

Module: Introduction**Page: W0. Introduction****W0.1****Introduction****Please give a general description and introduction to your organization**

BARLOWORLD (BAW) is a distributor of leading international brands providing innovative rental, fleet management, product support and logistics solutions. The core divisions of the group comprise Equipment and Handling (earthmoving, power systems, materials handling and agriculture), Automotive and Logistics (car rental, motor retail, fleet services, used vehicles and disposal solutions, logistics management and supply chain optimisation). BAW offers flexible, value adding, innovative business solutions to customers backed by leading global brands. The brands BAW represents on behalf of its principals include Caterpillar, Hyster, Avis, Budget, Audi, BMW, Ford, General Motors, Jaguar Land Rover, Mazda, Mercedes-Benz, Toyota, Volkswagen and others.

BAW has a proven track record of long-term relationships with global principals and customers. BAW has an ability to develop and grow businesses in multiple geographies including challenging territories with high growth prospects. One of its core competencies is an ability to leverage systems and best practices across chosen business segments. BAW is committed to sustainable development and playing a leading role in diversity and inclusion. The company was founded in 1902 and at 30 September 2016 had operations in 23 countries around the world with approximately 78% of over 20 000 employees in South Africa.

BAW is committed to creating long-term sustainable value for all its stakeholders. BAW's commitment to creating long-term value for all its stakeholders, driven by its Value Based Management approach, includes, inter alia:

- o Enhancing our customers' success by providing the integrated and environmentally sound solutions they require to remain competitive and meet their own sustainability objectives.
- o Mutually beneficial relationships with our principals and representing them in a way that enhances their success and reflects their sustainable development objectives.
- o Providing a safe and healthy workplace for employees where all have equal opportunities, are inspired to fulfil their ambitions and be proud ambassadors of BAW.
- o Conducting our operations in an environmentally responsible manner.
- o Identifying profitable growth opportunities and executing our strategic plans effectively and efficiently.
- o Engaging our stakeholders and being a responsible corporate citizen for all of them, including contributing to social and economic development of the communities in which we operate.
- o Delivering top-quartile returns to our shareholders through responsible business practices.

This commitment is underscored by our integrated management approach which requires accountability and responsibility for economic, social and environmental aspects of business activity. BAW has adopted a risk management approach, stakeholder engagement and strategic planning framework which allow for activities

and management focus to be structured on the group's 6 strategic focus areas: People, Diversity and Inclusion, Sustainable development, Innovative Customer Solutions, Profitable Growth and Financial returns.

The sustainable development strategic focus area positions water stewardship as an important aspect of the group's long term value creation objectives. Although none of group's direct operations are particularly water-use intensive, BAW is nonetheless committed to more efficient water use through reduced withdrawals, increased recycling and water harvesting initiatives. The majority of water withdrawals in the group are sourced from municipal and local government water supply systems, and legally discharged back into such systems after required filtration and separation processes. Washing of vehicles, plant and equipment constitutes the company's major use of water. BAW withdrew 788 ML (FY2015: 745ML) of water from municipal supplies in FY2016 and recycled 17.2% (FY2015: 20.2%).

BAW does not believe that the water-related risks in its supply chain are of a significant nature, given its geographic and industry diversification and the globally leading principals it represents. BAW is mindful of customer water stewardship objectives when offering products and services. BAW represents leading international brands and engages with world-class principals who conduct their operations in an environmentally responsible manner and are continuously developing new products and adapting existing products which assist customers in achieving their own sustainable development objectives.

W0.2

Reporting year

Please state the start and end date of the year for which you are reporting data

Period for which data is reported
Thu 01 Oct 2015 - Fri 30 Sep 2016

W0.3

Reporting boundary

Please indicate the category that describes the reporting boundary for companies, entities, or groups for which water-related impacts are reported

Companies, entities or groups over which financial control is exercised

W0.4**Exclusions**

Are there any geographies, facilities or types of water inputs/outputs within this boundary which are not included in your disclosure?

No

W0.4a**Exclusions**

Please report the exclusions in the following table

Exclusion	Please explain why you have made the exclusion

Further Information

Module: Current State

Page: W1. Context

W1.1

Please rate the importance (current and future) of water quality and water quantity to the success of your organization

Water quality and quantity	Direct use importance rating	Indirect use importance rating	Please explain
Sufficient amounts of good quality freshwater available for use	Neutral	Important	Direct Use: The primary use of water within the group is for washing vehicles, plant and equipment which does not necessarily require freshwater. BAW understands that much of the water supplied by water utilities is freshwater sourced from dams, etc. Although BAW has water recycling plants, the water from these plants is insufficient to meet all the water needs of BAW. An adequate supply of freshwater is important to customer satisfaction but is considered neutral for actual operations. Indirect Use: BAW's value chain makes use of water supplied by water utilities and/or municipalities. The water supplied is often sourced from dams, etc. (freshwater). An adequate supply of water is important for suppliers to manufacture products (eg. the steel used in machines), which may impact supply patterns in the value chain. Some customers rely on freshwater to perform their operations and water shortages can result in interruptions to these operations impacting demand and service patterns.
Sufficient amounts of recycled, brackish and/or produced water available for use	Important	Important	Direct Use: BAW predominately uses water for washing vehicles, plant and equipment. A sufficient amount of recycled or treated water is important for this purpose. Limited access to sufficient amounts of water could result in interruptions to operations and may impact on customer satisfaction in the value chain. Indirect Use: BAW's principals rely on recycled or treated water in the manufacturing process. Many of these principals have or are considering implementing water treatment and/or water recycling facilities. Many of the principals also rely on input materials/machine parts that require water in the manufacturing process. Without recycled or treated water, the principals would experience interruptions in operations which could result in inability to do business. The same is true of a number of BAW's customers, impacting demand and service patterns.

W1.2

For your total operations, please detail which of the following water aspects are regularly measured and monitored and provide an explanation as to why or why not

Water aspect	% of sites/facilities/operations	Please explain
Water withdrawals- total	76-100	Water withdrawals are measured and monitored as this information is required for management

Water aspect	% of sites/facilities/operations	Please explain
volumes		purposes including highlighting exposures and controlling directly impacts BAW's operational cost.
Water withdrawals- volume by sources	76-100	Water withdrawals are measured and monitored as this information is required for management purposes including highlighting exposures and controlling BAW's operational cost. Most water is sourced from municipal and local government water supply systems. Some water is captured in rainwater harvesting tanks and this water is metered.
Water discharges- total volumes	Less than 1%	Although this is not metered, principally all water is legally discharged into local municipal reticulation systems after proper treatment. Minimal volumes of water are consumed as water does not form part of the product and is not removed from the area of withdrawal. Given the nature of use and of BAW's operations, water discharge volumes have been assumed to equate to 95% of water withdrawal volumes. Small volumes of water are consumed by employees, used for gardening or evaporated during washing, but this is not separately metered.
Water discharges- volume by destination	Less than 1%	This is not metered, but principally all water is legally discharged into local municipal reticulation systems after appropriate filtration and treatment. Given the nature of use and of BAW's operations, water discharge volumes have been assumed to equate to 95% of water withdrawal volumes.
Water discharges- volume by treatment method	Less than 1%	This is not metered, but principally all water is legally discharged into local municipal reticulation systems after appropriate filtration and treatment. Given the nature of use and of BAW's operations, water discharge volumes have been assumed to equate to 95% of water withdrawal volumes.
Water discharge quality data- quality by standard effluent parameters	Less than 1%	Principally the group's approach is for all water discharge to be within the legal parameters. Filtration systems are installed at relevant facilities with regular monitoring where necessary. Routine filter maintenance may include water effluent testing. Predominant water-use is washing vehicles, plant and equipment. Given the diverse nature of the facilities and the discharge, the percentage indicated is an estimate of facilities in which quality data is measured and monitored and not a percentage of water volumes discharged.
Water consumption- total volume	Less than 1%	Water is predominantly used for washing of vehicles, plant and equipment and does not form part of the product. Essentially all water is appropriately filtered and treated and discharged back into the local municipal reticulation systems. Small volumes of water are consumed by employees, used for gardening or evaporated during washing, but this is not separately metered. Given the nature of use and operations, consumption volumes have been assumed to equate to 5% of water withdrawal volumes.
Facilities providing fully-functioning WASH services for all workers	Less than 1%	Facilities providing fully-functioning WASH services for workers are not specifically metered. All BAW facilities include WASH services and these volumes are included in the site / facility volumes reported. Water is predominantly used for washing of vehicles, plant and equipment and does not form part of the product. Essentially all water is appropriately filtered and treated and discharged back into the local municipal reticulation systems. Small volumes of water are consumed by employees (including WASH services), used for gardening or evaporated during washing, but this is not separately metered.

W1.2a

Water withdrawals: for the reporting year, please provide total water withdrawal data by source, across your operations

Source	Quantity (megaliters/year)	How does total water withdrawals for this source compare to the last reporting year?	Comment
Fresh surface water	0	Not applicable	
Brackish surface water/seawater	0	Not applicable	
Rainwater	1.32	Lower	In FY2016, volumes of water sourced from rainwater harvesting activities was significantly down on FY2015 levels. This was impacted by the drought situation experienced during the period. This has contributed to the 6% year on year increase in volumes of water withdrawn from municipal systems in 2016.
Groundwater - renewable	0	Not applicable	
Groundwater - non-renewable	0	Not applicable	
Produced/process water	0	Not applicable	
Municipal supply	788	Higher	In FY2016, water withdrawal volumes from municipal supplies were 6% above FY2015 (745ML) levels. This was impacted by the increased activity levels coupled with decreased rainwater harvesting volumes due to the drought situation experienced during the period.
Wastewater from another organization	0	Not applicable	
Total	789.32	Higher	Total FY2016 water withdrawals (municipal supplies (788ML) + rainwater harvesting (1.32ML)) was 5% above FY2015 levels (municipal supplies (745ML) + rainwater harvesting (6.8ML)). In FY2016, water withdrawal volumes from municipal systems was 6% above that of FY2015 (745ML) levels and rainwater harvesting was significantly down on FY2015 levels. The drought in certain regions where BAW operates has impacted these figures.

W1.2b

Water discharges: for the reporting year, please provide total water discharge data by destination, across your operations

Destination	Quantity (megaliters/year)	How does total water discharged to this destination compare to the last reporting year?	Comment
Fresh surface water	0	Not applicable	No comment
Brackish surface water/seawater	0	Not applicable	No comment
Groundwater	0	Not applicable	No comment
Municipal/industrial wastewater treatment plant	748.6	Higher	Principally all water is legally discharged into local municipal reticulation systems after proper treatment. Minimal volumes of water are consumed as water does not form part of the product and is not removed from the area. As discharged volumes are assumed to be 95% of water withdrawal (municipal supply + rainwater harvesting volumes), the year on year increase in total water discharges is 6% over FY2015, following the 6% increase in water withdrawals (which was impacted by the increased activity levels coupled with decreased rainwater harvesting volumes due to the drought situation experienced during the period).
Wastewater for another organization	0	Not applicable	No comment
Total	748.6	Higher	Principally all water is legally discharged into local municipal reticulation systems after proper treatment. Minimal volumes of water are consumed as water does not form part of the product and is not removed from the area. As discharged volumes are assumed to be 95% of water withdrawal (municipal supply + rainwater harvesting volumes), the year on year increase in total water discharges is 6% over FY2015, following the 6% increase in water withdrawals (which was impacted by the increased activity levels coupled with decreased rainwater harvesting volumes due to the drought situation experienced during the period).

W1.2c

Water consumption: for the reporting year, please provide total water consumption data, across your operations

Consumption (megaliters/year)	How does this consumption figure compare to the last reporting year?	Comment
39.4	Higher	Principally all water is legally discharged into local municipal reticulation systems after proper treatment. Minimal volumes of water are consumed as water does not form part of the product and is not removed from the area of withdrawal. As consumption volumes are assumed to be 5% of withdrawal volumes (municipal supplies + rainwater harvesting), the year on year increase of 6% in water consumption volumes for the group is directly linked to withdrawal volumes, which are 6% above FY2015 levels. This was impacted by the increased activity levels coupled with decreased rainwater harvesting volumes due to the drought situation experienced during the period.

W1.3

Do you request your suppliers to report on their water use, risks and/or management?

No

W1.3a

Please provide the proportion of suppliers you request to report on their water use, risks and/or management and the proportion of your procurement spend this represents

Proportion of suppliers %	Total procurement spend %	Rationale for this coverage
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W1.3b

Please choose the option that best explains why you do not request your suppliers to report on their water use, risks and/or management

Primary reason	Please explain
Other: Leading Global Principals	BAW's key suppliers are its principals and Original Equipment Manufacturers. BAW represents world-class principals, which have robust risk management processes, including environmental risks. Whilst BAW does not require its suppliers to separately report on these issues, there is extensive engagement between BAW and its principals. Also, these suppliers provide information in publically available documents. Hence, BAW is able to use direct engagement and the publically-available information to assess their approach and as such, currently separate reporting has not been requested. A review of the publically available information and extensive engagement inform the appropriateness of their approach which is reassessed on an ongoing basis. An internal review has also been conducted on all our major principals and Original Equipment Manufacturers for risks relating to the environment, in addition to other aspects. This did not highlight water risks. These principals represent some 55% of BAW supplier spend.

W1.4

Has your organization experienced any detrimental impacts related to water in the reporting year?

