

W0. Introduction

W0.1

(W0.1) Give a general description of 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:

- Broader conception of value creation
- Focusses 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

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](#).

BAW's water usage is primarily centred on withdrawals from municipal sources (2 756 ML FY2021), it has placed significant focus on water stewardship and efficiency of use. The water usage has increased significantly from prior year FY2021. This is mainly due to the inclusion of an acquisition, namely Ingrain. During the year, we established new divisional- level intensity metrics and targets to allow for enhanced operational management and efficiencies. These are being refined and we anticipate reporting on progress in the FY2022 financial period. These will address material environmental aspects including water efficiency targets.

W0.2

(W0.2) State the start and end date of the year for which you are reporting data.

	Start date	End date
Reporting year	October 1 2020	September 30 2021

W0.3

(W0.3) 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

W0.4

(W0.4) Select the currency used for all financial information disclosed throughout your response.

ZAR

W0.5

(W0.5) Select the option that best describes the reporting boundary for companies, entities, or groups for which water impacts on your business are being reported.

Companies, entities or groups over which financial control is exercised

W0.6

(W0.6) Within this boundary, are there any geographies, facilities, water aspects, or other exclusions from your disclosure?

No

W0.7

(W0.7) 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

W1. Current state

W1.1

(W1.1) Rate the importance (current and future) of water quality and water quantity to the success of your business.

	Direct use importance rating	Indirect use importance rating	Please explain
Sufficient amounts of good quality freshwater available for use	Important	Important	<p>Direct Use: In FY2021, BAW primary operating segments were the Industrial Equipment and Services, Consumer Industries and Car Rental and Leasing segments. The nature and volumes of water-use varies significantly between the various segments.</p> <p>Within the Industrial Equipment and Services and Car Rental and Leasing segments, water is predominately used for washing vehicles, plant and equipment, which does not necessarily require freshwater. The respective segments constituted 6% and 4% of BAW's FY2021 total municipal water withdrawals. Although BAW has water recycling plants, the water from these plants is insufficient to meet all the water needs of Industrial Equipment and Services and Car Rental and Leasing segments. Within the Consumer Industries segment freshwater is used in the manufacturing process and forms part of wet product. Consumer Industries constituted 90% of BAW's FY2021 total municipal water withdrawals. Given the nature of use within the operating segments, volumes of recycled water are relatively more important in the Industrial Equipment and Services and Car Rental and Leasing segments than in the Consumer Industries segment. Given that 90% of water consumption in within the Consumer Industries segment, we have assessed this as neutral for direct operations.</p> <p>Indirect Use: BAW's suppliers and customers may rely on recycled or treated water in the manufacturing process. Many of these suppliers and customers have or are considering implementing water treatment and/or water recycling facilities. Without recycled or treated water, interruptions in supplier / customer operations which could result in an inability to do business and disrupted supply and demand patterns.</p>
Sufficient amounts of recycled, brackish and/or produced water available for use	Neutral	Important	<p>Direct Use: In FY2021, BAW primary operating segments were the Industrial Equipment and Services, Consumer Industries and Car Rental and Leasing segments. The nature and volumes of water-use varies significantly between the various segments.</p> <p>Within the Industrial Equipment and Services and Car Rental and Leasing segments, water is predominately used for washing vehicles, plant and equipment, which does not necessarily require freshwater. The respective segments constituted 6% and 4% of BAW's FY2021 total municipal water withdrawals. Although BAW has water recycling plants, the water from these plants is insufficient to meet all the water needs of Industrial Equipment and Services and Car Rental and Leasing segments. Within the Consumer Industries segment freshwater is used in the manufacturing process and forms part of wet product. Consumer Industries constituted 90% of BAW's FY2021 total municipal water withdrawals. Given the nature of use within the operating segments, volumes of recycled water are relatively more important in the Industrial Equipment and Services and Car Rental and Leasing segments than in the Consumer Industries segment. Given that 90% of water consumption in within the Consumer Industries segment, we have assessed this as neutral for direct operations.</p> <p>Indirect Use: BAW's suppliers and customers may rely on recycled or treated water in the manufacturing process. Many of these suppliers and customers have or are considering implementing water treatment and/or water recycling facilities. Without recycled or treated water, interruptions in supplier / customer operations which could result in an inability to do business and disrupted supply and demand patterns.</p>

W1.2

(W1.2) Across all your operations, what proportion of the following water aspects are regularly measured and monitored?

