Barloworld



Integrated report

For the 12 months ended
30 September 2022

Built on enduring partnerships and transformative growth

A history built on enduring partnerships



A special year

2022

1902

120 YEARS

Equipment southern Africa

Has been a proud partner of Caterpillar for **95 years**

Consumer industries

The production of consumer goods has been part of our DNA for over **100 years**

Mining industry

For approximately **20 years** from 1970 we were known as Rand Mines Limited before unbundling Rand Mines and becoming Barloworld. Today the mining industry is an important customer of our Industrial Equipment and Services operations

The motor industry and logistics

For over **50 years** partnerships in the automotive industry played an important part in our success

Contents guide

INTRODUCTION	About our report	2
	Board approval	3
	Determining our material matters and managing the risks and opportunities they create	4
OVERVIEW OF OUR BUSINESS	How Barloworld creates value	7
	Where we operate	8
	Our business model	10
	Our external operating environment	13
	Risks and opportunities	15
	The role of our relationships in value creation	21
	Our strategy for a sustainable future	24
	Our approach to sustainability	26
VALUE CREATION AND PRESERVATION THROUGH EFFECTIVE LEADERSHIP AND GOOD GOVERNANCE	Chair's review	28
	Leadership	30
	Our approach to governance	34
PERFORMANCE REVIEW	Group CEO review	47
	Group financial review	49
	Operational performance	52
	Industrial Equipment and Services	52
	Consumer Industries	59
	A value-creating approach to sustainability	62
	A value-creating workforce	63
	Enabling growth and progress in society	68
	Purposeful environmental stewardship	72
ASSURANCE	Independent Assurance Report	80
ACCOUNTABILITY AND SHAREHOLDER INFORMATION	Shareholder profile	84
	Glossary	86
	Corporate information	IBC

A very special year for Barloworld

This year we commemorate the 120 years during which the business, originally formed by Thomas Barlow in 1902, has demonstrated its ability to constantly evolve and change to ensure it remains resilient and continues to create sustainable value for its stakeholders. By 1984 Fortune Magazine placed the group 57th among the top 500 industrial companies outside the United States and by the early 1990s Barloworld was the largest industrial company in South Africa.

From the outset, an outstanding feature of our business has been its flexibility and ability to protect its sustainability through diversification.

Another notable feature of our business is the partnerships we have established and maintained over the years, and in particular our 95-year partnership with the Caterpillar company.

While Ingrain is a newcomer to Barloworld, it also has a long history having been founded in 1919, when it was known as Tongaat Hulett Starch, over 100 years ago.

The business also has a proud history of being a pioneer in terms of employment practices, establishing in 1978 the Barlow Rand Group Code of Employment Practice, one of the first employment practice codes in South Africa. To diversify the membership of our board it appointed the first black non-executive director in 1986. Today, 64% of our **board members** are black and 55% are women, 83% of whom are black.

Details of our history are featured throughout this report.

Icons used to assist in navigating this report

LA	**Limited assurance so we can identify what has been assured by PwC**
	Reference to more information on our website
	Six capital icons: Financial, Manufactured, Intellectual, Human, Social and relationship, Natural
	Report on Corporate Governance for South Africa (King IVTM*)

* Copyright and trademarks are owned by the Institute of Directors in Southern Africa NPC and all of its rights are reserved.

Forward-looking statements

In this report we may make certain statements that are not historical facts and 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, considering, among other factors, the impact of the Russia-Ukraine war on Barloworld. No reliance should be placed on such expectations, estimates and intentions expressed in such forward-looking statements, as they may change as a result of new information, future events or otherwise.

1902 The **company was founded 1918** Incorporated as Thomas Barlow & Sons (South Africa)

1941 Thomas Barlow & Sons **listed on the JSE**

1971 Our **name changed** to Barlow Rand when we acquired Rand Mines

1993 **Largest industrial company in SA**

Introduction

About our report

Our integrated report provides insight into Barloworld's business model, governance processes and strategy and evaluates our economic and environmental, social and governance (ESG) outcomes, with the aim of providing a balanced, transparent and integrated view of our creation of value in the year under review, and our prospects of creating sustainable enterprise value in the medium to long term.

Our integrated reporting process

The reporting process, which begins with an internal and external materiality identification process described on page 4 of this report, is overseen by our board, guided by our executive committee (exco), assured through our combined assurance model and prepared by means of group-wide collaboration.

During the drafting process, the heads of various functions and our exco reviewed content and provided the reporting team with feedback, which was included in the draft circulated to the audit committee prior to its meeting. Audit committee members provided feedback to exco and senior management at this meeting. A revised draft was then prepared and circulated to all board members and further changes were made based on their feedback.

The reporting frameworks applied in the preparation of our report

Our integrated reporting is guided by the:

- principles and requirements of the International Integrated Reporting Framework (2021)
- Sustainability Accounting Standards Board's (SASB) Agricultural Products Sustainability Accounting Standards.

Adheres to the:

- Companies Act, 71 of 2008, as amended (Companies Act)
- JSE Limited (JSE) Listings Requirements
- Principles of the King IV Report
- International Financial Reporting Standards (IFRS)

Applies the Greenhouse Gas Protocol – Corporate Accounting and Reporting Standard; and has adopted the disclosure recommendations of the Task Force on Climate-related Financial Disclosures (TCFD).

Providing information required by the readers for whom this report has been prepared

Our reporting is intended to provide the information that the investor community and providers of debt require to make an informed assessment of our performance in terms of creating, sustaining or eroding value during the year under review, and what our performance in this regard is likely to be in the mid to long term. However, we also intend to provide information relevant to our other key stakeholders, including our employees, customers, government, regulators and society.

Ensuring the integrity of our report

We use a combined assurance model to ensure the information we provide and our underlying processes support the credibility and integrity of our reporting.

Execution of our assurance plan includes assurance obtained from management and from our internal and external assurance providers. Our joint auditors, Ernst & Young Inc. and SNG Grant Thornton Inc., audited our consolidated annual financial statements, while PricewaterhouseCoopers Inc. provided limited assurance on selected sustainability information in our 2022 integrated report.

The execution of our assurance plan and our reporting is monitored by the audit committee, which provides assurance to the board annually on their execution. The group's financial, operating, compliance and risk management controls are assessed by the group internal audit function, which is overseen by the audit committee.

The audit committee has provided feedback on its progress this year in the integrated report and its report can be found in our annual financial statements on our website at
https://www.barloworld.com/investors/integrated-reports/

We value your feedback to ensure that we are providing you with the information you require. Please e-mail us your feedback to bawir@barloworld.com

1994 **Renamed** Barlow Limited

2000 **Renamed** Barloworld Limited – operating in 31 countries around

2007 Barloworld **restructured** into four major divisions

2009 43% decline in HEPS following **global financial crisis in 2008**

Reporting suite

Integrated report

Our integrated report covers the period 1 October 2021 to 30 September 2022. It is our primary report to stakeholders, the aim of which is to provide a balanced view of how the Barloworld group has applied its resources to create value during the year under review, and its strategy and prospects going forward.

www.barloworld.com/investors

Annual financial statements

Our annual financial statements provide a comprehensive report of Barloworld's financial performance for the year.

www.barloworld.com/investors

King IV application register

Our King IV application register provides a summary of our application of the principles of King IV™ that are applicable to Barloworld.

www.barloworld.com/investors/king-iv/

Remuneration report

Our remuneration report, which is published on our website, gives an account of the compensation granted to executives, directors and prescribed officers.

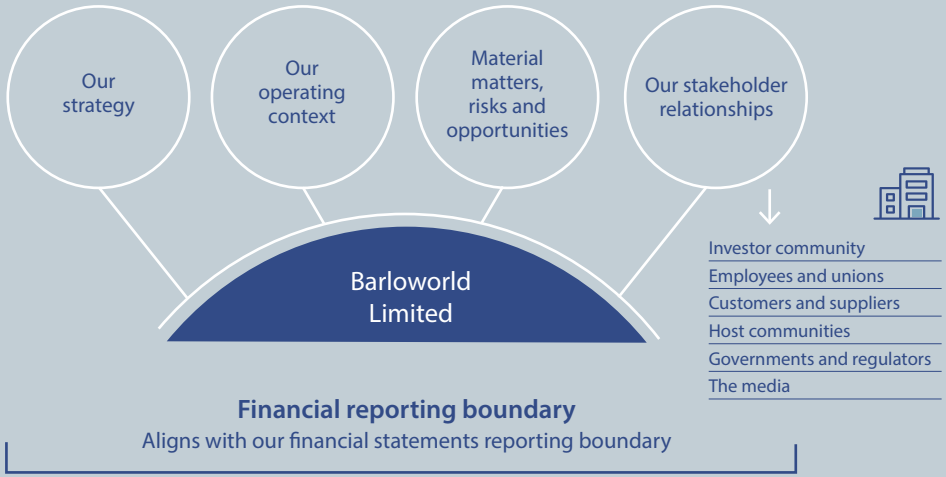
Social, ethics and transformation committee report

The report of the Social, ethics and transformation committee is available on our website.

Global Reporting Initiative

Our GRI index provides disclosure on key environmental, social and governance elements that could have a material impact on our business or on the external environment if not managed effectively.

Integrated reporting boundary



Financial reporting boundary

Aligns with our financial statements reporting boundary

Our report addresses our two primary areas of focus, which are our Industrial Equipment and Services division with operations in southern Africa, Russia and Mongolia and our Consumer Industries division's business, Ingrain.

Board approval

The board approved this report on 02 December 2022.

The Barloworld board acknowledges its responsibility for ensuring the integrity of this integrated report. It is of the opinion that this report addresses the matters material to the group and offers a balanced view of Barloworld's strategy and how it relates to our ability to create value in the short, medium and long term. The board is of the view that, to the best of its knowledge and belief, our integrated reporting addresses issues material to our stakeholders' decision-making by explaining the impact of Barloworld's value creation process over time. The board also believes that the report adequately addresses Barloworld's application of the capitals and how their availability impacts its business model and ability to achieve its strategic objectives. It also takes into consideration Barloworld's impact on our stakeholders and the environment in which we operate.

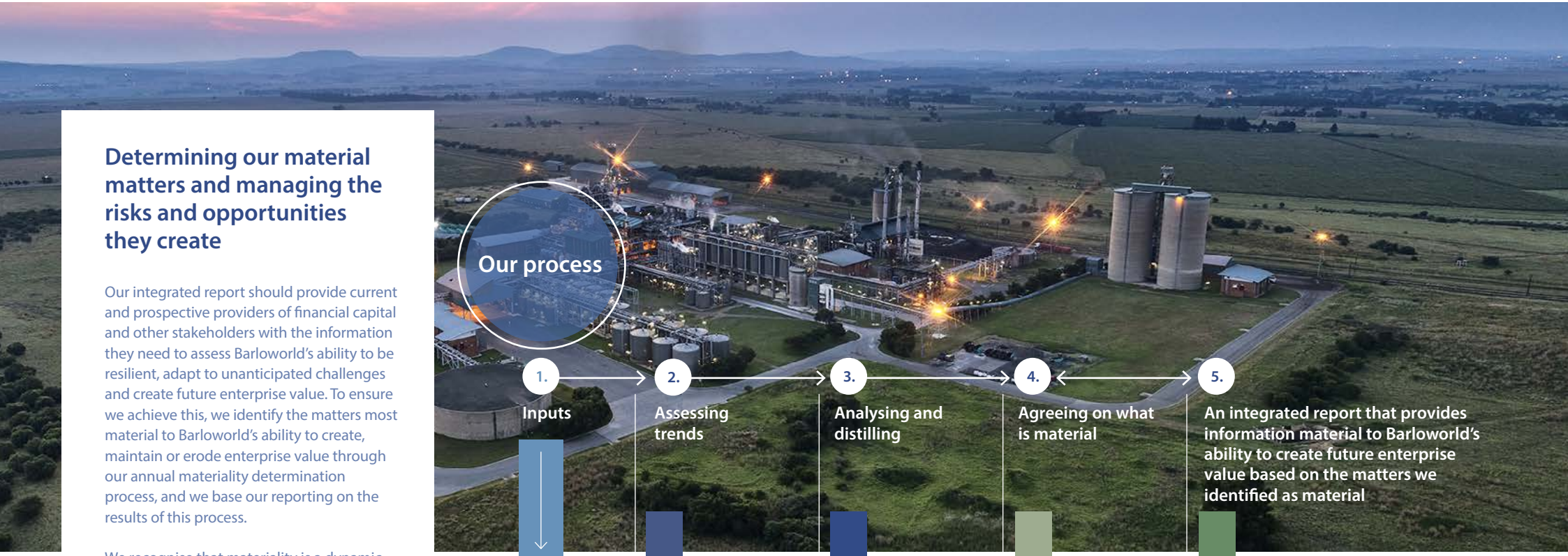
The board has applied its collective mind to the preparation and presentation of this report and is of the opinion that the report is in accordance with the International Integrated Reporting Framework. The board has critically assessed the assurance obtained and is satisfied that the assurance in place, which confirms that there is an adequate and effective control environment, supports the integrity of information used for internal decision-making by management, the board and its committees, as well as the integrity of the integrated report.

Nolulamo Gwagwa Chair	**Ngozi Edozien**
Dominic Sewela Group Chief Executive Officer	**Hester Hickey**
Nopasika Lila Group Finance Director	**Michael Lynch-Bell**
Neo Mokhesi Lead independent director	**Nomavuso Mnxasana**
Nicola Chiaranda	**Hugh Molotsi**
	Peter Schmid

2011 **120% increase** in HEPS year on year

2012 Named as one of JSE's 10 best performers in 2012 SRI Index

2015 Barloworld **listed on the JSE for 75 years**



Determining our material matters and managing the risks and opportunities they create

Our integrated report should provide current and prospective providers of financial capital and other stakeholders with the information they need to assess Barloworld's ability to be resilient, adapt to unanticipated challenges and create future enterprise value. To ensure we achieve this, we identify the matters most material to Barloworld's ability to create, maintain or erode enterprise value through our annual materiality determination process, and we base our reporting on the results of this process.

We recognise that materiality is a dynamic concept, and we take this into account during our annual materiality process.

Recognising double materiality

We also recognise and take into consideration the concept of double materiality, which recognises that material matters can impact our business and that our business can impact the same matters externally in terms of society and the environment.

Our process

1. **Inputs**
2. **Assessing trends**
3. **Analysing and distilling**
4. **Agreeing on what is material**
5. **An integrated report that provides information material to Barloworld's ability to create future enterprise value based on the matters we identified as material**

We analyse and distil the feedback we receive from engaging with key material stakeholders, which include:

Internal
Feedback from our executive committee, board of directors, divisional heads and our employees

External
The external stakeholders we engage with throughout the year and from whom we receive feedback include:

- Investors and funders
- Principals or partners
- Customers
- Suppliers
- Government and regulators
- Industry bodies

1. Inputs

2. Assessing trends

- In our operating environment
- Their possible impact on the resources we rely on in the form of the six capitals
- Other factors material to our short, medium and long-term enterprise value

3. Analysing and distilling

- The inputs we received and our trends assessment down to those matters that can create, maintain or erode enterprise value

4. Agreeing on what is material

- Presentation to Exco
- Presentation of exco-approved material matters to our board for its approval

5. An integrated report that provides information material to Barloworld's ability to create future enterprise value based on the matters we identified as material



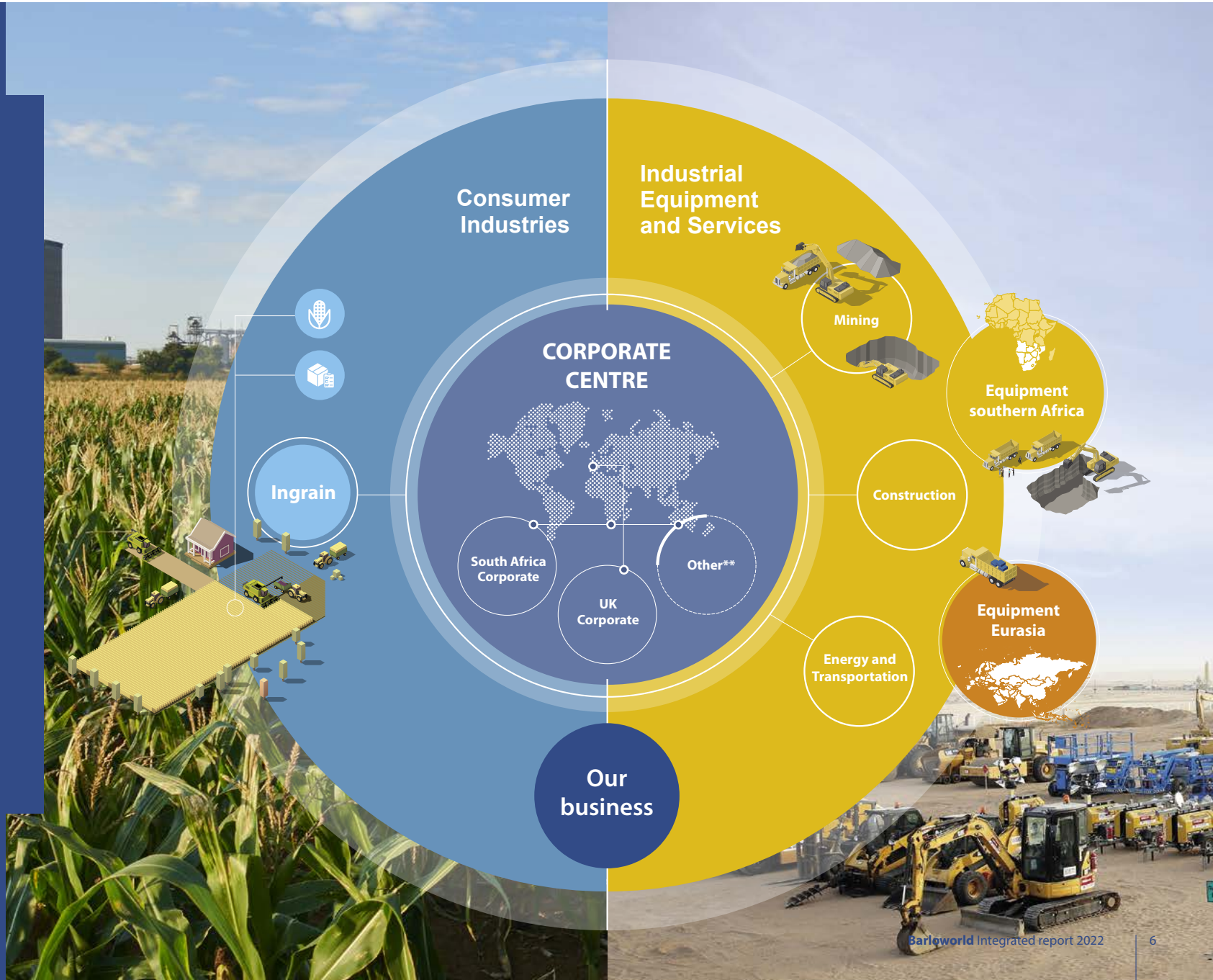
A	Increasing the intrinsic value of the group
B	Value created since the acquisition of Ingrain
C	Enduring partnerships with Caterpillar and our customers
D	Optimising capital allocation to support performance and deliver on strategy
E	Optimising efficiencies to reduce costs and create value
F	Ability to get shareholder buy-in to our view of Barloworld's future, our growth ambitions and our strategy
G	Impact of currency fluctuations
H	Understanding and adapting to changing socio-political and economic market influences
I	Enabling growth and progress in society
J	Our ability to attract, develop and retain the skills we need in a market where there is a shortage of technical and digital skills
K	Employees' overall well-being
L	Re-examine reward strategy for non-managerial employees to ensure short-term incentives are achieving their intended purpose
M	Leveraging digital transformation to better serve customers and optimise efficiencies within our businesses
N	Cybersecurity and data protection
O	Supply chain challenges and need to ensure a responsible approach to our supply chain
P	Environmental stewardship
Q	Climate change
R	Legislative and regulatory compliance across all geographies



Overview of our business

Our definition of value

Barloworld aims to deliver stakeholder value by generating strong returns from consistently executing on its strategy while at the same time achieving a positive socio-economic return with enduring benefits.



** Other includes Digital Disposal Solutions (including SMD), Khula Sizwe and Corporate Office

How Barloworld creates value

Excellence in B2B emerging markets

- We build **enduring relationships** with businesses based on our understanding of their needs
- We consistently deliver to customers in **challenging and adverse** conditions
- We manage business risk through the cycle and have the patience to deal with **volatile markets**

The Barloworld Business System (BBS) gives us a competitive edge

- We drive performance by transferring and integrating **our proprietary BBS** into acquisitions
- **Continuous improvement** as a performance culture to create value through high performance and operational efficiencies
- BBS is a distinctive way of working that aligns leadership style and culture to create value

Value accretive portfolio management

- We obsessively **focus on value** in managing our businesses
- Aligned to strategy, **we actively reallocate resources** to where the tailwinds lie and out of businesses with headwinds
- Anchored in analysis and conviction, we actively manage our portfolio and successfully extract value through integration

Focus on ESG excellence and leading through corporate citizenship beyond compliance

Our people

Our people are key to Barloworld building businesses that serve our industrial customers and deliver on our ambition.

Skilled, high performers employed in a leading distributor of industrial equipment and services and a leading processor and distributor of food ingredients.

Value creation and preservation

- Providing employment opportunities
- Rewarding our people for the value they add
- Our focus on transformation, diversity and inclusion
- Contributing to a just transition by offering our people the opportunity to develop the skills that will equip them for the new world of work.

Our customers

By purchasing products, services and solutions from our divisions our customers make it possible for us to achieve our ambition of delivering top quartile shareholder returns.

Value creation and preservation

We create value for our customers by delivering products, services and solutions that support their efforts to achieve sustainable outcomes.

Our shareholders

Our shareholders provide the financial capital we need to achieve our ambition of delivering top quartile shareholder returns.

Value creation and preservation

By maintaining a strong balance sheet, reducing operating costs, and achieving a resilient performance supported by our acquisitive growth, we are able to create value for our shareholders in the form of an increasing net asset value, dividends and share price.

Society

Through our active role in society and our care for and responsible management of our impact on the environment, we enable growth and progress in the communities in which we operate and the responsible management of our impact on the environment.

Value creation and preservation

We are creating value by, whenever possible, procuring goods and services from the previously disadvantaged and driving economic sustainability, transformation and growth. We preserve value through our responsible approach to environmental management and our impact on climate change.

Our partners

Through our focus on maintaining enduring partnerships, one of which has been in place for over 90 years, we have been able to build a substantial global industrial equipment and services business.

Value creation and preservation

Through our Caterpillar partnership, Barloworld has created and preserved substantial value over the past 95 years.

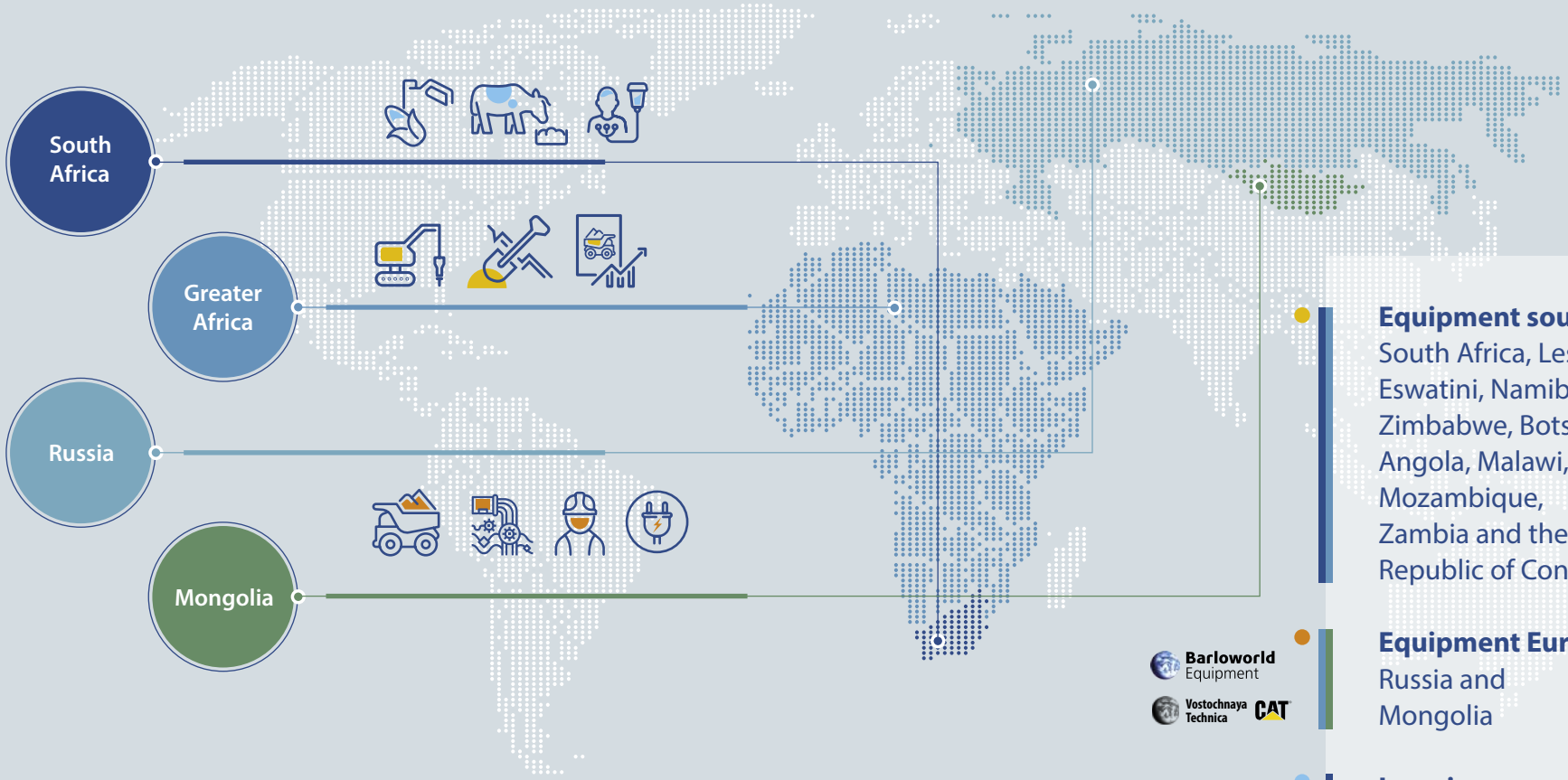
Government and regulators

Through the payment of taxes to government and the practice of good governance and compliance, we reduce systemic risk and support the healthy functioning of the economy.