Yes

W1.4a

Please describe the detrimental impacts experienced by your organization related to water in the reporting year

Country	River basin	Impact driver	Impact	Description of impact	Length of impact	Overall financial impact	Response strategy	Description of response strategy
South Africa	Other: All river basins in South Africa	Phys-Drought	Reduced demand for product	Due to a severe drought our agriculture business was negatively impacted through reduced tractor sales.	12 months.	Reduced demand for tractors did not significantly impact group revenue.	Engagement with customers Engagement with suppliers Supplier diversification Other: Customer and product diversification	The industry and geographic diversification of BAW and its customers minimises the impact of the drought. BAW operates in 23 countries.

W1.4b

Please choose the option below that best explains why you do not know if your organization experienced any detrimental impacts related to water in the reporting year and any plans you have to investigate this in the future

Primary reason	Future plans
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Further Information

Module: Risk Assessment

Page: W2. Procedures and Requirements

W2.1

Does your organization undertake a water-related risk assessment?

Water risks are assessed

W2.2

Please select the options that best describe your procedures with regard to assessing water risks

Risk assessment procedure	Coverage	Scale	Please explain
Comprehensive company-wide risk assessment	Direct operations and supply chain	All facilities and some suppliers	Risks, including those associated with water, are identified through detailed, robust systematic strategic planning and risk assessment procedures. These procedures engage various levels of the organisation and involve ongoing review and reporting at management, executive and board levels. Identification and assessment of the risks begins with divisional management at asset level. These risks are reported to the group Risk and Sustainability committee bi-annually. This committee assists the board in recognising all material risks and in ensuring that the requisite risk management culture, practices, policies and systems are progressively implemented and functioning effectively. Specific focus is placed on reducing water withdrawal and consumption, improving efficiency, engagement with leading principals and geographic and industry diversification as ways of managing water-related risks - BAW's principals represent a very small proportion of the number of BAW suppliers globally, but represent the majority of our supplier spend (55%). Therefore by focused engagement with a relatively small number of key suppliers, BAW is able to cover and assess a relatively broad risk base. Given the nature of the balance of suppliers, his approach adequately enables the group to manage, and where appropriate, mitigate risks identified in its supply chain.

W2.3

Please state how frequently you undertake water risk assessments, at what geographical scale and how far into the future you consider risks for each assessment

Frequency	Geographic scale	How far into the future are risks considered?	Comment
Six-monthly or more frequently	Business unit	>6 years	BAW's risk assessment process (at BU, divisional and group) considers risks to the relevant operations in the short (1-3 years), medium (3-5 years) and long (>5 years) term. This risk assessment is not specific to water risks but focuses predominately on significant business risks; however water risks significantly impacting BAW will be identified during this High Level Risk Assessment process. The risks are assessed in terms of timeframe, likelihood, impact and quality of controls.
Annually	Business unit	>6 years	In addition, a water risk and opportunity assessment is conducted at a Group level focusing on the identification, assessment and response to risks and opportunities. This complements the broader assessment as these aspects are considered at an aggregated level. This is also reviewed by the groups' operations and considers risks in the short (1-3 years), medium (3-5 years) and long (>5 years) term. The risks are assessed in terms of timeframe, likelihood, impact and quality of controls.

W2.4

Have you evaluated how water risks could affect the success (viability, constraints) of your organization's growth strategy?

Yes, evaluated over the next 5 years

W2.4a

Please explain how your organization evaluated the effects of water risks on the success (viability, constraints) of your organization's growth strategy?

BAW's strategic framework outlines 6 strategic focus areas (SFAs) to which Executive teams give priority to ensure sustainable value creation for all stakeholders. Sustainable development, which encompasses water stewardship, is one of the 6 SFAs. Stakeholder engagement and consultation informs and guides group activities. This approach is institutionalised through structured strategic planning and risk management initiatives.

The strategic planning initiatives consider a range of impacts, including where relevant the effects of water quality and quantity on the growth strategy. Risks and opportunities, including those presented by changing water quality and quantity, are determined by the divisions and provided to the Risk and Sustainability Committee (RSC). The RSC, a sub-committee of the Board reviews the consolidated information. This information is used during the strategic planning process to better understand the impact of water-related risks and opportunities in terms of realising the growth strategy. The timeframe considered is five years, aligning with the strategic planning process.

More specifically, impacts on the growth strategy are as follows:

- Direct impact: Interruptions to operations: Water is predominantly used for washing of vehicles, plant and equipment. Changes to water quantity may result in operational interruptions which could lead to customer dissatisfaction. The operational interruptions and any customer dissatisfaction could negatively impact on BAW's ability to achieve its growth strategy.
- Direct impact: Increased expenditure: Water shortages and/or increased regulations may result in the need for additional expenditure on infrastructure such as water recycling and harvesting plants. The investment required for water-related infrastructure may displace investment in other business growth opportunities or delay investment.
- Indirect impact: Changes in product demand and supply: Changes to water quality and quantity could impact BAW's customers and suppliers, altering demand and supply patterns for products/services. Extreme weather events such as floods and droughts may result in damage or destruction or relocation of communities outside of BAW's distribution areas. This may require BAW to shift the focus of its growth strategy to new areas, markets or products/services.

W2.4b

What is the main reason for not having evaluated how water risks could affect the success (viability, constraints) of your organization's growth strategy, and are there any plans in place to do so in the future?

Main reason	Current plans	Timeframe until evaluation	Comment
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W2.5

Please state the methods used to assess water risks

Method	Please explain how these methods are used in your risk assessment
Internal company knowledge WRI water stress definition WRI Aqueduct	These tools provide insight into water stressed regions, which is factored into BAW's risk assessment process. Given that BAW operates in 23 countries spanning a number of river basins and catchments, the risk heat maps provided through these tools allow BAW to overlap its countries of operation to easily assess geographies of concern. BAW's 23 countries of operation are considered in the risk assessment process.

W2.6

Which of the following contextual issues are always factored into your organization's water risk assessments?

Issues	Choose option	Please explain
Current water availability and quality parameters at a local level	Relevant, included	Current local water availability and water quality, as assessed through internal company knowledge, WRI's water stress definition and Aqueduct, have a direct impact on BAW's operations and, as such, are considered in BAW's risk assessment process. Water is predominantly used for washing of vehicles, plant and equipment. As a result, water shortages could result in interruptions in operations and declining customer satisfaction levels. Water shortages and reduced water quality may require unplanned expenditure on infrastructure such as additional installation of water recycling, rainwater harvesting or water treatment facilities. BAW has set a group aspirational target of 10% efficiency improvement in water withdrawal intensity by 2020FYE off a 2015 baseline year, further supported by BAW Water Use and Management Policy.
Current water regulatory frameworks and tariffs at a local level	Relevant, included	Both regional and local regulations and tariffs, as assessed through application of internal company knowledge, are factored into BAW's risk assessments. The cost of compliance and the risks of non-compliance are considered in the risk assessment process. BAW's operations must comply with local water-related regulations governing water withdrawal and discharge volumes and quality. Current and anticipated water tariffs are also considered in the risk assessment process as it contributes to the operational cost base of the Group. BAW has set a group aspirational target of 10% efficiency improvement in water withdrawal intensity by 2020FYE off a 2015 baseline year, further supported by BAW Water Use and Management Policy.

Issues	Choose option	Please explain
Current stakeholder conflicts concerning water resources at a local level	Relevant, included	BAW strives to conduct its activities in a responsible manner and to uphold its reputation as a responsible corporate citizen. With this in mind, BAW engages with stakeholders on an ongoing basis which allows BAW to identify current conflicts at a local level and this information is factored into the risk assessment process. Internal company knowledge is enhanced from and informed by such engagements. Where necessary, mitigation measures are put in place to reduce risks to both stakeholders and the Group.
Current implications of water on your key commodities/raw materials	Relevant, included	BAW considers risks associated with its supply chain which are informed by internal company knowledge and to a lesser degree WRI's water stress definition and Aqueduct. However, these risks are mitigated through association with global leading principals and brands that conduct their operations in a responsible manner. These principals are actively engaged in environmental stewardship and related sustainability initiatives. This risk is also minimised through diversification. BAW has operations across 23 countries, is engaged in a number of different business activities and has suppliers with a diverse manufacturing footprint.
Current status of ecosystems and habitats at a local level	Relevant, included	Although BAW does consider the current status of ecosystems and habitats in its risk assessment process, water use within the Group is predominantly for washing of vehicles, plant and equipment. The majority of BAW operations are based in developed urban areas and as such water used is sourced from municipal and local government water supply systems and legally discharged back into such systems after required filtration and separation processes. Internal company knowledge informs the assessment of this issue.
Current river basin management plans	Relevant, included	Currently river basin management plans do not have a direct impact on BAW's operations given the nature of use of water within operations and the sources of water withdrawals. Water is predominantly used for washing of vehicles, plant and equipment. No special licencing is required for water-use as locations are situated in urban / developed areas and water is sourced via municipal supply. River basin management plans may however impact our value chain eg. customers' sites may be impacted resulting in interruptions in operations or relocation, thus impacting BAW and affecting demand for BAW's products and services. Internal company knowledge informs the assessment of this issue.
Current access to fully-functioning WASH services for all employees	Relevant, included	The provision of drinking water and ablution facilities are regulated in most geographies in which BAW operates. Operations comply with relevant local regulations in this regard. BAW supplies potable drinking water, and full sanitation and hygiene services to employees. Internal company knowledge informs the assessment of this issue.
Estimates of future changes in water availability at a local level	Relevant, included	Future changes in water availability could result in increased expenditure on infrastructure such as water recycling and rainwater harvesting. Water shortages could result in interruptions in operations as water is required for washing vehicles, plant and equipment. Extreme changes in water availability patterns may result in relocation of communities which may negatively affect demand for the Group's products, particularly where relocation is outside BAW's distribution areas. Internal company knowledge, WRI's water stress definition and Aqueduct inform the assessment of this issue.

Issues	Choose option	Please explain
Estimates of future potential regulatory changes at a local level	Relevant, included	Future potential regulatory changes could impact on BAW's ability to do business and, as such, are considered in the risk assessment process. An example is the introduction of regulation which increases water tariffs. Any increases in water tariffs would result in increased operational costs and could require investment in water recycling and harvesting to reduce water withdrawals from municipal supplies. Regulatory changes could also impact customers, affecting demand for BAW's products and services. Internal company knowledge informs the assessment of this issue.
Estimates of future potential stakeholder conflicts at a local level	Relevant, included	BAW strives to conduct its activities in a responsible manner and to uphold its reputation as a responsible corporate citizen. With this in mind, BAW engages with stakeholders on an ongoing basis which allows BAW to identify any future potential conflicts at a local level and this information is factored into the risk assessment process. Internal company knowledge is enhanced from and informed by such engagements. Where necessary, mitigation measures are put in place to reduce risks to stakeholders and the Group.
Estimates of future implications of water on your key commodities/raw materials	Relevant, included	BAW considers the future implications of water on suppliers in its risk assessment process. This is considered while bearing in mind the Group's geographic, industry, customer, product and supplier diversification and engagement with leading, world-class principals and brands which are likely to go a long way towards mitigating future water-related risks in the supply chain. Internal company knowledge, WRI's water stress definition and Aqueduct inform the assessment of this issue.
Estimates of future potential changes in the status of ecosystems and habitats at a local level	Relevant, included	Despite not being a significant consumer of water, BAW considers the impact of potential changes in ecosystems and habitats in its risk assessment process. Water is mainly used for washing of vehicles, plant and equipment. The majority of water used is sourced from municipal and local government water supply systems and legally discharged back into such systems after required filtration and separation processes, having limited impact on the ecosystems and habitats at a local level. Internal company knowledge, WRI's water stress definition and Aqueduct inform the assessment of this issue.
Scenario analysis of availability of sufficient quantity and quality of water relevant for your operations at a local level	Relevant, included	Availability of sufficient water at the right price and quality is considered in BAW's risk assessment process. BAW requires water for washing of vehicles, plant and equipment. Water shortages could cause operational interruptions and could lead to customer dissatisfaction. This issue could also result in increased investment in rainwater harvesting, water recycling and water treatment. BAW's suppliers and customers are also dependent on the availability of sufficient quantity and quality of water. Internal company knowledge, WRI's water stress definition and Aqueduct inform the assessment of this issue.
Scenario analysis of regulatory and/or tariff changes at a local level	Relevant, included	BAW's risk assessment process considers changes in water tariffs or regulations at a local level. Any increases in price will directly impact BAW's operational costs. Higher water prices may give rise to the need for increased capital expenditure for recycling and rainwater harvesting in an attempt to reduce water withdrawals from municipal supplies. Customers may also be affected, resulting in re-engineered production/ extraction processes, which may reduce demand for BAW's products/services. Internal company knowledge informs the assessment of this issue.
Scenario analysis of stakeholder	Relevant,	BAW strives to conduct its activities in a responsible manner and to uphold its reputation as a

Issues	Choose option	Please explain
conflicts concerning water resources at a local level	included	responsible corporate citizen. As such, stakeholders form an important part of the risk assessment process. Through ongoing engagement with stakeholders, BAW identifies any conflicts concerning water resources. The risk is evaluated in the risk assessment process and where necessary mitigation measures are put in place to reduce the risks to both the stakeholders and the Group. Internal company knowledge is enhanced from and informed by such engagements.
Scenario analysis of implications of water on your key commodities/raw materials	Relevant, included	Water-related risks could impact supplier's ability to manufacture raw materials. Various manufacturing processes are dependent on a reliable water supply. If raw materials are not available as a result of water shortages this could impact on BAW's product offering and, in turn, revenue. Hence, the implications of water on BAW's supply chain and related raw materials are considered as part of the risk assessment process. Internal company knowledge informs the assessment of this issue.
Scenario analysis of potential changes in the status of ecosystems and habitats at a local level	Relevant, included	BAW's risk assessment process considers various scenarios regarding changes to ecosystems and habitats. BAW is not a significant water consumer as the use of which is limited to washing of vehicles, plant and equipment. The majority of water used is sourced from municipal and local government water supply systems, and legally discharged back into such systems after required filtration and separation processes, having limited impact on the ecosystems and habitats at a local level. Internal company knowledge informs the assessment of this issue.
Other	Relevant, included	Water-related risks potentially impacting BAW's customer base are considered in the risk assessment process. BAW engages regularly with customers to identify risks related to water such as changes in precipitation levels and changes in the regulatory framework. An important part of BAW's risk assessment process is identification of mitigation measures that could assist customers in alleviating the impact of water-related risks and provide insight into customer's future commercial viability. Internal company knowledge informs the assessment of this issue.

