

United Nations Global Compact

BARLOWORLD LIMITED – COMMUNICATION ON PROGRESS:

October 2012 to September 2013

1. Statement of continuing support

 **Barloworld**
Leading brands

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Reg No 1918/000095/06
Tyre Registration Number TPREG0063GAU

3 December 2013

Secretary-General
United Nations
New York, NY 10017
USA

Dear Sir

I reiterate our support for the principles of the United Nations Global Compact (UNGC) which addresses human rights, labour rights, environmental stewardship and anti-corruption.

We express our support for the advancement of these principles within our sphere of influence.

We remain committed to ensuring that the spirit and content of the principles are part of the group's values, strategy and daily operations, and continue to make clear statements in this regard to our stakeholders and the public.

We recognise that a key requirement for participation in the UNGC is the annual submission of a Communication on Progress (COP) which is attached and, as in previous years, will be uploaded to your website.

We confirm the details of Barloworld's primary contact for the UNGC below.

Yours sincerely



CB Thomson
Chief Executive

Main point of contact for the UNGC at Barloworld Limited

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SS Mkhabela B Ngonyama SS Ntsaluba TH Nyasulu SB Pfeiffer*** OI Shongwe DG Wilson
Secretary: L Manaka *(British) **(German) *** (American)

2. Description of practical actions

Barloworld has prepared an integrated report for its 2013 financial year from 1 October 2012 to 30 September 2013. This together with complementary on-line reports and responses, constitute the group's integrated reporting for 2013. These will be available from 18th December 2013.

The integrated reporting reflects Barloworld's value creation approach and the appreciation of its responsibility for economic, environmental and social aspects of its activities.

The group's integrated reporting also includes the group response to all components of the Global Reporting Initiative – Sustainability Reporting Guidelines G3.1 (GRI G3.1). The full response is available online at www.barloworld.com. Barloworld's response to GRI G3.1 is aligned with Application Level A+.

In order to ensure alignment and consistency in its description of practical actions in support of the UNGC over the past year and its responses to the GRI G3.1 framework, Barloworld follows the 'Global Compact (GC) Principles-GRI Indicators Cross Reference Table' contained in the publication '*Making The Connection*' (Annex A) (Global Reporting Initiative and The Global Compact), and has included all its relevant GRI G3.1 responses under the appropriate UNGC 'Issue Areas'. Also referenced is the publication '*Making the Connection: Using the GRI G3.1 Guidelines to Communicate Progress on the UN Global Compact Principles*' (The Global Compact and Global Reporting Initiative) and the GRI Indicators referred to in such document in respect of the respective UNGC 10 Principles have also been included to ensure completeness.

Issue Area: Human Rights

GC Principles:

- **Principle 1** – Business should support and respect the protection of internationally proclaimed human rights.
- **Principle 2** – Business should make sure that they are not complicit in human rights abuses.

Relevant GRI Indicators:

- Management Approach (see below)
- EC5; LA4, LA6-9, LA13-14; HR1-11; SO1, SO5, SO9-10; PR1-2, PR8 (for responses to these indicators, which cover measurement and progress where appropriate, see the Barloworld 2013 Integrated Report as well as Barloworld's online responses to the GRI G3.1 reporting guidelines at www.barloworld.com available from 18th December 2013).

Management Approach

INVESTMENT AND PROCUREMENT PRACTICES

The board views the upholding of human rights as an imperative. The board has, therefore, created a social, ethics and transformation committee which is required by South African law to deal with and monitor, among others, issues of human rights.

Barloworld respects human rights. These are central to the group's legitimacy and covered in its Code of Ethics and Worldwide Code of Conduct.

Barloworld's ethics and compliance programme for application throughout the group by 2015, sets the following standards in section 3.1.6:

