

Welcome to your CDP Water Security Questionnaire 2023

W0. Introduction

W0.1

(W0.1) Give a general description of and introduction to your organization.

Barloworld is an industrial processing, distribution, and services company with two primary areas of focus: Industrial Equipment & 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
- Aims to enhance competitiveness while simultaneously advancing economic and social conditions of communities

- Requires looking at business decisions and opportunities through the lens of shared value
- Leads to new approaches that generate greater innovation and growth.

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

Our strategy consists of:

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

These are underpinned by our Sustainable Development framework.

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

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

BAW's water usage is primarily centred on withdrawals from municipal sources (2 861 ML FY2022), it has placed significant focus on water stewardship and efficiency of use. The water usage has increased by 8% from prior year FY2021. Ingrain which accounts for 94% of the total Group water withdrawals. During the year, we established new divisional- level intensity metrics and targets to allow for enhanced operational management



and efficiencies. These are being refined and we anticipate reporting on progress in the FY2023 financial period. These will address material environmental aspects including water efficiency targets.

W0.2

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

	Start date	End date
Reporting year	October 1, 2021	September 30, 2022

W0.3

(W0.3) 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



W0.4

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

ZAR

W0.5

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

Companies, entities or groups over which financial control is exercised

W0.6

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

No

W0.7

(W0.7) Does your organization have an ISIN code or another unique identifier (e.g., Ticker, CUSIP, etc.)?

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

W1. Current state

W1.1

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

	Direct use importance rating	Indirect use importance rating	Please explain
Sufficient amounts of good quality freshwater available for use	Vital	Important	<p>Direct Use: In FY2022, BAW primary operating segments were the Industrial Equipment and Services and Consumer Industries segments. The nature and volumes of water-use varies significantly between the various segments. Within the Industrial Equipment and Services and other segments (SMD and Corporate Office), water is predominately used for washing vehicles, plant, and equipment, which does not necessarily require freshwater. The respective segment constituted 5.6% and 0.6% of BAW's FY2022 total municipal water withdrawals. Although BAW has water recycling plants, the water from these plants is insufficient to meet all the water needs of Industrial Equipment and Services segment. Within the Consumer Industries segment freshwater is used in the manufacturing process and forms part of wet product. Consumer Industries constituted 93.8% of BAW's FY2022 total municipal water withdrawals. Given the nature of use within the operating segments, sufficient amounts of good quality freshwater are assessed as vital at an aggregated group level. Indirect Use: BAW's suppliers and customers may rely on sufficient amounts of good quality freshwater in the manufacturing process. Without sufficient amounts of good quality freshwater interruptions in supplier / customer operations which could result in an inability to do business and disrupted supply and demand patterns.</p>
Sufficient amounts of recycled, brackish and/or produced water available for use	Neutral	Important	<p>Direct Use: In FY2022, BAW primary operating segments were the Industrial Equipment and Services and Consumer Industries segments. The nature and volumes of water-use varies significantly between the various segments. Within the Industrial Equipment and Services and other segments (SMD and Corporate Office), water is predominately used for washing vehicles, plant, and equipment, which does not necessarily require freshwater. The respective segment constituted 5.6% and 0.6% of BAW's FY2022 total municipal water withdrawals. Although BAW has water recycling plants, the water from these plants is insufficient to meet all the water needs of Industrial Equipment and Services segment. Within the Consumer Industries segment freshwater is used in the manufacturing process and forms part of wet product. Consumer Industries constituted 93.8% of BAW's FY2022 total</p>

			<p>municipal water withdrawals. Given the nature of use within the operating segments, volumes of recycled water are relatively more important in the Industrial Equipment and Services segment than in the Consumer Industries segment. Given that 93.8% of water consumption in within the Consumer Industries segment, we have assessed this as neutral for direct operations. Indirect Use: BAW’s suppliers and customers may rely on recycled or treated water in the manufacturing and mining processes. Many of these suppliers and customers have or are considering implementing water treatment and/or water recycling facilities. Without recycled or treated water, interruptions in supplier / customer operations which could result in an inability to do business and disrupted supply and demand patterns.</p>
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W1.2

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

	% of sites/facilities/operations	Frequency of measurement	Method of measurement	Please explain
Water withdrawals – total volumes	100%	Monthly	Measurement of water withdrawal volumes are measured and tracked through flow metering. The majority (99.6%) of freshwater withdrawals are sourced from municipal and local government water supply systems and have a municipal flow meter at a minimum. In addition to the municipal metering, some operations have installed their own flow meters for internal monitoring and to calibrate against municipal metering. The 0.4% relates to withdrawals from boreholes.	Water withdrawal volumes are measured and monitored as this information is required for management purposes including highlighting exposures and controlling impacts directly affecting BAW’s operational cost. Most water is sourced from municipal and local government water supply systems. The percentage of sites reflected refer to operational sites within BAW’s defined boundary.

<p>Water withdrawals – volumes by source</p>	<p>100%</p>	<p>Monthly</p>	<p>Measurement of water withdrawal volumes are measured and tracked through flow metering. The majority (99.6%) of freshwater withdrawals are sourced from municipal and local government water supply systems and have a municipal flow meter at a minimum. In addition to the municipal metering, some operations have installed their own flow meters for internal monitoring and to calibrate against municipal metering. The 0.4% relates to withdrawals from boreholes.</p>	<p>Water withdrawal volumes are measured and monitored as this information is required for management purposes including highlighting exposures and controlling impacts directly affecting BAW's operational cost. Most water is sourced from municipal and local government water supply systems. The percentage of sites reflected refer to operational sites within BAW's defined boundary.</p>
<p>Water withdrawals quality</p>	<p>76-99</p>	<p>Monthly</p>	<p>Water quality and volume parameters are governed by local municipal by-laws and water permits. Within BAW's Consumer Industries segment, Ingrain predominately uses municipal water supplies. Water quality is monitored internally on a monthly basis and on an annual basis water withdrawal quality is externally analysed against the SANS 241 Standard. Consumer Industries constitutes 93.8% of BAW's FY2022 municipal water withdrawals.</p>	<p>Given the predominate use of water outside of the Consumer Industries segment is for the washing of plant, equipment and vehicles, and ablution facilities, water withdrawal quality is assessed less critical. All other segments accounted for 6.2% of the group's FY2022 water withdrawals.</p>
<p>Water discharges – total volumes</p>	<p>76-99</p>	<p>Monthly</p>	<p>Water discharge volumes are monitored by local government authorities against agree volume and quality parameters. Total water discharged into municipal</p>	<p>Within the Consumer Industries segment, water discharge into the municipal reticulation system is metered to track volumes. Consumer Industries constitutes</p>

