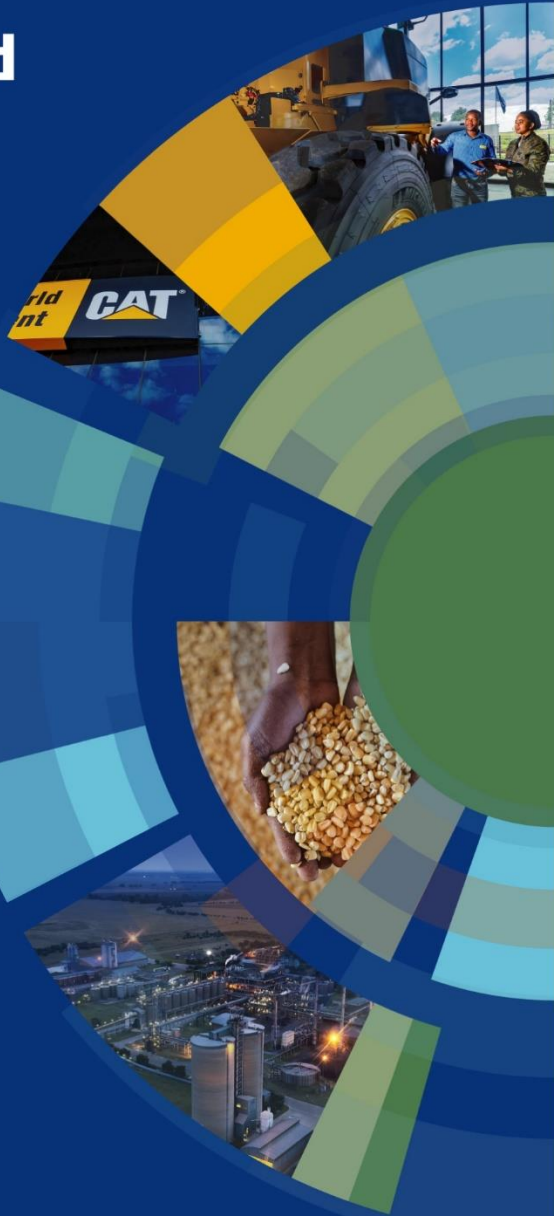




Barloworld



ESG update

For the 12 months ended
30 September 2024

Barloworld continues to deliver on
our strategic lever of fixing and
optimising our existing business
portfolio to ensure we extract our
full potential

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Forward looking statements: Barloworld may, in this document, make certain statements that are not historical facts that relate to analyses and other information based on forecasts of future results and estimates of amounts not yet determinable. These statements may also relate to our future prospects, developments and business strategies. Examples of such forward-looking statements include, but are not limited to, statements regarding exchange rate fluctuations, volume growth, increases in market share, return on invested capital, growth opportunities, capital distribution and cost reductions, including in connection with our business performance outlook. Words such as “believe”, “anticipate”, “expect”, “intend”, “seek”, “will”, “plan”, “could”, “may”, “endeavour”, “target”, “forecast” and “project” and similar expressions are intended to identify such forward-looking statements but are not the exclusive means of identifying such statements. By their very nature, forward-looking statements involve inherent risks and uncertainties, both general and specific, and there are risks that the predictions, forecasts, projections, and other forward- looking statements will not be achieved. If one or more of these risks materialise, or should underlying assumptions prove incorrect, our actual results may differ materially from those anticipated. You should understand that a number of important factors could cause actual results to differ materially from the plans, objectives, expectations, estimates and intentions expressed in such forward-looking statements.



1

Introduction and strategic alignment



RESPECT
FOR PEOPLE,
SOCIETY AND
ENVIRONMENT

Barloworld's role as a responsible corporate citizen includes adopting responsible business practices and alleviating socio-economic challenges in the territories in which it operates. We recognise that our corporate activities today will influence and impact the world of tomorrow.

The various initiatives we have implemented across the group, include the **Barloworld Business System (BBS)***, the key tenets of which are continuous improvement, the reduction or elimination of waste, and respect for people, society and the environment.

