

**Barloworld Limited**

Good Practice Guidelines

on

Environmental Management

for

Non-ISO 14001 Certified Operations

**TABLE OF CONTENTS**

1.	Introduction	2
2.	Scope	2
3.	Background	2
4.	Doctrines	3
5.	Principles & Elements of an Environmental Management System	3
5.1	Commitment and Policy	4
5.2	Environmental Review	4
5.3	Planning	5
5.4	Implementation & Operation	6
5.5	Measure & Evaluation	8
5.6	Review & Improvement	9

## 1. INTRODUCTION

Organisations operating in the global arena are increasingly under pressure to achieve and demonstrate sound environmental performance by controlling the impact of their activities, products and services. This is in the context of increasingly stringent legislation regarding activities that cause pollution or environmental degradation. In addition, the demand of employees, customers, suppliers and other stakeholders for increased environmental responsibility is another driver for improved corporate social responsibility.

In this regard, many organisations have undertaken environmental “reviews” to assess the status of their environmental performance. On their own, however, such reviews do not provide assurance that the company meets or will continue to meet not only legal, but also customer requirements. In light of this, facilities have begun to integrate Environmental Management Systems (EMS) into the overall management structure of their organisation whereby they can achieve environmental and economic goals, and demonstrate a recognised level of environmental responsibility.

Facilities such as retailers, vehicle servicing facilities, depots, and similar operations may find that a detailed environmental management system, such as ISO 14001, may not be suited to their needs, much less a business requirement. At the same time, however, there are good management practices, as well as legal requirements, that should be followed in order to ensure a quality of service that is globally competitive.

Notwithstanding the onerous requirements of the ISO 14001 programme, its framework does however provide a logical system for the management of environmental exposures. This Guideline follows the basic ISO 14001 concept for this reason as well as to ensure that should a non-ISO certified operation wish to obtain certification at a later stage, a common thinking and platform already exists on which to build.

The Good Practice Guideline is distributed to all Divisions in electronic form so that the document may be specifically customised for the Division’s or site’s own requirement. However, any changes, amendments or alterations that impact on the master document or that may be of help or relevance to other operations within the Group should be advised in writing to the Barloworld Limited Group Risk Manager.

## 2. SCOPE

This document aims to provide a background to environmental awareness, to discuss the principles behind environmental responsibility and to provide a framework for the implementation of environmental management in the Group.

## 3. BACKGROUND

### What is the Environment?

The International Standards Organisation defines the environment as the surroundings in which an organisation operates and includes air, water, land, natural resources, flora, fauna, humans, and their interrelation.

From this description it becomes evident that our environment is all encompassing and our management thereof requires detailed identification, analysis, planning and a concerted action plan to address issues and exposures.

## **4. DOCTRINES**

The following doctrines are some of the main drivers of the Environmental Law of many countries.

### **4.1 Environmental Training**

All employees should be motivated and trained to undertake their responsibilities according to prescribed guidelines, and other instructions, in an environmentally responsible manner.

### **4.2 Prior Assessment**

If any new activity is to take place or if, major changes to existing activities are anticipated, any possible environmental impacts should be assessed prior to implementation.

### **4.3 Impact Assessment of Current Operations**

Current and potential impacts and aspects of existing operations and procedures should be identified and evaluated through a formal risk assessment process.

### **4.4 Duty of Care**

Any institution which generates waste is seen as accountable for the management and disposal of this waste, and is likely to be penalised appropriately for any transgression committed.

### **4.5 Waste Avoidance and Minimisation**

Creation of waste at source should be avoided, or minimised, particularly in the case of hazardous or toxic waste. Unavoidable waste should be separated at source, recycled, or safely disposed of.

### **4.6 Cradle-to-grave**

Environmental, health and safety impacts should be considered during conceptualisation and planning of an activity, right through implementation to re-use, recycling, and ultimate disposal or decommissioning.