W2.7

Which of the following stakeholders are always factored into your organization's water risk assessments?

Stakeholder	Choose option	Please explain
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Stakeholder	Choose option	Please explain
Customers	Relevant, included	BAW is committed to delivering sustainable solutions through open, mutually beneficial relationships that inspire the trust and confidence of its stakeholders. Ongoing engagement with customers provides information on their water requirements and related risks which allows for legal and appropriate information sharing around risks and opportunities that provides BAW with an opportunity to better understand and address customer requirements, or how it will impact the demand for products. Close relationships with customers enhance BAW's capability to identify and deliver unique integrated solutions based on customer requirements which may address water issues.
Employees	Relevant, included	BAW is committed to regular engagement with employees. Aspects of its Integrated Employee Value Model include responsible corporate citizenship and sustainability. Employee involvement and buy-in is central to the identification and implementation of the group's water stewardship initiatives. Responsible practices ensure employee pride, commitment and are an element of attracting and retaining key skills. An example of such engagement includes BAW's participation in the WWF's Journey of Water campaign to enhance employee awareness around responsible water stewardship.
Investors	Relevant, included	BAW engages with shareholders and providers of capital on issues around the sustainability value creation capability of the business and its operational and financial performance. As water-related risks and opportunities have the potential to impact on the sustainability of the business, its risk profile and its performance, BAW actively considers investors' perspectives during the risk assessment process and the development of its growth strategy.
Local communities	Relevant, included	BAW strives to be responsive to the needs of the communities in which it operates and to ensure that they are not negatively impacted by its operations. As its operations are predominately located in urban areas, such interaction is predominately with the respective local municipalities which represent the interest of any local communities. Where relevant, BAW engages in local communities when allocating its Corporate Social Investment and would consider their needs which may include water when allocating support.
NGOs	Relevant, included	BAW engages with a number of NGOs on environmental and water-related initiatives. BAW provides funding for some of these NGOs that support its shared value approach. Ongoing engagement with NGOs allows for legal and appropriate information sharing and for understanding forthcoming regulation and important water-related issues and initiatives at a local level.
Other water users at a local level	Relevant, included	Where possible and appropriate BAW participates in business associations such as the National Business Initiative, Business Leadership South Africa and Business Unity South Africa. Either directly or through these business associations, BAW engages with other water users on water-related policies and regulation on an appropriate basis.
Regulators	Relevant, included	BAW gives consideration to existing and anticipated / pending water-related legislation in its risk assessment process. Impacts affecting BAW directly and indirectly via its value chain are considered in this process. BAW engages in a number of business forums that assist in keeping abreast with amendments to existing and pending legislation. This engagement includes providing input into pending draft regulations and legislation.
River basin management authorities	Relevant, included	Water is mainly used for washing of vehicles, plant and equipment. The majority of water used is sourced from municipal and local government water supply systems and legally discharged back into such systems after required filtration and separation processes, having limited impact on the respective river basins at a local level. As part of its ongoing stakeholder engagement initiatives, BAW is made aware of potential river basin issues that may impact its customers or the communities in which it operates. Such information is factored into the risk assessment process. Given it's

Stakeholder	Choose option	Please explain
		predominate urban locations, the limited water withdrawal volumes and the nature of its use BAW does not necessarily have ongoing engagement with river basin management authorities. Such engagement will be on an ad-hoc basis as and when the need arises.
Statutory special interest groups at a local level	Relevant, included	Where required BAW would engage with special interest groups for the purposes of understanding local water-related challenges and determining where BAW can best support causes that align with its shared value approach. BAW is committed to operate as a responsible corporate citizen and engagement with special interest groups is one method of aligning to best practice and dealing with local water-related challenges appropriately and effectively.
Suppliers	Relevant, included	BAW engages with suppliers in order to understand and assess the risks and opportunities, including those presented by water, in its supply chain which may impact on its ability to create shared value for its stakeholders.
Water utilities at a local level	Relevant, included	Water utilities are factored into the company's risk assessment process as these utilities are central to providing and maintaining a regular supply of good quality water for BAW and its customers and suppliers. Risks to water utilities impact on BAW's ability to create shared value for its stakeholders.
Other		

W2.8

Please choose the option that best explains why your organisation does not undertake a water-related risk assessment

Primary reason	Please explain
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Further Information

Module: Implications

Page: W3. Water Risks

W3.1

Is your organization exposed to water risks, either current and/or future, that could generate a substantive change in your business, operations, revenue or expenditure?

Yes, direct operations only

W3.2

Please provide details as to how your organization defines substantive change in your business, operations, revenue or expenditure from water risk

BAW has a robust and systematic risk management process in place which assesses risks on their probability, severity and quality of the control environment and gives each risk a residual risk score. On an annual basis the Risk and Sustainability Committee sets a risk appetite that is used in the risk assessment process. Definition of Substantive Risk: risks with a Residual (opposed to Inherent) score of critical or high relative to the set Risk Appetite may have the ability to substantively change BAW's business model or business operations, revenue or expenditure. Such risks are identified in our risk assessment process together with related impacts and mitigation as reflected in response W2.3. Despite having multiple operations across 23 countries, in excess of 70% of the Group's revenue is derived from South African operations. The South African direct operations consist of over 300 operational sites across BAW's two major divisions which span multiple industries. The Group's major use of water is for washing of vehicles, plant and equipment and does not form part of the product. Principally all water is appropriately filtered, treated and discharged back into the local municipal reticulation systems. Given this level of diversification and the nature of water-use, no single operation has the ability to substantively impact the Group's business, operations, revenue or expenditure. In sections W3, 5.1, 5.1a, 5.2a, 5.3, and 5.4 BAW has responded on a country level rather than a facility level. The risks and information disclosed below relate to South African operations only which cumulatively make a significant contribution to the Group's revenue and which together have the ability to substantively impact the Group's business, operations, revenue or expenditure. While BAW has not assessed any of its risks as having the potential to substantively impact its business as defined above, for information purposes it has nonetheless disclosed a number of risks on an 'Inherent' basis that have the potential to impact its business. BAW strives to minimise the impact of its direct operations on water resource and to manage all water related risks appropriately, including installing water recycling and rainwater harvesting initiatives at a number of its operations. BAW has considered its direct operations, as well as supply chain and customers in its risk assessment.

W3.2a

Please provide the number of facilities* per river basin exposed to water risks that could generate a substantive change in your business, operations, revenue or expenditure; and the proportion of company-wide facilities this represents

Country	River basin	Number of facilities exposed to water risk	Proportion of company-wide facilities that this represents (%)	Comment
South Africa	Other: All river basins within South Africa			BAW has opted to report risks at an aggregated level. Risks with a residual (opposed to Inherent) score of critical or high are considered substantive to BAW's business. Despite having multiple operations across 23 countries, in excess of 70% of the Group's revenue is derived from its South African operations. The South African operations consist of over 300 operational sites across BAW's two major divisions which span multiple industries. Given this level of diversification and the nature of water-use, no single operation has the ability to substantively impact the Group's business, operations, revenue or expenditure. BAW has therefore responded on a country level rather than a facility level.

W3.2b

For each river basin mentioned in W3.2a, please provide the proportion of the company's total financial value that could be affected by water risks

Country	River basin	Financial reporting metric	Proportion of chosen metric that could be affected	Comment
South Africa	Other: All river basins within South Africa	% global revenue		BAW opted to report risks at an aggregated level. Risks with a residual score of critical or high are considered substantive to BAW's business. Despite having multiple operations across 23 countries, in excess of 70% of the Group's revenue is derived from its South African operations. The South African operations consist of over 300 operational sites across BAW's two major divisions which span multiple industries. Given this level of diversification and the nature of water-use, no single operation has the ability to substantively impact the Group's business, operations, revenue or expenditure. BAW has therefore responded on a country level rather than a facility level. Given there are a number of river basins within South Africa that service the >300 BAW sites, the probability all BAW's South African sites being impacted simultaneously is remote. Despite this the revenue percentage indicated

Country	River basin	Financial reporting metric	Proportion of chosen metric that could be affected	Comment
				relates to all BAW's South African operations as a percentage of BAW's global revenue.

W3.2c

Please list the inherent water risks that could generate a substantive change in your business, operations, revenue or expenditure, the potential impact to your direct operations and the strategies to mitigate them

Country	River basin	Risk driver	Potential impact	Description of potential impact	Timeframe	Likelihood	Magnitude of potential financial impact	Response strategy	Costs of response strategy	Details of strategy and costs
South Africa	Other: All river basins in South Africa	Reputational-Negative media coverage	Brand damage	Water-related issues and a company's response to these may have detrimental impacts on a company's reputation. For example, discharge of pollutants to a local water body, conflicts over water claims, or other detrimental impacts	Current-up to 1 year	Unlikely	Medium-high	Alignment of public policy positions with water stewardship goals Engagement with community Engagement with customers Engagement	The cost is not ring-fenced and is incorporated into the cost base of the Group. Examples are the actual cost incurred for reporting systems, consultants and	Response strategy: BAW has set a group aspirational target of 10% efficiency improvement in water withdrawal intensity by 2020FYE off a 2015 baseline year, further supported by BAW Water Use and Management Policy. BAW has

Country	River basin	Risk driver	Potential impact	Description of potential impact	Timeframe	Likelihood	Magnitude of potential financial impact	Response strategy	Costs of response strategy	Details of strategy and costs
				<p>on water resources may negatively impact the company's reputation in a local community or with the general public. BAW could be exposed to reputational risks if stakeholders perceive the group as not adequately identifying and responding to water-related issues. This perception may erode stakeholder value and may impact on BAW's share price.</p>				<p>nt with public policy makers Engagement with other stakeholders in the river basin Engagement with suppliers Infrastructure maintenance Increased investment in new technology Promote best practice and awareness Strengthen links with local community Other: Stakeholder engagement</p>	<p>assurance which was in excess of R1.3m for the reporting period. The cost of this response strategy can be classified as 'Low' and is anticipated to increase marginally as assurance requirements become more stringent and environmental responsibility, including water stewardship, comes more to the fore on the social and business agenda.</p>	<p>adopted a MAR (Measure, Avoid and Reduce) approach to managing water. Water monitoring systems are in place at most major sites to allow monitoring of withdrawal trends, identification of anomalies and mitigation against excessive and/or unnecessary use. An example includes WaterWatch. Risks related to reputational damage are managed through ensuring ongoing accurate and transparent communication with stakeholders. Material water data is assured by the group external auditors to ensure accuracy of disclosures. BAW</p>

Country	River basin	Risk driver	Potential impact	Description of potential impact	Timeframe	Likelihood	Magnitude of potential financial impact	Response strategy	Costs of response strategy	Details of strategy and costs
								t		<p>is also committed to communicating its actions regarding environmental stewardship with stakeholders through sustainability communication in the media and publications released by the group. BAW engages with world-class principals and suppliers that actively manage water use and water-related risks. Engagement and close relationships with all stakeholders assists in reducing the likelihood of reputational damage. Cost: Costs of response strategies are based on actual costs incurred by BAW in FY16.</p>

Country	River basin	Risk driver	Potential impact	Description of potential impact	Timeframe	Likelihood	Magnitude of potential financial impact	Response strategy	Costs of response strategy	Details of strategy and costs
										<p>Timeframe: BAW already is and will continue to engage with stakeholders and report on water-related risks and opportunities.</p> <p>Effectiveness: Currently, engagement with stakeholders on a regular basis and transparent reporting is effective at managing reputational risks. It is expected to remain effective going forward.</p> <p>Feasibility of success in preventing financial/operational impact: Feasible / Adequate.</p>
South Africa	Other: All river basins in South	Physical-Flooding	Closure of operations	Flooding caused by changing local hydrological conditions or rising sea levels may impact operations resulting in clean-	Current-up to 1 year	Probable	Medium	Other: Increased insurance cover	Significant insurance cover is provided at group level which extends to	Response strategy: BAW insures for any physical and consequential damages. All BAW facilities maintain business plans that

Country	River basin	Risk driver	Potential impact	Description of potential impact	Timeframe	Likelihood	Magnitude of potential financial impact	Response strategy	Costs of response strategy	Details of strategy and costs
	Africa			up/repair costs or delay scheduled production at facilities in these areas. Flooding could damage company infrastructure, stock and negatively affect operations including field servicing, operation of plant, equipment and vehicles. Flooding may require expenditure on infrastructure to overcome related difficulties. If severe, it may ultimately require changes to existing business model or relocation. Flooding could increase insurance premiums which would increase the cost base of company. Floods can have a significant impact on the agricultural industry resulting in					physical and consequential damages. The actual cost of this insurance was marginally below R34m in FY2016, of which a small portion was in respect of flooding. The cost of this response strategy can be classified as 'Low - Medium' and is expected to increase marginally in the future. The number of claims, the probability of risks materialising and the insured value, amongst other	incorporate emergency response actions and business continuity. The geographic diversification of BAW minimises the impacts associated with this risk as flooding is typically confined to specific regions at any given time. Industry diversification is also another method of managing the risk. BAW operates across a number of industry segments which spreads the risk and reduces the impact associated with floods on the group. The group has insurance protection in respect of losses incurred as a result of an insured event. Cost: Costs of response