			systems (third party) for the period was some 155MI - calculated based on flow metering of discharge (Consumer Industries) and an estimated percentage considering the nature of the operations and recycling capacity installed within Industrial Equipment and Services segment and the Other segment (Corporate and SMD).	93.8% of BAW's FY2022 municipal water withdrawals.
Water discharges – volumes by destination	76-99	Monthly	Across the group, water discharges are monitored by destination. Most water is sourced from municipal and local government supply systems and legally discharged into these systems after required filtration and separation processes. Water discharge volumes in the Consumer Industries segment (which constituted 93.8% of total group water withdrawals), is to the municipal reticulation and is metered.	Across the group, water discharges are monitored by destination. Most water is sourced from municipal and local government supply systems and legally discharged into these systems after required filtration and separation processes.
Water discharges – volumes by treatment method	Less than 1%	Unknown	This is not metered, but principally all water is legally discharged into local municipal reticulation systems after appropriate filtration and treatment. Given the nature of use within the Industrial Equipment and Services, and other segments, water discharge volumes have been assumed to equate to 95% of water withdrawal volumes. Within the Consumer	This is not metered, but principally all water is legally discharged into local municipal reticulation systems after appropriate filtration and treatment. Given the nature of use within the Industrial Equipment and Services, and other segments, water discharge volumes have been assumed to equate to 95% of water withdrawal

			Industries segment, water treatment facilities are being reviewed.	volumes. Within the Consumer Industries segment, treatment facilities are being reviewed. However, similar to the other two segments, water is legally discharged into local municipal reticulation systems after appropriate filtration and treatment. The percentage of sites reflected refer to operational sites within BAW's defined boundary. Discharge quality is monitored by operations and/or local municipal authorities against municipal parameters. Appropriate measures are taken ahead of discharge to align quality to local municipal parameters.
Water discharge quality – by standard effluent parameters	76-99	Monthly	Barloworld does not discharge water directly to any watercourse and/or water resources. Effluent discharged into municipal drains are governed by local authorities and monitored continuously to assess compliance to legal parameters. Additionally, within the Consumer Industries segment, all trade effluent streams are monitored internally on a monthly basis.	In addition to the internal effluent discharge monitoring conducted internally, all Barloworld facilities are subject to local and municipal regulations on effluent parameters.
Water discharge quality – emissions to water (nitrates, phosphates, pesticides, and/or other priority substances)	Not relevant			

Water discharge quality – temperature	76-99	Monthly	Water discharges are monitored by local municipalities in the areas in which we operate. Additionally, within the Consumer Industries segment, all trade effluent streams are monitored internally on a monthly basis, including temperature.	Principally the group's approach is for all water discharge to be within the legal parameters. Water discharges are monitored by local municipalities in the areas in which we operate. Consumer Industries constitutes 93.8% of BAW's FY 2022 municipal water withdrawals and approximately 93% of total water discharges.
Water consumption – total volume	Less than 1%	Monthly	Within the Consumer Industries segment, water is consumed within the manufacturing process and some water forms part of the final product in the case of wet product. This constitutes some 94% of total withdrawals and approximately 99% of water consumption in the group. Within both segments, small volumes of water are consumed by employees, used for gardening, or evaporated during washing, but this is not separately metered.	<p>Within our Industrial Equipment and Services, and other segments, water is predominantly used for washing of vehicles, plant and equipment and does not form part of the product. Essentially all water is appropriately filtered, treated, and discharged back into the local municipal reticulation systems. Given the nature of use and operations, consumption volumes have been assumed to equate to 5% of water withdrawal volumes.</p> <p>Within the Consumer Industries segment, water is consumed within the manufacturing process and some water forms part of the final product in the case of wet product. This constitutes some 94% of total withdrawals and approximately 99% of water consumption</p>

				<p>in the group.</p> <p>Within both segments, small volumes of water are consumed by employees, used for gardening, or evaporated during washing, but this is not separately metered. The percentage of sites reflected refer to operational sites within BAW's defined boundary.</p>
Water recycled/reused	100%	Monthly	Water recycled volumes are measured and monitored via metering systems as this information is required for management purposes.	While not all sites have recycling facilities, the scope of our monitoring is the whole group. Water recycled volumes are measured and monitored as this information is required for management purposes. The percentage of sites reflected refer to operational sites within BAW's defined boundary.
The provision of fully-functioning, safely managed WASH services to all workers	Not monitored			Facilities providing fully functioning WASH services for workers are not specifically metered. All BAW facilities include WASH services, and these volumes are included in the site / facility volumes reported. Water is predominantly used for washing of vehicles, plant and equipment and does not form part of the product. Essentially all water is appropriately filtered, treated, and discharged back into the local municipal reticulation systems. Small volumes of

				water are consumed by employees (including WASH services), used for gardening, or evaporated during washing, but this is not separately metered. The percentage of sites reflected refer to operational sites within BAW's defined boundary.
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W1.2b

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

	Volume (megalitres/year)	Comparison with previous reporting year	Primary reason for comparison with previous reporting year	Five-year forecast	Primary reason for forecast	Please explain
Total withdrawals	2,861	Higher	Increase/decrease in business activity	Lower	Increase/decrease in efficiency	The total municipal withdrawal for continuing operations reflects an 8% increase in water municipal withdrawals from municipal sources against prior year. The increase results largely from increased activity levels as production levels normalise post COVID related restrictions imposed in the comparative period (FY21). Within the Industrial Equipment and Services and other segments, water is predominately used for washing vehicles, plant and equipment, and a small portion for WASH facilities and gardening. Respectively, these two segments constituted 5.6% and 0.6% of



						<p>BAW's FY2022 total municipal withdrawals. Although BAW has water recycling plants, the water from these plants is insufficient to meet all the water needs of Industrial Equipment and Services segment. Within the Consumer Industries segment freshwater is used in the manufacturing process and forms part of wet product. Consumer Industries constituted 93.8% of BAW's FY2022 total municipal water withdrawals. Water monitoring systems are in place at all major sites to allow monitoring of consumption trends, identification of anomalies and mitigation against excessive and/or unnecessary use. Group set an efficiency improvement target of 15% to be achieved by FYE2027, of a FY2021 baseline, using a business-as-usual scenario. Continuing its commitment to reducing its environmental footprint, water efficiency metrics have been identified and monitored internally to improve efficiency of water usage. While the metrics remain intensity based, given the diversified nature of our operations, the driver for each operation varies as appropriate to its operating context and therefore enhances operational relevance and management of such efficiency metrics at consumption level. These are set at operational and aggregated performance</p>
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						tracked at operational, divisional and group levels on a monthly basis.
Total discharges	1,952	This is our first year of measurement	Increase/decrease in business activity	Lower	Increase/decrease in efficiency	Within Consumer Industries, discharge volumes are metered and monitored. Water forms part of the manufacturing process and part of wet product. Within the Industrial Equipment and Services segment, water is predominately used for the washing of vehicles, plant and equipment, and a small portion used for WASH facilities, gardening, and losses due to evaporation. Within this segment, water discharge is not metered but given the nature of use within the operation, an assumption is made that 5% of water withdrawals are discharged. As discharge volumes are correlated with water withdrawal volumes, the increase in discharge volumes are related to the higher water withdrawal volumes.
Total consumption	923	Higher	Increase/decrease in business activity	Lower	Increase/decrease in efficiency	Water consumption increased by approximately 30% over prior year. Consumer Industries segment contributed 99% of the total water consumption volumes aligned with its 93% contribution to the group water withdrawal volumes and the nature of water use. The increase in consumption volumes are also correlated to the volumes of maize ground which increased by 16% over the same comparative period (FY2022 vs FY2021).

