



Barloworld
Leading brands

**BARLOWORLD
ETHICS AND COMPLIANCE
FRAMEWORK v. 5.0**

ABBREVIATIONS

ABBREVIATION	MEANING
ABC	Anti-Bribery and Corruption
Division	In this Framework, the collective term “Division” includes Barloworld subsidiary, Division, business unit or joint venture under Barloworld management control
DRAB	Data Repository for Anti-Bribery and Corruption
DECC	Divisional Ethics and Compliance Champion
DECE	Divisional Ethics and Compliance Executive
E&C	Ethics and Compliance
GECE	Group Ethics and Compliance Executive
Group / Barloworld	Barloworld Group
HC	Human Capital
SETC	Social, Ethics and Transformation Committee
TPSP&S	Third party service providers and suppliers

Table of Contents

Abbreviations.....	2
1. General.....	5
1.1 Introduction.....	5
1.2 Barloworld E&C Commitment	5
1.3 Consequences of Non-Compliance.....	5
2. Scope and Objectives	6
2.1 Scope	6
2.2 Objectives.....	6
2.2.1 Compliance with legal and regulatory requirements.....	6
2.2.2 Accountability for compliance and evidence.....	6
2.2.3 Monitoring and Assurance	7
2.2.4 Continuous Improvement.....	7
3. Roles and Responsibilities	7
3.1 Group Level.....	8
3.1.1 Social, Ethics and Transformation Committee (SETC).....	8
3.1.2 Group Ethics and Compliance Executive (GECE).....	8
3.2 Divisional Level.....	8
3.2.1 Divisional Ethics and Compliance Executive (DECE).....	8
3.2.2 Divisional Ethics and Compliance Champion (DECC).....	9
3.3 E&C Community	9
4. Barloworld E&C Framework.....	9
4.1 E&C Framework Cycle.....	10
4.2 E&C Framework Structure	11
4.2.1 Policies and procedures.....	11
4.2.2 Tone at the top	12
4.2.3 Risk assessment.....	13
4.2.4 Due Diligence	14

4.2.5	Communication.....	17
4.2.6	Training	18
4.2.7	Monitoring and review.....	18
4.2.8	Declarations and disclosures	20
Annex 1.	Frequency of E&C Procedures.....	22

1. GENERAL

1.1 Introduction

The Ethics and Compliance Framework (“E&C Framework”) sets out the governance structures that pertain to ethics and compliance matters in Barloworld. It complements the formal board structures including the Social, Ethics and Transformation Committee (“SETC”) and establishes internal reporting structures for the oversight, monitoring, reporting and improvement of ethics and compliance activities.

The E&C Framework, related policies and reporting structures, roles and responsibilities were originally approved by the board of directors of Barloworld (“**Board**”) in May 2011 and have since been developed, revised and improved over more than a decade.

The purpose of this document is to set out the broad Framework that gives context to the ethics and compliance activities in Barloworld. It describes the scope and objectives as well as roles and responsibilities and reporting requirements for ethics and compliance activities.

The E&C Framework primarily offers the background and rationale for the reporting requirements for the Board sub-committees concerning ethics and compliance, including, but not limited to anti-bribery and corruption. In order to execute the Barloworld reporting requirements, the expected reporting structures at the divisional, subsidiary, and business unit level are also set out. Together these structures provide systematic and ongoing governance procedures and regular reporting mechanisms at Barloworld, subsidiary, and Divisional level concerning key ethics and compliance activities.

1.2 Barloworld E&C Commitment

The Barloworld Worldwide Code of Conduct (“Code of Conduct”) affirms the commitment of all employees to uphold the highest standards of ethical conduct and to comply with the applicable laws and regulations in the countries in which Barloworld operates. It reinforces the principles of anti-bribery and corruption and recognises the importance of building an ethical culture that integrates our values of integrity, excellence, teamwork, commitment and sustainability into the business operations and informs our decisions, actions and interactions with stakeholders.

1.3 Consequences of Non-Compliance

The Code of Conduct establishes a positive expectation that all Barloworld employees support the values of integrity, teamwork, excellence, commitment and sustainability. However, even with the best of intentions, there must be clear consequences if the standards are not applied.

Any unethical conduct and/or non-compliance with the Code of Conduct, Group E&C Policies or with the E&C Framework, whether intentional or unintentional, undermines our values of integrity and excellence and are not acceptable.

Failure to comply with this E&C Framework or any Group Policy could amount to gross misconduct, a material breach of the contract of employment, which may result in disciplinary action in line with the applicable Barloworld disciplinary codes, and fines or penalties in terms of applicable laws.

2. SCOPE AND OBJECTIVES

2.1 Scope

The E&C Framework applies to all employees of Barloworld. The Framework applies equally to Divisions, subsidiaries and business units, and includes those joint ventures that are under Barloworld management control (hereinafter collectively referred to as “**Divisions**”).

The scope of the E&C Framework includes all business activities conducted by Barloworld, whether with the private sector or the public sector and in all countries in which Barloworld operates.

This E&C Framework must be effectively applied and managed to support full compliance with all applicable laws in the countries in which Barloworld operates. In case of any contradictions with the applicable legislation and any of Barloworld policies, the legislation prevails.

2.2 Objectives

The E&C Framework is developed to address various internal and external factors to ensure Group compliance with the relevant anti-bribery and corruption laws and regulations in the jurisdictions in which Barloworld operates. This E&C Framework should be read in conjunction with the international and local regulatory requirements, Code of Conduct and E&C Policies. The list of the main factors is presented in the figure below.

