

Welcome to your CDP Climate Change Questionnaire 2023

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 & 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.

As an organisation we are committed to sustainable growth through transformation. The Company was founded in 1902 and currently has operations in 14 countries around the world. 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.

Central to our approach is the:

- Broader conception of value creation
- Focus on connections between economic and societal progress
- Enhancement of business competitiveness while simultaneously advancing social and environmental outcomes.

- 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. 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](#).

Predominate emissions sources are from the combustion of fuels (scope 1) and purchased electricity (scope 2). Aligned with the increase in non-renewable energy consumption, group emissions (scope 1 and 2) increased in FY2022 (Continuing operations): 514 183 tCO₂e (FY2021: 457 433 tCO₂e scope 1 & 2). Largely contributing to the 12% year-on-year increase was the inclusion of Ingrain for the 12-month period in FY2022, whereas this was only included for 11 months of the comparative period given the effective date of November 2020 (FY2021); and activity levels began

normalising post COVID-related impacts and restrictions. Ingrain uses coal, gas, and electricity in the production process. Coal was the major contributor (52%), followed by grid electricity that contributed 40% of total 2022 group carbon emissions.

C0.2

(C0.2) State the start and end date of the year for which you are reporting data and indicate whether you will be providing emissions data for past reporting years.

Reporting year

Start date

October 1, 2021

End date

September 30, 2022

Indicate if you are providing emissions data for past reporting years

Yes

Select the number of past reporting years you will be providing Scope 1 emissions data for

2 years

Select the number of past reporting years you will be providing Scope 2 emissions data for

2 years

Select the number of past reporting years you will be providing Scope 3 emissions data for

2 years

C0.3

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

Angola
Botswana
Democratic Republic of the Congo
Eswatini
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 or committee	Responsibilities for climate-related issues
Board-level committee	The board holds the highest level of responsibility for climate related issues, including climate change, 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: <ul style="list-style-type: none"> the company's activities, having regard to legislation and codes of best practice relevant to social and economic development, good corporate citizenship, the environment, employee and public health and safety, consumer relationships, products or services, labour and employment matters; the tone at the top and how management actively cultivates a

	<p>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 targets. Examples of decisions taken include approvals of the suite of environmental policies; efficiency improvement targets for energy, emissions (scope 1 and 2) 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.</p>
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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	Please explain
Scheduled – all meetings	<p>Overseeing acquisitions, mergers, and divestitures</p> <p>Overseeing and guiding employee incentives</p> <p>Reviewing and guiding strategy</p> <p>Overseeing the setting of corporate targets</p>	<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</p>

	<p>Monitoring progress towards corporate targets</p> <p>Reviewing and guiding the risk management process</p> <p>Other, please specify</p> <p>Oversight of the assurance over selected environmental KPIs, including emissions (scope 1 and 2)</p>	<p>and function effectively within the group. In considering 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 energy 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. Certain identified risks can be overlap with Physical and Transition risk categories as per the TCFD recommendations. 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> <p>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.</p>
<p>Scheduled – some meetings</p>	<p>Reviewing and guiding strategy</p>	<p>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.</p>
<p>Scheduled – some meetings</p>	<p>Monitoring progress towards corporate targets</p>	<p>Performance against set ESG related targets are reported to Group EXCO monthly, Group Social, Ethics and Transformation Committee quarterly and to the Group Remuneration Committee on an annual basis.</p>

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	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	No, but we plan to address this within the next two years	Other, please specify	Rotation of directors takes place in line with Barloworld memorandum of incorporation. The skills and competence required of non-executive directors are reviewed and updated in line with changes to the operating environmental and stakeholder expectations. The appointment of relevant member with competencies associated with climate-related issues are under consideration for the next nomination cycle. The board and/or relevant board sub-committees do receive appropriate training on matters relevant to fulfil their duties.

C1.2

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

Position or committee

Chief Executive Officer (CEO)

Climate-related responsibilities of this position

- Providing climate-related employee incentives
- Integrating climate-related issues into the strategy
- Setting climate-related corporate targets
- Monitoring progress against climate-related corporate targets
- Assessing climate-related risks and opportunities

Coverage of responsibilities

Reporting line

Reports to the board directly

Frequency of reporting to the board on climate-related issues via this reporting line

Quarterly

Please explain

The Group Chief Executive Office (GCEO) is the most senior executive member within Barloworld (BAW). As the highest level of executive management, the GCEO is responsible for driving the achievement of the approved group strategy within the group, which includes 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.

At a group level, climate change related targets include a 15% efficiency improvement in scope 1 and 2 greenhouse gas emissions to be achieved by FYE2027, using FYE2021 as a baseline year. Such targets are included in scorecards and cascaded down to divisional Chief Executive Officers. Progress against set targets are tracked monthly by the GCEO.

Position or committee

Other, please specify

Divisional Chief Executive Officers

Climate-related responsibilities of this position

Developing a climate transition plan

Implementing a climate transition plan

Integrating climate-related issues into the strategy

Monitoring progress against climate-related corporate targets

Assessing climate-related risks and opportunities

Managing climate-related risks and opportunities

Other, please specify

Identification of climate-change related risks and opportunities

Coverage of responsibilities

Reporting line

CEO reporting line

Frequency of reporting to the board on climate-related issues via this reporting line

Quarterly

Please explain

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. Such processes enhance the understanding of climate-related risks and opportunities, which are integrated into the risk management, strategic planning, and operational processes. The Risk Universe includes environmental and climate change matters which are considered during risk management and assessment processes. Divisional Safety, Health and Environmental (SHE) reports are presented at divisional risk and sustainability meetings and at the Group Social, Ethics and Transformation Committee (SETC) meetings, which include performance against set aspirational emissions efficiency 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 and the group executive Short Term Incentive scheme 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 or committee

Other committee, please specify

Divisional Risk and Sustainability / Social, Ethics and Transformation Committees

Climate-related responsibilities of this position

Integrating climate-related issues into the strategy

Monitoring progress against climate-related corporate targets

Assessing climate-related risks and opportunities
Managing climate-related risks and opportunities
Other, please specify
Approval of divisional emissions efficiency targets

Coverage of responsibilities

Reporting line

Other, please specify
Divisional CEO

Frequency of reporting to the board on climate-related issues via this reporting line

Quarterly

Please explain

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.

Implemented processes ensure that the divisional 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 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.

Risks are also presented at these divisional committees which could include those related to environmental, energy and water and overlap with

climate change issues.

Position or committee

Other committee, please specify
Group Executive Committee

Climate-related responsibilities of this position

Setting climate-related corporate targets
Monitoring progress against climate-related corporate targets
Assessing climate-related risks and opportunities
Managing climate-related risks and opportunities
Other, please specify
Approval of Environmental related Frameworks and Policies

Coverage of responsibilities

Reporting line

CEO reporting line

Frequency of reporting to the board on climate-related issues via this reporting line

Quarterly

Please explain

The Group Executive Committee consists of the Group Chief Executive Officer, Group Finance Directors, Divisional Chief Executive Officers, and senior Group Executives overseeing Risk, Ethics and Governance; Strategy, Mergers and Acquisitions; Company Secretarial and Legal. This is the highest Executive Committee in the group and serves as the guidance and decision-making committee responsible for recommendation of environmental, including climate related, frameworks and policies and approval of environmental related targets (emissions,

energy consumption and water), through to the Board. The Group EXCO also has executive oversight over the risk management and strategic planning processes, which includes the identification, assessment and management of climate related risks and opportunities.

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. Refer Barloworld's Remuneration Report: "Environmental metrics focused on achieving 100% of sustainability targets that enable us to responsibly reduce our environmental footprint. ...Failure to achieve 100% of sustainability targets that enable responsible reduction of our environmental footprint. Examples of metrics used include reductions in: • Water withdrawals (litres consumed/ billable hour) • Energy Efficiency (kWh/billable hours) • Litres of Diesel & Petrol/ km travelled) ..." BAW 2022 Remuneration Report: https://www.barloworld.com/pdf/investors/integrated_reports/2022/remreport.pdf

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

Other, please specify

Group Executive Committee

Type of incentive

Monetary reward

Incentive(s)

Bonus - % of salary

Performance indicator(s)

Progress towards a climate-related target

Incentive plan(s) this incentive is linked to

Short-Term Incentive Plan

Further details of incentive(s)

Non-financial metrics are defined for the group's ESG imperatives and incorporated in the group executive Short-Term Incentive (STI) scheme, and include emissions (scope 1 and 2) targets aimed at reducing greenhouse gas emissions (scope 1 and 2) through improved efficiency of use of non-renewable energy consumption.

The group aims to reduce its greenhouse gas emissions (scope 1 and 2) by 15% by FYE2027, off a FY2021 baseline, against a business-as-usual scenario.

The group executive Short Term Incentive scheme is detailed in BAW's Remuneration report. Relevant extracts are included for ease of reference: "...Several initiatives taken during the 2022 year under review to further enhance our remuneration framework. In particular, we have made great strides in our fair and responsible pay journey, deeply embedded Environmental, Social and Governance as part of our balanced scorecards and short-term incentive scheme and ensured that variable pay (STI and LTI) for our executives is 100% performance based. Focus on ESG in pay: Barloworld has incorporated ESG in its company goals and strategy and as part of this, the company has also included ESG in its executive remuneration structures by incorporating a downward modifier of up to 40% in its STI scheme, which will consider outcomes against set ESG performance objectives and targets... The group executive STI scheme is aligned to financial performance and ESG imperatives. For the STI, performance against ESG imperatives modifies the incentive downward as illustrated in the implementation section of the report.

Environmental metrics focused on achieving 100% of sustainability targets that enable us to responsibly reduce our environmental footprint (included in STI);

Element:

Non-financial metrics and targets, Policy Principles: If the following ESG aligned non-financial measures are not met, a downward modifier of up to a maximum of 40% can be applied to the outcomes of the financial measures. ... An example of how the 40% may be applicable subject to each group executive's role.

ESG Aligned Category:

Environmental, Metrics: Failure to achieve 100% of sustainability targets that enable responsible reduction of our environmental footprint.

Examples of metrics used include reductions in: • Water withdrawals (litres consumed/billable hour), • Energy Efficiency (kWh/billable hours), (Litres of Diesel & Petrol / billable hour km travelled), Maximum weighting: 5%, Target: 100% targets achieved.

Explain how this incentive contributes to the implementation of your organization's climate commitments and/or climate transition plan

Environmental related targets are implemented across all operations and include a 15% efficiency target for greenhouse gas emissions (scope 1 and 2), to be achieved by FYE2027, off a 2021 baseline, against a business-as-usual scenario. Incorporating performance in scorecards and linking to incentives, drives behaviours and provides incentive to achieve set targets and allows BAW to achieve its climate related strategies.

Details on the incorporation of such targets are included in the remuneration policy and application disclosed in the Barloworld's 2022 Remuneration report (Link: https://www.barloworld.com/pdf/investors/integrated_reports/2022/remreport.pdf). Relevant extracts are included below for ease of reference: "...Several initiatives taken during the 2022 year under review to further enhance our remuneration framework. In particular, we have made great strides in our fair and responsible pay journey, deeply embedded Environmental, Social and Governance (ESG) as part of our balanced scorecards and short-term incentive scheme and ensured that variable pay (STI and LTI) for our executives is 100% performance based. Focus on ESG in pay: Barloworld has incorporated ESG in its company goals and strategy and as part of this, the company has also included ESG in its executive remuneration structures by incorporating a downward modifier of up to 40% in its STI scheme, which will consider outcomes against set ESG performance objectives and targets, ...