W1.2d

(W1.2d) Indicate whether water is withdrawn from areas with water stress, provide the proportion, how it compares with the previous reporting year, and how it is forecasted to change.

	Withdrawals are from areas with water stress	% withdrawn from areas with water stress	Comparison with previous reporting year	Primary reason for comparison with previous reporting year	Five-year forecast	Primary reason for forecast	Identification tool	Please explain
Row 1	Yes	76-99	About the same	Other, please specify No Material change in geographic footprint	About the same	Other, please specify Water efficiency targets in place	WRI Aqueduct	Barloworld operational footprint spans 14 countries, including southern Africa, Russia, and Mongolia, across two key segments, namely Industrial Equipment and Services, and Consumer Industries. In FY2022, the Consumer Industries segment accounted for some 94% of total water withdrawals and some 99% of total water consumption. Consumer Industries utilising water in the manufacturing of glucose and starch products, and water forms part of wet product. Consumer Industries has four mills, all of which are based in South Africa: three within Gauteng province and one in the Western Cape. Given the above footprint, BAW's South African footprint contributed 94% of water withdrawals and 99% of water consumption. Given the number of BAW

								operations located in South African, BAW has opted to classify its South African operations as one region for the purposes of this assessment. As per the WRI Aqueduct tool, three mills (Germiston, Kliprivier and Meyerton) are classified as low to medium water stress risk and one (Cape Town) is classified as Extremely high-water stress risk. Each of the mill's contribution to the FY2022 BAW group water withdrawals (2 861ML) are Germiston (33%), Kliprivier (42%) and Meyerton (12%) and (Cape Town (7%).
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W1.2h

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

	Relevance	Volume (megalitres/year)	Comparison with previous reporting year	Primary reason for comparison with previous reporting year	Please explain
Fresh surface water, including rainwater, water from wetlands, rivers, and lakes	Relevant but volume unknown				Several water recycling and saving initiatives have been introduced across the Equipment southern Africa regions which includes rainwater harvesting initiatives, but the sites do not have metering in place to meter the total rainwater harvested and utilised.

Brackish surface water/Seawater	Not relevant				Given the nature of BAW's operations this category of water withdrawal is not applicable. This is not anticipated to be applicable in the medium-term. This may change should the group structure change significantly as a result of strategic initiatives.
Groundwater – renewable	Relevant	12	Higher	Other, please specify Borehole water extraction	To reduce reliance and volumes on freshwater supplies from municipal systems, several BAW operations have invested in borehole extraction of water. These are typically used for irrigation and complement supplies for washing of vehicles, plant, and equipment.
Groundwater – non-renewable	Not relevant				Given the nature of BAW's operations this category of water withdrawal is not applicable. This is not anticipated to be applicable in the medium-term. This may change should the group structure change significantly as a result of strategic initiatives.
Produced/Entrained water	Not relevant				Given the nature of BAW's operations this category of water withdrawal is not applicable. This is not anticipated to be applicable in the medium-term. This may change should the group structure change significantly as a result of strategic initiatives.
Third party sources	Relevant	2,861	Higher	Increase/decrease in efficiency	The total municipal withdrawal for continuing operations reflects an 8% increase in water municipal withdrawals from municipal sources against prior year. Within the Industrial Equipment

					and Services and other segments, water is predominately used for washing vehicles, plant, and equipment, which does not necessarily require freshwater. The respective segment constituted 5.6% and 0.6% of BAW's FY2022 total municipal water withdrawals. Consumer Industries constituted 93.8% of BAW's FY2022 total municipal water withdrawals and uses water in the manufacturing process and water form's part of wet products. The Group set an efficiency improvement target of 15% to be achieved by FYE2027, of a FY2021 baseline.
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W1.2i

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

	Relevance	Volume (megaliters/year)	Comparison with previous reporting year	Primary reason for comparison with previous reporting year	Please explain
Fresh surface water	Not relevant				Given the nature of BAW's operations this category of water discharge is not applicable. This is not anticipated to be applicable in the medium-term. Currently, all water discharge is to municipal reticulation system, after appropriate filtration. This may change should the group structure change significantly as a result of strategic initiatives.
Brackish surface water/seawater	Not relevant				Given the nature of BAW's operations this category of water discharge is not applicable. This is not anticipated to be

					applicable in the medium-term. Currently, all water discharge is to municipal reticulation system, after appropriate filtration. This may change should the group structure change significantly as a result of strategic initiatives.
Groundwater	Not relevant				Given the nature of BAW's operations this category of water discharge is not applicable. This is not anticipated to be applicable in the medium-term. Currently, all water discharge is to municipal reticulation system, after appropriate filtration. This may change should the group structure change significantly as a result of strategic initiatives.
Third-party destinations	Relevant	1,952	This is our first year of measurement		<p>Given the nature of BAW's operations, currently, all water discharge is to municipal reticulation system, after appropriate filtration.</p> <p>Within BAW's Industrial Equipment and Services segment, water is predominately used for the washing of vehicles, plant, and equipment. Water is appropriately filtered and discharged into the municipal reticulation system. In addition, there is small portion of water withdrawals (assumed at 5%) that is used in ablution/WASH, consumed by employees, irrigation of gardens and lost to evaporation, i.e. 95% of water withdrawal is discharged back to municipal reticulation. Within BAW's Consumer Industries segment, water is used in the manufacturing process and forms part of wet products. Water discharge is only to municipal reticulation and is metered at all four of Consumer Industries mills.</p>

W1.2j

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

	Relevance of treatment level to discharge	Volume (megaliters/year)	Comparison of treated volume with previous reporting year	Primary reason for comparison with previous reporting year	% of your sites/facilities/operations this volume applies to	Please explain
Tertiary treatment	Not relevant					Principally all water is discharged into local municipal reticulation systems after appropriate filtration and proper treatment. Water discharge is appropriately filtered to municipal standards prior to discharge back into the municipal reticulation. Discharge quality is monitored by operations and/or local municipal authorities against municipal parameters.
Secondary treatment	Not relevant					Principally all water is discharged into local municipal reticulation systems after appropriate filtration and proper treatment. Water discharge is appropriately filtered to municipal standards prior to discharge back into the municipal reticulation. Discharge quality is monitored by operations and/or local municipal authorities against municipal parameters.
Primary treatment only	Relevant	1,952	Higher	Increase/decrease in business activity	91-99	Principally all water is discharged into local municipal reticulation