Value creation and preservation

Our payment of taxes supports government's funding needs and through good governance and complying with legislation and regulations we contribute to establishing a just society.

Where we operate



Equipment southern Africa:
South Africa, Lesotho, Eswatini, Namibia, Zimbabwe, Botswana, Angola, Malawi, Mozambique, Zambia and the Democratic Republic of Congo

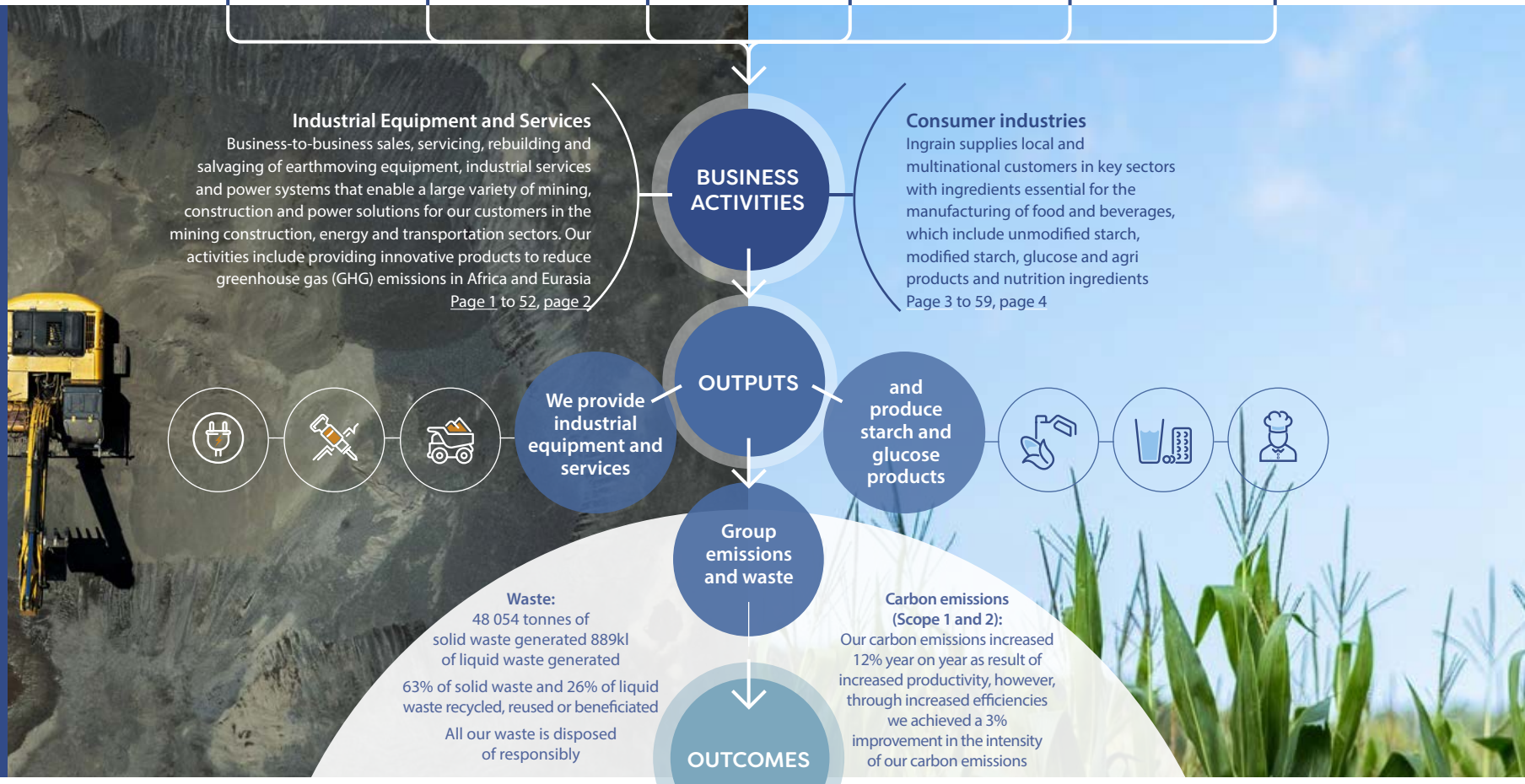
Equipment Eurasia:
Russia and Mongolia

Ingrain:
Johannesburg, Cape Town, Durban


CAT
Восточная Техника
CAT

Our business model

We apply the unique value drivers in each of our six capitals and the integrated thinking incorporated into the BBS to our business activities, turning strategy into action and creating sustainable enterprise value.



OUR CAPITALS

Financial

Value created by maintaining and leveraging our strong balance sheet, generating free cash and maintaining prudent allocation of capital

Manufactured

The physical assets that provide the framework and facilities we require to do business and create value include Industrial Equipment and Services' global facilities and Ingrain's manufacturing plants and infrastructure

Intellectual

Our brand and reputation, the value creating role of the BBS, our governance and organisational systems that foster an ethical culture and the digital transformation of our business

Human

Developing leaders that foster a high-performance culture in an empowered, entrepreneurial, diverse and inclusive organisation. Remuneration structures that reflect our values and that reward performance

Social and relationship

The work of our social impact enablers, Mbewu, that enables social entrepreneurs in agriculture and the Barloworld Trust focused on food security and education and the wealth builders empowerment vehicles Khula Sizwe, and Siyakhula our ESD programme. Engaging with our stakeholders is a key focus for Barloworld

Natural

Our environmental stewardship includes driving the efficient use of water and energy in our business, minimising waste to landfill by recycling, responsibly disposing of waste and extending product life cycles. Addressing our impact on climate change and assessing and mitigating the possible impact of climate change on our operations are key focuses of our environmental stewardship

OUT-COMES

- R4.6 billion net debt including held for sale (R2.5 billion excluding held for sale)
- Free cash generated during FY2022 of R1.7 billion
- R17.6 billion market capitalisation at year-end
- Strong balance sheet

- Our Industrial Equipment and Services' global facilities
- Ingrain has four wet mills and downstream production plants (finishing channels) across South Africa, producing a wide range of modified and unmodified starches, glucose and agri-products. Its current grind capacity is at approximately 900 000 tonnes a year

- Brand reputation established over 120 years
- BBS contribution to turning strategy into action
- Value added for stakeholders
- Product and service innovation
- A high performance culture

- R26.7 million invested in training and development
- 8 609[LA] employees
- 82% of employees in South Africa are black
- Fair and responsible pay policy in place

Siyakhula ESD programme disbursed +R53 million to over 50 beneficiaries supporting 1 400 jobs in FY2022
Mbewu invested R11 million in funding and leadership training of social entrepreneurs in the agricultural sector
Barloworld Trust's investment in education contributed to the systematic improvement of numeracy and literacy in foundation phase schooling in FY2022

ISS rating of 1 for environmental and social disclosures

Renewable energy of 1 728MWh annually installed, reducing consumption of non-renewable energy and generation of GHG emissions

Our efforts to use energy and water efficiently resulted in a 4% improvement in our energy intensity and a 7% improvement in our water intensity year on year

STOCK OF CAPITAL WE WILL APPLY TO CONTINUE CREATING ENTERPRISE VALUE IN FY2023

Well positioned to optimally deploy capital to strengthen our position in our chosen verticals and grow through acquisitions

We have the facilities available to optimise and grow our business

Through BBS we are equipped to effectively execute our strategy

A diverse and inclusive workforce equipped to deliver the value our customers require

Social programmes in place that will continue to enable growth and progress in society and fulfil our role as a responsible corporate citizen

Targets in place to support our commitment to reducing our impact on climate change through increased efficiencies

The role of the **Barloworld Business System** in creating value

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.**



Developing leaders to enhance and support the transformation through coaching and mentoring and deep learning experiences.

Finding and implementing the true breakthroughs and business models that will transform Barloworld.

We live in a digital world and we need to embrace and embed technology to deliver excellence in all we do.

Driving, leading, and fostering a culture of problem-solving, mutual respect, high performance, learning, and servant leadership.

Creating and deploying a holistic business management system that integrates the deployment of our strategy to all levels of the organisation – to turn strategy into action – with daily problem-solving and end-to-end process improvement, finding new ways to work, to add value to the customer, and developing the transformational leaders of the organisation. All focused on serving our customers in the best way we can, and creating valued, enduring and endearing stakeholder experiences.

"BBS, when implemented properly, is one of the best ways to change culture"

Dominic Sewela
Group Chief Executive Officer

Our external operating environment

The macroeconomic environment remained challenging in the year under review, marred by multiple headwinds including the lingering effects of Covid-19, supply chain constraints, increased global inflation and geopolitical turmoil. On the local front, the year was also characterised by political uncertainty, industrial action, load shedding and adverse weather conditions.

Our strategic focus on asset-light, cash-generative businesses has positioned the group well to achieve its strategic ambition of sustainably doubling the group's intrinsic value every four years regardless of the external factors influencing our operating environment. Barloworld management's forward-looking approach, and the group's resilience and our focus on business efficiency continue to yield results for all stakeholders.

The consequences of the Russia-Ukraine war escalated geopolitical uncertainty and exacerbated increases in food and fuel prices. High inflation has prompted most regions to aggressively tighten monetary policy, with inflationary pressures being more pronounced in emerging markets and developing economies.

As at 11 October 2022, the International Monetary Fund[1] (IMF) forecasted that global GDP growth would slow from 6% in 2021 to 3.2% in 2022* and 2.7% in 2023. Global inflation is forecast to rise from 4.7% in 2021 to 8.8% in 2022, moderating to 6.5% in 2023 and 4.1% by 2024.

South Africa

South Africa's National Treasury estimated economic growth to slow to 1.9% in 2022, after reaching 4.9% in 2021. External factors and commodity price levels that positively contributed to a faster-than-expected recovery from Covid-19 are starting to dissipate. Real GDP is projected to grow and average 1.6% from 2023 to 2025.

The economy grew by 1.4% in the first half of 2022 compared to the first half of 2021. Real GDP grew more than expected in the first quarter of 2022, with output returning to pre-pandemic levels. Following a solid start to 2022, the impact of a deteriorating global environment, floods in KwaZulu-Natal, industrial action in the electricity and mining sectors, and the domestic electricity crisis have severely affected economic activity, while higher inflation, interest rates and unemployment are weighing on private consumption. However, the South African labour market is recovering, and inflation is projected to slowly decline in response to tighter monetary policy[2].

An overall contraction is expected for 2022 in the agriculture, mining and construction sectors[3]. The contraction in agriculture represents a return to normal output following two years of exceptional growth, rather than poor performance. Agriculture exports grew despite logistics constraints and trade bans related to disease control. Equipment southern Africa has benefited from strong demand for commodities and the easing of the global supply chain backlog. The division is well positioned to sustain growth in the long term due to a growing demand for infrastructure development and increased mining activity in support of the energy transition to zero carbon emissions.

Ingrain, our Consumer Industries business unit, has benefited from the higher international maize prices sustained by the ongoing war between Russia and Ukraine, combined with strong growth in the export markets.

Greater Africa

Angola's positive economic momentum has continued into 2022, with the economy growing by 2.6% in the first quarter of 2022, mainly driven by an increase in oil production levels. Angola experiences favourable macroeconomic conditions such as a high level of net international reserves, exports, and fiscal revenues, a strengthening currency, and declining public debt to GDP. The World Bank forecasts economic growth to average ~3% over the coming years, with higher non-oil growth compensating for a structural decline in oil production. Given rapid population growth, per capita GDP is expected to remain flat, presenting challenges to poverty reduction.

Similarly, Zambia's economic activity remained positive in the first half of the year. GDP grew by 2.4% in the first quarter, supported by an increase in services that offset declines in agriculture and mining. The kwacha exchange rate has maintained relative stability after a sharp appreciation in the post-election period, buoyed by favourable market sentiment and copper earnings. GDP is projected to grow by 3.8% between 2022 and 2024, maintained by an improved macroeconomic environment, a positive copper price outlook, a stable and predictable mining policy environment and improved electricity supply.

The Democratic Republic of Congo's (DRC) economic growth is estimated at 6.1% in 2022, keeping the strong momentum experienced in 2021, with mining sector investment and exports being the key drivers supported by improved mineral prices and higher public investment. The medium-term outlook is favourable with growth estimated to accelerate to 6.4 % by 2024. The consequences of the war in Ukraine, through rising global food costs and higher oil prices, could apply further pressure on inflation and household consumption.

In Botswana, the World Bank expects moderate economic growth of 4.1% in 2022, assisted by improvements in the global demand for diamonds, the easing of restrictions on mobility, and an expansionary fiscal stance.

1 International Monetary Fund: World Economic Outlook, October 2022: Countering the Cost-of-Living Crisis
2 OECD: South Africa projection note, OECD Economic Outlook, November 2022
3 Treasury: MTBPS Economic Outlook
* The use of 2022 in this section of the report refers to the calendar year.

Mongolia

Trade was negatively impacted by border closures and bottlenecks at Chinese ports **during the first nine months of the year** due to strict Covid-19 measures implemented by the Chinese government. These measures restricted essential imports, escalated price increases, and resulted in several mines suspending operations due to the restriction to export commodities through the Chinese border. The restrictions have subsequently been lifted, with an immediate positive impact on trading in the region. Equipment Mongolia is benefiting from an increase in mining activity as demand for commodities remains strong.

Mongolia's economic growth for 2023 is expected to improve to 4.9%, as the Asian Development Bank assumes the country will mitigate external risks and resolve border issues with China going forward. The IMF anticipates growth in real GDP to rise mainly on account of mining sector contributions[4].

Medium-term forecasts indicate above-potential growth due to the normalisation of copper and coal exports. The country is making progress with its railroad infrastructure and once completed, the export of coal will exponentially increase. The Oyu Tolgoi underground mine is due to start production in the first half of 2023, which is expected to provide a significant boost to the economy.

Russia

Despite the sanctions imposed as a result of the war, Russia's economy has endured better than expected. Increased commodity prices saw the ruble regain its initial losses, easing price pressures and allowing the central bank to partially normalise monetary policy by mid-2022[5]. Although total export volumes declined sharply during the first half of the year, the current account surplus reached unprecedented levels in the second quarter, supported by high prices for continued fossil fuels sales to Europe and expanded sales to China and India.

The IMF has upgraded its forecast for 2023, with Russia's GDP expected to decline 2.3%, while the World Bank expects a 3.6% decline.

Despite the uncertainty that prevails and the impact of the sanctions on the firm order book, Barloworld continues to monitor trading conditions and the group's target for Russia is to run a break-even business in 2023.

Russia's GDP expected to decline 2.3%



[4] International Monetary Fund: Mission Concluding Statement - Mongolia
[5] World Bank's Regional Economic Update for Europe and Central Asia (Oct 2022)

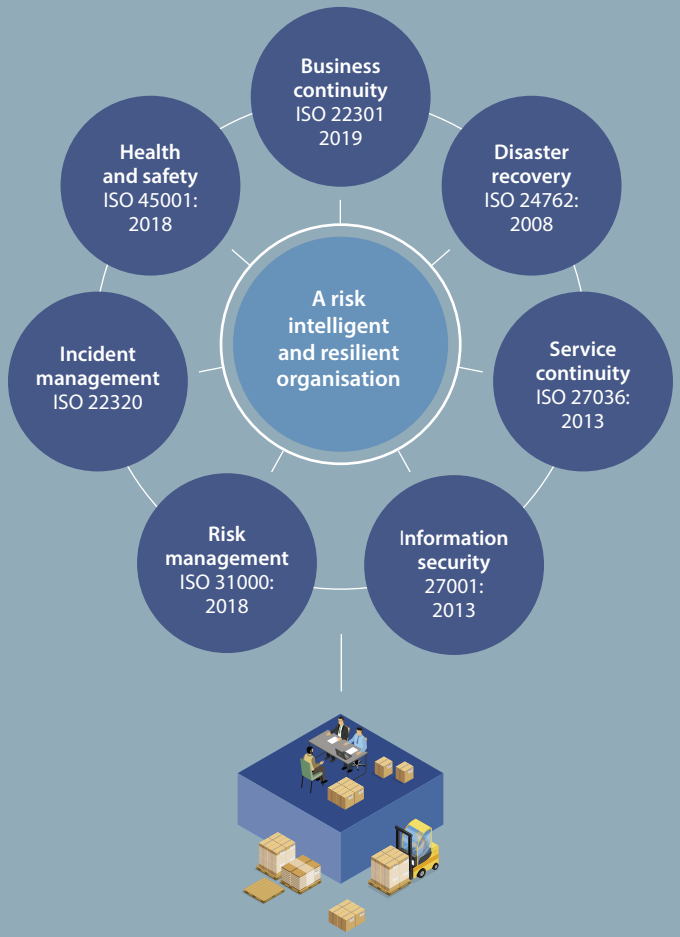
Risks and opportunities

We continually anticipate, identify and rapidly adapt to threats, vulnerabilities and opportunities.

Building a risk intelligent and resilient organisation

The challenging and **uncertain external environment** arising from the catastrophic events of the past 24 months, which included the global Covid-19 pandemic, the social unrest in the KwaZulu-Natal and Gauteng provinces in South Africa in July 2021, the **devastating floods** in KwaZulu-Natal and Mozambique, and the **Russia-Ukraine war** page 5 to 6, page 17, have highlighted the importance of being able to anticipate the impacts of events and make agile, well-informed and responsive decisions to protect and grow sustainable enterprise value. This requires a level of sound risk management and risk governance that provides Barloworld with a dynamic and holistic view and understanding of its risks and opportunities it needs to make informed decisions. To ensure adequate, effective and efficient integration across all facets of risk management, Barloworld has adopted the ISO integrated model as the guiding principles for a risk intelligent and resilient organisation.

By applying integrated thinking to delivering on our strategy, taking into consideration our operating context and its possible impact on our strategy and our stock of capitals, risk is embedded in our strategy setting and we ensure our response to opportunities and their associated risks does not jeopardise stakeholder value.



Our approach to risk management

In line with King IV's Principle 11, the ISO 31000 risk management process and relevant international codes of best practice, the aim of our enterprise-wide approach to risk management is to enhance stakeholder value through the effective application of the Barloworld risk management framework.

We take measured risks within the risk tolerance levels the board sets at both divisional and group levels. The risks are reviewed quarterly by the divisional risk committees, and where deficiencies are identified, or where breaches to the tolerance level exist, these are reported to the board, remedial action is taken, and they are monitored monthly. Our risk measurements are designed to aid us in translating our corporate priorities into a risk tolerance framework.

The Barloworld board assumes responsibility for the governance of risk, sets the direction for how we approach and address risk, and mandates the risk committee to exercise ongoing oversight of enterprise risk management (ERM). **K4 K11**

Embedding risk management throughout the business

Barloworld follows a bottom-up approach to identifying, assessing and managing operational risk, with the responsibility for monitoring and providing oversight of the management of risk being assigned to the management committee of each business unit. This is subject to a quarterly top-down review process by the risk committee to ensure the completeness and robustness of mitigating actions.

Risk registers are tabled at each business unit and subsidiary board meeting under the three core risk categories of the Barloworld risk universe which are external, internal and behavioural risks.

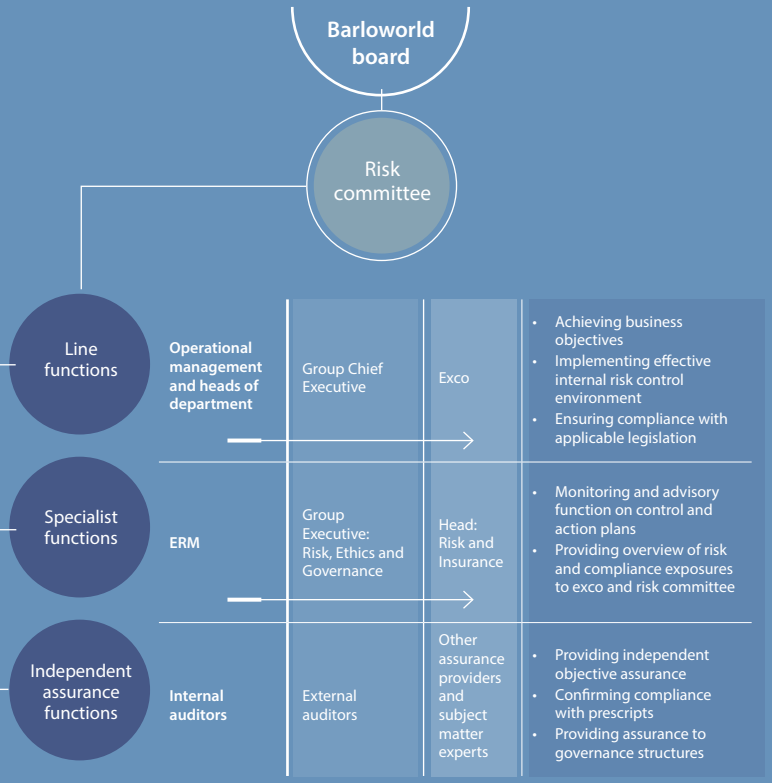
In addition, to this, top-down group strategic risks are identified, assessed and managed at group exco and board levels.

Risk tolerance and risk bearing capacity

While a business must assume a certain amount of risk if it is to thrive, there are limits to how much risk Barloworld can accept in the pursuit of value creation for all its stakeholders.

Barloworld's risk tolerance and risk bearing capacity thresholds provide forward-looking risk management. They cumulatively place risk at the centre of strategic decision-making such that when we make strategic or tactical decisions, we ensure a proposed course of action that aligns with these limits.

Risk and opportunity management oversight







Key risk achievements in the year under review

Our robust risk management framework complies with international best practice and is continually subject to external review. A review of our risk maturity conducted by the Institute of Risk Management SA (IRMSA) in March 2022 saw us being upgraded to a rating of 3.75 out of 5, from a previous score of 3.

Our risk management framework provided credible support to the group insurance programme, which resulted in new markets providing support in the form of A-rated capacity, which made it possible for us to successfully integrate the Ingrain business into our insurance captive, resulting in alignment across all our classes of insurance.

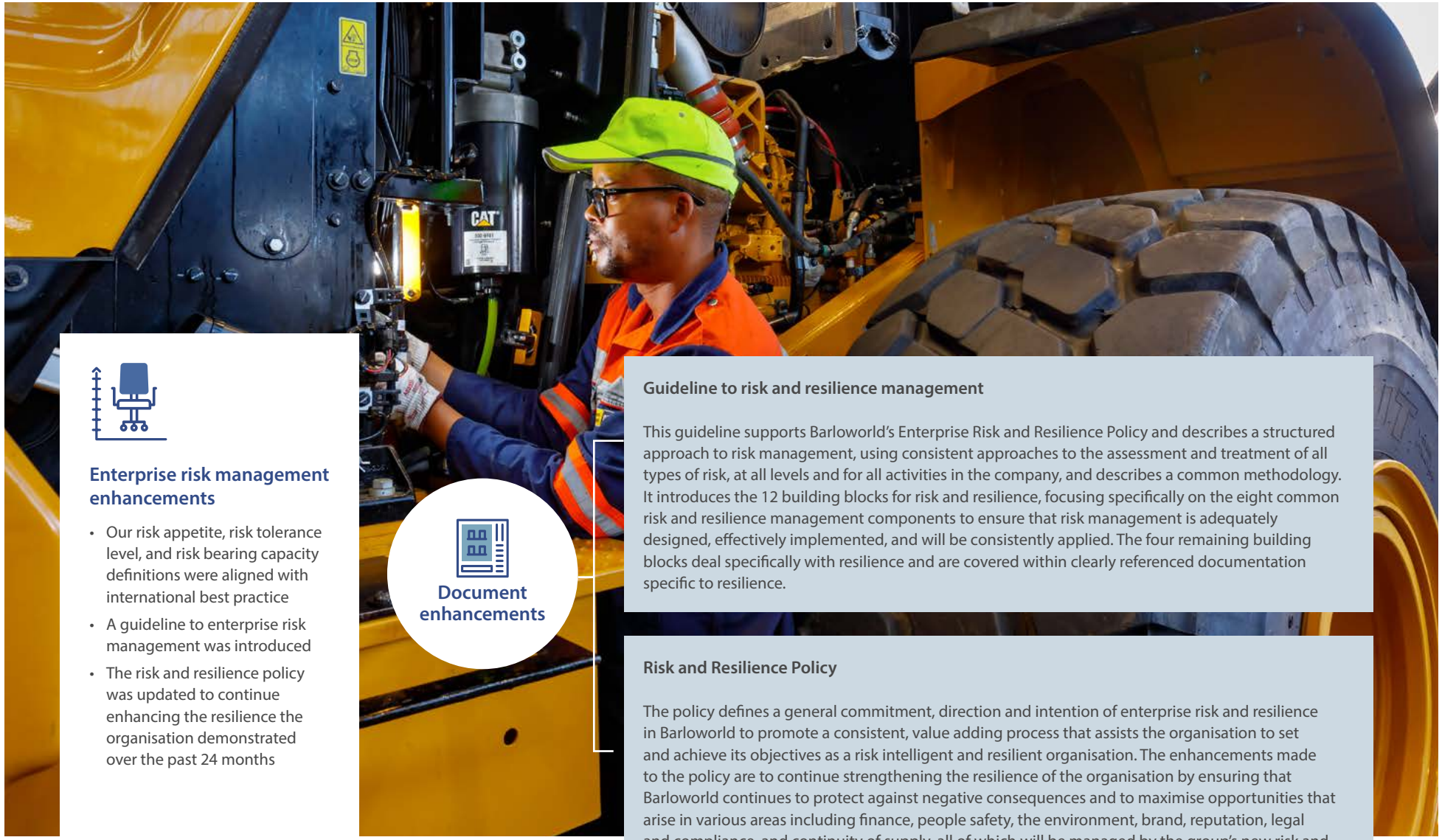
Due to the EU/US sanctions we carved the Russia component of our business out of the group insurance programme and with the support of the risk management framework, placed it in territory and triggered our Business Continuity Management plans to support this structure.

