



**Barloworld**

120  
YEARS



ESG  
Update

Built on enduring  
partnerships and  
transformative  
growth

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**Forward looking statements:** Barloworld may, in this document, make certain statements that are not historical facts that relate to analyses and other information based on forecasts of future results and estimates of amounts not yet determinable. These statements may also relate to our future prospects, developments and business strategies. Examples of such forward-looking statements include, but are not limited to, statements regarding exchange rate fluctuations, volume growth, increases in market share, return on invested capital, growth opportunities, capital distribution and cost reductions, including in connection with our business performance outlook. Words such as “believe”, “anticipate”, “expect”, “intend”, “seek”, “will”, “plan”, “could”, “may”, “endeavour”, “target”, “forecast” and “project” and similar expressions are intended to identify such forward-looking statements but are not the exclusive means of identifying such statements. By their very nature, forward-looking statements involve inherent risks and uncertainties, both general and specific, and there are risks that the predictions, forecasts, projections, and other forward-looking statements will not be achieved. If one or more of these risks materialise, or should underlying assumptions prove incorrect, our actual results may differ materially from those anticipated. You should understand that a number of important factors could cause actual results to differ materially from the plans, objectives, expectations, estimates and intentions expressed in such forward-looking statements.



# 1

## Introduction and strategic alignment



**RESPECT**  
FOR PEOPLE,  
SOCIETY AND  
ENVIRONMENT

Barloworld's role as a responsible corporate citizen includes adopting responsible business practices and alleviating socio-economic challenges in the territories in which it operates. We recognise that our corporate activities today will influence and impact the world of tomorrow.

The various initiatives we have implemented across the group, include the **Barloworld Business System (BBS)\***, the key tenets of which are continuous improvement, the reduction or elimination of waste, and respect for people, society and the environment.

Sustainable development underpins the group's Strategic Framework. This integrated approach drives performance and accountability for people, planet and profits as we strive towards our strategic ambitions and carry out our day-to-day activities.

Barloworld's key stakeholders include our shareholders, customers, employees, suppliers, the communities in which we operate, legislators and regulators.