Country	River basin	Risk driver	Potential impact	Description of potential impact	Timeframe	Likelihood	Magnitude of potential financial impact	Response strategy	Costs of response strategy	Details of strategy and costs
				crop damage and shifting arable land areas. This could result in a reduction in demand for BAW's agricultural products. Similarly, these would also impact the group's supply chains and customers negatively affecting demand and supply.					aspects, influence the insurance cover costs.	strategies are based on actual costs incurred by BAW. Timeframe: The response strategy is already implemented as BAW has insurance and the facilities all have business plans that have emergency response actions and business continuity. Effectiveness: The response strategy is expected to remain effective as significant insurance cover is available. Feasibility of success in preventing financial/operational impact: Feasible / Adequate.
South Africa	Other: All river basins	Physical-Increased water scarcity	Higher operating costs	Increased water stress can result in the reduced availability of water of the required	Current-up to 1 year	Probable	Medium	Infrastructure investment Infrastructure	Infrastructure investments included increased water	Response strategy: BAW has set a group aspirational target of 10% efficiency

Country	River basin	Risk driver	Potential impact	Description of potential impact	Timeframe	Likelihood	Magnitude of potential financial impact	Response strategy	Costs of response strategy	Details of strategy and costs
	South Africa			<p>quality at a reasonable price. Water shortages may require expenditure on infrastructure to overcome related difficulties. For example, it may become necessary to install rainwater harvesting or water storage tanks at operations to ensure supply. Water shortages could result in interruptions in operations as water is required for washing vehicles, plant and equipment. Increased water prices would result in an increased operating cost base for the group. Declining water quality would require investment in water treatment facilities in order to purify water to</p>				<p>maintenance New products, markets Promote best practice and awareness Other: Diversification</p>	<p>harvesting and recycling, for example, within the reporting period, some Motor Retail sites installed water recycling, rainwater harvesting and efficiency initiatives at an actual cost of some R0.9m. These implementations are mainly driven by cost savings and the need to improve operational resilience. The cost of this can be classified as 'Low' and it is anticipated that investment</p>	<p>improvement in municipal water withdrawal intensity by 2020FYE off a 2015 baseline year. BAW has adopted a MAR (Measure, Avoid and Reduce) approach to managing water, which assists in reducing the impact of water shortages, reduced quality and increased water prices by reducing water withdrawals and consumption in group operations. Water monitoring systems are in place at most major sites to allow monitoring of water withdrawal trends, identification of anomalies and mitigation against excessive and/or unnecessary use. BAW is committed to more efficient water withdrawals and consumption</p>

Country	River basin	Risk driver	Potential impact	Description of potential impact	Timeframe	Likelihood	Magnitude of potential financial impact	Response strategy	Costs of response strategy	Details of strategy and costs
				<p>appropriate levels suitable for intended use. Extreme changes in water availability patterns may result in relocation of communities and industrial areas which may negatively affect demand for the group's customer offerings, especially where relocation is outside BAW's distribution areas. Increased water stress could potentially impact on BAW's value chain, including its customers. For example, water shortages may result in some customers having to halt operations. This would result in reduced demand for BAW's products and services. For example, severe water shortages in</p>					into such initiatives will increase in the future.	<p>through reduced use, increased recycling and water-harvesting initiatives. BAW manages the impacts associated with the risk of increased water stress through geographic and industry diversification. BAW has operations in 23 countries which reduces the impact of geographically-confined water-related risks. Cost: Costs of response strategies are based on actual costs incurred by BAW. Timeframe: Various aspects of the response strategy have already been implemented. Rainwater harvesting and water recycling initiatives are</p>

Country	River basin	Risk driver	Potential impact	Description of potential impact	Timeframe	Likelihood	Magnitude of potential financial impact	Response strategy	Costs of response strategy	Details of strategy and costs
				<p>the mining industry may halt or increase costs in operations and reduce demand for BAW's mining equipment. Droughts in the agricultural sector may result in the loss of crops and decreased demand for agricultural products from BAW.</p>						<p>already being implemented. BAW will continue to follow the MAR approach and implement rainwater harvesting and recycling initiatives as required. Effectiveness: The response strategy has been effective at improving water intensity of 0.8% over FY2015. In FY16, BAW's water withdrawal from municipal supplies increased by 6% over FY2015 levels, in line with increased activity levels. BAW also recycled 17.2% of its total water withdrawals in FY16. It is expected that the response strategy will be effective at reducing the risk associated with water scarcity and</p>

Country	River basin	Risk driver	Potential impact	Description of potential impact	Timeframe	Likelihood	Magnitude of potential financial impact	Response strategy	Costs of response strategy	Details of strategy and costs
										the impact of higher operating costs going forward by reducing water withdrawals from municipal supplies and increasing rainwater harvesting initiatives. Feasibility of success in preventing financial/operational impact: Feasible/Adequate.
South Africa	Other: All river basins in South Africa	Regulatory-Higher water prices	Higher operating costs	Increased water prices would increase BAW's operational costs. Higher water prices may also give rise to increased capital expenditure for recycling and rainwater harvesting initiatives in an attempt to avoid/reduce water withdrawals. Customers may also be affected,	Current-up to 1 year	Highly probable	Low-medium	Infrastructure investment Infrastructure maintenance Promote best practice and awareness	Infrastructure investments included increased water harvesting and recycling, for example, within the reporting period, some Motor Retail sites installed water recycling, rainwater harvesting	Response strategy: BAW has set a group aspirational target of 10% efficiency improvement in water withdrawal intensity by 2020FYE off a 2015 baseline year. BAW has adopted a MAR (Measure, Avoid and Reduce) approach to managing water, which assists in reducing the impact

Country	River basin	Risk driver	Potential impact	Description of potential impact	Timeframe	Likelihood	Magnitude of potential financial impact	Response strategy	Costs of response strategy	Details of strategy and costs
				resulting in re-engineered production/ extraction processes, which may reduce demand for BAW's goods and services.					and efficiency initiatives at an actual cost of some R0.9m. These implementations are mainly driven by cost savings and the need to improve operational resilience. The cost of this can be classified as 'Low' and it is anticipated that investment into such initiatives will increase in the future.	of water shortages, reduced quality and increased water prices by reducing water withdrawals and consumption in group operations. Water monitoring systems are in place at most major sites to allow monitoring of withdrawal trends, identification of anomalies and mitigation against excessive and/or unnecessary use. BAW is committed to more efficient water withdrawals and consumption through reduced use, increased recycling and water-harvesting initiatives. BAW manages the impacts associated with the risk of increased water prices through geographic and industry

Country	River basin	Risk driver	Potential impact	Description of potential impact	Timeframe	Likelihood	Magnitude of potential financial impact	Response strategy	Costs of response strategy	Details of strategy and costs
										<p>diversification. BAW has operations in 23 countries which reduces the impact of geographically-confined water-related risks. Within BAW's two major divisions, there are a number of different operations and business activities. This enables the group to reduce the impact of water-related risks on the group should such risks only affect specific business activities. Cost: Costs of response strategies are based on actual costs incurred by BAW. Timeframe: BAW already follows the MAR approach to managing water and has already implemented water efficiency</p>

Country	River basin	Risk driver	Potential impact	Description of potential impact	Timeframe	Likelihood	Magnitude of potential financial impact	Response strategy	Costs of response strategy	Details of strategy and costs
										<p>initiatives, recycling and rainwater harvesting and will continue to do so as and when required.</p> <p>Effectiveness: The response strategy has been effective at improving water intensity of 0.8% over FY15. In FY16, BAW's water withdrawal from municipal supplies increased by 6% over FY15 levels. BAW also recycled 17.2% of its total water usage in FY16. This indicates that the response strategy will reduce the impact of any water price increases. It is expected to remain effective going forward.</p> <p>Feasibility of success in preventing financial/operational impact:</p>

Country	River basin	Risk driver	Potential impact	Description of potential impact	Timeframe	Likelihood	Magnitude of potential financial impact	Response strategy	Costs of response strategy	Details of strategy and costs
										Feasible/Adequate.
South Africa	Other: All river basins in South Africa	Regulatory- Increased difficulty in obtaining withdrawals/operations permit	Reduced demand for product	A variety of water-related issues may result in permitting difficulties, including supply constraints and changes in discharge requirements. For example, water supply constraints may cause regulators to extend reviews or deny permits for water withdrawals that impact planned growth. Concerns about an operation's impacts on water quality, whether founded or not, may also result in delays or denial of permits to BAW, its customers or supply chain. BAW may be negatively impacted through permitting difficulties in its	4-6 years	Probable	Medium	Engagement with customers Engagement with suppliers	Costs for engagement with customers form part of the operational cost base of the Group. The cost of this response strategy can be classified as 'Low'. As these costs are integrated into the day-to-day operations and existing engagement structures, it is not anticipated that these costs will increase in the future.	Response strategy: BAW is in constant contact with customers in order to understand the pressures customers are experiencing and to assist in alleviating these pressures and providing solutions that meet customers' needs. Geographic, industry, supplier, customer and product diversification also assists in minimising the impacts associated with the risk of increased difficulty of obtaining water permits as it is typically confined to specific regions and/or activities. This risk is also minimised through association with global leading

Country	River basin	Risk driver	Potential impact	Description of potential impact	Timeframe	Likelihood	Magnitude of potential financial impact	Response strategy	Costs of response strategy	Details of strategy and costs
				supply chain or by its customers. For example, new or existing mining operations that fail to obtain water use licenses may need to halt operations until licenses can be obtained. This could reduce demand for BAW's goods and services.						principals and brands that conduct their operations in a responsible manner. These principals are actively engaged in environmental stewardship and related sustainability initiatives. Cost: Costs of response strategies are based on actual costs incurred by BAW. Timeframe: The response strategy is already in place as BAW is engaging on an ongoing basis with customers. Effectiveness: The response strategy is expected to remain effective as constant engagement with customers provides an opportunity for BAW to provide

Country	River basin	Risk driver	Potential impact	Description of potential impact	Timeframe	Likelihood	Magnitude of potential financial impact	Response strategy	Costs of response strategy	Details of strategy and costs
										assistance. The Group's diversification reduces the impact of any risk in terms of customers not obtaining approvals. Feasibility of success in preventing financial/operational impact: Feasible / Adequate.
South Africa	Other: All river basins in South Africa	Regulatory- Mandatory water efficiency, conservation, recycling or process standards	Other: Increased operational and/or capital expenditure	To conserve water, regulators may introduce mandatory schemes for efficiency, conservation, recycling, monitoring or changes to process water use. These requirements may increase operating costs (leading to higher costs for BAW) or necessitate additional capital investment at some	1-3 years	Probable	Low-medium	Infrastructure investment Infrastructure maintenance Increased capital expenditure Promote best practice and awareness Other: Diversification	In FY2016 the Group invested some R0.9m in water recycling, rainwater harvesting and efficiency initiatives. The cost of this response strategy can be classified as 'Low-Medium'. These implementations are	Response strategy: BAW is committed to efficient water use through reduced withdrawals, recycling, harvesting and monitoring initiatives, demonstrated by the investment made on these initiatives, and the group aspirational targets of 10% efficiency improvement in water withdrawal

Country	River basin	Risk driver	Potential impact	Description of potential impact	Timeframe	Likelihood	Magnitude of potential financial impact	Response strategy	Costs of response strategy	Details of strategy and costs
				<p>or all of BAW's operations. The introduction of mandatory water efficiency, conservation, recycling or process standards could require additional capital investment in rainwater harvesting tanks, water treatment systems, water efficiency/recycling initiatives or monitoring systems. Also, water harvesting, recycling and monitoring processes already implemented may not meet the mandatory standards implemented, resulting in additional costs in upgrading these facilities in order to meet the required standards.</p>					<p>mainly driven by cost savings and the need to improve operational resilience in light of water disruptions and improved water-use efficiency. It is anticipated that investment into such initiatives will increase in the future as water pricing increase and/or water use becomes more regulated.</p>	<p>intensity by 2020FYE off a 2015 baseline year. Having already invested in water efficiency initiatives, the group is prepared for mandatory water-related standards. The use of MAR (Manage, Avoid and Reduce) as a water management approach reduces the impact of water shortages, reduced water quality and increased prices by reducing water withdrawals and consumption in BAW. Geographic and industry diversification is an overarching management response to risks and related impacts. BAW has operations in 23 countries and multiple sites within</p>

Country	River basin	Risk driver	Potential impact	Description of potential impact	Timeframe	Likelihood	Magnitude of potential financial impact	Response strategy	Costs of response strategy	Details of strategy and costs
										<p>the country which reduces the impact of geographically-confined water-related risks. Within BAW's two major divisions, there are a number of different operations and business activities. This enables the group to reduce the impact of water-related risks should such risks only affect specific business activities.</p> <p>Cost: In FY2016 the Group invested some actual R0.9m in water recycling, rainwater harvesting and efficiency initiatives.</p> <p>Timeframe: BAW already follows the MAR approach to water management and has implemented various water efficiency, recycling</p>

Country	River basin	Risk driver	Potential impact	Description of potential impact	Timeframe	Likelihood	Magnitude of potential financial impact	Response strategy	Costs of response strategy	Details of strategy and costs
										<p>and harvesting initiatives, which will also reduce the financial burden of compliance that could otherwise be experienced in a single financial period, thus assisting in BAW's cash flow.</p> <p>Effectiveness: The response strategy has been effective at improving water intensity of 0.8% over FY2015. In 2016, BAW's water withdrawals from municipal supplies increased by 6% over FY2015 levels. BAW also recycled 17.2% of its total water usage in FY2016. It is expected that this approach will continue to be effective going forward. Feasibility of success in preventing financial/operationa</p>