Group insurance programme

- Cover limits reviewed and adjusted to align with our strategy
- Increased self-retention, demonstrating competence in the risk management processes
- Ingrain business aligned to the rest of the business with the first retention insured in the Captive

VT Russia

- Core classes of insurance placed in territory
- Local insurers, making transactions simpler and more effective
- There was no break in insurance cover in FY2022



Enterprise risk management enhancements

- Our risk appetite, risk tolerance level, and risk bearing capacity definitions were aligned with international best practice
- A guideline to enterprise risk management was introduced
- The risk and resilience policy was updated to continue enhancing the resilience the organisation demonstrated over the past 24 months

Document enhancements

Guideline to risk and resilience management

This guideline supports Barloworld's Enterprise Risk and Resilience Policy and describes a structured approach to risk management, using consistent approaches to the assessment and treatment of all types of risk, at all levels and for all activities in the company, and describes a common methodology. It introduces the 12 building blocks for risk and resilience, focusing specifically on the eight common risk and resilience management components to ensure that risk management is adequately designed, effectively implemented, and will be consistently applied. The four remaining building blocks deal specifically with resilience and are covered within clearly referenced documentation specific to resilience.

Risk and Resilience Policy

The policy defines a general commitment, direction and intention of enterprise risk and resilience in Barloworld to promote a consistent, value adding process that assists the organisation to set and achieve its objectives as a risk intelligent and resilient organisation. The enhancements made to the policy are to continue strengthening the resilience of the organisation by ensuring that Barloworld continues to protect against negative consequences and to maximise opportunities that arise in various areas including finance, people safety, the environment, brand, reputation, legal and compliance, and continuity of supply, all of which will be managed by the group's new risk and resilience programme.

Managing our risks and opportunities for sustainable enterprise value creation

We have included a summary of our key risks and opportunities, the material matters that create these risks and opportunities and our response to them. It should be noted that these were the top strategic risks and opportunities we identified during FY2022, but, particularly in the current climate, sudden changes in the macroeconomic environment can rapidly result in changes in the risks and opportunities facing our business. The processes we have in place ensure we are well-positioned to identify and rapidly respond to any changes in our risk profile.

The strategic risks are in alphabetic order

Risk	Cancellation of a material original equipment manufacturer (OEM) contract	Digital transformation	Increase in cybercrime and its complexity	IT project implementation
Material matter/s	Enduring partnerships with Caterpillar and our customers Optimising of capital allocation to support performance and deliver on strategy Supply chain challenges and need to ensure a responsible approach to our supply chain Impact of currency fluctuations Optimising efficiencies to reduce costs and create value	Leveraging digital transformation to better serve customers and optimise efficiencies within our business Our ability to attract, develop and retain the skills we need in a market where there is a shortage of technical and digital skills	Cybersecurity and data protection Legislative and regulatory compliance across all geographies	Our ability to attract, develop and retain the skills we need in a market where there is a shortage of technical and digital skills Leveraging digital transformation to better serve customers and optimise efficiencies within our business
Our response to the risk	We continually engage with the OEM to both understand and address evolving performance targets.	The group has defined a digital optimisation and transformation framework to enable the business to identify its digital optimisation journey and, where possible, digital transformation journeys.	We continue to embrace a risk-based approach to cybersecurity, including focusing on creating awareness and understanding of cybercrime and its implications with the Barloworld user community. The group has elevated cybersecurity and risk as a business challenge that is board driven.	The group has defined an IT project delivery framework, which enables a standard way of delivering IT projects across the group. The framework allows for visibility of strategic and significant projects at all levels, including the board.
The opportunity it creates	Through ongoing engagement with the OEM we keep them informed of progress with increasing services and parts sectors and gain an understanding of how we can apply the OEM's sustainability strategy in our approach to climate change.	Digital transformation provides an opportunity to accelerate the achievement of cost efficiencies and improved service delivery to customers.	Continually making employees aware of how employee behaviour can protect or expose the organisation to cyber threats increases our protection from cyberattacks.	Preparing our employees for managing the change created by an IT project, using BBS, gives Barloworld the opportunity to build valuable change management skills in its employees.

Risk	Key man succession risk	Legislative and regulatory requirements	Organic and inorganic growth	Uncertain and unpredictable socio-political and global economic climate	Underperformance of an acquisition
Material matter/s	Our ability to attract, develop and retain the skills we need in a market where there is a shortage of technical and digital skills Employees' overall well-being	Legislative and regulatory requirements	Increasing the intrinsic value of the group Value created since the acquisition of Ingrain Climate change	Understanding and adapting to changing socio-political and economic market influences Enabling growth and progress in society	Value created since the acquisition of Ingrain Optimising of capital allocation to support performance and deliver on strategy Optimising of efficiencies to reduce costs and create value
Our response to the risk	The investment Barloworld makes in developing its people and our commitment to diversity and inclusion, all provide an impressive team with leadership potential	We continually monitor Barloworld's regulatory universe; obtain legal advice to ensure we meet the requirements of legislation; provide internal awareness training on regulatory requirements; implemented a sanctions procedure manual to monitor the introduction of sanctions.	Ongoing management of performance and exco and board oversight of the execution of Barloworld's growth strategy supports the achievement of our strategy.	The geographic diversification of our business reduces our risk of exposure to poor operating conditions in one region. To keep abreast of global conditions and, if necessary, take steps to protect our business and our people, we continually monitor political tensions and economic conditions.	Barloworld has a board-approved strategy in place that provides for regular monitoring and oversight of the integration of an acquisition. Divisional advisory boards play an important role in the successful integration of an acquisition.
The opportunity it creates	Our talent forum and wellness strategy are key elements in our succession planning. The nomination committee plays an important role in the identification of suitable candidates as board members.	We adopt a proactive approach to engaging with regulators	By placing members of our team with the necessary leadership and technical skills in key positions we are able to enhance our ability to achieve growth.	Using the opportunity to put a business continuity plan and a crisis committee in place increases the resilience of our business	Barloworld has been able to use the opportunity presented by a new acquisition to demonstrate the power of using BBS to enhance the performance of an acquisition.

The role of our relationships in value creation

From the outset relationships have been key to the success of our business. This year we celebrate some important anniversaries that reflect the length of some of our business relationships. In addition to these the importance of strengthening our relationships as a responsible corporate citizen is reflected in our purpose: To inspire a world of difference, enabling growth and progress in society.

Our self-assessment of the current quality of our relationships

- Relationships with challenges that need to be overcome
- Good quality relationships with room for improvement
- Strong relationships based on mutual trust and shared value



Investor community

Why we engage

- To understand and respond to their requirements and their value creation expectations
- Open and transparent communication to increase trust and confidence in Barloworld

How we engage

- SENS announcements
- Annual and interim results presentations and reports
- Board chair meets shareholders twice a year
- The board had meetings with investors to address governance, ESG, Eurasia oversight, its approach to steering and overseeing strategy and its remuneration philosophy
- Media channels
- Our website

Key matters in FY2022

- Getting shareholder buy-in to Barloworld's view of its future, its growth ambitions and its strategy
- Value created since the acquisition of Ingrain
- Our ESG performance
- Impact of Russia-Ukraine war on the group
- Value creation through beneficial capital allocation

Our response

Improved disclosures in our corporate reporting

Ongoing and transparent interaction with portfolio managers, analysts and investor community

Regular transparent and comprehensive financial and ESG reporting

Value added

- **Strong balance sheet**
- **Share price performance**
- **Dividend payments - TSR**
- **Remarkable growth in acquisition Ingrain**

Employees and unions

- To keep our employees and union representatives informed and engaged
- Conduct surveys to assess levels of engagement, wellness and their ability to adapt to changes in working conditions

- Internal communication
- Employee engagement surveys
- Ongoing feedback through performance management

- Employee safety, health and wellness
- Fair remuneration
- Retaining and attracting key skills
- Employee value proposition
- Diversity and inclusion
- Career development and opportunities
- Embedding an ethical culture

Our response

Improve employee engagement

Learning and coaching initiative to provide career development and prepare employees for opportunities

Benchmark remuneration

Focus on providing training in ethics

- **Contributing to the overall wellness of our employees**
- **Recognising and rewarding winning behaviours**
- **Good progress with diversity and inclusion and recruiting to achieve diversity and inclusion**
- **Progress with embedding an ethical culture in Barloworld**

Customers

- To keep customers informed
- Provide after sales support
- Understand our customers' requirements and challenges

- Electronic communication
- One-on-one customer meetings, both face-to-face and electronically
- Presentations

- Legislative and regulatory compliance
- Our ability to attract, develop and retain the technical skills we need to serve our customers
- Our ability to leverage digital transformation to better serve our customers
- Our ability to manage supply chain disruptions
- Enhancing service levels
- Impact of food inflation on input costs
- ESG performance

Our response

Governance in place to meet all legislative and regulatory requirements

Focus on customers and meeting customers' requirements

Implementation of BBS to facilitate continuous improvement

Innovative solutions to reduce our impact on the environment

- **Developing and providing solutions to assist customers in challenging times**
- **Better serving our customers through digital transformation**

Business partners

Why we engage	How we engage	Key matters in FY2022	Our response	Value added
• To maintain relationships • Contractual terms • To keep informed on product developments • To keep our partners informed	• Both face-to-face and electronic meetings • Electronic communication	• Impact of Russia-Ukraine war on our business • The availability of products with a reduced impact on climate change and increased fuel efficiency which will reduce customer costs • Ongoing impact of Covid-19 on ability to operate in China • Sustainability of relationships	Maintain regular contact with our partners Keep partners informed and collaborate with them on supply chain	• **Provide an opportunity for both partners to grow through beneficial partnerships and expand geographically** • **Extensive knowledge of our markets**

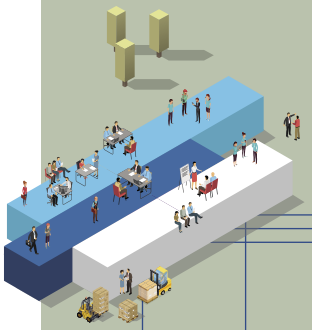
Society

• To understand and where possible address community needs • Transformation and inclusion • Achieve our purpose	• Our engagement is mainly consultative and frequently our service providers engage with our beneficiaries on our behalf	• Food security impacted by rapidly rising food inflation • Employment • Inclusion • Procurement opportunities for community businesses • Maintaining our social licence to operate • Skills development and education opportunities	Community support in terms of food security Investing in social enterprises Focus on addressing education needs Siyakhula enterprise and supplier development Preferential procurement	• **Preferential procurement spend with B-BBEE businesses** • **Driving economic sustainability, transformation and the growth of social enterprises through the Mbewu programme** • **Investing in SMMEs through Siyakhula**

Government and regulators

• To provide input into policymaking and the development of regulations • To ensure adherence to regulatory compliance • To ensure clarity on policies and regulations • To foster trust and maintain regulatory licences	• Communication including submission of required reporting, attendance of meetings and e-mails • Participation in forums and engagement through industry bodies • Statutory reporting • B-BBEE reporting commitments	• Effectiveness of control environment • Compliance with regulatory and legal requirements • B-BBEE commitments • Protection of personal information • Cybersecurity • Environmental stewardship • Responsible taxpayer • Role as responsible corporate citizen	Ongoing engagement in industry-related matters Met and in some cases exceeded our B-BBEE commitments Provided an effective control environment Applied a combined assurance model	• **Contributed to the economies of the countries in which we operate through the wages and taxes we pay** • **Provided employment opportunities** • **Application of effective governance to achieve effective control and responsible corporate citizenship**

Barloworld is an industrial holding company with a clear value creation strategy for a sustainable future



Purpose

Inspiring **a world of difference**, enabling growth and progress in society

Vision

We create enduring **economic and social value** for our stakeholders by building businesses that serve industrial customers

Ambition

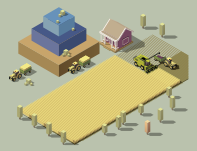
Sustainably double the intrinsic value created every four years

Our strategy is based on a clear and ambitious outcome, which is to double the group's intrinsic value every four years. This means that we need to be forward-looking in how we approach our business. The group is actively pivoting its portfolio towards defensive, relatively asset light and cash generative industrial sectors, based on a business-to-business operating model.

Where we compete



- **Industrial equipment and services:** Offers earthmoving equipment, industrial services and power systems, which enable the operation and maintenance of a large array of mining, construction and power solutions for our customers, with whom we have built enduring relationships based on mutual trust



- **Consumer industries:** Provides large enterprises with the ingredients essential to the manufacturing of a range of products including food and beverages, paper, pharmaceuticals, building materials and adhesives, among others

How Barloworld creates value

Excellence in B2B emerging markets

We build enduring relationships with businesses based on our understanding of their needs

We consistently deliver to customers in challenging and adverse conditions

We manage business risk through the cycle and have the patience to deal with volatile markets

The Barloworld Business System (BBS) gives us a competitive edge

We drive performance by transferring and integrating our proprietary BBS into acquisitions

Continuous improvement as a performance culture to create value through high performance and operational efficiencies

BBS is a distinctive way of working that aligns leadership style and culture to create value

Value accretive portfolio management

We obsessively focus on value in managing our businesses

Aligned to strategy, we actively reallocate resources to where the tailwinds lie and out of businesses with headwinds

Anchored in analysis and conviction, we actively manage our portfolio and successfully extract value through integration

Strategic levers

A Fix and optimise

In line with our focus on optimally deploying capital within the group, we exited our Logistics and Avis car rental and leasing businesses during the period under review. Our focus will remain on reviewing and improving businesses with low operating performance and on implementing any disposal and corporate actions intended to simplify the group's portfolio.

B Active shareholder operating model

The role of our Corporate Centre remains one of an active shareholder operating model. This is a key component of our 'managing for value' model and centres on a centre led organisation that sets the direction of how Barloworld businesses should approach and address risk and exercises oversight of risk, governance and compliance throughout the group by:

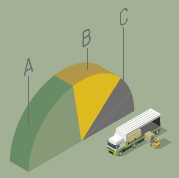
- setting strategy and driving transactions through a centralised strategy, and mergers and acquisitions (M&A) function
- being the architect and custodian of proprietary BBS distinctive way of working that aligns leadership style and culture to create value
- providing access to and management of capital, attracting and retaining top talent, ensuring strong B-BBEE credentials providing the license to operate
- monitoring, measuring and rewarding performance that contributes to the achievement of the group's strategic priorities
- responsible corporate citizenship and ethical and effective leadership that ensure socio-economic and environmental outcomes that meet stakeholder expectations.

C Acquisitive growth and portfolio changes

The integration of Ingrain and Equipment Mongolia into the group is progressing well. Ingrain continues to deliver ahead of our initial expectations and has already made a significant contribution to revenue, operating performance, operating profit and earnings. Our short-term priorities are to complete these integrations and extract further value.

Our focus will remain on value extraction from our new acquisitions, with programmatic bolt-on mergers and acquisitions focused on our Industrial Equipment and Services and Consumer Industries verticals that are bolt-on acquisitions to the existing verticals.

By FY2022 we have established an industrial process, distribution and services company focused on emerging markets through



Applying three strategic levers

A Fix and optimise
our existing business portfolio to get to full potential or exit

Industrial Equipment and Services

Equipment southern Africa

Record ROIC of 22.8%

Operating profit up 21.7% to R2.4 billion

Rentals up 18.6%

Parts sales up 11.5%

Equipment Eurasia

Despite the negative impact of Chinese border closures on our Mongolian operations and the impact of the Russia-Ukraine war on our Russian operations in the second half of the year, the division recorded an operating profit of R1 170 million

Free cash flow of USD 92.1 million

ROIC at 26.6% in dollar terms (2021: 18.4%)

Exit

Completed the final step of repositioning with the unbundling of the car rental and leasing business

Final exit out of Logistics awaiting regulatory approval

B Our active shareholder
operating model, which is a key strategic enabler

Strong delivery of corporate action through the divestments of underperforming / non-core assets competed in 2022

BBS deployment enabling the Equipment and Ingrain businesses in their strong performance and returns

Group operating margin improvement to 15.7% driven through the enablement of fix and optimise levers of the strategy

Group ROIC and RoE delivery above hurdle rates

Consistent return of excess capital to the shareholders in the form of ordinary and special dividends, and share buy-backs

C Acquisitive growth
in identified growth verticals – programmatic or bolt-on M&A

Consumer industries

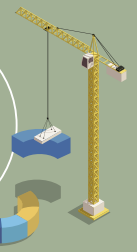
Ingrain

Operating profit of R708 million for FY2022 (11 months of 2021: R526 million)

21.0% increase in sales of starch and glucose (compared to previous 11 months)

Free cash flow of R633 million (FY2021: R768 million)

Equipment Eurasia's Mongolian operations acquired in 2020 have contributed R508 million in operating profit since its acquisition, despite poor trading conditions during FY2022



To achieve our ambition of

sustainably doubling the intrinsic value we create every four years by

Delivering top quartile shareholder returns

Driving profitable growth

Instilling a high-performance culture

Sustainable development

32% increase in operating profits from core earnings of R5.6 billion

HEPS from continuing operations increased 151 cents to 1 096 cents in FY2022

Our approach to sustainability

Our **sustainability commitment** is to be a responsible corporate delivering products, services and solutions that generate sustainable outcomes, which are delivered through achieving our:

- **Purpose** of inspiring a world of difference, **enabling growth and progress in society** and our
- **Vision** of creating **enduring economic and social value** for our stakeholders by building businesses that serve industrial customers.

As a responsible corporate citizen Barloworld is committed to sustainable business practices and responsible environmental, social and governance (ESG) practices, which are essential in creating and sustaining long-term value.

The group supports the United Nations (UN) Sustainable Development Goals (SDGs), the 17 global objectives developed by the United Nations (UN) to be achieved by 2030. Barloworld has prioritised 12 SDGs based on what we believe our contribution to them can be. Our contribution to these SDGs is summarised on this page and addressed in more detail in this report.

Barloworld's ESG performance in 2022

- 1 ISS rating achieved for environmental and social disclosures and 1 rating achieved for governance risk
- A Morgan Stanley Capital International (MSCI) A rating



Our main focus		
SDG 1	End poverty in all its forms everywhere	The main focus of the Barloworld Trust's social impact investment is on improving food security and education page 7 to 60, page 8. One percent of Barloworld's net profit after tax of R18 million is allocated to the Trust annually. By focusing on improving food security and access to quality education that will increase the opportunity for the disadvantaged to obtain decent work, the Trust's efforts are helping to reduce poverty in the communities in which it invests.
SDG 3	Good health and well-being	Barloworld has focused on the health, safety and wellness of its employees during the year under review, with a particular focus on addressing the impact of the Covid-19 pandemic on their holistic wellness. The health and wellness strategy was developed in consultation with our employees, to ensure it meets their needs.
SDG 4	Quality education	R26.7 million was invested in training and development in FY2022 and 357 people benefited from the bursaries, apprenticeships, Young Talent Programmes and employee training this investment funded (FY2021: R33.6 million).
SDG 5	Gender equality	Our investment in young women has been recognised. In FY2022, 80% of people in our top management category were women, 69% of our senior managers were women and 78% of our middle managers were women.
SDG 8	Decent work and economic growth	We provided decent work opportunities to 8 609 people during FY2022 and the fair and responsible pay policy we introduced this year will ensure all our employees are paid at a level that makes it possible for them to actively participate in the economy.
SDG 10	Reduced inequalities	Barloworld is reducing inequalities in its workplace by providing opportunities for the previously disadvantaged. Eighty-two percent of our employees in South Africa are black South Africans and we are proud of the progress we have made with empowering women. Our efforts to reduce inequality in the communities in which we operate in South Africa include Siyakhula, our enterprise and supplier development programme, our discretionary procurement from Siyakhula participants, Mbewu through which we support social enterprises and the Khula Sizwe B-BBEE scheme, which advances economic transformation through the participation of black people in the mainstream economy.



Our main focus (continued)			
	SDG 12	Responsible consumption and production	Through our focus on using resources efficiently in our offices and plants, introducing solar power to reduce our GHG emissions and investigating innovative ways to reduce our consumption of precious resources such as water in our production processes, we are working hard to ensure our consumption of resources in our production processes is responsible. Our Industrial Equipment and Services division's focus on increasing reuse includes its remanufacturing centre where Caterpillar engines and drive trains are rebuilt for reuse.
	SDG 13	Climate action	Barloworld recognises that climate change poses physical risk to our operations and the communities in which we operate. In addition to having a climate change policy in place our climate change management includes policies that address energy efficiency and waste management, both of which impact climate change. We have been able to achieve ongoing reductions in our resource consumption in our existing operations and have set new five-year targets aimed at reducing our consumption of all forms of energy produced through the use of fossil fuel, and water, through increased efficiencies. We also participate in CDP Worldwide (formerly the Carbon Disclosure Project) Water Security and Climate Change, which allows us to measure our progress and to benchmark and compare progress against our peers.
Our direct contribution			
	SDG 2	Zero hunger	Through the Barloworld Trust's focus on food security and our support of agricultural enterprises through Mbewu, we are able to make a direct contribution to the goal of achieving zero hunger by 2030.
	SDG 7	Affordable and clean energy	Through the introduction of solar power by Equipment southern Africa we have made a start on using affordable and clean energy in our operations and are investigating its possible use elsewhere in the group. Equipment southern Africa creates clean energy/biofuel by cleaning off gases which they use with their engines to produce electricity. Our partner Caterpillar produces solar turbines that offer businesses and governments affordable reduced carbon energy, which we supply.
	SDG 9	Industry innovation and infrastructure	Through both our Industrial Equipment and Services and Consumer Industries divisions we aim to achieve inclusive and sustainable industrialisation and significantly raise their share of employment and gross domestic product.
	SDG 11	Make cities and human settlements inclusive, safe, resilient and sustainable	Through the establishment of Barlow Park page 9 to 10, page 71, a multi-purpose development, we are providing safe and affordable units for rental.



1941 Thomas Barlow & Sons Limited **lists on the JSE**

1969 Listed on the **London Stock Exchange**

1980 Listed on the **Frankfurt Stock Exchange**

Value creation and preservation through effective leadership and good governance

Chair's review



NOLULAMO GWAGWA
Chair

It is pleasing that on the day we released our results in our 120th year, Barloworld executed the final step of its strategic intention of repositioning itself as an industrial processing, distribution and services company. This was the unbundling of its car rental and leasing business to be listed on the JSE, under the name Zeda, on 13 December 2022.

The Barloworld emerging in FY2023 with its two primary areas of focus, Industrial Equipment and Services and Consumer Industries, is well-positioned to provide stakeholders with clarity on how the new Barloworld will continue to execute against its strategy and create sustainable enterprise value for its stakeholders in the short, medium and long term.

Our people's safety and wellness

The safety and wellness of people throughout the organisation are strategic issues for our board. The experience Barloworld had during the Covid-19 pandemic reinforced the need to focus on not only the safety of our people but also on their wellness. During FY2022 we achieved pleasing improvements in our **safety performance** on our journey to our goal of zero harm.

We have made good progress with our efforts to achieve a diverse and inclusive workforce and have done particularly well with the number of black women and men in senior management positions. A key performance indicator for the gender-linked bond we issued in FY2022 is gender diversity in leadership, which requires that our women representation in leadership is equal to or exceeds 50% by 2025.

1986 **Dr Sam Motsuenyane** first black non-executive director appointed to the board

1999 **Dumisa Ntsebeza** appointed non-executive director

2007 **Dumisa Ntsebeza** became chairman

2020 **Neo Phakama Dongwana** first black women chair

2015

In FY2022 women made up 80% of our top management and 67% of our senior management. We have also committed to grow the proportion of black women-owned businesses in our South African operations' supply chain to equal or exceed 15%. We need to attract and retain the right skills at both strategic and technical levels. To achieve this, we invest in the skills and leadership development of both our own people and members of our host communities. This investment not only gives us access to the talent we need, but also contributes to diversification and inclusion in our own workplace and beyond Barloworld.

80% **of our top management are women**

Barloworld has a long history as a responsible corporate citizen. An exciting development this year was the start of work on **Barlow Park**, a multipurpose development on the land that previously housed our head office. In the near future 750 safe and affordable units for rental will be available in Barlow Park, which will be increased to 1 600 in the next phase of the development as part of our investment. Barloworld has contributed the land and 50% of the equity for this project.

In FY2022 extreme weather resulted in flooding in the KwaZulu-Natal province of South Africa and Mozambique. We helped 235 of our employees who were affected by the floods to recover from the impact. We also helped affected communities rebuild their livelihoods through strategic partnerships, and our employees drove a volunteer assistance campaign on our employee volunteer portal.

Our investment in **education**, the development of sustainable **black-owned** and **black women-owned businesses** and in **social enterprises** continued during FY2022.

Through **Khula Sizwe** Property Holdings, black South Africans, including our employees, are provided with an opportunity to invest in property.

Our focus on environmental stewardship saw Barloworld achieve improved **energy** and **water intensities** in FY2022. Equipment southern Africa continues to increase its investment in **renewable energy**.