The E&C Framework sets a standard that is expected of all Barloworld operations within the scope as defined above. Regardless of the commonly accepted sense of modal verbs in English, all requirements in this E&C Framework are obligatory i.e., “should” / “need” are synonyms of “must” throughout this Framework.

The key objectives of the E&C Framework are as follows:

2.2.1 Compliance with legal and regulatory requirements

The legal and regulatory environment establishes the compliance requirements for Barloworld in respect to all applicable laws in all the countries in which it operates. This mandatory compliance transforms into the Group policies, procedures and structures adopted by Barloworld to respond to the legal and regulatory environment.

General requirements for procedures in different E&C areas are set out in corresponding Group E&C Policies. However, the DECE and DECC should use their discretion in the application of Group E&C Policies to determine the specific procedures to be designed and applied to implement the required standards in their Divisions. The E&C Framework contains guidance and examples of best practices in the practical application of E&C policies to help Divisions accomplish this task.

2.2.2 Accountability for compliance and evidence

The current regulatory environment requires that we not only commit to conducting our business in an ethical and effective manner but that there is credible evidence to support these commitments.

Evidence of our commitment to our values and building an ethical culture will not be found in any individual act or event but rather in the ongoing combination of activities that are integrated into the way we do business. The focus should be on maintaining a trail of evidence of the activities collectively rather than on any individual specific activity.

A trail of evidence for key E&C activities is required to demonstrate accountability, better assess the level of compliance and be able to provide necessary evidence in case of investigations or requests from regulators. The E&C Framework sets out the expected approach for E&C documents update and retention. DRAB is the comprehensive mechanism providing for the retention and prompt access to E&C supporting documentation across the Group.

2.2.3 Monitoring and Assurance

The E&C Framework facilitates monitoring Group E&C compliance level by reporting of results of self-assessment and DRAB assurance activities to the relevant GECE and SETC.

2.2.4 Continuous Improvement

The E&C Framework provides relevant guidance and establishes the governance structure allowing to effectively manage and communicate compliance requirements, recommendations from the GECE and SETC, feedback from Divisions, internal and international best practices throughout Barloworld E&C Community which ensures continuous improvement of E&C processes across the Group.

3. ROLES AND RESPONSIBILITIES

The E&C Framework is used by the Barloworld E&C Community at all levels to manage priorities and continuously improve E&C processes. E&C policies and priorities are regularly reviewed and approved by the – “SETC”. At regular SETC meetings, progress reports are tabled and reviewed to consider the current level of compliance, regulatory changes, compliance challenges and identify areas for improvement.

At the Divisional level, the E&C Framework is used to design, develop and improve Divisional E&C procedures and reporting processes and implement best practices.

High-level E&C Governance Structure



3.1 Group Level

3.1.1 *Social, Ethics and Transformation Committee (SETC)*

This Barloworld Board Subcommittee has the responsibility for oversight over the E&C compliance, making strategic decisions in the E&C area and the official approval of Group policies.

3.1.2 *Group Ethics and Compliance Executive (GECE)*

The Group Executive has the primary responsibility of continuous development and control of E&C area across the Barloworld Group and giving it appropriate visibility and ongoing high-level support. This role holds responsibility for the strategic commitment of the business to ethical standards and objectives, continuous monitoring of compliance level, coordination and support of Divisional activities in the E&C area.

3.2 Divisional Level

3.2.1 *Divisional Ethics and Compliance Executive (DECE)*

An executive at the Divisional level has the responsibility of continuous development and control of the E&C area in the Division and giving it appropriate visibility and ongoing high-level support. This role holds responsibility for reinforcement of the Division's strategic commitment of the business to ethical standards and objectives, continuous monitoring of compliance at the Divisional level, coordination and support of Divisional activities in the E&C area.

3.2.2 Divisional Ethics and Compliance Champion (DECC)

Management position at the Divisional level in charge of adaptation, development, implementation and monitoring of Group E&C policies and procedures at the Division. DECCs are also responsible for implementation and compliance with this E&C Framework, Group E&C Policies and other Group requirements at the Divisional level, reporting to Group and Divisional management and internal communication across the Division.

3.3 E&C Community

Team of Barloworld employees in charge of the development and management of E&C processes in their area of responsibility, including:

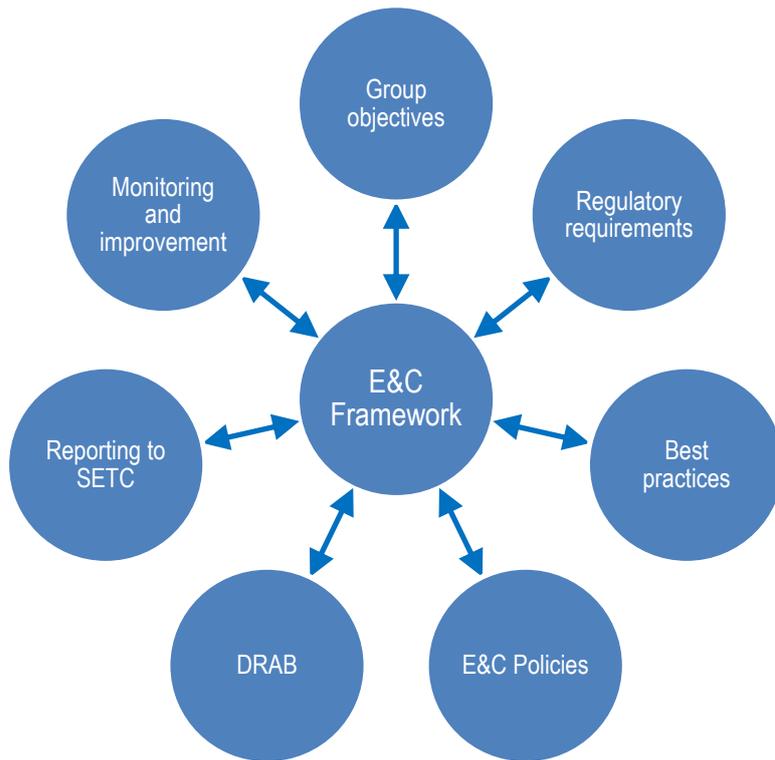
- Group E&C Executive (GECE)
- Divisional E&C Executive (DECE)
- Divisional E&C Champions (DECC)

