

Barloworld Sustainable Procurement and Commitment to Suppliers

Barloworld Limited (“*Barloworld*”) its subsidiaries and divisions (together the “*Group*”), are committed to creating value for all its stakeholders. Our principles of sustainable development – comprising of value creation, sustainable environmental performance and corporate social responsibility – are integral to our business strategy. Our approach to sustainable development includes how we work with our Suppliers. We integrate sustainable development into our procurement strategy, our day-to-day operations and relationships with Suppliers. The subsidiaries and divisions of the Group are required to identify, prevent and manage risks pertaining to Health and Safety (H & S), social responsibility and the environment in their supply chain.

For purposes of this Supplier Code of Conduct, a “*Supplier*” is deemed to be any third party in the form of a bidder, vendor, contractor, consultant, agent or intermediary that is supplying goods or services to the Group or a Group company, or making an offer to supply goods or services to the Group or a Group company in the form of a bid / tender / quotation or proposal, or that has been awarded a contract for the supply of goods and/or services to any Group company or the Group.

The Group seeks to engage in long-term relationships with Suppliers that are committed to sustainable development. Our goal is to partner with Suppliers to deliver value-for-cost procurement for the Group and its customers, and to demonstrate responsible supply chain management.

- **Business Conduct**

When carrying out procurement duties and responsibilities, Barloworld employees are required to demonstrate their commitment to the Group’s values as contained in the Barloworld Worldwide Code of Conduct. This is the minimum standard of conduct our employees are required to adhere to with respect to ethical conduct, conflicts of interest, corruption, competition law and the handling of confidential and personal information, among other aspects. The Group’s employees are encouraged to raise ethical issues and concerns using the appropriate

communication and whistle-blowing channels provided within the Group.

- **Supplier Relationship Management**

Barloworld has established a centralised procurement function to conduct strategic sourcing and procurement activities in order to effectively and consistently manage relationships with Suppliers across the Group. The methodologies adopted ensure a fair, competitive and transparent tender and contracting process, according to the Barloworld policies and values.

Compliance with the Supplier Code of Conduct

This Code of Conduct applies to all Suppliers appointed in the Group and will be communicated to potential and existing Suppliers. As part of the qualification and selection process, new suppliers will be assessed (through the Supplier Due Diligence process) to ensure adherence to the ethical standards within its supply chain and international best practices in human rights, health, safety, social responsibility and environmental standards, when undertaking its contractual obligations towards the Group or any Group company. Current Suppliers are prioritised for assessment based on the potential sustainability risk ranking associated with the goods and services delivered and including potential reputational risks from adverse media news coverage.

We enter into business relationships with Suppliers, who demonstrate our strong values of integrity, excellence, teamwork, commitment, and sustainability. Suppliers are required to commit to the ethical principles outlined in this Code of Conduct and to comply with sound business practices the Group embraces, comply with the law and conduct activities in a manner that respects human rights and is mindful of their impact on the environment. Suppliers are not required to buy products of the Group in order to compete for business or to continue to be a Supplier.

The Supplier is required to communicate the content of this Code of Conduct to its employees, subcontractors and other business partners, who are involved in supplying products and services to the Group and to ensure their adherence to these standards.

Barloworld and any company in the Group reserves the right, upon reasonable notice, to make such enquiries as it may deem appropriate to confirm compliance with the Code of Conduct.



In the spirit of transparency and open reporting, if a Supplier becomes aware of any circumstance or action that is, or may be, a breach of this Code of Conduct, such Supplier will be required to report the matter to the Barloworld Group Ethics and Compliance department (or divisional equivalent) at barloworld@ethics-line.com.

Any breach of this Code of Conduct will be considered a material breach of contract by the Supplier and Barloworld and any company in the Group reserves its right of action under the terms of the relevant agreement.

Legal and Ethical Standards

Suppliers shall comply with all laws applicable to its business and the laws of the countries in which it conducts its business.

As a signatory to the United Nations Global Compact (“*UNGC*”), Barloworld and any company in the Group requires its Suppliers to support the 10 principles, as well as, the United Nations’ Universal Declaration on Human Rights, the International Labour Organisation’s Declaration of Fundamental Principles and Rights at Work.

Suppliers are also required to comply with applicable local and international anti-bribery and corruption legislation, as applicable to its business activities and operations.

Specifically, Suppliers are required to comply with the following minimum standards:

- **Health, Safety and Environment**

The Supplier shall comply with applicable health, safety and environmental laws, regulations and standards and provide a healthy and safe working environment to prevent accidents and injury and promote safety throughout the supply chain. The Supplier recognises its responsibility towards the environment and maintains proper systems to prevent and/or minimise potential hazards. Suppliers shall provide a safe and healthy work place for their employees and contractors. Suppliers must have documented health and safety policies and/or procedures in place together with appropriate safety infrastructure and equipment.

- **Security**

Suppliers shall ensure that all necessary security arrangements are in place to protect their employees, contractors performing work at their sites, as well as their assets, especially in areas of political conflict. In particular, Suppliers are expected to have an actionable crisis management policy in place to be able to respond to emergencies (including national states of emergency) timely and efficiently.

- **Working Conditions**

Suppliers shall uphold fair and decent working conditions. Employees shall be paid at least the local industry rate or minimum wage stipulated by national law, whichever is higher, and benefit from social security schemes according to national legal standards. Should there be no legal minimum wage in the country of operation, fair and decent conditions imply that Suppliers shall pay their employees’ wages benchmarked

against the average wages earned in the country, the cost of living, social security benefits and the relative living standards.

- **Freedom of Association and Non-Retaliation**

Suppliers shall not interfere with employee’s freedom of association. Employee representatives shall not be subject to discrimination or termination of contract in retaliation for exercising employee rights, submitting grievances, participating in union activities, or reporting suspected legal violations. Where applicable, the Supplier should ensure that all employees are permitted to participate in collective bargaining, without fear of intimidation or reprisal and be free to choose whether or not to do so.