3.1.6 Upholding human rights

- a) *Barloworld is a signatory to the United Nations Global Compact which contains ten principles. The first two principles deal with human rights and are:
 - I. *Businesses should support and respect the protection of internationally proclaimed human rights; and*
 - II. *Should make sure that they are not complicit in human rights abuses.**
- b) *Barloworld upholds the South African Bill of Rights as detailed in Chapter 2 of the Constitution of South Africa. The Bill of Rights "is a cornerstone of democracy in South Africa. It enshrines the rights of all people in our country and affirms the democratic values of human dignity, equality and freedom."*
- c) *The Barloworld Worldwide Code of Conduct includes our commitment to protect the health and safety of others and ourselves, to recognise and respect personal privacy and to be proactive members of our communities. Through upholding the Code of Conduct, we envision a world made better by our actions.*
- d) *Significant suppliers, third party service providers and other business partners are screened for human rights by way of due diligence procedures conducted at the time of engagement and periodically thereafter, according to the assessed risk.*
- e) *Due diligence procedures incorporate an assessment of third party service providers, business partners and key suppliers. The scope of the assessment includes human rights issues.*
- f) *Training is provided to our employees, to selected third party service providers and other business partners on human rights as identified by a risk assessment process.*

Human rights considerations form part of the group's screening process for all investment opportunities.

The group's modus operandi with regard to investments is one where it generally acquires a business in its entirety, or a controlling stake thereof. Workplace related human rights include health and safety, development, prohibiting unfair discrimination, collective bargaining arrangements and prohibiting child labour. These are covered in the human resources section of the due diligence process for all new investments opportunities. If the transaction proceeds, any gaps identified are then addressed in terms of the group's values, code of conduct, compliance with applicable legislation, including those frameworks to which it is a signatory. All agreements specifically include clauses covering employees.

Suppliers and contractors are expected to comply with legislation and their contractual obligations which set certain standards of conduct. The contracts of those not complying would be reviewed and appropriate action taken according to the circumstances. The group sources the majority of its products from leading global Original Equipment Manufacturers (OEMs) with established and entrenched human rights policies and practices.

None of the current procurement processes screen specifically for humans rights issues. However suppliers are expected to comply with applicable legislation.

The Barloworld ethics and compliance programme addresses human rights in its supply chain and sets standards of compliance from third party service providers, business partners and key suppliers. By representing leading global Original Equipment Manufacturers (OEMs) and brands, Barloworld participates in supply chains that conform to norms and regulations and aspire to the highest standards.

Where non-conforming suppliers are identified, appropriate action is taken according to the circumstances.

NON-DISCRIMINATION

A workplace free from unfair discrimination is a fundamental value of the group and is entrenched in its Code of Ethics and Worldwide Code of Conduct. Group processes ensure that any instances of unfair discrimination can be reported and addressed.

FREEDOM OF ASSOCIATION AND COLLECTIVE BARGAINING

Collective labour relations are constructively managed on the principle of freedom of association. Employees may associate or not with representative organisations and trade unions. Trade unions sufficiently representative of employees are recognised at appropriate operational levels, and operations covered by industry agreements participate in relevant industry forums.

There are no operations where the right to exercise freedom of association and collective bargaining is at significant risk.

As the group represents leading global principals and suppliers, it is not aware of any suppliers where freedom of association and collective bargaining are at risk. The group requires that its supply chains conform to its values. Evidence of non-compliance would result in appropriate action being taken according to the circumstances.

CHILD LABOUR

Barloworld does not have child labour. It is contrary to the group's Code of Ethics and Values.

As the group represents leading global principals and suppliers, it is not aware of any use of child labour in its supply chain nor has it identified any suppliers at risk.

The procurement practices throughout the group are being developed to ensure that its supply chain operates lawfully and conforms with group values. Evidence of non-compliance would result in appropriate action being taken according to the circumstances.

PREVENTION OF FORCED AND COMPULSORY LABOUR

Barloworld does not have forced and compulsory labour. It is contrary to the group's Code of Ethics and Values.

As the group represents leading global principals and suppliers it is not aware of any use of forced and compulsory labour in its supply chains nor has it identified any suppliers at risk.

The procurement practices throughout the group are being developed to ensure its supply chain operates lawfully and conforms with group values. Evidence to the contrary, would result in appropriate action being taken according to the circumstances.

SECURITY PRACTICES

Most business units and operations outsource their security arrangements. As with all other suppliers, they are expected to comply with the law.

Barloworld employees that are responsible for security are trained in relevant practices and procedures.

INDIGENOUS RIGHTS

Barloworld respects the rights of indigenous people as considered in the GRI definition. As the group represents leading global principals and suppliers, it is not aware of any abuse of indigenous people's rights in its supply chain. The group is developing processes to ensure that its supply chain operates lawfully and conform with its values. Evidence to the contrary would result in appropriate action being taken given the circumstances.