						<p>systems after appropriate filtration and proper treatment. Water discharge is appropriately filtered to municipal standards prior to discharge back into the municipal reticulation. Discharge quality is monitored by operations and/or local municipal authorities against municipal parameters. Appropriate measures are taken ahead of discharge to align quality to local municipal parameters. Within our Industrial Equipment and Services operations in southern Africa and Eurasia, the minimum standards for the quality of effluent discharged are monitored are in line with against local-laws and/or authorities, i.e. discharge parameters are included in Industrial Effluent Discharge Permits which reflects the quality of effluent that can be discharged from the facility into the municipal sewers. Process water is discharged into the municipality systems for recycling purposes. Water quality standards for Nitrogen (N), Phosphorus (P), pH,</p>
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						<p>suspended solids (SS), chemical oxygen demand (COD) and conductivity (EC) is monitored and inspected by the municipality.</p> <p>Ingrain is a significant consumer of water in that the crops used as inputs must be irrigated and its manufacturing processes require significant volumes of water as direct inputs. At each of its operating units Ingrain draws water directly from municipal supply. To mitigate its water, use in a water scarce country, Ingrain is exploring water treatment technologies over the next five years to reduce its own consumption against a 2021 baseline consumption. Ingrain's trade effluent discharge quality parameters are established by the relevant local authorities within which it operates. Since each operation is situated within a formal, established local or district municipality, Ingrain subjects itself to these by-laws.</p>
Discharge to the natural	Not relevant					Principally all water is discharged into local municipal reticulation



environment without treatment						systems after appropriate filtration and proper treatment. Water discharge is appropriately filtered to municipal standards prior to discharge back into the municipal reticulation. Discharge quality is monitored by operations and/or local municipal authorities against municipal parameters.
Discharge to a third party without treatment	Not relevant					Principally all water is discharged into local municipal reticulation systems after appropriate filtration and proper treatment. Water discharge is appropriately filtered to municipal standards prior to discharge back into the municipal reticulation. Discharge quality is monitored by operations and/or local municipal authorities against municipal parameters. Appropriate measures are taken ahead of discharge to align quality to local municipal parameters.
Other	Not relevant					Not relevant. Principally all water is discharged into local municipal reticulation systems after appropriate filtration

						and proper treatment. Water discharge is appropriately filtered to municipal standards prior to discharge back into the municipal reticulation. Discharge quality is monitored by operations and/or local municipal authorities against municipal parameters. Appropriate measures are taken ahead of discharge to align quality to local municipal parameters.
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W1.3

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

	Revenue	Total water withdrawal volume (megaliters)	Total water withdrawal efficiency	Anticipated forward trend
Row 1	39,376,000,000	2,861	13,763,019.9231038	The calculation for water intensity for continuing operations R39,37bn /2 861ML= 13.76 litres / Rand revenue. Internal performance metrics are in place that track water consumption normalised by a relevant consumption driver. Targets are in place to improve efficiency against a business-as-usual scenario. While these targets are set to enhance water efficiency against applicable consumption drivers e.g. tons input material processed, hours worked, etc these are not directly relatable to revenue.

W1.4

(W1.4) Do any of your products contain substances classified as hazardous by a regulatory authority?

	Products contain hazardous substances	Comment
Row 1	No	Barloworld is an industrial processing, distribution and service 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. Given the nature of BAW's operations none of its products contain substances classified as hazardous by local regulatory authorities.

W1.5

(W1.5) Do you engage with your value chain on water-related issues?

	Engagement
Suppliers	Yes
Other value chain partners (e.g., customers)	Yes

W1.5a

(W1.5a) Do you assess your suppliers according to their impact on water security?

Row 1

Assessment of supplier impact



No, we do not currently assess the impact of our suppliers, but we plan to do so within the next two years

Please explain

Within Barloworld's Industrial Equipment and Services segment, the key supplier is its world-class principal, Caterpillar, which has robust risk management processes, including environmental risks, which form part of its public disclosures. Within the Consumer Industries segment, key suppliers are those that supply maize which is the key input material in the manufacturing process. While BAW does not require its suppliers to separately report on these issues, there is extensive engagement between BAW and its principal and key suppliers, in which operating context, current and/or emerging challenges are discussed. Such engagements will identify challenges, including those related to water. BAW is able to use direct engagement and the publicly available information to assess their approach and as such, separate reporting has not been requested.

W1.5b

(W1.5b) Do your suppliers have to meet water-related requirements as part of your organization’s purchasing process?

	Suppliers have to meet specific water-related requirements	Comment
Row 1	No, and we do not plan to introduce water-related requirements within the next two years	Suppliers do not have to meet water-related requirements as part of Barloworld’s purchasing process. However, suppliers are expected to uphold the principals and behaviours as contained in the Barloworld Supplier Code of Conduct, which includes elements of environmental responsibility and compliance with local laws, including environmental related regulations related to water, waste and biodiversity.

W1.5d

(W1.5d) Provide details of any other water-related supplier engagement activity.

Type of engagement

Other

Details of engagement

Other, please specify

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

% of suppliers by number

Unknown

Rationale for your engagement

Within Barloworld's Industrial Equipment and Services, a key supplier is its principal, which has robust risk management processes, including environmental risks. While BAW does not require its suppliers to separately report on these issues, there is extensive engagement between BAW and its principal, which also provide environmental related information in its publicly disclosures. Hence, BAW is able to use direct engagement and the publicly available information to assess their approach and as such, separate reporting has not been requested. Within the Consumer Industries segment, key suppliers are those that supply maize which is the key input material in the manufacturing process. There is engagement with such suppliers to understand their operating context and any challenges that may impact supply, including water related issues. A desktop exercise has been conducted to understand water related constraints and vulnerabilities that may face the agriculture sector within South Africa. Water tools like the WRI Aqueduct and the WWF Water Risk Filter have been used in this regard.

Impact of the engagement and measures of success

BAW engages with its principal on an ongoing basis. The material issues raised during engagements include product issues and innovation; market positioning; financial and other performance review; customer issues and satisfaction; sustainable development and climate change matters (energy efficiency, use of fossil fuels and related emissions); water stewardship; market information and supply chain empowerment. Beneficial outcomes are awareness and ability to adopt strategic activities required in terms of the insights gained. Thus far, success of such engagement has been assessed by the lack of negative impacts on our operations due to suppliers' management of water and related issues.