Sustainable development underpins the group's Strategic Framework. This integrated approach drives performance and accountability for people, planet and profits as we strive towards our strategic ambitions and carry out our day-to-day activities.

Barloworld's key stakeholders include our investors and funders, customers, employees and unions, business partners, society, government and regulators.

The increased focus on ESG supports integrated thinking, recognises the interrelatedness of economic, environmental, social and governance aspects and the need to manage the company's impact on the natural environment, its responsibilities to the communities in which it operates and its employees.

Barloworld recognises that while the group's operations are impacted positively and negatively by its external environment, its activities may impact its external environment, including the natural environment and the communities in which it operates, both positively and negatively. Our stakeholder engagement processes include the identification of material environmental, social and governance issues raised by stakeholders, which are addressed at the appropriate executive and management level and overseen by the Board.

Please refer to the 'Engaging our stakeholder' section of the [2024 Barloworld Integrated Report](#)

*THE ROLE OF THE
BARLOWORLD BUSINESS
SYSTEM

(BBS)

IN CREATING VALUE

To facilitate the effective execution of our group strategy and our ability to create sustainable value for our stakeholders we developed the Barloworld Business System (BBS). The purpose of BBS is to achieve a leadership style and culture that speaks the same language, is based on respect for people, society and the environment, and continuous improvement so that we deliver the value our customers require.

Please refer to the 'The role of BBS in creating value' section of the [2024 Barloworld Integrated Report](#)



About our report

This report details the activities of Barloworld and its subsidiaries (the group). Barloworld is headquartered in Johannesburg, South Africa and is listed on the Johannesburg Stock Exchange (JSE).

Scope and boundary

This integrated report covers the performance of Barloworld Limited for the financial year ended 30 September 2024 for all geographic regions in which the Barloworld group and its subsidiaries operate. The consolidated data incorporates the company and all entities controlled by Barloworld as if they are a single economic entity. There are no other entities over which the group has significant influence that it believes should be included in the report. Financial and non-financial performance data reflected in this report is for continuing operations only, unless otherwise stated. Any material events up to the board approval date on 5 December 2024 are also included.

The integrated reporting boundary covers:

Industrial Equipment and Services:

Barloworld Equipment offers earthmoving equipment, industrial services, and power systems:

Equipment southern Africa has operations in Angola, Botswana, Eswatini, Lesotho, Malawi, Mozambique, Namibia, South Africa, Zambia, Zimbabwe, and the Democratic Republic of the Congo's (DRC) Katanga province through a joint venture with Bartrac.

Equipment Eurasia operates in Russia (Siberia) under the Vostochnaya Technica (VT) brand and in Mongolia under the Equipment Mongolia brand.



Consumer Industries:

Ingrain, which has operations in South Africa and a presence in Australia, provides large local and international enterprises with ingredients essential to manufacturing a range of products, including food and beverages, paper, pharmaceuticals, building materials, and adhesives.



2

Operating model

Please refer to the 'Our key ESG metrics' and 'Double materiality' sections of the [2024 Barloworld Integrated Report](#)

Please refer to the 'Leadership' section of the [2024 Barloworld Integrated Report](#)

2.1 Material ESG matters

Material ESG issues are assessed through a materiality assessment process that considers ESG impacts, both positive and negative on our external stakeholders and natural environment and on Barloworld's operations and its people.

The identification of these issues helps the group focus on and address matters with the potential to impact our business. The Executive Committee and Board have oversight over the outcomes of the assessment.

2.2 Governance

The board and the executive committee are committed to doing business ethically, while also building a sustainable company that recognises the short and long-term impact of its activities on the economy, society and the environment.

The board is responsible for governing the ethics of the group. This supports

the establishment of an ethical corporate culture, including guiding and monitoring the group's ESG approach. The social, ethics and transformation committee, supported by the executive committee, ensures that the relevant policies are embedded and that governance around policies is monitored.

In turn, executive management is responsible for embedding an ethical and responsible culture that protects the interests of the group and its stakeholders.



3

Progress report on material ESG aspects

The table below is not intended to be exhaustive but rather to provide a high-level synopsis of ESG matters identified as material to the Barloworld group and to provide information on the action the group has taken to address these issues.

