



Energy Efficiency 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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Contents

APPROVAL AND OWNERSHIP 2

REVISION HISTORY 2

DEFINITIONS AND ABBREVIATIONS 4

1 PREAMBLE AND POLICY SUMMARY 4

2 PURPOSE & OBJECTIVE 5

3 SCOPE 6

4 ROLES AND RESPONSIBILITIES 6

5 REGULATORY BACKGROUND 6

6 POLICY STATEMENT 6

 6.1 Commitment 6

 6.2 Guiding Principles 7

7 COMMUNICATION 8

8 RELATED POLICIES & OTHER DOCUMENTS 8

9 RAISING CONCERNS AND SEEKING GUIDANCE 9

10 BREACH OF POLICY 9

11 DEVIATIONS FROM POLICY 9

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 Barloworld's core competencies is its ability to leverage systems and best practices across its chosen business segments. As an organisation we are committed to sustainable development, which remains a corporate priority.

The group understands the importance of energy consumption and related costs in both its operations and integrated customer solutions. It also appreciates the risks associated with the extraction and combustion of fossil fuels as well as their non-renewable nature. Reducing its environmental impact

BW-GRP-ENV-002 Energy Efficiency Policy

through improved energy efficiency is central to its strategic ambitions, its sustainable value creation approach and making a world of difference to its stakeholders.

As a responsible corporate citizen Barloworld:

- a) Recognises with concern the causal link between the combustion of fossil fuel energy sources and climate change.
- b) Acknowledges, it has a role to play in implementing measures that will contribute to the improved efficiency of energy consumption and the mitigation of the associated negative impacts of non-renewable energy.
- c) Appreciates the need to contribute towards a lower carbon future.
- d) Encourages all its stakeholders to consider positive steps they may take with regards to improved energy efficiency and related impacts.
- e) Participates in its value-chain to promote energy efficiency awareness and appropriate responses
- f) Strives where practicable to switch to alternate / renewable energy sources.
- g) Principally supports the local national energy efficiency goals and objectives in its regions of operations.
- h) Recognises that energy efficiency practices provide opportunities for cost savings and support Shared Value creation.
- i) Has clear accountability for energy efficiency with the group's Board and Executive, as a part of good corporate governance.
- j) Incorporates energy efficiency and related considerations in its strategic framework, which is underpinned by sustainable development.

2 Purpose & Objective

As part of its business model, Barloworld strives to minimise the impacts of its operations on Natural Capital by optimising the efficiency with which it consumes all forms of energy. Energy efficiency 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 drive energy efficiency considerations and management within the Barloworld operating context and to outline the minimum expectations across Barloworld to better understand and manage its energy consumption, and to enhance its efficiency of use within its direct operations.

3 Scope

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

4 Roles and Responsibilities

Divisional CEOs and Board of Directors in each division are the environmental champions and are responsible and accountable for environmental management, including energy management and efficiency.

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 Barloworld Board of Directors remain fully informed about all pertinent energy related issues.

5 Regulatory Background

Across the various jurisdictions where Barloworld operates, energy regulations, including efficiency, are in place that serve to govern and regulate energy consumption, costs and related activities.

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

6 Policy Statement

6.1 Commitment

- 6.1.1 Energy Efficiency management is an integral part of management in the company and is recognised as one of the corporate priorities.
- 6.1.2 Barloworld appreciates the role and responsibilities it has to improve energy efficiency and is cognisant of its responsibility for all its operations. Accordingly, Barloworld promotes the efficient and optimal use of finite resources and energy, thereby conserving such resources, and wherever practicable, the use of renewable or recyclable energy sources.
- 6.1.3 In all its divisions throughout the group, Barloworld will publish divisional Energy Efficiency Policies appropriate to the business of each division, subordinate to this company policy, which will, inter alia:
 - a) Establish clear accountability for energy efficiency performance with divisional Executives and top management, as a part of good corporate governance.

BW-GRP-ENV-002 Energy Efficiency Policy

- b) Require compliance with relevant energy efficiency legislation, other standards and codes of practice to which the company subscribes.
- c) Ensure that energy consumption and efficiency considerations form part of the company's overall risk management processes.
- d) Ensure environmental considerations, including energy efficiency are incorporated into its facilities and maintenance cycles, its strategic plans as well as expansion projects and acquisitions.
- e) Promote energy efficiency awareness within company operations.
- f) Require the maintenance of open dialogue with stakeholders, including customers and suppliers to promote energy efficiency.
- g) Develop contingency procedures to deal with unscheduled occurrences and community concerns relating to energy consumption and efficiency improvement initiatives.
- h) Entrench monitoring and reporting its consumption of all energy sources, including non-renewable energy and fossil fuels, and its energy efficiency improvement initiatives and progress.

6.1.4 Appropriate Energy Management Systems will be implemented in all divisions to guide responsibility and accountability for energy consumption at all levels of management and to facilitate continual improvement of energy efficiency performance through self-assessment and assurance.

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

6.2 Guiding Principles

6.2.1 All operations shall comply with the following principles and initiatives:

- a) Measurement and reporting of material environmental indicators including their energy consumption.
- b) Appropriate targets are set, and initiatives implemented once reliable baselines have been achieved for applicable indicators.

BW-GRP-ENV-002 Energy Efficiency Policy

- c) Monitoring and reporting mechanisms track progress made against set targets.
- d) Aspirational efficiency improvement targets set for non-renewable energy consumption and greenhouse gas emissions.
- e) Monitoring of global and local energy trends, related impacts and risks.
- f) Independent verification of reported energy consumption data through internal and external assurance
- g) Optimise energy efficiency and switch to renewable energy sources where appropriate and practicable.

6.2.2 Energy assessments will form part of significant new projects and of the planning phase for modifications to existing operations.

6.2.3 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 energy consumption.

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 Climate Change Policy
Barloworld Environmental 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 the executive management to ensure that this policy is adopted and approved by an appropriate executive committee.

Any deviations to this Barloworld 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.

BW-GRP-ENV-002 Energy Efficiency Policy

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.