



Climate Change Policy

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APPROVAL AND OWNERSHIP

Policy Owner	Date
Head: Group Sustainability	17 May 2023

Approved By	Date
Social, Ethics and Transformation Committee	17 May 2023

REVISION HISTORY

Version	Revision Date	Description	Next review Date
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DEFINITIONS AND ABBREVIATIONS

Table 1: Definitions

Terminology	Description
Barloworld, the Company, or the Group	Barloworld means Barloworld Limited and its subsidiaries, divisions, and business units in all countries in which it does business, or any individual subsidiary in its own capacity. It does not include joint ventures, other than those where Barloworld exercises management control, nor does it include investments where Barloworld owns less than 50%.
Natural Capital	World's stock of natural resources, which includes geology, soils, air, water and all living organisms

Table 2: Abbreviations

Abbreviation	Description
Divisional CEO	Chief Executive Officer of a particular Division
Group CEO	Group Chief Executive Officer
Group FD	Group Finance Director

1 Preamble and Policy Summary

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.

One of our core competencies is an ability to leverage systems and best practices across our chosen business segments. As an organisation we are committed to sustainable development which remains a corporate priority.

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.

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As a responsible corporate citizen Barloworld:

- a) Recognises with concern the scientific evidence that points to adverse impacts that human and business activity is having on the planet, particularly in the area of climate change.
- b) Recognises that climate change poses a serious threat to sustainability.
- c) Recognises the importance of the United Nations Framework Convention on Climate Change and related protocols and agreements.
- d) Acknowledges, it has a role to play in implementing measures that will contribute to the mitigation of these negative impacts.
- e) Encourages all its stakeholders to consider positive steps they may take with regards to climate change and related impacts.
- f) Participates in its value-chain to promote climate change awareness and appropriate responses
- g) Recognises that emission reduction practices provide opportunities for cost savings and support Shared Value creation.
- h) Incorporates climate change and related considerations in its strategic framework, which is underpinned by sustainable development.
- i) Has clear accountability for climate change performance with the group's Board and Executive, as a part of good corporate governance.

2 Purpose and Objective

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

The objective of this policy is to highlight climate change considerations within the Barloworld operating context and to outline the minimum expectations across Barloworld to better understand, manage and limit its contribution to and impacts from climate change, including appropriate mitigation and adaptation responses within its direct operations, value chains and within the communities in which it operates.

3 Scope

The policy applies to all Barloworld employees, across all its operations and territories.

4 Roles and Responsibilities

Divisional CEOs and the Board of Directors in each division are the environmental champions and are responsible and accountable for climate change management.

Divisional Executive management have the responsibility to ensure compliance with this policy and at their discretion to define the processes, procedures and other mechanisms by which the policy is implemented.

Implemented processes ensure that the Barloworld Group Chief Executive Officer and the Barloworld Board of Directors remain fully informed about all pertinent environmental issues, including those relating to climate change.

5 Regulatory Background

Across the various jurisdictions where Barloworld operates, environmental regulations, including those addressing emissions and air pollutants, are in place that serve to govern and regulate activities that contribute towards climate change, and impact on the environment.

At a minimum, all Barloworld operations are expected to comply with their relevant local legislative framework and regulations, including those related to emissions and climate change.

6 Policy Statement

6.1 Commitment

6.1.1 Climate change aspects are an integral part of management in the company and are recognised as one of its corporate priorities.

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

- a) Addressing its activities that contribute to climate change
- b) Monitoring its greenhouse gas emissions
- c) Monitoring its consumption of non-renewable energy and fossil fuels
- d) Monitoring its waste and disposal methods
- e) Extending its Shared Value principles to support initiatives that are aimed at minimising its negative contribution to climate change.

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6.1.3 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:

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

6.1.4 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.

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6.2 Guiding Principles

- 6.2.1 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.
- 6.2.2 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.
- 6.2.3 All operations shall comply with the following principles and initiatives:
- a) Measurement and reporting of material environmental indicators including their carbon footprint
 - b) Initiatives implemented in pursuit of set group efficiency improvement targets for greenhouse gas emissions and non-renewable energy consumption
 - c) Monitoring and reporting mechanisms track progress made against set targets
 - d) Monitoring of global climate change trends, related impacts and risks
 - e) Independent verification of reported material climate change data through internal and external assurance
 - f) Minimise greenhouse gas emissions and offset where appropriate.
- 6.2.4 Climate change assessments will form part of significant new projects and of the planning phase for modifications to existing operations.
- 6.2.5 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.

7 Communication

This policy should be communicated to all Barloworld employees, across all its operations and regions.

8 Related Policies & Other Documents

All operations within the Barloworld Group are expected to uphold the principles contained within this policy which is to be read in conjunction with the policies as detailed below:

Document Name
Barloworld Worldwide Code of Conduct
Barloworld Environmental Policy
Barloworld Energy Efficiency Policy
Barloworld Water Use and Management Policy
Barloworld Waste Management Policy

9 Raising Concerns and Seeking Guidance

If any person is seeking advice on aspects within this policy, they are encouraged to contact the Head: Group Sustainability (sustainability@barloworld.com).

If any person becomes aware of a circumstance or action that violates or appears to violate this policy, they are encouraged to contact their manager, the Group General Counsel, the Group Compliance Manager, or alternatively the Barloworld Ethics Line at www.tip-offs.com.

The Barloworld Ethics Line is an independent and confidential system for reporting allegations of unethical behaviour, illegal actions, or actions that violate the Barloworld Worldwide Code of Conduct.

The Barloworld Global Whistleblowing Policy applies to the use of the Barloworld Ethics Line, and it contains the contact details pertaining to each company, division, or business unit. Barloworld is committed to ensuring that no employee suffers any occupational detriment as a result of reporting a genuine concern in good faith.

10 Breach of Policy

Barloworld has established clear reporting structures in all divisions that culminate in compliance with relevant legislation and adherence to this policy. Material non-compliance will be reported to the respective divisional Executive Committee and other relevant divisional governance structure/s and thereafter to the group Executive Committee, and to the group Social, Ethics and Transformation Committee, a sub-committee to the Board of Directors.

It is the responsibility of Divisional CEOs and the Board of Directors in each division to comply with this policy and failure to do so by any employee could amount to disciplinary action and a material breach of the contract of employment.

11 Deviations from Policy

It is the responsibility of executive management to ensure that this policy is adopted and approved by an appropriate executive committee.

Any deviations to this Barloworld group policy that amend the meaning or lower the minimum standard of the group policy requirements must be tabled, approved and recorded at a Group Executive Committee meeting, and thereafter tabled, approved and recorded at the Group Social, Ethics and Transformation Committee.

Any deviations that add more specific requirements, and therefore raise the minimum standard required by this Barloworld policy, may be included at the discretion of divisional Executive management, and then tabled, approved and recorded at a Divisional Executive Committee meeting.

Language translations of Barloworld policies must be conducted or checked by a professional language translator to avoid translation errors that may change the meaning of the policy requirements.