	% of sites/facilities/operations	Please explain
Water withdrawals – total volumes	100%	Water withdrawal volumes are measured and monitored as this information is required for management purposes including highlighting exposures and controlling impacts directly affecting BAW's operational cost. Most water is sourced from municipal and local government water supply systems. The percentage of sites reflected refer to operational sites within BAW's defined boundary.
Water withdrawals – volumes by source	100%	Water withdrawal volumes by source are measured and monitored as this information is required for management purposes including highlighting exposures and controlling BAW's operational cost. Most water is sourced from municipal and local government water supply systems. Some water is captured in rainwater harvesting tanks and significant volumes are recycled, both of which are measured, reported, and monitored. The percentage of sites reflected refer to operational sites within BAW's defined boundary.
Entrained water associated with your metals & mining sector activities - total volumes [only metals and mining sector]	<Not Applicable>	<Not Applicable>
Produced water associated with your oil & gas sector activities - total volumes [only oil and gas sector]	<Not Applicable>	<Not Applicable>
Water withdrawals quality	76-99	Within BAW's Consumer Industries segment, Ingrain predominately utilises municipal water supplies. Water quality is monitored internally on a monthly basis and on an annual basis water withdrawal quality is externally analysed against the SANS 241 Standard. Consumer Industries constitutes 90% of BAW's FY2021 municipal water withdrawals.
Water discharges – total volumes	76-99	Within the Consumer Industries segment, water discharge into the municipal reticulation system is metered to track volumes. Consumer Industries constitutes 90% of BAW's FY2021 municipal water withdrawals.
Water discharges – volumes by destination	76-99	Across the group, water discharges are monitored by destination. Most water is sourced from municipal and local government supply systems and legally discharged into these systems after required filtration and separation processes.
Water discharges – volumes by treatment method	Less than 1%	This is not metered, but principally all water is legally discharged into local municipal reticulation systems after appropriate filtration and treatment. Given the nature of use within the Industrial Equipment and Services, and Car Rental and Leasing segments, water discharge volumes have been assumed to equate to 95% of water withdrawal volumes. Within the Consumer Industries segment, treatment facilities are being reviewed. However, similar to the other two segments, water is legally discharged into local municipal reticulation systems after appropriate filtration and treatment. The percentage of sites reflected refer to operational sites within BAW's defined boundary.
Water discharge quality – by standard effluent parameters	76-99	Within the Consumer Industries segment, all trade effluent streams are monitored internally on a monthly basis. Additionally, the municipal authorities also monitor effluent against municipal standards. Consumer Industries constitutes 90% of BAW's FY2021 municipal water withdrawals and approximately 81% of total water discharges.
Water discharge quality – temperature	76-99	Within the Consumer Industries segment, all trade effluent streams are monitored internally on a monthly basis, including temperature. Principally the group's approach is for all water discharge to be within the legal parameters. Water discharges are monitored by local municipalities in the areas in which we operate. Consumer Industries constitutes 90% of BAW's FY2021 municipal water withdrawals and approximately 81% of total water discharges.
Water consumption – total volume	Less than 1%	Within our Industrial Equipment and Services, and Rental and Leasing segments, water is predominantly used for washing of vehicles, plant and equipment and does not form part of the product. Essentially all water is appropriately filtered and treated and discharged back into the local municipal reticulation systems. Given the nature of use and operations, consumption volumes have been assumed to equate to 5% of water withdrawal volumes. Within the Consumer Industries segment, water is consumed within the manufacturing process and some water forms part of the final product in the case of wet product. This constitutes some 90% of total withdrawals and approximately 99% of water consumption in the group. Within both segments, small volumes of water are consumed by employees, used for gardening, or evaporated during washing, but this is not separately metered. The percentage of sites reflected refer to operational sites within BAW's defined boundary.
Water recycled/reused	100%	While not all sites have recycling facilities, the scope of our monitoring is the whole group. Water recycled volumes are measured and monitored as this information is required for management purposes. The percentage of sites reflected refer to operational sites within BAW's defined boundary.
The provision of fully-functioning, safely managed WASH services to all workers	Less than 1%	Facilities providing fully functioning WASH services for workers are not specifically metered. All BAW facilities include WASH services, and these volumes are included in the site / facility volumes reported. Water is predominantly used for washing of vehicles, plant and equipment and does not form part of the product. Essentially all water is appropriately filtered and treated and discharged back into the local municipal reticulation systems. Small volumes of water are consumed by employees (including WASH services), used for gardening, or evaporated during washing, but this is not separately metered. The percentage of sites reflected refer to operational sites within BAW's defined boundary.

W1.2b

(W1.2b) What are the total volumes of water withdrawn, discharged, and consumed across all your operations, and how do these volumes compare to the previous reporting year?

	Volume (megaliters/year)	Comparison with previous reporting year	Please explain
Total withdrawals	2756	Much higher	This reflects a significant increase in water withdrawals from municipal sources over prior year. This is mainly due to the acquired division Ingrain which accounts for 90% of the total Group water withdrawals in FY2021. Within our Industrial Equipment and Services, and Rental and Leasing segments, water is predominately used to wash vehicles, plant, and equipment, it is not removed from the areas of source. After proper treatment, it is legally discharged into local reticulation systems. Within our Consumer Industries segment, Ingrain requires volumes of water, in the production of its various product categories and in some instances water forms part of wet product. Water monitoring systems are in place at all major sites to allow monitoring of consumption trends, identification of anomalies and mitigation against excessive and/or unnecessary use.
Total discharges	2053	Much higher	Within our Industrial Equipment and Services, and Rental and Leasing segments, water is predominately used to wash vehicles, plant, and equipment, it is not removed from the areas of source. After proper treatment, it is legally discharged into local reticulation systems. Within our Consumer Industries segment, Ingrain requires volumes of water, in the production of its various product categories and in some instances water forms part of wet product. Volumes and quality of effluent discharge is monitored. Water monitoring systems are in place at all major sites to allow monitoring of consumption trends, identification of anomalies and mitigation against excessive and/or unnecessary use.
Total consumption	704	Much higher	Within our Industrial Equipment and Services, and Rental and Leasing segments, water is predominately used to wash vehicles, plant, and equipment, it is not removed from the areas of source. After proper treatment, it is legally discharged into local reticulation systems. Within our Consumer Industries segment, Ingrain requires volumes of water, in the production of its various product categories and in some instances water forms part of wet product. Water monitoring systems are in place at all major sites to allow monitoring of consumption trends, identification of anomalies and mitigation against excessive and/or unnecessary use.

W1.2d

(W1.2d) Indicate whether water is withdrawn from areas with water stress and provide the proportion.