ASSESSMENT

Workplace related human rights include health and safety, development, prohibiting unfair discrimination, collective bargaining arrangements and prohibiting child labour. These are covered in the human resources section of the due diligence process for all new investments opportunities. The group's modus operandi with regard to investments is one where it generally acquires a business in its entirety, or a controlling stake thereof.

During the due diligence process, the targeted entity is assessed, including human resources matters and these include the above mentioned human rights issues. If the transaction proceeds, any gaps identified are then addressed in terms of the group's values, code of conduct, compliance with applicable legislation, including those frameworks to which it is a signatory. All agreements specifically include clauses covering employees.

Suppliers and contractors are expected to comply with legislation and their contractual obligations which set certain required standards of conduct. The contracts of those that do not comply will be reviewed and appropriate action taken according to the circumstances. The group sources most of its products from leading global OEMs with established human rights policies and practices.

The Barloworld Ethics and Compliance programme is addressing the issue of human rights in its supply chain and setting the standard of compliance from third party service providers and suppliers through the development of due diligence procedures.

REMEDATION

The group has not needed to make reparations for any human rights violations. Should such a case occur, we would comply with the law and act in accordance with any directive issued.

Issue Area: Labour

GC Principles:

- **Principle 3** – Business should uphold the freedom of association and the effective recognition of the right to collective bargaining.
- **Principle 4** – Business should uphold the elimination of all forms of forced and compulsory labour.
- **Principle 5** – Business should uphold the effective abolition of child labour.
- **Principle 6** – Business should uphold the elimination of discrimination in respect of employment and occupation.

Relevant GRI Indicators:

- Management Approach (see below)
- EC5, EC7; LA1-2, LA4-5, LA10, LA12-15; HR1-7; SO5 (for responses to these indicators, which cover measurement and progress where appropriate, see the Barloworld 2013 Integrated Report as well as Barloworld's online responses to the GRI G3.1 reporting guidelines at www.barloworld.com available from 18th December 2013).

Management Approach

EMPLOYMENT

Barloworld understands that its employees are the foundation of its success and achieving its 2015³ vision. This is captured in the slogan '2015³...driven by you'.

Accordingly, 'People' is identified as one of our Strategic Focus Areas.

One of the group's most vital attributes is creating value through - and for - employees by attracting, developing and retaining globally competitive people necessary to implement our strategy and meet our growth targets.

Specific activities in this regard include developing internal human resources for promotional opportunities through detailed development needs analysis per person, leadership/management development programmes, and continued focus on technical skills upliftment.

We have identified six Critical Success Factors that guide the group in managing its employees. Each of these factors is closely aligned to the value drivers identified in the Integrated Financial Value Model, deliver on the Employee Value Proposition and ensure sustainable intellectual capacity and value creation competence. Through the Learning Organisation, powered by structured team forums and reinforced by our Leadership Behaviours, Worldwide Code of Conduct and Code of Ethics, employees are able to take an active role in reviewing and continuously improving organisational processes, systems and practices and building the organisation of the future. The Critical Success Factors are:

- Clear purpose and direction establishes clarity and alignment and clearly understood and owned at organisational, team and individual level
- Sustainable competence focusing on organisational learning and development of employees
- Talent management focusing on the processes to identify, develop and manage the career paths of employees
- Caring, equitable workplace to support and ensure employees' safety and wellbeing as well as investing in society as a responsible corporate citizen
- Professional climate creating a culture of innovation, ethical leadership, environmental stewardship and good corporate governance
- Performance management at organisational, team and individual levels

The Learning Organisation is the sustainability platform upon which the six Critical Success Factors are based to deliver on the Employee Value Proposition. The key drivers are information sharing, collaboration, innovation and collective wisdom through structured team forums.

This approach is implemented across the group in a range of interfaces and interventions. An Individual Perception Monitor (IPM) surveys employee attitudes on the status of the six Critical Success Factors. These results are used to identify areas for attention. It has a four point scale and the group target is a rating level of at least three in all business units for all factors. Scores of above three are considered excellent. The IPM survey, which is conducted every two years, is being revised and will be conducted again in 2014.

LABOUR/MANAGEMENT RELATIONS

Collective labour relations are constructively managed based on the principle of freedom of association. Employees may associate or not with representative organisations and trade unions. Trade unions that are sufficiently representative of employees are recognised at appropriate operational levels, and operations covered by industry agreements participate in relevant industry forums.