Governance in FY2022 included the demanding task of ensuring compliance with the regulations and sanctions imposed during the Russia-Ukraine war. This has been an area of focus for Equipment Eurasia and the Barloworld board during the year under review and will no doubt continue to require our attention in the year ahead.

helped 235
of our employees who were affected by the floods to recover

A board fit for purpose

During the year under review, we welcomed **Nicola Chiaranda** to our board, whose wealth of knowledge of the agricultural and food sectors as well as finance and strategy, is proving invaluable to our deliberations on the strategy for our Consumer Industries vertical going forward. We will continue to add appropriate skills to our board with the aim of ensuring that we have the necessary knowledge and experience to support the execution of our sustainability strategy, with a particular focus on ESG. Digital transformation is also key to achieving our strategic objectives in both sectors and the composition of the board will ensure we have the requisite knowledge to oversee Barloworld's digital transformation. Going forward digitisation will play an important role in achieving efficiencies in the business. Our **Industrial Equipment and Services** division has already made good progress in this regard. Page 11 to 12, page 30

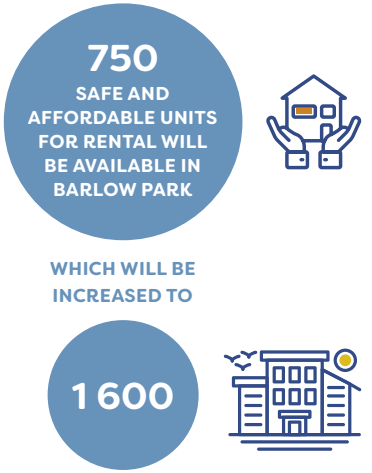
The way forward

Our **Group Chief Executive's review** provides a more detailed view of the year ahead and the section in this report on **our operating environment** discusses the impact of the local and global environments. I will, however, say that we expect it to be a challenging year, especially in the case of Equipment Eurasia, as its operations in Russia are likely to be negatively impacted by the **Russia-Ukraine war** and the resultant sanctions on Russia. Our focus in our Russian operations will remain on the health and safety of our employees, serving our customers, and sustaining a lower cost to serve. Equipment southern Africa and Ingrain are both well-positioned to create value for our stakeholders in FY2023. Page 13 to 14

In conclusion

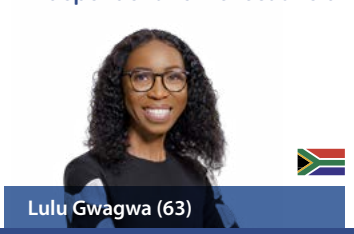
My thanks go to the board, our management team, and our employees for the contribution you have made to Barloworld's successes in its 120th year. I am excited about the year ahead as we focus on building on our already well-established primary focus areas of Industrial Equipment and Services and Consumer Industries and preparing Barloworld's ongoing sustainable growth during the next 120 years.

Lulu Gwagwa
Chair



Leadership: Our board

Independent non-executive directors



Lulu Gwagwa (63)

Chair: Board, Nomination and Strategy and Investment committees
Committee memberships: Remuneration, Social, Ethics and Transformation

Qualifications: BA (University of Fort Hare), MSc Social Policy and Planning (London School of Economics and Political Science), MPhil (St Augustine College), PhD in Development Planning (University College, London)

Date of appointment:
1 October 2021

Skills and experience: Lulu is a development planner with extensive experience in the public and private sectors, and academia. She was appointed as chair of the Barloworld board in October 2021. She previously served as an independent non-executive director of FirstRand, Massmart, Sun International and Afrox Limited. She is the CEO of Lereko Investment.

Meeting attendance
Board: 6/6
Committees:
Nomination: 3/3
Remuneration: 4/4
Social, Ethics and Transformation: 5/5
Strategy and Investment: 5/5

Directorships in other listed entities:
None



Neo Mokhesi (61)

Lead independent director
Chair: Social, Ethics and Transformation
Committee memberships: Nomination, Remuneration

Qualifications: BCom, Advanced Management Programme

Date of appointment:
1 February 2019

Skills and experience: Neo has over 25 years' experience in marketing, corporate affairs, development finance, strategy and corporate governance. She was a senior executive at the Industrial Development Corporation, serving as the executive responsible for market development into the rest of Africa. She currently serves on the boards of WDB Investments Holdings, a women-founded and women-led business, and Mozal Aluminium SA, a subsidiary of South32.

Meeting attendance
Board: 6/6
Committees:
Nomination: 3/3
Remuneration: 4/4
Social, Ethics and Transformation: 5/5

Directorships in other listed entities:
None



Nicola Chiaranda (58)

Chair: Risk Committee
Committee memberships: Audit, Strategy and Investment

Qualifications: Master's Degree in Economics, University of Venice, Italian Chartered Accountant, executive training programmes at INSEAD, France, and Olin School of Business, USA

Date of appointment:
11 February 2022

Skills and experience: Nicola has over 30 years' experience working for listed American, French and Italian multinational groups, mainly in the agribusiness and food sector, as global CFO, vice-president strategy and business development, and vice-president performance improvement. Over the years he executed several mergers and acquisitions, large-scale investments and change management activities. He is currently Professor of Private Equity and Development Funding at the University of Venice (Italy) and president of Cropfield Consulting, his strategy and finance consulting company.

Meeting attendance
Board: 4/4
Committees:
Audit and Risk: 1/1
Audit: 3/3
Risk: 3/3
Strategy and Investment: 3/3

Directorships in other listed entities:
None



Ngozi Edozien (57)

Committee memberships:
Social, Ethics and Transformation, Strategy and Investment

Qualifications: BA in Social Studies (Harvard and Radcliffe colleges), MBA (Harvard Business School)

Date of appointment:
9 March 2014

Skills and experience: Ngozi was appointed to the Barloworld board in March 2014. Ngozi is the chief executive officer and managing director of InVivo Partners Limited and a non-executive director of Stanbic IBTC Plc and Guinness Nigeria Plc (Diageo). She has held previous positions as: chief executive officer of Actis West Africa; founding chief executive officer of Equity Vehicle for Health in Africa (EVHA); vice president strategic planning and business development and regional director, Anglophone East, West and Central Africa at Pfizer Inc. and associate partner McKinsey & Company. Ngozi gained investment banking experience at JP Morgan Inc., New York. She is a member of the Young President's Organisation, African Leadership Network Advisory Council and Institute of Directors Nigeria (IOD), among other professional organisations.

Meeting attendance
Board: 5/6
Committees:
Social, Ethics and Transformation: 4/5
Strategy and Investment: 5/5

Directorships in other listed entities
Guiness Nigeria Plc
Stanbic IBTC Plc



Hester Hickey (68)

Chair: Audit Committee
Committee memberships:
Strategy and Investment

Qualifications: BCompt (Hons), CA(SA)

Date of appointment:
1 April 2017

Skills and experience: Hester has held a number of positions, including that of lecturer at the University of the Witwatersrand and partner at EY. She previously served as the chair of SAICA and has worked for several listed companies, including AngloGold Ashanti Limited where she held the positions of internal audit manager and finally, head of risk.

Meeting attendance
Board: 6/6
Committees:
Audit and Risk: 3/3
Audit: 3/3
Strategy and Investment: 4/5

Directorships in other listed entities
Northam Platinum Limited
Pepkor Holdings Limited

Members of. the executive committee attend board and committee meetings by invitation. From time to time members of management are invited to provide technical expertise.

Independent non-executive directors



Michael Lynch-Bell (69)

Chair: Remuneration Committee
Committee memberships:
Audit

Qualifications: BA (Hons) , DLitt, Fellow of the Institute of Chartered Accountants in England and Wales (FCA ICAEW)

Date of appointment:
1 April 2017

Skills and experience: At EY, Michael's career was focused on auditing clients in the oil and gas sectors. He later added mining to his portfolio. Michael led EY's UK IPO and Global Natural Resources transaction teams in the Transaction Advisory practice. He has been involved with the CIS since 1991 and has advised many CIS companies on fundraising, reorganisation, transactions, corporate governance and IPOs. Michael is a current member of the United Nations Economic Commission for Europe's Expert Group on Resource Management.

Meeting attendance
Board: 6/6
Committees:
Audit: 3/3
Audit and Risk: 3/3
Remuneration: 4/4

Directorships in other listed entities:
Gem Diamonds Limited (London listed)
Serabi Gold plc
Little Green Pharma Limited (London listed)



Hugh Molotsi (56)

Committee memberships:
Risk, Strategy and Investment

Qualifications:
BSC Comp, MSC Comp

Date of appointment:
1 February 2019

Skills and experience: Hugh began his early career at Hewlett Packard in the US, as a software engineer, and then moved on to spend 22 years at Intuit, a financial software and services firm based in the US where he remained until 2015. During his tenure at Intuit, he became an engineering fellow and vice president leading the Intuit Labs Incubator. Hugh is the CEO and founder of Ujama, a community messaging platform. He also serves on the boards of Mozilla Corporation and Echoing Green.

Meeting attendance
Board: 6/6
Committees:
Audit and Risk 3/3
Risk: 3/3
Strategy and Investment: 5/5

Directorships in other listed entities:
None



Nomavuso Mnxasana (66)

Committee memberships:
Audit, Nomination and Risk

Qualifications:
BCompt (Hons), CA(SA)

Date of appointment:
1 October 2017

Skills and experience:
Nomavuso was a senior partner and member of the executive committee of SizweNtsaluba VSP before serving as group audit and risk executive at Imperial Holdings Limited. She is a former director of the Nedbank Group and the JSE.

Meeting attendance
Board: 6/6
Committees:
Audit and Risk: 3/3
Audit: 3/3
Nomination: 2/3
Social, Ethics and Transformation: 2/2

Directorships in other listed entities
Blue Label Telecoms Limited
Salungano Group



Peter Schmid (60)

Committee memberships:
Risk, Remuneration and Strategy and Investment

Qualifications:
BCom (Hons), CA(SA)

Date of appointment:
1 April 2017

Skills and experience: Until recently, Peter was global head of Private Equity at ACTIS, responsible for the Global PE business. He spent 11 years in Ethos Private Equity as a partner where he led and originated many buyouts across southern Africa. Peter was also previously with Investec Asset Management where he was responsible for alternative investments until recently. Peter has served on numerous boards across emerging markets, including Alexander Forbes.

Meeting attendance
Board: 5/6
Committees:
Remuneration: 4/4
Strategy and Investment: 5/5

Directorships in other listed entities
None

Executive directors



Dominic Sewela (57)

Group Chief Executive Officer
Committee memberships:
Risk, Social, Ethics and Transformation, Strategy and Investment

Qualifications:
BSc Chemical Engineering

Date of appointment:
19 March 2014

Skills and experience: Dominic was the founding managing director of Exel Petroleum, a successful wholly black-owned fuel retail company. He served as director of support services at Eskom Enterprises, where he was subsequently appointed as acting CEO. Upon leaving Eskom Enterprises, he was appointed deputy managing director of Afgri Limited. Dominic rejoined Barloworld in 2007 as Chief Executive Officer of the Equipment division in South Africa. In 2014 he was promoted to Chief Operating Officer of Barloworld Equipment southern Africa and thereafter Chief Executive Officer of Barloworld Equipment southern Africa. He joined the board on 19 March 2014 and was subsequently appointed Deputy Chief Executive effective 1 March 2016. Dominic became the Chief Executive designate of Barloworld from 1 October 2016. On 8 February 2017 he was appointed Group Chief Executive of Barloworld Limited.

Meeting attendance
Board: 6/6
Committees:
Risk: 3/03
Social, Ethics and Transformation: 4/5
Strategy and Investment: 5/5

Directorships in other listed entities:
None



Nopasika Lila (53)

Group Finance Director
Committee memberships:
Risk

Qualifications:
BCom Accounting Science, BCom (Hons), CA(SA)

Date of appointment:
1 August 2019

Skills and experience: Nopasika previously served as CFO of the Eskom Pension and Provident Fund, before being appointed CEO and principal officer. She has more than 20 years of experience in finance, corporate governance and the financial industry. She possesses advanced proficiencies in funds administration, corporate governance and compliance management, with demonstrated skills in leading major funds sustainably with astute control over risk management, reputation and stakeholder relations. She previously served on various boards, both listed and unlisted, namely enX Group Limited, Nampak Limited and Basil Read, and chaired some of the audit committees.

Meeting attendance
Board: 6/6
Committees:
Risk: 3/3

Directorships in other listed entities:
None

Effective leadership

Board skills and experience:

Agribusiness and food	●										
Asset management	●	●	●	●	●	●	●	●			
Business development	●	●	●	●	●	●	●	●			
Change management	●	●									
Finance and auditing	●	●	●	●	●	●	●	●	●		
Governance, risk and compliance	●	●	●	●	●	●	●				
Leadership	●	●	●	●	●	●	●	●	●	●	●
Mergers and acquisitions	●	●	●	●	●	●	●				
Social development	●	●	●	●							
Stakeholder relations	●	●	●	●	●	●	●	●			
Strategy	●	●	●	●	●	●	●	●	●	●	
Technology	●	●	●								

Our board's composition, diversity and tenure as at 3 September 2022

The independence of our board protects shareholder interests

18% Executive directors

Independent non-executive directors 82%

Gender diversity

(Target of 50% exceeded)

45% Men

Women 55%

Racial diversity

Target of 50% exceeded

55% Black South Africans

Africans 64%

Whites 36%

Directors to be elected or re-elected

In accordance with the company's Memorandum of Incorporation (MOI) and the JSE Listings Requirements one-third of our non-executive directors, being those longest in office at the date of the annual general meeting (AGM), must retire by rotation and can choose to offer themselves for re-election. They are: Peter Schmid, Nomavuso Mnxasana and Hester Hickey. In addition, Ngozi Edozien will be retiring at the AGM in February 2023 after serving on the board for nine years, as will Michael Lynch-Bell having reached retirement age. A new member, Nicola Chiaranda, who joined the board in February 2022 will stand for election. Nicola's extensive experience in the agribusiness and food sector is pertinent to our focus on food and ingredient solutions in our Consumer Industries division.

100% Average board attendance:

99% Average committee attendance:

Board tenure

The average tenure of our non-executive directors

3 yrs 8 months

The average age of our board members is

61

0 – 3 years	●	●	●	
3 – 4.5 years	●			
5 – 7 years	●	●	●	●
7 – 9 years	●			
Retiring by age 70	●			
Retiring after serving on the board for nine years	●			

Leadership

Executive committee

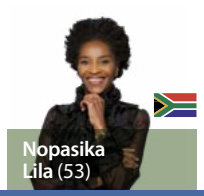


Dominic Sewela (57)

Group Chief Executive Officer

Qualifications:
BSc Chemical Engineering

Areas of responsibility:
Chief Executive Officer



Nopasika Lila (53)

Group Finance Director

Qualifications:
BCom Accounting Science, BCom (Hons), CA(SA)

Areas of responsibility:
Group finance, strategic finance, including treasury; tax; company secretariat, legal, investor relations; and information technology



Emmy Leeka (53)

Chief Executive Officer: Barloworld Equipment southern Africa

Qualifications:
BSc Eng – Metallurgy and Materials (Wits), Postgraduate Diploma in Business Administration

Areas of responsibility:
Equipment southern Africa



Quinton McGeer (58)

Chief Executive Officer: Barloworld Equipment Eurasia

Qualifications:
BCom (Hons) CA(SA)

Areas of responsibility:
Equipment Eurasia Vostochnaya Technica Barloworld Mongolia and the UK office



Chris Wierenga (47)

Chief Executive Officer: Consumer Industries

Qualifications:
BCompt Accounting Sciences

Areas of responsibility:
Consumer Industries, Ingrain



Andronicca Masemola (48)

Chief Operating Officer: Barloworld Equipment southern Africa

Qualifications:
BCompt (Hons), CTA, Postgraduate Diploma Economic and Management Science (strategy and integrated reporting), CA(SA)

Areas of responsibility:
Equipment southern Africa



Tantaswa Fubu (50)

Group Executive: Human Capital and Transformation

Qualifications:
BAdmin (Hons), Advanced Diploma in Banking, CA(SA)

Areas of responsibility:
Human capital and transformation



Gale Lemmert (57)

Group Executive: Risk, Ethics and Governance

Qualifications:
BA, LLB, MBA

Areas of responsibility:
ERM (Enterprise Risk Management), Insurance, Retirement Benefits, Medical Aid, Ethics & Compliance, Sustainability



Dr Nandu Menon (42)

Group Executive: Strategy, Mergers and Acquisitions

Qualifications:
PhD (Aeronautical Engineering)

Areas of responsibility:
Strategy, mergers and acquisitions

Full biographies are available on the group's website:

www.barloworld.com

Our approach to governance

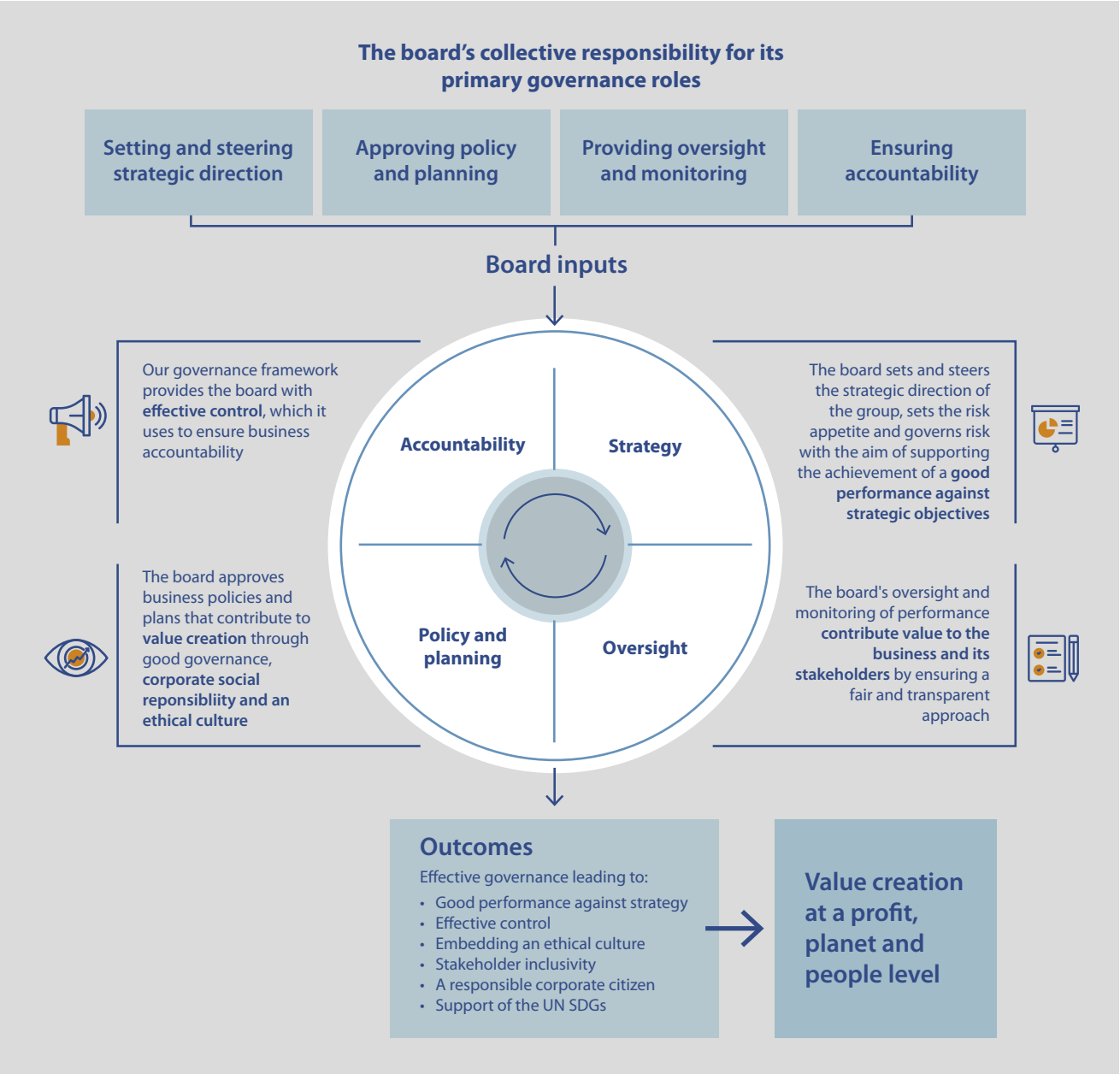
We see our approach to governance and leadership as a business enabler. Our governance structures, policies and processes, risk and sustainability oversight and approach to remuneration support our overall value creation process and ensure our group is effectively and ethically led, well managed and controlled.

Guided by our commitment to applying the principles of the King IV Code, our governance enables the following:

- Ethical and effective leadership (K1)
- Responsible corporate citizenship that goes beyond compliance, both in terms of our role in society and our environmental stewardship as well as our approach to governance (K3)
- Delivery against our strategy and the creation of sustainable value for our business and our stakeholders (K4)
- Robust risk and performance management (K11)
- A stakeholder-inclusive approach intended to maintain trust and balance the needs, interests and expectations of our business and our material stakeholders. (K16)

Our board, as the group's custodian of governance, uses its quarterly meetings to discharge its duties in terms of its charter, the Companies Act, the JSE Listings Requirements, King IV and legislation regulating the industries in which we operate. To embed an ethical culture in the group and combat fraud and corruption, the board considers quarterly reports on operating and financial performance; risk, opportunities and compliance; our social performance including the safety, health and well-being of our employees and our customers; and our environmental performance, including climate change mitigation, and the results of our efforts. Our board also monitors the macroenvironment and its potential impact on our business.

The delegation structures in place provide for the assignment of authority while ensuring that the board retains effective control. This includes the board's delegation of authority to its relevant committees and to the Group Chief Executive Officer, with clearly defined mandates.

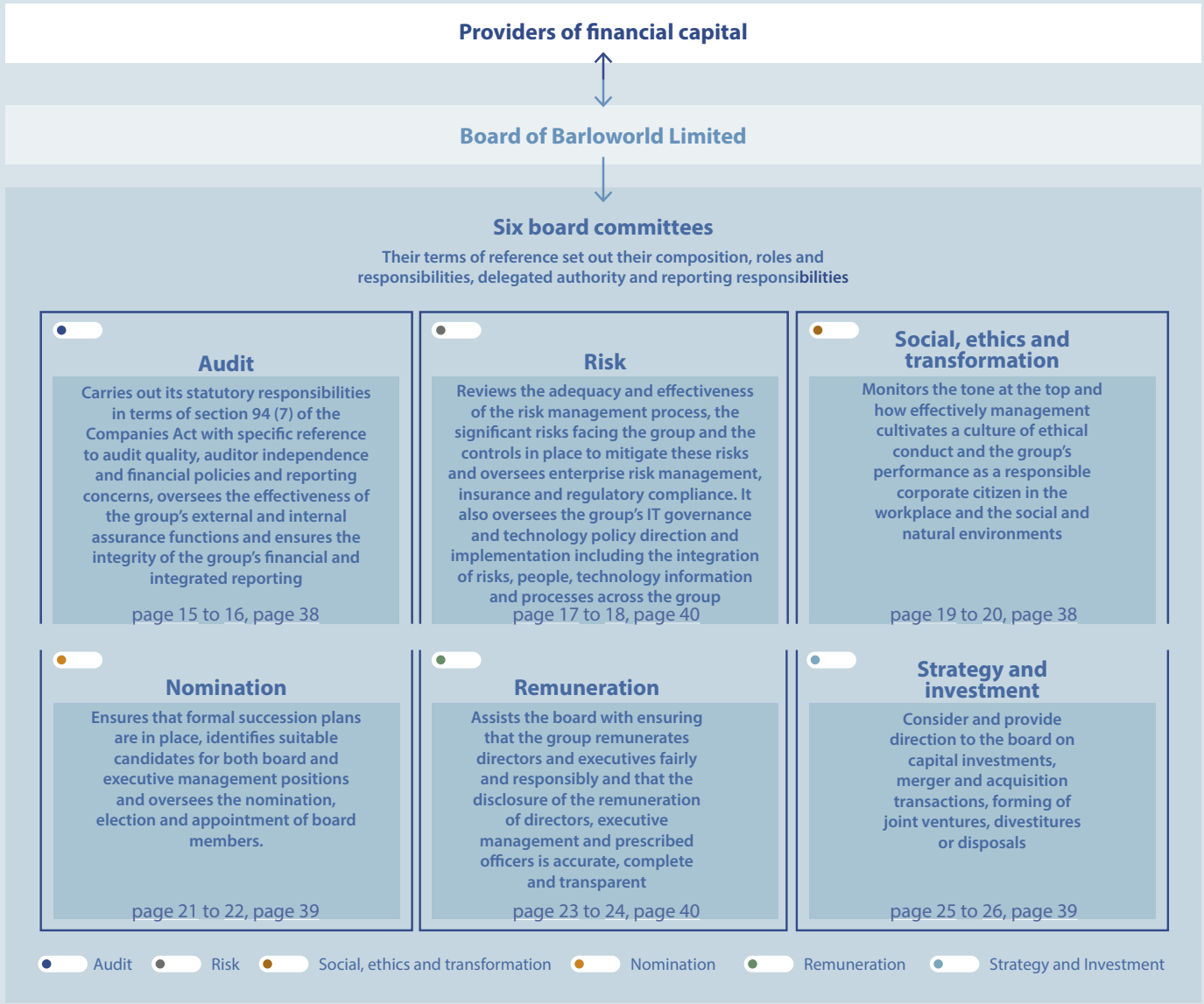


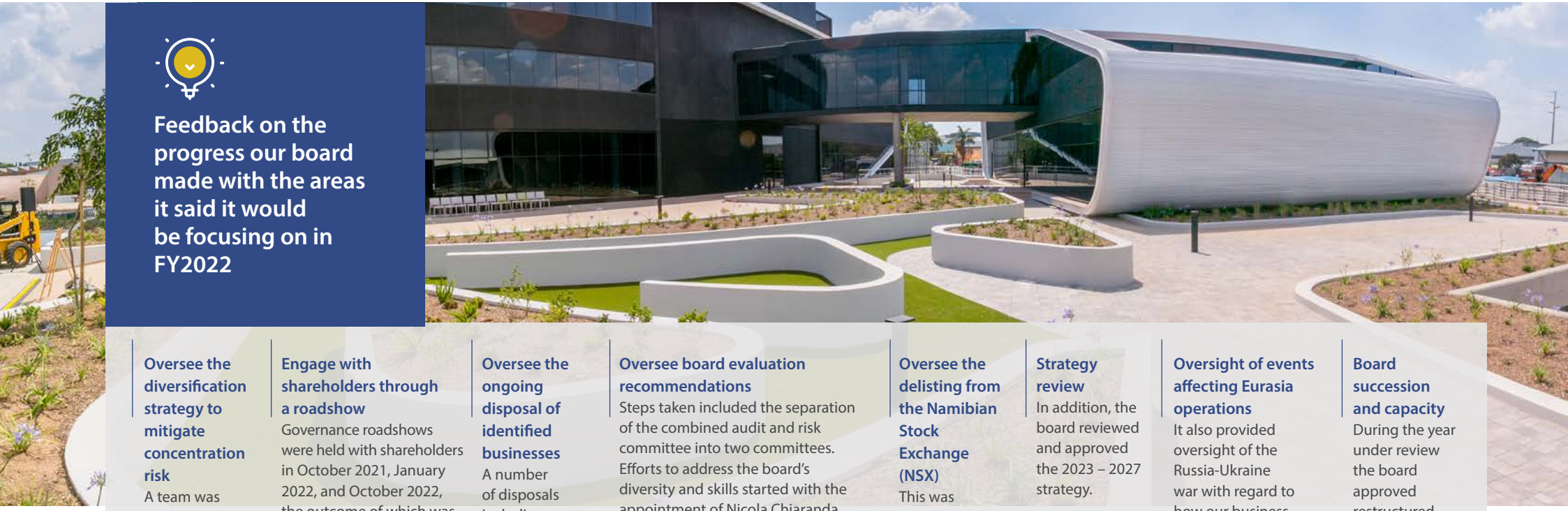
How our board governs

Our governance and delegation structures position our board as the custodian of corporate governance and ensure that Barloworld has adequate leadership structures in place. These provide a solid foundation for our application of King IV with a focus on achieving the four governance outcomes of an ethical culture, good performance, effective control and legitimacy. (K1 & 4)

The board:

- Sets and steers the group's strategic direction
- Approves policy and planning
- Provides oversight and monitoring
- Ensures accountability
- Delegates authority to its committees through clearly defined mandates





Feedback on the progress our board made with the areas it said it would be focusing on in FY2022

Oversee the diversification strategy to mitigate concentration risk

A team was established to ensure that key risks in the business is mitigated. The audit and risk committees were separated to ensure that sufficient time is spent on all facets of risk management.

