



BARLOWORLD CLIMATE CHANGE POLICY

Preamble

Barloworld is a distributor of leading international brands providing integrated rental, fleet management, product support and logistics solutions.

By representing leading global original equipment manufacturers (OEMs) and brands, Barloworld participates in supply chains that support and align to its environmental and sustainability objectives.

The group is concerned about climate change, appreciates the causal link between greenhouse gas emissions and climate change, and understands the need for it to be addressed. Reducing its environmental and carbon impact is central to its strategic ambitions, its sustainable value creation approach and making a world of difference to its stakeholders.

As a responsible corporate citizen Barloworld:

- Recognises with concern scientific evidence that points to adverse impacts that human and business activity is having on the planet, particularly in the area of climate change
- Recognises that climate change poses a serious threat to sustainability
- Recognises the importance of the United Nations’ Framework Convention on Climate Change and related protocols and agreements
- Acknowledges, that as an international organisation, it has a role to play in implementing measures that will contribute to the mitigation of these negative impacts
- Encourages all its stakeholders to consider positive steps they may take with regards to climate change and related impacts
- Participates in its value-chain to promote climate change awareness and appropriate responses
- Incorporates climate change and related considerations in its strategic framework.

This approach aligns with the group’s Code of Ethics, its Worldwide Code of Conduct, the Barloworld Environmental Policy, the Barloworld Energy Efficiency Policy, the Barloworld Water Use and Management Policy, the Barloworld Waste Management Policy and with its commitment to being a responsible corporate.

Policy

As part of its business model, Barloworld strives to minimise the impacts of its operations on climate change. Climate change considerations form an integral part of daily business activities including risk management, strategic planning, capital expenditure, investments and operating procedures.

Barloworld has established clear reporting structures in all divisions that culminate in compliance with relevant legislation and adherence to this policy. Material non-

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compliance will be reported to the Risk and Sustainability Committee, and thereafter to the Board of Directors.

Barloworld appreciates its role in addressing climate change and throughout all its operations the group is committed to:

- Addressing its activities that contribute to climate change
- Monitoring its greenhouse gas emissions
- Monitoring its consumption of non-renewable energy and fossil fuels
- Extending its Shared Value principles to support initiatives that are aimed at minimising its negative contribution to climate change

In all its divisions, Barloworld will publish divisional Climate Change Policies appropriate to the business of each division, subordinate to this company policy, which will, inter alia:

- Establish clear accountability for climate change performance with top management, as a part of good corporate governance
- Require compliance with relevant environmental laws, other standards and codes of practice to which the company subscribes
- Where practicable, ensure optimisation of resource utilisation, with specific focus on non-renewable resources and fossil fuels, and minimise greenhouse gas emissions and waste
- Ensure that climate change considerations form part of the company's overall risk management processes
- Ensure environmental considerations, including climate change impacts are incorporated into its facilities and maintenance cycles, as well as expansion projects and acquisitions
- Promote climate change awareness within company operations
- Require the maintenance of open dialogue with stakeholders, including customers and suppliers to promote climate change mitigation
- Develop contingency procedures to deal with unscheduled occurrences and community concerns.

Barloworld will continue to assess its physical, regulatory, reputational and financial risks associated with climate change and, where practicable, adapt its operations, processes and procedures accordingly. It will also pursue relevant identified opportunities where practicable.

Material aspects related to climate change are reportable to the Barloworld Risk and Sustainability Committee, a sub-committee of the Barloworld Board of Directors.

All operations within the Barloworld Group are expected to uphold the principles contained within this policy which is to be read with the Barloworld Environmental Policy, the Barloworld Water Use and Management Policy, the Barloworld Energy Efficiency Policy and the Barloworld Waste Management Policy.

Barloworld is committed to measuring and reporting its progress in terms of this policy.

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GUIDING PRINCIPLES THAT GOVERN BARLOWORLD

CLIMATE CHANGE MANAGEMENT

1. The Chief Executive Officer and Board of Directors in each division are the environmental champions and are responsible and accountable for climate change management.
2. Climate change aspects are an integral part of management in the company and are recognised as a corporate priority. Implemented processes ensure that the Chief Executive Officer and Board of Directors remain fully informed about all pertinent environmental issues, including those relating to climate change.
3. Relevant climate change indicators are measured and monitored. Each division is to continuously seek ways to better manage and reduce its contribution to climate change.
4. Barloworld appreciates the role and responsibilities it has to climate change mitigation and adaptation, and is cognisant of its responsibility for all its products and services, raw material usage and disposal of waste products after use. Where practicable Barloworld will make sustainable use of renewable resources and, wherever practicable, use renewable or recyclable materials. In addition, the company will promote the efficient and optimal use of finite resources and energy, thereby conserving such resources.
5. All operations shall comply with the following principles and initiatives:
 - Measurement and reporting of material environmental indicators including their carbon footprint
 - Appropriate targets are set and initiatives implemented once reliable baselines have been achieved for applicable indicators
 - Monitoring and reporting mechanisms track progress made against set targets
 - Aspirational efficiency improvement targets set for greenhouse gas emissions and non-renewable energy consumption
 - Monitoring of global climate change trends, related impacts and risks
 - Independent verification of reported material climate change data through internal and external audits
 - Minimise greenhouse gas emissions and offset where appropriate.
6. Climate change assessments will form part of significant new projects and of the planning phase for modifications to existing operations.
7. All operations will be prepared for emergencies. Barloworld divisions will strive to appropriately communicate, with those affected by conditions caused by the company that endangers the environment through climate change.

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