	Withdrawals are from areas with water stress	% withdrawn from areas with water stress	Comparison with previous reporting year	Identification tool	Please explain
Row 1	Yes	1-10	Lower	WRI Aqueduct	Using the WRI Aqueduct Water Atlas tool, the Barloworld sites that are assessed as High to Extremely High Risk of Water Stress only account for below 10% of Barloworld's FY2021 municipal water withdrawal volumes. This relates to sites situated in the Western and Northern Cape provinces in South Africa.

W1.2h

(W1.2h) Provide total water withdrawal data by source.

	Relevance	Volume (megaliters/year)	Comparison with previous reporting year	Please explain
Fresh surface water, including rainwater, water from wetlands, rivers, and lakes	Relevant	1.8	Higher	Fresh rain-water withdrawal is relevant as Barloworld has had great success in implementing rainwater harvesting capacity at some of its operations. In FY2021, volumes of water sourced from rainwater harvesting activities was 20% higher than FY2020 levels. Future trends on volumes are dependent on rainfall patterns in the respective regions. Rainwater harvesting capacity has been installed in facilities where it is practicable. Additional rainwater harvesting capacity is continually assessed for practicability, which may increase future capacity. This may change should the group structure change significantly as a result of strategic initiatives.
Brackish surface water/Seawater	Not relevant	<Not Applicable>	<Not Applicable>	Given the nature of BAW's operations this category of water withdrawal is not applicable. This is not anticipated to be applicable in the medium-term. This may change should the group structure change significantly as a result of strategic initiatives.
Groundwater – renewable	Not relevant	<Not Applicable>	<Not Applicable>	Given the nature of BAW's operations this category of water withdrawal is not applicable. This is not anticipated to be applicable in the medium-term. This may change should the group structure change significantly as a result of strategic initiatives.
Groundwater – non-renewable	Relevant	10	This is our first year of measurement	Where water is sourced from borehole or underground water sources, relevant licences as required by local authorities are in place.
Produced/Entrained water	Not relevant	<Not Applicable>	<Not Applicable>	Given the nature of BAW's operations this category of water withdrawal is not applicable. This is not anticipated to be applicable in the medium-term. This may change should the group structure change significantly as a result of strategic initiatives.
Third party sources	Relevant	2756	Much higher	Third Party water sources are critical to Barloworld as local government water supply this is the main supply of water to Barloworld's operations. In FY2021, water withdrawal volumes from municipal supplies were much higher than FY2020 (349ML) levels. The increase is driven largely by the acquisition of the Ingrain business effective FY2021. Water is a key component of the manufacturing process and forms part of certain product, as is the case with wet product. Water recycling, rainwater harvesting, and effluent treatment and water recovery opportunities are continually being assessed for practicability.

W1.2i

(W1.2i) Provide total water discharge data by destination.

	Relevance	Volume (megaliters/year)	Comparison with previous reporting year	Please explain
Fresh surface water	Not relevant	<Not Applicable>	<Not Applicable>	Given the nature of BAW's operations this category of water discharge is not applicable. This is not anticipated to be applicable in the medium-term. This may change should the group structure change significantly as a result of strategic initiatives.
Brackish surface water/seawater	Not relevant	<Not Applicable>	<Not Applicable>	Given the nature of BAW's operations this category of water discharge is not applicable. This is not anticipated to be applicable in the medium-term. This may change should the group structure change significantly as a result of strategic initiatives.
Groundwater	Not relevant	<Not Applicable>	<Not Applicable>	
Third-party destinations	Relevant	2053	Much higher	Third Party water sources are critical to Barloworld as local government water reticulation this is the main discharge of water in Barloworld's operations. In FY2021, water withdrawal volumes from municipal supplies were much higher than FY2020 (349ML) levels. Water recycling, rainwater harvesting, and effluent treatment opportunities are continually being assessed for practicability.

W1.2j

(W1.2) Within your direct operations, indicate the highest level(s) to which you treat your discharge.

	Relevance of treatment level to discharge	Volume (megaliters/year)	Comparison of treated volume with previous reporting year	% of your sites/facilities/operations this volume applies to	Please explain
Tertiary treatment	Not relevant	<Not Applicable>	<Not Applicable>	<Not Applicable>	Principally all water is legally discharged into local municipal reticulation systems after appropriate filtration and proper treatment. Water discharge is appropriately filtered to municipal standards prior to discharge back into the municipal reticulation. Discharge quality is monitored by operations and/or local municipal authorities against municipal parameters.
Secondary treatment	Not relevant	<Not Applicable>	<Not Applicable>	<Not Applicable>	Principally all water is legally discharged into local municipal reticulation systems after appropriate filtration and proper treatment. Water discharge is appropriately filtered to municipal standards prior to discharge back into the municipal reticulation. Discharge quality is monitored by operations and/or local municipal authorities against municipal parameters.
Primary treatment only	Relevant		This is our first year of measurement	81-90	Principally all water is legally discharged into local municipal reticulation systems after appropriate filtration and proper treatment. Water discharge is appropriately filtered to municipal standards prior to discharge back into the municipal reticulation. Discharge quality is monitored by operations and/or local municipal authorities against municipal parameters. Appropriate measures are taken ahead of discharge to align quality to local municipal parameters.
Discharge to the natural environment without treatment	Not relevant	<Not Applicable>	<Not Applicable>	<Not Applicable>	Principally all water is legally discharged into local municipal reticulation systems after appropriate filtration and proper treatment. Water discharge is appropriately filtered to municipal standards prior to discharge back into the municipal reticulation. Discharge quality is monitored by operations and/or local municipal authorities against municipal parameters.
Discharge to a third party without treatment	Not relevant	<Not Applicable>	<Not Applicable>	<Not Applicable>	Principally all water is legally discharged into local municipal reticulation systems after appropriate filtration and proper treatment. Water discharge is appropriately filtered to municipal standards prior to discharge back into the municipal reticulation. Discharge quality is monitored by operations and/or local municipal authorities against municipal parameters. Appropriate measures are taken ahead of discharge to align quality to local municipal parameters.
Other	Not relevant	<Not Applicable>	<Not Applicable>	<Not Applicable>	

W1.3

(W1.3) Provide a figure for your organization's total water withdrawal efficiency.