Country	River basin	Risk driver	Potential impact	Description of potential impact	Timeframe	Likelihood	Magnitude of potential financial impact	Response strategy	Costs of response strategy	Details of strategy and costs
										Impact: Feasible / Adequate.
South Africa	Other: All river basins in South Africa	Regulatory- Regulation of discharge quality/volumes leading to higher compliance costs	Other: Increased operational and/or capital expenditure	To manage environmental risks to water bodies, regulators may raise standards for water discharge quality or restrict discharge volumes. This could result in increased treatment costs prior to discharge or necessitate increased recycling in order to limit water discharges. The introduction of regulations that raise standards for water discharge quality or restrict discharge volumes may impact on BAW's operations. The regulations could require additional expenditure/investment on water treatment systems	Current-up to 1 year	Probable	Low	Infrastructure investment Infrastructure maintenance Increased capital expenditure Promote best practice and awareness Other: Diversification	In FY2016 the Group invested some R0.9m in water recycling, rainwater harvesting and efficiency initiatives. The costs for this response strategy can be classified as 'Low-Medium'. It is anticipated that investment into such initiatives will increase in the future as water pricing increase and/or water use becomes more regulated.	Response strategy: BAW makes use of environmentally friendly detergents which limits the pollution levels of the discharged water. This risk is further mitigated by recycling initiatives. BAW also recycled 17.2% of its total water usage in FY2016. In order to minimise the impact of this risk, BAW is focused on reducing water withdrawals by implementing water efficiency initiatives and reusing water at some of its' major operations. The impact of this risk is further reduced by the diversified nature of the group. BAW has operations in 23 countries which

Country	River basin	Risk driver	Potential impact	Description of potential impact	Timeframe	Likelihood	Magnitude of potential financial impact	Response strategy	Costs of response strategy	Details of strategy and costs
				and/or water recycling initiatives on-site, giving rise to increased operational and/or capital costs.						reduces the impact of geographically-confined water-related risks (such as physical and regulatory risks). BAW has two major divisions. Within each division, there are a number of different operations and business activities. This enables the group to reduce the impact of some water-related regulatory risks as these risks may be confined to specific countries, regions or activities. Cost: Costs of response strategies are based on actual costs incurred by BAW. Timeframe: BAW has already implemented some of the response strategy as it makes use of environmentally

Country	River basin	Risk driver	Potential impact	Description of potential impact	Timeframe	Likelihood	Magnitude of potential financial impact	Response strategy	Costs of response strategy	Details of strategy and costs
										friendly products and recycles water. BAW also currently treats the water before discharging it into the municipal system. Effectiveness: The response strategy is expected to remain effective going forward. Feasibility of success in preventing financial/operational impact: Feasible / Adequate.
South Africa	Other: All river basins in South Africa	Regulatory-Regulatory uncertainty	Other: Delayed decision making	Regulatory uncertainty regarding water could result in operational interruptions, reduced demand for goods and services and increased operating costs. Possible or impending changes to regulatory frameworks create	1-3 years	Highly probable	Low-medium	Engagement with customers Engagement with public policy makers Engagement with suppliers Other: Diversification	The costs are not ring-fenced, but are incorporated into the cost base of the company. The costs of this response strategy can be classified as 'Low'. An example of actual costs	Response strategy: The impact of possible or impending changes to regulatory frameworks is reduced through geographical, industry and principal diversification. The group operates in 23 countries and consists of logistics, retail and

Country	River basin	Risk driver	Potential impact	Description of potential impact	Timeframe	Likelihood	Magnitude of potential financial impact	Response strategy	Costs of response strategy	Details of strategy and costs
				<p>uncertainty in the business environment, increase administrative burden, impact business decisions by the group, its customers and supply chain, on issues such as competitive products, services and customer offerings, sectors in which to operate, business models and optimal locations. BAW could be negatively impacted by the introduction of mandatory water efficiency standards or limitations placed on water withdrawals and discharges. The introduction of new legislation could require additional expenditure on new treatment facilities</p>					<p>of some R0.9m in membership fees paid to organised business associations in FY2016. Such engagement assist in monitoring the regulatory landscape. The costs for diversification is inherent in the BAW business model, engagement costs are anticipated to increase in the future as the scope of regulation increase.</p>	<p>service-oriented businesses. The group engages with a number of different principals and suppliers. The diversified nature of the group minimises the impacts associated with the risk of regulatory uncertainty as new legislation is typically introduced within a single region or country and covers specific operations or activities. BAW engages with customers and suppliers to identify risks and opportunities and to ensure that customer needs are met. In addition and specifically within South Africa, BAW engages with a number of industry and business</p>

Country	River basin	Risk driver	Potential impact	Description of potential impact	Timeframe	Likelihood	Magnitude of potential financial impact	Response strategy	Costs of response strategy	Details of strategy and costs
				and water conservation initiatives in order to comply with the standards. The introduction of restrictions on water withdrawals/use could also impact customers; resulting in reduced demand for BAWs goods and services. Operating across a number of industries and under many jurisdictions presents challenges to staying abreast of local legislation. This could result in a cautious approach by the group, its customers and supply-chain which could negatively impact on decision making and investment.						associations on pending legislation. This assists BAW to keep abreast of changes to proposed legislation and allows sufficient time to adapt and respond appropriately. Cost: Costs of response strategies are based on actual costs incurred by BAW. Timeframe: The response strategy of diversification and engagement with stakeholders is already implemented. Effectiveness: It is expected that the response strategy will remain effective going forward given that regulations are country or region specific and typically activity specific. Hence, diversification is

Country	River basin	Risk driver	Potential impact	Description of potential impact	Timeframe	Likelihood	Magnitude of potential financial impact	Response strategy	Costs of response strategy	Details of strategy and costs
										likely to reduce the risk and associated impacts of regulatory uncertainty. Feasibility of success in preventing financial/operational impact: Feasible / Adequate.
South Africa	Other: All river basins in South Africa	Regulatory- Statutory water withdrawal limits/changes to water allocation	Reduced demand for product	With increasing water scarcity and increasing demand, regulators may choose to limit the quantity of water that users may withdraw. They may also change the allocation of water rights to the benefit of some users but to the detriment of others. This may lead to a disruption to BAW's, its customers' and suppliers' operations. It might also constrain future growth due	1-3 years	Probable	Medium	Engagement with public policy makers Infrastructure investment Infrastructure maintenance Promote best practice and awareness Other: Diversification	The costs are not ring-fenced, but are incorporated into the cost base of the Group. The costs of this response strategy can be classified as 'Low-Medium'. An example of actual infrastructure expenditure and maintenance: In FY2016 the Group	Response strategy: BAW has set a group aspirational target of 10% improvement in water withdrawal intensity by 2020FYE off a 2015 baseline year. BAW has adopted the MAR (Measure, Avoid and Reduce) approach to managing water. Water monitoring systems are in place at most major sites to allow monitoring of withdrawal trends, identification of

Country	River basin	Risk driver	Potential impact	Description of potential impact	Timeframe	Likelihood	Magnitude of potential financial impact	Response strategy	Costs of response strategy	Details of strategy and costs
				to the lack of available water inputs in some areas of operation. Limitations placed on water withdrawals may require increased investment for on-site water treatment, water harvesting and water recycling systems. In addition, severe restrictions on water withdrawals/use could result in the inability for BAW to clean vehicles, plant and equipment which could impact on customer satisfaction levels resulting in a reduced demand for BAW's goods and services. Limitations on water withdrawals may have a significant impact					invested some R0.9m in water recycling, rainwater harvesting and efficiency initiatives. It is anticipated that investment into such initiatives will increase in the future as water pricing increase and/or water use becomes more regulated.	anomalies and mitigation against excessive/unnecessary use. BAW is committed to efficient water use through reduced withdrawals, increased recycling and harvesting initiatives. The use of the MAR management approach reduces the impact of possible limitations placed on water withdrawals by reducing water use in the group. BAW manages the impacts associated with the risk of limitations on water withdrawals through geographic and industry diversification - an overarching management response to risks and related impacts. BAW has operations in 23

Country	River basin	Risk driver	Potential impact	Description of potential impact	Timeframe	Likelihood	Magnitude of potential financial impact	Response strategy	Costs of response strategy	Details of strategy and costs
				<p>on customers, for example, customers in the mining and agricultural sector. This in turn, may negatively affect demand for BAW's goods and services.</p>						<p>countries which reduces the impact of geographically-confined water-related risks. BAW has two major divisions, within which there are a number of different operations and business activities. This enables the group to reduce the impact of water-related risks should such risks only affect specific business activities. Cost: Costs of response strategies are based on actual costs incurred by BAW. Timeframe: Various aspects of the response strategy have already been implemented. Rainwater harvesting and water recycling initiatives are already being implemented. BAW</p>

Country	River basin	Risk driver	Potential impact	Description of potential impact	Timeframe	Likelihood	Magnitude of potential financial impact	Response strategy	Costs of response strategy	Details of strategy and costs
										<p>will continue to follow the MAR approach and will implement additional rainwater harvesting and recycling initiatives. Effectiveness: The response strategy has been effective at improving water intensity of 0.8% over FY2015. A reduction in water withdrawals will reduce the impact of this risk. Hence, the strategy of reducing water withdrawals through efficiencies, recycling and rainwater harvesting will continue to be effective. Feasibility of success in preventing financial/operational impact: Feasible/Adequate.</p>

Country	River basin	Risk driver	Potential impact	Description of potential impact	Timeframe	Likelihood	Magnitude of potential financial impact	Response strategy	Costs of response strategy	Details of strategy and costs
South Africa	Other: All river basins in South Africa	Physical-Inadequate infrastructure	Plant/production disruption leading to reduced output	Infrastructure limitations may adversely impact operations, resulting in disrupted or inadequate supply of water and/or increased costs to BAW or to parties in its value chain. Inadequate infrastructure can lead to disruptions in supply, reduced quality and increased costs. This, in turn, could affect operational efficiencies. Examples could include, unscheduled water cuts due to burst pipes or the need for repairs or upgrades to water infrastructure. This impacts on the ability to clean vehicles, plant and equipment. A decrease in water availability may	Current-up to 1 year	Probable	Medium	Infrastructure investment Infrastructure maintenance Promote best practice and awareness Other: Diversification	The cost of the response strategy is not ring-fenced and forms part of the ongoing cost base of the company. The costs for this response strategy can be classified as 'Medium'. An example of infrastructure actual expenditure and maintenance: In FY2016 the Group invested some R0.9m in water recycling, rainwater harvesting and efficiency initiatives. It is anticipated that investment in	Response strategy: BAW has set a group aspirational target of 10% efficiency improvement in water withdrawal intensity by 2020FYE off a 2015 baseline year, further supported by BAW Water Use and Management Policy. BAW's response strategy is to reduce water withdrawals through efficiencies and to focus on rainwater harvesting activities in order secure a supply of water. BAW has adopted a MAR (Measure, Avoid and Reduce) approach to managing water. Water monitoring systems are in place at most major sites to allow monitoring of withdrawal trends,

Country	River basin	Risk driver	Potential impact	Description of potential impact	Timeframe	Likelihood	Magnitude of potential financial impact	Response strategy	Costs of response strategy	Details of strategy and costs
				<p>require increased investment in related and necessary infrastructure such as rainwater harvesting and water storage on site. Installation of new infrastructure or repairs to existing infrastructure could result in shutdowns which lead to reduced output. Inadequate supply of water to BAW suppliers could result in disruptions in the supply chain. Likewise, disruptions to water supply to BAW customers could result in a reduced demand for BAW's goods and services.</p>					such initiatives will increase in the future as water pricing increase and/or water use becomes more regulated.	<p>identification of anomalies and mitigation against excessive/unnecessary use. BAW is committed to more efficient water withdrawals through reduced use, increased recycling and water-harvesting initiatives. BAW manages the impacts associated with the risk of inadequate infrastructure through geographic and industry diversification. BAW has operations in 23 countries which reduces the impact of geographically-confined water-related risks. Within BAW's two major divisions, there are a number of different operations and business activities. This</p>

Country	River basin	Risk driver	Potential impact	Description of potential impact	Timeframe	Likelihood	Magnitude of potential financial impact	Response strategy	Costs of response strategy	Details of strategy and costs
										<p>enables the group to reduce the impact of water-related risks on the group should such risks only affect specific business activities. Cost: Costs of response strategies are based on actual costs incurred by BAW. Timeframe: Implementation of water recycling and rainwater harvesting initiatives has already commenced. BAW will continue to follow the MAR approach and install recycling and rainwater harvesting initiatives to respond to this risk. Effectiveness: The response strategy has been effective at improving water intensity of 0.8% over FY2015.</p>

Country	River basin	Risk driver	Potential impact	Description of potential impact	Timeframe	Likelihood	Magnitude of potential financial impact	Response strategy	Costs of response strategy	Details of strategy and costs
										BAW's water withdrawals from municipal supplies increased by 6% against FY2015 levels. BAW also recycled 17.2% of its total water usage in FY2016. Feasibility of success in preventing financial/operational impact: Feasible / Adequate.
South Africa	Other: All river basins in South Africa	Physical-Declining water quality	Other: Increased capital expenditure	Declining water quality due to pollution or saltwater intrusion may lead to higher treatment costs for BAW's direct operations in a region in which BAW operates. Declining water quality may require investment in water treatment facilities in order to purify the water to allow for use.	1-3 years	Probable	Low-medium	Infrastructure investment Infrastructure maintenance Increased capital expenditure Promote best practice and awareness Other: Diversification	The cost of the response strategy are not ring-fenced and form part of the ongoing cost base of the Group. The cost of this response strategy can be classified as 'Low-Medium'. An example of actual infrastructure	Response strategy: BAW has set a group aspirational target of 10% efficiency improvement in water withdrawal intensity by 2020FYE off a 2015 baseline year, further supported by BAW Water Use and Management Policy. BAW has adopted the MAR (Measure, Avoid and Reduce) approach to