Engage with shareholders through a roadshow

Governance roadshows were held with shareholders in October 2021, January 2022, and October 2022, the outcome of which was gaining feedback on the board composition and structure, reaction on AGM resolutions, including the remuneration report's, policy, philosophy and implementation report and transparency on the group's strategy. The board also engaged with shareholders during our interim results roadshows on capital allocation.

Oversee the ongoing disposal of identified businesses

A number of disposals including the Logistics business, as well as considerations for the unbundling of Car Rental and Leasing are ongoing.

Oversee board evaluation recommendations

Steps taken included the separation of the combined audit and risk committee into two committees. Efforts to address the board's diversity and skills started with the appointment of Nicola Chiaranda who contributes extensive agribusiness and food sector skills to the board. The board collectively received ongoing training before each board meeting and individual training was also made available to board members, which mainly addressed ESG matters. Directors also attended climate change workshops held by Barloworld's various divisions. The board also took action to ensure directors are not over boarded.

Oversee the delisting from the Namibian Stock Exchange (NSX)

This was completed and announced on SENS locally and in Namibia.

Strategy review

In addition, the board reviewed and approved the 2023 – 2027 strategy.

Oversight of events affecting Eurasia operations

It also provided oversight of the Russia-Ukraine war with regard to how our business and employees are impacted, including related compliance as a result of sanctions against Russia. The board also monitors the impact on our Mongolian operations of the Chinese border closure due to the Covid-19 pandemic.

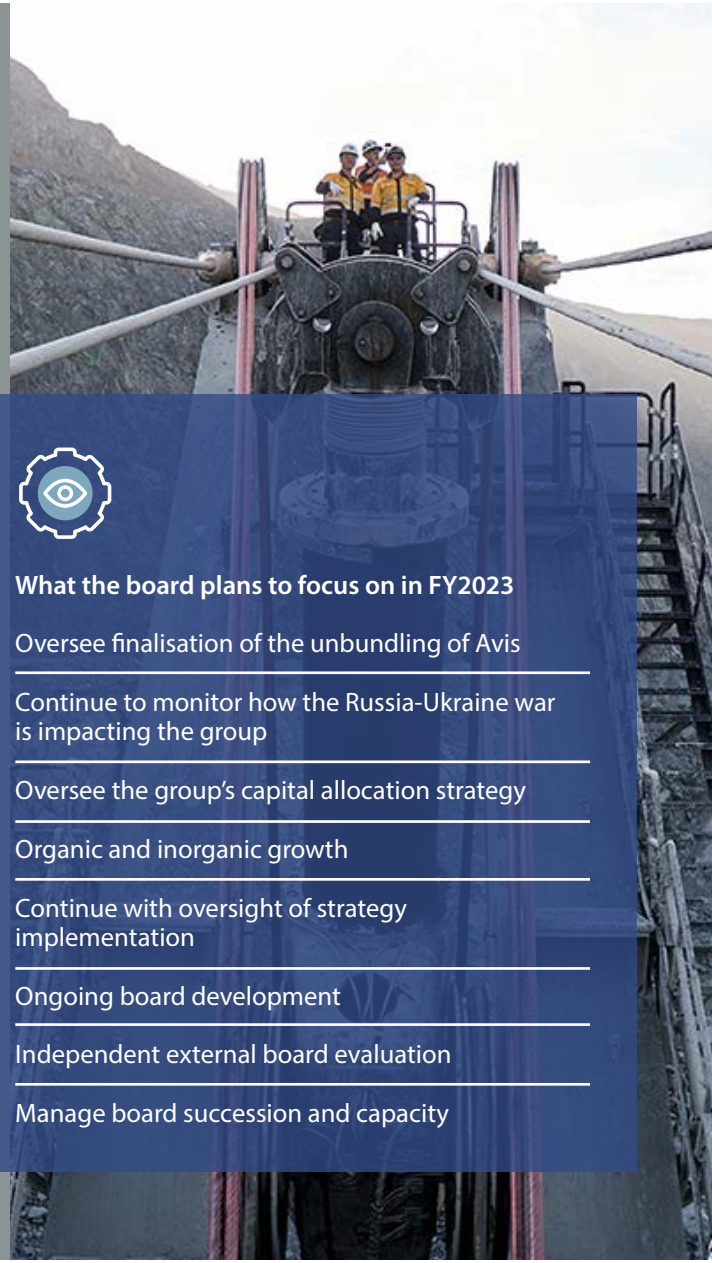
Board succession and capacity

During the year under review the board approved restructured board committees with the aim of managing board succession and capacity.

The composition of our board committees

Committee	Members* in FY 2022
Audit and risk committee (disestablished in February 2022): Shall have a minimum of three members, all of whom are independent non-executives who are elected annually at the AGM for one year	Hester Hickey (chair) Michael Lynch-Bell Nomavuso Mnxasana Hugh Molotsi
Audit committee: Shall have a minimum of three members all of whom are independent non-executives who are elected annually at the AGM for one year	Hester Hickey (chair) Nicola Chiaranda Michael Lynch-Bell Nomavuso Mnxasana
Nomination committee: The minimum number of members shall be three non-executive directors, of whom a majority shall be independent, and the chair of the board is the ex-officio chair of the committee	Lulu Gwagwa (chair) Nomavuso Mnxasana Neo Mokhesi Invitee: Michael Lynch-Bell
Remuneration committee: The board may decide on the membership from time-to-time. It must consist of a minimum of three members who are all non-executive directors, and the majority should be independent non-executive directors	Michael Lynch-Bell (chair) Lulu Gwagwa Neo Mokhesi Peter Schmid
Risk committee: The members, who are chosen for relevant risk skills and business experience, shall comprise executive and non-executive directors, with the majority being non-executive directors and the chair being a non-executive director	Nicola Chiaranda (chair) Nopasika Lila Nomavuso Mnxasana Hugh Molotsi Peter Schmid Dominic Sewela
Social, ethics and transformation committee: Its membership should comprise a minimum of three directors or prescribed officers, the majority of whom must be non-executive directors and one should be an independent non-executive director. The board may decide from time to time on the membership of the committee	Neo Mokhesi (chair from February 2022) Nomavuso Mnxasana (chair, ceased to be member in February 2022) Ngozi Edozian Lulu Gwagwa Dominic Sewela
Strategy and investment committee: The committee considers and provides direction and assurance to the board on strategy and investments, taking into account relevant considerations and risks in respect of proposed investments or divestment prior to approval by the board.	Lulu Gwagwa (chair) Nicola Chiaranda Ngozi Edozien Hester Hickey Hugh Molotsi Peter Schmid Dominic Sewela

* All our non-executive directors are independent



What the board plans to focus on in FY2023

- Oversee finalisation of the unbundling of Avis
- Continue to monitor how the Russia-Ukraine war is impacting the group
- Oversee the group's capital allocation strategy
- Organic and inorganic growth
- Continue with oversight of strategy implementation
- Ongoing board development
- Independent external board evaluation
- Manage board succession and capacity

Audit committee focus and outcomes for FY2022

Governance roles and responsibilities fulfilled and outcomes	What the committee focused on in FY2022
	Continued to monitor balance sheet strength
	Considered the significant financial risks, adequacy and function of the group's internal controls and integrity of financial reporting
	Ensured alignment of the combined assurance process, internal audit plan and external audit plan in terms of the risk-based approach
	Reviewed the solvency and liquidity status of the group and company
	Recommended board approval of payment of the special and ordinary dividends

The audit committee report can be read in the FY2022 Annual Financial Statements.

Focus areas for FY2023

- Continued focus on improving controls in the organisation
- Further develop combined assurance
- Review the financial impact of climate change

Risk committee focus and outcomes for FY2022

Governance roles and responsibilities fulfilled and outcomes	What the committee focused on in FY2022
	Recommended board approval of its terms of reference
	Approved the group strategic register
	Approved the group insurance portfolio and the group's risk-bearing capacity
	Considered the implications of sanctions on the business in Russia
	Approved the group business continuity plan
	Cyber incident response plan testing with the board
	Approved iTOP (IT operational portal) system to replace enterprise resource planning at Barloworld Equipment
	Approved and monitored deployment of the IT security and risk strategy
	Insurance programme and regulatory compliance framework

Focus areas for FY2023

- Monitoring cybersecurity and increases in cyberattacks
- Monitor IT governance structure in response to King IV to ensure it addresses critical IT risks
- Monitor significant IT projects and return on investment
- Review IT programme management framework in alignment with the IT operating model
- Assess the maturity of the IT operating model
- Review the role of technology in Barloworld sustainability
- Execution of group risk and resilience policy
- Roll-out of the regulatory compliance framework

KEY

Governance roles and responsibilities

- Steers and sets strategic direction
- Approves policy and planning
- Oversees and monitors
- Ensures accountability

Outcomes

- Ethical culture
- Good performance
- Legitimacy
- Effective control

Social, ethics and transformation committee focus and outcomes for FY2022

Governance roles and responsibilities fulfilled and outcomes	What the committee focused on in FY2022
	Monitored the social and economic environment, ethics management, transformation and development
	Approved the environmental sustainability framework
	Approved the group's five-year environmental efficiency improvement targets
	Appointment of the lead independent director as chair of the committee
	Considered the group's regulatory compliance
	Considered the group's ESG performance with a specific focus on its social performance

Focus areas for FY2023

- Wellness – a renewed focus and strategy refresh
- Women and youth empowerment
- Sustainability goals linked to climate change
- Employee engagement

The social, ethics and transformation report is available on our website

Nomination committee focus and outcomes for FY2022

Governance roles and responsibilities fulfilled and outcomes	What the committee focused on in FY2022
	Recommended board approval of the restructured board subcommittees factoring in key considerations that emanated from the outcome of the 2021 external board evaluation and governance roadshows held by the chair with significant shareholders of the company
	Considered the skills mix on the main board to support the company's growth strategy
	Provided oversight on the implementation of the board evaluation recommendations

Focus areas for FY2023

- Continue with board succession planning
- External board evaluation process
- Director development

KEY

Governance roles and responsibilities

- Steers and sets strategic direction
- Approves policy and planning
- Oversees and monitors
- Ensures accountability

Outcomes

- Ethical culture
- Good performance
- Legitimacy
- Effective control

Remuneration committee focus and outcomes for FY2022

Governance roles and responsibilities fulfilled and outcomes	What the committee focused on in FY2022
	Amalgamation of the retirement fund to ensure that employees are allowed a choice of how to use their pension
	As part of the group's commitment to fair and responsible remuneration oversaw the drafting of a minimum wage policy
	Approved short-term incentive schemes
	Oversight and monitoring of fair and responsible pay policies and practices to ensure that the group's remuneration is fair

Focus areas for FY2023

- Implementation of the amalgamation of the retirement fund
- Company to implement fair pay policy
- Remuneration that is fair and promotes the strategy of retaining talent
- Consider the inclusion of ESG measures for long-term incentives

Strategic and investment committee focus and outcomes for FY2022

Governance roles and responsibilities fulfilled and outcomes	What the committee focused on in FY2022
	Oversight of the Khula Sizwe transactions and management's engagement with the B-BBEE commissioner
	The unbundling of Avis Budget southern Africa from the group, moving the domicile of the UK CAT trading licence to another jurisdiction and payment of the UK pension fund were recommended to the board for approval
	Oversees the group's implementation of the strategy and investments

Focus areas for FY2023

- Overseeing the group's implementation of its strategy
- Complete the disposal of non-core assets

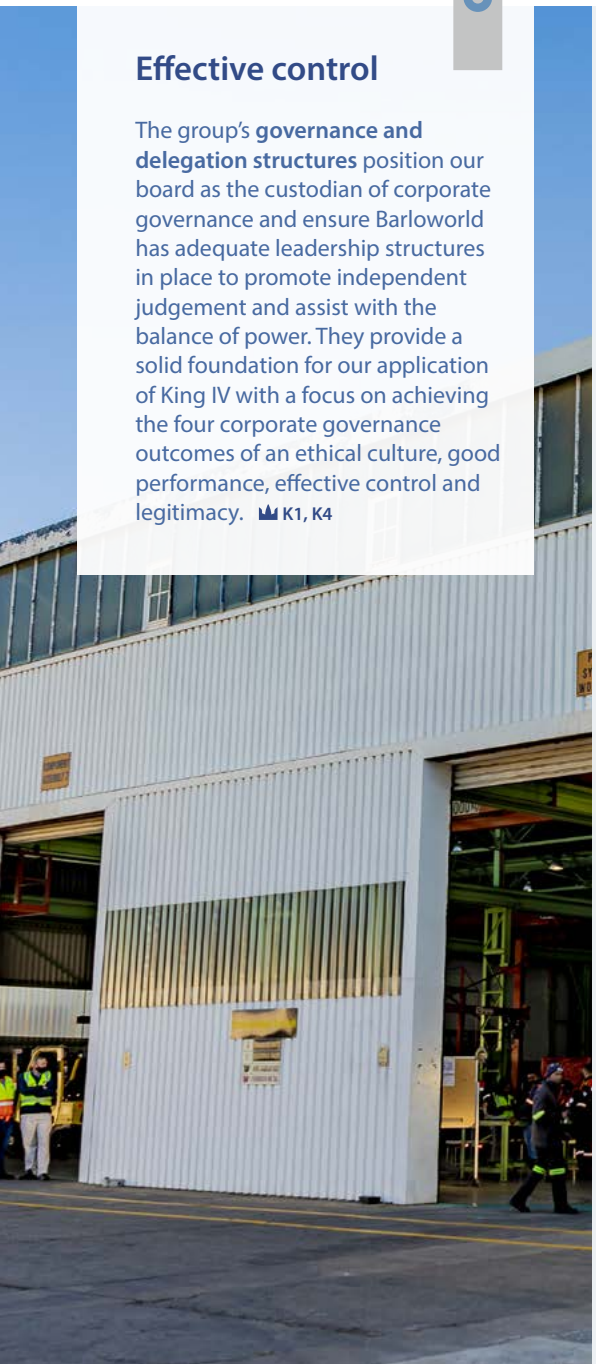
KEY

Governance roles and responsibilities

- Steers and sets strategic direction
- Approves policy and planning
- Oversees and monitors
- Ensures accountability

Outcomes

- Ethical culture
- Good performance
- Legitimacy
- Effective control



Effective control

The group's **governance and delegation structures** position our board as the custodian of corporate governance and ensure Barloworld has adequate leadership structures in place to promote independent judgement and assist with the balance of power. They provide a solid foundation for our application of King IV with a focus on achieving the four corporate governance outcomes of an ethical culture, good performance, effective control and legitimacy. **K1, K4**

The role of the board's committees

- Through its committees the board provides guidance, monitors the functions of executive management and group functions and ensures they apply its established governance policies and processes. **K6**
- In February 2022 the board took the decision to separate the audit and risk committee functions. This follows an outcome of the board evaluation conducted in 2021, which indicated that there was a need to ensure there was focused board oversight of risk management. The risk committee's mandate includes the monitoring of IT governance, information security and cyber risk as well as risk management process oversight, regulatory compliance oversight and insurance programme oversight. To fulfil its mandate the committee monitors and evaluates the effectiveness of the cybersecurity strategy and critical risks facing the business with regard to technology.
- The Audit committee was able to ensure the integrity of both the annual financial statements and the integrated report and satisfy itself as to the expertise and experience of the Finance Director and the finance function. The audit committee is also satisfied with the competence, qualifications and experience of the debt officer of the company, Ms Relebohile Malahleha.
- **External audit quality and independence:** In accordance with paragraph 3.84(g) (iii) and 22.15(h) of the JSE Listings Requirements the audit committee requested and received information from external auditors, Ernst & Young (EY) that allowed it to assess EY and SNG-Grant Thornton's (SNG-GT) credentials as registered joint audit firms in good standing, including the appointed audit partners, S Sithebe and C Mashishi as the designated audit partners for EY and SNG-GT, respectively. The information supported and demonstrated their claim of independence, the findings by the Independent Regulatory Board for Auditors in respect of EY and SNG-GT's independence, quality control and any corrective action by the firm; as well as any legal claims against the firms. Information was also obtained and discussed in respect of the designated auditors. The committee concluded that it was satisfied with the independence and audit quality of EY and SNG-GT, the designated auditors. External audit fees are disclosed in the annual financial statements, within Note 3. Non-audit services are also disclosed in the annual financial statements – and were approved by the committee in accordance with the policy for the provision of non-audit services.
- The social, ethics and transformation committee advises and provides guidance to the board on the effectiveness of management's efforts in respect of social, ethics, sustainable development-related matters and transformation. It carries out its duties in terms of the Companies Act and reports on the fulfilment of its mandate in this regard to the board and stakeholders.
- Audit committee members are elected annually in accordance with section 94(2) of the Companies Act, 71 of 2008.
- A minimum of one-third of our directors retire by rotation annually and, if eligible may stand for re-election. by a majority vote in accordance with our MOI and the JSE Listings Requirements 3.84(d)

Outcome

- Our governance practices facilitate the delegation of authority to the board committees, which are chaired by independent non-executive directors and the composition of the committees complies with applicable regulatory requirements. **K7, K13 and JSE 3.84(c)**
- Through the separation and clear definition of the roles and responsibilities of the chair and Chief Executive Officers the group has established a clear balance of power and authority at board level. The Chief Executive Officer in turn delegates responsibilities in accordance with the company's delegation of authority framework. **K1 and 8 JSE 3.84(a)**
- In accordance with our board policy, which is designed to protect the interests of stakeholders, the majority of our board members are independent non-executive directors. **K7 and JSE 3.84(e)**
- A board-approved risk appetite framework includes the group's risk appetite statements, risk strategy and risk limits. **K11**
- Board and committee performance reviews are conducted every two years, with a formal assessment conducted in FY2021 and the next to be conducted in FY2023. **K9**

Compliance governance

- A combined assurance programme is in place to ensure an effective control environment (K15) and JSE 3.84 (g)
- A regulatory compliance framework has been implemented, which complements the formal board structures and establishes formal internal reporting structures
- Regulatory compliance is prioritised across the group, and the embedding of board-approved policies is monitored
- The social, ethics and transformation committee confirmed there were no instances of material non-compliance requiring disclosure in the year under review.

As a multifunctional group, Barloworld needs to adhere to a wide range of legislative requirements. The board has confirmed that sufficient management capacity and controls are in place to ensure compliance with all relevant laws and industry practices. Legal compliance at divisional level is regularly reported on to management and is also reported on every quarter to the risk committee. The administration of our legal compliance system is vested in a member of senior management who has the appropriate legal qualifications. Members of senior management are regularly informed of all relevant new legislation and amendments. The appointment of a Chief Audit Executive will also strengthen oversight and ensure practices of good combined assurance are in place. The board approved a regulatory compliance framework to strengthen compliance management during this reporting period.

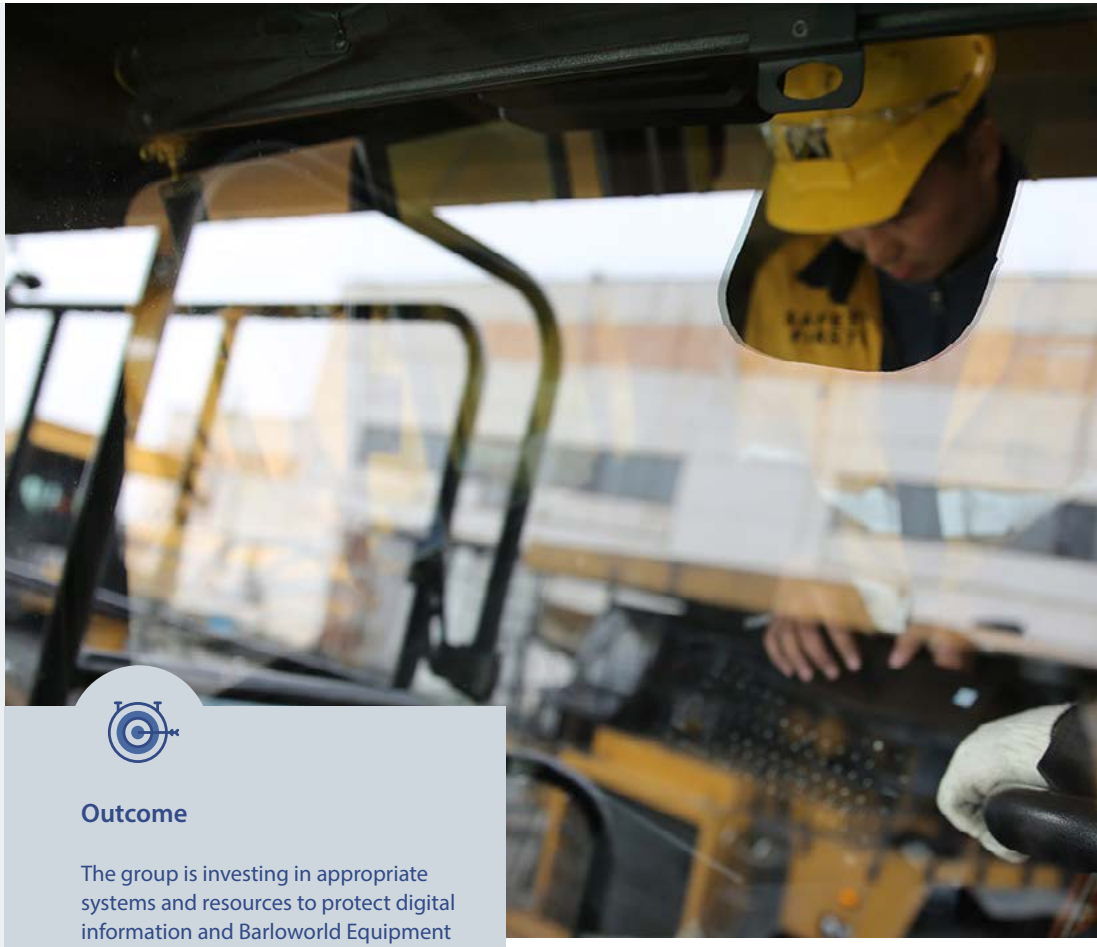
Our board is committed to full compliance with all applicable laws and regulations, and it supports the application of certain non-binding codes and standards. To address the need for an effective control environment, a board-approved combined assurance framework is in place. The audit committee is mandated to provide oversight of the internal controls to address compliance with new legislation or amendments to current legislation, which include a legal and compliance framework and processes.

Outcome

Our combined assurance programme enables an effective control environment, prevents gaps or duplication of assurance efforts, and supports the integrity of information for internal decision-making and external reports.

The group complied with the JSE Listings Requirements, the Companies Act and King IV during the year under review. The directors confirm that Barloworld is in compliance with the provisions of the Companies Act or laws of establishment, specifically relating to its incorporation and is operating in conformity with its Memorandum of Incorporation and/or relevant constitutional documents.