	Revenue	Total water withdrawal volume (megaliters)	Total water withdrawal efficiency	Anticipated forward trend
Row 1	4155300000	2756	15077285.9216255	FY2021: The calculation for water intensity: 2 756 000 000 litres/R41 553 000 000 = 15.077 litres per Rand revenue. Internal performance metrics are in place that track water consumption normalised by a relevant consumption driver. Targets are in place to improve efficiency against a business-as-usual scenario. While these targets are set to enhance water efficiency against applicable consumption drivers (eg. tonnes input material, units services etc) these are not directly relatable to revenue.

W1.4

(W1.4) Do you engage with your value chain on water-related issues?

Yes, our suppliers

Yes, our customers or other value chain partners

W1.4a

(W1.4a) What proportion of suppliers do you request to report on their water use, risks and/or management information and what proportion of your procurement spend does this represent?

Row 1

% of suppliers by number

None currently, but we plan to request this within the next two years

% of total procurement spend

<Not Applicable>

Rationale for this coverage

Within Barloworld's Industrial Equipment and Services, and Car Rental and Leasing segments key suppliers are its principals and Original Equipment Manufacturers (OEMs). Within these segments, BAW represents world-class principals, which have robust risk management processes, including environmental risks. While BAW does not require its suppliers to separately report on these issues, there is extensive engagement between BAW and its OEMs. Also, these suppliers provide information in public disclosures. Hence, BAW is able to use direct engagement and the publicly available information to assess their approach and as such, separate reporting has not been requested. A review of the publicly available information and engagement inform the appropriateness of their approach which is reassessed on an ongoing basis. An internal review has also been conducted on all our major principals and OEMs for risks relating to the environment, in addition to other aspects. This review did not highlight any additional water risks. None of these principals were assessed as high risk on environmental criteria. These suppliers account for some 68% of our procurement spend in the group for the 2021 financial period.

Within the Consumer Industries segment, key suppliers are those that supply maize which is the key input material in the manufacturing process. While engagement is ongoing, engagement on water related impacts in the supply chain will be considered.

Impact of the engagement and measures of success

<Not Applicable>

Comment

W1.4b

(W1.4b) Provide details of any other water-related supplier engagement activity.

Type of engagement

Other

Details of engagement

Other, please specify (Car Rental and Leasing, and Industrial Equipment and Services segments: Engagement with principals and OEMs)

% of suppliers by number

Unknown

% of total procurement spend

51-75

Rationale for the coverage of your engagement

Within Barloworld's Industrial Equipment and Services, and Car Rental and Leasing segments key suppliers are its principals and Original Equipment Manufacturers (OEMs). Within this segment, BAW represents world-class principals, which have robust risk management processes, including environmental risks. While BAW does not require its suppliers to separately report on these issues, there is extensive engagement between BAW and its OEMs. Also, these suppliers provide information in publicly disclosures. Hence, BAW is able to use direct engagement and the publicly available information to assess their approach and as such, separate reporting has not been requested. A review of the publicly available information and extensive engagement inform the appropriateness of their approach which is assessed on a regular basis. An internal review has also been conducted on all our major principals and OEMs for risks relating to the environment, in addition to other aspects. This review did not highlight any additional water risks. 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 68% of our procurement spend in the group for the 2021 financial period. These suppliers account for the majority (some 68% in FY21) of our procurement spend in the group. Relationships throughout the supply chain are guided and prioritised by BAW's governance framework that includes its Worldwide Code of Conduct, related policies, and commitment to legal compliance. Interactions are also informed and prioritised by the group's strategic framework, including the commitment to sustainable development and the identification of competitive advantage through offering customer solutions that assist them in achieving their sustainable development objectives, facilitate water stewardship and expanding into related opportunities.

Impact of the engagement and 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); water stewardship; market information and supply chain empowerment. Beneficial outcomes are awareness and ability to adopt strategic activities required in terms of the insights gained. Thus far, success of such engagement has been assessed by the lack of negative impacts on our operations due to suppliers' management of water and related issues.

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.

W1.4c

(W1.4c) What is your organization's rationale and strategy for prioritizing engagements with customers or other partners in its value chain?

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, emission, and water 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. Such engagement with customers assists Barloworld in understanding their operating context, including water related challenges.

W2. Business impacts

W2.1

(W2.1) Has your organization experienced any detrimental water-related impacts?

No

W2.2

(W2.2) In the reporting year, was your organization subject to any fines, enforcement orders, and/or other penalties for water-related regulatory violations?

Yes, fines, enforcement orders or other penalties but none that are considered as significant

W2.2a

(W2.2a) Provide the total number and financial value of all water-related fines.

Row 1

Total number of fines

40

Total value of fines

6600000

% of total facilities/operations associated

1

Number of fines compared to previous reporting year

Higher

Comment

The cumulative impact is reflected above and is not considered financially material in the group.

Typical parameters assessed are pH, Chemical Oxygen Demand, Settable Solids deviations.

Ongoing liaison with Municipal authorities to keep them informed of Operational Challenges and containment.