Comment

W1.5e

(W1.5e) Provide details of any water-related engagement activity with customers or other value chain partners.

Type of stakeholder

Customers

Type of engagement

Other

Details of engagement

Other, please specify

Such engagement includes extensive surveys, personal contact and engagement, site visits and open communication platforms.

Rationale for your 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, emission, and water efficiency improvements. Success is measured by the outcomes of these engagements. Positive outcomes resulting from engagements include successful relationships with mutual value maximised; leading products, services, and customer solutions; retained distribution rights; mitigation of any identified key risks, supply chain optimisation and expanded preferential procurement and empowerment. Stakeholder requirements, commercial sensibility, practicability, organisational sustainability, and responsible corporate citizenship are some of the aspects considered in prioritizing engagements. Such engagement with customers assists Barloworld in understanding their operating context, including water related challenges.

Impact of the engagement and measures of success

Such engagement with customers assists Barloworld in understanding their operating context, including water related challenges. This informs Barloworld's risk management and strategic planning processes, enhances planning, drives product and service innovation and builds open and transparent communication channels across BAW's customer base.

W2. Business impacts

W2.1

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

No

W2.2

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

	Water-related regulatory violations	Fines, enforcement orders, and/or other penalties	Comment
Row 1	Yes	Enforcement orders or other penalties	Sanctions imposed by respective municipalities for the exceedance of effluent discharge parameters. Effluent treatment prior to discharge is an area of focus for management and various options aimed at bringing effluent discharge to within stipulated parameters are being considered.

W2.2b

(W2.2b) Provide details for all significant fines, enforcement orders and/or other penalties for water-related regulatory violations in the reporting year, and your plans for resolving them.

Type of penalty

Other penalty type, please specify

Penalties for Effluent exceedances

Financial impact

7,530,993

Country/Area & River basin

South Africa

Orange

Type of incident

Effluent limit exceedances

Description of penalty, incident, regulatory violation, significance, and resolution

The R7.5m was levied for the exceedance of effluent parameters as per the respective Industrial Effluent Discharge Permits. These typically stem from pH, Chemical Oxygen Demand, Settable Solids deviations.

Countermeasures:

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

Possible solutions are being explored to bring effluent discharge within the permitted parameters, including consideration of Trade Effluent Treatment facilities.

W3. Procedures

W3.1

(W3.1) Does your organization identify and classify potential water pollutants associated with its activities that could have a detrimental impact on water ecosystems or human health?

Identification and classification of potential water pollutants	Please explain
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Row 1	No, we do not identify and classify our potential water pollutants	Across Barloworld, all effluent discharge is through the municipal wastewater reticulation system. The quality and volume of effluent discharge is governed through the relevant municipal by-laws and governed through an effluent discharge permit on which the allowable parameters are detailed. At a minimum compliance to the effluent parameters is monitored by the respective municipal officials, typically the water quality department, through regular effluent testing. Additionally, some BAW sites also monitor the quality of effluent through sample testing to reduce the risk of non-compliance with set parameters. Parameters monitored include Biological Oxygen Demand, Chemical Oxygen Demand, Conductivity, Ammonia Nitrogen, Orthophosphate, Acidity (PH) and Suspended Solids levels. Where effluent levels exceed allowable parameters, a notice of contravention is issued to the respective site detailing timeline for remedial action.
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W3.3

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

No, water risks-related are not assessed

W3.3c

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

	Primary reason	Please explain
Row 1	Other, please specify Integrated into the entrenched risk management process	<p>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 drives alignment to best practice and consistency of the risk management approach.</p> <p>Environmental related risks, including 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 safeguards against such risks being viewed in isolation or seen as a discrete set of risks outside the risk management framework.</p> <p>Risks are identified through robust risk assessment and systematic strategic management procedures.</p>

		<p>HLRAs 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.</p> <p>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.</p>
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W4. Risks and opportunities

W4.1

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

No

W4.1a

(W4.1a) How does your organization define substantive financial or strategic impact on your business?

BAW has a robust and systematic risk management process in place which assesses risks on their probability, severity and quality of the control environment and gives each risk a residual risk score. On an annual basis the Risk Committee sets a risk appetite that is used in the risk assessment process. Definition of Substantive Risk: risks with a Residual (opposed to Inherent) score of critical or high relative to the set Risk appetite may have the ability to substantively change BAW's business model or business operations, revenue, or expenditure. Such risks are identified in BAW's risk assessment process together with related impacts and mitigation. Quantity and quality of water is also assessed as reflected in response W1.1. Despite having multiple operations across 14 countries, Barloworld's South African operations contribute in excess of 50% of the Group's FY22 revenue and constituted 98% of the group's FY22 municipal water withdrawals. The South African direct operations consist of several operational sites across BAW's two key segments. Within the Industrial Equipment and Services and other segments (SMD and Corporate Office), the predominate use of water is for washing of vehicles, plant and equipment and does not form part of the product and these segments contributed 6% and 1% respectively to the Group's FY22 municipal water withdrawals and contributed 83% and 2% respectively to the group's FY2022 revenue. Water is a key component

in the manufacturing process within the Ingrain's four milling operations (Consumer Industries segment) and does form part of wet products. Ingrain constituted 94% of the Group's aggregated municipal water withdrawals and 15% of the group's FY22 revenue. Given this level of diversification and the nature of water-use, no single operation has the ability to substantively impact the Group's business, operations, revenue, or expenditure due to water-related risks. In the water risks responses, BAW has responded on a country level rather than a facility level. The risks and information disclosed below relate to South African operations which only cumulatively make a significant contribution to the Group's revenue and water footprint, and which together have the ability to substantively impact the Group's business, operations, revenue, or expenditure. While BAW has not assessed any of its risks as having the potential to substantively impact its business as defined above. BAW strives to minimise the impact of its direct operations on water resource and to manage all water related risks appropriately, including installing water recycling, rainwater harvesting and effluent treatment and water recovery initiatives where practicable. BAW has considered its direct operations, as well as supply chain and customers in its risk assessment.