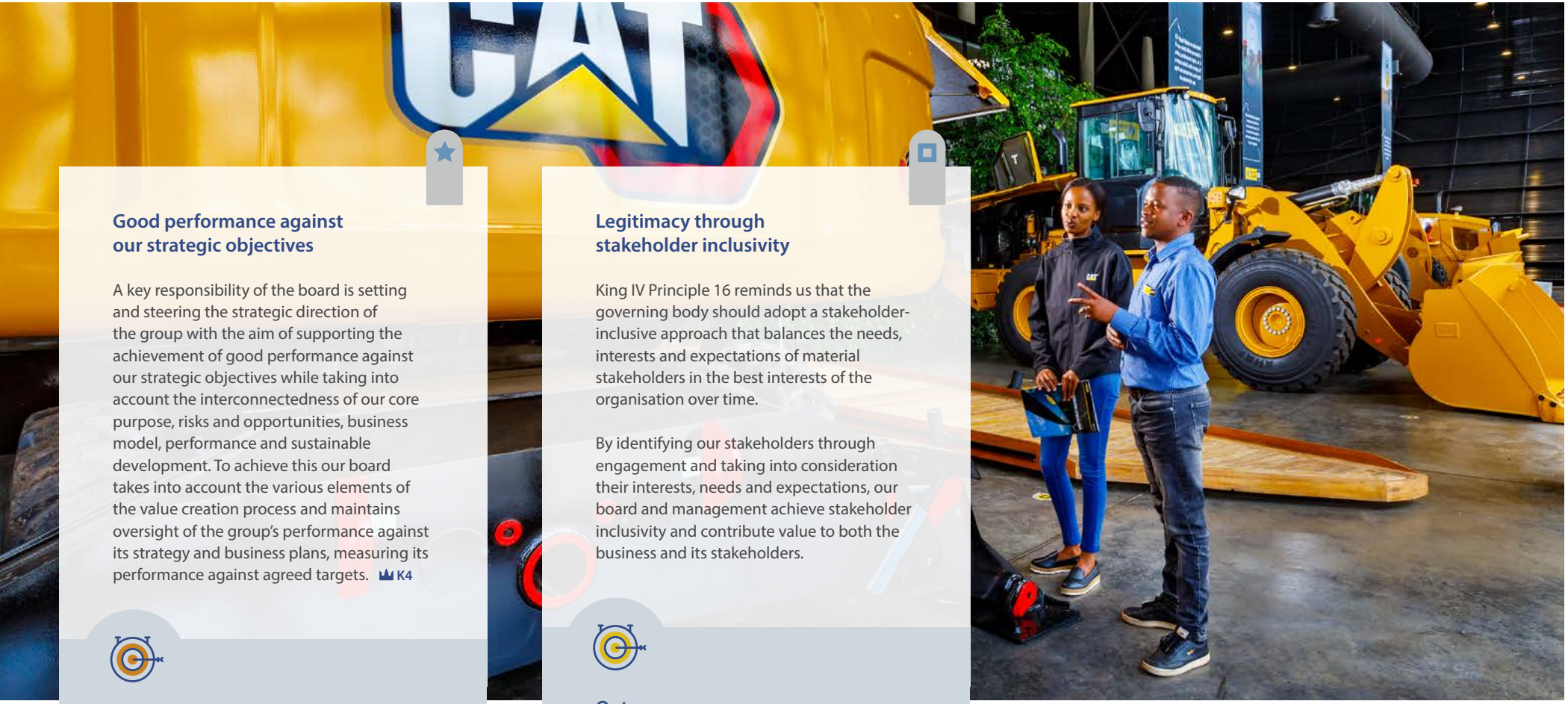
Technology and information governance that supports the achievement of our strategic objectives K12



Outcome

The group is investing in appropriate systems and resources to protect digital information and Barloworld Equipment is well-positioned to take advantage of its investment in technology.

The risk committee's mandate includes the monitoring of IT governance, information security and cyber risk. To fulfil its mandate, the committee monitors and evaluates the effectiveness of the cybersecurity strategy across the group, focuses on increasing the group's IT governance capabilities and ascertains that they are aligned with and support the achievement of the group's strategy.



Good performance against our strategic objectives

A key responsibility of the board is setting and steering the strategic direction of the group with the aim of supporting the achievement of good performance against our strategic objectives while taking into account the interconnectedness of our core purpose, risks and opportunities, business model, performance and sustainable development. To achieve this our board takes into account the various elements of the value creation process and maintains oversight of the group's performance against its strategy and business plans, measuring its performance against agreed targets. K4

Outcome

Good progress has been made with our strategy of pivoting our portfolio into more asset light and defensive businesses and towards our clear and ambitious outcome of doubling the group's intrinsic value every four years.

Legitimacy through stakeholder inclusivity

King IV Principle 16 reminds us that the governing body should adopt a stakeholder-inclusive approach that balances the needs, interests and expectations of material stakeholders in the best interests of the organisation over time.

By identifying our stakeholders through engagement and taking into consideration their interests, needs and expectations, our board and management achieve stakeholder inclusivity and contribute value to both the business and its stakeholders.

Outcome

Our board and management contribute value to both Barloworld and our stakeholders by effectively governing our performance and taking into consideration our stakeholders' interests.

See our **stakeholder engagement** section for more detail. page 27 to 28, page 21

Legitimacy through responsible corporate citizenship K3

King IV Principle 3 reminds us that our board should provide oversight of Barloworld as a responsible corporate citizen. This includes ensuring the appropriate governance policies and processes are in place and that the mandated committees monitor and provide insight into the impact of their application on how we perform as a corporate citizen in the workplace, in terms of economic transformation, fraud and corruption, our role in society and our approach to the natural environment.

The social, ethics and transformation committee, whose terms of reference set out its mandate, has a key role to play in monitoring and guiding the group as a responsible citizen. Its mandate is to assist the board in fulfilling its statutory and other oversight responsibilities regarding:

- transformation, focusing on broad-based black economic empowerment (B-BBEE) and employment equity legislation
- compliance with relevant social, ethics and legal requirements and best practice codes to promote an ethical culture within the group
- diversity and inclusion
- environmental sustainability
- corporate social investment
- good corporate citizenship.

The **social, ethics and transformation committee's report** provides information on its performance in terms of its mandate and the group's application of King IV Principle 3.



Outcome

Governance practices designed to achieve responsible corporate citizenship.

See the section on our holistic approach to sustainability of this report for more information on the outcome.

Legitimacy through remuneration that is fair and promotes the achievment of our strategic objectives K14

Barloworld understands that it is essential that our strategy, risks, performance and rewards are aligned if we are to create shareholder value. The remuneration committee is charged with ensuring that:

- executive directors and senior management are fairly rewarded for their individual contributions to the company's overall performance
- our remuneration policies and practices are designed to align performance with reward and to attract and retain the right talent
- our remuneration policies and practices take into account the interests of stakeholders and the financial position of Barloworld.

Outcome

Our remuneration review, which is available on our website, provides details of the outcome of the application of our remuneration philosophy and policy in its implementation section.
www.barloworld.com/investors

See the **Remuneration review** for more information

Governance designed to establish an ethical culture K2

The board is ultimately responsible for the company's ethics performance. The social, ethics and transformation committee, supported by the executive committee, ensures that the relevant policies are embedded and that governance around policies is measured. In turn, executive management is responsible for embedding an ethical culture that protects the interests of the group and its stakeholders. A well-designed and properly implemented ethics management process has been introduced to achieve this.

The group is governed by the Barloworld Worldwide Code of Conduct and Code of Ethics. The Code of Ethics requires Barloworld's directors, management and employees to obey the law, respect others, be fair and honest, and to protect the environment.

These documents are well-publicised both internally and externally and are shared with our suppliers and service providers.

Our ethics and compliance programme is designed to further entrench and integrate good corporate governance throughout the group. We continue to perform assessments of ethical risks and opportunities and integrate these into the risk management processes.

As our internal auditors, KPMG conducts a formal review of the group's governance of ethics and risk.

Board members declare their interests before every board or committee meeting. Should a conflict of interest be identified, the director is recused from the meeting and does not participate in the decision-making process regarding the matter.

As an additional safeguard, all non-executive directors are assessed for potential conflicts of interest and independence annually. There were no recorded conflicts of interest in the year under review.

During FY2022 a revised trading in securities process was put in place to ensure that when directors, public officers and the executive trade in securities there is a seamless process to ensure compliance with regulations.

During the year under review, the nomination committee, on behalf of the board, appointed Nomini Rapoo as Group Company Secretary. The committee found that she demonstrates the requisite level of knowledge, experience and independence to fulfil her role. She is neither a director nor a prescribed officer of the company or any related business. Our nomination committee monitors and provides oversight of our board diversity policy, which includes gender and racial targets. The board's diversity policy also takes into account diversity attributes of culture, age, field of knowledge, skills and experience, in line with the JSE Listings Requirements.

Outcome

EY's Forensic and Integrity Services conducted a forensic audit as part of the year-end audit in 2021 within the framework of ISA 240, during which they assessed the maturity of the group's whistle-blowing process and considered the Worldwide Code of Conduct, the group whistle-blowing policy and corrective conduct policy and extensive supporting documentation including a list of whistle-blowing reports. Following the audit EY assessed the status of our ethics processes as leading and made recommendations as to how we could progress to advanced. A recommendation was the introduction of an ethics newsletter to increase awareness and to educate. We now have a monthly ethics newsletter in place.

Since the introduction of our monthly ethics newsletter we have seen an increase in tip-off calls with 54 calls in the third quarter of F2022, a steep increase from the 21 calls in the second quarter and 34 calls in the first quarter. Most of the calls received were general human resource queries. An ethics survey was conducted by KPMG, the outcome indicated that Barloworld consistently scored above the South African average for the eight ethical dimensions of clarity, role modelling, feasiblity, commitment/supportablity, transparency, discussability, accountability and enforcement. The best performing dimensions were clarity, commitment and positive role modelling, from which it can be concluded that our employees understand Barloworld's ethical standards, are committed to ethical conduct and regard their leaders and managers as good examples of ethical conduct.

Barloworld ethics and compliance framework



Anti-bribery and corruption policy
Barloworld Worldwide Code of Conduct
Code of Ethics
Group conflict of interest policy
Directors' conflict of interest and independence declaration
Barloworld Ethics Line

Consequence management

Investigation outcome of 135 closed tip-off calls

135 calls were investigated with the following outcome:

- **12** were found to be inconclusive
- **71** were unsubstantiated
- **52** were substantiated and addressed

Of the 52 substantiated calls, 29 were for Human resource matters, 4 for fraud and 4 for procurement irregularities and 2 for corruption.

As part of our continuous improvement journey where there has been a breach of controls we take action to improve them to avoid further breaches

Barloworld's leaders

1902 **Major Ernest Barlow** started the business

1921 Ernest Barlow died from wounds suffered In the first World War
Frank Euting became MD

1927 **Punch Barlow** (his son) took over and acquired Caterpillar dealership

1952 **Punch Barlow became Chairman**

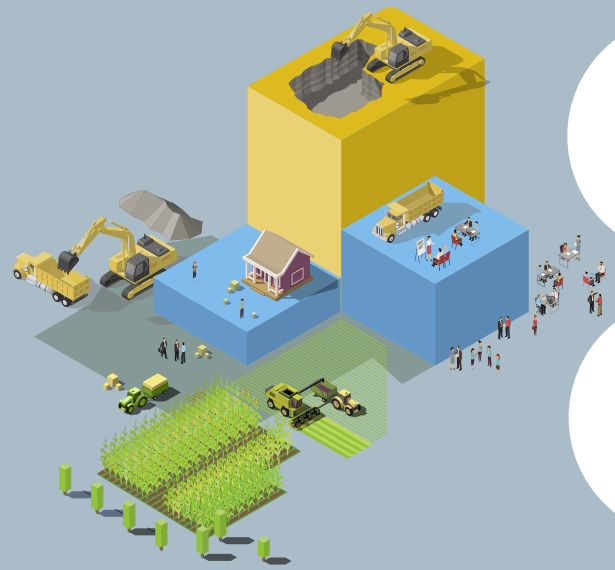
1963 **Mike Rosholt** appointed an executive director and joint deputy chairman

Performance review

Delivering on:

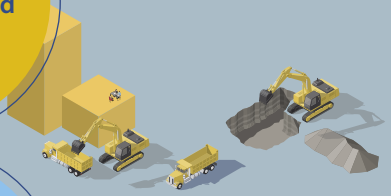
Our purpose
and our sustainability commitment to be a responsible corporate delivering products, services and solutions that generate sustainable outcomes

Our strategy
by actively pivoting our portfolio towards the defensive, relatively asset-light and cash generative businesses:



Barloworld Equipment
Vostochnaya Technica
CAT

Industrial Equipment and Services



ingrain

Consumer Industries



Achieving
sustainable, inclusive, quality growth
and providing our customers with products from our leading brands to inspire a world of difference

1971 Mike Rosholt became Chief Executive

1979 Punch Barlow died
Mike Rosholt became Chairman

1983 Warren Clewlow appointed CEO

1991 Mike Rosholt retired
Warren Clewlow became Chairman

1998 Tony Phillips appointed CEO

Group CEO review



DOMINIC SEWELA
Group Chief Executive Officer

In 2022 we celebrated not only Barloworld's 120 years in existence, but also our 95-year relationship as a Caterpillar dealer. Navigating the cycles through the last 120 years is testimony to a business that has placed Environmental, social and governance (ESG) factors at the forefront of what we do. Founded in Durban in 1902 by Major Ernest Barlow, the company has always responded to the needs of the communities around it, and therefore being a responsible corporate citizen is a keypart of our DNA.

This year has been one of consolidation for the group as we began to reap the benefits of the decisions we have made in terms of our plans and strategy on ESG, delivering value additive capital allocation and benefiting from the resultant financial outcomes.

Total group revenue increased by 9.5%

Our capital allocation and alignment to ESG priorities

Barloworld's strategic journey has been one of driving value, alongside growth - concepts we consider as two sides of the same coin. The portfolio changes we are implementing demonstrate this well. Whilst the absolute size of the group in terms of the number of divisions may seem smaller the quality of earnings is more solid as can be seen by the significant improvements in our financial performance. Our capital allocation framework guides how we utilise capital and what value means from a financial capital perspective. It guides how we grow value for our shareholders, whether in the form of dividend payments, share buybacks or repaying expensive debt such as de-risking the UK pension fund.

Our financial decisions are also driven by our corporate responsibility agenda, such as our recent ESG-linked loan and sustainability bonds. Earlier this year, we took out our first R1 billion ESG-linked loan which is aligned to our ESG ambitions; and we have also recently auctioned R1 billion in three-year and five-year bonds, with the rates linked to goals for women in our leadership structures, as well as participation of businesses owned by black women in our supply chain. The gender-linked bond is the first in Africa, but for Barloworld it underlies a commitment to a well-entrenched target of having at least 40% representation of women across our divisions.

2007 Warren Clewlow retired as chairman and replaced by **Dumisa Ntsebeza**

2007 **Clive Thomson** became CEO

2016 **Dominic Sewela** appointed Deputy Chief Executive and CEO designate

2017 Clive Thomson retired and **Dominic Sewela became CEO**

A strong financial performance

The group delivered strong results in a challenging operating environment. Total group revenue of R49.2 billion increased by 9.5% compared to the prior year (after adjusting for Motor Retail which was included in discontinued operations in the prior year) and increased by 1.9% compared to budget. This represents group EBITDA and group operating profit margins of 15.7% and 11.4%, respectively.

Revenue from continuing operations increased by 15.4% compared to the prior year to R39.4 billion, and 5.7% compared to the budgeted R37.2 billion. This was driven by improved trading conditions across the majority of our business segments.

Compared to the prior year, Equipment southern Africa has performed well, driven by strong machine sales and despite the adverse effect of supply chain constraints. The contribution from Greater Africa improved mainly driven by the performance of Bartrac in the DRC. Ingrain has continued to report solid results, proving that the business was a good acquisition and providing a solid foundation for the Consumer Industries vertical. The new management has focused on improving the business fundamentals such as customer relationships, plant efficiencies, and investing in suitable human capital resources for the business, largely from within the group. Equipment Eurasia was affected by the Russia-Ukraine war and the effect of border closures between China and Mongolia due to strict Covid-19 measures.

Strategy

Our strategy to Fix, Optimise and Grow our businesses has paid off well over the past three years, and likely came to a head this year as we have a good base with which to sustainably grow for another 120 years. The group's core verticals are Industrial Equipment and Services and Consumer Industries as the group has actively pivoted its portfolio towards defensive, relatively asset-light and cash generative industrial sectors, based on a business-to-business operating model.

We have completed the exit out of non-core businesses, starting with Logistics. The group also successfully concluded its exit from all the businesses related to the Transport division. The sale of the remaining Warehousing and Distribution business within the Supply Chain Solutions business has been finalised and is awaiting regulatory approvals that are customary for a transaction of this nature.

Revenue from continuing operations increased by **15.4%**

This was driven by improved trading conditions across the majority of our business segments



The unbundling of the Car Rental and Leasing business is complete, with the board approving the option to unbundle the business by way of a listing as it had not deemed any of the approaches made by potential buyers to acquire the business as having sufficient merit to be progressed. By the time we publish this report, we would have already listed the new entity housing the Avis Budget southern Africa business as Zeda Limited on 13 December 2022. The listing is what I called a bitter-sweet moment as this has been a business which showed significant improvements, resilience and innovation since the management team, led by Ramasela Ganda, took the helm in 2020. We wish them well and in their favourite mantra – "Makwande".

Appreciation

I would like to extend my gratitude to all at Barloworld for maintaining focus in ensuring the continued success of the organisation, and to the board for its continued support.

Dominic Sewela
Group Chief Executive Officer

Group financial review



NOPASIKA LILA
Group Finance Director

Group results

Total group HEPS (earned on continuing and discontinued operations) increased by 576 cents to 1 771 cents in the current year. Total group revenue of R49.2 billion increased by 9.5% compared to the prior year (after adjusting for Motor Retail which was included for five months in the prior year).

Total group EBITDA of R7.7 billion and operating profit from core earnings of R5.6 billion showed an increase by 12.4% and 32.0%, respectively.

This represents group EBITDA and group operating profit margins of 15.7% and 11.4%, compared to 15.3% and 9.4% in the prior year, respectively.

Continuing operations

HEPS from continuing operations increased by 151 cents to 1 096 cents in the current year.

Revenue of R39.4 billion increased by 15.4% compared to the prior year. This was driven by an improvement in trading conditions in the majority of our business segments.

Accounting presentation changes

Disposal groups held for sale and distribution, discontinued operations

Following the board's approval to unbundle and separately list Car Rental and Leasing, the businesses are now classified as held for distribution in terms of IFRS 5. Car Rental and Leasing is classified as part of discontinued operations in the income statement, and comparatives have been restated in this regard. Assets held for sale are recognised at fair value less cost to sell, therefore depreciation is not charged on entities that are either held for sale or for distribution from the date that the entities are classified as such and accordingly, there is a depreciation adjustment of R46 million for Car Rental, R504 million for Avis Fleet and R71 million for Logistics.

New income statement presentation

Following the review of our prior year financial statements by the JSE's proactive monitoring panel, Barloworld changed the presentation of the income statement as follows:

- Items that were previously classified as non-operating and capital items are now referred to as impairments and capital items and are incorporated into operating profit before finance income and finance costs .
- 'Operating profit from core trading activities' has been introduced as a new subtotal and replaces what was previously 'operating profit'. Operating profit from core trading activities also incorporates fair value adjustments on financial instruments. These were previously grouped with finance costs and finance income. Operating profit margin is determined as operating profit from core trading activities divided by revenue.
- Earnings before interest, depreciation and amortisation now incorporate fair value adjustments on financial instruments.

EBITDA grew by 9.2% to R4.8 billion compared to the prior year, while operating profit from core trading activities grew by 12.8% to R3.7 billion, positively impacted by the increase in revenue and cost containment measures. The EBITDA margin was 12.2% compared to 12.8% in the prior year, while the total operating profit margin achieved was 9.3% compared to 9.5% achieved in the prior year.

- **EBITDA for Equipment southern Africa** grew by 11.3% to R2.8 billion compared to the prior year, representing an EBITDA margin of 12.8% compared with the prior year's margin of 13.8%. The operating profit margin of 9.6% compared with the prior year's margin of 10.2%.

R2.8bn
(11.3% UP)



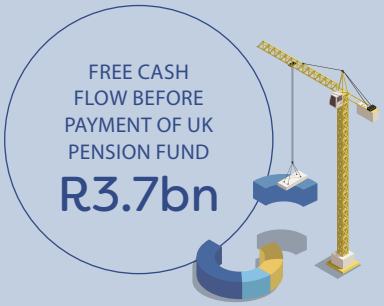
- **EBITDA for Equipment Eurasia** decreased by 3.3% to R1.4 billion compared to the prior year, representing an EBITDA margin of 13.0% compared to 13.4% in the prior year. The operating profit margin of 11.0% is in line with the prior year.

R1.4bn
(3.3% DOWN)



- **EBITDA for Ingrain** grew by 27.5% to R974 million compared to the prior period of 11 months, representing an EBITDA margin of 16.5% compared to 17.4% in the prior period. The operating profit margin of 12% is in line with the prior period.

R974m
(27.5% UP)



Net finance costs of R879 million increased by 14.7% compared to the prior year, driven by the higher average net debt balance of the group and increased interest rates during the year. Average net debt increased in the current period mainly because of an increase in average working capital; a net investment in vehicle rental fleet and fleet leasing assets; a £95.2 million UK pension fund insurance payment; a R2.3 billion special dividend; and a R1.0 billion share buy-back.

Impairments and capital items of R1.0 billion resulted mainly from the impairment of non-current assets in Equipment Russia on the back of the expected financial impact resulting from sanctions imposed against Russia.

The effective tax rate (ETR) of 49.3% was mainly impacted by impairments and capital items and various other items; the elimination of intergroup interest relating to discontinued operations; the recognition of prior period tax losses; prior year tax adjustments; and the effect of tax rate changes. The adjusted ETR is 25.5% (23% in FY2021) after adjusting for these items. The rate was further impacted by the reduction of the tax rate in South Africa, and movements in the IAS 12.41 adjustments, which resulted from local currency movements in jurisdictions where taxable income is based on local currencies and withholding tax on dividends declared from Russia.

Income from associates and joint ventures of R309 million is significantly higher than the prior year loss of R16 million. This improvement is largely driven by the better trading conditions of Bartrac, our joint venture in the Katanga province of the DRC Bartrac reported a profit of R143 million against a loss of R112 million in the prior year. The improvement is due to the restructuring executed in the prior financial year as well as an increase in revenue derived from new customers. NMI-DSM's profit of R153 million is 50.7% higher than the prior year, and includes a net gain amount of R18 million relating to impairments and other capital items.

Cash flow

Free cash inflow of R1.7 billion (R3.7 billion inflow before the R2.0 billion UK pension fund insurance payment) as a result of the net cash inflow from operations, the increase in net working capital, and the net investment in rental fleet and leasing assets. The total net cash from operating activities also included R3.1 billion in ordinary and special dividends.

The net cash outflow from investing activities of R152 million included net proceeds of R109 million from the disposal of the Logistics businesses.

The net cash outflow from financing activities was largely influenced by R1.0 billion shares bought back in our share buy-back programme, and the R354 million repayment of lease liabilities offset by the net increase in long-term debt.

Financial position, gearing and liquidity

Group total assets amounted to R54.4 billion compared to R52.8 billion at the end of FY2021, and were mainly impacted by the impairment of assets in Equipment Russia and Logistics disposals, normal and significant special dividend payments, and share buy-backs. These were offset by the investment in working capital and net investment in the rental fleet and leasing assets.

Following the approval of an unbundling and separate listing of the Car Rental and Leasing business, the non-current assets held for sale increased from R2.3 billion on 30 September 2021 to R11.7 billion. Liabilities associated with assets held for sale increased from R1.7 billion at the end of the prior financial year to R8.0 billion. Included in the group's normal debt is R1.2 billion associated with Car Rental and Leasing, and not in liabilities associated with assets held for sale as it is currently contracted by the group.

The group's state of financial position at 30 September 2022 remained strong with total assets exceeding total liabilities by R18.9 billion (R21.4 billion at 30 September 2021).

The group has significant headroom on existing facilities for both local and offshore operations, which increased to R9.3 billion from R7.6 billion at interims. Of the total headroom, R618 million comprises non-committed facilities. The group actively reviews and monitors all facilities on an ongoing basis, and we remain confident of our liquidity position.

Our South African short-term debt includes R1.4 billion in bonds maturing in the next 12 months, overnight borrowing facilities of R2.9 billion, and other loans from uncommitted facilities amounting to R215 million. In the current financial year, we raised R2.2 billion in the bond market and expect to participate in the bond market in 2023 to the extent that we have liquidity requirements. The issuance of R2.2 billion was sourced through two ESG instruments: a sustainability bond focused on the environment and a gender-linked bond focused on gender diversity. Barloworld believes it is critical for our financing strategy to reflect the ESG impact that the group has made.

Within our R15 billion DMTN programme, a total of R5.1 billion is held in bonds. The inaugural R1.1 billion gender-linked bond was launched through a public auction during August 2022. Barloworld also repaid bonds in September 2022, June 2022, May 2022, March 2022, February 2022 and December 2021 to the value of R2.8 billion in line with our capital allocation policy.

Net debt at 30 September 2022 was R4.6 billion down from the R7.6 billion reported at 31 March 2022, mainly as a result of the increase in cash generated in the latter half of 2022.

Nopasika Lila
Group Finance Director



Group facilities

R billion	Sep 2022
Utilised	**14 158**
Unutilised	**9 302**
Total facilities	**23 460**
Unutilised — committed	**8 685**
Unutilised — uncommitted	**618**
Total unutilised facilities	**9 302**

Debt covenants

	Sep 2022
EBITDA:Interest cover > 3.0 times	**7.5 times**
Net debt:EBITDA cover < 3.0 times	**0.6 times**

Operational performance

Industrial Equipment and Services

17 Nov 1927

Caterpillar (CAT) dealership granted

1938 - 1945

reach enlarged to the Western Cape province and additional dealership in the Eastern Cape province

by 1963

Caterpillar accounts for 70% of group's earnings

1994

granted Caterpillar dealerships throughout southern Africa, which included Angola, Malawi, Mozambique and Zambia

Today

we operate in 11 African countries including the DRC's Katanga province

Equipment southern Africa

Ninety-five years ago, on 17 November 1927, Barlows (as Barloworld was then known) was granted the Caterpillar (CAT) dealership in what today are the provinces of KwaZulu-Natal, the Free State and Gauteng. In 1938, we enlarged our reach when we were granted a dealership in the Western Cape province and an additional dealership in the Eastern Cape province in 1945. By 1963 Caterpillar accounted for 70% of our group's earnings. In 1994, Barloworld was granted Caterpillar dealerships throughout southern Africa, which included Angola, Malawi, Mozambique and Zambia.

Today, Equipment southern Africa operates in 11 African countries including the DRC's Katanga province through our Bartrac joint venture, selling, servicing and renting an unmatched range of Caterpillar equipment for surface and underground mining, construction, energy and transportation, which includes engines and power systems.



Our performance against our KPIs in FY2022

Revenue ↑ increased 19.9% to R21.8 billion (FY2021: R18.2 billion)

Operating profit ↑ before the fair value adjustment on financial instruments increased 21.7% to R2.4 billion (FY2021: R1.95 billion)

ROIC ↑ at 22.8% is above the group's threshold of 13% (FY2021: 15.2%)
Free cash flow declined to R1.9 billion (FY2021: R3.0 billion)

Machine sales and rental ↑ There was strong growth in machine sales at 34.4% for 2022.
Equipment rental was up 18.6% compared to the prior year, while parts sales were up 11.5% compared to the prior year.