There are no operations where the right to exercise freedom of association and collective bargaining is at significant risk.

Employee representatives, including trade unions, worker committees, health and safety committees and industry bodies are openly engaged at appropriate levels in the organisation and in South Africa, work-skills and employment equity forums are established. Similar initiatives take place in the group's Iberian operations.

There are no formal health and safety agreements with trade unions although this aspect is regularly included on the agenda of meetings with management in the various operations. Businesses that operate under industry agreements with unions are covered to the extent that these issues are addressed at industry level.

OCCUPATIONAL HEALTH AND SAFETY

The group has a philosophy of 'zero injuries or harm' to employees. Business units operate under a strict divisional risk management audit protocol incorporating health and safety.

Occupational health and safety (OHS) standards are covered by prevailing legislation. Barloworld operations conform to the principles of the International Labour Organization's (ILO) Guidelines on Occupational Health and Safety.

OHS is the direct responsibility of divisional Chief Executive Officers (CEOs). Formal health and safety committees with management and worker representatives cover all South African staff and the majority of staff in all other operations. The Netherlands operation has such a committee and in Equipment Russia such committees are being implemented. Regional laws cover staff in our operations including Iberia, UK, Russia, Australia and the United States of America.

Health and safety reporting is reviewed on a bi-annual basis by the Risk and Sustainability Committee, a sub-committee of the board.

Operations are encouraged to start all meetings with a safety message.

TRAINING AND EDUCATION

Value creation through and for employees by attracting, developing and retaining globally competitive people is necessary to implement the group's strategy and meet its growth targets. This remains one of the group's most vital attributes.

Specific activities include developing internal human resources for promotional opportunities through detailed development needs analysis per person, leadership/management development programmes, and a continued focus on technical skills upliftment.

Barloworld recognises that achieving its vision and sustainable value-creation objectives rests on the ability of its people. Having the right calibre of employees, which covers attracting, developing and retaining talented and globally competitive employees, is central to ensuring competence and intellectual capital in the group.

This objective is achieved through focused talent identification, recruitment, individual employee development plans, career-paths, training and development programmes, competitive reward systems and careful succession planning.

DIVERSITY AND EQUAL OPPORTUNITY

Whilst great progress has been made, empowerment and transformation remains a key focus area for Barloworld and continues to be central to its success. We understand that equity is central to achieving equal opportunities and the principle is applied fairly and justly. Equally, we value the competitive advantage inherent in a diverse workforce and are committed to an employee complement that reflects the demographics of the countries in which we operate.

Central tenets of the group's approach to equality include:

- No unfair discrimination on the grounds of gender, race, religion, disability or sexual preference
- Proactive pursuit of programmes and initiatives to achieve its equality objectives
- Complying with legislation in all countries in which it operates
- To identify and eliminate employment barriers which affects all people.

By identifying empowerment and transformation as a strategic focus area, we ensure group and individual commitment to equality in the workplace across all operations.

Race, gender and disability are addressed in employment equity, transformation and empowerment targets in South Africa in line with legislation. Localisation and gender objectives are set in non-South African operations. Required employment equity plans and progress reports are submitted in South Africa and other southern African countries. These plans set out employment targets that address race, gender and disability.

In South Africa, Barloworld follows the Department of Trade and Industry's (dti's) broad-based black economic empowerment (B-BBEE) scorecard with the target for all South African operations to achieve a level 2 or 3.

EQUAL REMUNERATION FOR WOMEN AND MEN

Remuneration and employee benefits are attractive, well-structured and competitive. All remuneration and employee benefits are aligned with legislation.

Remuneration practices are regularly reviewed and the group is committed to removing unfair discrimination in pay scales. In South Africa, pay differentials are disclosed in terms of employment equity legislation.

A review of the average basic monthly salaries for males and females was conducted by employee level (and by region) and did not reveal any structural discrepancies or discrimination.

Male and female income levels are continually reviewed and unfair anomalies will be addressed.

We have implemented the Towers Watson global grading system in all operations, and our positions are graded accordingly. Wage and salary levels are benchmarked by country and category. This ensures equity and non-discrimination in remuneration practices.