Element: Non-financial metrics and targets, Policy Principles: If the following ESG aligned non-financial measures are not met, a downward modifier of up to a maximum of 40% can be applied to the outcomes of the financial measures. The table below provides an example of how the 40% may be applicable subject to each group executive's role. ESG Aligned Category: Environmental, Metrics: Failure to achieve 100% of sustainability targets that enable responsible reduction of our environmental footprint. Examples of metrics used include reductions in: • Water withdrawals (litres consumed/billable hour), • Energy Efficiency (kWh/billable hours), (Litres of Diesel & Petrol / billable hour km travelled), Maximum weighting: 5%, Target: 100% targets achieved...."

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 evolved from having a discreet environmental risk management approach to integrating this into the group's risk management approach and philosophy.

This has been achieved through the integration of environmental related risks, including those related to water and climate change into the risk universe. Such integration ensures these risks are considered in the risk identification, assessment, and management processes.

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 risk appetite and risk tolerance levels that are 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 Tolerance 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.

BAW has evolved from having a discreet environmental risk management approach to integrating this into the group's risk management approach and philosophy.

This has been achieved through the integration of environmental related risks, including those related to water and climate change into the risk universe. Such integration ensures these risks are considered in the risk identification, assessment, and management processes.

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 acute and chronic 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. These can be categorized into the physical and transition risk categories as detailed in the Recommendation issued by the Task Force on Climate related Financial Disclosures (TCFD). 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.

Risk management extends beyond BAW's direct operations and extends up- and down-stream in its value chain. In this regard, 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 its business strategy, Barloworld continues to consider and assess the optimal manner in which to incorporate climate-related scenario analysis. Within its 2022 financial period, divisional climate change workshops were conducted 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), and to increase energy consumption from renewable sources (Solar PV). 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

The group's enterprise risk management framework, philosophy, risk universe, approach to risk identification, assessment, and management, are all centrally co-ordinated by the Group Head of Risk. This ensures alignment to best practice and a consistent approach to risk management in the group.

Environmental related risks, including climate-related and water risks, are included in the group's risk universe which is periodically reviewed for

completeness and relevance. Integration of environmental risks into the group risk management process is crucial in ensuring an integrated risk management approach and processes, and safeguards against such risks being viewed in isolation or seen as a discrete set of risks outside the risk management framework. The Barloworld Risk Universe is defined and regularly updated to align with identified risks. Relevant risk categories, and risk source for Climate Change and boarder environmental impacts include: The 'External Risk Environment' category includes 'Environment' as a Risk category with 'Sustainability', 'Climate Change and Environmental impact', and 'Natural disasters and Resource limitations' reflected as three possible Risk Sources. The 'Internal Risk Environment' category includes 'Legal and Compliance' as a Risk Category, with 'Environmental Risk – carbon Taxes, greenhouse emissions' reflected as a Risk Source.

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 environmental and climate change, begins with divisional management at asset level. Risk registers are tabled at each business unit and subsidiary board meeting under the three core risk categories of the Barloworld risk universe which are external, internal, and behavioural risks.

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, enabling both a bottom-up (Divisions) and top-down (Group) risk identification process, which considers strategic and operational risks at both levels. Material risks and management responses are disclosed in the group's reported risks as part of its integrated reporting.

Management of risks remain with the relevant executive management teams at divisional and group levels and progress on agreed remedial actions are monitored at divisional and group level risk committees which meets quarterly. To provide management and the board with comfort, a combined assurance approach is in place that assesses the risk management process and the effectiveness and adequacy of implemented controls and remedial action.

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. 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. A regulatory compliance framework is in place that monitors regulations and compliance.</p> <p>To enhance awareness and understanding of potential climate change impacts, including physical and transitionary related risks and opportunities, divisional climate change workshops commenced in FY2022. Physical and transitionary 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 and understanding of such impacts and for these to be considered within the existing strategic planning and risk management processes.</p>

<p>Emerging regulation</p>	<p>Relevant, always included</p>	<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 budgets (South Africa and other territories) 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 relevant stakeholders, including organised business, to better understand the impacts of emerging 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. 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. A regulatory compliance framework is in place. Regulations and compliance is tracked by the Legal department.</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 transitionary related risks and opportunities. Physical and transitionary 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>
<p>Technology</p>	<p>Relevant, always included</p>	<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</p>

		<p>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 and/or lower carbon products. BAW product offerings include solar PV solutions and microgrids, gas generators, and energy efficient plant and equipment.</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 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</p>

		<p>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 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 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> <p>ESG guardrails are in place for mergers and acquisitions which guide ESG considerations for potential target markets and industries. Comprehensive due diligences are conducted through the mergers and acquisitions process to ensure related risks, including legal risks, are identified.</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 and carbon budgets. 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 vs Hydrogen drive 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 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 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>
<p>Reputation</p>	<p>Relevant, always included</p>	<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. Stakeholders, including 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, targets, 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</p>

		<p>climate change. The frequency of such procedures are anticipated to be conducted 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>
<p>Acute physical</p>	<p>Relevant, always included</p>	<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 stemming from Climate Change are considered in BAW's risk assessment process. By way of example, extreme weather events, like flooding, hail, snow and ice could negatively impact employee and community health and safety risks, 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 productivity, 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.</p> <p>Business continuity and contingency plans as well as relevant insurance coverage are place in this regard. Business Continuity Scenarios are informed by past events and also potential risks events. Examples of BCPs conducted included flooding scenarios.</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 transitionary related risks and opportunities. Physical and transitionary 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>

<p>Chronic physical</p>	<p>Relevant, always included</p>	<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 value chain and impact BAW's 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>Consideration of more drought resistant agricultural techniques may also address impacts upstream in BAW's value chain.</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>
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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?

Yes

C2.3a

(C2.3a) Provide details of risks identified with the potential to have a substantive financial or strategic impact on your business.

Identifier

Risk 1

Where in the value chain does the risk driver occur?

Direct operations

Risk type & Primary climate-related risk driver

Chronic physical

Other, please specify

Climate Change related physical risks impacting agriculture, including changing precipitation and temperature, soil degradation, water scarcity, severe weather events

Primary potential financial impact

Decreased revenues due to reduced production capacity

Company-specific description

Climate change can result in variability in weather patterns; storms; flash floods; droughts; rising mean temperatures; rising sea levels and other extreme weather events (example: cyclones) which are expected to become more prevalent. Climate change could also impact on natural weather patterns like El Nino and La Nina. Flooding and extreme weather events could damage company infrastructure, stock, and negatively affect operations including field servicing, operation of plant, equipment, and vehicles. Droughts would also negatively affect operations through water shortages, water price increases and operational disruptions. Adaptation and mitigation measures to reduce or prevent the above consequences necessitate innovation, which may require expenditure on infrastructure to overcome related challenges. If the consequences are severe it could result in changes to the existing business model or relocation, possible increases in insurance premiums and could impact safety levels. Variability and extremities in weather patterns could impact on BAW's customers, including mining, food, and beverage operations, impacting on the demand for BAW's products/services. If such changes are not anticipated this could lead to BAW's misalignment between



supply and demand, resulting in an inability to meet customers demand or an oversupply of products and/or services. Examples include the flooding experienced in the Western Cape in FY2018, the Cyclone Idai in Mozambique in 2019, and more recently the flooding experienced in KwaZulu-Natal in 2022. Within BAW 90% of the water is used is predominately from the manufacturing process and forms part of the product. Climatic conditions and water supply is crucial in the agriculture sector, which forms part of BAW's value changes to climatic conditions, including temperature and rainfall fluctuations, and the frequency and severity of extreme weather events could have devastating impacts on crop harvests, impacting on BAW's ability to locally source maize and other raw materials required in the manufacturing process. Relevant key performance indicators are tracked to monitor water usage per tonne of product. Benchmarking and efficiency improvement considerations are in place. In water stress territories, when drought conditions prevail, certain operations have in the past taken a decision to only wash excessively dirty plant and equipment. Such decisions and practices may negatively impact on customer satisfaction levels.

Time horizon

Medium-term

Likelihood

Likely

Magnitude of impact

Medium-high

Are you able to provide a potential financial impact figure?

Yes, an estimated range

Potential financial impact figure (currency)

Potential financial impact figure – minimum (currency)

60,000,000

Potential financial impact figure – maximum (currency)

120,000,000

Explanation of financial impact figure

The estimated aggregated financial impact reflected above includes estimated impacts relating to reduced revenues from lower sales/output, increased operating costs, capital investments in technology development, costs to adopt/deploy new practices and processes, increased capital costs, reduction in capital availability, increased insurance premiums and potential for reduced availability of insurance on assets in "high-risk" locations, increased production costs due to changing input prices and output requirements, write-offs and early retirement of existing assets. The estimated R120 million equates to less than 0.3% of BAW's FY2022 revenue (R39.3 billion).

Cost of response to risk

Description of response and explanation of cost calculation

The cost of response is included in operational and capital budgets of each of the business units and not specifically ring-fenced to the risk. The diversification of BAW's geographies (15 countries), industry segments, products, its supply chains and manufacturing footprint, and customers minimises this risk and related impacts, as it is typically confined to specific regions at a given time. BAW engages with stakeholders including principals, suppliers, and customers to understand challenges, and meet demand requirements. BAW insures for any physical and consequential damages. All BAW facilities maintain business plans incorporating emergency response actions and business continuity, which are updated with identified emerging risks, including risk relating to extreme weather event scenarios, including flooding and severe thunderstorms. This assists management in identifying impacts and assessing readiness and remediation should the events materialize.

Examples of initiatives implemented to reduce the impact of such risks, including building resilience to water and energy disruptions, through investment in water recycling, rainwater harvesting, boreholes, installation of back-up power and transitioning to renewable energy. There are no additional costs associated with BAW's geographic, industry, product, supply chain and customer diversification which are part of the group's overall risk management approach. BAW insurances include physical damage associated with changes in precipitation and extreme weather patterns, for example floods and droughts.

Comment

Identifier

Risk 2

Where in the value chain does the risk driver occur?

Direct operations

Risk type & Primary climate-related risk driver

Reputation
Stigmatization of sector

Primary potential financial impact

Decreased access to capital

Company-specific description

Increased uptake of responsible investment and financing frameworks (e.g. UN PRI, CRISA, etc.) which drives consideration of Environmental, Social and Governance (ESG) aspects on investment decisions and access and cost of capital. Industries that are perceived as 'brown' or 'dirty', high carbon emitting industries, may encounter challenges in attracting investment and/or financing.

Time horizon

Medium-term

Likelihood

Likely

Magnitude of impact

Medium

Are you able to provide a potential financial impact figure?

Yes, an estimated range

Potential financial impact figure (currency)

Potential financial impact figure – minimum (currency)

21,500,000

Potential financial impact figure – maximum (currency)

86,000,000

Explanation of financial impact figure

The financial impact range is based on the Barloworld risk register and assesses the probability and severity of the risk to quantify the inherent risk value. An assessment is made of the existing controls which is then applied to quantify the residual risk. Potential financial impacts include loss from investment attractiveness, access to and cost of capital. The estimated R86 million equates to some 0.2% of BAW's FY2022 revenue (R39.3 billion).

Cost of response to risk

5,000,000

Description of response and explanation of cost calculation

Ongoing engagement with key stakeholders, including investors/shareholders assist the group in managing this risk, and reducing any impact/s. Governance roadshows were held with shareholders in October 2021, January 2022, and October 2022, the outcome of which was gaining feedback on the board composition and structure, reaction on AGM resolutions, including the remuneration report's, policy, philosophy and implementation report and transparency on the group's strategy. The board also engaged with shareholders during our interim results roadshows on capital allocation. Transparent disclosures are made to stakeholders on the group's ESG aspirations, targets, and related performance through roadshows, presentations, and integrated reporting. To enhance credibility of such disclosures, including emissions related Key Performance Indicators, selected non-financial indicators are externally and independently assured.