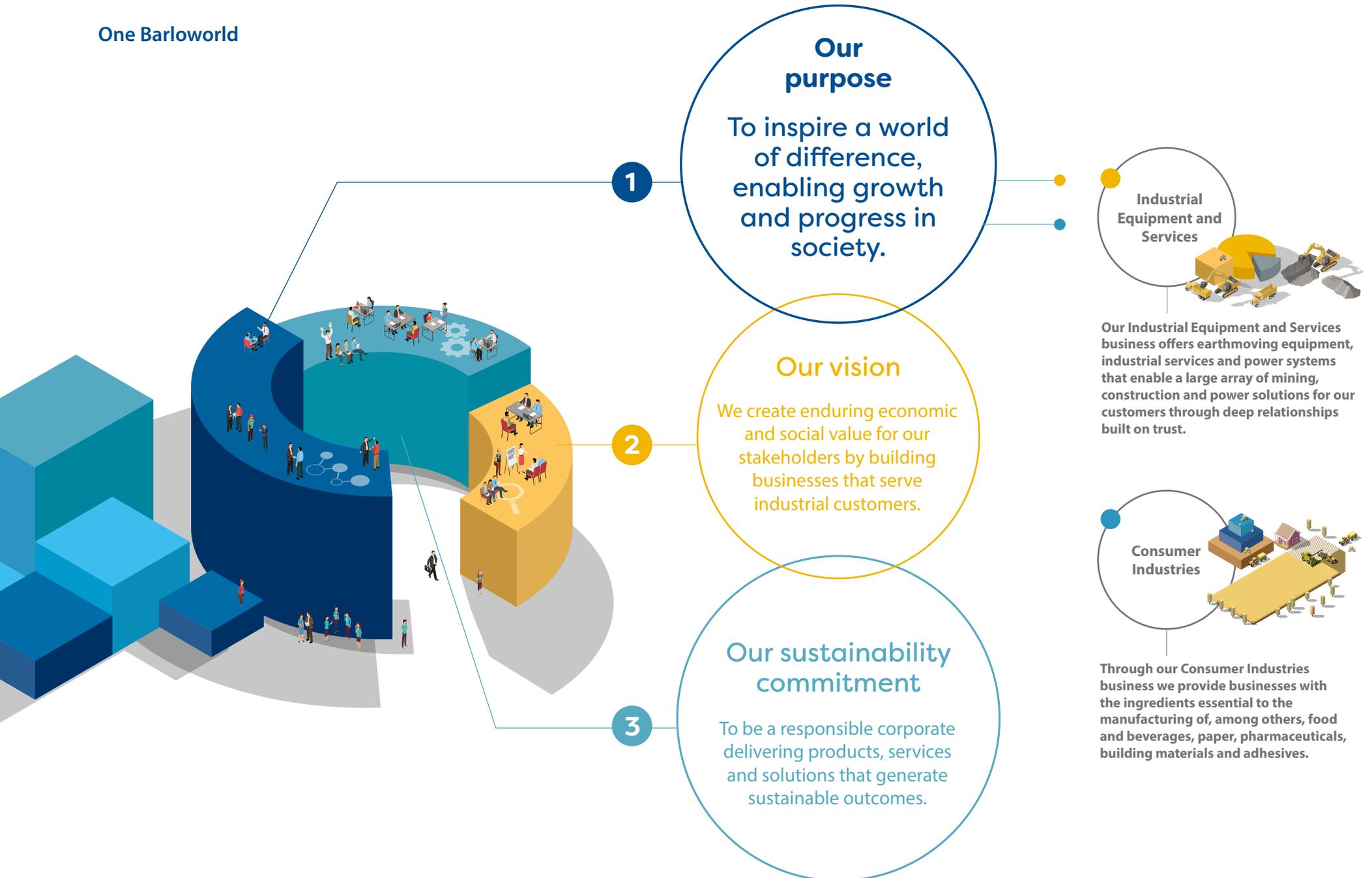
**\*THE ROLE OF THE  
BARLOWORLD  
BUSINESS SYSTEM  
(BBS)  
IN CREATING VALUE.**

The increased focus on ESG supports integrated thinking, recognises the interrelatedness of economic, environmental, social and governance aspects and the need to manage the company's impact on the natural environment, its responsibilities to the communities in which it operates and its employees.

Barloworld recognises that while the group's operations are impacted positively and negatively by its external environment its activities may impact its external environment both positively and negatively. Our stakeholder engagement processes include the identification of material environmental, social and governance issues raised by stakeholders, which are addressed at the appropriate executive and management level and overseen by the Board.

To facilitate the effective execution of our group strategy and our ability to create sustainable value for our stakeholders we developed the Barloworld Business System (BBS). The purpose of BBS is to achieve a leadership style and culture that speaks the same language, is based on respect for people, society and the environment, and continuous improvement so that we deliver the value our customers require.

## One Barloworld



# 2

## Operating model

### 2.1 Material ESG matters

Material ESG issues are assessed through a materiality assessment process that considers ESG impacts, both positive and negative on our external stakeholders and natural environment and on Barloworld's operations and its people.

The identification of these issues helps the group focus on and address matters with the potential to impact our business. The Executive Committee and Board have oversight over the outcomes of the assessment.

### 2.2 Governance

The board and the executive committee are committed to doing business ethically, while also building a sustainable company that recognises the short and long-term impact of its activities on the economy, society and the environment.

The board is responsible for governing the ethics of the group. This supports the establishment of an ethical corporate culture, including guiding and monitoring the group's ESG approach. The social, ethics and transformation committee, supported by the executive committee, ensures that the relevant policies are embedded and that governance around policies is monitored. In turn, executive management is responsible for embedding an ethical and responsible culture that protects the interests of the group and its stakeholders.



# 3

## Progress report on material ESG aspects

The table below is not intended to be exhaustive but rather to provide a high-level synopsis of ESG matters identified as material to the Barloworld group and to provide information on the action the group has taken to address these issues.