Parts sales ↑


CAT
Barloworld Equipment
773E
CAT
773 083

Performance

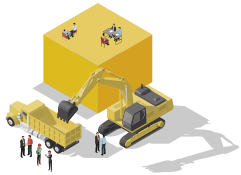
Equipment southern Africa delivered exceptional results despite ongoing global supply chain challenges

Revenue from rental increased 18.6% year on year, while total parts sales increased 11.5% year on year

B**artrac,** our joint venture in the DRC, returned to profitability driven by focused execution of the turnaround plan and increased sales activity

The division's firm order book remains strong at R4.7 billion (FY2021: R3.2 billion)





Mining activities, both in sales and aftersales, improved during the year under review resulting in double-digit growth over the previous year, despite the supply chain challenges experienced globally post Covid-19. The outlook for the mining industry in terms of both greenfield and brownfield projects remains positive on the back of the recovery of commodity prices.

Some of our key customers in South Africa, Botswana, Namibia and Zambia have planned for major maintenance interventions/equipment shutdowns for their key loading mining equipment in 2023. We are working closely with them in planning the shutdowns to ensure these are executed on time and at a high standard to enable continuous mining operations and no loss of production. This activity will further support the growth in aftermarket. Bartrac continues to deliver on its turnaround plan, generating a positive share of profit which has also been boosted by the increase in sales activity driven by the strong copper and cobalt prices.



MAJOR MAINTENANCE INTERVENTIONS/EQUIPMENT IN THEIR KEY LOADING MINING EQUIPMENT

Continuing our BBS journey

As part of our operational and cultural improvements through the Barloworld Business System (BBS), we focused on customer experience. To drive customer experience and business growth through the sale of machines, parts and services, we launched Value Stream Improvements in the following areas: machine sales, sales to users (aftermarket), service profitability, customer experience, Barloworld Reman Centre, energy and transportation as well as the Middelburg region. Various change events were successfully executed, which positively impacted component repair turnaround time, our customer net loyalty score, and improved planning for parts required for future maintenance.

One of the core elements of BBS is managing for daily improvement, and during 2022 we saw a significant increase in the number of issues resolved. These issues were raised and solved by our operational people, not only contributing positively to the bottom line but also improving the way we perform our work. We have received valuable feedback from employees at all levels of our business, which has resulted in improvements in our business processes across all areas of our operations, including optimising our supply chain.

The competency of our Business Excellence team was strengthened by the creation of the capacity to deliver a range of training interventions in-house. During 2022, we had 1 162 Green, 32 Bronze, and six Silver certifications. In addition, six Business Excellence team members have started their Gold certification. We also deployed Leader Standard Work Training and Coaching to 94% of our junior managers and above.

Operating environment

The business successfully navigated a very challenging supply chain environment and delivered record sales driven by customer demand. To meet customer demand, we have increased our coverage through direct channels, such as our Customer Solution Centre. We have also seen an increase in new customers who represent over 50% of our machine unit sales. This segment of new customer sales was boosted by the many diversification initiatives currently taking place in the South African mining and construction sector. Fortunately, we have been able to create a conducive environment to support many of our new customers through our partnership with Cat® Financial.

Localisation remains a strategic focus area in the Greater African countries in which we operate. Our efforts in this space are geared towards ensuring that we develop a local and sustainable supply of the skills, knowledge and experience required for us to create value for all our stakeholders. In line with this, the expatriate community in the six Greater African countries that we operate in has reduced to 8%, which means that 92% of our employees in these countries are members of the local population. In addition, there is more than 80% local representation at the leadership level in most of these countries.

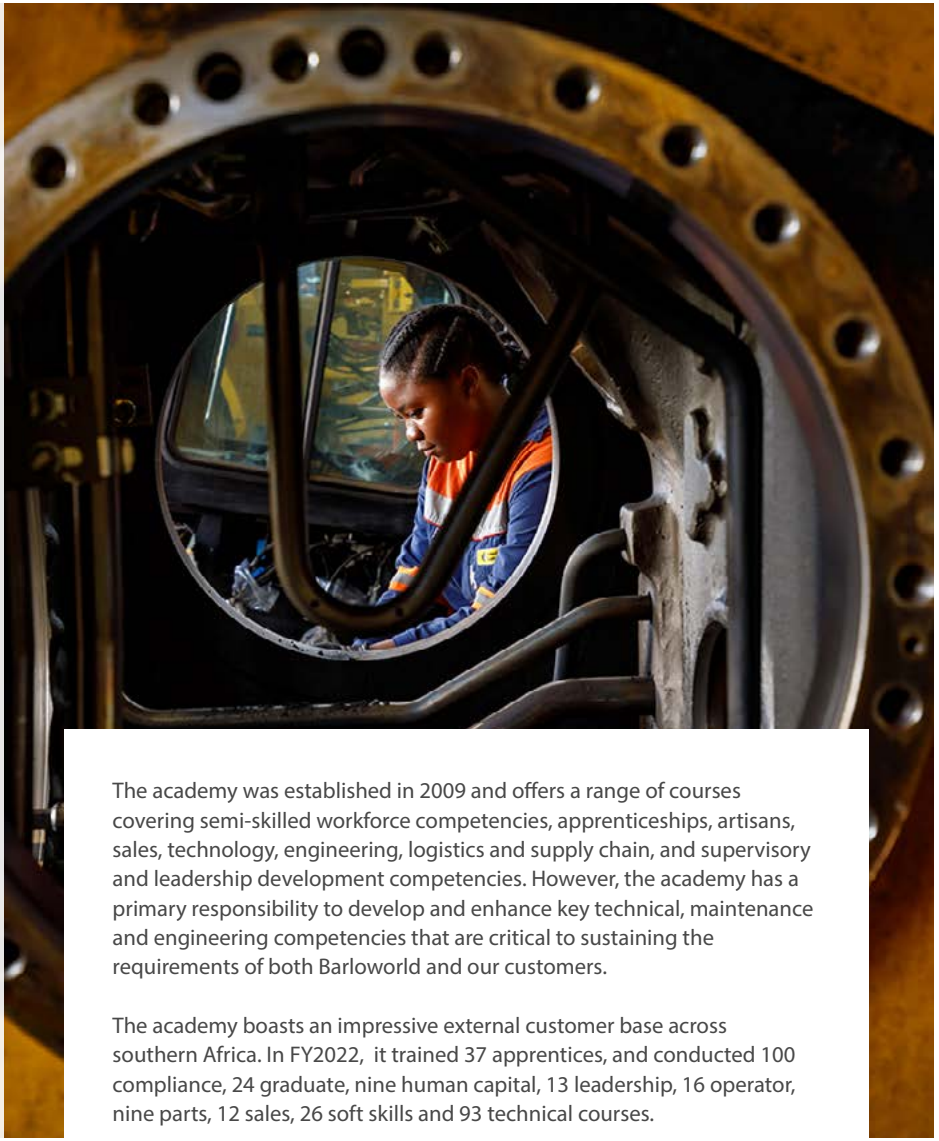
Digital transformation

We are improving efficiencies for both our customers and our business by making use of e-commerce solutions. Through our collaboration with Caterpillar, aimed at better serving and supporting our customers, we have been able to provide our customers with access to the e-commerce platform, Parts.Cat.Com. The number of customers using this platform has increased nearly threefold since the FY2021 year end. Not only is this service more convenient, but it also reduces costs for our customers. Some of our innovative solutions include the integration of our customers' procurement systems into Caterpillar's integrated procurement system. This enables customers to have visibility of available stock and place orders in real time.

Supporting our customers

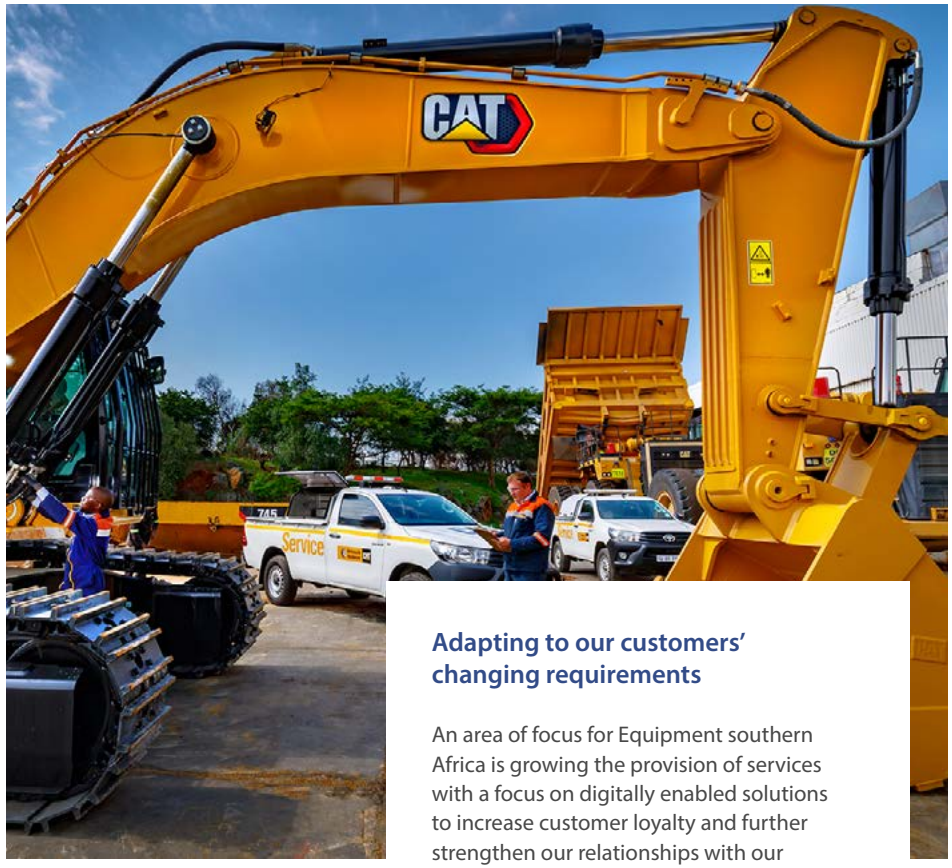
Equipment southern Africa's Peter J Bulterman Learning Academy is a well-established and reputable learning institution that focuses on the delivery of various competencies in the engineering, mining and construction industries through dedicated professional Caterpillar-certified facilitators.

The academy seeks to provide our business and our external customers with skilled people who have the relevant competencies in various engineering, sales, technology and operator fields so that they can perform their functions optimally.



The academy was established in 2009 and offers a range of courses covering semi-skilled workforce competencies, apprenticeships, artisans, sales, technology, engineering, logistics and supply chain, and supervisory and leadership development competencies. However, the academy has a primary responsibility to develop and enhance key technical, maintenance and engineering competencies that are critical to sustaining the requirements of both Barloworld and our customers.

The academy boasts an impressive external customer base across southern Africa. In FY2022, it trained 37 apprentices, and conducted 100 compliance, 24 graduate, nine human capital, 13 leadership, 16 operator, nine parts, 12 sales, 26 soft skills and 93 technical courses.



1 000

A FLEET OF APPROXIMATELY 1 000 MACHINES AVAILABLE FOR RENTAL

Adapting to our customers' changing requirements

An area of focus for Equipment southern Africa is growing the provision of services with a focus on digitally enabled solutions to increase customer loyalty and further strengthen our relationships with our customers. These solutions provide unique insights and customer-focused solutions throughout the lifecycle of Cat® products. Our services include the prompt provision of parts and servicing machines and engines. We also have a fleet of approximately 1 000 machines available for rental, which are popular with contract miners. We provide software and advisory services to customers when required and we have expanded our services to ensure that customers in remote areas can efficiently access technical support on request.

In support of greener energy

Barloworld Power has expanded its energy solutions scope to specifically address the market need for less carbon-intensive energy sources including solar, biogas and natural gas. Barloworld Power has commissioned multiple solar power projects, including a flagship 7MW microgrid solution for a large mining customer in Namibia. The balance of the portfolio comprises several installations of less than 1MW.

The installed base for gas generation is more than 20MW, including a 5MW biogas power plant for an independent power producer that feeds the power onto the national grid in a wheeling arrangement to a major industrial user in Gauteng. The second phase of the same project is in the project development stage and is expected to be completed by June 2024.

Other natural gas installations include a 4MW power plant for a commercial site in Johannesburg, and 5MW and 3MW, respectively, for two industrial customers in Johannesburg.

Towards a circular economy

We have established a rebuild centre to recycle machines as part of our efforts towards a circular economy.

Caterpillar's Reman process facilitates an exchange business where customers trade in a used part for a remanufactured part at a fraction of the price of a new part. We established the Reman Centre for Caterpillar engines and drive train rebuilds in Boksburg, Gauteng, in 2012. The overall performance of the Reman Centre improved in the 2022 financial year; in particular, the delivery of rebuilt components increased 26.4% from 1 239 components in 2021 to 1 566 in 2022.

In support of the group's ESG targets, the BRC used 20 032 man-hours salvaging parts for reuse, thus avoiding the carbon footprint associated with manufacturing and importing these parts.

Outlook

The outlook remains positive for our business in terms of the underlying demand for commodities. While we believe that commodity prices will soften towards the end of 2022, they will remain supportive of mining activities. As a result, we expect investment to continue. In support of this view, our total firm order book was at R4.75 billion (FY2021: R3.22 billion) on 30 September 2022.

To sell our machines and to align with Caterpillar's strategy to double our service offering by 2026, our key focus for FY2023 will be on customer satisfaction, digital transformation and services growth.

2011 We opened the **biggest repair and rebuild centre for CAT** engines and machines in Russia

2013 The centre was **awarded five stars** in the CAT international classification system

2022 Barloworld's Siberian operations were first established **24 years ago**

Operational performance

Industrial Equipment and Services

Equipment Eurasia

In 1992 Barloworld was granted its first Caterpillar dealerships outside Africa. These were a dealership in Spain and a major shareholding in the Portuguese Caterpillar dealership. These dealerships performed well until they were negatively affected by the global financial crisis in 2008. By 2016 they had recovered and were producing a good performance. The sale of both dealerships was concluded in 2017.

1998 was a key year for Barloworld as a Caterpillar dealer, during which Barloworld Siberia was established in Western Siberia and it became the authorised Caterpillar dealer for Western Siberia, headquartered in Novosibirsk. In 2004, Barloworld Siberia's merger with Wagner to form Vostochnaya Technia (VT) doubled our Caterpillar dealership territory in Siberia to 9.9 million square km. In 2010 Barloworld acquired a 100% stake in VT.

In 2015 and 2016 our Russian operations made an important contribution to the group's performance.

In September 2020 Barloworld acquired the Wagner Asia Equipment CAT dealership in Mongolia, which is now known as Equipment Mongolia, which together with VT forms Equipment Eurasia, which sells, services and rents mainly Caterpillar equipment, engines and power systems in Russia and Mongolia. Our markets include mining, construction and forestry with mining dominating our revenue sources in both countries.



Performance

Equipment Eurasia's total revenue remained constant year on year with the Russian business continuing to perform well in the period under review, despite disruptions caused by the Russia-Ukraine war.

Trading in Mongolia over the first nine months of the financial year was negatively impacted by border closures and bottlenecks at Chinese ports due to strict Covid-19 measures implemented by the Chinese government. These measures not only restricted products entering the country for supply to operational mining customers, but also resulted in several mines suspending operations due to the inability to export commodities through the Chinese border. The recent lifting of these restrictions saw products starting to flow through the borders at a more normal rate. This immediately had a positive impact on trading in the region for August and September. Mining activity in Mongolia has also increased as demand for commodities remains strong.

Following a strong start in the first half and despite an improvement by Mongolia, Equipment Eurasia recorded a 12% decrease in revenue in rand terms for the second half versus H1. This was driven by the impact of sanctions imposed due to the war in Ukraine. The weakening rand has positively impacted the conversion of the dollar operating results to the rand by 6.6% on average.

In dollar terms, revenue at USD674 million was 6.1% down with Russia contributing 83% of total revenue. The decrease in dollar terms was mainly driven by reduced revenue in Mongolia while Russia showed a marginal increase.

Although gold continued to be the main contributor to revenue (29.0%), coal remains an important contributor in the Eurasia region and has increased from 24.0% in the prior year to 26.0% in the year under review. Significant contributions to revenue, driven by other commodities like diamonds (7.0%), copper/nickel (9.0%) and construction (12.0%), further supported the results.

The aftermarket contribution mix remained healthy and improved to 47.0% of total revenue for the Eurasia division with both Russia and Mongolia showing improvements. Aftermarket contributed 54.0% to Mongolia's revenue, despite some customer sites being closed for extended periods due to Covid-19. In dollar terms, aftermarket revenue for Eurasia presented a 3.8% growth.

In rand terms, the Equipment Eurasia operating profit from core trading activity at R1 170 million ended marginally higher than the previous year as an 8.3% increase from Russia was offset by a decreased operating profit in Mongolia. In dollar terms, the total Eurasia operating profit from core trading activity was 6.2% lower at USD74 million (FY2021: USD78.9 million). Despite certain cost pressures in Russia, cost remains well controlled throughout both businesses, maintaining a good operating margin of 11.0% for the division which was assisted by an improved aftermarket mix.

EBITDA was USD87.7 million compared to USD96.7 million in 2021, impacted by lower trading activity in Mongolia as well as lower depreciation and amortisation due mainly to the impact of impaired property, plant and equipment in Russia. As a result, EBITDA as a percentage of net revenue reduced to 13% (FY2021: 13.5%).

Our continued and dedicated focus on cash preservation helped the division to end on a positive note for the period generating USD92.1 million with a free cash flow/EBITDA conversion ratio of 105%.

The way forward

Both of Equipment Eurasia's businesses are still relatively young in their development cycles. We anticipate some fluctuation in their aftermarket contribution to total revenue year on year, influenced by the timing of major new greenfield opportunities ahead. The expectation is that this contribution range will fluctuate depending on the revenue cycle.

We expect FY2023 to be an extremely challenging year for our Russian operations, with trading severely restricted as a result of the sanctions in place since the start of the Russia-Ukraine conflict. In addition to ensuring that we are complying with every regulation and sanction, we will also apply our own corporate governance based on the King IV principles.

The sanctions impact our operations in a number of ways. First of all, the range of products we are able to sell in Russia is very limited, with mining machines being the main focus of the sanctions. As these are the products from which we earn the majority of our revenue this will severely limit our ability to earn revenue in FY2023. Then a small percentage of our clients have been sanctioned and we can't do business with them.

We will continue to support the customers we are allowed to support, focusing on aftermarket services, rebuilding machines, providing parts, servicing machines and, where possible, selling product within the law.

Managing costs in Russia will be a key focus for us in FY2023. To reduce our costs and manage working capital requirements, we will need to rationalise our operations and put digital transformation projects on hold. To support our employees and retain talent, we will be relocating people to areas where their skills are needed.

The performance in Mongolia in FY2022, which was achieved despite China's response to Covid-19 resulting in border closures limiting trade between China and Mongolia, bodes well for FY2023. We expect the demand for commodities to continue driving growth in Mongolia, however, we will need to remain agile and able to adapt rapidly to changing economic market influences and any supply chain impact from China's Covid-19 response if we are to continue creating and preserving value in Mongolia.

Our aim will be to preserve the value we have built up in Russia over the past 24 years, however, our target for Russia in FY2023 will be to break even.

1921 The **first concrete stone mill** was installed in our Germiston plant. It produced the industrial starch and cornflour that led to our first sale in mid-1921

1922 Production rate of **100 tonnes per month**

1958 **Belville plant** established as Glucose and Starch Products Limited

1968 Ingrain **acquired** the Maize Products Company

Operational performance

Consumer Industries

Extracting value while establishing a robust platform for the future sustainable growth of our Consumer Industries vertical

Consumer Industries, our newly formed food and ingredients division, enjoyed a year of remarkable growth achieving EBITDA of R974 million (a year-on-year increase of 27%), when comparing the 12 months ended 30 September 2022 and the 11 months ended 30 September 2021 (Barloworld owned Ingrain for 11 months in FY2021). This growth was the result of robust local demand for our products across major sectors, and an increase in export sales, which was achieved despite shipping disruptions affecting our ability to export.

Domestic sales volumes grew by 20.3% compared to the prior year. The confectionery sector showed a strong recovery to the pre-July 2021 unrest level. This was primarily due to Ingrain's competitiveness in the local market.

While global supply chain issues affected the availability of the enzymes and acids we use in our manufacturing process and our ability to import capital goods, our resilience and prudent planning ensured we had a continued supply of these products.

Ingrain's achievement of a pleasing 11.1% return on invested capital (ROIC), one of our key performance indicators (KPIs), was driven by profitability improvements in the year under review.



1997 The Kliprivier mill was commissioned at a cost of R720 million providing a platform for growth

2013 The company invested to support growth in modified starch production launched the Stywax® brand of modified starches

2014 R137 million investment to support growth in the spray-drying industry

2020 Barloworld acquired the company as part of its Consumer Industries and rebranded it Ingrain

Business transformation

Ingrain started on its BBS journey towards the end of FY2021. During the year under review, we focused on driving business improvements and cultural transformation through the BBS. We continued to embed problem solving and invested in improvement programmes across our operations. One of the results of the unwavering focus Ingrain has had on driving growth and continuous improvement through BBS was the unlocking of a month's equivalent of grind capacity at our Kliprivier mill.

During the year under review, we increased our focus on customer centricity through stronger, more effective customer engagement while driving quality and delivery improvements.

The presence of leadership where the work is done and access to leadership are creating an open, transparent environment where people are empowered to solve problems and raise issues directly with management. This has led to more efficient decision-making, stronger collaboration and continuous improvement.

Optimising the business

The work we began in FY2021 on optimising and increasing the availability of our plants has resulted in improved plant reliability.

To enhance our technical capabilities, and in particular mechanical engineering skills, we are investing in skills development.

Through a heightened focus on customer service and timely delivery of quality products to our customers, we have been able to meet our customers' requirements.

We also achieved an improved safety performance this year, details of which are available in the section of this report titled: A value-creating workforce.

End hunger, achieve food security and improved nutrition and promote sustainable agriculture

We have a responsibility as a food grade ingredient manufacturer to ensure that our products are safe and suitable for human consumption. To that end, we have introduced key changes that have increased the capabilities of both the food safety function which oversees compliance and the supporting operations in implementing key improvements business-wide. During the year under review, we implemented additional strict product-handling and recovery procedures to address contamination and quality risks, and new standards and practices were applied across all mills.

Our plants and products are audited regularly, and we have met the requirements of all the independent compliance audits that took place in FY2022, including the Food Safety System Certification (FSSC) and the ISO 22000 food safety management system.

At Barloworld we are acutely aware of our responsibility as a participant in the South African and global food value chain, particularly during this time of increasing food insecurity. We aim to build a sustainable value chain, making a positive impact throughout the process from 'corn to customer'.

Ingrain sources and processes only non-genetically modified organism (GMO) maize and invests in the identity preservation of our feedstock.

Responsible sourcing

We practise responsible sourcing of maize and are actively pursuing opportunities to empower emerging farmers with the aim of making a meaningful contribution to the future sustainability of the South African farming industry. By contributing to the economic empowerment of the previously disadvantaged, we will not only create value for them but also create value for our business by securing access to feedstock, and we will be contributing to food security.





Reducing our impact on climate change

Our plants use a substantial amount of water and various forms of energy in the manufacturing process that produces greenhouse gas emissions (GHGs). We are currently reviewing our use of these scarce resources and our impact on climate change as a result of our emission of GHGs from the burning of fossil fuel and the emission of GHGs during the generation of the electricity we use in our plants. We are also investigating ways to reduce our waste. For more information in this regard see the Purposeful environmental stewardship section of this report.

Outlook

Ingrain is well positioned to grow Barloworld's Consumer Industries vertical. There are currently exciting opportunities for organic growth in Ingrain, both in exports and the local market where demand for our products in end-user applications remains robust.

We are also geared towards unlocking unique value opportunities through partnerships to enable innovation. However, we expect one of the challenges in the year ahead to be high food inflation, as high input costs result in pass-through inflation. Notwithstanding this, the business fundamentals remain robust, providing resilience in volatile economic conditions.

A value-creating approach to sustainability

Our focus:

Achieving excellence in all aspects of ESG and leading through corporate citizenship beyond compliance

Our purpose:

Inspiring a world of difference, enabling growth and progress in society

Our vision:

Creating enduring economic and social value for our stakeholders

Our sustainability commitment:

To be a responsible corporate delivering products, services and solutions that generate sustainable outcomes

A value-creating workforce

Our people are key to Barloworld building businesses that serve our industrial customers and deliver on our ambition. They are skilled, high performers employed in a leading distributor of industrial equipment and services and a leading processor and distributor of food ingredients.

Enabling growth and progress in society

Through our active role in society, we enable growth and progress in the communities in which we operate.

Value creation and preservation

We are creating value, whenever possible, by procuring goods and services from the previously disadvantaged and driving economic sustainability, transformation and growth.

Purposeful environmental stewardship

Barloworld considers good environmental practices to be a prerequisite for value creation and trustworthiness.

To secure our legitimacy and the trust of our stakeholders, who include the communities in which we operate, our employees, customers, shareholders and regulators, it is important that Barloworld employs sound and sustainable business practices, which keep our people safe and healthy, protect the environment and reliable reporting, and ensure we comply with legislation and regulations.