This ESG update is to be read in conjunction with Barloworld's 2024 suite of reports, including

- [Integrated Report](#)
- [Annual Financial Statements](#)
- [Remuneration Report](#)
- GRI content index and responses
- Voluntary [Carbon Disclosure Project \(CDP\)](#) climate change and water security responses

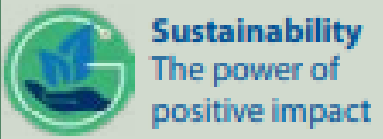





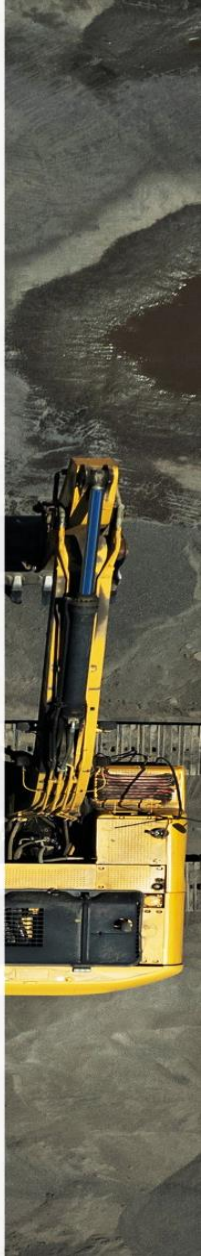
Our commitment to sustainability and creating enterprise value:

Barloworld strives for excellence in every facet of our commitment to intentional environmental stewardship, our proactive societal role, and our governance and leadership approach, which we perceive to be a facilitator for our business. The capital we dedicate to our environmental and social initiatives aids in realising our vision of generating lasting economic and social value for all our stakeholders.





Our key ESG metrics

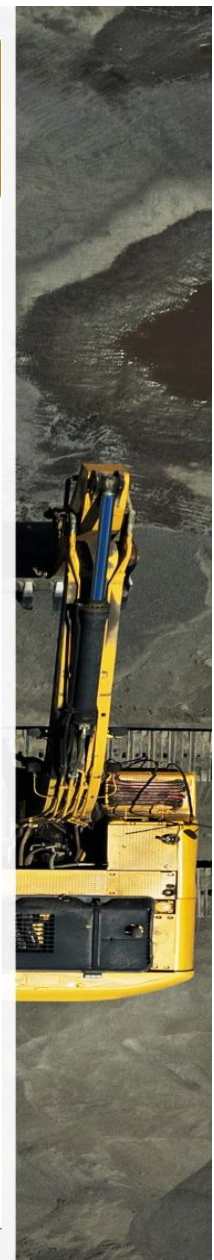
To assess the impact of our ESG focus, we measure or monitor, where applicable, the metrics set out in the table that follows:

   				
Material aspect	Group Frameworks and Policies in place	Board Oversight Committee	Target/s and performance	Initiatives
Climate change	<ul style="list-style-type: none"> Environmental Sustainability Framework Group Climate Change Policy 	<ul style="list-style-type: none"> SETC¹ 	<ul style="list-style-type: none"> Greenhouse gas emissions (GHG)(Scope 1 and 2) (against business-as-usual consumption): <ul style="list-style-type: none"> o Annualized Targeted: 6% improvement o FY2024 Actual: 0.2% increase (Target Not Met) Renewable energy consumption (Solar PV): <ul style="list-style-type: none"> o FY2024: 4 142MWh (Target Met) o Target: 1 764MWh 	<ul style="list-style-type: none"> Divisional Climate Change impact assessments conducted and managed within ERM framework and process Businesses addressing risks and opportunities identified through implementation of various projects, including switching to renewable energy (Solar PV) Green building design incorporated into construction
Products and services <ul style="list-style-type: none"> Shifts in consumer behaviour for lower carbon and energy products 	<ul style="list-style-type: none"> Strategic Framework Environmental Sustainability Framework 	<ul style="list-style-type: none"> Risk Committee 	<ul style="list-style-type: none"> 85% of sold components were remanufactured, with the balance being new component sales 	<ul style="list-style-type: none"> Investment in component remanufacture and rebuild centres Ongoing customer engagement to understand shifts in demand