## **5. PRINCIPLES AND ELEMENTS OF AN EMS**

A successful Environmental Management System should encapsulate the following six major process steps:

- Commitment and Policy
- Environmental Review
- Planning
- Implementation and Operation
- Measure and Evaluation
- Review and Improvement

## **5.1 Commitment and Policy**

### **5.1.1 Leadership, Influence and Commitment**

This always comes from the top and the success of any risk or environmental programme rests on the involvement and support of the organisation's executive. Influencing behaviour for the good comes from the work force seeing management's commitment as well as receiving communication, support, training and guidance.

### **5.1.2 Policy**

The environmental policy is the organisation's public statement on their commitment to managing the environment in a caring manner and to provide the necessary resources to do so. The Barloworld Limited Environmental Policy is attached under Addendum 1.

This document remains the guiding statement for all Barloworld operations internationally and cannot be diluted or have its parts used in isolation. However, where industry or markets require a different format or additional or specific content, such customisation may be done by a particular Division or operation and issued after consultation with the Barloworld Limited Legal and Risk Services Department.

From time to time the organisation's Environmental Policy should be reviewed to ensure that it keeps pace with environmental management trends and changing environmental, business and strategic conditions. The review should ask the following questions:

- Is the Policy still relevant to the organisation's activities, products and services?
- Does the Policy continue to reflect the underlying strategy of the organisation?
- Does the Policy still reflect the organisation's values and guiding principles?
- Does the Policy still enjoy the support of top management?
- Does the designated person appointed to oversee and implement the Policy still enjoy the responsibility and authority and has that person met his or her mandate?
- Does the Policy continue to guide the setting and achieving of environmental objectives and targets?
- Does the Policy continue to guide the organisation towards monitoring appropriate preventative and remedial technologies and management practices?
- Do the commitments embodied in the Policy still support and provide resources to ensure continual improvement; prevention or pollution and environmental degradation; environmental monitoring; legal compliance and the consideration and meeting of the reasonable expectations of all stakeholders?

## **5.2 Environmental Review**

### **5.2.1 Initial Review**

The initial review or identification process is as fundamental to an EMS programme as it is to risk management. Here it is a requirement to gauge the present position of the organisation *vis-a-vis* the environment. The Environmental Review process must cover at least the following:

- Legislative and Regulatory requirements.
- Environmental Aspects that do or may have significant environmental impacts and liabilities, specifically with regard to the following:
  - Activities
  - Products
  - Services
  - Suppliers
  - Partners
  - Customers
- Current performance in relation to internal benchmark criteria; external standards and national, international and/or industry codes of practice; principles and guidelines.
- Existing environmental management guidelines, standards, practices and procedures.
- Identification and evaluation of existing controls, policies and procedures that govern contracting and procurement processes.
- Lessons learned and investigation reports dealing with past incidents and near-misses and acts of non-compliance.
- New business and competitive advantage opportunities.
- Consultation with and obtaining the views of all stakeholders where relevant.
- Identification of those functions and organisational systems that are in conflict with or that may impede or enable environmental performance.

### **5.2.2 Impacts**

During this process those possible impacts of importance for risk control managers such as operating conditions, potential adverse incidents and emergency or crisis situations are also to be considered.

### **5.2.3 Documentation**

It goes without saying that the process, findings, outcomes and recommendations are fully documented and archived.

### **5.2.4 Methodology**

This process is to make use of the same methodology as used in the Barloworld High Level Risk Assessment process which categorises exposures, aspects and opportunities into their risk rated components, namely severity, frequency / probability and quality of potential or actual control, with residual risk and required action included.

## **5.3 Planning**

The plan is where the EMS embryo comes into being. This element gives body to the requirements and commitments given in the Policy document. This process moves from the identification of environmental aspects and legal requirements to the setting of objectives and targets to the establishment and maintenance of the EMS itself.