Issue Area: Environment

GC Principles:

- **Principle 7** – Business should support a precautionary approach to environmental challenges.
- **Principle 8** – Business should undertake initiatives to promote greater environmental responsibility.
- **Principle 9** – Business should encourage the development and diffusion of environmentally friendly technologies.

Relevant GRI Indicators:

- Management Approach (see below)
- EC2; EN1-30; SO5; PR3-4 (for responses to these indicators, which cover measurement and progress where appropriate, see the Barloworld 2013 Integrated Report as well as Barloworld's online responses to the GRI G3.1 reporting guidelines at www.barloworld.com available from 18th December 2013).

Management Approach

OVERALL

The group's strategic intent is to develop products and services to capitalise on emerging sustainable business opportunities, realise cost savings through energy efficiency and other sustainable business practices as well as enhance Barloworld's reputation by leading in sustainable development.

We are committed to providing leading customer solutions that address environmental stewardship and customer competitiveness and adopt a similar approach to our internal operations. This is incorporated into strategy and addressed by:

- An integrated management approach entrenching accountability for economic, environmental and social activities in each of our businesses
- An aspirational target of a 12% efficiency improvement in non-renewable energy and greenhouse gas (GHG) emissions (scope 1 and 2) by the end of our 2014 financial year off a 2009 baseline
- Minimise our carbon footprint and off-set where appropriate to achieve a carbon-neutral status
- Provide solutions that create value for our customers by assisting them to achieve their sustainable development objectives
- Identify and pursue emerging sustainable business opportunities as well as cost-saving opportunities

- Integrated sustainability reporting ensuring credibility, transparency, completeness and comparability. The methods and means of environmental reporting are constantly being enhanced to ensure we are leading in this aspect of our business. It is anticipated that our enhanced data measurement and management will improve day-to-day management and monitoring of environmental issues.

Our reporting systems have been assured by both internal audit, and external audit (Deloitte).

The group's internal audit function continues to be involved in the assurance process for non-financial data, particularly of fuel, water and electricity data.

This year the Equipment southern Africa, Equipment Russia (Vostochnaya Technica), Handling (Agriculture South Africa), Automotive and Logistics (Avis Fleet Services and Logistics South Africa) and Corporate divisions were formally reviewed by the group's internal audit function. The principal issue centred on the structure of the data collection process. This has been addressed by ensuring this data is collected on the financial reporting platform.

None of the operations listed above have scored below a Satisfactory internal audit rating, which provides management with added confidence that reporting systems are functioning as intended with sound controls around completeness and accuracy. Recommendations made have been mostly implemented to further improve the data collection and reporting process.

To assist the group in preparing a credible and accurate integrated report, an assurance matrix continues to be developed which maps the content of the integrated report against a number of assurance standards and indicates responsibility for applying each of the standards. Still in its infancy, the matrix will assist the Audit Committee in fulfilling its responsibility for overseeing the group's integrated reporting, as defined by the King III principles.

External auditors provide assurance over reporting of material aspects as agreed with the Audit Committee. This review is conducted in line with the ISAE 3000 standards.

MATERIALS

Materials are sourced from OEMs and other suppliers and used to support the retail and service nature of the group's operations. Materials that have a high impact on the environment are monitored. The group remains committed to reporting material use by weight to ensure consistency and comparability.

As Barloworld predominantly represents Original Equipment Manufacturers (OEMs) and principals, opportunities for using recycled materials are limited. Re-treaded tyres are the most significant in this regard.

ENERGY

As a responsible corporate citizen and aligned with global imperatives, the group has set an aspirational target of a 12% efficiency improvement in its non-renewable energy consumption by the end of its 2014 financial year, off a 2009 baseline. Benefits include mitigating rapidly rising costs, particularly electricity in South Africa, organisational resilience and the associated need to reduce greenhouse gas emissions.

These are entrenched in the group's strategic planning processes and operations. The group focuses on reducing energy consumption, mainly in the form of electricity and fuel for vehicles. In terms of the former, the group's divisions and their operations have a range of initiatives to reduce consumption spanning timers on light switches to more energy efficient building designs - in short, any measure

that will reduce consumption and cost. In terms of fuel consumption, vehicles are recent models with the latest engines designed to use less fuel and emit less pollutants.

Regular maintenance ensures that engines run optimally and consume less fuel. The group also sources products from its OEMs with the latest fuel saving technologies.