Country	River basin	Risk driver	Potential impact	Description of potential impact	Timeframe	Likelihood	Magnitude of potential financial impact	Response strategy	Costs of response strategy	Details of strategy and costs
									<p>expenditure and maintenance: In FY16 the Group invested some R0.9m in water recycling, rainwater harvesting and efficiency initiatives. It is anticipated that investment into such initiatives will increase in the future as water pricing increase and/or water use becomes more regulated.</p>	<p>managing water. Water monitoring systems are in place and if required relevant water treatment facilities would be introduced. BAW is committed to efficient water use through reduced withdrawals, increased recycling and harvesting initiatives. The use of MAR as a water management approach reduces the impact of limitations placed on water withdrawals by reducing water use in the group. BAW manages the impacts associated with the risk of declining water quality through geographic and industry diversification. Diversification is an overarching</p>

Country	River basin	Risk driver	Potential impact	Description of potential impact	Timeframe	Likelihood	Magnitude of potential financial impact	Response strategy	Costs of response strategy	Details of strategy and costs
										<p>management response to risks and related impacts. BAW has operations in 23 countries which reduces the impact of geographically-confined water-related risks. BAW has two major divisions, within which there are a number of different operations and business activities. This enables the group to reduce the impact of water-related risks should such risks only affect specific business activities. Cost: Costs of response strategies are based on actual costs incurred by BAW. Timeframe: Implementation of water recycling and rainwater harvesting initiatives has</p>

Country	River basin	Risk driver	Potential impact	Description of potential impact	Timeframe	Likelihood	Magnitude of potential financial impact	Response strategy	Costs of response strategy	Details of strategy and costs
										<p>already commenced. BAW will continue to follow the MAR approach and install recycling and rainwater harvesting initiatives when required in order to respond to this risk. Effectiveness: It is anticipated that any implemented water treatment facility will be effective. A reduction in water withdrawals will reduce the impact of this risk. Hence, the strategy of reducing water withdrawals through efficiencies, recycling and rainwater harvesting will continue to be effective. Feasibility of success in preventing financial/operationa</p>

Country	River basin	Risk driver	Potential impact	Description of potential impact	Timeframe	Likelihood	Magnitude of potential financial impact	Response strategy	Costs of response strategy	Details of strategy and costs
										Impact: Feasible / Adequate.

W3.2d

Please list the inherent water risks that could generate a substantive change in your business operations, revenue or expenditure, the potential impact to your supply chain and the strategies to mitigate them

Country	River basin	Risk driver	Potential impact	Description of potential impact	Timeframe	Likelihood	Magnitude of potential financial impact	Response strategy	Costs of response strategy	Details of strategy and costs

W3.2e

Please choose the option that best explains why you do not consider your organization to be exposed to water risks in your direct operations that could generate a substantive change in your business, operations, revenue or expenditure

Primary reason	Please explain

W3.2f

Please choose the option that best explains why you do not consider your organization to be exposed to water risks in your supply chain that could generate a substantive change in your business, operations, revenue or expenditure

Primary reason	Please explain
Risks exist, but no substantive impact anticipated	While risks exist in aspects of the supply chain which could be inherently substantive at an individual operational level, these are not likely to generate a substantive change at group level as: 1. BAW's significant suppliers are a wide range of world-class original equipment manufacturers (OEMs) across different industries and with operations in different geographies. They comprehensively manage their risks; 2. BAW has a diversified offering and operates across different industries and 23 countries with a number of catchment areas. 3. BAW has insurance protection for losses incurred as a result of a supplier's inability to deliver after suffering an insured event. Accordingly the nature and structure of the group-wide supply chain reduces inherent risk/s at a group level.

W3.2g

Please choose the option that best explains why you do not know if your organization is exposed to water risks that could generate a substantive change in your business operations, revenue or expenditure and discuss any future plans you have to assess this

Primary reason	Future plans
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Further Information

Page: W4. Water Opportunities

W4.1

Does water present strategic, operational or market opportunities that substantively benefit/have the potential to benefit your organization?

Yes

W4.1a

Please describe the opportunities water presents to your organization and your strategies to realize them

Country or region	Opportunity	Strategy to realize opportunity	Estimated timeframe	Comment
Other: Company-wide	Climate change adaptation Competitive advantage Cost savings Increased shareholder value Improved water efficiency	BAW has the opportunity to reduce operational costs and reduce water withdrawals from municipal supplies through the implementation of water efficiency initiatives. In order to realise this opportunity, BAW has adopted a Measure, Avoid and Reduce (MAR) approach to managing water withdrawals. BAW has set a group aspirational target of 10% efficiency improvement of water withdrawal intensity by 2020FYE off a 2015 baseline year, further supported by BAW Water Use and Management Policy. Water monitoring systems are in place at most major sites to measure withdrawals and identify opportunities for efficiencies. BAW has implemented and continues to implement water harvesting and recycling initiatives to reduce water withdrawals from municipal supplies. The most significant of the identified opportunity categories was assessed as "Cost savings". Estimated opportunity up to R10 million. In FY2016, the Group recycled 135ML (17.2%) of water withdrawn from municipal supplies. Various water recycling and harvesting initiatives have been implemented across the group, in one business unit these have resulted in an annual saving of some 150 million litres (estimated saving of R3.8m based on regional tariffs) of water that would have otherwise been drawn from municipal water systems. Cumulative water saved from 2007 to 2016 in the same business unit is some 856 million litres and water harvested is some 22 million litres over the same period.	Current-up to 1 year	
Other: Company-wide	Increased brand value Improved community relations Increased shareholder value Social licence to	BAW has the opportunity to gain a competitive advantage as a result of enhancing its reputation by managing water-related risks and opportunities effectively. In addition, BAW engages with stakeholders on an ongoing basis in order to manage its reputation and to ensure it meets expectations. The most significant of the identified opportunity categories was assessed as "Increased brand value". Estimated opportunity up to R25 million. BAW has set a group aspirational target of 10% efficiency improvement for water by 2020FYE off a 2015 baseline year, further supported by BAW Water Use and Management Policy. BAW represents	Current-up to 1 year	

Country or region	Opportunity	Strategy to realize opportunity	Estimated timeframe	Comment
	operate Staff retention	world-class principals that strive to minimise the water use in their manufacturing processes and products. Additionally, BAW reports on its water withdrawals and responsible water stewardship efforts, demonstrating its commitment to responding responsibly and BAW's commitment to transparent reporting to its stakeholders.		
Other: Company-wide	Competitive advantage Sales of new products/services	BAW has the opportunity to supply products and services required for infrastructural development needed to alleviate shortages and constraints in water stressed areas and arising from water shortages. The most significant of the identified opportunity categories was assessed as "Sales of new products/services". Estimated opportunity up to R35 million. BAW has developed strong relationships with its principals and customers which facilitates legal and appropriate information sharing about local market conditions and trends, water-related issues and customer needs.	Current-up to 1 year	
Other: Company-wide	Staff retention	BAW has the opportunity to attract and retain talent by ensuring that environmental stewardship is an important part of the Integrated Employee Value Model. In order to realise this opportunity, BAW reports information on water-related initiatives, risks and opportunities to employees in a transparent manner. BAW also encourages employees to be part of water-related initiatives eg. BAW participated in the WWFs journey of water campaign in FY17. BAW is actively engaged in activities to reduce its water footprint. Estimated opportunity up to R25 million. BAW strives to create a culture of innovation, ethical leadership and business practice through alignment, communication, involvement and influence and empowering its people. BAW's Employee Value Proposition includes minimum standards on Sustainability Initiatives and Environmental Stewardship. One of the minimum standards is that employees must have access to opportunities to participate and contribute to sustainability initiatives which includes water-related initiatives.	Current-up to 1 year	

W4.1b

Please choose the option that best explains why water does not present your organization with any opportunities that have the potential to provide substantive benefit

Primary reason	Please explain

W4.1c

Please choose the option that best explains why you do not know if water presents your organization with any opportunities that have the potential to provide substantive benefit

Primary reason	Please explain
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Further Information

Module: Accounting

Page: W5. Facility Level Water Accounting (I)

W5.1

Water withdrawals: for the reporting year, please complete the table below with water accounting data for all facilities included in your answer to W3.2a

Facility reference number	Country	River basin	Facility name	Total water withdrawals (megaliters/year) at this facility	How does the total water withdrawals at this facility compare to the last reporting year?	Please explain
Facility 1	South	Other: All	This includes all BAW	631	Higher	In FY2016, South African water withdrawals from

Facility reference number	Country	River basin	Facility name	Total water withdrawals (megaliters/year) at this facility	How does the total water withdrawals at this facility compare to the last reporting year?	Please explain
	Africa	river Basins within South Africa	operations in South Africa. Note that BAW has in excess of 300 operational sites in South Africa, most of which are situated in and around Gauteng province.			municipal supplies increased by 4% over FY15, against increased activity levels of 6% over the same period, using revenue as a proxy for activity. South African operations accounted for 80% of the Group's 2016 water withdrawals from municipal systems. The remaining 20% was accounted for by the remaining 22 countries in which BAW operates. The second highest withdrawal volumes from municipal supplies only accounted for 14% of the FY2016 total.

Further Information

Page: W5. Facility Level Water Accounting (II)

W5.1a

Water withdrawals: for the reporting year, please provide withdrawal data, in megaliters per year, for the water sources used for all facilities reported in W5.1

Facility reference number	Fresh surface water	Brackish surface water/seawater	Rainwater	Groundwater (renewable)	Groundwater (non-renewable)	Produced/process water	Municipal water	Wastewater from another organization	Comment
Facility 1	0	0	1.32	0	0	0	631	0	BAW is not a significant water user, with 788ML (FY16: South Africa - 631ML) of water being withdrawn from municipal supplies amongst its 23 countries of operation in FY2016. The water used within BAW does not form part of its products and is therefore not transported outside the region of use. Majority of water is used for washing of vehicles, plant and equipment and is not part of the product or the production process.

W5.2

Water discharge: for the reporting year, please complete the table below with water accounting data for all facilities included in your answer to W3.2a

Facility reference number	Total water discharged (megaliters/year) at this facility	How does the total water discharged at this facility compare to the last reporting year?	Please explain
Facility 1	599	Higher	Principally all water is legally discharged into local municipal reticulation systems after proper treatment. As discharged volumes are assumed to be 95% of withdrawal volumes, the year on year increase of 4% in discharged water volumes for South Africa is directly linked to the increased withdrawal volumes. This was impacted by the increased activity levels coupled with decreased rainwater harvesting volumes due to the drought situation experienced during the period.

W5.2a

Water discharge: for the reporting year, please provide water discharge data, in megaliters per year, by destination for all facilities reported in W5.2

Facility reference number	Fresh surface water	Municipal/industrial wastewater treatment plant	Seawater	Groundwater	Wastewater for another organization	Comment
Facility 1	0	599	0	0	0	Principally all water is legally discharged into local municipal reticulation systems after proper treatment. As discharged volumes are assumed to be 95% of withdrawal volumes, the year on year increase of 4% in discharged water volumes for South Africa is directly linked to the increased withdrawal volumes. This was impacted by the increased activity levels coupled with decreased rainwater harvesting volumes due to the drought situation experienced during the period.

W5.3

Water consumption: for the reporting year, please provide water consumption data for all facilities reported in W3.2a

Facility reference number	Consumption (megaliters/year)	How does this compare to the last reporting year?	Please explain
Facility 1	32	Higher	Principally all water is legally discharged into local municipal reticulation systems after proper treatment. As consumption volumes (consumed by employees and used for irrigation) are assumed to be 5% of withdrawal volumes, the 4% year on year increase in water consumption volumes for South Africa is directly linked to the increased withdrawal volumes. This was impacted by increased activity levels and decreased rainwater harvesting volumes due to the drought experienced during the period.

W5.4

For all facilities reported in W3.2a what proportion of their water accounting data has been externally verified?

Water aspect	% verification	What standard and methodology was used?
Water withdrawals- total volumes	76-100	Apart from rainwater harvesting, all water is obtained from local authorities (water utilities and/or municipalities) in the areas where BAW operates. These water withdrawal volumes are independently verified by the Group's external auditors using the International Standard on Assurance Engagements 3000 (Revised).
Water withdrawals- volume by sources	76-100	Apart from rainwater harvesting, all water is obtained from local authorities (water utilities and/or municipalities) in the areas where BAW operates. These water withdrawal volumes are independently verified by the Group's external auditors using the International Standard on Assurance Engagements 3000 (Revised).
Water discharges- total volumes	Not verified	Water discharge is not verified. BAW uses water to wash vehicles, plant and equipment. Water does not form part of the product and is not removed from the areas of source. After proper treatment, it is legally discharged into local municipal reticulation systems.
Water discharges- volume	Not verified	Water discharge is not verified. BAW uses water to wash vehicles, plant and equipment. Water does not form part

Water aspect	% verification	What standard and methodology was used?
by destination		of the product and is not removed from the areas of source. After proper treatment, it is legally discharged into local municipal reticulation systems.
Water discharges- volume by treatment method	Not verified	Water discharge is not verified. BAW uses water to wash vehicles, plant and equipment. Water does not form part of the product and is not removed from the areas of source. After proper treatment, it is legally discharged into local municipal reticulation systems.
Water discharge quality data- quality by standard effluent parameters	Not verified	Water discharge is not verified. BAW uses water to wash vehicles, plant and equipment. Water is not removed from the areas of source. After proper treatment, it is legally discharged into local municipal reticulation systems.
Water consumption- total volume	Not verified	All water is obtained from local authorities (water utilities and/or municipalities) in the areas where BAW operates. No water is removed from the area and water does not form part of the product (it is used for washing of vehicles, equipment and plant). Small volumes of water are consumed by employees and used to water gardens, but this is not separately metered. Water consumption is not verified by the Group auditors, but water withdrawal is verified.