**5.3.1 Identification Procedures** - The organisation should establish and maintain a procedure to identify the following:

- Environmental aspects of its products, services and activities that have significant potential environmental impact and over which it can exercise some control or exert some influence.
- The legislative and regulatory requirements and other codes, procedures or standards to which the organisation subscribes that are relevant or apply to the environmental aspects of its products, services and activities.
- Those environmental aspects outside of the influence of the organisation but that can nevertheless have an impact (either positive or negative) on the business.

Through a process of ongoing or regular identification and risk evaluation the organisation should keep the information up to date and relevant.

**5.3.2 Objectives and Targets** – The organisation is to establish and maintain a schedule of environmental objectives and targets that are consistent with the Group's Environmental Policy and the commitments contained therein. These are to be agreed and set at each relevant function and level within the company.

When establishing or reviewing / revising the objectives, the organisation must consider the following:

- Significant environmental impacts.
- Legal and other requirements.
- Technological and Bio options.
- Financial, operational and business requirements.
- The views and interests of stakeholders

**5.3.3 Environmental Management Programme** – The organisation is to establish and maintain an EMS programme to achieve its objectives and targets. This programme should include:

- Designating a responsible person to ensure that objectives and targets are achieved within each relevant function and level in the organisation.
- Providing the resources as well as target dates by which the objectives and targets are to be achieved.

## **5.4 Implementation and Operation**

**5.4.1 Structure and Responsibility** – Roles, responsibilities and authorities must be defined and designated in writing and communicated not only to the designated persons but to all staff so that there is full understanding of these roles and responsibilities.

Most important is for management and the organisation to provide the resources needed for the implementation and control of the EMS as well as to address aspects and exposures facing the organisation. The resources are to include human resources, specialised skills and services, technology and finances.

The organisation's top management structure must appoint a specific management representative who, irrespective of other responsibilities, should have a defined responsibility and authority for the following:

- Ensuring that the EMS requirements are established, implemented and maintained in line with accepted practice (such level of accepted practice to be agreed by the organisation's top management).
- Reporting on the performance of the EMS to top management for review and comment. This process is to serve as a basis for improvement of the EMS and development of relevant corrective or remedial actions.
- The appointment and designation of subordinates to assist with the establishing, maintenance and implementation of the EMS as well as to implement corrective and remedial activities throughout the organisation. Such appointees are to be accorded the relevant authority and responsibility, in writing, and are to be provided with the required resources to fulfil their mandates.
- Budgetary planning and expenditure approval for measures relating to environmental management and protection.

**5.4.2 Training, Awareness and Competence** – Training needs are to be identified. All personnel whose work may create a significant impact upon the environment should undergo appropriate training.

The organisation should develop and maintain procedures to ensure that personnel at each relevant function and level are kept aware of:

- The importance of conformance with the Policy and the procedures and with the EMS requirements.
- The actual or potential significant environmental impacts of their work activities together with the benefits of their specific performance improvements.
- Their roles and responsibilities in achieving conformance with the Policy and the procedures and the EMS requirements. The latter is to include a full understanding of and familiarity with the emergency preparedness and response procedures and the requirements contained therein.

The organisation should ensure that staff members who perform tasks that have the potential to cause significant environmental impacts should be competent and this is to be shown with regard to the appropriate education, training and / or experience.

**5.4.3 Communication** – The organisation should establish and maintain a process and procedures for the following:

- Internal communication between the various levels and functions within the organisation.
- Receiving, documenting and responding to relevant communication from external parties. This procedure and function is critical to avoid notices and orders being lost or misplaced.

The organisation should clearly define the responsibility and designate an appropriate person whose function it should be to communicate externally on all matters related to the environment, the EMS and on the organisation's environmental performance and track record. This decision, the appointment of the designated person and the rules and procedures for external communications must be communicated to all staff in the organisation.

**5.4.4 EMS Documentation and Document Control** – The organisation should maintain relevant environmental information in the chosen format that covers the organisation's Environmental Policy and that describes the core elements of the EMS and all related environmental procedures and processes.