The E&C Community is a body which is set up to coordinate efforts and communication between the Group and Divisional level to make sure the following objectives are met:

- Group policies are properly reviewed, adapted and implemented at the Divisional level taking into consideration local legislation and all necessary amendments that have obtained Group approval
- Requirements of this E&C Framework, DRAB and other Group requirements are properly understood, implemented and communicated across all Divisions in the Group
- Feedback from Divisions based on review and practical implementation of policies and procedures is delivered to the Group level
- Best practices, materials and solutions are shared and leveraged across the Group
- Regular meetings are held to facilitate open communication, discussion, provide training and continuously improve the professional level of the E&C Community.

4. BARLOWORLD E&C FRAMEWORK

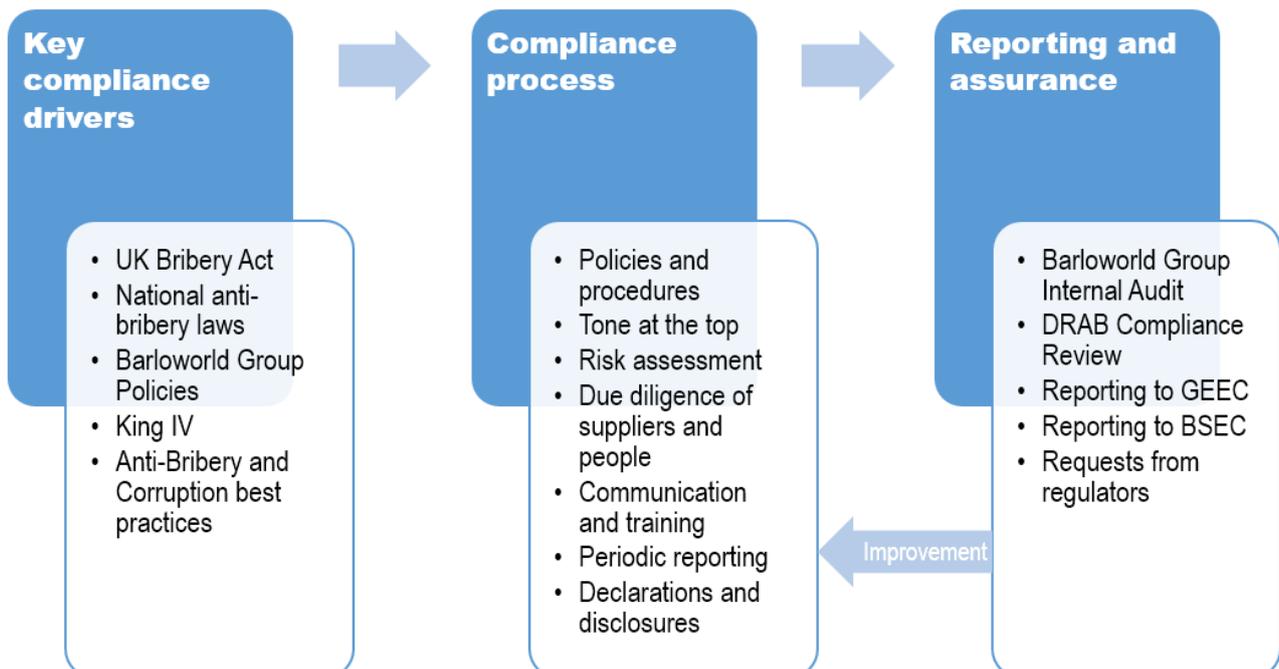
Alignment of E&C Framework with relevant internal processes and external factors.