Material aspect	UN SDGs	BAW value	Group policy in place	Board oversight committee	Target/s	Initiatives
<b>ENVIRONMENTAL</b>						
<b>Climate:</b> • Carbon emissions		 <b>Sustainability</b> The power of positive impact	<ul style="list-style-type: none"> <li>Group Climate Change Policy</li> <li>Environmental Sustainability Framework</li> </ul>	<ul style="list-style-type: none"> <li>SETC<sup>1</sup></li> </ul>	<b>Greenhouse gas emissions (scope 1 and 2):</b> <ul style="list-style-type: none"> <li>FYE2023-2027: 15% Efficiency Improvement</li> </ul>	<ul style="list-style-type: none"> <li>Divisional Climate Change impact assessments conducted and managed within ERM framework and process</li> <li>Businesses addressing risks and opportunities identified through implementation of various projects, including switching to renewable energy (Solar PV)</li> </ul>
<b>Pollution:</b> • Air • Water • Soil • Noise	   	 <b>Sustainability</b> The power of positive impact	<ul style="list-style-type: none"> <li>Group Environmental Policy</li> <li>Group Climate Change Policy</li> <li>Group Water Use and Management Policy</li> <li>Environmental Sustainability Framework</li> </ul>	<ul style="list-style-type: none"> <li>SETC</li> </ul>	Ensure Air, Water, Soil and Noise outputs are within the parameters set by local regulators within the various BAW jurisdictions	<ul style="list-style-type: none"> <li>Outputs from manufacturing processes monitored; and continuous improvement approach to reduce negative outputs and environmental footprint, e.g., Bioremediation of waste, effluent testing, dust traps, noise testing and PPE, grease traps on water effluent, etc.</li> </ul>
<b>Waste:</b> • Hazardous waste • Water	  	 <b>Sustainability</b> The power of positive impact	<ul style="list-style-type: none"> <li>Group Waste Management Policy</li> <li>Group Water Use and Management Policy</li> <li>Environmental Sustainability Framework</li> </ul>	<ul style="list-style-type: none"> <li>SETC</li> </ul>	<ul style="list-style-type: none"> <li>Reduce waste</li> <li>Increase recycling</li> <li>Responsible disposal</li> <li>Water disposal</li> <li>to comply with local regulations and defined parameters</li> </ul>	<ul style="list-style-type: none"> <li>Reduce waste generated</li> <li>Landfill avoidance</li> <li>Responsible waste disposal</li> <li>Recycling</li> <li>Extended product life cycle/ Circular economy (Reman &amp; Rebuild)</li> <li>Water filtration and treatment prior to disposal</li> </ul>

<sup>1</sup> Social, Ethics and Transformation Committee (SETC)