Countermeasures: The implementation of effluent treatment facilities are under consideration and it is anticipated that such processes will bring effluent parameters to within those agreed with the relevant municipalities.

W3. Procedures

W3.3

(W3.3) Does your organization undertake a water-related risk assessment?

No, water risks-related are not assessed

W3.3c

(W3.3c) Why does your organization not undertake a water-related risk assessment?

	Primary reason	Please explain
Row 1	Other, please specify (Integrated into the entrenched risk management process)	Environmental related risks, including those related to water are included in the Group Risk Universe and is assessed as part of the entrenched risk management process. In prior year's, a focused water risk assessment was conducted, however given the enhanced integration of environmental impacts, including water into the risk universe and risk management process, the need for a focused water risk assessment is redundant. The integrated risk management approach ensures that environmental, including water, related risks are not considered and assessed in isolation of other risks the business may face. The focus is on enhancing awareness on potential water related impacts, which are to be considered during the existing ad entrenched risk management and strategic processes.

W4. Risks and opportunities

W4.1

(W4.1) Have you identified any inherent water-related risks with the potential to have a substantive financial or strategic impact on your business?

No

W4.1a

(W4.1a) 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 W3.3. Quantity and quality of water is also assessed as reflected in response W1.1. Despite having multiple operations across 16 countries, Barloworld's South African operations contribute some 58% of the Group's FY21 revenue and constituted 98% of the group's FY21 municipal water withdrawals. The South African direct operations consist of over 150 operational sites across BAW's two major divisions which span multiple industries. Within the Industrial Equipment and Services, and the Car Rental and Leasing segments, the predominate use of water is for washing of vehicles, plant and equipment and does not form part of the product and these segments contributed 6% and 4% respectively to the Group's FY21 municipal water withdrawals and contributed 70% and 18% respectively to the group's FY2021 revenue. Water is a key component in the manufacturing process within the Ingrain's four milling operations (Consumer Industries segment) and does form part of wet products. Ingrain constituted 90% of the Group's aggregated municipal water withdrawals and 11% of the group's FY21 revenue. In summary, water is a vital input to the Consumer Industries segment which makes up 11% of the group revenue. Given this level of diversification and the nature of water-use, no single operation has the ability to substantively impact the Group's business, operations, revenue or expenditure due to water-related risks. In sections W4, 5.1, 5.1a, 5.2a, 5.3, and 5.4 BAW has responded on a country level rather than a facility level. The risks and information disclosed below relate to South African operations only which cumulatively make a significant contribution to the Group's revenue and water footprint, and which together have the ability to substantively impact the Group's business, operations, revenue or expenditure. While BAW has not assessed any of its risks as having the potential to substantively impact its business as defined above. BAW strives to minimise the impact of its direct operations on water resource and to manage all water related risks appropriately, including installing water recycling, rainwater harvesting and effluent treatment and water recovery initiatives where practicable. BAW has considered its direct operations, as well as supply chain and customers in its risk assessment.

W4.2b

(W4.2b) Why does your organization not consider itself exposed to water risks in its direct operations with the potential to have a substantive financial or strategic impact?

	Primary reason	Please explain
Row 1	Risks exist, but no substantive impact anticipated	Environmental resource constraints, including those related to Water 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 water related risks are considered substantive at an aggregated group level when assessed against the risk appetite. For information purposes, and at a high-level water related impacts identified include water supply disruptions due to failing infrastructure, increased pricing, water stress, inclusion of Environmental (including water), Social and Governance considerations in stakeholder decision making, including customers and investors, and reputational aspects. Further, water 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 water 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 water related risks with the potential to have a substantive financial or strategic impact on Barloworld business.

W4.2c

(W4.2c) Why does your organization not consider itself exposed to water risks in its value chain (beyond direct operations) with the potential to have a substantive financial or strategic impact?

	Primary reason	Please explain
Row 1	Risks exist, but no substantive impact anticipated	While risks exist in aspects of the supply chain which could be inherently substantive at an individual operational level, these are not likely to generate a substantive impact at group level as: 1. Significant suppliers within the Industrial Equipment and Services, and Car Rental and Leasing segments are a wide range of world-class original equipment manufacturers (OEMs) across different industries and with operations in different geographies. These OEMs comprehensively manage their risks including water risks. 2. Maize is a key input within the Consumer Industries segment. The supply of maize within RSA is diverse and maize can be sourced from outside of RSA. The geographic spread of maize suppliers does reduce the risk of water-related supply disruptions which would typically be region specific at a given point in time. 3. BAW has a diversified customer base, offerings and operates across different industries and 16 countries within a number of catchment areas. Barloworld also considers its major customers as environmentally responsible who will appropriately manage their water related risks. These various catchment areas allow for the mitigation of water risk across the group. 4. BAW has insurance protection for losses incurred because of a supplier's inability to deliver after suffering an insured event. Accordingly the nature and structure of the group-wide supply chain reduces inherent risk/s at a group level. Environmental and climate related risks, including those related to water impacts are considered in the group entrenched risk management processes. Such consideration extends across the group value chain. None of the identified water related risks are considered substantive at an aggregated group level when assessed against the risk appetite.

W4.3

(W4.3) Have you identified any water-related opportunities with the potential to have a substantive financial or strategic impact on your business?

No

W4.3b

(W4.3b) Why does your organization not consider itself to have water-related opportunities?

	Primary reason	Please explain
Row 1	Opportunities exist, but none with potential to have a substantive financial or strategic impact on business	The group appreciates that water related impacts could present risks, they can conversely present opportunities. These are appropriately incorporated into the entrenched 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; aligned to shifts in consumer preferences to products with a lower environmental footprint; 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.