4.1 E&C Framework Cycle

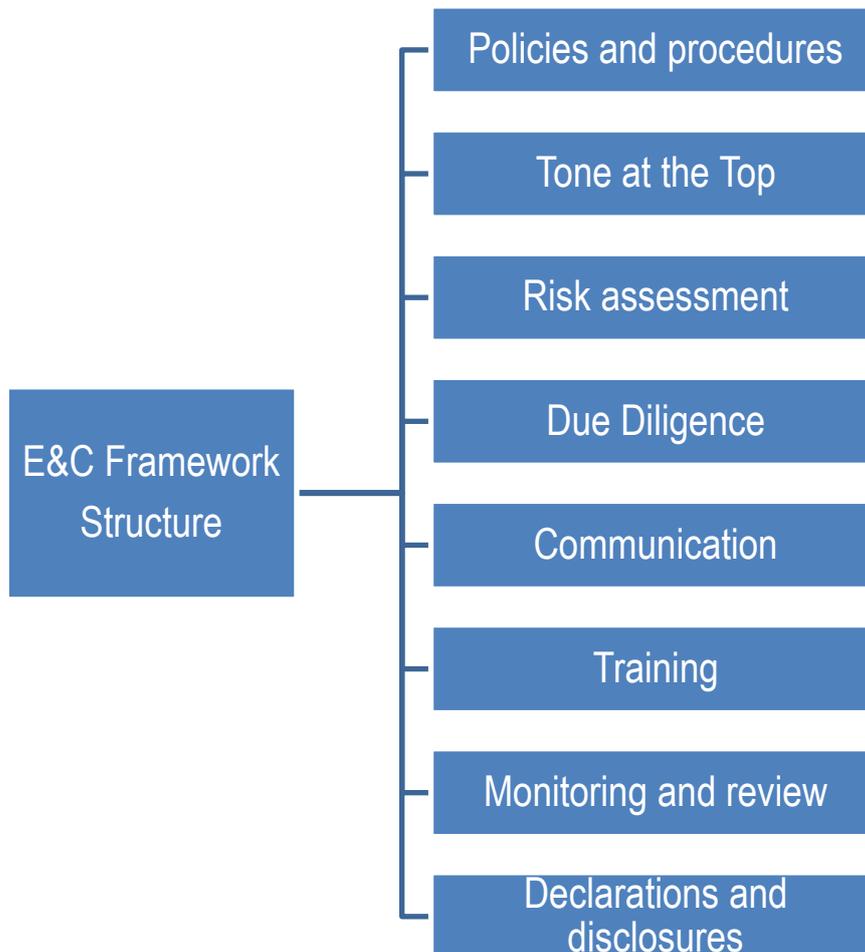
The E&C Framework cycle is based on key regulatory and compliance requirements, which shape compliance processes, reporting and assurance procedures. The cycle is continuous multi-way and changes of compliance processes are mostly driven by:

- changes in the regulatory environment
- feedback and requests from GECE and SETC
- feedback/findings from reporting and assurance activities
- feedback from Divisions and the E&C community



4.2 E&C Framework Structure

Overall structure of E&C Framework.



4.2.1 Policies and procedures

A. **E&C Policies**

Approval

A set of Barloworld E&C policies adopted by the Group is mandatory for adoption by each Division. It is the responsibility of Divisional executive management, including DECE to ensure that all current Group E&C Policies are adopted and approved by the Division within the timeline defined in Annex 1.

The list of these policies can be found in the E&C Reporting Process template communicated by GECE to E&C Community. Changes to this list, based on updates approved by SETC, are communicated by GECE.

Legal Enforceability

Divisions should use documents of approval for E&C policies, which satisfy the requirements of the local legislation to be able to legally enforce the policies. Example of these documents, depending

on local legal requirements, may include Board resolution, Executive Committee resolution, CEO Official Order etc. This document should also assign a person responsible for each E&C Policy.

Deviations from Barloworld Policies

In some cases, deviations may be needed when a Barloworld Policy is implemented at the Divisional level and compliance with local laws and regulations may necessitate an adjustment to the policy in a specific jurisdiction.

Any deviations from a Barloworld policy that amends the meaning or changes the minimum standard of the Barloworld policy requirements to align with local laws must be pre-approved, in writing by the GECE.

Languages and Translation

In some jurisdictions, where the official language is different from English, E&C Policies need to be translated and adopted in both languages (the official language and English). Technically, it can be done using a bi-lingual side-by-side version or making two separate documents, one for each language.

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.

B. Other Relevant Procedures

Anti-bribery and corruption contract clauses.

DECCs should work with the Divisional legal counsels and/or external legal advisors to develop and add relevant anti-bribery and corruption clauses to:

- Customer contracts
- Supplier contracts
- Employment contracts

The clauses should comply with the local law and, in some cases, applicable contract law.

Supplier Code of Conduct

Since the adoption of the Barloworld Supplier Code of Conduct, all new suppliers need to sign the Supplier Code of Conduct before any services or goods can be supplied to Barloworld. In rare exceptional cases, Barloworld may decide to work with a sole (exclusive in respect of the goods or services) supplier who refuses to sign the Code, however, a deeper due diligence procedure needs to be completed and an executive-level approval needs to be received before any cooperation with this supplier is started.

Group Disciplinary Policy

Divisions need to adopt and comply with the Group Disciplinary Policy i.e., Employment Code in the management of violations of E&C policies and outcomes of investigations. Demonstration of inevitable, fair and transparent disciplinary actions serves as a deterrent and reinforces the general control environment.

4.2.2 Tone at the top

Building an ethical culture is an ongoing process and Barloworld has been driven throughout its long history by its core values and the Barloworld Way of doing business. It is about tone at the top and top-level commitment.

'Tone at the top' means building an ethical culture in a consistent manner that develops over time and is self-perpetuating; it is an ongoing systematic process that is embedded in the structures of the business; it is not a series of fragmented episodes. It follows that 'ethics' and 'tone at the top' are not additional actions but rather they are how we conduct all activities in the business.

The Code of Conduct defines a benchmark of excellence, and this provides the context in which the compliance standards operate.

A. E&C Governance Committees

DECC in cooperation with DECE and other Divisional top management need to hold established appropriate governance committees covering E&C matters which must take place at least once every 6 months. DECC needs to document these meetings by retaining meeting minutes with the summary of E&C areas and projects discussed.