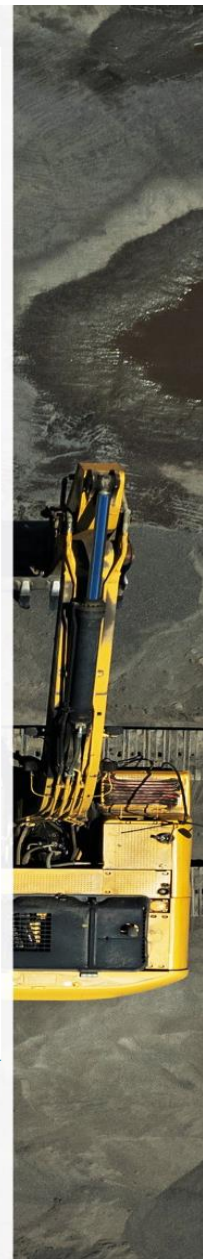
Progress report on material ESG aspects - 2024

Environment				
   				
Material aspect	Group Frameworks and Policies in place	Board Oversight Committee	Target/s and performance	Initiatives
Waste: <ul style="list-style-type: none"> Hazardous waste Water 	<ul style="list-style-type: none"> Environmental Sustainability Framework Group Waste Management Policy Group Water Use and Management Policy 	<ul style="list-style-type: none"> SETC¹ 	<ul style="list-style-type: none"> 100% of solid and liquid waste disposed through formal waste disposal service providers Water (municipal sources & borehole): The group set an efficiency improvement target of 15% to be achieved by FYE2027 from the 2021 baseline 98.98% of solid and 100% liquid waste disposed through formal waste disposal service providers 81% of our solid waste and 57% of our liquid waste were recycled, reused, remanufactured, composted and benefited Water Efficiency (against business-as-usual consumption): <ul style="list-style-type: none"> Annulised Targeted: 6% improvement FY2024 Actual: improved by 3% against business-as-usual (Target Not Met) 3% (78ML) reduction in absolute year-on-year reduction in water withdrawal (municipal + borehole) 	<ul style="list-style-type: none"> Reduce waste generated Landfill avoidance Responsible waste disposal Recycling Extended product life cycle/ Circular economy (Reman & Rebuild) Water filtration and treatment prior to disposal Appointment of appropriately qualified waste management service providers
Resource: <ul style="list-style-type: none"> Water Electricity Coal Gas 	<ul style="list-style-type: none"> Environmental Sustainability Framework Group Waste Management Policy Group Water Use and Management Policy 	<ul style="list-style-type: none"> SETC¹ 	<ul style="list-style-type: none"> Non-renewable Energy Efficiency (against business-as-usual consumption): <ul style="list-style-type: none"> Annulised Targeted: 6% improvement FY2024 Actual: improved by 1% against business-as-usual (Target Not Met) 2.5% (-5 MWh) year-on-year reduction in Electricity consumption 3% (78ML) reduction in absolute year-on-year reduction in water withdrawal (municipal + borehole) 	<ul style="list-style-type: none"> Intensity measurements in place to track efficiencies Water effluent treatment considerations Switching to alternate (lower emission/renewable energy) sources of energy Water recycling, rainwater harvesting capacity