W4.2b

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

	Primary reason	Please explain
Row 1	Risks exist, but no substantive impact anticipated	Environmental resource constraints, including those related to Water form part of the group risk universe and relevant risks are identified, assessed, and managed aligned to Barloworld's risk management framework and process. None of the identified water related risks are considered substantive at an aggregated group level when assessed against the risk appetite. For information purposes, and at a high-level water related impacts identified include water supply disruptions due to failing infrastructure, increased pricing, water stress, inclusion of Environmental (including water), Social and Governance considerations in stakeholder decision making, including customers and investors, and reputational aspects. Further, water related impacts are considered across the various value chains and not limited to Barloworld's direct operations. The entrenched enterprise risk assessment process also includes an assessment of current control measures and the effectiveness of such to address the identified root cause, risk or limit consequential impacts. The current controls together with the high levels of geographic, industry, supplier, and customer diversification, offer Barloworld sufficient resilience for the identified water related risks. Resilience is further enhanced through various mitigation measures, including capital and infrastructure investment cases currently under consideration. Stakeholder engagement across our value chain informs the group's risk management and strategic planning processes. For the reasons listed, there is currently no identified water

		related risks stemming from the risk management and assessment with the potential to have a substantive financial or strategic impact on Barloworld business.
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W4.2c

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

	Primary reason	Please explain
Row 1	Risks exist, but no substantive impact anticipated	<p>While risks exist in aspects of the supply chain which could be inherently substantive at an individual operational level, these are not likely to generate a substantive impact at group level as:</p> <ol style="list-style-type: none"> 1. A significant supplier within the Industrial Equipment and Services segment is a world-class original equipment manufacturer (OEMs), which has robust risk management processes including environmental related risks. 2. Maize is a key input within the Consumer Industries segment. The supply of maize within RSA is diverse and maize can be sourced from outside of RSA. The geographic spread of maize suppliers does reduce the risk of water-related supply disruptions which would typically be region specific at a given point in time. 3. BAW has a diversified customer base, offerings and operates across different industries and 14 countries within a number of catchment areas. These various catchment areas allow for the mitigation of water risk across the group. Barloworld also considers its major customers as environmentally responsible who will appropriately manage their water related risks. 4. BAW has insurance protection for losses incurred because of a supplier's inability to deliver after suffering an insured event. <p>Accordingly the nature and structure of the group-wide supply chain reduces inherent risk/s at a group level. Environmental and climate related risks, including those related to water impacts are considered in the group's entrenched risk management processes. Such consideration extends across the group value chain. None of the identified water related risks are considered substantive at an aggregated group level when assessed against the risk appetite.</p>

W4.3

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

No

W4.3b

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

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

W6. Governance

W6.1


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

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


W6.1a

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

	Scope	Content	Please explain
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<p>Row 1</p>	<p>Company-wide</p>	<p>Description of the scope (including value chain stages) covered by the policy</p> <p>Description of business dependency on water</p> <p>Description of business impact on water</p> <p>Commitment to prevent, minimize, and control pollution</p> <p>Commitment to reduce water withdrawal and/or consumption volumes in direct operations</p> <p>Commitment to stakeholder education and capacity building on water security</p> <p>Commitment to water stewardship and/or collective action</p> <p>Commitment to the conservation of</p>	<p>BAW has a group-wide Water Use and Management Policy, and also incorporate relevant water aspects into its Environmental Policy. The policy outlines the standards BAW expects within the group, allocates accountability, and drives a common objective of responsible water use and management. This policy is applied on a group-wide basis across all BAW operations. For the Barloworld Water Use and Management Policy, refer: https://www.barloworld.com/pdf/sustainability/policies/environmental/2023/barloworld-water-use-and-management-policy.pdf Further “Sustainability” is a Value in its Worldwide Code of Conduct and re-enforces the group's commitment to environmental stewardship including water.</p> <p>Environmental responsibility is also driven through the group's supply chain, via the Barloworld Supplier Code of Conduct, which is to be signed by all Barloworld suppliers.</p> <p> 1</p>
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	freshwater ecosystems Commitments beyond regulatory compliance Reference to company water-related targets Recognition of environmental linkages, for example, due to climate change	
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 1barloworld-water-use-and-management-policy.pdf

W6.2

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

Yes

W6.2a

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

Position of individual or committee	Responsibilities for water-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

	<p>transformation committee monitors: ○ the company’s activities, having regard to legislation and codes of best practice relevant to social and economic development, good corporate citizenship, the environment, 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 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 water; the assurance approach over selected non-financial indicators, including energy, emissions, and water indicators.</p>
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W6.2b

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

	Frequency that water-related issues are a scheduled agenda item	Governance mechanisms into which water-related issues are integrated	Please explain
Row 1	Scheduled - all meetings	<p>Monitoring implementation and performance</p> <p>Monitoring progress towards corporate targets</p> <p>Overseeing major capital expenditures</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 and function</p>

	<p>Overseeing the setting of corporate targets</p> <p>Reviewing and guiding business plans</p> <p>Reviewing and guiding corporate responsibility strategy</p> <p>Reviewing and guiding major plans of action</p> <p>Reviewing and guiding risk management policies</p> <p>Reviewing and guiding strategy</p> <p>Setting performance objectives</p>	<p>effectively within the group. The SETC approves all environmental related policies, including the Water Use and Management policy and the environmental sustainability framework. 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 water efficiency targets. The Group Risk committee has oversight of the risk management framework, identified risks and mitigation strategies/ measures. Environmental risks, including water aspects are included in the group’s identified risks. The Chairperson of each of the Board sub-committees, including the Social, Ethics and Transformation Committee and the Risk Committee report to the Board on a quarterly basis.</p>
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W6.2d

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

	Board member(s) have competence on water-related issues	Primary reason for no board-level competence on water-related issues	Explain why your organization does not have at least one board member with competence on water-related issues and any plans to address board-level competence in the future
Row 1	No, but we plan to address this within the next two years	Other, please specify Board Rotation	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 a relevant member with competencies associated with broader ESG 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.

W6.3

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

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

Other C-Suite Officer, please specify
Group Executive Committee

Water-related responsibilities of this position

Assessing future trends in water demand
Assessing water-related risks and opportunities
Managing water-related risks and opportunities
Conducting water-related scenario analysis
Setting water-related corporate targets
Monitoring progress against water-related corporate targets

Frequency of reporting to the board on water-related issues

Quarterly

Please explain

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

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

Other committee, please specify

Divisional Risk and Sustainability Committee

Water-related responsibilities of this position

Assessing future trends in water demand

Assessing water-related risks and opportunities

Managing water-related risks and opportunities

Monitoring progress against water-related corporate targets

Integrating water-related issues into business strategy

Frequency of reporting to the board on water-related issues

Quarterly

Please explain

Directing, monitoring, assessing & managing environmental aspects and related risks, including the identification, assessment of water related risks and progress on remedial actions, achievement of set water efficiency targets.

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

Other, please specify

Head: Group Sustainability

Water-related responsibilities of this position

Assessing future trends in water demand

Assessing water-related risks and opportunities

Frequency of reporting to the board on water-related issues

Quarterly

Please explain

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

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

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

Other, please specify

Divisional Environment / Sustainability Executives

Water-related responsibilities of this position

Assessing future trends in water demand

Assessing water-related risks and opportunities

Frequency of reporting to the board on water-related issues

As important matters arise

Please explain

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

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

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

Water-related responsibilities of this position

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

Frequency of reporting to the board on water-related issues

Quarterly

Please explain

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

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

W6.4

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

	Provide incentives for management of water-related issues	Comment
Row 1	Yes	Efficiency improvement targets, including those related to improved water efficiency are set across the group. Performance is monitored on a monthly basis at group and divisional levels. Achievement of targets are included in the relevant Executive scorecards and the group executive Short Term Incentive scheme. Refer Barloworld's Remuneration Report: "Environmental metrics focused on achieving 100% of sustainability targets that enable us to responsibly reduce our environmental footprint.