Material aspect	UN SDGs	BAW value	Group policy in place	Board oversight committee	Target/s	Initiatives
<b>ENVIRONMENTAL</b> continued						
<b>Resource:</b> <ul style="list-style-type: none"> <li>• Water</li> <li>• Electricity</li> <li>• Coal</li> <li>• Gas</li> </ul>	  	 <b>Sustainability</b> The power of positive impact	<ul style="list-style-type: none"> <li>• Group Energy Efficiency Policy</li> <li>• Group Water Use and Management Policy</li> <li>• Group Energy Efficiency Policy</li> <li>• Environmental Sustainability Framework</li> </ul>	<ul style="list-style-type: none"> <li>• SETC</li> </ul>	<b>Water &amp; non-renewable energy:</b> <ul style="list-style-type: none"> <li>• FYE2023-2027: 15% Efficiency Improvement</li> </ul> <b>Solar targets:</b> <ul style="list-style-type: none"> <li>• +14.5% by FYE22, off FY21 baseline</li> </ul>	<ul style="list-style-type: none"> <li>• Intensity measurements in place to track efficiencies</li> <li>• Water effluent treatment considerations</li> <li>• Switching to alternate (lower emission/renewable energy) sources of energy</li> <li>• Water recycling, rainwater harvesting capacity</li> </ul>
<b>SOCIAL</b>						
<b>Employee:</b> <ul style="list-style-type: none"> <li>• Employee wellness</li> <li>• Diversity and inclusion (D&amp;I)</li> <li>• Employee engagement</li> <li>• Fair and responsible remuneration</li> <li>• Training and development</li> <li>• Performance management</li> <li>• Talent management and succession planning</li> <li>• Human rights</li> <li>• Health &amp; safety</li> </ul>	   	 <b>Excellence</b> The power of high performance	<ul style="list-style-type: none"> <li>• Employee Wellness Strategy</li> <li>• Group Human Rights Policy</li> <li>• Group Health and Safety Policy</li> <li>• Group Remuneration Policy (IR)</li> <li>• Group Talent Management Framework and Policy</li> <li>• Group Performance Management Policy</li> <li>• Barloworld Harassment Policy</li> </ul>	<ul style="list-style-type: none"> <li>• SETC</li> <li>• Remuneration Committee</li> </ul>	<b>Diversity &amp; inclusion:</b> <ul style="list-style-type: none"> <li>• % Female representation in Leadership: 50.0% by 30 September 2025</li> </ul> <b>Safety:</b> <ul style="list-style-type: none"> <li>• LTIFR: 5% improvement (≤0.35) off FY21 baseline</li> </ul>	<ul style="list-style-type: none"> <li>• Employee Wellness Strategy being enhanced</li> <li>• Employee Engagement Surveys and continuous improvement action plans aimed at ensuring Barloworld becomes Employer of Choice</li> <li>• Business aligned Employee Performance Management practices</li> <li>• Safety Targets and performance tracking at EXCO</li> <li>• Inclusion of Safety, D&amp;I and other ESG targets in EXCO and senior management scorecards</li> <li>• ESG aligned Executive Incentive scheme</li> <li>• Performance-based and pay equity focused remuneration practices</li> <li>• Talent reviews and succession planning for strategic, critical, and scarce roles</li> <li>• Various technical skills training and leadership development programmes</li> <li>• D&amp;I related targets leveraged for funding (Gender Linked Bond)</li> <li>• Safety Target leveraged in Sustainability Linked Finance</li> <li>• Khula Sizwe (employee share scheme)</li> </ul>

Material aspect	UN SDGs	BAW value	Group policy in place	Board oversight committee	Target/s	Initiatives
<b>SOCIAL</b> continued						
<b>Customer:</b> <ul style="list-style-type: none"> <li>Product safety and quality</li> <li>Privacy and data security</li> <li>Customer satisfaction</li> </ul>	 	 <b>Excellence</b> The power of high performance  <b>Commitment</b> The power of responsibility	<ul style="list-style-type: none"> <li>Group Privacy Statement</li> <li>Information Security and Risk Mandate</li> </ul>	<ul style="list-style-type: none"> <li>SETC</li> <li>Risk Committee</li> </ul>	<ul style="list-style-type: none"> <li>Divisional specific customer satisfaction scores, Net Loyalty Scores in place</li> </ul>	<ul style="list-style-type: none"> <li>Compulsory IT training, includes Data Privacy and Security aspects</li> <li>Customer satisfaction tracked against divisional targets</li> <li>Relevant product certifications in place e.g., Food Safety, ISO, etc.</li> </ul>
<b>Community</b> <ul style="list-style-type: none"> <li>Community engagement</li> <li>Social upliftment</li> <li>Education programmes</li> </ul>	  	 <b>Sustainability</b> The power of positive impact  <b>Integrity</b> The power of honesty  <b>Teamwork</b> The power of working together	<ul style="list-style-type: none"> <li>Stakeholder Engagement Policy</li> <li>CSI Policy</li> </ul>	<ul style="list-style-type: none"> <li>SETC</li> </ul>	<ul style="list-style-type: none"> <li>Corporate Social Investment (CSI) spend (1% Net profit after tax (NPAT))</li> </ul>	<ul style="list-style-type: none"> <li>Barloworld Trust (CSI programme) spend (2021: R16m)                             <ul style="list-style-type: none"> <li>50% of our CSI spend in FY2021 was on health and welfare initiatives including addressing food security</li> </ul> </li> <li>Mbewu (social entrepreneurship)                             <ul style="list-style-type: none"> <li>29 social entrepreneur cohorts benefited from our Mbewu economic sustainability and transformation programme</li> </ul> </li> </ul>
<b>Business Model</b> <ul style="list-style-type: none"> <li>Procurement practices/responsible sourcing</li> </ul>	  	 <b>Excellence</b> The power of high performance  <b>Teamwork</b> The power of working together  <b>Integrity</b> The power of honesty  <b>Commitment</b> The power of responsibility	<ul style="list-style-type: none"> <li>Supplier Code of Conduct</li> <li>Due Diligence Policy</li> <li>Anti-bribery and Corruption Policy</li> <li>Strategic Sourcing Policy</li> </ul>	<ul style="list-style-type: none"> <li>SETC</li> <li>Board</li> </ul>	<ul style="list-style-type: none"> <li>Discretionary Spend procurement from black women-owned suppliers: 15.0% by 30 September 2025</li> </ul>	<ul style="list-style-type: none"> <li>Siyakhula Supplier and Enterprise Development                             <ul style="list-style-type: none"> <li>50 beneficiaries were supported and 359 jobs sustained</li> <li>contributed to wealth building for the 111 beneficiaries of the programme, of which 39% are black female-owned and 93% are EMEs</li> </ul> </li> <li>Supplier Due Diligence</li> </ul>