Progress report on material ESG aspects - 2024

Social				
 Sustainability The power of positive impact  Commitment The power of responsibility  Excellence The power of high performance  3 GOOD HEALTH AND WELL-BEING  4 QUALITY EDUCATION  5 GENDER EQUALITY  10 REDUCED INEQUALITIES				
Material aspect	Group Frameworks and Policies in place	Board Oversight Committee	Target/s and performance	Initiatives
Employees: <ul style="list-style-type: none"> Safety, health and wellness 	<ul style="list-style-type: none"> Group Health and safety policy Wellness Strategy 	<ul style="list-style-type: none"> SETC¹ 	<ul style="list-style-type: none"> Work-related fatalities FY2024: Two (Target Not Met) FY2023: Zero LTIFR: FY2024: 0.11 (Target Met) FY2023: 0.17 Use of our new employee assistance programme focusing on holistic wellness increased 141% 	<ul style="list-style-type: none"> Barloworld Business Systems tools leveraged (A3 and Bowler) to track performance and countermeasures Safety Gembas / Visible Felt Leadership Standard Operating Procedures Employee Wellness Strategy being enhanced Employee Engagement Surveys and continuous improvement action plans aimed at ensuring Barloworld becomes Employer of Choice Business aligned Employee Performance Management practices Safety Targets and performance tracking at EXCO Inclusion of Safety, D&I and other ESG targets in EXCO and senior management scorecards ESG aligned Executive Incentive scheme Performance-based and pay equity focused remuneration practices Talent reviews and succession planning for strategic, critical, and scarce roles Various technical skills training and leadership development programmes D&I related targets leveraged for funding (Gender Linked Bond) Safety Target leveraged in Sustainability Linked Finance

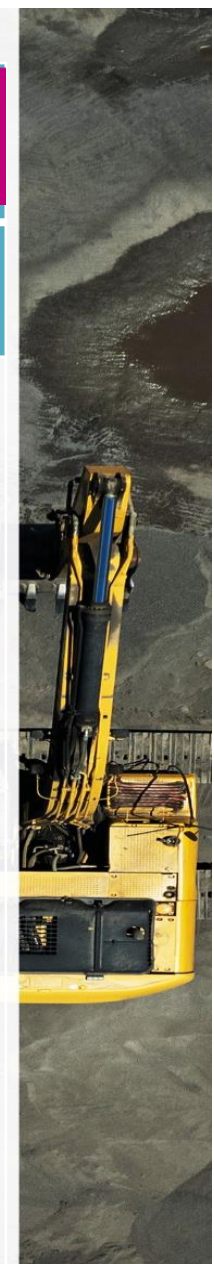


Progress report on material ESG aspects - 2024

Social

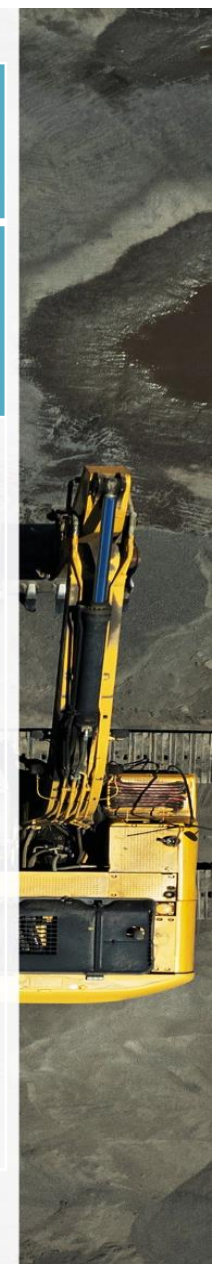


Material aspect	Group Frameworks and Policies in place	Board Oversight Committee	Target/s and performance	Initiatives
Employees: <ul style="list-style-type: none"> • Skills development • Training and development • Performance management • Talent management and succession planning • Human rights • Fair and responsible remuneration • Diversity and inclusion (D&I) • Employee engagement 	<ul style="list-style-type: none"> • Employee Wellness Strategy • Group Human Rights Policy • Group Health and Safety Policy • Group Remuneration Policy (IR) • Group Talent Management Framework and Policy • Group Performance Management Policy Barloworld Harassment Policy 	<ul style="list-style-type: none"> • SETC¹ • Remuneration Committee 	<ul style="list-style-type: none"> • FY2024: 239 people were enrolled in apprenticeships, internships and learnerships at Barloworld during • FY2024: 124 young people were beneficiaries of our Young Talent Programme in South Africa • Gender diversity in leadership throughout the organisation: FY2024: 52.54% (Target Met) • Discretionary Spend procurement from black women-owned suppliers: 15.0% by 30 September 2025 • Percentage of procurement spend with ≥30% black women owned businesses in our South African supply chain : FY2024: 19.07% (Target Met) • Our people investment included R53.4 million in training and development • One Barloworld Deployed Employee Engagement Survey: • 81.7% employees in the Group participated in the survey • Happy Job survey (VT operation only): 79% employees in VT participated in the survey • SEED (Sustainable Evolution Executive Development Programme) in partnership with GIBS Business School: 88 senior leaders participating 	<ul style="list-style-type: none"> • Enrolment in apprenticeships, internships and learnerships • Beneficiaries of our Young Talent Programme • Awarding of external and internal bursaries • Training and development contributing to a just transition throughout the group • Employee Wellness Strategy being enhanced • Employee Engagement Surveys and continuous improvement action plans aimed at ensuring Barloworld becomes Employer of Choice • Business aligned Employee Performance Management practices • Inclusion of Safety, D&I and other ESG targets in EXCO and senior management scorecards • ESG aligned Executive Incentive scheme • Performance-based and pay equity focused remuneration practices • Talent reviews and succession planning for strategic, critical, and scarce roles • Various technical skills training and leadership development programmes D&I related targets leveraged for funding (Gender Linked Bond) • Young talent pipeline • SEED: 88 senior leaders participating • The PJB Learning Academy, which provides training for our employees and the employees of our customers, trained 6 133 people