	<p>...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</p>
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W6.4a

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

	Role(s) entitled to incentive	Performance indicator	Contribution of incentives to the achievement of your organization's water commitments	Please explain
Monetary reward	Other C-suite Officer Group Executive Committee members (Grades 19 and above)		Non-financial metrics are defined for the group's ESG imperatives and incorporated in the group executive Short-Term Incentive (STI) scheme. Environmental related targets are implemented across all operations, and include a 15% efficiency target for water withdrawals from municipal sources, 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 environmental related strategies.	The group executive Short Term Incentive scheme is including the achievement of ESG related targets and 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. ..."
Non-monetary reward				

W6.5

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

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

W6.5a

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

BAW ensures that all engagements are consistent with its overall environmental strategy through ensuring that all relevant employees within the group understand and are aligned with BAW's position on water related policies. BAW representatives on the various committees are appropriately mandated prior to engagement to ensure consistency. Internal meetings with these representatives are held on a regular basis (including individual discussions, monthly sustainability champion meetings, executive and management meetings). These meetings provide an opportunity for the representatives to provide feedback and to be informed on any changes to the group's position (if new regulation is released etc.). In this way, the representatives participate in structured feedback processes, are kept informed of the group's approach, and are able to communicate the group's position and strategy on water. Also, group-wide policies include the BAW Water Use and Management policy, and the BAW Worldwide Code of Conduct which includes



'Sustainability' as Value. These codes are widely communicated, and all employees are expected to uphold them. Additionally, water related issues are integrated into our business objectives and strategy through our responsible citizenship programme and sustainable development framework. Should inconsistencies be identified, representatives of the company will put forward the Group's view and rationale.

W6.6

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

No, but we plan to do so in the next two years

W7. Business strategy

W7.1

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

	Are water-related issues integrated?	Long-term time horizon (years)	Please explain
Long-term business objectives	Yes, water-related issues are integrated	5-10	Barloworld is committed to the ongoing creation of shared value for all its stakeholders through the purposeful stewardship of the six capitals. Natural capital includes water and in terms of BAW's responsible citizenship programme, sustainable development framework and strategic ambitions BAW will continue to monitor and implement appropriate initiatives internally and deliver appropriate customer solutions as part of its strategic ambitions which include Deliver top quartile shareholder returns; Drive profitable growth; Instil a high-performance culture. Strategic planning process incorporates risks into the relevant strategic plan horizons. Long term capital project investments aimed at reducing operational cost in light of high-water tariff increases and supply disruptions. These include investments into water recycling facilities which contribute to the achievement of BAW's environmental strategies and enhance operational

			<p>resilience.</p> <p>Further, ESG guardrails are in place to guide merger and acquisition activities. Extensive environmental due diligence processes are also in place for targeted acquisitions to ensure environmental elements are factored into valuations.</p>
Strategy for achieving long-term objectives	Yes, water-related issues are integrated	5-10	<p>BAW has implemented a number of initiatives in pursuit of its water related objectives. Such initiatives include Group aspirational efficiency improvement targets set in 2022 to be achieved by the end of 2027. Continuing its commitment to reducing its environmental footprint, water efficiency metrics have been identified and monitored internally to improve efficiency of use. In line with the Measure, Avoid and Reduce (MAR) approach adopted, water monitoring and reporting systems are in place and a number of efficiency initiatives have been implemented, including water recycling, rainwater harvesting and efficiency of use and includes sustainability issues in relevant scorecards and performance management assessments.</p> <p>Incorporating performance in scorecards and linking to incentives, drives behaviours and provides incentive to achieve set targets and allows BAW to achieve its environmental related strategies and objectives.</p>
Financial planning	Yes, water-related issues are integrated	5-10	<p>In line with our strategic ambitions, which include: Deliver top quartile shareholder returns; Drive profitable growth; Instil a high-performance culture, and our responsible citizenship programme and sustainable development framework, BAW will continue to consider and where appropriate implement water stewardship initiatives which includes: efficiency of use, water treatment, recycling and rainwater harvesting and where appropriate pursue commercial opportunities identified for water related products and services. Such initiatives may impact capital expenditure and operating costs.</p> <p>Strategic Planning and Budgeting guidelines are centrally co-ordinated at a group level through the Executive: Strategy. The guidelines issued across the group explicitly include ESG elements for consideration in the strategic planning process. Strategic Planning and budgeting considers incorporates the impact of driving the group's ESG strategy and mitigation and adaptation measures which may be necessary in light of environmental risks, including those related to water, should these materialise.</p>

W7.2

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

Row 1

Water-related CAPEX (+/- % change)

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

Water-related OPEX (+/- % change)

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

Please explain

Capital and operational expenditure is not ring-fenced according to this category, i.e. Water related expenses.

It is anticipated however that capital expenditure will increase in the medium to long term as investment is made into capital projects aimed at improving water-use efficiency, increased water recycling, treatment and filtration.

Similarly, operational water related expenditure is anticipated to increase in the short to medium term as activity levels, and consequential water withdrawal volumes, normalise post COVID and through organic growth of the BAW segments. For example, in FY2022 water withdrawal volumes from municipal sources increased by 8% against 2021, therefore operational costs for water would have increased by at least 8% as well.

W7.3

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

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

W7.4

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

Row 1

Does your company use an internal price on water?

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

Please explain

In the circumstances and to the extent that water pricing is required for analysis, strategic planning purposes, or in any assessment (project feasibility, e.g. rainwater harvesting and recycling investment) BAW would use the current price of water with appropriate projected price increases as defined in the Strategic Planning and Budgeting guidelines issued by Barloworld Group.

W7.5

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

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

W8. Targets

W8.1

(W8.1) Do you have any water-related targets?

Yes

W8.1a

(W8.1a) Indicate whether you have targets relating to water pollution, water withdrawals, WASH, or other water-related categories.

	Target set in this category	Please explain
Water pollution	No, and we do not plan to within the next two years	Within BAW 99% of water is drawn from municipal supplies with a very small proportion extracted from boreholes. All water discharges are made into municipal reticulation systems, after appropriate filtration and treatment. Effluent parameters are governed by local and municipal water by-laws and compliance monitored by municipal authorities. Waste generated is also governed in the group through the Barloworld Waste Management Policy which applies to all BAW operations.