DECCs should also actively participate in all Group E&C discussions and projects initiated by GECE, E&C Community meetings and timely provide requested information and reports. This involvement is very important for the development of an effective compliance program across the Group that reflects the needs and feedback of each Division.

B. E&C targets in business planning

DECC in cooperation with DECE should work with Divisional top management to include E&C targets to individual annual plans of top management and the management responsible for the implementation of E&C-related activities as part of their roles including DECE's and DECC's targets. These targets need to be formally approved in an official document used in the Division for target setting e.g., balanced scorecards, annual individual plans etc.

C. Establishment of an Ethics and Compliance function

Divisions should establish an E&C governance functional structure sufficient to meet Group strategic objectives for E&C, requirements of this E&C Framework, Group E&C and DRAB reporting requirements of Barloworld and the minimum requirements set out in Barloworld E&C Policies. The structure should also ensure management and oversight over E&C processes and the development of anti-bribery and corruption procedures by the Division.

As a minimum standard, the structure involves at least one Executive and one Management level appointments whose responsibilities would include E&C. DECC can be one of these appointments. Please note that appointments at both Executive and Management levels are required to perform different responsibilities for these roles following the "Roles and Responsibilities" section of this E&C Framework. The appointments need to be properly communicated throughout the Division.

DECE and the other Divisional executive management must ensure that sufficient financial and non-financial resources are allocated to the Divisional E&C area/function.

4.2.3 Risk assessment

Barloworld's procedures to prevent bribery by associated persons are proportionate to the bribery risks and to the nature, scale and complexity of our business activities. An assessment of these risks in each Division is therefore a necessary first step to make sure that the procedures are adequate and proportionate to the level of risk.

Divisions need to conduct periodic risk assessments for bribery and corruption. It is very important to note that this type of risk assessment is based on strict regulator-defined criteria and is bribery-and-corruption-focused and cannot be replaced by or combined with general/high-level business risk assessments (such as commercial due diligence or the enterprise-wide assessment) as the latter types use different criteria that do not satisfy the requirements of the specific risk assessment for bribery and corruption.

A. Internal Risk Assessment

Divisions need to periodically assess bribery and corruption risk (subject to the below) and examine the extent to which internal structures or procedures may themselves add to the level of risk. This process should include the analysis of:

- general bribery and corruption risks of country/industry/business process
- general bribery and corruption risks of involved third parties
- general control environment in the division
- anti-bribery and corruption controls for specific processes
- degree of mitigation of these risks with existing controls

Please refer to Group ABC Policy and DRAB for details on this process.

The practical frequency of Internal Risk Assessment should be determined by each Division based on its assessment of the prevailing risk levels faced. The higher the prevailing risk levels the more frequent the intervals of Internal Risk Assessments should be. Notwithstanding this risk-based approach, Internal Risk Assessments should be reviewed and/or redone at least once every 3 years but can be done more regularly, if deemed necessary by the Division. Furthermore, where a Division faces an apparent material change in circumstances that could result in it facing new or increased bribery and corruption risk, it should conduct an Internal Risk Assessment.

B. Supplier Risk Assessment

The assessment of supplier bribery and corruption risks is intended to determine the proportional level of due diligence procedures and represents the assessment of all Division's suppliers and service providers with the assignment of risk rating (e.g., high, medium, low) to each based on the combination of risk factors.

Please refer to Group Due Diligence Policy and DRAB for details on this process. As indicated, risk ratings must be done for all Division's suppliers and service providers.

C. Employee Role Risk Assessment

This assessment is required for the identification of high-risk employee roles/positions based on anti-bribery and corruption risk factors, which may include:

- involvement in management decisions
- facing third parties, including conducting negotiations
- obtaining trade permits and licenses from regulators
- interaction with government bodies/officials

Analysis should be objective based on employee positions/roles rather than names / personal qualities of specific employees. Based on the assessment results, employee roles of the high level of risk may be subject to additional proportionate training and/or additional due diligence reviews

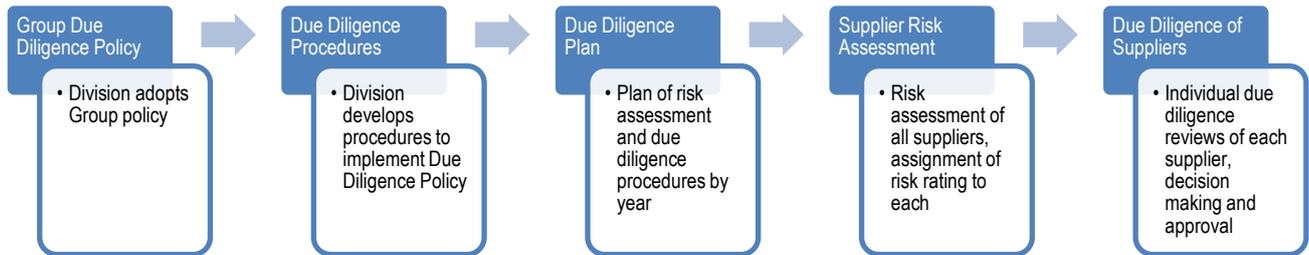
4.2.4 Due Diligence

It is important to clearly distinguish the due diligence process/review from the other processes. Although both risk assessment and due diligence review processes involve analysis of information and risk, these are two different processes. Main differences are summarized in the table below.