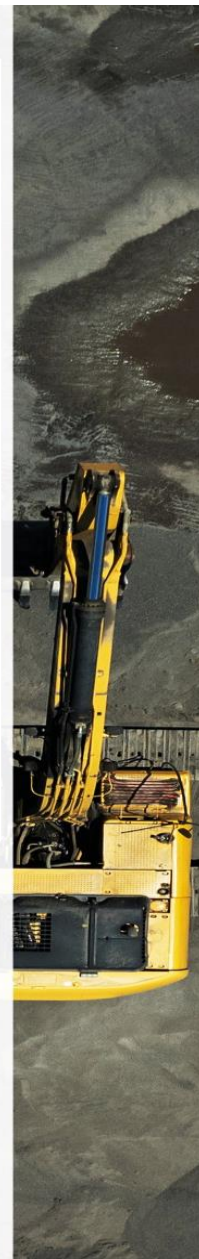
Progress report on material ESG aspects - 2024

Social				
 Commitment The power of responsibility  Excellence The power of high performance  1 NO POVERTY  2 NO HUNGER  4 QUALITY EDUCATION				
Material aspect	Group Frameworks and Policies in place	Board Oversight Committee	Target/s and performance	Initiatives
Communities <ul style="list-style-type: none"> Economic transformation Community engagement Social upliftment Education programmes 	<ul style="list-style-type: none"> Stakeholder Engagement Policy CSI Policy 	SETC	<ul style="list-style-type: none"> Siyakhula contributed R16 million to fund 46 beneficiaries as part of our ESD programme. The multiplier effect of our contributions provided 896 individuals with much-needed employment opportunities. The Trust's social impact portfolio is diverse, with an investment of R5.8 million across the various focus areas CSI Spend: <ul style="list-style-type: none"> FY2024: R13m FY2023: R12m 239 people were enrolled in apprenticeships, internships and learnerships at Barloworld during 124 young people were beneficiaries of our Young Talent Programme in South Africa Our people investment included R53.4 million in training and development 	<ul style="list-style-type: none"> Corporate Social Investment (CSI) spend (1% Net profit after tax (NPAT)) Enrolment in apprenticeships, internships and learnerships Beneficiaries of our Young Talent Programme Awarding of external and internal bursaries Training and development contributing to a just transition throughout the group Supplier and enterprise development programme Barloworld Trust: The Trust's social investment engages a holistic approach to development to ensure measurable and sustainable impact over time.







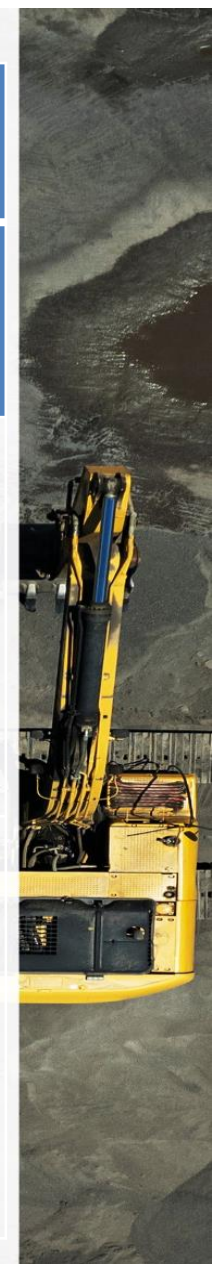
Progress report on material ESG aspects - 2024