- **Forced Labour**

Suppliers shall not use work that is performed involuntarily under threat of penalty, including forced overtime, human trafficking, debt bondage, forced prison labour, slavery or servitude. Suppliers shall not withhold migrants’ workers’ identification documents without a reasonable and rational legal basis.

- **Child Labour**

Suppliers shall not employ children at an age where education is still compulsory. Children under the age of 15 (in the absence of a legal stipulation) or below the stipulated legal minimum age, shall not be employed.

- **Non-Discrimination**

Employment-related decisions shall be based on relevant and objective criteria. Suppliers shall





make no distinctions on grounds including, but not limited to: age, disability, gender, sexual orientation, political or other opinion, ethnic or social origin or religion. Employment-related decisions include, but are not limited to: hiring, promotion, termination and relocation of employees, training and skills development, health and safety, any policy related to working conditions like working hours and remuneration.

▪ **Environmental Regulatory Compliance**

Suppliers shall respect and comply with environmental regulatory requirements at all levels of regulation (local, national and international). Suppliers shall be covered by the required environmental permits and licenses, and support a precautionary approach to environmental challenges in all their regulated environmental activities.

Suppliers shall systematically manage their environmental impacts with respect to, but not limited, energy, water, waste, chemicals, air pollution and biodiversity and set objectives and targets to reduce such impacts. Suppliers identified by environmental authorities as having a high environmental impact shall take action and demonstrate proof of continuous improvement towards having a recognized Environmental Management System in place.

▪ **Fraud, Bribery and Corruption**

We prohibit all forms of bribery and corruption. We will not seek to influence others, or seek to be influenced by others, either directly or indirectly, by paying or receiving bribes or kickbacks, including but not limited to payments to government/public officials by Barloworld employees or agents for the completion of routine governmental administrative actions, or by any other measure that is unethical or that will tarnish our reputation for honesty and integrity. Suppliers shall comply with all applicable anti-corruption laws and regulations (local and as well as international laws and regulations) and, to this effect, have a zero-tolerance policy towards any form of bribery, corruption, fraud, extortion and embezzlement. In particular, Suppliers shall not pay or offer to pay bribes or make any other inducement (including kickbacks, facilitation payments, excessive gifts and hospitality, grants or donations) in relation to their business dealings with customers, public officials, Barloworld employees or any other party. In addition, receiving or giving gifts and hospitality that is excessive, inappropriate, in breach of applicable laws and Barloworld policies, can be damaging to Barloworld's reputation, create conflicts of interests, and harm our business relationships. Suppliers shall not use third parties to perform illegal and improper activities, whether directly or indirectly on their behalf like paying bribes or making facilitation payments.

▪ **Competition Laws**

Barloworld believes that fair competition is fundamental to free enterprise. We do not engage in anti-competitive practices and we encourage fair competition among our suppliers and potential suppliers. Suppliers shall comply with all applicable anti-trust and competition laws in the performance of their contractual obligations with Barloworld and, to this effect; we have a zero-tolerance policy towards any form of anti-competitive conduct. Suppliers shall not, be permitted to introduce any conditions that would be in breach of competition or anti-trust laws in their contractual agreements with Barloworld and any company in the Group. Our Suppliers will not be involved in any arrangements, understandings or agreements with competitors affecting prices, terms on which products are repaired or sold, or the number and type of products repaired or sold.

▪ **Privacy and Data Protection**

The Supplier acknowledges that by entering into an agreement or by its engagement with Barloworld and any company in the Group, the Supplier may provide Barloworld and any company in the Group with personal information, which may be protected by relevant privacy and data protection legislation, including amongst others, the Protection of Personal Information Act, 2013 ("POPIA") applicable in the Republic of South Africa. Barloworld and any company in the Group may collect and manage the Supplier's personal information as set out in the Barloworld's Privacy Statement contained on Barloworld websites, and any amendments or updates thereto.

▪ **Confidentiality**

The Group and the Supplier acknowledges that the confidential information of each ("the Disclosing Party") is an asset belonging to the Disclosing Party. Both parties acknowledge that the confidential information is being made available to the other party for the purposes of giving effect to their commercial agreement or business engagement. Both parties agree that they shall not disclose the confidential information to any third party without the prior written consent of the other. Both parties agree that the Disclosing Party's confidential information will be duly protected using the same standards of care that it applies to its own proprietary, secret or confidential information, and in accordance with the requirements of relevant and applicable data protection laws.

▪ **Local Empowerment**

For Suppliers incorporated and operating in the Republic of South Africa, it is mandatory for the Supplier to submit its latest and valid Broad-Based Black Economic Empowerment ("B-BBEE") certificate or affidavit as confirmation of its BBBEE Status when tendering or bidding to do business with Barloworld and any company in the Group and when entering into a contract





with Barloworld and any company in the Group. Suppliers contracted to supply goods or services to Barloworld on a continuous / long-term basis must ensure that the B-BBEE certificate or affidavit is submitted to Barloworld and any company in the Group annually or immediately after a new B-BBEE assessment is received from a recognised verification agency. For

Suppliers incorporated and operating outside the Republic of South Africa, Barloworld will endeavour to ensure that the application of relevant local empowerment laws and regulations are incorporated into its local procurement practices.

Compliance Declaration

The Supplier hereby acknowledges its agreement to and acceptance of this Supplier Code of Conduct by appending the authorised signature below:

Signed at _____ on this _____ day of _____ 20

Signature _____ Name _____

Designation _____

For and on behalf of _____ Full Name(s) of
Supplier Who warrants his/her authority hereto