Area	Risk Assessment	Due Diligence Review
Analysis of information	High-level. Only risk criteria	Detailed. All information

Scope of application	All entities / persons	One entity / person
Result	Risk rating assigned to multiple entities/persons (e.g., high, medium, low)	Review with detailed information and risks on one entity/person

A. Due Diligence of Suppliers



Due Diligence Procedures

Divisions need to develop a formal process aimed at the practical implementation of the Group Due Diligence Policy. The procedures may include a description and details of the following processes, and may be included as part of divisional procurement policies and procedures:

- Risk assessment of new suppliers
- Risk assessment of existing suppliers
- Due Diligence templates for conducting risk assessment
- Annual Due Diligence plan etc.
- Processes for integrating acceptance of the Supplier Code of Conduct
- Written approval process where a supplier refuses to sign Supplier Code of Conduct

It is very important to note that despite the widely-used term “Due Diligence”, E&C Due Diligence is strictly regulated by anti-bribery legislation and therefore is bribery-and-corruption-focused and cannot be replaced by or combined with general/high-level business procedures (such as commercial due diligence or the enterprise-wide assessment) as the latter types use different criteria and would often yield conflicting results that do not satisfy the requirements of the specific due diligence requirements for ABC compliance. For example, a company which shows strong financial results or has long history would be considered low risk in terms of commercial due diligence, however, this company will be considered high risk in E&C Due Diligence if it had serious cases of bribery and corruption, and no established compliance processes, questionable practices for gifts and excessively lavish customer events.

Due Diligence Plan

Each division must have in place a formal plan for anti-bribery and corruption risk assessments and due diligence reviews of suppliers as approved by Divisional top management. The plan represents a cycle with a schedule of targeted procedures for each year, starting with the risk assessment of all suppliers, assignment of risk level (high, medium or low) and gradual due diligence review of high and medium suppliers over 3-year period.

Example of a due diligence plan:

Procedure	Year 1	Year 2	Year 3
Supplier Risk assessment	100%	X	X
High risk suppliers review	50%	50%	X
Medium risk suppliers review	X	20%	80%

In the example above, in year 1 the Division performs a risk assessment of all suppliers and conducts due diligence reviews of 50% of high-risk suppliers. In year 2, the Division completes due diligence reviews of the remaining 50% of high-risk suppliers and 20% of medium risk suppliers. The cycle ends in year 3 with due diligence review of the remaining 80% of medium risk suppliers. Next year that the whole cycle repeats.

Note that this was an example, and each Division must develop its own plan to balance costs, time, and resourcing based on the following factors:

- Total number of active suppliers for review
- Headcount of the E&C team and other relevant employees
- Available software and human resources for due diligence processes
- Materiality of transactions with the suppliers
- Other factors at management discretion

Due Diligence Reviews of Suppliers

The key principle is that due diligence reviews of suppliers should be proportionate to the level of risk identified during supplier risk assessment i.e., high-risk suppliers should undergo a more detailed due diligence compared to medium-risk ones.

Due diligence review is not limited to only gathering of information and at a minimum includes the following:

1. Information gathering to obtain pertinent information on each supplier
2. Assessment, analysis and validation of this information and ABC-specific risks
3. Approval process i.e., a decision if cooperation with this supplier is continued or stopped

B. Due Diligence of Employees and Potential Employees

Divisions should develop and incorporate employee due diligence in recruitment and human resources processes to allow an appropriate level of due diligence review to mitigate the risks of bribery and corruption being undertaken by employees which is proportionate to the level of risk identified during the employee role risk assessment stage. Employee position/role risk level, identified during the Employee risk assessment should affect subsequent procedures e.g.:

- Comprehensive and more detailed due diligence reviews of employees in more senior or higher-risk roles
- Comprehensive, more advanced or more frequent E&C training for new and existing employees in senior / higher-risk roles

Gathering and processing of personal data for employee due diligence review purposes must be done in accordance with local policy and data protection laws in accordance with the Barloworld Privacy Policy.

Potential employee Candidate Due Diligence reviews

The Employee Due Diligence reviews should entail the following:

1. Gathering of Information to obtain public or other legally available information on the candidate
2. Assessment, analysis and validation of this information, including identified risks
3. Approval process i.e., a decision if employment of the candidate should continue or not based on the results of the review

4.2.5 Communication

Communication and training deter bribery and corruption by “associated persons” (as contemplated in the UK Bribery Act, 2010 (“**UKBA**”)) by enhancing awareness and understanding of a commercial organisation’s procedures in relation to the UKBA and associated Group Policies.

A. Employee formal acknowledgement of E&C policies

The main purpose of formal employee acknowledgement is to reinforce compliance with E&C policies by making the policies formally enforceable throughout the company.

Formal acknowledgement of E&C policies:

- must be legally enforceable including disciplinary and other legal actions in case of violations
- may take the form of a paper or electronic sign-off. The form depends on local legislation requirements and needs to be developed in consultation with division’s legal and HC teams
- must cover current versions of all E&C policies
- can be a single certification for each E&C policy or one that includes the entire list of applicable E&C policies
- must be obtained from all employees within 6 months from the date of policy adoption
- must be retained as a formal record on a secure storage system for audit trail purposes

Depending on the local legal requirements, Divisions may consider including the following employee’s representations into the formal acknowledgement form:

- ✓ I have carefully read the Policy(-ies) and undertake to comply
- ✓ I know the contact person in case of any questions on this or other E&C Policies
- ✓ I undertake to comply with all of the requirements of the Policy(-ies)
- ✓ I am not aware of any ongoing breaches of the Policy(-ies) and undertake to report any breaches that I become aware of through the appropriate channels
- ✓ I understand Barloworld commitment to zero tolerance to bribery, corruption, violations of the Code of Conduct and will act accordingly, even if some situations are not specifically mentioned in the Barloworld policies.