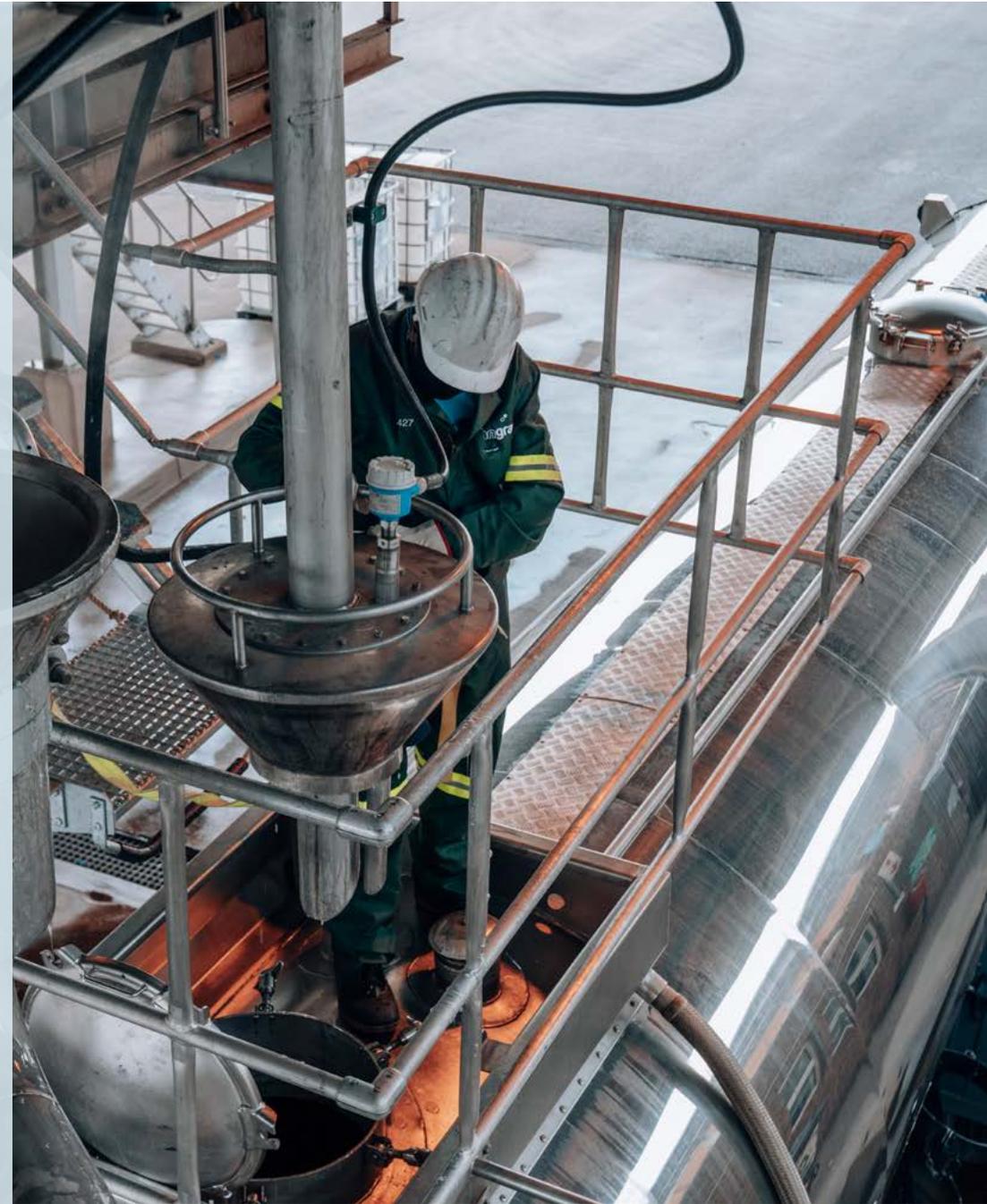
Material aspect	UN SDGs	BAW value	Group policy in place	Board oversight committee	Target/s	Initiatives
<b>GOVERNANCE</b>						
<b>Business practices:</b> <ul style="list-style-type: none"> <li>Ethics, bribery &amp; corruption</li> <li>Competitive behaviour</li> <li>Whistleblowing practices</li> <li>Enterprise risk management</li> </ul>	 	 	<ul style="list-style-type: none"> <li>Barloworld Worldwide Code of Conduct</li> <li>Group Anti-Bribery and Corruption Policy</li> <li>Gifts and Hospitality Policy</li> <li>Hosting of Customer Events Policy</li> <li>Group Conflicts of Interest Policy</li> <li>Global Whistle-Blowing Policy</li> <li>Marketing Sponsorships Policy</li> <li>Group Anti-Fraud Management Policy</li> <li>Ethics and Compliance Framework</li> <li>Risk Management Philosophy</li> <li>Risk Management Universe</li> <li>Risk Management Plan</li> <li>Risk Management Policy</li> </ul>	<ul style="list-style-type: none"> <li>SETC</li> <li>Audit Committee</li> <li>Risk Committee</li> </ul>	<ul style="list-style-type: none"> <li>Enhance the Ethics culture within the organisation</li> <li>Compliance to competition regulations within the various BAW jurisdictions</li> <li>Increased trust in the Whistleblowing process</li> <li>Enhancing organisational Risk Intelligence and Resilience</li> </ul>	<ul style="list-style-type: none"> <li>On-going training and communication interventions to enhance ethical culture</li> <li>Ethics survey conducted and processes in place to close identified gaps.</li> <li>Tone at the top constantly reinforced.</li> <li>Anti-competitive behaviour training in place</li> <li>Risk Universe incorporates ESG aspects</li> <li>Independent Whistleblowing Facility</li> <li>Monthly Ethics Newsletter</li> </ul>