Further Information

Module: Response

Page: W6. Governance and Strategy

W6.1

Who has the highest level of direct responsibility for water within your organization and how frequently are they briefed?

Highest level of direct responsibility for water issues	Frequency of briefings on water issues	Comment
Board of individuals/Sub-set of the Board or other committee	Scheduled- quarterly	On a quarterly basis, information regarding water use and management is gathered at a divisional level, consolidated and reported to the group Risk and Sustainability Committee which is a sub-committee of the

Highest level of direct responsibility for water issues	Frequency of briefings on water issues	Comment
appointed by the Board		board. Communication at these quarterly meetings also includes water efficiency initiatives such as rainwater harvesting and recycling that have been implemented across the group.

W6.2

Is water management integrated into your business strategy?

Yes

W6.2a

Please choose the option(s) below that best explains how water has positively influenced your business strategy

Influence of water on business strategy	Please explain
Establishment of sustainability goals	Sustainable development, which encompasses water stewardship, is 1 of 6 strategic focus areas. The strategic approach to water stewardship is underpinned by a Measure, Avoid and Reduce methodology which aims to minimise BAW's water footprint and enhance organisational resilience. It also positively impacts the group's strategic focus area of Financial returns by reducing operational costs. The group operates in over 23 countries. Given the localised nature of water and diversified geographic footprint and nature of the group, it is not appropriate to have the same group-wide water efficiency target for all operations. Instead, operations are encouraged to set their own targets which informs the group aspirational water efficiency target. Implemented initiatives include widely installed rain water harvesting tanks and water recycling plants in line with the MAR methodology. The positive impact on the two strategic focus areas above are important aspects of the group's strategy. BAW, in support of its Vision 2020, has set a group aspirational target of 10% efficiency improvement in water withdrawal intensity by 2020FYE off a 2015 baseline year.

Influence of water on business strategy	Please explain
Investment in staff/training	BAW's Integrated Employee Value Model incorporates Sustainability and responsible corporate citizenship. In the operations, a network of sustainability champions drive water-related initiatives and awareness amongst employees. This influences attitudes and behaviours which drive water efficiencies with related cost savings, organisational resilience, reputation, and positively impacts employee perception, attraction and retention.
Water resource considerations are factored into new product development	BAW engages with leading world-class principals to identify new products. BAW has developed strong relationships with its principals and suppliers which facilitates legal and appropriate information sharing about local market conditions and trends, including information on water-related issues and regulatory environments and standards, which assists its principals in adapting and developing customer solutions that differentiate and expand their product offerings. Offering customer solutions that help them realise their sustainable development objectives and contributes towards BAW's business strategy. This addresses the group's strategic focus area of providing Innovative customer solutions. New opportunities in related water industries may support the group's Profitable growth objectives, another group strategic focus area. These aspects are central to the group realising its strategic growth objectives.
Water resource considerations are factored into new market exploration	BAW engages with principals to identify new opportunities. BAW has developed strong relationships with its principals and suppliers which facilitates legal and appropriate information sharing about local market conditions and trends, including information on water-related issues. This assists in identifying new markets for existing products and services as well as opportunities for new products. Water resource considerations such as water-related risks and opportunities are factored into new market exploration leading to Profitable growth opportunities which are central to the group realising its strategic growth objectives.
Publicly demonstrated our commitment to water	BAW has a 'Barloworld Water Use and Management Policy' in place, which is publically disclosed on its website. The policy re-affirms BAW's commitment to measuring, monitoring, managing and reporting its water usage as an aspect of standard business practice and to proactively implement initiatives to conserve water. The policy underscores BAW's commitment to identifying and managing water-related risks and pursuing opportunities presented by managing water effectively. These commitments support BAW's Sustainable development strategic focus area, positively impacts business strategy and enhances BAW's reputation as a responsible corporate. Protecting the environment (including water) is a key aspect in the BAW Code of Ethics and Sustainability is a value in the BAW Worldwide Code of Conduct. BAW, in support of its Vision 2020, has set a group aspirational target of 10% efficiency improvement in water withdrawal intensity by 2020FYE off a 2015 baseline year.
Establishment of a clear water strategy	Sustainable development, which encompasses water stewardship, is 1 of 6 strategic focus areas. The strategic approach to water stewardship is underpinned by a Measure, Avoid and Reduce (MAR) methodology which aims to minimise BAW's water footprint and enhance organisational resilience. It also positively impacts the group's strategic focus area of Financial returns by reducing operational costs. The group operates in over 23 countries. Given the localised nature of water, the group's geographic footprint and diversified nature of the group, it is not appropriate to have the same group-wide water efficiency targets for all operations. Instead, operations are encouraged to set their own targets which informs the group aspirational water related target. Implemented initiatives include widely installed rain water harvesting tanks and water recycling plants in line with the MAR methodology. BAW, in support of its Vision 2020, has set a group aspirational target of 10% efficiency improvement in water withdrawal intensity by 2020FYE off a 2015 baseline year.
Greater employee engagement	Sustainable development, which encompasses water stewardship, is 1 of 6 strategic focus areas is cascaded throughout the

Influence of water on business strategy	Please explain
	<p>group. At both, group and divisional levels, opportunities to create awareness around BAW's responsible water stewardship imperatives are encouraged. Protecting the environment (including water) is a key aspect in the BAW Code of Ethics and Sustainability is a value in the BAW Worldwide Code of Conduct. All employees are expected to uphold the Code of Ethics and the Code of Conduct. Employee engagement, participation and training on Sustainable development contributes to identifying and implementing measures for greater water efficiency which positively impacts the strategic focus areas of Financial return. It also enables employees to consider Innovative customer solutions and potential Profitable growth opportunities, both of which are group strategic focus areas. Water efficiency initiatives also contribute to the group's organisational resilience, a key element of its sustainable value creation ability.</p>

W6.2b

Please choose the option(s) below that best explains how water has negatively influenced your business strategy

Influence of water on business strategy	Please explain
Increased capital expenditure	<p>The business strategy has not been negatively influenced. While in some instances additional costs have been incurred in water related initiatives, these positively impact the group's strategy and ability to create sustainable shared value. These additional actual costs relate to the investments in rain water harvesting and water recycling to the benefit of the organisation and positively impact on its strategic objectives. For example, in FY2016 the group spent some R0.9m on installation of additional rainwater harvesting and recycling infrastructure. The increased expenditure has resulted in 17.2% of water withdrawn from municipal supplies being recycled in FY2016 (FY15: 20.2% and FY14: 16.7%).</p>
Increased insurance cover	<p>As part of its business strategy, BAW insures against physical and consequential damages. Occurrence of water-related events such as floods and droughts could result in insurance having to pay out and a subsequent increase in the insurance premium which currently sits marginally below R34 million. One example is hail damage from one specific hailstorm in South Africa during FY2015 which resulted in some R25 million in repair costs for the building and the vehicles encompassed within the building. This is not perceived as a negative influence on business strategy but an essential aspect of sustainable value creation.</p>

W6.2c

Please choose the option that best explains why your organization does not integrate water management into its business strategy and discuss any future plans to do so

Primary reason	Please explain
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W6.3

Does your organization have a water policy that sets out clear goals and guidelines for action?

Yes

W6.3a

Please select the content that best describes your water policy (tick all that apply)

Content	Please explain why this content is included
Publicly available Company-wide	BAW has a stand-alone Water Use and Management Policy which is also incorporated into its Environmental Policy and in Sustainable Development, one of the Group's strategic focus areas. The policy outlines the standards BAW expects within the group, allocates accountability and drives a common objective of responsible water use and management. The preamble of the policy states that 'Barloworld as a responsible corporate citizen: -Appreciates the value of water as a finite and scarce natural resource, its necessity for social and economic development worldwide, and the potentially detrimental effect of polluting water or removing water from environmental systems, particularly in water stressed regions -Recognises that water constraints are a serious threat to sustainability -Encourages all its stakeholders (including customers) to consider positive steps they may take with regards to water use and related impacts -Participates in its value-chain to promote water use awareness and appropriate responses. Protecting the environment (including water) is in the BAW Code of Ethics and Sustainability is a Value in its Worldwide

Content	Please explain why this content is included
	Code of Conduct. BAW has set a group aspirational target of 10% efficiency improvement in water withdrawal intensity by 2020FYE off a 2015 baseline year. BAW's key suppliers are world-class principals, which have robust risk processes, including environmental risks and have implemented such standards of their own accord.

W6.4

How does your organization's water-related capital expenditure (CAPEX) and operating expenditure (OPEX) during the most recent reporting year compare to the previous reporting year?

Water CAPEX (+/- % change)	Water OPEX (+/- % change)	Motivation for these changes
+50	+19	Water-related CAPEX and OPEX are not ring-fenced but incorporated into BAW's ongoing cost base. Water-related CAPEX incurred for investment into water recycling, treatment and rainwater harvesting infrastructure for which the indicative spend in FY2016 was 50% higher than that of FY2015. As investment is made, it may plateau as opportunities for new investments diminish over time. The decision of these installations sits at the respective business unit level and is dependent on, amongst other aspects, the payback periods and the prioritisation of resources within the respective business unit. In support of BAW's Vision 2020 aspirational target of 10% efficiency improvement in water withdrawal intensity by 2020FYE off a 2015 baseline year, CAPEX spend may increase. Droughts experienced in certain regions negatively impacted volumes of rain water harvested and increased volumes of water withdrawals from municipal sources, contributing to the year on year increase in OPEX.

Further Information

Page: W7. Compliance

W7.1

Was your organization subject to any penalties, fines and/or enforcement orders for breaches of abstraction licenses, discharge consents or other water and wastewater related regulations in the reporting year?

No

W7.1a

Please describe the penalties, fines and/or enforcement orders for breaches of abstraction licenses, discharge consents or other water and wastewater related regulations and your plans for resolving them

Facility name	Incident	Incident description	Frequency of occurrence in reporting year	Financial impact	Currency	Incident resolution
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W7.1b

What proportion of your total facilities/operations are associated with the incidents listed in W7.1a?

W7.1c

Please indicate the total financial impacts of all incidents reported in W7.1a as a proportion of total operating expenditure (OPEX) for the reporting year. Please also provide a comparison of this proportion compared to the previous reporting year

Impact as % of OPEX	Comparison to last year
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Further Information

Page: W8. Targets and Initiatives

W8.1

Do you have any company wide targets (quantitative) or goals (qualitative) related to water?

Yes, targets and goals

W8.1a

Please complete the following table with information on company wide quantitative targets (ongoing or reached completion during the reporting period) and an indication of progress made

Category of target	Motivation	Description of target	Quantitative unit of measurement	Base-line year	Target year	Proportion of target achieved, % value
Other: Reduction in water withdrawal intensity	Water stewardship	BAW has set a group aspirational target of 10% efficiency improvement in water withdrawal intensity by 2020FYE off a 2015 baseline year, as part of its Vision 2020.	Other: % reduction per ZAR revenue	2015	2020	8%

W8.1b

Please describe any company wide qualitative goals (ongoing or reached completion during the reporting period) and your progress in achieving these

Goal	Motivation	Description of goal	Progress
Other: Responsible water stewardship and efficiency of use	Water stewardship	<p>Measure/s of success: Improved water efficiency, measured by water withdrawal intensity, improved water recycling and harvesting volumes are indicative measures of success. BAW has set a group aspirational target of 10% efficiency improvement in water withdrawal intensity by 2020FYE off a 2015 baseline year, as part of its Vision 2020. Target date / timescale: 2020. The year-on-year analysis of the above indicative measures give a sense of performance. The absolute volumes in this regard must be seen in the context of activity levels over the respective period. Explanation for adoption: BAW strives to minimise the impacts of its operations on water resources. Water considerations form an integral part of daily business activities, including risk management, strategic planning, capital expenditure and operating procedures. Please refer to attached Water Use and Management Policy.</p>	<p>While group Vision 2020 aspirational target is off a 2015 baseline, a number of operations have already implemented water recycling and water harvesting initiatives. Apart from highlighting BAW's commitment to responsible water usage, these initiatives reduce operational costs and improve operational resilience. Various water recycling and harvesting initiatives have been implemented across the group, eg. in one business unit these have resulted in a saving of some 150 million litres of water that would have otherwise been drawn from municipal water systems in FY2016. Within the same business unit 1.3 million litres of water was harvested in the reporting period. Cumulatively from 2007 to 2016, this business unit has saved 856 million litres of water, with water harvested volumes above 22 million litres for the same period. The financial savings associated with the saved water volumes will be realised within the respective business units. At a group level, the FY2016 water withdrawals from municipal supplies has increased by 6% against FY2015. Also, in FY2016 17.2% of water withdrawals has been recycled. The financial savings associated with the saved water volumes will be realised within the respective business units. The above are positive steps towards BAW's goal of responsible water stewardship and efficiency of use.</p>
Other: Require compliance with relevant water laws, other standards and codes of practice to which the company subscribes	Brand value protection	<p>Measure/s of success: Instances of negative publicity, the number of significant monetary or non-monetary sanctions, the inclusion of BAW in leading Environmental, Social and Governance and/ or Sustainability related Indices and awards and recognition received are indicative measures of success for this goal. BAW has set a group aspirational target of 10% efficiency improvement in water withdrawal intensity by 2020FYE off a 2015 baseline year, as part of its Vision 2020. Target date / timescale: 2020. Explanation for adoption: BAW's</p>	<p>There were no significant fines or non-monetary sanctions for non-compliance with environmental laws and regulations during the reporting year. BAW continues to monitor the development of regulations in order to prepare for its introduction. This is achieved through representation on industry bodies and trade associations. In FY2016, BAW was a constituent of the FTSE/JSE Responsible Investment's Top 30 Index, Dow Jones Sustainability Emerging Markets Index and Vigeo Eiris Emerging Markets 70 Index. The above are positive steps towards BAW's goal of compliance with water laws, other standards and codes of practice to which the</p>