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.

The costs of response reflected is an estimate of the group's reporting, engagement, and assurance processes.

Comment

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?

Yes

C2.4a

(C2.4a) Provide details of opportunities identified with the potential to have a substantive financial or strategic impact on your business.

Identifier

Opp1

Where in the value chain does the opportunity occur?

Downstream

Opportunity type

Products and services

Primary climate-related opportunity driver

Shift in consumer preferences

Primary potential financial impact

Increased revenues resulting from increased demand for products and services

Company-specific description

Shifts in consumer preferences could be impacted by climate change leading to increased demand for more energy efficient and lower emission products and services. BAW has the opportunity to capitalise on this by continuing to supply required products to existing markets and through the development and/or expansion of low emission or alternate energy products and services. The expansion of such products and services

provide BAW with a competitive advantage and may allow for further diversification of business activities and possibly access to new markets. BAW represents a world-class principal who anticipates changes in consumer preferences and through R&D and innovation are able to meet these by providing more energy efficient and lower emission products and services as well as renewable energy offerings, for example solar PV, gas to power solutions (including CHP), fuel efficient rental fleets, efficient and lower carbon drive earth moving equipment, etc. Rising utility costs and supply interruptions are also driving innovation in products and manufacturing processes which will also lower the environmental footprint of manufactured goods.

Time horizon

Short-term

Likelihood

Likely

Magnitude of impact

Medium

Are you able to provide a potential financial impact figure?

Yes, a single figure estimate

Potential financial impact figure (currency)

100,000,000

Potential financial impact figure – minimum (currency)

Potential financial impact figure – maximum (currency)

Explanation of financial impact figure

The estimated aggregated financial impact reflected above includes estimated impacts relating to reduced operating costs, increased production capacity, resulting in increased revenues, increased value of fixed assets, benefits to workforce management and planning, reduced exposure to future fossil fuel price increases, reduced exposure to GHG emissions and therefore less sensitivity to changes in cost of carbon, increased

capital availability, reputational benefits resulting in increased demand for goods/services, better competitive position to reflect shifting consumer preferences, resulting in increased revenues, increased market valuation through resilience planning, increased reliability of supply chain and ability to operate under various conditions, and increased revenue through new products and services related to ensuring resilience and/or offering lower carbon solutions. The estimated R100 million equates to less than 0.25% of BAW's FY2022 revenue (R39.3 billion).

Cost to realize opportunity

0

Strategy to realize opportunity and explanation of cost calculation

BAW is diversified across its customers, regions of operations and products including a number of energy efficient and low emission technologies. BAW's operations and its principal remain committed to developing and implementing technologies that meet customer requirements including emission standards, and optimising processes, distribution and supply chains aimed at emissions reduction.

There are a number of internal initiatives implemented to reduce the environmental and emissions footprint of our operations and consequently the environmental footprint of our products and services.

Additionally, the high efficiency of our products that are sold to or leased by our customers reduce the emissions through the use of such products.

For example, product offerings within Barloworld Equipment's business, include Gas Generator Sets that are made to run on customers most abundant gas sources with fuel flexible options. These are engineered for high efficiency, low life cycle costs and for our products to meet most global emissions specifications. Ranging from 20 to 9700 ekW, with customizable options to match customers' power. Tailored designs for natural gas, biogas, coal gas, and alternative fuels. New engine technologies deliver power, heat, or cogeneration with world class electrical and thermally efficiency. (See more: <https://www.barloworld-equipment.com/products/new/power-systems/power-generation-gas/>)

Product offerings also extend to renewable energy solutions, for example, Barloworld Power offers Solar-To-Power Applications, which provides the industry with the design, supply, installation, commissioning and maintenance of solar-to-power solutions, ranging from 50kW to 10MW for roof-top, ground-mount or car-port installations. Solutions also offered include a micro-grid solution, that ties-in with and controls solar power generation using other forms of power generation including Batteries, generators, utility and more. (For more, see: <https://www.barloworld-equipment.com/products/new/power-systems/power-solutions/>)

Comment

Identifier

Opp2

Where in the value chain does the opportunity occur?

Direct operations

Opportunity type

Resilience

Primary climate-related opportunity driver

Participation in renewable energy programs and adoption of energy-efficiency measures

Primary potential financial impact

Reduced direct costs

Company-specific description

Efforts to meet group's commitment in embedding energy efficiency and climate change in policy, strategies and operations remain ongoing. Energy conservation and efficiency initiatives are driven by the group's aspirational targets of a 15% efficiency improvement in our non-renewable energy consumption efficiency and greenhouse gas emissions (scope 1 and 2) by the end of our 2027 financial year, off a 2021 baseline and against a business-as-usual scenario. Performance against set targets are tracked monthly at divisional and group levels and included in relevant scorecards and short-term incentives. Anticipated benefits of such targets include costs savings through efficiency of use and price increases/ carbon pricing; enhanced competitive advantage and operational resilience through minimising supply interruptions and forced shutdowns; and a lower impact on the environment. Where practicable, initiatives have been implemented within the group which include: the use of more efficient production and distribution processes, and modes of transport; and the use of new technologies, including high efficiency and renewable energy solutions. Installed renewable energy (Solar PV) capacity in the group is some 1 500 kW (Peak) generating some 1 700 MWh annually. Further, BAW has the opportunity to gain more market share as a result of protecting their reputation by managing climate change risks and opportunities effectively.

Time horizon

Medium-term

Likelihood

Likely

Magnitude of impact

Medium-low

Are you able to provide a potential financial impact figure?

Yes, a single figure estimate

Potential financial impact figure (currency)

8,000,000

Potential financial impact figure – minimum (currency)

Potential financial impact figure – maximum (currency)

Explanation of financial impact figure

The estimated aggregated financial impact reflected above includes estimated impacts relating to reduced operating costs, increased production capacity, resulting in increased revenues, increased value of fixed assets, benefits to workforce management and planning, reduced exposure to future fossil fuel price increases, reduced exposure to GHG emissions and therefore less sensitivity to changes in the cost of carbon, increased capital availability, reputational benefits resulting in increased demand for goods/services, better competitive position to reflect shifting consumer preferences, resulting in increased revenues, increased market valuation through resilience planning, increased reliability of supply chain and ability to operate under various conditions, and increased revenue through new products and services related to ensuring resiliency. The estimated R8 million equates to less than 0.02% of BAW's FY2022 revenue (R39.4 billion).

Cost to realize opportunity

0

Strategy to realize opportunity and explanation of cost calculation

The cost to realise the opportunity is not specifically ring-fenced. BAW has adopted a Measure, Avoid, Reduce, Switch and Offset (MARSO) approach to manage energy and emissions. Non-renewable energy consumption and emissions (scope 1 and 2) efficiency improvement targets were set in 2022 to be achieved by FYE2027. The intensity metrics are set at energy source level, example petrol, diesel, electricity, coal, gas, etc., and are divided (denominator) by appropriate consumption drivers, example tons of raw material processed, service hours, man-hours, headcount, distance travelled, etc. Greenhouse gas emissions are intimately linked to non-renewable energy consumption across the group. As a result, the key driver of reduced emissions is more efficient energy consumption.

A number of energy saving initiatives around process design, technology, and employee behaviour. These include solar energy, reduction in fleet vehicles, downsizing of fleet engine capacity, introduction of hybrid drive train vehicles, advanced driver training, driver behavioural monitoring and general environmental awareness and reducing the company's footprint. Installed solar photovoltaic capacity as at the end of the period was some 1 500 kW (Peak). These installations have contributed to the generation of some 1 700 MWh of renewable energy during the period and translated into an avoidance of some 1 700 tCO₂e resulting from grid-electricity and monetary savings in excess of R1.9m for the financial period.

Within Equipment southern Africa, reduction in fuel consumption was mainly attributed to the following:

- Reduction of Fleet from 750 vehicles in 2020 to 678 vehicles in FY2021.
- Reassessments on vehicle contracts were exercised which in turn shows that most vehicles are driving less month on month.
- Increased the number of more efficient diesel vehicles and updated the motor vehicle policy.
- Advance driving training and refresher course to improve driver behaviour. (Includes AARTO training)
- Use of alternative means of communication with our customers instead of a physical visit.
- Continuous monitoring of driving patterns and sharing of exceedances with Line Management.
- Continuous improvement to downsize vehicle engine capacity fit-for-purpose
- Drive Cam devices fitted into +400 vehicles which are changing driver behaviour and minimising accidents.
- Use of LED lights and light harvesting initiatives in some workshops.
- Occupancy sensor light installed in some regions.

Comment

Identifier

Opp3

Where in the value chain does the opportunity occur?

Direct operations

Opportunity type

Resource efficiency

Primary climate-related opportunity driver

Use of recycling

Primary potential financial impact

Other, please specify

Better competitive position to reflect shifting consumer preferences, resulting in increased revenues

Company-specific description

The adaptation and mitigation against climate change necessitates efficient material usage, consumption, and reduced wastage. Circular economy principles and practices, including extending or multiple product lifecycle/s and recycling can contribute towards more efficient material and resource usage, energy consumption and reduced waste, all of which impact positively on climate change, support BAW's responsible citizenship programme, its shared value approach and provides a competitive advantage

Time horizon

Short-term

Likelihood

Very likely

Magnitude of impact

Medium

Are you able to provide a potential financial impact figure?

No, we do not have this figure

Potential financial impact figure (currency)

Potential financial impact figure – minimum (currency)

Potential financial impact figure – maximum (currency)

Explanation of financial impact figure

The estimated aggregated financial impact reflected above includes estimated impacts relating to reduced operating costs, reputational benefits resulting in increased demand for goods/services, better competitive position to reflect shifting consumer preferences, resulting in increased revenues and increased revenues through access to new and emerging markets.

Cost to realize opportunity

0

Strategy to realize opportunity and explanation of cost calculation

BAW understands the lifecycle implications of its products and solutions. We focus on ensuring maximum and efficient use of the products we sell, rent and lease, including extending their operating life cycle or providing multiple life cycles. Such practices contribute towards more efficient energy and materials consumption and reduce waste to landfill. For example, BAW has Caterpillar Rebuild and Remanufacture facilities in South Africa and Russia which extend the lifespan of machines and equipment. Less energy is used to remanufacture than to produce a completely new product. A relatively high percentage of Caterpillar components are rebuilt. Generally, such efficiencies contribute to the competitiveness of rebuilt components while having a lower impact on the environment and finite resources. As the offerings are part of BAW's Industrial Equipment and Services offerings, there is no additional cost to realize such opportunities.

A relatively high percentage of Caterpillar components are rebuilt, prolonging their life, and reducing waste. In 2022, some 83% of total component sales in Equipment southern Africa related to remanufactured and rebuilt components, of which 50% related to Barloworld Equipment remanufactured parts and 50% related to Caterpillar remanufactured parts. Similarly in Equipment Eurasia, our Vostochnaya Technica and Mongolian operations have grown the value of reclaimed products to above 55% of major component sales which represents a

year-on-year increase of some 10%. Of the remanufactured and rebuild components, some 52% related to Barloworld remanufactured and rebuild components and 48% related to Caterpillar remanufactured and rebuilt components. In prior years, Barloworld has invested USD11 million and R240 million in facilities in Russia and South Africa, respectively. This programme benefits local communities through skills development and job creation, positively impacts our environmental footprint, benefits customers, and enhances the group's competitiveness and ability to provide innovative customer solutions.

Comment

C3. Business Strategy

C3.1

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

Row 1

Climate transition plan

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

Explain why your organization does not have a climate 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 tracked at a group executive level. 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 global average temperature increase 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 responds to climate change and related impacts.