The group utilises the skills and expertise of an energy efficiency manager in its Power operations to identify and coordinate the maximisation of energy efficiency opportunities across the group.

WATER

Barloworld is committed to being a responsible custodian of water by measuring, monitoring, managing and reporting its water use as standard business practice and, and if necessary, proactively implementing initiatives that conserve water or mitigate the effects of its use for business operations.

The group recognises that water is an increasingly scarce and critical global resource. Although none of its operations are particularly water intensive, Barloworld is committed to more efficient water consumption through reduced use, increased recycling and water-harvesting initiatives.

Through these initiatives, the group strives to minimise the risk of any future water constraints and realise the commercial benefits of effective and efficient water usage. Barloworld will continue to assess the physical, regulatory and reputational risks associated with water use and, where feasible, adapt its operations, processes and procedures accordingly. It will also pursue identified opportunities.

The group endeavours to reduce consumption through a range of water savings measures and technologies throughout its divisions.

These must make economic sense before being implemented but, where commercially sensible, including enhanced resilience, the group would typically adopt them.

Where water-savings technologies are part of the group's product offerings, these new products are added to the group's portfolio. The main users of water in the group are motor retail operations, vehicle hire companies such as Avis and the trucks in the logistics operations. The group completed the 2013 CDP Water Disclosure for use as a tool to understand its water use, identify associated risks and opportunities, contribute to general knowledge and global database, and identify further interventions to reduce consumption.

BIODIVERSITY

Barloworld's operations do not have a material direct impact on biodiversity. This is due to the mainly urban location of its operations and the nature of its business. As such, an approach to managing biodiversity is not required as it would be for a mining company, for example. Despite this, the group's impact on biodiversity will continue to be monitored and should this necessitate a response, strategy will be developed and implemented.

However, if one of our suppliers was judged to have had a severe impact on an area of high biodiversity value, and therefore be in breach of Barloworld's own Code of Ethics, the group would consider an appropriate response.

EMISSIONS, EFFLUENTS AND WASTE

Indirectly we reduce emissions by using less electricity and, directly, by using fuel more efficiently in our vehicles as well as in our building heating ventilation and cooling systems. In line with our aspirational non-renewable energy efficiency improvement target, the group has set an aspirational target of a 12% efficiency improvement in its greenhouse gas (GHG) emissions (scope 1 and 2) by the end of its 2014 financial year, off a 2009 baseline. This is entrenched in our strategic planning processes and operations.

The group has implemented a wide range of energy-reduction initiatives to reduce GHG emissions. These include communication, monitoring and reporting as well as operational initiatives such as the efficient maintenance of vehicle fleets using the latest clean-engine technologies from OEMs.

Emissions identified by Barloworld include carbon dioxide, nitrous oxide and methane from combustion of petrol and diesel in trucks, machinery and equipment and vehicles, and from purchasing electricity. This is in line with the nature of our operations and the sources of our emissions. There are no significant ozone depleting substances as emissions sources in Barloworld's operations.

Barloworld does have other non-Kyoto protocol greenhouse gas emissions sources, namely oxides of nitrogen (NO_x) and oxides of sulphur (SO_x), given the nature of its automotive operations. Measures to mitigate these non-greenhouse gas emissions rely on consumption of low sulphur fuels and advanced engine technology for cleaner fuel combustion. These measures are outside the control of Barloworld although they are adopted and used internally where feasible.

Effluents emanate from cleaning plant, equipment and vehicles. All effluent is cleaned of pollutants and clean water discharged into municipal reticulation systems. Waste material is disposed of through legitimate contractors at certified waste disposal facilities.

The group does not generate significant volumes of waste. Both hazardous and non-hazardous waste streams are monitored by type, volume, disposal method and destination. The group is committed to reporting all waste by weight or volume to ensure consistency and comparability. A critical aspect of the group's waste management and product life-cycle stewardship addresses extended product use. This includes ensuring products have a number of useful lives, facilitated in part through our remanufacture and rebuild programmes.

The group completed the 2013 CDP Climate Change Disclosure for use as a tool to understand its carbon footprint, identify associated risks and opportunities, contribute to general knowledge and global database, and identify further interventions to reduce emissions.

PRODUCTS AND SERVICES

Barloworld recognises the environmental impact of its customer solutions and, supported by its principals, is committed to providing leading products and solutions that foster environmental stewardship. The group works with its Original Equipment Manufacturers (OEMs) to ensure customers' sustainability objectives are met and their competitive position enhanced.