Please refer to section “Policies and Procedures” for more information on the legal enforcement of policies.

B. Communication channels

Apart from formal acknowledgement, DECCs are encouraged to use additional channels in E&C communication. Examples include but not limited to:

- e-mail communications
- corporate intranet or other shared resources
- brochures
- leaflets
- wall posters
- screen savers

C. External communication

Third party service providers and suppliers of Barloworld are also required to comply with applicable local and international anti-bribery and corruption legislation, as relevant to their business activities and operations. Barloworld communicates its anti-bribery and corruption standards via the Supplier Code of Conduct which needs to be signed by all TPSP&Ss.

Divisions may consider additional ways of external communication such as placement of anti-bribery and corruption standards on web site or organizing/requiring e-learning for the key personnel of higher risk TPSP&Ss (where required).

4.2.6 Training

Training provides the knowledge and skills needed to employ the organisation's procedures and deal with any bribery-related problems or issues that may arise.

A. Guidance of E&C training

- ✓ Training should be proportionate to the level of risk of employee roles identified during risk assessment
- ✓ Basic E&C training content should cover all current E&C policies
- ✓ Basic E&C training should be completed by all employees in a 2-year cycle
- ✓ Advanced E&C training applies to senior and/or high-risk employee roles and contains deeper and/or broader coverage of important and specialised E&C topics which may be Division or legal entity specific
- ✓ Training can take both face-to-face and e-learning format
- ✓ Training records must be preserved for all training interventions and can take the form of:
 - Paper attendance sheets for face-to-face training
 - Electronic attendance registers for e-learning
- ✓ Training records should have employee name, the title of the training course, date of training, training completion status
- ✓ In case of material or significant amendments to a policy, training content must be updated, and all employees trained on the amended policy within 1 year from the adoption of the updated policy. In case of immaterial changes of the policy (to be determined by GECE) Divisions may maintain the existing training content and continue to train within the two-year cycle
- ✓ Training content should be bi-lingual where the official state language is not English
- ✓ E-learning courses should contain assessments to be completed by employees with a passing score of at least 75%
- ✓ Divisions may use additional types of training:
 - Induction training for new employees should contain E&C policies
 - Quick E&C interventions at general meetings
 - Ad-hoc training sessions on a specific E&C topic or policy
 - E&C refresher trainings

4.2.7 Monitoring and review

In addition to DECE and DECC, Divisional executive management is also responsible for the oversight, monitoring and compliance with the Group E&C requirements.

Bribery and corruption risks may change over time, as may the nature and scale of its activities, so the procedures required to mitigate those risks are also likely to change accordingly. The E&C Framework sets out several monitoring and review procedures.

A. E&C Self-Assessment Process

This is a tool that helps DECE, DECC and Divisional management to assess the current level of compliance with Group E&C requirements by self-assessing themselves against the checklist of key E&C requirements. SETC and GECE use this information in the consolidated form to assess and monitor overall compliance level across Barloworld.

Self-assessment includes a compliance rating each of the components and subcomponents of E&C Framework as follows:

- **Green** (Fully/Mostly comply)
- **Yellow** (Partially comply)
- **Red** (Do not comply)

The thresholds for these assessments i.e., the % of the score needed for green, yellow and red rating will be communicated by GECE or a person authorized by GECE. DECCs should objectively assess the level of compliance of their Divisions which can be confirmed by supporting documents. Conversely, if an E&C process in the Division cannot be objectively confirmed by supporting documents, it should be rated as “Red” or “Do not comply” until appropriate documents are generated and provided.

DECCs need to upload their self-assessment results to DRAB folder (monitoring and review section) twice a year within the deadline defined by GECE. The E&C self-assessment is fully integrated with the DRAB. Supporting documents confirming the self-assessment ratings are verified in accordance with the DRAB process.

B. DRAB

DRAB is a comprehensive cyclic process that validates and ensures the following:

1. Compliance with UKBA regulatory requirements
2. Standardization and structuring of E&C processes
3. Implementation of standard E&C processes across the Group
4. Generating and collecting appropriate supporting documentation
5. Verification of submitted E&C self-assessment against the provided evidence
6. Adjustments and assignment of final ratings based on the quality of evidence provided
7. Consolidated reporting to GECE and SETC
8. Development of individual improvement plans for Divisions based on the review results
9. Retention of all E&C supporting documents in a centralized cloud database.

DRAB is integrated and aligned with the E&C self-assessment process and uses the same reporting structure. For each reporting cycle, Divisions must upload all supporting documents confirming their self-assessment rating. Only the documents and evidence relevant to the specific reporting period must be uploaded. Historical documents are stored in the system, so there is no need to duplicate them.

Based on the review of DRAB supporting documents, Division’s self-assessment ratings can be adjusted downwards. In case of discrepancies in ratings between self-assessment and DRAB documents review, the final compliance rating is assigned based on the GECE’s review of supporting documents. The outcome of the DRAB review may identify gaps and areas for improvement that could be addressed for the next reporting period.