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	
Row 1	Yes, qualitative, but we plan to add quantitative in the next two years

C3.2a

(C3.2a) Provide details of your organization’s use of climate-related scenario analysis.

Climate-related scenario	Scenario analysis coverage	Temperature alignment of scenario	Parameters, assumptions, analytical choices
Transition scenarios Bespoke transition scenario	Business division	1.6°C – 2°C	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 carbon pricing and ETSs, Climate and Environmental Regulatory developments, impacts from transition away from coal,

			<p>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 average global temperature increase 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.</p>
<p>Physical climate scenarios Customized publicly available physical scenario</p>	<p>Business division</p>	<p>1.6°C – 2°C</p>	<p>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 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 carbon pricing and ETSs, Climate and Environmental Regulatory developments, impacts from transition away from coal, 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</p>

		<p>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.</p>
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C3.2b

(C3.2b) Provide details of the focal questions your organization seeks to address by using climate-related scenario analysis, and summarize the results with respect to these questions.

Row 1

Focal questions

- What are potential impacts on current markets served stemming from transition and/or physical risks due to climate change?
- What are potential impacts on BAW's direct operations, including its employees stemming from transition and/or physical risks due to climate change?
- What are potential impacts on BAW's supply chains stemming from transition and/or physical risks due to climate change?

Results of the climate-related scenario analysis with respect to the focal questions

Potential impacts across divisional value chains were identified. Such impacts included risks and opportunities. Examples of such impacts include how climatic changes, including changes in temperature and rainfall patterns effect agricultural yields (raw material inputs); timing and impacts of transitioning away from carbon intensive fossil fuels, regulatory changes impacting on life-cycle costs and influencing consumer preferences and investment decisions. Opportunities include minerals and resources required for the transition to low carbon and renewable energy fuels. An enhanced understanding of climate change related impacts informs stakeholder engagements, risk management and strategic planning processes.

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 own emission reduction targets. BAW operations and its world class principal 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 emissions management. Climate change has influenced BAW’s long-term strategy by increasing focus on development of more environmentally friendly products and services and internal environmental stewardship initiatives that drive efficiency thus reducing the environmental footprint and costs of its 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 a world-class principal 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’s Rebuild and Remanufacture facilities extends the</p>

		<p>lifespan of machines and equipment. Less energy and emissions are used to remanufacture than to produce a completely new product.</p>
<p>Supply chain and/or value chain</p>	<p>Yes</p>	<p>Barloworld’s Supplier Code of Conduct sets out the required standards for doing business with Barloworld. 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 planning processes. BAW’s strategy has been influenced by these aspects of climate change:</p> <p>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 principal develop new technologies, adapt existing technologies and processes, 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.</p> <p>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, services and processes 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 a world-class principal 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.</p>

Investment in R&D	Yes	<p>BAW and its world class principal develop new technologies, adapt existing technologies and processes, 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 its principal 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. Additionally, there are feasibility case studies underway to assess viability of 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, performance against set 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 1 500(peak) within Equipment southern Africa. Actual consumption from Solar PV sources during FY2022 was 1 700MWh

		<p>avoiding of some 1 700 tCO₂e.</p> <p>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, buildings incorporating environmentally beneficial aspects, recycling (including component rebuild and remanufacture), and waste disposal.</p>
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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 divestments 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 efficient 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

		<p>to adapt processes, products, and services 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;</p> <p>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 typically 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;</p> <p>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);</p> <p>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 (both impacting working capital levels). 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;</p> <p>7. Liability: This may be impacted by possible legal claims and litigation. The transition to a low-carbon economy and the</p>
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	imposition of new or amendments to existing regulations may impact the prevalence of such claims/litigation resulting from non-compliance.
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C3.5

(C3.5) In your organization’s financial accounting, do you identify spending/revenue that is aligned with your organization’s climate transition?

	Identification of spending/revenue that is aligned with your organization’s climate transition
Row 1	No, but we plan to in the next two years

C4. Targets and performance

C4.1

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

Intensity target

C4.1b

(C4.1b) Provide details of your emissions intensity target(s) and progress made against those target(s).

Target reference number

Int 1

Is this a science-based target?

No, and we do not anticipate setting one in the next two years

Target ambition

Year target was set

2022

Target coverage

Other, please specify

Division 1/ Target 1 (BWE sna)

Scope(s)

Scope 1

Scope 2 accounting method

Scope 3 category(ies)

Intensity metric

Metric tons CO₂e per kilometer

Base year

2021

Intensity figure in base year for Scope 1 (metric tons CO₂e per unit of activity)

0.0004173

Intensity figure in base year for all selected Scopes (metric tons CO₂e per unit of activity)

0.0004173

% of total base year emissions in Scope 1 covered by this Scope 1 intensity figure

100

% of total base year emissions in all selected Scopes covered by this intensity figure

100

Target year

2027

Targeted reduction from base year (%)

15

Intensity figure in target year for all selected Scopes (metric tons CO₂e per unit of activity) [auto-calculated]

0.000354705

% change anticipated in absolute Scope 1+2 emissions

-15

% change anticipated in absolute Scope 3 emissions

Intensity figure in reporting year for Scope 1 (metric tons CO₂e per unit of activity)

0.0002845

Intensity figure in reporting year for all selected Scopes (metric tons CO₂e per unit of activity)

0.0002845

Does this target cover any land-related emissions?

Yes, it covers land-related emissions only (e.g. FLAG SBT)

% of target achieved relative to base year [auto-calculated]

212.1575205687

Target status in reporting year

Underway

Please explain target coverage and identify any exclusions

Barloworld Equipment Southern Africa set energy consumption efficiency targets of 15% for FY2023 to FY2027, off a 2021 baseline and against business-as-usual scenario. The divisions scope 1 targets include metric tons CO₂e for total petrol and diesel consumption per km driven. The metric baseline and improvements are set at a divisional level and the consumption drivers (denominator in the intensity calculation). This enhances the operational performance monitoring and progress against set targets.

Plan for achieving target, and progress made to the end of the reporting year

A number of energy saving initiatives were implemented around process design and employee behaviour. These include reduction in fleet vehicles, advanced driver training, behavioural monitoring and general environmental awareness and reducing the company's footprint.

List the emissions reduction initiatives which contributed most to achieving this target

Target reference number

Int 2

Is this a science-based target?

No, and we do not anticipate setting one in the next two years

Target ambition

Year target was set

2022

Target coverage

Other, please specify

Division 1/ Target 2 (BWE sna)

Scope(s)

Scope 2

Scope 2 accounting method

Location-based

Scope 3 category(ies)

Intensity metric

Metric tons CO₂e per unit hour worked

Base year

2021

Intensity figure in base year for Scope 2 (metric tons CO₂e per unit of activity)

0.0010794

Intensity figure in base year for all selected Scopes (metric tons CO₂e per unit of activity)

0.0010794

% of total base year emissions in Scope 1 covered by this Scope 1 intensity figure

% of total base year emissions in Scope 2 covered by this Scope 2 intensity figure

100

% of total base year emissions in all selected Scopes covered by this intensity figure

100

Target year

2027

Targeted reduction from base year (%)

15

Intensity figure in target year for all selected Scopes (metric tons CO₂e per unit of activity) [auto-calculated]

0.00091749

% change anticipated in absolute Scope 1+2 emissions

-15

Intensity figure in reporting year for Scope 2 (metric tons CO₂e per unit of activity)

0.0011031

Intensity figure in reporting year for all selected Scopes (metric tons CO₂e per unit of activity)

0.0011031

Does this target cover any land-related emissions?

Yes, it covers land-related emissions only (e.g. FLAG SBT)

% of target achieved relative to base year [auto-calculated]

-14.6377617195

Target status in reporting year

Underway

Please explain target coverage and identify any exclusions

Barloworld Equipment Southern Africa set energy consumption efficiency targets of 15% for FY2023 to FY2027, off a 2021 baseline and against business-as-usual scenario. The divisions scope 2 targets includes metric tons CO₂e for total electricity consumption per man hour worked. The metric baseline and improvements are set at a divisional level and the consumption drivers (denominator in the intensity calculation). This enhances the operational performance monitoring and progress against set targets.

Plan for achieving target, and progress made to the end of the reporting year

A number of energy saving initiatives were implemented around process design and employee behaviour. These include solar energy, harvesting of sunlight in warehouse facilities, behavioural monitoring and general environmental awareness and reducing the company's footprint.

List the emissions reduction initiatives which contributed most to achieving this target

Target reference number

Int 3

Is this a science-based target?

No, and we do not anticipate setting one in the next two years

Target ambition

Year target was set

2022

Target coverage

Other, please specify

Division 2/ Target 1 (BWE Russia)

Scope(s)

Scope 1

Intensity metric

Metric tons CO₂e per kilometer

Base year

2021

Intensity figure in base year for Scope 1 (metric tons CO₂e per unit of activity)

0.00046

Intensity figure in base year for all selected Scopes (metric tons CO₂e per unit of activity)

0.00046

% of total base year emissions in Scope 1 covered by this Scope 1 intensity figure

100

% of total base year emissions in all selected Scopes covered by this intensity figure

100

Target year

2027

Targeted reduction from base year (%)

15

Intensity figure in target year for all selected Scopes (metric tons CO₂e per unit of activity) [auto-calculated]

0.000391

% change anticipated in absolute Scope 1+2 emissions

-15

Intensity figure in reporting year for Scope 1 (metric tons CO₂e per unit of activity)

0.00045

Intensity figure in reporting year for all selected Scopes (metric tons CO₂e per unit of activity)

0.00045

Does this target cover any land-related emissions?

Yes, it covers land-related emissions only (e.g. FLAG SBT)

% of target achieved relative to base year [auto-calculated]

14.4927536232

Target status in reporting year

Underway

Please explain target coverage and identify any exclusions

Barloworld Equipment Russia set energy consumption efficiency targets of 15% for FY2023 to FY2027, off a 2021 baseline and against business-as-usual scenario. The divisions scope 1 targets include metric tons CO2e for total petrol and diesel consumption per km driven. The metric baseline and improvements are set at a divisional level and the consumption drivers (denominator in the intensity calculation). This enhances the operational performance monitoring and progress against set targets.

Plan for achieving target, and progress made to the end of the reporting year

The Division continuously promotes reduction in energy consumption by improving behaviours of personnel through energy awareness initiatives aimed at minimizing resource usage and energy efficiency as well as energy saving investments.

List the emissions reduction initiatives which contributed most to achieving this target

Target reference number

Int 4

Is this a science-based target?

No, and we do not anticipate setting one in the next two years

Target ambition

Year target was set

2022

Target coverage

Other, please specify

Division 2/ Target 2 (BWE Russia)

Scope(s)

Scope 2

Scope 2 accounting method

Location-based

Intensity metric

Metric tons CO₂e per unit hour worked

Base year

2021

Intensity figure in base year for Scope 2 (metric tons CO₂e per unit of activity)

0.000697

Intensity figure in base year for all selected Scopes (metric tons CO₂e per unit of activity)

0.000697

% of total base year emissions in Scope 2 covered by this Scope 2 intensity figure

100

% of total base year emissions in all selected Scopes covered by this intensity figure

100

Target year

2027

Targeted reduction from base year (%)

15

Intensity figure in target year for all selected Scopes (metric tons CO₂e per unit of activity) [auto-calculated]

0.00059245

% change anticipated in absolute Scope 1+2 emissions

-15

Intensity figure in reporting year for Scope 2 (metric tons CO₂e per unit of activity)

0.000588

Intensity figure in reporting year for all selected Scopes (metric tons CO₂e per unit of activity)

0.000588

Does this target cover any land-related emissions?