W6. Governance

W6.1

(W6.1) Does your organization have a water policy?

Yes, we have a documented water policy that is publicly available

W6.1a

(W6.1a) Select the options that best describe the scope and content of your water policy.

Scope	Content	Please explain
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	Scope	Content	Please explain
Row 1	Company-wide	<p>Description of business dependency on water</p> <p>Description of business impact on water</p> <p>Description of water-related performance standards for direct operations</p> <p>Company water targets and goals</p> <p>Commitment to align with public policy initiatives, such as the SDGs</p> <p>Commitments beyond regulatory compliance</p> <p>Commitment to water-related innovation</p> <p>Commitment to stakeholder awareness and education</p> <p>Commitment to water stewardship and/or collective action</p> <p>Commitment to safely managed Water, Sanitation and Hygiene (WASH) in the workplace</p> <p>Commitment to safely managed Water, Sanitation and Hygiene (WASH) in local communities</p> <p>Recognition of environmental linkages, for example, due to climate change</p>	<p>BAW has a group-wide Water Use and Management Policy which is also incorporated into its Environmental Policy. The policy outlines the standards BAW expects within the group, allocates accountability, and drives a common objective of responsible water use and management. This policy is applied on a group-wide basis and covers the areas of;</p> <p>Description of business dependency on water, Description of business impact on water, Guiding principles that govern Barloworld Water Use and Management, Company water targets and goals, Commitment to water-related innovation, Commitment to stakeholder awareness and education, Commitment to water stewardship and/or collective action. for the Water Use and Management Policy, refer: https://www.barloworld.com/pdf/sustainability/policies/environmental/2021/barloworld-water-use-and-management-policy.pdf.</p> <p>Further "Sustainability" is a Value in its Worldwide Code of Conduct and re-enforces the group's commitment to environmental stewardship including water.</p>

W6.2

(W6.2) Is there board level oversight of water-related issues within your organization?

Yes

W6.2a

(W6.2a) Identify the position(s) (do not include any names) of the individual(s) on the board with responsibility for water-related issues.

Position of individual	Please explain
Board-level committee	<p>The Group Social, Ethics and Transformation Committee, one of five sub-board committees, holds the highest level of responsibility for Environmental management, including water related aspects within Barloworld. 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, water-related 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 giving consideration to 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 made by the committee include the assurance approach over selected non-financial disclosures, including water withdrawal volumes. In FY2021, the board oversight over environmental aspects, including water related issues has transitioned to the Group's Social, Ethics and Transformation Committee from the Group Risk and Sustainability Committee. 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.</p>

W6.2b

(W6.2b) Provide further details on the board’s oversight of water-related issues.

	Frequency that water-related issues are a scheduled agenda item	Governance mechanisms into which water-related issues are integrated	Please explain
Row 1	Scheduled - all meetings	Monitoring implementation and performance Overseeing major capital expenditures Reviewing and guiding business plans Reviewing and guiding major plans of action Reviewing and guiding risk management policies Reviewing and guiding strategy Reviewing and guiding corporate responsibility strategy Setting performance objectives	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 and meets on a quarterly basis. 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, water-related 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 water-related information such as volumes withdrawn from municipal supplies and water volumes recycled as well as related efficiency improvement initiatives, and progress towards aspirational water withdrawal (municipal supplies) efficiency improvement target. The committee has oversight of the risk management framework, identified risks and mitigation strategies/ measures. Environmental risks, including water-related aspects are included in the group’s identified risks. The Chairperson of each of the Board sub-committees, including the Risk Committee, report to the Board on a quarterly basis. Strategic and business plans, which include budgets, are compiled on decentralised basis under group guidance. These are aggregated to form the group strategic and financial plans which are reviewed by the board on an annual basis.

W6.2d

(W6.2d) Does your organization have at least one board member with competence on water-related issues?

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

W6.3

(W6.3) Provide the highest management-level position(s) or committee(s) with responsibility for water-related issues (do not include the names of individuals).

Name of the position(s) and/or committee(s)

Other C-Suite Officer, please specify (Group and Divisional CEOs)

Responsibility

- Assessing future trends in water demand
- Assessing water-related risks and opportunities
- Managing water-related risks and opportunities

Frequency of reporting to the board on water-related issues

Quarterly

Please explain

These individuals are part of the group Executive Committee, which is the highest level of executive management within Barloworld. As the highest level/s of management, these individuals are responsible for driving the achievement of the approved group strategy within their respective operations, which include sustainability and environmental objectives and targets. The Chief Executive Officer and Board of Directors in each division are ultimately responsible and accountable for environmental stewardship, including water-related aspects which are an integral part of management in the company and are recognised as a corporate priority. Implemented processes ensure that the Chief Executive Officer and Board of Directors remain fully informed about all pertinent environmental issues. For example, a SHE report is presented at divisional risk and sustainability meetings, which include performance against set aspirational targets and pertinent issues including water.

Name of the position(s) and/or committee(s)

Other committee, please specify (Divisional Risk and Sustainability Committee)

Responsibility

- Assessing future trends in water demand
- Assessing water-related risks and opportunities

Managing water-related risks and opportunities

Frequency of reporting to the board on water-related issues

Quarterly

Please explain

Directing, monitoring, assessing & managing environmental aspects and related risks.

