



Barloworld Energy Efficiency Policy

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PREAMBLE

Barloworld is an industrial processing, distribution and service company which distributes leading international brands. In our Original Equipment Manufacturers (OEM) businesses we provide integrated sales, rental, fleet management and product support through offering flexible, value adding, and innovative business solutions to our customers backed by leading global brands.

One of Barloworld’s core competencies is its ability to leverage systems and best practices across its chosen business segments. As an organisation we are committed to sustainable development, which remains a corporate priority.

The group understands the importance of energy consumption and related costs in both its operations and integrated customer solutions. It also appreciates the risks associated with the extraction and combustion of fossil fuels as well as their non-renewable nature. Reducing its environmental impact through improved energy efficiency is central to its strategic ambitions, its sustainable value creation approach and making a world of difference to its stakeholders.

As a responsible corporate citizen Barloworld:

- Recognises with concern the causal link between the combustion of fossil fuel energy sources and climate change
- Acknowledges that sourcing, extraction and processing reserves of non-renewable energy sources as well as increasing prices thereof pose a significant risk to society and business
- Acknowledges, it has a role to play in implementing measures that will contribute to the improved efficiency of energy consumption and the mitigation of the associated negative impacts of non-renewable energy
- Appreciates the need to contribute towards a lower carbon future
- Encourages all its stakeholders to consider positive steps they may take with regards to improved energy efficiency and related impacts
- Participates in its value-chain to promote energy efficiency awareness and appropriate responses
- Strives where practicable to switch to alternate / renewable energy sources
- Principally supports the local national energy efficiency goals and objectives in its regions of operations
- Recognises that energy efficiency practices provide opportunities for cost savings and support Shared Value creation
- Has clear accountability for energy efficiency with the group's Board and Executive, as a part of good corporate governance
- Incorporates energy efficiency and related considerations in its strategic framework, which is underpinned by sustainable development.

PURPOSE

As part of its business model, Barloworld strives to minimise the impacts of its operations on Natural Capital by optimise the efficiency with which it consumes all forms of energy. Energy efficiency considerations form an integral part of daily business activities including risk management, strategic planning, capital expenditure, investments and operating procedures.

The objective of this policy is to drive energy efficiency considerations and management within the Barloworld operating context and to outline the minimum expectations across Barloworld to better understand and manage its energy consumption, and to enhance its efficiency of use within its direct operations.

SCOPE

The policy applies to all Barloworld employees, across all its operations and territories.

REGULATORY BACKGROUND

Across the various jurisdictions where Barloworld operates, energy regulations, including efficiency, are in place that serve to govern and regulate energy consumption, costs and related activities.

At a minimum, all Barloworld operations are expected to comply with their relevant local legislative framework and regulations, including those related to energy.

General examples include National Energy Efficiency strategies and Energy Management Plans.

POLICY STATEMENT

P1.	Commitment
	<ul style="list-style-type: none"> • Energy Efficiency management is an integral part of management in the company and is recognised as one of the corporate priorities. • Barloworld appreciates the role and responsibilities it has to improve energy efficiency and is cognisant of its responsibility for all its operations. Accordingly, Barloworld promotes the efficient and optimal use of finite resources and energy, thereby conserving such resources, and wherever practicable, the use of renewable or recyclable energy sources.

- In all its divisions throughout the group, Barloworld will publish divisional Energy Efficiency Policies appropriate to the business of each division, subordinate to this company policy, which will, inter alia:
 - Establish clear accountability for energy efficiency performance with divisional Executives and top management, as a part of good corporate governance
 - Require compliance with relevant energy efficiency legislation, other standards and codes of practice to which the company subscribes
 - Ensure that energy consumption and efficiency considerations form part of the company's overall risk management processes
 - Ensure environmental considerations, including energy efficiency are incorporated into its facilities and maintenance cycles, its strategic plans as well as expansion projects and acquisitions.
 - Promote energy efficiency awareness within company operations
 - Require the maintenance of open dialogue with stakeholders, including customers and suppliers to promote energy efficiency
 - Develop contingency procedures to deal with unscheduled occurrences and community concerns relating to energy consumption and efficiency improvement initiatives
 - Entrench monitoring and reporting its consumption of all energy sources, including non-renewable energy and fossil fuels, and its energy efficiency improvement initiatives and progress.
- Appropriate Energy Management Systems will be implemented in all divisions to guide responsibility and accountability for energy consumption at all levels of management and to facilitate continual improvement of energy efficiency performance through self-assessment and assurance.
- Barloworld will continue to assess its physical, regulatory, reputational and financial risks associated with energy and, where practicable, adapt its operations, processes and procedures accordingly. It will also pursue relevant identified opportunities to improve energy efficiency where practicable.