The evidence uploaded to DRAB should have the following characteristics:

- Evidence applies only to this reporting period i.e., one of the following:
 - be dated this reporting period
 - be up to date in this reporting period* (e.g., a policy dated previous reporting period but still valid in the current period)
 - current versions of E&C Policies for the reporting period are used
- Evidence should be relevant to E&C reporting / DRAB structure
- Each file should be properly named in accordance with the E&C reporting / DRAB template

Note that evidence that is still applicable from previous reporting periods can be copied from the folders of the previous reported periods. However, each period’s submission should be a full self-sufficient set of all folders and files in accordance with DRAB folder and reporting structure i.e., it is not a good practice to omit a document and leave a reference note to the previous reporting period.

* Unless SETC or GECE specify a different period, the minimum frequency of updates of the evidence is defined by this Framework, in particular Annex 1.

C. E&C process responsibility matrix

The E&C process responsibility matrix is a file with the list of employees responsible for specific E&C-related processes and their contact details. This file allows forming a consolidated organizational structure and contact database for all the employees across the Group who are related to E&C processes.

D. E&C statistics update

As a part of the E&C reporting process, Divisions need to provide an update of E&C-specific statistics twice a year. The template of the statistics is determined and communicated by the GECE and may include the following areas:

- Number of employees in the Division
- Number of employees trained in E&C policies
- Total number of suppliers
- Number of active suppliers
- Number of Supplier Codes of Conduct signed in the period
- Number of gifts declared
- Maximum gift value, USD or equivalent
- Number of customer events hosted for the period
- Maximum customer event budget, USD
- Number of conflicts of interest disclosures
- Whistle-blowing line statistics
- Other E&C statistics

Similar to the other reporting requirements, the statistics provided should cover only the reporting period under review.

E. SETC reporting

Reporting from all the Divisions is consolidated and presented by GECE to SETC twice a year. Exact reporting dates for the year are determined by GECE. The reporting package includes:

- E&C Reporting
- DRAB review results and final ratings
- E&C Statistics update
- Whistleblowing line update

SETC reviews the submission and gives GECE recommendations for improvement of E&C processes as well as the changes in Group E&C priorities.

4.2.8 Declarations and disclosures

DECCs should make sure that Divisions comply with the requirements of Group E&C Policies. The format of electronic disclosure forms may be re-designed /customized to facilitate online disclosures, as an alternative to the standard paper/manual declaration forms. Electronic declaration forms will be considered valid and compliant if: Divisions may choose to use electronic declaration systems if all of the requirements below are met:

- Electronic declaration contains all relevant fields of the templates and other reporting requirements prescribed in the Group policies; and
- The system supports review and approval of declarations by management; and
- The system retains all history of review and approvals and provides an audit trail.

Declaration types

DECCs should make sure that the Division establishes processes to ensure that employees make declarations in accordance with the following policies:

- Gift and Hospitality Policy
- Conflict of Interest Policy
- Other relevant declarations adopted by SETC and GECE.

Annual CEO Compliance Declaration

At the end of each financial year, Divisional CEO should sign a standard E&C compliance declaration. The declaration template will be communicated by GECE. The original of declaration for the current and previous years needs to be retained by the Division.

While the minimum Group standard is the annual declaration by Divisional CEO, some Divisions may choose to go further and request compliance declarations by other / all employees.

Customer Events

DECCs should make sure that Divisions comply with the requirements of Group Hosting Customer Events Policy including preparation, review and approval of the following minimum set of documents for each customer event:

- event plan
- event budget
- hosting team
- event report
- other requirements of the Policy

ANNEX 1. FREQUENCY OF E&C PROCEDURES

Area	Minimum frequency *	Conditional changes**
Policies and procedures		
Adoption of updated of Group E&C Policies by Divisions	6 months	Group Policy updates
Anti-bribery and corruption (ABC) contract clauses	Conditional	Regulatory changes
Anti-bribery and corruption (ABC) clauses in labour contracts	Conditional	Regulatory changes
Tone at the top		
E&C Committees agendas and minutes	6 months	
E&C components in BSCs	1 year	
E&C Executive and Management appointments	Conditional	New appointments
Risk assessment		
Internal Risk Assessment	3 years	
Supplier Risk Assessment	3 years	
Employee Risk Assessment	3 years	
Due Diligence of Suppliers		
Process to implement Due Diligence Policy	Conditional	Group Policy and Division process changes
Approved Due Diligence plan	Conditional	Plan changes
Due Diligence reviews of suppliers	Conditional	Due Diligence Plan
Due Diligence of Employees		
Process for employee Due Diligence	Conditional	Group Policy, regulatory or Division process changes
Employee Due Diligence Reviews	Conditional	All new employees
Communication and training		
Use of additional channels for communication of E&C policies	At least 1 event per year	
Evidence of employee sign-off on current policies	Conditional	Within 6 months from date of policy adoption
Evidence of signed Supplier Code of Conduct	Conditional	All new contracts
Training		
Training content coverage of all E&C policies	Conditional	Within 12 months after the Policy change
E&C training passed by 100% of employees	2 years	
Face-to-face training on E&C	At least 1 training intervention per year	
Monitoring and review		
New E&C Reporting Process	6 months	
Process responsibility matrix	Conditional	Responsibility changes
E&C statistics update	6 months	
Declarations and disclosures		
Conflicts of Interest disclosures	2 years	
Annual CEO Compliance Declaration	1 year	

* Minimum frequency of performance of procedures. However, Divisions are encouraged and may choose to perform some procedures more frequently.

** Conditional changes are irregular and are driven by a certain factor/event in the column "Conditional changes"