		<p>Waste is also regulated by local laws. Within the group, we strive to have all waste responsibly disposed of through appropriately certified and registered waste management companies and for hazardous waste obtain certificates of safe disposal.</p> <p>Given BAW undertakes to obey the laws within the jurisdictions it operates, there is no need to drive a separate target in this regard.</p>
Water withdrawals	Yes	
Water, Sanitation, and Hygiene (WASH) services	No, and we do not plan to within the next two years	The workplace environmental, including the provision of WASH services are regulated in most jurisdictions to which BAW complies. There is therefore no need for such targets within BAW.
Other	No, and we do not plan to within the next two years	

W8.1b

(W8.1b) Provide details of your water-related targets and the progress made.

Target reference number

Target 1

Category of target

Water withdrawals

Target coverage

Business division

Quantitative metric

Other, please specify

Reduction in water withdrawals per man-hour worked

Year target was set

2022

Base year

2021

Base year figure

154.73

Target year

2027

Target year figure

131.52

Reporting year figure

147.93

% of target achieved relative to base year

29.2977165015

Target status in reporting year

Underway

Please explain

BWE Southern Africa set an efficiency improvement target of 15% to be achieved by FYE2027, of a FY2021 baseline. Intensity metrics and targets were set a granular operational level to ensure operational relevance and monitoring. Given the diversified nature of operations, identified consumption drivers vary from operation to operation and it is therefore not meaningful nor practical to aggregate the divisional intensity metrics at a group level. To assess progress at a group-level, the business-as-usual consumption and targeted consumption (including efficiency) is assessed against actual consumption.

Target reference number

Target 2

Category of target

Water withdrawals

Target coverage

Business division

Quantitative metric

Other, please specify

Reduction in water withdrawals per man-hour worked

Year target was set

2022

Base year

2021

Base year figure

11.9

Target year

2027

Target year figure

10.11

Reporting year figure

12.51

% of target achieved relative to base year

-34.0782122905

Target status in reporting year

Underway

Please explain

BWE Russia set an efficiency improvement target of 15% to be achieved by FYE2027, of a FY2021 baseline. Intensity metrics and targets were set a granular operational level to ensure operational relevance and monitoring. Given the diversified nature of operations, identified consumption drivers vary from operation to operation and it is therefore not meaningful nor practical to aggregate the divisional intensity metrics at a group level. To assess progress at a group-level, the business-as-usual consumption and targeted consumption (including efficiency) is assessed against actual consumption.

Target reference number

Target 3

Category of target

Water withdrawals

Target coverage

Business division

Quantitative metric

Other, please specify

Reduction in water withdrawals per man-hour worked

Year target was set

2022

Base year

2021

Base year figure

17.25

Target year

2027

Target year figure

14.66

Reporting year figure

13.29

% of target achieved relative to base year

152.8957528958

Target status in reporting year

Underway

Please explain

SMD set an efficiency improvement target of 15% to be achieved by FYE2027, of a FY2021 baseline. Intensity metrics and targets were set a granular operational level to ensure operational relevance and monitoring. Given the diversified nature of operations, identified consumption drivers vary from operation to operation and it is therefore not meaningful nor practical to aggregate the divisional intensity metrics at a group level. To assess progress at a group-level, the business-as-usual consumption and targeted consumption (including efficiency) is assessed against actual consumption.

Target reference number

Target 4

Category of target

Water withdrawals

Target coverage

Business division

Quantitative metric

Other, please specify

Reduction in water withdrawals per tons of input ground

Year target was set

2022

Base year

2021

Base year figure

2,469

Target year

2027

Target year figure

2,098

Reporting year figure

2,684

% of target achieved relative to base year

-57.9514824798

Target status in reporting year

Underway



Please explain

Ingrain set an efficiency improvement target of 15% to be achieved by FYE2027, of a FY2021 baseline. Intensity metrics and targets were set a granular operational level to ensure operational relevance and monitoring. Given the diversified nature of operations, identified consumption drivers vary from operation to operation and it is therefore not meaningful nor practical to aggregate the divisional intensity metrics at a group level. To assess progress at a group-level, the business-as-usual consumption and targeted consumption (including efficiency) is assessed against actual consumption.

W9. Verification

W9.1

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

Yes

 FY2022 Barloworld Integrated Report.pdf

 FY2022 Barloworld Integrated Report.pdf

W9.1a

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

Disclosure module	Data verified	Verification standard	Please explain
W1 Current state	Water withdrawal volumes (Municipal sources)	ISAE 3000	The Water withdrawal volumes (Municipal sources) as measured and disclosed in the integrated report is independently assured as well. Refer to page 80 of the integrated report.

W10. Plastics

W10.1

(W10.1) Have you mapped where in your value chain plastics are used and/or produced?

	Plastics mapping	Please explain
Row 1	Not mapped – and we do not plan to within the next two years	Not mapped – and we do not plan to within the next two years.

W10.2

(W10.2) Across your value chain, have you assessed the potential environmental and human health impacts of your use and/or production of plastics?

	Impact assessment	Please explain
Row 1	Not assessed – and we do not plan to within the next two years	Not assessed – and we do not plan to within the next two years.

W10.3

(W10.3) Across your value chain, are you exposed to plastics-related risks with the potential to have a substantive financial or strategic impact on your business? If so, provide details.

	Risk exposure	Please explain
Row 1	Not assessed – and we do not plan to within the next two years	Not assessed – and we do not plan to within the next two years.

W10.4

(W10.4) Do you have plastics-related targets, and if so what type?

	Targets in place	Please explain
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Row 1	No – and we do not plan to within the next two years	No – and we do not plan to within the next two years.
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W10.5

(W10.5) Indicate whether your organization engages in the following activities.

	Activity applies	Comment
Production of plastic polymers	No	Not applicable. Given the nature of BAW's operations, there is no production on plastics or related components.
Production of durable plastic components	No	Not applicable. Given the nature of BAW's operations, there is no production on plastics or related components.
Production / commercialization of durable plastic goods (including mixed materials)	No	Not applicable. Given the nature of BAW's operations, there is no production on plastics or related components.
Production / commercialization of plastic packaging	No	Not applicable. Given the nature of BAW's operations, there is no production on plastics or related components.
Production of goods packaged in plastics	No	Not applicable. Given the nature of BAW's operations, there is no production on plastics or related components.
Provision / commercialization of services or goods that use plastic packaging (e.g., retail and food services)	No	This aspect maybe applicable within BAW, however this is not tracked currently. Given the nature of BAW's operations, there is no production on plastics or related components.

W11. Sign off

W-FI

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



W11.1

(W11.1) Provide details for the person that has signed off (approved) your CDP water response.

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

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 indicate your consent for CDP to share contact details with the Pacific Institute to support content for its Water Action Hub website.

Yes, CDP may share our Main User contact details with the Pacific Institute

Please confirm below

I have read and accept the applicable Terms