Yes, it covers land-related emissions only (e.g. FLAG SBT)

% of target achieved relative to base year [auto-calculated]

104.256336681

Target status in reporting year

Underway

Please explain target coverage and identify any exclusions

Barloworld Equipment Russia set energy consumption efficiency targets of 15% for FY2023 to FY2027, off a 2021 baseline and against business-as-usual scenario. The divisions scope 2 targets includes metric tons CO₂e for total electricity consumption per man hour worked. The metric baseline and improvements are set at a divisional level and the consumption drivers (denominator in the intensity calculation). This enhances the operational performance monitoring and progress against set targets.

Plan for achieving target, and progress made to the end of the reporting year

The Division continuously promotes reduction in energy consumption by improving behaviours of personnel through energy awareness initiatives aimed at minimizing resource usage and energy efficiency as well as energy saving investments including replacing outdated fixtures with LED and installing energy efficient equipment. A significant investment was completed in Belovo Russia to replace electric boilers used for facility heating with more efficient steam. Barloworld Equipment Russia (VT) operations have contributed to a 6% year-on-year reduction in electricity consumption.

List the emissions reduction initiatives which contributed most to achieving this target

Target reference number

Int 5

Is this a science-based target?

No, and we do not anticipate setting one in the next two years

Target ambition

Year target was set

2022

Target coverage

Other, please specify

Division 3/ Target 1 (BWE Mongolia)

Scope(s)

Scope 1

Intensity metric

Metric tons CO₂e per kilometer

Base year

2021

Intensity figure in base year for Scope 1 (metric tons CO₂e per unit of activity)

0.000483

Intensity figure in base year for all selected Scopes (metric tons CO₂e per unit of activity)

0.000483

% of total base year emissions in Scope 1 covered by this Scope 1 intensity figure

100

% of total base year emissions in all selected Scopes covered by this intensity figure

100

Target year

2027

Targeted reduction from base year (%)

15

Intensity figure in target year for all selected Scopes (metric tons CO₂e per unit of activity) [auto-calculated]

0.00041055

% change anticipated in absolute Scope 1+2 emissions

-15

Intensity figure in reporting year for Scope 1 (metric tons CO₂e per unit of activity)

0.000463

Intensity figure in reporting year for all selected Scopes (metric tons CO₂e per unit of activity)

0.000463

Does this target cover any land-related emissions?

Yes, it covers land-related emissions only (e.g. FLAG SBT)

% of target achieved relative to base year [auto-calculated]

27.6052449965

Target status in reporting year

Underway

Please explain target coverage and identify any exclusions

Barloworld Equipment Mongolia a set energy consumption efficiency targets of 15% for FY2023 to FY2027, off a 2021 baseline and against business-as-usual scenario. The divisions scope 1 targets include metric tons CO₂e for total petrol and diesel consumption per km driven. The

metric baseline and improvements are set at a divisional level and the consumption drivers (denominator in the intensity calculation). This enhances the operational performance monitoring and progress against set targets.

Plan for achieving target, and progress made to the end of the reporting year

The Division continuously promotes reduction in energy consumption by improving behaviours of personnel through energy awareness initiatives aimed at minimizing resource usage and energy efficiency as well as energy saving investments.

List the emissions reduction initiatives which contributed most to achieving this target

Target reference number

Int 6

Is this a science-based target?

No, and we do not anticipate setting one in the next two years

Target ambition

Year target was set

2022

Target coverage

Other, please specify

Division 3/ Target 2 (BWE Mongolia)

Scope(s)

Scope 2

Scope 2 accounting method

Location-based

Intensity metric

Metric tons CO₂e per unit hour worked

Base year

2021

Intensity figure in base year for Scope 2 (metric tons CO₂e per unit of activity)

0.001983

Intensity figure in base year for all selected Scopes (metric tons CO₂e per unit of activity)

0.001983

% of total base year emissions in Scope 2 covered by this Scope 2 intensity figure

100

% of total base year emissions in all selected Scopes covered by this intensity figure

100

Target year

2027

Targeted reduction from base year (%)

15

Intensity figure in target year for all selected Scopes (metric tons CO₂e per unit of activity) [auto-calculated]

0.00168555

% change anticipated in absolute Scope 1+2 emissions

-15

Intensity figure in reporting year for Scope 2 (metric tons CO₂e per unit of activity)

0.001971

Intensity figure in reporting year for all selected Scopes (metric tons CO2e per unit of activity)

0.001971

Does this target cover any land-related emissions?

Yes, it covers land-related emissions only (e.g. FLAG SBT)

% of target achieved relative to base year [auto-calculated]

4.0342914776

Target status in reporting year

Underway

Please explain target coverage and identify any exclusions

Barloworld Equipment Mongolia a set energy consumption efficiency targets of 15% for FY2023 to FY2027, off a 2021 baseline and against business-as-usual scenario. The divisions scope 2 targets includes metric tons CO2e for total electricity consumption per man hour worked. The metric baseline and improvements are set at a divisional level and the consumption drivers (denominator in the intensity calculation). This enhances the operational performance monitoring and progress against set targets.

Plan for achieving target, and progress made to the end of the reporting year

The Division continuously promotes reduction in energy consumption by improving behaviours of personnel through energy awareness initiatives aimed at minimizing resource usage and energy efficiency as well as energy saving investments including replacing outdated fixtures with LED and installing energy efficient equipment. Initiatives within the Barloworld Equipment Mongolia contributed to a 5% year-on-year reduction in electricity consumption.

List the emissions reduction initiatives which contributed most to achieving this target

Target reference number

Int 7

Is this a science-based target?

No, and we do not anticipate setting one in the next two years

Target ambition

Year target was set

2022

Target coverage

Other, please specify

Division 2/ Target 1 (SMD)

Scope(s)

Scope 1

Intensity metric

Metric tons CO₂e per kilometer

Base year

2021

Intensity figure in base year for Scope 1 (metric tons CO₂e per unit of activity)

0.00135

Intensity figure in base year for all selected Scopes (metric tons CO₂e per unit of activity)

0.00135

% of total base year emissions in Scope 1 covered by this Scope 1 intensity figure

100

% of total base year emissions in all selected Scopes covered by this intensity figure

100

Target year

2027

Targeted reduction from base year (%)

15

Intensity figure in target year for all selected Scopes (metric tons CO₂e per unit of activity) [auto-calculated]

0.0011475

% change anticipated in absolute Scope 1+2 emissions

-15

Intensity figure in reporting year for Scope 1 (metric tons CO₂e per unit of activity)

0.00185

Intensity figure in reporting year for all selected Scopes (metric tons CO₂e per unit of activity)

0.00185

Does this target cover any land-related emissions?

Yes, it covers land-related emissions only (e.g. FLAG SBT)

% of target achieved relative to base year [auto-calculated]

-246.9135802469

Target status in reporting year

Underway

Please explain target coverage and identify any exclusions

SMD set energy consumption efficiency targets of 15% for FY2023 to FY2027, off a 2021 baseline and against business-as-usual scenario. The divisions scope 1 targets include metric tons CO₂e for total petrol and diesel consumption per km driven. The metric baseline and improvements are set at a divisional level and the consumption drivers (denominator in the intensity calculation). This enhances the operational performance monitoring and progress against set targets.

Plan for achieving target, and progress made to the end of the reporting year

SMD is investigating possible energy savings initiatives around process design and employee behaviour. These include behavioural monitoring and general environmental awareness and reducing the company's footprint.

List the emissions reduction initiatives which contributed most to achieving this target

Target reference number

Int 8

Is this a science-based target?

No, and we do not anticipate setting one in the next two years

Target ambition

Year target was set

2022

Target coverage

Other, please specify

Division 3/ Target 2 (SMD)

Scope(s)

Scope 2

Scope 2 accounting method

Location-based

Intensity metric

Metric tons CO₂e per unit hour worked

Base year

2021

Intensity figure in base year for all selected Scopes (metric tons CO₂e per unit of activity)

0.00161

% of total base year emissions in Scope 2 covered by this Scope 2 intensity figure

100

% of total base year emissions in all selected Scopes covered by this intensity figure

100

Target year

2021

Targeted reduction from base year (%)

15

Intensity figure in target year for all selected Scopes (metric tons CO₂e per unit of activity) [auto-calculated]

0.0013685

% change anticipated in absolute Scope 1+2 emissions

-15

Intensity figure in reporting year for Scope 2 (metric tons CO₂e per unit of activity)

0.00118

Intensity figure in reporting year for all selected Scopes (metric tons CO₂e per unit of activity)

0.00118

Does this target cover any land-related emissions?

Yes, it covers land-related emissions only (e.g. FLAG SBT)

% of target achieved relative to base year [auto-calculated]

178.0538302277

Target status in reporting year

Underway

Please explain target coverage and identify any exclusions

SMD set energy consumption efficiency targets of 15% for FY2023 to FY2027, off a 2021 baseline and against business-as-usual scenario. The divisions scope 2 targets includes metric tons CO₂e for total electricity consumption per man hour worked. The metric baseline and improvements are set at a divisional level and the consumption drivers (denominator in the intensity calculation). This enhances the operational performance monitoring and progress against set targets.

Plan for achieving target, and progress made to the end of the reporting year

SMD is investigating possible energy savings initiatives around process design and employee behaviour. These include behavioural monitoring and general environmental awareness and reducing the company's footprint.

List the emissions reduction initiatives which contributed most to achieving this target

Target reference number

Int 9

Is this a science-based target?

No, and we do not anticipate setting one in the next two years

Target ambition

Year target was set

2021

Target coverage

Business division

Scope(s)

Scope 1

Scope 2

Scope 2 accounting method

Location-based

Scope 3 category(ies)

Intensity metric

Other, please specify

Metric tons of CO₂e per ton maize grind

Base year

2021

Intensity figure in base year for Scope 1 (metric tons CO₂e per unit of activity)

0.000681803

Intensity figure in base year for Scope 2 (metric tons CO₂e per unit of activity)

0.264806953

Intensity figure in base year for all selected Scopes (metric tons CO₂e per unit of activity)

0.715608298

% of total base year emissions in Scope 1 covered by this Scope 1 intensity figure

100

% of total base year emissions in Scope 2 covered by this Scope 2 intensity figure

100

% of total base year emissions in all selected Scopes covered by this intensity figure

100

Target year

2027

Targeted reduction from base year (%)

15

Intensity figure in target year for all selected Scopes (metric tons CO₂e per unit of activity) [auto-calculated]

0.6082670533

% change anticipated in absolute Scope 1+2 emissions

-15

Intensity figure in reporting year for Scope 1 (metric tons CO₂e per unit of activity)

0.000748461

Intensity figure in reporting year for Scope 2 (metric tons CO₂e per unit of activity)

0.270604112

Intensity figure in reporting year for all selected Scopes (metric tons CO₂e per unit of activity)

0.69581521

Does this target cover any land-related emissions?

Yes, it covers land-related emissions only (e.g. FLAG SBT)

% of target achieved relative to base year [auto-calculated]

18.4394060785

Target status in reporting year

Underway

Please explain target coverage and identify any exclusions

Given the manufacturing nature of Ingrain’s operations, it contributes 94% of the group non-renewable energy consumption. There are a number of initiatives underway to improve the energy efficiency of the operations, including LED lighting installations at its Germiston Mill and tracking energy efficiency on electrical motors and drive. Using the volume of maize ground as a proxy for activity, energy intensity has improved by 5% against prior year. Initiatives under investigation include transitioning to renewable energy. Feasibility studies are underway for the installation of solar photovoltaic at certain mills. This will improve resilience against supply constraints and pricing increases.