Goal	Motivation	Description of goal	Progress
		<p>Code of Ethics (COE) covers aspects such as Obeying the Law and Protecting the Environment. Sustainability is a Value in Barloworld's Worldwide Code of Conduct (BWCOC). The COE and BWCOC are group-wide codes which all employees must abide with and uphold. BAW strives to comply with relevant water laws, other standards and codes of practice in pursuit of maintaining and enhancing BAW's reputation as a responsible corporate citizen. Responsible water stewardship and corporate citizenship contributes towards BAW's social licence to operate.</p>	<p>company subscribes.</p>
<p>Other: Where practicable, ensure optimisation of water utilisation, recycling, and harvesting and discharge</p>	<p>Cost savings</p>	<p>Measure/s of success: Reduced water withdrawals, improved water recycling and harvesting volumes are indicative measures of success. BAW has set a group aspirational target of 10% efficiency improvement in water withdrawal intensity by 2020FYE off a 2015 baseline year, as part of its Vision 2020. Target date / timescale: The absolute volumes in this regard must be seen in the context of activity levels over the respective period. Explanation for adoption: As part of its Water Use and Management Policy, BAW commits to improving water efficiency in the group and reducing withdrawal and consumption volumes through the implementation of rain water harvesting and water recycling initiatives. The motivation behind this goal is a combination of cost saving, organisational resilience and BAW's commitment to being a responsible corporate citizen.</p>	<p>BAW's operations are progressing towards achieving its objectives. Various water recycling and harvesting initiatives implemented across the group, in one business unit these have resulted in a saving of some 150 million litres (estimated saving of R3.8m based on regional tariffs) of water that would have otherwise been drawn from municipal water systems in FY2016. Within the same business unit 1.3 million litres of water was harvested in the reporting period. Cumulatively from 2007 to 2016, this business unit has saved 856 million litres of water, with water harvested volumes above 22 million litres for the same period. The financial savings associated with the saved water volumes will be realised within the respective business units. At a group level, the FY2016 water withdrawals from municipal supplies has increased by 6% against FY2015 in absolute terms however the intensity improved by 0.8% over the same period. Also, in FY2016 17.2% of water withdrawals has been recycled. The financial savings associated with the saved water volumes will be realised within the respective business units. The above are positive steps towards BAW's goal of optimising water utilisation, recycling, harvesting and discharge.</p>
<p>Other: Ensure that water use considerations form part of the company's overall risk management processes</p>	<p>Risk mitigation</p>	<p>Measure/s of success: BAW has set a group aspirational target of 10% efficiency improvement in water withdrawal intensity by 2020FYE off a 2015 baseline year. The consideration of environmental risks in the overall risk management process is</p>	<p>Water-related risks are integrated into the company's risks management process. Risks are identified and assessed on their timeframe, probability, severity and the quality of the existing control environment. Through this process, risks are given a residual risk score which indicates the importance of</p>

Goal	Motivation	Description of goal	Progress
		<p>indicative of the success of this goal. Inclusion in leading Environmental, Social and Governance indices, which also factor risk management practices, is also regarded as a measure of success. Target date / timescale: Risks are assessed biannually through a risk assessment process and the group's top risks are reflected in its integrated reporting. In addition, a water risk and opportunity assessment is conducted at a Group level. This complements the broader biannual assessment as these aspects are considered at an aggregated level. Explanation for adoption: BAW is committed to understanding the impact of, and transparently disclosing, risks posed to its operations and value chain from water. For this reason, BAW's Water Use and Management Policy advocates that water use considerations are integrated into the company's overall risk management approach. The motivation for this goal include risk management, risk mitigation which positively impact water stewardship.</p>	<p>the risk. In the reporting period, climate change and environmental stewardship was identified as one of the Group's top risks. Risks are also regularly reported internally and in the public domain. In FY2016, BAW was a constituent of the FTSE/JSE Responsible Investment's Top 30 Index, Dow Jones Sustainability Emerging Markets Index and Vigeo Eiris Emerging Markets 70 Index. Included in these questionnaires and assessment is an element of risk management/mitigation. The above are positive steps towards BAW's goal of ensuring water use considerations form part of the company's overall risk management processes.</p>
<p>Other: Promote water use awareness in the company operations</p>	<p>Water stewardship</p>	<p>Measure/s of success: The initiatives and consequential reduced water withdrawals, increased water recycling and harvesting volumes are indicative measures of success. BAW has set a group aspirational target of 10% efficiency improvement in water withdrawal intensity by 2020FYE off a 2015 baseline year, as part of its Vision 2020. Target date / timescale: 2020. The year-on-year analysis of the above indicative measures of performance and must be seen in the context of activity levels over the respective period. Explanation for adoption: The motivation for this goal is water stewardship, encompassed in Sustainable development 1 of 6 Group strategic focus areas. Opportunities to create awareness around BAW's responsible water stewardship imperatives are encouraged. Protecting the environment (including water) is a key aspect of BAW's Code of Ethics and Sustainability is a value of</p>	<p>BAW's operations are progressing towards achieving its objectives. Various water recycling and harvesting initiatives implemented across the group, in one business unit these have resulted in a saving of some 150 million litres (estimated saving of R3.8m based on regional tariffs) of water that would have otherwise been drawn from municipal water systems in FY2016. Within the same business unit 1.3 million litres of water was harvested in the reporting period. Cumulatively from 2007 to 2016, this business unit has saved 856 million litres of water, with water harvested volumes above 22 million litres for the same period. The financial savings associated with the saved water volumes will be realised within the respective business units. At a group level, the FY2016 water withdrawals from municipal supplies has increased by 6% against FY2015 in absolute terms however, the intensity improved by 0.8% over the same period. Also, in FY2016 17.2% of water withdrawals has been recycled. Awareness initiatives have been leveraged on a number of</p>

Goal	Motivation	Description of goal	Progress
		<p>BAW's Code of Conduct. Employee engagement, participation and training on Sustainable development contributes to identifying and implementing measures for greater water efficiency which positively impacts the strategic focus areas of Financial returns. It also enables employees to consider Innovative customer solutions and potential Profitable growth opportunities, both of which are group strategic focus areas. Water efficiency initiatives also contribute to the group's organisational resilience, a key element of its sustainable value creation ability.</p>	<p>environmental days including World Environment Day. In FY2016, BAW responded to the CDP Water questionnaire which is distributed to divisions and to the group Risk and Sustainability Committee for review. The above are positive steps towards BAW's goal of promoting water use awareness in its operations.</p>
<p>Other: Develop contingency procedures to deal with unscheduled occurrences and community concerns.</p>	<p>Risk mitigation</p>	<p>Measure/s of success: All facilities are expected to maintain business continuity and emergency response plans. BAW has set a group aspirational target of 10% efficiency improvement in water withdrawal intensity by 2020FYE off a 2015 baseline year, as part of its Vision 2020. The instances of significant disruption to operations from unscheduled occurrences and community concerns together with the ability to appropriately respond to such events are indicative measures of success. Target date / timescale: Ongoing. Explanation for adoption: This goal is related to the development of plans that outline emergency response actions and ensure business continuity in the face of unscheduled occurrences. The motivation behind the goal is risk mitigation, sustainable value creation and minimising operational disruption and reputational damage.</p>	<p>All BAW facilities maintain business plans that incorporate emergency response actions and business continuity. These plans include what to do when experiencing unscheduled occurrences. Sanctions (monetary and non-monetary) are regularly monitored by BAW and reported on a quarterly basis to the Risk and Sustainability committee as part of the quarterly SHE report. At a group level, the FY2016 water withdrawals from municipal supplies has increased by 6% against FY2015 in absolute terms however, the intensity improved by 0.8% over the same period.. Also, in FY2016 17.2% of water withdrawals has been recycled. The financial savings associated with the saved water volumes will be realised within the respective business units. The above are positive steps towards BAW's goal of developing contingency procedures to deal with unscheduled occurrences and community concerns.</p>
<p>Other: Require the maintenance of transparent disclosure with stakeholders to promote sound water use practices</p>	<p>Water stewardship</p>	<p>Measure/s of success: BAW has set a group aspirational target of 10% efficiency improvement in water withdrawal intensity by 2020FYE off a 2015 baseline year, as part of its Vision 2020. The inclusion of BAW in leading Environmental, Social and Governance and/ or Sustainability related Indices and awards and recognition received are indicative measures of success for this goal. These ESG assessment reports are often based on publically</p>	<p>BAW is committed to delivering sustainable value through open, mutually beneficial relationships with stakeholders. BAW engages regularly with investors, suppliers, customers, employees and public sector on water-related challenges and best practice. For example BAW's membership of the National Business Initiative, its participation in workshops hosted by this organisation and its annual response to the CDP's Water Programme. Various water recycling and harvesting initiatives implemented across the group, in one</p>

Goal	Motivation	Description of goal	Progress
		<p>disclosed information. Inclusion in such indices is recognition of BAW's disclosures to its stakeholders. BAW has also adopted a Measure, Avoid and Reduce (MAR) approach in pursuit of responsible water stewardship. An indicative measure of success of this approach is improved water intensity. Target date / timescale: Ongoing, relevant for each reporting period (12 months). The year-on-year analysis of the above indicative measures gives a sense of performance. The absolute volumes in this regard must be seen in the context of activity levels over the respective period. Explanation for adoption: BAW understands the importance of stakeholder engagement, which may include goals to promote sound water use practices in its dialogues with stakeholders. This goal is aimed at legally and appropriately sharing best practice, encouraging responsible water stewardship and identifying water-related risks and opportunities.</p>	<p>business unit these have resulted in a saving of some 150 million litres (estimated saving of R3.8m based on regional tariffs) of water that would have otherwise been drawn from municipal water systems in FY2016. Within the same business unit 1.3 million litres of water was harvested in FY2016. Cumulatively from 2007 to 2016, this business unit has saved 856 million litres of water, with water harvested volumes above 22 million litres for the same period. The financial savings associated with the saved water volumes will be realised within the respective business units. In FY16 water withdrawals from municipal supplies has increased by 6% against FY2015 in absolute terms however, the intensity improved by 0.8% over the same period. Also, in FY2016 17.2% of water withdrawals has been recycled. In FY16, BAW was a constituent of the FTSE/JSE Responsible Investment's Top 30 Index, Dow Jones Sustainability Emerging Markets Index and Vigeo Eiris Emerging Markets 70 Index.</p>

W8.1c

Please explain why you do not have any water-related targets or goals and discuss any plans to develop these in the future

Further Information

Module: Linkages/Tradeoff

Page: W9. Managing trade-offs between water and other environmental issues

W9.1

Has your organization identified any linkages or trade-offs between water and other environmental issues in its value chain?

Yes

W9.1a

Please describe the linkages or trade-offs and the related management policy or action

Environmental issues	Linkage or trade-off	Policy or action
Improved water and energy efficiencies	Linkage	Water recycling initiatives invariably require energy which may present an opportunity for BAW's products which could provide the required energy with improved fuel and emissions intensities.
Improved Energy Efficiency reduces demand for grid based electricity, the generation of which involves the consumption of water	Linkage	Group aspirational Energy efficiency targets are in place of a 10% efficiency improvement in non-renewable energy and GHG emissions (scope 1 and 2) by 2020FYE off a 2015 baseline, and a renewable energy target of 2 000 MWh or more per annum, as part of BAW's Vision 2020, further supported by the Energy Efficiency Policy. Reduced consumption of grid electricity will also reduce water withdrawals which is required in the grid electricity generation process.
Reduced water withdrawals from municipal systems through water recycling and rainwater harvesting initiatives result in reduced energy required to process, extract, treat and distribute municipal water supplies.	Linkage	Group aspirational Water efficiency targets are in place (10% efficiency improvement in water withdrawal intensity by 2020FYE off a 2015 baseline year), as part of BAW's Vision 2020, further supported by the Water Use and Management Policy. Improved water recycling and harvesting initiatives will reduce water withdrawals from municipal supplies which will in turn reduce the quantities of energy required for processing, extracting, treating and distributing municipal water supplies.

Further Information

Module: Sign Off

Page: Sign Off

W10.1

Please provide the following information for the person that has signed off (approved) your CDP water response

Name	Job title	Corresponding job category
Christopher Whitaker	Executive: Sustainability	Other: Group Executive

W10.2

Please indicate that your organization agrees for CDP to transfer your publicly disclosed data regarding your response strategies to the CEO Water Mandate Water Action Hub.

Note: Only your responses to W1.4a (response to impacts) and W3.2c&d (response to risks) will be shared and then reviewed as a potential collective action project for inclusion on the WAH website.

By selecting Yes, you agree that CDP may also share the email address of your registered CDP user with the CEO Water Mandate. This will allow the Hub administrator to alert your company if its response data includes a project of potential interest to other parties using water resources in the geographies in which you operate. The Hub will publish the project with the associated contact details. Your company will be provided with a secure log-in allowing it to amend the project profile and contact details.

No

Further Information

[CDP 2017 Water 2017 Information Request](#)