<b>Transparency</b> <ul style="list-style-type: none"> <li>Tax</li> <li>Disclosures</li> <li>Assurance</li> </ul>	 		<ul style="list-style-type: none"> <li>Group Tax Policy</li> <li>Group Tax Risk Management Policy</li> <li>Group Provisioning Policy</li> <li>Group Transfer Pricing policy</li> <li>UK Group Tax Strategy</li> <li>Consolidated AFS</li> </ul>	<ul style="list-style-type: none"> <li>Audit Committee</li> <li>SETC</li> <li>Risk Committee</li> </ul>	<ul style="list-style-type: none"> <li>Transparent Tax related disclosures</li> <li>Disclosures and Assurance practices aligned to global frameworks, standards and meet internal and external stakeholder expectations</li> </ul>	<ul style="list-style-type: none"> <li>Tax Strategy in place</li> <li>Suite of integrated reporting (IR, AFS, GRI, Website, results presentations)</li> <li>Stakeholder engagements</li> <li>Evolving Combined Assurance Approach</li> </ul>
<b>Leadership:</b> <ul style="list-style-type: none"> <li>Board/ management profile</li> <li>Executive pay structure/mix</li> <li>Purpose and values</li> <li>Board oversight – governance</li> <li>Compliance – regulatory and other</li> </ul>		 	<ul style="list-style-type: none"> <li>Board Diversity Policy</li> <li>Barloworld Limited Corporate Governance Framework</li> <li>Remuneration Policy (IR)</li> <li>Governance report (IR)</li> <li>Barloworld Worldwide Code of Conduct</li> <li>Barloworld Regulatory Compliance framework</li> </ul>	<ul style="list-style-type: none"> <li>Remuneration Committee</li> <li>Nominations Committee</li> <li>Board</li> <li>Audit Committee</li> <li>SETC</li> <li>Risk Committee</li> </ul>	<b>Board Composition targets:</b> <ul style="list-style-type: none"> <li>≥50% female representation</li> <li>≥50% of Black South Africans</li> </ul>	<ul style="list-style-type: none"> <li>Regular review of Code of Conduct for relevance</li> <li>Regular review of sub-committee terms of reference for alignment and relevance</li> <li>Inclusion of ESG in Executive Performance Management and Remuneration philosophy, Policy and practices</li> </ul>