Name of the position(s) and/or committee(s)

Other, please specify (Group Sustainability Manager)

Responsibility

Assessing future trends in water demand
Assessing water-related risks and opportunities

Frequency of reporting to the board on water-related issues

Quarterly

Please explain

The Group Manager, who reports to the Group Executive: Risk, Ethics and Governance who is part of the Group Executive Committee. This position is required to:

- Set the sustainability strategic intent and related objectives in the group.
- Drive the endorsed sustainability strategy across the group.
- Compile and roll-out environmental related policies, including climate related policies that have been appropriately endorsed by the relevant governance structures.
- Ensure day-to-day operational requirements, systems, reports, etc. are in place to ensure relevant, timely and accurate reporting to stakeholders on sustainability issues.

Name of the position(s) and/or committee(s)

Other, please specify (Divisional Environment / Sustainability Executives)

Responsibility

Assessing future trends in water demand
Assessing water-related risks and opportunities
Managing water-related risks and opportunities

Frequency of reporting to the board on water-related issues

As important matters arise

Please explain

- i. These are generally Executive level individuals.
- ii. & iii. Responsible for the achievement of and reporting on defined sustainability initiatives/objectives, energy, and emission efficiency improvement targets. Included in their performance indicators are water withdrawal (municipal sources) efficiency improvements. Champions identify and drive initiatives in support of set objectives and targets. Appropriate engagement with relevant stakeholders on environmental related matters.

Name of the position(s) and/or committee(s)

Other C-Suite Officer, please specify (Group Executive: Risk, Ethics and Governance)

Responsibility

Assessing future trends in water demand
Assessing water-related risks and opportunities

Frequency of reporting to the board on water-related issues

Quarterly

Please explain

The Group Executive: Risk, Ethics and Governance is part of the Group Executive Committee and reports directly to the Group Chief Executive Officer. This position is required to:

- Provide input and oversight of the overall group sustainability strategy.
- Champion the endorsed sustainability strategy across the group.
- Driving the integration of Environmental (including water-related aspects) into the risk management and strategic planning processes.

W6.4

(W6.4) Do you provide incentives to C-suite employees or board members for the management of water-related issues?

	Provide incentives for management of water-related issues	Comment
Row 1	Yes	ESG metrics were included in the scorecards of the Group Exco per the 2022 STI scheme, which means the achievements against the targets set will influence their short-term incentive by reducing same up to a max of 40%. Environmental related aspects included efficiency-based targets for identified material environmental aspects included water.

W6.4a

(W6.4a) What incentives are provided to C-suite employees or board members for the management of water-related issues (do not include the names of individuals)?

	Role(s) entitled to incentive	Performance indicator	Please explain
Monetary reward	Other C-suite Officer (Group Executive Committee members (Grades 19 and above))	Improvements in efficiency - direct operations	Efficiency improvement targets are set for water (municipal sources).
Non-monetary reward	Please select	Please select	

W6.5

(W6.5) Do you engage in activities that could either directly or indirectly influence public policy on water through any of the following?

- Yes, direct engagement with policy makers
- Yes, trade associations
- Yes, other

W6.5a

(W6.5a) What processes do you have in place to ensure that all of your direct and indirect activities seeking to influence policy are consistent with your water policy/water commitments?

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 water related policies. 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 are able to communicate the group's position and strategy on water. Also, group-wide policies include the BAW Water Use and Management policy, and the BAW Worldwide Code of Conduct which includes 'Sustainability' as Value. These codes are widely communicated, and all employees are expected to uphold them. Additionally, water related issues are integrated into our business objectives and strategy through our responsible citizenship programme and sustainable development framework, and elements of Natural capital. Should inconsistencies be identified, representatives of the company will put forward the Group's view and rationale.

W6.6

(W6.6) Did your organization include information about its response to water-related risks in its most recent mainstream financial report?

- Yes (you may attach the report - this is optional)
- Water Disclosures in 2021 Integrated Report 1.png
- Risk Materiality Matrix.png
- TCFD.png
- SDG 6 .png
- Water Disclosures in 2021 GRI 2.png
- Water Disclosures in 2021 GRI 1.png

W7. Business strategy

W7.1

(W7.1) Are water-related issues integrated into any aspects of your long-term strategic business plan, and if so how?

	Are water-related issues integrated?	Long-term time horizon (years)	Please explain
Long-term business objectives	Yes, water-related issues are integrated	5-10	Barloworld is committed to the ongoing creation of shared value for all its stakeholders through the purposeful stewardship of the six capitals. Natural capital includes water and in terms of BAW's responsible citizenship programme, sustainable development framework and strategic ambitions BAW will continue to monitor and implement appropriate initiatives internally and deliver appropriate customer solutions as part of its strategic ambitions which include Deliver top quartile shareholder returns; Drive profitable growth; Instil a high-performance culture. Strategic planning process incorporates risks into the relevant strategic plan horizons.
Strategy for achieving long-term objectives	Yes, water-related issues are integrated	5-10	BAW has implemented a number of initiatives in pursuit of its water related objectives. Such initiatives include Group aspirational efficiency improvement targets set in 2016 to the end of 2020 have ended. Continuing its commitment to reducing its environmental footprint, water efficiency metrics have been identified and monitored internally to improve efficiency of use. While the metrics remain intensity based, given the diversified nature of our operations, the driver for each operation varies as appropriate to its operating context and therefore enhances operational relevance and management of such efficiency metrics. These are set at operational and divisional level and performance monitored at that level on a monthly basis; putting in place a group-wide Water Use and Management policy; inclusion of 'Sustainability' as a Value in its Worldwide Code of Conduct. In line with the Measure, Avoid and Reduce (MAR) approach adopted, water monitoring and reporting systems are in place and a number of efficiency initiatives have been implemented, including water recycling, rainwater harvesting and efficiency of use and includes sustainability issues in relevant scorecards and performance management assessments. Strategic planning process incorporates risks into the relevant strategic plan horizons.
Financial planning	Yes, water-related issues are integrated	5-10	In line with our strategic ambitions, which include: Deliver top quartile shareholder returns; Drive profitable growth; Instil a high-performance culture, and our responsible citizenship programme and sustainable development framework, BAW will continue to consider and where appropriate implement water stewardship initiatives which includes: efficiency of use, water treatment, recycling and rainwater harvesting and where appropriate pursue commercial opportunities identified for water related products and services. Such initiatives may impact capital expenditure and operating costs. Budgeting and Strategic planning processes are in place where proposed capital expenditure for such initiatives and operational expenditures are assessed and approved/rejected. Strategic planning process incorporates risks into the relevant strategic plan horizons.