Social				
 Commitment The power of responsibility				
 Excellence The power of high performance				
 3 GOOD HEALTH AND WELL-BEING				
 12 RESPONSIBLE CONSUMPTION AND PRODUCTION				
Material aspect	Group Frameworks and Policies in place	Board Oversight Committee	Target/s and performance	Initiatives
Customer: <ul style="list-style-type: none"> Product safety and quality Privacy and data security Customer satisfaction 	<ul style="list-style-type: none"> Group Privacy Statement Information Security and Risk Mandate 	<ul style="list-style-type: none"> SETC¹ Risk Committee 	<ul style="list-style-type: none"> Divisional specific customer satisfaction scores, Net Loyalty Scores in place 	<ul style="list-style-type: none"> Compulsory IT training, includes Data Privacy and Security aspects Customer satisfaction tracked against divisional targets Relevant product certifications in place e.g., Food Safety, ISO, etc.



Progress report on material ESG aspects - 2024

Governance				
 Integrity The power of honesty				
 Excellence The power of high performance				
 5 GENDER EQUALITY				
 9 INDUSTRY, INNOVATION AND INFRASTRUCTURE				
Material aspect	Group Frameworks and Policies in place	Board Oversight Committee	Target/s and performance	Initiatives
Effective control	<ul style="list-style-type: none"> Board Diversity Policy Barloworld Limited Corporate Governance Framework Remuneration Policy (IR) Governance report (IR) Barloworld Worldwide Code of Conduct Barloworld Regulatory Compliance framework 	<ul style="list-style-type: none"> Remuneration Committee Nominations Committee Board Audit Committee SETC¹ Risk Committee 	<ul style="list-style-type: none"> Board Composition targets: ≥50% female representation (FY24 Actual: 50% female representation) ≥50% of Black South Africans (FY24 Actuals: 83% Black South African Board members) 	<ul style="list-style-type: none"> Regular review of Code of Conduct for relevance Regular review of sub-committee terms of reference for alignment and relevance Inclusion of ESG in Executive Performance Management and Remuneration philosophy, Policy and practices
Legitimacy	<ul style="list-style-type: none"> Corporate Governance Framework Stakeholder engagement policy Group Tax Policy Group Tax Risk Management Policy Group Provisioning Policy Group Transfer Pricing policy UK Group Tax Strategy Consolidated AFS 	<ul style="list-style-type: none"> SETC¹ Audit Committee Risk Committee 	<ul style="list-style-type: none"> Transparent Tax related disclosures Disclosures and Assurance practices aligned to global frameworks, standards and meet internal and external stakeholder expectations 	<ul style="list-style-type: none"> Tax Strategy in place Suite of integrated reporting (IR, AFS, GRI, Website, results presentations) Stakeholder engagements Evolving Combined Assurance Approach