Plan for achieving target, and progress made to the end of the reporting year

Given the manufacturing nature of Ingrain’s operations, it contributes 94% of the group non-renewable energy consumption. There are a number of initiatives underway to improve the energy efficiency of the operations, including LED lighting installations at its Germiston Mill and tracking energy efficiency on electrical motors and drive. Using the volume of maize ground as a proxy for activity, energy intensity has improved by 5% against prior year. Initiatives under investigation include transitioning to renewable energy. Feasibility studies are underway for the installation of solar photovoltaic at certain mills. This will improve resilience against supply constraints and pricing increases.

List the emissions reduction initiatives which contributed most to achieving this target

C4.2

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

Target(s) to increase low-carbon energy consumption or production

C4.2a

(C4.2a) Provide details of your target(s) to increase low-carbon energy consumption or production.

Target reference number

Low 1

Year target was set

2022

Target coverage

Business division

Target type: energy carrier

Electricity

Target type: activity

Consumption

Target type: energy source

Renewable energy source(s) only

Base year

2021

Consumption or production of selected energy carrier in base year (MWh)

1,396

% share of low-carbon or renewable energy in base year

0

Target year

2024

% share of low-carbon or renewable energy in target year

0

% share of low-carbon or renewable energy in reporting year

0

% of target achieved relative to base year [auto-calculated]

Target status in reporting year

Underway

Is this target part of an emissions target?

Yes. The increased consumption of renewable energy will result in reduced electricity consumption from the grid and consequentially avoid emissions.

Is this target part of an overarching initiative?

No, it's not part of an overarching initiative

Please explain target coverage and identify any exclusions

Barloworld Southern Africa set a 3-year solar PV consumption target from a FY2021 baseline of 1396Mwh. The FY2023 target is 1680Mwh (20% improvement from the FY2021 baseline) and the FY2024 target is 1 764Mwh which is a 26% improvement from the FY2021 baseline.

Plan for achieving target, and progress made to the end of the reporting year

The group's divisions and their operations have a range of initiatives to improve consumption efficiency and once sufficiently enhanced, consideration is given to switching to alternate renewable energy source where practicable. Installed solar photovoltaic capacity as at the end of the period was in excess of 1 500 kW (peak). The most recent of which was the Equipment Middelburg solar PV (300 kW(peak)) installation commissioned during the 2022 financial period

List the actions which contributed most to achieving this target

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	2	0
To be implemented*	11	927
Implementation commenced*	4	235
Implemented*	14	2,249
Not to be implemented	0	0

C4.3b

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

Initiative category & Initiative type

Low-carbon energy generation

Solar PV

Estimated annual CO2e savings (metric tonnes CO2e)

1,700

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)

1,200,000

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

8,560,000

Payback period

4-10 years

Estimated lifetime of the initiative

16-20 years

Comment

Barloworld Equipment have installed solar PV systems at their Boksburg Remanufacture Centre, Isando, Middleburg, Kathu, Boksburg Power, Bloemfontein, and Cape Town sites.

Installed solar photovoltaic capacity as at the end of the period was in excess of 1 500 kW (peak). The most recent of which was the Equipment Middelburg solar PV (300 kW(peak)) installation commissioned during this financial period. These installations have contributed to the generation of just over 1 700 MWh (6 220 GJ) of renewable energy during the period and translated into an avoidance of some 1 700 tCO₂e resulting from grid-electricity and monetary savings in excess of R1.2m for the financial period. In some instances, the installations are sufficient to cater for the campus' baseloads. (Reporting the combined savings of all 7 solar PV installations).

Initiative category & Initiative type

Other, please specify

Other, please specify

Energy awareness initiatives aimed at minimizing resource usage, replacing outdated fixtures with LED and installing energy efficient equipment.

Estimated annual CO₂e savings (metric tonnes CO₂e)

1,245

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)

307,751

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

352,891

Payback period

4-10 years

Estimated lifetime of the initiative

6-10 years

Comment

Barloworld Equipment Eurasia: The Division continuously promotes reduction in energy consumption by improving behaviours of personnel through energy awareness initiatives aimed at minimizing resource usage and energy efficiency as well as energy saving investments including replacing outdated fixtures with LED and installing energy efficient equipment. A significant investment was completed in Belovo Russia to replace electric boilers used for facility heating with more efficient steam. Various initiatives within the Barloworld Equipment Russia (VT) operations have contributed to a 6% year-on-year reduction in electricity consumption. Similarly, initiatives within the Barloworld Equipment Mongolia contributed to a 5% year-on-year reduction in electricity consumption.

Initiative category & Initiative type

Transportation

Company fleet vehicle efficiency

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)

291,436

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

69,763

Payback period

<1 year

Estimated lifetime of the initiative

6-10 years

Comment

Equipment Mongolia installed Eco System devices that reduces fuel consumption up to 30%. They are piloting 8 trucks which is estimated to reduce overall fuel usage by 9%.

Initiative category & Initiative type

Low-carbon energy generation

Other, please specify

Barloworld Equipment Southern Africa fitted Drive Cam devices into +400 vehicles which are changing driver behaviour and minimising accidents.

Estimated annual CO2e savings (metric tonnes CO2e)

0

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)

0

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

883,150

Payback period

4-10 years

Estimated lifetime of the initiative

Ongoing

Comment

Barloworld Equipment Southern Africa fitted Drive Cam devices into +400 vehicles which are changing diver behaviour and minimising accidents.

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

	<p>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.</p>
<p>Dedicated budget for energy efficiency</p>	<p>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 FY21 to FY22, BAW spent some R12.6m on energy efficiency projects, including solar PV installations, 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 is identify opportunities for energy efficiency. The cost to BAW for participation was R200 000 (FY16). Barloworld Equipment Russia and Equipment Southern Africa spent cumulatively R4.7m on the implementation of Energy Efficiency initiatives in FY2022.</p>
<p>Dedicated budget for low-carbon product R&D</p>	<p>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.</p>
<p>Dedicated budget for other emissions reduction activities</p>	<p>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 FY21 to FY22, BAW spent some R12.6m on energy efficiency projects,</p>

	including solar PV installations, lighting, and management systems. In addition, Equipment Middelburg commissioned a solar PV (300 kW(peak)) installation during this financial period.
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.

<p>Other Aspirational efficiency improvement targets</p>	<p>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.</p>
<p>Partnering with governments on technology development</p>	<p>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.</p>
<p>Marginal abatement cost curve</p>	<p>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.</p>

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

Components rebuild programme.

Type of product(s) or service(s)

Other

Other, please specify

Components 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 2022, some 83% of total component sales in Equipment southern Africa related to remanufactured and rebuilt components, of which 50% related to Barloworld Equipment remanufactured parts and 50% related to Caterpillar remanufactured parts. Equipment Eurasia some 55% of total component sales related to remanufactured and rebuilt components, of which 52% related to Barloworld Equipment remanufactured parts and 48% related to Caterpillar remanufactured parts. In prior years, Barloworld has invested USD11 million and R240 million in facilities in Russia and South Africa, respectively.

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

No

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, other structural change, please specify

The Car Rental and Leasing & Logistics businesses were held for sale and classified as discontinued operations; therefore they have been excluded from the aggregated continuing operation disclosures for FY2022 and comparative periods.

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

The Car Rental and Leasing & Logistics businesses were held for sale; therefore they have been excluded from the FY2022 disclosures and comparatives.

Details of structural change(s), including completion dates

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.

Where divestments are made or assets are held for sale or classified as discontinued operations, should the financial statements and related disclosures 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. The reporting boundary of the FY2022 and comparative environmental disclosures align to ensure comparability and the necessary restatements to the comparatives were made in FY2022 disclosures.

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?
Row 1	No

C5.1c

(C5.1c) Have your organization’s base year emissions and past years’ emissions been recalculated as a result of any changes or errors reported in C5.1a and/or C5.1b?

	Base year recalculation	Scope(s) recalculated	Base year emissions recalculation policy, including significance threshold	Past years’ recalculation
Row 1	Yes	Scope 1 Scope 2, location-based	FYE2021 emissions and energy consumption figures are used as the baseline for the respective intensity target calculations. The FY2021 and FY2022 figures disclosed here has been restated for discontinued operations and operations classified as held for sale.	Yes

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)

280,479

Comment

FY2021 emissions (scope 1) used as the baseline for the intensity target calculations. The FY2021 baseline emission figure disclosed above (280 479 tCO₂e) has been restated for discontinued operations and operations classified as held for sale, aligned with the boundary for the FY2022 emissions figure. In absolute tCO₂e FY2022 scope 1 emissions was 10% higher than FY2021, mainly due to subdued activity levels in the FY2021 baseline resulting from COVID related restrictions impacting demand and activity levels - which subsequently started to normalise in FY2022.

Scope 2 (location-based)

Base year start

October 1, 2020

Base year end

September 30, 2021

Base year emissions (metric tons CO₂e)

176,954

Comment

FY2021 emissions (scope 2) used as the baseline for the intensity target calculations. The FY2021 baseline emission figure disclosed above (176 954 tCO₂e) has been restated for discontinued operations and operations classified as held for sale, aligned with the boundary for the FY2022 emissions figure. In absolute tCO₂e FY2022 scope 2 emissions was 16% higher than FY2021, mainly due to subdued activity levels in the FY2021 baseline resulting from COVID related restrictions impacting demand and activity levels - which subsequently started to normalise in FY2022.

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)

0

Comment

Not reported

Scope 3 category 2: Capital goods

Base year start

Base year end

Base year emissions (metric tons CO2e)

0

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)

0

Comment

Not reported.

Scope 3 category 4: Upstream transportation and distribution

Base year start

Base year end

Base year emissions (metric tons CO2e)

0

Comment

Not reported.

Scope 3 category 5: Waste generated in operations

Base year start

Base year end

Base year emissions (metric tons CO₂e)

0

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)

2,202

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 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 (2 202 tCO₂e). Business air travel is calculated based on average distance per long, medium, and short flight multiplied by the respective conversion factor. In absolute tCO₂e FY2022 scope 3 business air travel emissions was 34% higher

than FY2021, mainly due to reduced travel in the FY2021 baseline resulting from COVID related restrictions - which subsequently started to normalise in FY2022.

Scope 3 category 7: Employee commuting

Base year start

Base year end

Base year emissions (metric tons CO₂e)

0

Comment

Not reported.

Scope 3 category 8: Upstream leased assets

Base year start

Base year end

Base year emissions (metric tons CO₂e)

0

Comment

Not reported.

Scope 3 category 9: Downstream transportation and distribution

Base year start

Base year end

Base year emissions (metric tons CO2e)

0

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)

0

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)

0

Comment

Not reported.

Scope 3 category 13: Downstream leased assets

Base year start

Base year end

Base year emissions (metric tons CO2e)

0

Comment

Not reported.

Scope 3 category 14: Franchises

Base year start

Base year end

Base year emissions (metric tons CO₂e)

0

Comment

Not reported.

Scope 3 category 15: Investments

Base year start

Base year end

Base year emissions (metric tons CO₂e)

0

Comment

Not reported.

Scope 3: Other (upstream)

Base year start



Base year end

Base year emissions (metric tons CO2e)

0

Comment

Not reported.

Scope 3: Other (downstream)

Base year start

Base year end

Base year emissions (metric tons CO2e)

0

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)

308,300

Start date

October 1, 2021

End date

September 30, 2022

Comment

The FYE2022 figures disclosed here has been restated for discontinued operations and operations classified as held for sale, i.e. reflects continuing operations only. For comparative purposes, and aligned to the financial reporting approach, the comparative periods FYE2021 and FYE2020 have also been restated. The Group FY2022 scope 1 emissions is 10% higher than FYE2021, mainly due to subdued activity levels in the FY2021 baseline resulting from COVID related restrictions impacting demand and activity levels - which subsequently started to normalise in FY2022.

Past year 1

Gross global Scope 1 emissions (metric tons CO₂e)

280,479

Start date

October 1, 2020



End date

September 30, 2021

Comment

Used as the base for the intensity calculation. The FY2022 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 periods FYE2021 and FYE2020 have also been restated. Reflects continuing operations only.