P2. Guiding Principles

- All operations shall comply with the following principles and initiatives:
 - Measurement and reporting of material environmental indicators including their energy consumption
 - Appropriate targets are set and initiatives implemented once reliable baselines have been achieved for applicable indicators
 - Monitoring and reporting mechanisms track progress made against set targets
 - Aspirational efficiency improvement targets set for non-renewable energy consumption and greenhouse gas emissions
 - Monitoring of global energy trends, related impacts and risks
 - Independent verification of reported energy consumption data through internal and external assurance
 - Optimise energy efficiency and switch to renewable energy sources where appropriate and practicable.
- Energy assessments will form part of significant new projects and of the planning phase for modifications to existing operations.
- All operations will be prepared for emergencies. Barloworld divisions will strive to appropriately communicate with those affected by conditions caused by the company that endangers the environment through energy consumption.

RELATED POLICIES

All operations within the Barloworld Group are expected to uphold the principles contained within this policy which is to be read in conjunction with the policies as detailed below:

Policy name	Purpose
Barloworld Worldwide Code of Conduct	To set out the Barloworld Values expected to be upheld by all Barloworld employees
Barloworld Climate Change Policy	To set out the minimum required standards for understanding and limiting our contribution to Climate Change within the Barloworld operating context
Barloworld Environmental Policy	To set out the minimum required standards for Environmental considerations within the Barloworld operating context
Barloworld Water Use and Management Policy	To set out the minimum required standards for Water use, management and related aspects within the Barloworld operating context
Barloworld Waste Management Policy	To set out the minimum required standards for Waste management and related aspects within the Barloworld operating context

COMMUNICATION

This policy should be communicated to all Barloworld employees, across all its operations and regions.

ROLES AND RESPONSIBILITIES

The Chief Executive Officer and Board of Directors in each division are the environmental champions and are responsible and accountable for environmental management, including energy management and efficiency.

Divisional Executive management have the responsibility to ensure compliance with this policy and at their discretion to define the processes, procedures and other mechanisms by which the policy is implemented.

Implemented processes ensure that the Barloworld Group Chief Executive Officer and Board of Directors remain fully informed about all pertinent energy related issues.

RAISING CONCERNS AND SEEKING GUIDANCE

If any person is seeking advice on aspects within this policy, they are encouraged to contact the Barloworld Group Sustainability Manager (sustainability@barloworld.com).

If any person becomes aware of a circumstance or action that violates or appears to violate this policy, they are encouraged to contact their manager, or alternatively the Barloworld Ethics Line at www.tip-offs.com.

The Barloworld Ethics Line is an independent and confidential system for reporting allegations of unethical behaviour, illegal actions, or actions that violate the Barloworld Worldwide Code of Conduct.

The Barloworld Global Whistleblowing Policy applies to the use of the Barloworld Ethics Line and it contains the contact details pertaining to each company, division, or business unit.

Barloworld is committed to ensuring that no employee suffers any occupational detriment as a result of reporting a genuine concern in good faith.

BREACH OF POLICY

Barloworld has established clear reporting structures in all divisions that culminate in compliance with relevant legislation and adherence to this policy. Material non-compliance will be reported to the respective

divisional Executive Committee and other relevant divisional governance structure/s and thereafter to the group Executive Committee, and to the group Social, Ethics and Transformation Committee, a sub-committee to the Board of Directors.

It is the responsibility of Chief Executive Officer and Board of Directors in each division to comply with this policy and failure to do so by any employee could amount to disciplinary action and a material breach of the contract of employment.

DEVIATIONS FROM POLICY

It is the responsibility of divisional Executive management to ensure that this policy is adopted and approved by an appropriate divisional Executive Committee.

Any deviations to this Barloworld group policy that amend the meaning or raise the minimum standard of the group policy requirements must be tabled, approved and recorded at an appropriate divisional Executive meeting, and thereafter tabled, approved and recorded at the Group Social, Ethics and Transformation Committee.

Language translations of Barloworld policies must be conducted or checked by a professional language translator to avoid translation errors that may change the meaning of the policy requirements.

DEFINITIONS

D1.	Barloworld
	<p>Barloworld means Barloworld Limited and its subsidiaries, divisions, and business units in all countries in which it does business, or any individual subsidiary in its own capacity.</p> <p>It does not include joint ventures, other than those where Barloworld exercises management control, nor does it include investments where Barloworld owns less than 50%.</p>

APPROVAL AND OWNERSHIP

Owner	Title	Date
Kavendrin Naidoo	Group Sustainability Manager	22 April 2021
Approved By		Date
Group Executive Committee		23 April 2021
Social, Ethics and Transformation Committee		19 May 2021

REVISION HISTORY

Version	Revision Date	Description	Next review Date
V1.0	25 September 2012	Policy was originally published in May 2012 and was approved by the Barloworld Group Risk and Sustainability Committee	
V1.1	14 May 2019	Last review and approval date by the Group Risk and Sustainability Committee	May 2021
V1.2	19 May 2021	Last review and approval by the Group Social, Ethics and Transformation Committee	May 2023