Progress report on material ESG aspects - 2024

Governance				
 Integrity The power of honesty				
 Excellence The power of high performance				
 5 GENDER EQUALITY				
 9 INDUSTRY, INNOVATION AND INFRASTRUCTURE				
Material aspect	Group Frameworks and Policies in place	Board Oversight Committee	Target/s and performance	Initiatives
Ethical Culture	<ul style="list-style-type: none"> • Barloworld Worldwide Code of Conduct • Group Anti-Bribery and Corruption Policy • Gifts and Hospitality Policy • Hosting of Customer Events Policy • Group Conflicts of Interest Policy • Global Whistle-Blowing Policy • Marketing Sponsorships Policy • Group Anti-Fraud Management Policy • Ethics and Compliance Framework 	<ul style="list-style-type: none"> • SETC¹ • Audit Committee • Risk Committee 	<ul style="list-style-type: none"> • Calls made to the Barloworld Ethics Line: <ul style="list-style-type: none"> ○ 39% of the closed calls were substantiated, ○ 48% were unsubstantiated; and ○ 13% were inconclusive • 145 ethics calls were received: <ul style="list-style-type: none"> ○ 47% being human resources related • Total substantiated closed calls, resulted in: <ul style="list-style-type: none"> ○ 15 dismissals; ○ 6 written warnings; ○ 10 final written warnings, and criminal cases were opened for fraud, corruption and theft 	<ul style="list-style-type: none"> • On-going training and communication interventions to enhance ethical culture • Ethics survey conducted and processes in place to close identified gaps • Tone at the top constantly reinforced Anti-competitive behaviour training in place • Independent Whistleblowing Facility • To promote this mantra and to foster a unified ethical culture, the following measures have yielded positive results: <ul style="list-style-type: none"> ○ Quarterly ethics community meetings with the divisional ethics champions ○ A monthly ethics newsletter, which is disseminated group-wide ○ A centralised tip-offs case management system ○ Group-wide virtual and in-person training sessions on sexual harassment; harassment and bullying; and ethics and compliance policies ○ Awareness campaigns on malicious reporting vs protected disclosures; conflicts of interest; retaliation; gifts and hospitality; fraud; theft; and anti-bribery and corruption.
Risk Management	<ul style="list-style-type: none"> • Ethics and Compliance Framework • Risk Management Philosophy • Risk Management Universe • Risk Management Plan • Risk Management Policy 	<ul style="list-style-type: none"> • Risk Committee 	<ul style="list-style-type: none"> • Risk Intelligence and Resilience 	<ul style="list-style-type: none"> • Risk Universe incorporates ESG aspects

4

Assurance

The group adopts a combined assurance approach to its ESG reporting, in pursuit of accurate, complete and credible reporting and disclosures.

The assurance process, which is aligned to global practices and stakeholder expectations, continues to evolve.

Refer page 88 of the [Barloworld Integrated Report](#) for Assured ESG KPIs



5

Conclusion

Barloworld's entrenched stakeholder engagement processes enable proactive engagement and early identification of material ESG issues which are proactively addressed and incorporated into its strategic and operational processes.

Good progress has been made in addressing identified material ESG issues. The group's approach remains agile and it is ready to adapt rapidly to changes in its operating environment and stakeholder expectations.



6

Ongoing progress

Barloworld continues exploring ways in which it can create enduring economic and social value for our stakeholders. The executive team and the board remain committed to delivering on the group's role as a responsible corporate citizen providing products, services and solutions that generate sustainable outcomes.

The group's approach to ESG continues to evolve and develop. It is aligned to recognized sustainability-related frameworks and is guided by stakeholder expectations regarding ESG.

We continue to look for ways to improve our ESG performance, inspire a world of difference and enable growth and progress in society and will report on progress in this regard as and when we progress initiatives.



Corporate Information

Barloworld Limited

(Incorporated in the Republic of South Africa)
(Registration number 1918/000095/06) (Income Tax Registration number 9000/051/71/5)
(JSE Share code: BAW) (JSE ISIN: ZAE000026639)
(Share code: BAWP) (A2X code: BAW)
(JSE ISIN: ZAE000026647)
(Bond issuer code: BIBAW)
("Barloworld" or the "company" or the "group")

Registered office and business address

Barloworld Limited 61 Katherine Street
PO Box 782248
Sandton, 2146, South Africa T +27 11 445 1000
E bawir@barloworld.com

Directors

Non-executive
NN Gwagwa (Chairman), N Chiaranda[^], NP Mnxasana, NV Mokhesi,
H Molotsi, V Nkonyeni, B Odunewu*, P Schmid

Executive directors

DM Sewela (Group Chief Executive Officer), N Lila (Group Finance Director)
[^]Italy, *Nigeria

Group Company Secretary

Nomini Rapoo

Group Investor Relations

Kgaugelo Legoabe-Kgomari
investor@barloworld.com

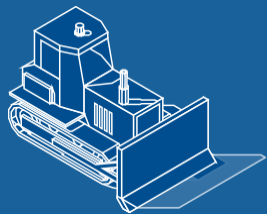
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Sponsor

Nedbank Corporate and Investment Banking
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