The organisation should establish and maintain procedures for controlling, disseminating and ensuring access to all relevant documentation so that:

- They are reviewed and updated / revised as necessary and obtain the required approval and authorisation.
- Current documents are available at all operations where they may be required.
- Obsolete documents / versions are removed.
- Obsolete documents or versions are captured at a central point, marked or identified as obsolete, but preserved for legal or record purposes.

Documentation should be drafted uniformly and in such a way that dates, period validity, responsibility, authority and retention period are clearly defined on the document.

Procedures and responsibilities are also to be established and maintained clarifying the requirements for creation, modification, approval and authorisation of the various types of documentation.

**5.4.5 Operational Control** – The organisation must identify those operations and activities that are associated with identified significant environmental aspects as defined by its policies, objectives and targets.

The organisation is to ensure that these activities, including maintenance, are planned to ensure that they are conducted within specified parameters / standard operating procedures by:

- Issuing and maintaining documented procedures to cover situations where their absence could lead to deviations from the Policy and objectives and targets.
- Through Standard Operating Procedures, stipulate operating criteria.
- Establishing and maintaining procedures related to significant environmental aspects of goods and services used by the organisation and communicating these relevant procedures and requirements to suppliers and contractors. In negotiations with suppliers and contractors, these procedures should form an addendum to the contract and should be the subject of or included in Service Level Agreements.

**5.4.6 Emergency Preparedness and Response** – The Barloworld Emergency Planning Standard (as amended) is the applicable document for this activity and all operations should implement the requirements contained therein.

This document details the procedures for identifying the potential for and response to accidents and emergency situations, and to limit the potential for threat to life, the environment and damage to assets.

The organisation and its operations should review and revise its emergency preparedness and response procedures from time to time. After the occurrence of incidents or accidents, a review of the procedures must be carried out to ensure that the procedures in question were relevant and effective in light of experience.

The operations must periodically test these procedures where practicable.

## **5.5 Measure and Evaluation**

**5.5.1 Monitoring and Measurement** – The organisation and its operations should establish and maintain documented procedures to monitor and measure, on a predetermined basis or time period, the key characteristics of its operations and activities that can have a significant impact on the environment.

This may include the recording of information that tracks performance, relevant operational controls and conformance with the objectives and targets.

In addition, the organisation is to establish and maintain a register of applicable legislative and regulatory requirements and a procedure for evaluating compliance against these.

**5.5.2 Non-Conformance and Corrective and Preventative Action** – The responsibility and authority for handling and investigating non-conformance, taking or initiating the required preventative, mitigating, remedial and / or corrective action is to be clearly defined.

Any such action must be appropriate to and commensurate with the magnitude and potential severity of the problem or exposure.

Any changes required in the documented procedures that arise from the relevant actions taken are to be recorded and disseminated to all relevant personnel.

**5.5.3 Records** – The organisation must define procedures for the archiving and disposal of environmental records (including record of training and the results of audits and reviews). The retention and custody of these records are to be in accordance with legal requirements.

The records are to be identifiable and traceable to the respective operation and activity and should be maintained so that they are readily retrievable and protected against damage, deterioration, loss or corruption.

**5.5.4 EMS Audit** – The audit of the system, its implementation, legal compliance and ability to address potential environmental impacts are to be incorporated into the divisional control audit process.

The consolidated divisional audit results are to be tabled at the divisional board meetings at least annually.

As and when requested to do so, the divisional results are to be made available for tabling at the Barloworld Limited Risk and Sustainability Committee meetings.

## **5.6 Review and Improvement**

The organisation's top management should, at a predefined interval, review the EMS to ensure its continued suitability, adequacy and effectiveness. The review process must be documented.

This management review should address the possible need for changes to the Environmental Policy, objectives and other elements of the EMS. This is undertaken with regard to the EMS audit, changing circumstances (internal and external) and the commitment to continual improvement.