Represented OEMs focus on improving the life-cycle environmental footprint of products that the group offers to customers.

Energy and emission efficiencies as well as product disposal are core aspects being addressed.

The group does not manufacture or extract as part of its operation. It transports items through its logistics operations where it endeavours to plan routes to minimise energy consumption and greenhouse gas emissions. The group communicates to its suppliers information on the latest sustainability technologies and interacts with principals on customers' requirements for product safety and environmental stewardship.

COMPLIANCE

Entrenched in our code of ethics and worldwide code of conduct is the requirement to 'obey the law' and 'protect the environment'. This is regarded as the minimum requirement and the group strives to conduct its operations as a responsible corporate citizen. Where possible, we also participate in the formulation of responses to draft policy and legislation.

TRANSPORT

Aside from emissions caused by air-travel and business vehicle trips, the group is aware of the potential for accidents as a result of transportation. The group strives to operate modern fleets using the latest technologies as well as to provide appropriate driver training and development, to maximise safety aspects and minimise fuel consumption and emissions.

Issue Area: Anti-corruption

GC Principles:

- **Principle 10** – Business should work against corruption in all its forms, including extortion and bribery.

Relevant GRI Indicators:

- Management Approach (see below)
- SO2-6 (for responses to these indicators, which cover measurement and progress where appropriate, see the Barloworld 2013 Integrated Report as well as Barloworld's online responses to the GRI G3.1 reporting guidelines at www.barloworld.com available from 18th December 2013).

Management Approach

Barloworld has a 'Zero tolerance' approach to dishonest, corrupt and illegal conduct. This is central to its Code of Ethics, Worldwide Code of Conduct and reflected in policies and practices in the group that prohibit corrupt behaviour.

This approach applies to all business units and regions where the group operates. Risks are investigated prior to investing in regions where such practices may be more prevalent.

Criminal behaviour is not tolerated and formal charges are laid against perpetrators. Internal proceedings are instituted against perpetrators who will be dismissed if found to have participated in unacceptable conduct.

The group's risk management approach covers all operations and risks associated with corrupt and dishonest behaviour. These are analysed and assessed as part of the risk management process.

Induction and other staff training programmes address expected behaviour in terms of the company's ethics, codes, policies and procedures. Ongoing communication through employee handbooks, letters of appointment, management briefings and structured team forum meetings reinforce our commitment to our values and expected behaviour. New employees participate in induction training and orientation.

There are processes in the group to review compliance with legislation, company ethics, codes and policies.

In addition to our Code of Ethics, Worldwide Code of Conduct and Anti-Fraud Policy, the Barloworld policy on Gifts and Hospitality is implemented across the group and employees are required to comply.

It is the responsibility of the ethics and compliance managers throughout the group to ensure that the Barloworld Group ethics and compliance programme is implemented throughout all operations and regions and this has a specific chapter on anti-bribery and corruption.

To ensure that conflicts of interest are avoided, staff is required to formally declare any direct or indirect interests in contracts and/or businesses. Barloworld board members and divisional executives are also required to disclose conflicts of interest and gifts received are recorded in gift registers. This also applies to trustees of the group's retirement and medical aid funds.

3. Measurement of outcomes

Barloworld reports its performance information and progress in its 2013 Integrated Report and other complementary reports and responses, such as its responses to the GRI G3.1 guidelines, which are available on-line.

As indicated in section 2 hereof (Description of practical actions), the GRI indicators referenced in the respective Issues Areas cover measurement and progress where appropriate, as do various sections contained in Barloworld's 2013 Integrated Report.

These will be available from 18th December 2013. Also included in Barloworld's 2013 Integrated Report are illustrative case studies.

Barloworld's response to GRI G3.1 is aligned with Application Level A+. This is with reference to the information disclosed in the printed Barloworld 2013 Integrated Report and the information provided in other supplementary documents as well as the other information available on its website.

A GRI G3.1 Content Index which references the GRI's G3.1 disclosures, indicators, and management approaches to the appropriate information in the Barloworld 2013 Integrated Report and supplementary documents, as well as links to all Barloworld's online GRI responses, will be available on the group's website at www.barloworld.com.

The above reports and information will be available at www.barloworld.com from 18th December 2013.