Past year 2

Gross global Scope 1 emissions (metric tons CO2e)

14,203

Start date

October 1, 2019

End date

September 30, 2020

Comment

The FY2020 figures reflected above excludes the Ingrain business, which was acquired effective November CY 2020, which fell within BAW's FY2021 financial period. This aggregated group figure is therefore not comparable with FY2021 and FY2022.

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/2022/barloworld-energy-and-emissions-conversion-factors-2022.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

205,883

Start date

October 1, 2021

End date

September 30, 2022

Comment

The FY2022 figures disclosed here has been restated for discontinued operations and operations classified as held for sale, and therefore reflects continuing operations only. For comparative purposes, and aligned to the financial reporting approach d, the comparative periods FYE2021 and FYE2020 has also been restated. The Group scope 2 emissions is 16% higher than FYE2021, mainly due to subdued activity levels in the FY2021 baseline resulting from COVID related restrictions impacting demand and activity levels - which subsequently started to normalise in FY2022.

Past year 1



Scope 2, location-based

176,954

Start date

October 1, 2020

End date

September 30, 2021

Comment

Used as the base for the intensity calculation. The FY2022 figures disclosed here has been restated for discontinued operations and operations classified as held for sale. For comparative purposes, and aligned to the financial reporting approach, the comparative periods FYE2021 and FYE2020 has also been restated. Reflects continuing operations only.

Past year 2

Scope 2, location-based

15,885

Start date

October 1, 2019

End date

September 30, 2020

Comment

The FY2020 figures reflected above excludes the Ingrain business, which was acquired effective November CY 2020, which fell within BAW's FY2021 financial period. This aggregated group figure is therefore not comparable with FY2021 and FY2022.

C6.4

(C6.4) Are there any sources (e.g. facilities, specific GHGs, activities, geographies, etc.) of Scope 1, Scope 2 or Scope 3 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

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

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 rental 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

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

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

Please explain

This relates to the emissions generated in the group's waste disposal activities. The group recycled 47.24 tons of paper and in FY2022. 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. 100% of the total solid waste and total liquid waste generated was disposed of by a certified waste provider during FY2022.

Business travel

Evaluation status

Relevant, calculated

Emissions in reporting year (metric tons CO₂e)

2,944

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

Emissions from business air travel is calculated based on the average distance per long, medium, and short haul flights multiplied by an emissions factor. The air travel emissions increased by 34% against the prior year due to increased travel post the lifting of COVID related restrictions in place in the prior year (FY2021).

Employee commuting

Evaluation status

Relevant, not yet calculated

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

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

Please explain

This includes emissions from the transportation of goods sold by BAW, e.g. the transportation of goods, products and/or services from BAW sites 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

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

Please explain

This relates to the use of vehicles, plant equipment that is sold to customers. The emission factors per kilometre driven or per engine hour are available from Original Equipment Manufacturers, however this is currently not quantified under this category of emissions. This should however be reported under customer's scope 1 emissions.

End of life treatment of sold products

Evaluation status

Relevant, not yet calculated

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

Please explain

This includes emissions from assets leased by BAW to customers, e.g. leased 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

Not relevant, explanation provided

Please explain

The group does not franchise any of its operations to third parties.

Investments

Evaluation status

Relevant, not yet calculated

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

Please explain

Not Applicable.

Other (downstream)

Evaluation status

Not evaluated

Please explain

Not Applicable.

C6.5a

(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)

0

Scope 3: Capital goods (metric tons CO2e)

0

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

0

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

0

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

0

Scope 3: Business travel (metric tons CO2e)

2,202

Scope 3: Employee commuting (metric tons CO2e)

0

Scope 3: Upstream leased assets (metric tons CO2e)

0

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

0

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

0

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

0

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

0

Scope 3: Downstream leased assets (metric tons CO2e)

0

Scope 3: Franchises (metric tons CO2e)

0

Scope 3: Investments (metric tons CO2e)

0

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

0

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

0

Comment

We currently report scope 3 emissions relating to our business air travel (2 944 tCO2e). Business air travel is calculated based on average distance per long, medium, and short flight multiplied by the respective conversion factor. The air travel emissions increased by 34% against the prior year due to increased travel post the uplift of travel restrictions imposed in FY2021 due to COVID.

Past year 2

Start date

October 1, 2019

End date

September 30, 2020

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

0

Scope 3: Capital goods (metric tons CO2e)

0

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

0

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

0

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

0

Scope 3: Business travel (metric tons CO2e)

4,268

Scope 3: Employee commuting (metric tons CO2e)

0

Scope 3: Upstream leased assets (metric tons CO2e)

0

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

0

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

0

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

0

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

0

Scope 3: Downstream leased assets (metric tons CO2e)

0

Scope 3: Franchises (metric tons CO2e)

0

Scope 3: Investments (metric tons CO2e)

0

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

0

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

0

Comment

We currently report scope 3 emissions relating to our business air travel. Business air travel is calculated based on average distance per long, medium, and short flight multiplied by the respective conversion factor.

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

13.06

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

514,183

Metric denominator

unit total revenue

Metric denominator: Unit total

39,376,000,000

Scope 2 figure used

Location-based

% change from previous year

3

Direction of change

Decreased

Reason(s) for change

Change in renewable energy consumption

Change in output

Please explain

The intensity above reflects a 3% decrease in the GHG emissions (scope 1 and 2) intensity against FY2021. The decrease is attributable to several initiatives, including the continued installation of solar PV capacity during the financial period, increased output volumes and consequential revenue impact with a relatively lower corresponding increase in energy and emissions (correlation <1).

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	2,238	IPCC Fourth Assessment Report (AR4 - 100 year)
CH ₄	767	IPCC Fourth Assessment Report (AR4 - 100 year)
CO ₂	305,295	IPCC Fourth Assessment Report (AR4 - 100 year)

C7.2

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

Country/area/region	Scope 1 emissions (metric tons CO ₂ e)
South Africa	301,637
Other, please specify Eurasia (Russia, UK, and Mongolia)	3,650

Other, please specify Other Africa	3,013
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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	13,222
Consumer Industries	294,262
*Other Segments include Barloworld UK, Barloworld Corporate Office, SMD & DDS, Properties	816

C7.5

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

Country/area/region	Scope 2, location-based (metric tons CO2e)	Scope 2, market-based (metric tons CO2e)
South Africa	199,741	0
Other, please specify Eurasia (Russia, UK, and Mongolia)	4,089	0
Other, please specify Other Africa	2,053	0

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	17,412	0
Consumer Industries	187,252	0
*Other Segments include Barloworld UK, Barloworld Corporate Office, SMD & DDS, Properties	1,219	0

C7.7

(C7.7) Is your organization able to break down your emissions data for any of the subsidiaries included in your CDP response?

No

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 in emissions	Emissions value (percentage)	Please explain calculation
Change in renewable energy consumption	1,797	Decreased	0.1	The group's divisions and their operations have a range of initiatives to improve consumption efficiency and once sufficiently enhanced, consideration is given to switching to alternate renewable energy source where practicable. Installed solar photovoltaic capacity as at the end of the period was in excess of 1 500 kW (peak). The most recent of which was the Equipment Middelburg solar PV installation (300 kW(peak)) installation commissioned during this financial period. These installations have contributed to the generation of just over 1 700 MWh (6 220 GJ) of renewable energy during the period and translated into an avoidance of some 1 700 tCO2e resulting from avoided grid-electricity consumption and monetary savings in excess of R1.2m for the financial period. In some instances, the installations are sufficient to cater for the campus' baseloads.
Other emissions reduction activities	18,165	Decreased	4	Energy consumption efficiency targets of 15% have been set for FY2022 to FY2027, off a 2021 baseline, using a business-as-usual scenario. These will address material environmental aspects, including efficiency targets for non-renewable energy consumption by source, including petrol, diesel, coal, grid electricity consumption, greenhouse gas emissions (Scope 1 and 2), water (municipal sources) efficiency. During the year, we established divisional-level intensity targets that allow for enhanced operational management of consumption and efficiencies. The energy efficiency metrics and targets are monitored at an operational level which seek to improve FY2021 baseline efficiency to the end of

				<p>FY2027. Such efficiency improvements benefit the group by mitigating rapidly rising energy costs, particularly electricity in South Africa, (including related 'pass-through' costs), enhancing organisational resilience in the face of supply disruptions, and the associated need to reduce greenhouse gas emissions.</p> <p>Against a business -as-usual scenario, the emissions saved amounted to 18165 tCO₂e for the 2022 financial period. These are entrenched in the group's strategic planning processes and operations.</p>
Divestment	0		0	N/A - Divestments have been restatements for in the current and comparative periods and therefore will not result in any reductions in the current period.
Acquisitions	0		0	N/A - No acquisitions came into effect in the 2022 financial period.
Mergers	0		0	N/A
Change in output	76,706	Increased	17	Greater activity levels were experienced in FY2022 against FY2021, resulting mainly from the rescinded COVID related restrictions in FY2022. The greater activity levels drove higher consumption of energy to meet higher demand of products and services. By way of example, see year-on-year movements for identified energy consumption drivers (FY2022 against FY2021): the tons of input maize ground increased by 16%, business kilometres travelled increased 45%, man-hours worked increased by 3%. It is important to note, that while the absolute energy consumption and consequential emissions increased in absolute terms, the efficiencies have measured by energy and emission intensities have improved in FY2022 against FY2021.
Change in methodology	0		0	N/A
Change in boundary	0		0	N/A

Change in physical operating conditions	0		0	N/A
Unidentified	0		0	N/A
Other	0		0	N/A

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)	0	959,209	959,209
Consumption of purchased or acquired electricity		0	202,950	202,950
Consumption of self-generated non-fuel renewable energy		1,728		1,728
Total energy consumption		1,728	1,162,159	1,163,887

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

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

Comment

Not applicable.

Other biomass

Heating value

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

Comment

Not applicable.

Other renewable fuels (e.g. renewable hydrogen)

Heating value

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

Comment

Not applicable.

Coal

Heating value

LHV

Total fuel MWh consumed by the organization

787,659

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

787,659

Comment

Coal fired boilers are used for steam generation in the manufacturing process within the Consumer Industries segment. The coal consumption increased by 11% against FYE2021. The year-on-year increase is due largely to the increased activities as production levels normalised post COVID related restrictions imposed in the comparative year (FY2021). Other reasons related to the switch in energy mix from gas to coal.

Oil

Heating value

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

Comment

Not applicable.

Gas

Heating value

LHV

Total fuel MWh consumed by the organization

119,352

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

119,352

Comment

Gas fired boilers are used for steam generation in the manufacturing process within the Consumer Industries segment. The gas consumption decreased by 3% against FYE2021.

Other non-renewable fuels (e.g. non-renewable hydrogen)

Heating value

LHV

Total fuel MWh consumed by the organization

220

MWh fuel consumed for self-generation of electricity

220

MWh fuel consumed for self-generation of heat

MWh fuel consumed for self-generation of steam

Comment

Total stationary diesel consumption. These related mainly to standby power generators, the activity levels of which are influenced by power outages (load-shedding) in certain territories.

Total fuel

Heating value

LHV

Total fuel MWh consumed by the organization

907,231

MWh fuel consumed for self-generation of electricity

220

MWh fuel consumed for self-generation of heat

MWh fuel consumed for self-generation of steam

907,231

Comment

Total stationary diesel (220 Mwh), coal (787,659 Mwh) and Sasol gas (119,352 Mwh) 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	220	220	1,728	1,728
Heat	0	0	0	0
Steam	907,011	907,011	0	0
Cooling	0	0	0	0

C8.2g

(C8.2g) Provide a breakdown by country/area of your non-fuel energy consumption in the reporting year.

