development and climate change matters (energy efficiency, use of fossil fuels and related emissions); market information and supply chain empowerment.

Comment

Methods of engagement include dealer, dealer council and licensee meetings; principals' conferences; formal reporting and appropriate information sharing; ongoing informal contact and product launches.

C12.1b

(C12.1b) Give details of your climate-related engagement strategy with your customers.

Type of engagement & Details of engagement

Other, please specify	Other, please specify ((Engagement and awareness on product efficiency, maintenance schedules, operating procedures))
-----------------------	---

% of customers by number

% of customer - related Scope 3 emissions as reported in C6.5

Please explain the rationale for selecting this group of customers and scope of engagement

Customers are engaged on an ongoing basis which informs the basis of the group's customer value proposition and integrated solutions. Such engagement includes extensive surveys, personal contact and engagement, site visits and open communication platforms. BAW strives to provide customer solutions that assist customers achieve their own sustainable development objectives including energy and emission efficiency improvements. Success is measured by the outcomes of these engagements. Positive outcomes resulting from engagements include successful relationships with mutual value maximised; leading products, services and customer solutions; retained distribution rights; mitigation of any identified key risks, supply chain optimisation and expanded preferential procurement and empowerment. Stakeholder requirements, commercial sensibility, practicability, organisational sustainability and responsible corporate citizenship are some of the aspects considered in prioritizing engagements.

Impact of engagement, including measures of success

Given the diverse nature of operations and customer segments across the group, these initiatives are decentralized with the appropriate processes being implemented in the respective business units. While these vary from division to division, aspects covered in customer satisfaction surveys include: Customer Experience standards, Machine delivery standards, Field service standards, Bundle solutions (services) at the point of sales, Digital Welcome Pack, Customer transactional survey for machines, parts and service Logistics' engagement with industry allows for key insights of their clients supply chain. This is then used to ensure alignment of its clients' strategic business objectives with its clients' supply chain. Within certain divisions marketing teams, client services teams and external service providers conduct regular client satisfaction surveys and client feedback sessions with the relevant parties. These assessments utilise client surveys and market perception surveys to evaluate customer satisfaction levels. Quality and customer satisfaction are elements of the ISO 9001 quality management system certification which is in place in a number of operations. Importantly, the operations use this information to improve performance and improve customer experience and loyalty; performance is also formally reported in management and executive and divisional board meetings.

C12.2

(C12.2) Do your suppliers have to meet climate-related requirements as part of your organization's purchasing process?

No, and we do not plan to introduce climate-related requirements within the next two years

C12.3

(C12.3) Does your organization engage in activities that could either directly or indirectly influence policy, law, or regulation that may impact the climate?

Row 1

Direct or indirect engagement that could influence policy, law, or regulation that may impact the climate

Yes, we engage indirectly through trade associations

Does your organization have a public commitment or position statement to conduct your engagement activities in line with the goals of the Paris Agreement?

No, and we do not plan to have one in the next two years

Attach commitment or position statement(s)

<Not Applicable>

Describe the process(es) your organization has in place to ensure that your engagement activities are consistent with your overall climate change strategy

BAW ensures that all engagements are consistent with its overall climate change strategy through ensuring that all relevant employees within the group understand and are aligned with BAW's position on climate change. BAW representatives on the various committees are appropriately mandated prior to engagement to ensure consistency. Internal meetings with these representatives are held on a regular basis (including individual discussions, monthly sustainability champion meetings, executive and management meetings). These meetings provide an opportunity for the representatives to provide feedback and to be informed on any changes to the group's position (if new regulation is released etc.). In this way, the representatives participate in structured feedback processes, are kept informed of the group's approach, and can communicate the group's position and strategy on climate change. Also, the BAW Climate Change Policy has been widely distributed across the group and is publicly available. 'Sustainability' is one of the Values in the BAW Worldwide Code of Conduct and is widely communicated and all employees are expected to uphold them. Additionally, climate change related issues are integrated into our business objectives and strategy through our responsible citizenship programme, and elements of Natural capital.

Primary reason for not engaging in activities that could directly or indirectly influence policy, law, or regulation that may impact the climate

<Not Applicable>

Explain why your organization does not engage in activities that could directly or indirectly influence policy, law, or regulation that may impact the climate

<Not Applicable>

C12.3b

(C12.3b) Provide details of the trade associations your organization engages with which are likely to take a position on any policy, law or regulation that may impact the climate.

Trade association

Other, please specify (Business Unity South Africa)

Is your organization's position on climate change consistent with theirs?

Consistent

Has your organization influenced, or is your organization attempting to influence their position?