# 4

## Assurance

The group adopts a combined assurance approach to its ESG reporting, in pursuit of accurate, complete and credible reporting and disclosures.

The assurance process, which is aligned to global practices and stakeholder expectations, continues to evolve.



# 5

## Conclusion

Barloworld's entrenched stakeholder engagement processes enable proactive engagement and early identification of material ESG issues which are proactively addressed and incorporated into its strategic and operational processes.

Good progress has been made in addressing identified material ESG issues. The group's approach remains agile and it is ready to adapt rapidly to changes in its operating environment and stakeholder expectations.



# 6

## Ongoing progress

Barloworld continues exploring ways in which it can create enduring economic and social value for our stakeholders. The executive team and the board remain committed to delivering on the group's role as a responsible corporate citizen providing products, services and solutions that generate sustainable outcomes.

The group's approach to ESG continues to evolve and develop. It is aligned to recognised sustainability-related frameworks and is guided by stakeholder expectations regarding ESG.

We continue to look for ways to improve our ESG performance, inspire a world of difference and enable growth and progress in society and will report on progress in this regard as and when we progress initiatives.



# Corporate information

Barloworld Limited  
(Incorporated in the Republic of South Africa)  
(Registration number 1918/000095/06) (Income Tax Registration number 9000/051/71/5)  
(JSE Share code: BAW) (JSE ISIN: ZAE000026639)  
(Share code: BAWP)  
(JSE ISIN: ZAE000026647)  
(Bond issuer code: BIBAW)  
("Barloworld" or the "company" or the "group")

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## Registered office and business address

Barloworld Limited  
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E [bawir@barloworld.com](mailto:bawir@barloworld.com)

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## Directors

Non-executive  
NN Gwagwa (Chairman), N Chiaranda\*\*, FNO Edozien ^, HH Hickey, MD Lynch-Bell\*,  
NP Mnxasana, NV Mokhesi, H Molotsi, P Schmid,  
^ Nigeria, \* UK, \*\* Italy  
Executive directors  
DM Sewela (Group Chief Executive), N Lila (Group Finance Director)

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## Group Company Secretary

Vasta Mhlongo

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## Group Investor Relations

Nwabisa Piki

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## Enquiries

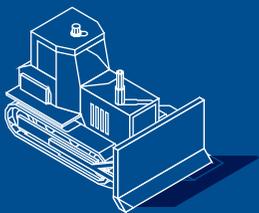
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