W7.2

(W7.2) What is the trend in your organization's water-related capital expenditure (CAPEX) and operating expenditure (OPEX) for the reporting year, and the anticipated trend for the next reporting year?

Row 1

Water-related CAPEX (+/- % change)

90

Anticipated forward trend for CAPEX (+/- % change)

5

Water-related OPEX (+/- % change)

90

Anticipated forward trend for OPEX (+/- % change)

5

Please explain

BAW's water footprint increased significantly over FYE2020. This is mainly due to the newly acquired division Ingrain which accounts for 90% of the total Group water withdrawals. Within our Consumer Services segment, Ingrain consumes significant volumes of water, in the production of its various product categories. Relevant key performance indicators are tracked to monitor water usage per tonne of product. Benchmarking and efficiency improvement considerations are underway. Water reduction initiatives are also being investigated.

W7.3

(W7.3) Does your organization use scenario analysis to inform its business strategy?

	Use of scenario analysis	Comment
Row 1	No, but we anticipate doing so within the next two years	Environmental risks, including those related to water, are included in the BAW risk universe, and are considered in the entrenched risk management process, across its operations and value chain. These include water and related physical risks due to changing weather patterns; regulatory and financial risks associated with water; operational risks due to supply constraints and the availability of natural resources, such as water. In considering such risks and related opportunities, a number of variables are considered, some of which may overlap with the various climate related scenarios. During the 2022 financial period, divisional climate change workshops were conducted that highlighted potential impacts, including those related to water impacts across a 1.5-, 2-, 3- and 5-degree scenarios.

W7.4

(W7.4) Does your company use an internal price on water?

Row 1

Does your company use an internal price on water?

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

Please explain

In the circumstances and to the extent that water pricing is required for analysis, strategic planning purposes, or in any assessment (e.g., rainwater harvesting and recycling investment) BAW would use the current price of water with appropriate projected price increases.

W7.5

(W7.5) Do you classify any of your current products and/or services as low water impact?

	Products and/or services classified as low water impact	Definition used to classify low water impact	Primary reason for not classifying any of your current products and/or services as low water impact	Please explain
Row 1	No, but we plan to address this within the next two years	<Not Applicable>	Other, please specify	Given the nature of water-use within the group, no products and/or services are classified as low water impact.

W8. Targets

W8.1

(W8.1) Describe your approach to setting and monitoring water-related targets and/or goals.

	Levels for targets and/or goals	Monitoring at corporate level	Approach to setting and monitoring targets and/or goals
Row 1	Our company sets no targets or goals Company-wide targets and goals Business level specific targets and/or goals Activity level specific targets and/or goals Site/facility specific targets and/or goals Country level targets and/or goals	<Not Applicable>	<Not Applicable>

W8.1c

(W8.1c) Why do you not have water target(s) or goal(s) and what are your plans to develop these in the future?

	Primary reason	Please explain
Row 1	Other, please specify (Change in Target approach)	Previous group five-year water-related targets set in 2016 came to an end in FY20. During FY21, we established divisional- level intensity metrics that enhances operational management and efficiencies. Given the diverse nature of our operations and the varying consumption drivers across operations, it is not possible 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, which loses operational relevance given its often weak correlation to water consumption. Therefore, a hybrid approach had to be adopted, which entailed establishing intensity metrics for each division, establishing a baseline, and a targeted intensity. On a monthly basis the business-as-usual (BAU) and targeted consumption figures are calculated and compared with the actual consumption. The aggregation of each operations business-as-usual, targeted, and actual water consumption reflects the group performance against an efficiency improvement target and a BAU scenario. Given the complexity of establishing the target approach together with onboarding of the Ingrain acquisition during FY21, a nominal target was implemented and tracked monthly internally. This assisted the group to assess and refine the target-setting methodology. In FY22, a revised level of efficiency improvement has been endorsed by the Barloworld Executive Committee for 5 years to FYE27. This will be shared in the public domain in FY22.

W9. Verification

W9.1

(W9.1) Do you verify any other water information reported in your CDP disclosure (not already covered by W5.1a)?

Yes
Barloworld-Assurance-Report-2021.pdf

W9.1a

(W9.1a) Which data points within your CDP disclosure have been verified, and which standards were used?

Disclosure module	Data verified	Verification standard	Please explain
W1 Current state	Water withdrawal volumes (Municipal sources)	ISAE 3000	ISAE3000 (Revised), Limited Assurance conducted by PWC.

W10. Sign off

W-FI

(W-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.

W10.1

(W10.1) Provide details for the person that has signed off (approved) your CDP water response.

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

W10.2

(W10.2) Please indicate whether your organization agrees for CDP to transfer your publicly disclosed data on your impact and risk response strategies to the CEO Water Mandate’s Water Action Hub [applies only to W2.1a (response to impacts), W4.2 and W4.2a (response to risks)].

No

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