We are not attempting to influence their position

State the trade association's position on climate change, explain where your organization's position differs, and how you are attempting to influence their position (if applicable)

One of BUSA's strategic objectives is to: 10 Strategic Objectives Enabling Environment for Inclusive Growth and Employment in South Africa: 10. Just transition towards low carbon, climate resilient and ecologically sustainable economies and societies.

Funding figure your organization provided to this trade association in the reporting year, if applicable (currency as selected in C0.4) (optional)

0

Describe the aim of your organization's funding

<Not Applicable>

Have you evaluated whether your organization's engagement with this trade association is aligned with the goals of the Paris Agreement?

Yes, we have evaluated, and it is aligned

C12.4

(C12.4) Have you published information about your organization's response to climate change and GHG emissions performance for this reporting year in places other than in your CDP response? If so, please attach the publication(s).

Publication

In mainstream reports

Status

Complete

Attach the document

- 2021 Barloworld GRI response.pdf
- 2021 Barloworld Integrated Report.pdf
- 2021 Barloworld Integrated Report.pdf

Page/Section reference

Integrated report - view entire report, specifically pages 121 to 127.
GRI - Refer pages 68 to 96

Content elements

- Governance
- Strategy
- Risks & opportunities
- Emissions figures
- Emission targets
- Other metrics

Comment

Climate Change related matters are included in the group sustainable development framework and relevant policies, including the group-wide Climate Change policy. We report to stakeholder in our mainstream reports on our efforts to limit any contribution to climate change, aligned to our aspiration of reducing our environmental footprint.

C15. Biodiversity

C15.1

(C15.1) Is there board-level oversight and/or executive management-level responsibility for biodiversity-related issues within your organization?

	Board-level oversight and/or executive management-level responsibility for biodiversity-related issues	Description of oversight and objectives relating to biodiversity	Scope of board-level oversight
Row 1	Yes, both board-level oversight and executive management-level responsibility	The Executive Committee is the highest management committee within the organisation charged with the responsibility of executing on the strategy of the group. Sustainable development and responsible corporate citizenship is integrated into our strategic framework and all facets within this including biodiversity, will be the responsibility of the Executive Committee. The Board has oversight over the execution of the group strategy, including ESG aspects, which include biodiversity.	<Not Applicable>

C15.2

(C15.2) Has your organization made a public commitment and/or endorsed any initiatives related to biodiversity?

	Indicate whether your organization made a public commitment or endorsed any initiatives related to biodiversity	Biodiversity-related public commitments	Initiatives endorsed
Row 1	No, but we plan to do so within the next 2 years	<Not Applicable>	<Not Applicable>

C15.3

(C15.3) Does your organization assess the impact of its value chain on biodiversity?

	Does your organization assess the impact of its value chain on biodiversity?	Portfolio
Row 1	No, but we plan to assess biodiversity-related impacts within the next two years	<Not Applicable>

C15.4

(C15.4) What actions has your organization taken in the reporting year to progress your biodiversity-related commitments?

	Have you taken any actions in the reporting period to progress your biodiversity-related commitments?	Type of action taken to progress biodiversity-related commitments
Row 1	No, we are not taking any actions to progress our biodiversity-related commitments, but we plan to within the next two years	<Not Applicable>

C15.5

(C15.5) Does your organization use biodiversity indicators to monitor performance across its activities?

	Does your organization use indicators to monitor biodiversity performance?	Indicators used to monitor biodiversity performance
Row 1	No, we do not use indicators, but plan to within the next two years	Please select

C15.6

(C15.6) Have you published information about your organization's response to biodiversity-related issues for this reporting year in places other than in your CDP response? If so, please attach the publication(s).

Report type	Content elements	Attach the document and indicate where in the document the relevant biodiversity information is located
In mainstream financial reports	Impacts on biodiversity	Refer Page 14 of the GRI. Refer page 25 of the Barloworld Code of Conduct: "..We focus on environmental responsibility and preventing ... We support environmental stewardship and biodiversity by...." 2021 Barloworld GRI response.pdf Barloworld Worldwide Code of Conduct.pdf

C16. Signoff

C-FI

(C-FI) Use this field to provide any additional information or context that you feel is relevant to your organization's response. Please note that this field is optional and is not scored.

C16.1

(C16.1) Provide details for the person that has signed off (approved) your CDP climate change response.

	Job title	Corresponding job category
Row 1	Chairman of the Group Social, Ethics and Transformation Committee	Director on board

Submit your response

In which language are you submitting your response?
English

Please confirm how your response should be handled by CDP

	I understand that my response will be shared with all requesting stakeholders	Response permission
Please select your submission options	Yes	Public

Please confirm below

I have read and accept the applicable Terms