Country/area

South Africa

Consumption of purchased electricity (MWh)

192,058

Consumption of self-generated electricity (MWh)

1,723

Consumption of purchased heat, steam, and cooling (MWh)

0

Consumption of self-generated heat, steam, and cooling (MWh)

0

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

193,781

Country/area

Other, please specify

Rest of Africa and Middle East

Consumption of purchased electricity (MWh)

2,840

Consumption of self-generated electricity (MWh)

0

Consumption of purchased heat, steam, and cooling (MWh)

0

Consumption of self-generated heat, steam, and cooling (MWh)

0

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

2,840

Country/area

Other, please specify

Eurasia

Consumption of purchased electricity (MWh)

8,051

Consumption of self-generated electricity (MWh)

5

Consumption of purchased heat, steam, and cooling (MWh)

0

Consumption of self-generated heat, steam, and cooling (MWh)

0

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

8,056

C9. Additional metrics

C9.1

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

Description

Energy usage

Metric value

106.25

Metric numerator

Non-renewable energy (GJ)

Metric denominator (intensity metric only)

Revenue (ZAR millions)

% change from previous year

4

Direction of change

Decreased

Please explain

For indicative purposes, continuing operations resulted in an aggregated Barloworld intensity of 106.25 (GJ/R'm Revenue) which decreased by 4% against prior year (2021: 111.23 GJ/R'm Revenue). Non-renewable energy included in the intensity calculation includes direct and indirect energy which includes fuel (petrol, diesel, LPG, CNG, coal, gas, and heavy oil) and grid electricity consumed within the organisation. The decreased intensity means less energy was consumption for the same level of revenue generation.

Description

Energy usage

Metric value

1,728

Metric numerator

MWh consumed from renewable solar energy.

Metric denominator (intensity metric only)

Not applicable.

% change from previous year

23

Direction of change

Increased

Please explain

The group’s divisions and their operations have a range of initiatives to improve consumption efficiency and once sufficiently enhanced, consideration is given to switching to alternate renewable energy source where practicable. Installed solar photovoltaic capacity as at the end of the period was in excess of 1 500 kW (peak). The most recent of which was the Equipment Middelburg solar PV (300 kW(peak)) installation commissioned during this financial period. These installations have contributed to the generation of just over 1 700 MWh (6 220 GJ) of renewable energy during the period and translated into an avoidance of some 1 700 tCO2e resulting from grid-electricity and monetary savings in excess of R1.2m for the financial period. In some instances, the installations are sufficient to cater for the campus’ baseloads. The solar PV generated electricity increased by 23% against the previous financial year.

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

 FY2022 Barloworld Integrated Report.pdf

 full-iar.pdf

Page/ section reference

Refer to page 80 of Barloworld's 2022 Integrated Report.

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

 FY2022BarloworldIntegratedReport (2).pdf

Page/ section reference

Refer to page 80.

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	Energy consumption	ISAE3000. Limited Assurance	The energy consumption as measured and disclosed in Gigajoules is independently assured as well. Refer to page 80 of the integrated report,

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

86

Total cost of tax paid

10,428,898

Comment

Barloworld's Consumer Industries segment attracts a Carbon Tax within South Africa. The tax is levied on its combustion emissions, which relate mainly to coal combusted for the generation of steam used in its manufacturing process.

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 are impacted by the Mandatory Greenhouse Gas Emissions Reporting regulations introduced in 2017, and 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 meet reporting obligations and 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
- Switching to renewable energy where practicable.

C11.2

(C11.2) Has your organization canceled any project-based carbon credits within the reporting year?

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

Yes, other partners in the value chain

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, and suppliers

% of suppliers by number

% total procurement spend (direct and indirect)

47

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



Rationale for the coverage of your engagement

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 ethical business practices. 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 2022 (FYE2022), in excess of some 4 700 of active suppliers (47%) 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

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.

C12.1d

(C12.1d) Give details of your climate-related engagement strategy with other partners in the value chain.

Barloworld engages its corporate stakeholders including its investors and financiers on climate-related strategies, policies, and practices. An example of such engagements, include the Governance roadshows held with shareholders in October 2021, January 2022, and October 2022, the outcome of which was gaining feedback on the board composition and structure, reaction on AGM resolutions, including the remuneration report's, policy, philosophy and implementation report and transparency on the group's strategy. The board also engaged with shareholders during our interim results roadshows on capital allocation.

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

External engagement activities that could directly or indirectly influence policy, law, or regulation that may impact the climate

Yes, our membership of/engagement with trade associations could influence policy, law, or regulation that may impact the climate

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

Describe the process(es) your organization has in place to ensure that your external engagement activities are consistent with your climate commitments and/or climate transition plan

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.

C12.3b

(C12.3b) Provide details of the trade associations your organization is a member of, or 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 policy consistent with theirs?

Consistent

Has your organization attempted to influence their position in the reporting year?

No, we did not attempt to influence their position

Describe how your organization's position is consistent with or differs from the trade association's position, and any actions taken to influence their position

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 (currency as selected in C0.4)

0

Describe the aim of your organization's funding

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

Trade association

Other, please specify

National Business Initiative (South Africa)

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

Consistent

Has your organization attempted to influence their position in the reporting year?

No, we did not attempt to influence their position

Describe how your organization's position is consistent with or differs from the trade association's position, and any actions taken to influence their position

Barloworld is a member company of the National Business Initiative, whose strategy aims to, "aims to drive business participation in an economic transition and social transformation."

The National Business Initiative website:

.....Within the South African strategic context the NBI Environment and Society team aim to:

Revive the emphasis on the environment as a strategic priority for business;

Build the capacity of our members to engage with environmental issues and to respond through effective management practices;

Support a collective governance approach to addressing sustainability challenges that require multiple role-players to interact;

Facilitate the implementation of collaborative projects and practical solutions in areas related to water, climate change, energy, waste, biodiversity and the green economy. The waste and biodiversity work areas are embryonic and currently predominantly implemented by providing support to other organisations working in the same area. ..."

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

300,000

Describe the aim of your organization's funding

To support the NBI's purpose, vision, and strategy. As a member company, Barloworld engages the NBI and other member companies on social, environmental, and economic issues facing the South African community.

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

 gri-responses.pdf

 full-iar.pdf

Page/Section reference



Integrated report - view entire report (specifically pages 73 - 75).
 GRI Responses - Page 65 - 71.

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.

C12.5

(C12.5) Indicate the collaborative frameworks, initiatives and/or commitments related to environmental issues for which you are a signatory/member.

Environmental collaborative framework, initiative and/or commitment	
Row 1	We are not a signatory/member of any collaborative framework, initiative and/or commitment related to environmental issues

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
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. The suite of environmental policies have been reviewed in line with the internal policy review cycle. The review has given rise to the inclusion of Biodiversity elements in the relevant policies. These set the group minimum standard expected across the Barloworld Group and considers impacts on biodiversity.

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
Row 1	No, but we plan to do so within the next 2 years

C15.3

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

Impacts on biodiversity

Indicate whether your organization undertakes this type of assessment

No, but we plan to within the next two years

Dependencies on biodiversity

Indicate whether your organization undertakes this type of assessment

No, but we plan to within the next two years

C15.4

(C15.4) Does your organization have activities located in or near to biodiversity- sensitive areas in the reporting year?

Yes

C15.4a

(C15.4a) Provide details of your organization's activities in the reporting year located in or near to biodiversity -sensitive areas.

Classification of biodiversity -sensitive area

Other biodiversity sensitive area, please specify

Kliprivier mill is situated in an area of high biodiversity value.

Country/area

South Africa

Name of the biodiversity-sensitive area

One of Barloworld's facilities in Kliprivier, South Africa is situated in an area of high biodiversity value (Suikerbosrand Nature Reserve). Species within the area are classified as per the IUCN classification (Vulnerable list, Near Threatened list, least concern list). Environmental Impact Assessments are conducted as required by local municipal regulations.

Proximity

Up to 10 km

Briefly describe your organization's activities in the reporting year located in or near to the selected area

The operations in question manufacture unmodified and modified starch, glucose and related products using maize as raw material. The products manufactured at our mills are essential ingredients in the manufacturing processes of various different companies, in many industries such as food and beverages, paper manufacturing, pharmaceuticals, building materials and adhesives.

Indicate whether any of your organization's activities located in or near to the selected area could negatively affect biodiversity

Yes, but mitigation measures have been implemented

Mitigation measures implemented within the selected area

Project design

Physical controls

Operational controls

Explain how your organization's activities located in or near to the selected area could negatively affect biodiversity, how this was assessed, and describe any mitigation measures implemented

To the extent that operations are in areas of high biodiversity value, activities are conducted under the approved Environmental Management Programme report and internal Biodiversity Management plans. All necessary precautions are taken by the applicable sites to ensure that the negative environmental and social impacts related to mining are mitigated on an ongoing basis.

Classification of biodiversity -sensitive area

Other biodiversity sensitive area, please specify

Our Equipment operations operate a maintenance and repair site on customer mining properties that are adjacent to the Kruger National Park (KNP) in South Africa.

Country/area

South Africa

Name of the biodiversity-sensitive area

Our Equipment operations operate a maintenance and repair site on customer mining properties that are adjacent to the Kruger National Park (KNP) in South Africa.

Proximity

Up to 5 km

Briefly describe your organization's activities in the reporting year located in or near to the selected area

Our Equipment operations operate a maintenance and repair site on customer mining properties that are adjacent to the Kruger National Park (KNP) in South Africa. The extent of property is approximately 3sq kilometres. The operations on this do not adversely impact the neighbouring KNP.

Indicate whether any of your organization's activities located in or near to the selected area could negatively affect biodiversity

Yes, but mitigation measures have been implemented

Mitigation measures implemented within the selected area

Project design
Physical controls
Operational controls

Explain how your organization's activities located in or near to the selected area could negatively affect biodiversity, how this was assessed, and describe any mitigation measures implemented

Barloworld operations do not directly affect terrestrial fresh water or marine environments. As Barloworld sites are primarily in industrialised and urbanised areas, they do not impact on protected areas or areas with high biodiversity value. The group has therefore not needed to address biodiversity protection or rehabilitation matters during the year, nor have its activities affected threatened species or their habitat. We will continuously consider these aspects in constructing or renovating facilities in future. Where operations are situated in areas of high biodiversity, the necessary impact assessments are conducted, and approvals obtained.

Our Equipment operations operate a maintenance and repair site on customer mining properties that are adjacent to the Kruger National Park (KNP) in South Africa. The extent of property is approximately 3sq kilometres. The operations on this do not adversely impact the neighbouring KNP. Despite the insignificant direct impact our operations have on biodiversity, we remain mindful that the use of some of our products may have an indirect impact on biodiversity through climate change. To the extent that operations are in affected mining areas, activities are conducted under the approved Environmental Management Programme report and internal Biodiversity Management plans. All necessary precautions are taken by the applicable mine to ensure that the negative environmental and social impacts related to mining are mitigated on an ongoing basis. Annual Performance Assessments reports or internal audits are conducted to ensure compliance to these commitments and

submitted to the South Africa Department of Mineral Resources and Energy (DMRE). Direct and indirect impact to biodiversity is addressed as part of the Environmental Impact Assessment (EIA) specialist studies stage, of which application mitigations due to Barloworld Equipment are adhered to and monitored by the customer.

C15.5

(C15.5) 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?	
Row 1	No, we are not taking any actions to progress our biodiversity-related commitments, but we plan to within the next two years


C15.6

(C15.6) 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	

C15.7

(C15.7) 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 62 - 65 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...."  1



 1worldwide-code-of-conduct-2020.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