1978 **Published** the Barlow Rand Code of Employment Practice, one of the first in the country

2000 **Employment equity** plans required

2001 **Barloworld implemented HIV/Aids** programmes in all its southern African operations

2001 **Barloworld Code of Ethics** adopted across all operations

A value-creating workforce

Our priorities

Embed the BBS leadership transformation journey

Improve employee engagement

Improve our gender mix and employee representation

Improve employee wellness

The value we create for our people and Barloworld

- Creating employment opportunities
- Rewarding our people for the value they add
- Focusing on transformation, diversity and inclusion
- Contributing to a just transition by offering our people the opportunity to develop skills that will equip them for the new world of work

Breakdown of employees by business units

Barloworld's number of employees in continuing operations was reduced by **7.0%** in FY2022

(FY2021: 9% reduction)

	2022	2021
Industrial Equipment and Services		
Equipment southern Africa	3 172	3 555
Equipment Eurasia	1 567	1 670
Consumer Industries		
Ingrain	904	830
Corporate Centre + UK Corporate	79	83
Other (SMD, DDS, Crownmill)	401	408
Total number of employees in continuing operations	6 123 [LA]	6 546

Quality education

Our investment in our people in FY2022

314 people were enrolled in apprenticeships, internships and learnerships at Barloworld (FY2021: 243)

54 young people were beneficiaries of our Young Talent Programme in South Africa (FY2021: 227)

34 external bursaries were awarded (FY2021: one)

131 internal bursaries were awarded (FY2021: 135)

R26.7 million was invested in training and development at all levels of the organisation (FY2021: R33.6 million)

Governance that protects our people

The UN Global Compact's (UNGC) principles on human rights and labour (i.e. principles 1, 2, 3, 4, 5 and 6) have been incorporated into our policies and procedures

The UN Universal Declaration of Human Rights

International Labour Organization's Declaration on Fundamental Principles and Rights at Work

Our board's social, ethics and transformation committee is responsible for ensuring Barloworld is a responsible corporate citizen. It monitors governance through the application of board-approved policies for safety, health and wellness, ethics, human rights, and human resource development of our employees.

Our policies are available on our website (https://www.barloworld.com/sustainability/policies-and-disclosures/): Barloworld Human Rights Policy, Anti-bribery and Corruption Policy, Group Anti-fraud Management Policy

Turnover rate and absenteeism

Voluntary turnover of employees*

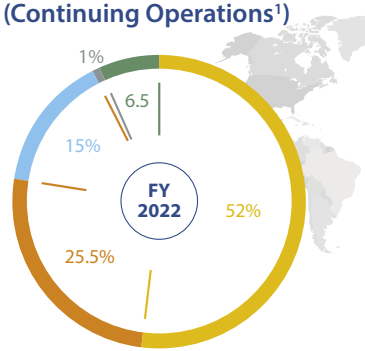
FY2022	6.6%
FY2021	8.3%

Absenteeism rate**

FY2022	1.5%
FY2021	1.7%

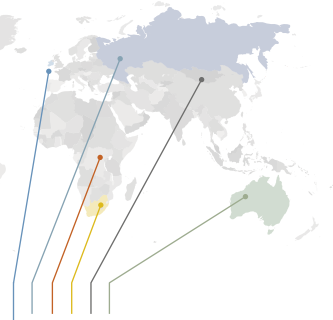
* Resignations are deemed to be voluntary exits.
** Includes absent without permission and sick leave.

Group employee breakdown by division (Continuing Operations[1])



- Equipment southern Africa
- Equipment Eurasia
- Ingrain
- Corporate Centre + UK Corporate
- Other (SMD, DDS, Crownmill)

Geographic breakdown of employees (Group[2])



	%
South Africa	71.1
Greater Africa	10.5
United Kingdom	0.15
Russia	6.42
Mongolia	11.8
Australia	0.03

[1] Continuing operations excludes Avis and Logistics

[2] Including discontinued operations

2002 Barloworld's **100th anniversary** 23 000 trees planted in southern Africa and Australia – one for every employee

2002 The **first annual CEO award** was won by Sguntsu Stemela of PPC Cement

2009 All our SA divisions achieved Level 4 or better in the **DTI B-BBEE scorecard**

2010 **Diversity training** implemented throughout the group

Training and development

Barloworld has identified certain skills that are critical to the achievement of our goal of being leaders in the consumer and industrial equipment and services industries and these are the skills we have invested in developing during the year under review.

One of our bursars will complete a chemical engineering degree in 2022, seven are in their third year of study, three in the second year and one bursar is in the first year of studying agriculture.

The disciplines our bursars are currently studying:

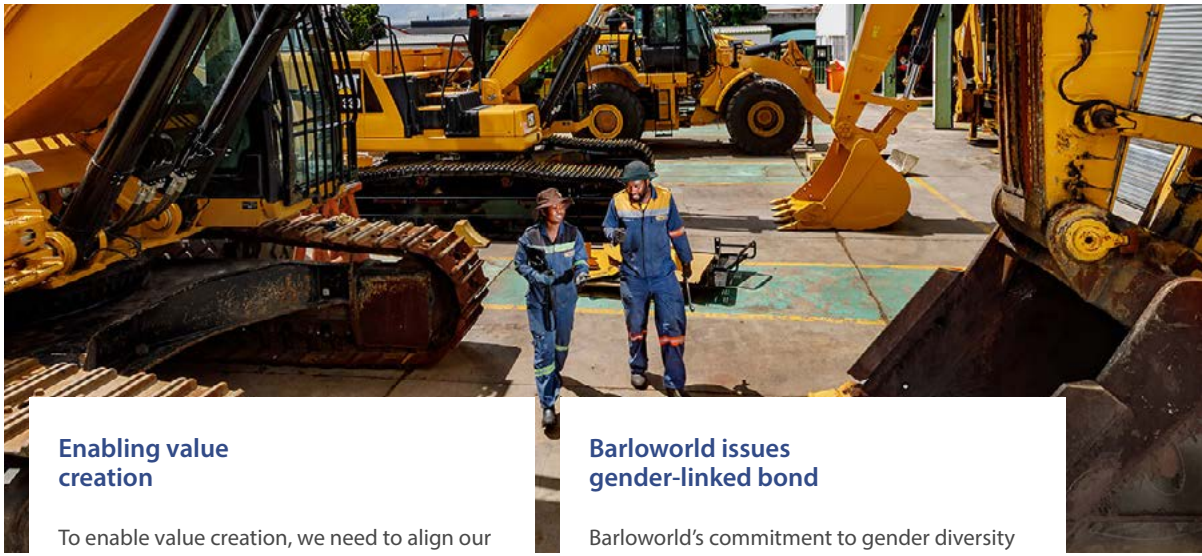
- Agriculture
- Chemical engineering
- Data science
- Electrical
- Finance
- Mechanical engineering
- Mechatronics

Leadership transformation

The One Barloworld Leadership Programme is designed to develop a common leadership language and create a collective leadership community that embraces change, empowers, and inspires confidence and superior performance that exceeds the expectation of our customers. The programme is also designed to breed leadership styles suited to leading in times of crisis and an ever-changing digital, interconnected world.

Through the embedding of the BBS leadership transformation journey, problems are being solved, or decisions are being made at appropriate levels in the organisation.

We have also provided programmes that help our leaders enhance the skills they need to draw on to support the emotional well-being of their teams during challenging and uncertain times. They include a healing programme, leading change, and a growth mindset programme.



Enabling value creation

To enable value creation, we need to align our efforts at every level of Barloworld. To achieve this, we are focusing our efforts on:

- enhancing talent and diversity
- optimising the performance of our employees
- learning, coaching and development to unleash the full potential of our people
- recognising and rewarding winning behaviours and exceptional short and long-term results
- ensuring our remuneration is **fair and responsible** by applying our Fair and Responsible Pay Policy, which was approved by the board in FY2022.

Barloworld issues gender-linked bond

Barloworld's commitment to gender diversity extended to the issuing of a gender-linked bond in FY2022. Our commitment to gender diversity in the workplace from board level all the way through the organisation includes improving our gender mix and fair and responsible rewards and benefits. In society, we foster gender diversity and inclusion through the inclusion of women in our social investments that are intended to help them **achieve sustainability**.

% FEMALE REPRESENTATION IN LEADERSHIP[1]

FY22: 43.28%

(2021: 44.9%)

Discretionary Spend procurement from black women-owned suppliers as a % of total measured discretionary procurement spend[1]

FY22: 16.26%

(2021: 13.8%)

[1] For Assurance Report: https://www.barloworld.com/pdf/investors/debt_instruments/debt_programme/2022/barloworld-gender-linked-annual-reporting-2022.pdf

2013 Barloworld gained **1st place** in Mail & Guardian's assessment of JSE general industrial sector's Top Empowerment Companies

2017 **Khula Sizwe** B-BBEE transaction successfully launched

2020 (April to August) **Covid-19 pandemic national lockdowns** negatively impacted the economy and the ability of businesses to operate, resulting in retrenchments. Most employees worked from home. Sadly, 29 of our employees died as a result of contracting Covid-19

Talent management and succession planning

In response to the Covid-19 challenges, Barloworld, like many other organisations, went through a restructuring process. This process, including the divestiture of the Automotive and Logistics division, had an impact on the organisation's leadership pipeline and bench strength. We also experienced an increase in the number of voluntary exits of key talent. The upside of the restructuring and the voluntary exits has been an opportunity for others to step up into more complex roles or have their current roles enhanced, accelerating their growth.

Some of the deliberate actions we took included:

- Succession planning and development: Ensuring that each scarce and critical role has an emergency successor, a call and challenge from the top for leaders to become scouters of talent, implementing 360 leadership development assessments, among others, to identify strengths and derailers in our leadership pipeline and apply these insights to develop tailored leadership development solutions.
- Wellness: We have also focused on the wellness of all our people, including our leadership, to help them become leaders able to lead the whole person.
- The approach to our talent forum has also changed from an isolated, divisional focus to one where all Barloworld leaders collectively solve for one need: achieving Barloworld's bold ambition by maximising the potential of all our people, regardless of division or deployment. The result has been an increase in our leadership pipeline, talent-readiness levels and mobility across the group.
- Engagement and retention levels continue to improve as a result.

Diversity and inclusion

To maintain the progress we have made regarding diversity and inclusion in South Africa, which includes both gender and racial representation, our focus has been on appointments, promotions, retentions, and meeting and exceeding the targets set in our employment equity plans. Our long-term plan is for our workforce to reflect the same level of diversification as that of the economically active population (EAP) of South Africa. Outside South Africa, our diversity and inclusion strategy focuses on limiting the number of expatriates in our teams and increasing the representation of women at all levels.

Gender equality

Women made up **34.4%** of our total workforce in FY2022

(FY2021: 29.7%),

of whom **13%** were black females in SA

(FY2021: 14%)

82% of our employees in South Africa are black

(FY2021: 80%)

	We have made good progress with the percentage of **black women** in our management team in South Africa:	We have also made good progress with the percentage of **black employees** in South Africa who are members of management:
Top management team	**80%** (FY2021: 81%)	**76%** (FY2021: 69%)
Senior management team	**67%** (FY2021: 76%)	**68%** FY2021: 65%)
Middle management team	**78%** (FY2021: 57%)	**65%** FY2021: 60%)

FY2022 is the first time that Barloworld has reported its employment of **135 differently abled people,** 60 of whom are women and 75 are men. Our top management and senior management teams each include one differently abled person and our middle management team includes 36 differently abled people.

Diversity and inclusion in our senior management team

This measure is required for the sustainability linked funding facility. We measure our workforce profile against the South African Economically active population (EAP) to ensure representation in senior management.

[1] Continuing operations excludes Avis and Logistics
[2] Including discontinued operations

SOUTH AFRICA: FY2022 (Grade 15 to 18)

CONTINUING OPERATIONS[1]:	African females 25.2% [LA]
	African males 28.7% [LA]
GROUP[2]:	African females: 29.11% [LA]
	African males: 28.59% [LA]

Employee wellness

We realised that the wellness of our people is key to organisational wellness and it therefore needs to take centre stage. To address this, we embarked on an exciting journey with our people to understand the various issues impacting their mental, emotional, financial, physical and social wellness. The outcome of this journey is an evolving wellness strategy for our people and by our people – for a sustainable Barloworld.

Some of the effects of our focus on wellness have been:

- an appreciation of the 'whole being' and a heightened understanding and appreciation of our role as an ethical and responsible employer
- a commitment towards building a culture where:
  - transparent discussions around wellness are normalised
  - employees are empowered to own their wellness
  - colleagues and leaders have accepted a call to build a community where everyone is a Barloworld Wellness Ambassador – not only in words, but through action
  - wellness is part of our leadership DNA, and a lived experience for all our people
  - financial investment in initiatives have improved the accessibility of wellness services to our people, and improved their utilisation, reduced waste (on traditional services that had low utilisation) and, most importantly, improved the recovery rates of our people, particularly those with mental wellness challenges.

Towards improved employee engagement

The sentiments to the Barloworld engagement survey

During the year under review, employees in Barloworld Corporate Office, SMD and Barloworld Equipment southern Africa participated in the OneBarloworld Employee Engagement Survey, which gauges employees' responses to factors known to impact engagement and loyalty, namely leadership, culture, talent and human experience.

The response rate to the survey was good and the areas of strength were:

- commitment and willingness to go above and beyond to achieve results while maintaining focus on quality and the customer
- that the majority of employees find their work meaningful and enjoyable and are committed to living the Barloworld values.

Opportunities for improvement included managing the workload, recognition and reward, and a flexible working environment.



Employee benefits and remuneration

Full-time employee benefits include:

- Medical aid
- Life and disability insurance
- Wellness support
- Paid maternity leave
- Fair and responsible remuneration (see details in the Remuneration review)

Safety performance and occupational health

We protect the health and safety of others and ourselves

Workplace safety remains a priority for Barloworld. We strive for **zero harm** in our workplaces and that every employee returns home safely.

Safety governance

Accountability for safety: Ultimate responsibility for safety in the group rests with our board, its subcommittees and every enrolled employee and contractor working at our operations.

Oversight and monitoring: The board's social, ethics and transformation committee is mandated to oversee and monitor safety performance against agreed targets every quarter.

Operational accountability lies with the group executive committee members. Divisional chief executives are accountable for safety performance in their respective operations. Key safety performance indicators and improvement targets are included in leadership performance scorecards and group level targets are tracked monthly by the divisional executive committee. Divisional risk and sustainability committees, chaired by divisional chief executives receive quarterly safety reports.

Our safety key performance indicators (KPIs)

Our material safety KPIs are the:

- number of work-related fatalities (continuing operations FY2022: 0[LA])
- number of lost-time injuries
- lost time injury frequency rate (LTIFR) (Continuing operations FY2022: 0.30[LA])

We have safety reporting protocols in place to ensure consistency and comparability of safety data within the group and alignment with global best practice.

Assurance on the integrity of safety KPIs

Limited assurance has been obtained on the number of work-related fatalities, and the LTIFR using the International Standard on Assurance ISAE 3000.

Our approach to health and safety management

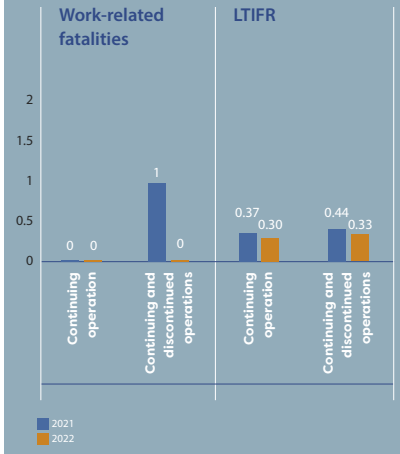
As a minimum, all our operations comply with the health and safety regulations of the country in which they operate. To drive a safety culture Barloworld's health and safety policies, practices and risk management frequently exceed compliance requirements and are informed by global best practice, alignment to leading frameworks and standards and the requirements of our customers and principals.

There are several initiatives under way at our various operations aimed at embedding a safety culture, awareness and accountability. They include the following:

- Employee safety surveys, which assess the safety culture and the understanding of safety requirements among operational employees. These surveys provide information that we use to enhance awareness, policies and practices and embed a safety culture.
- Standard operating protocols define approved work procedures and the equipment to be used to carry out work safely.
- Pre-work safety assessments designed to identify any potential hazards are conducted by employees for specific tasks, including driving a vehicle and, if necessary, remedial action is taken.
- Hazard identification involves proactively identifying, investigating and appropriately addressing hazards in the workplace to reduce the risk to workplace safety.
- Drive/cab cameras and tracking technology is installed in vehicles to monitor unsafe driving. The information these devices provide is used to take action to prevent unsafe driving. This could include driver training.
- Incident investigation includes logging safety incidents, which are then investigated and corrective action is taken to avoid a reoccurrence of the incident.
- Safety pledges are introduced with the aim of empowering employees to stand up for their own safety and that of others in the workplace.

19% reduction in LTIFR of our continuing operations

No work-related fatalities in FY22



The way forward

The safety and well-being of our employees continue to be our priority. One fatality or one injury is one too many and we therefore work to continually improve our safety performance as we strive to achieve our goal of a zero harm workplace. We will continue to employ the tools available in BBS to assist with our progress towards zero harm.

1974 **CS Barlow Foundation** established to develop and accelerate the technical training of black South Africans

1975 The Foundation committed **R700 000** to construct a trade school

1979 **Buchule Tech High School** built by the Foundation, which also contributed to Jabulani High School in St Anthony's Training Centre in Soweto and St Anthony's Training Centre in Boksburg

2002 **Mandela Barloworld Agricultural High School and Modjadji Clinic** funded and constructed by Barloworld

Enabling growth and progress in society

Creating meaningful positive change

The **Barlow Foundation** was founded in 1974 for the purpose of developing and accelerating the technical training of black South Africans. Its first investment was in a trade school, which was followed by investments in a variety of high schools. The Foundation's current education focus is on improving science, technology, engineering and mathematics teaching by training secondary school teachers using non-governmental organisations rather than investing in infrastructure.

The impact of extreme weather conditions during the year under review left many people living in KwaZulu-Natal homeless and unable to earn a living. The Foundation partnered with Habitat for Humanity, which focuses on building strength, stability and self-reliance, to assist those left homeless in KwaZulu-Natal after the floods.

Our **online employee volunteer campaign** was well supported by employees, some of whom had lost their homes to the floods. The funds raised through the campaign provided non-perishable food items for flood victims.

Social impact enablers			Wealth builders	
Mbewu Drives economic sustainability, transformation and growth with the aim of creating greater social impact through our support of social enterprises	**Barloworld Trust** Focusing on: • Education • Food security	**Volunteer hub** Workplace giving • Hands-on volunteerism • Skills-based volunteerism	**Khula Sizwe** A B-BBEE scheme advancing economic transformation through the participation of black people in the mainstream economy	**Siyakhula** An ESD programme focusing on the development of sustainable SMMEs Preferential procurement spend with Siyakhula beneficiaries in FY2022 R147 million (FY2021: R147 million)

Measuring the impact of teacher development

The Programme to Improve Learning Outcomes (PILO), which is partnering with the KwaZulu-Natal Department of Basic Education (DBE) that spearheaded the project, has made steady progress with the roll-out of Jika iMfundo to other provinces. PILO achieves improvements in teaching and learning outcomes across all schools and grades in the province by improving curriculum management practices at school and district levels.

The PILO model provides a system-wide change programme that seeks to provide district officials, teachers and school management teams with the tools and training needed to have professional, supportive conversations about curriculum coverage based on evidence. Problems with curriculum coverage are identified and solved and learning outcomes have improved across the system. It works from Grade 1 to Grade 12, building routines and patterns of support within schools (between the teachers and the school management teams) and between the schools (and the district) that will have a long-term and cumulative impact on learning outcomes.

PILO has become a strategic implementation partner to the DBE, guiding and assisting with the systematic improvement of numeracy and literacy in foundation phase schooling. The programme is being tested in 555 schools in two districts in Mpumalanga at a cost of R20 million per year for three years.

PILO's delivery in FY 2022

School management team (SMT):

- Two sets of training sessions to 120 district training team (DTT) members
- Full roll out of module 2 of SMT training by DTTs to 3 893 SMT members

Circuit management (CM):

- Two modules to strengthen the capacity of CM to engage and support schools on curriculum coverage

District leadership support:

- Delivery of a leadership course on change mastery to all 12 districts (120 attendees) to focus on sustaining and embedding the Jika iMfundo change process

2004 **B-BBEE** transactions completed

2005 **Barloworld Siyakhula** was founded to focus on the transformation of our supply chain and to create opportunities for small business development, supplier diversity and B-BBEE

2009 All SA divisions **achieved Level 4 B-BBEE** scorecard rating

2010 **CSI** focused on education

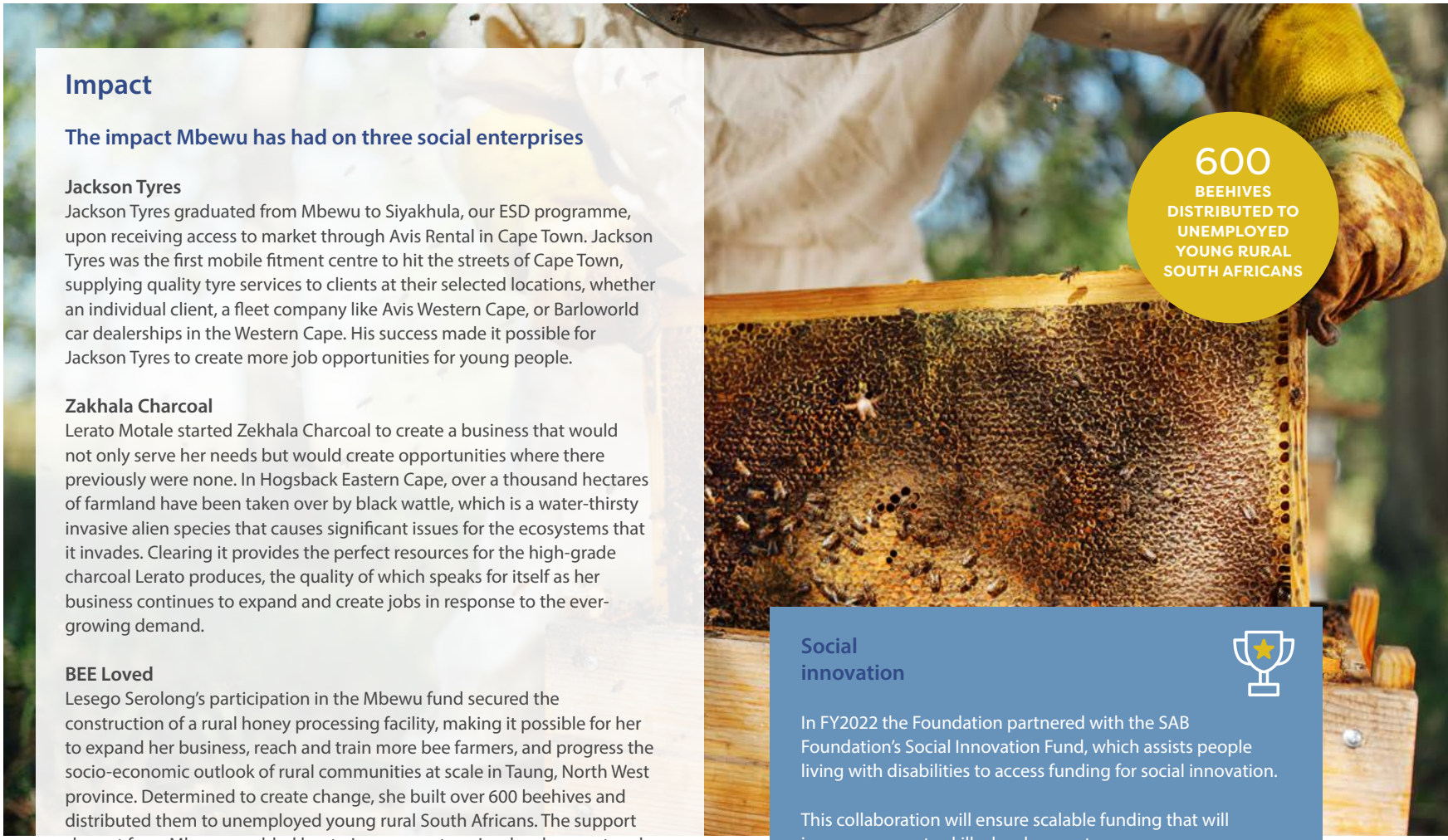
2011 **R48 million committed to ESD** in SA and R64 million invested in CSI between 2005 and 2010

Social impact enablers

Mbewu, which provides financial and non-financial support to social enterprises over a period of three years, provided three social entrepreneurs with access to markets. These enterprises took advantage of this access, which resulted in the upscaling of their businesses, increasing their value and providing employment opportunities for previously unemployed youth.

Providing financial and non-financial support to social enterprises

over 3 years



Impact

The impact Mbewu has had on three social enterprises

Jackson Tyres
Jackson Tyres graduated from Mbewu to Siyakhula, our ESD programme, upon receiving access to market through Avis Rental in Cape Town. Jackson Tyres was the first mobile fitment centre to hit the streets of Cape Town, supplying quality tyre services to clients at their selected locations, whether an individual client, a fleet company like Avis Western Cape, or Barloworld car dealerships in the Western Cape. His success made it possible for Jackson Tyres to create more job opportunities for young people.

Zakhala Charcoal
Lerato Motale started Zekhala Charcoal to create a business that would not only serve her needs but would create opportunities where there previously were none. In Hogsback Eastern Cape, over a thousand hectares of farmland have been taken over by black wattle, which is a water-thirsty invasive alien species that causes significant issues for the ecosystems that it invades. Clearing it provides the perfect resources for the high-grade charcoal Lerato produces, the quality of which speaks for itself as her business continues to expand and create jobs in response to the ever-growing demand.

BEE Loved
Lesego Serolong's participation in the Mbewu fund secured the construction of a rural honey processing facility, making it possible for her to expand her business, reach and train more bee farmers, and progress the socio-economic outlook of rural communities at scale in Taung, North West province. Determined to create change, she built over 600 beehives and distributed them to unemployed young rural South Africans. The support she got from Mbewu enabled her to increase enterprise development and facilitate market access, which makes it possible to integrate young farmers into agricultural value chains and agro-food markets with a direct offtake and profit-sharing agreement.

600 BEEHIVES DISTRIBUTED TO UNEMPLOYED YOUNG RURAL SOUTH AFRICANS

Social innovation

In FY2022 the Foundation partnered with the SAB Foundation's Social Innovation Fund, which assists people living with disabilities to access funding for social innovation.

This collaboration will ensure scalable funding that will increase access to skills development programmes, mentorship and coaching for people living with disabilities.

2014 Barloworld contributed financially to **Nelson Mandela Children's Hospital**, provided an Avis vehicle for the hospital trust and donated a generator for the hospital

2014 Barloworld **started** a supplier diversity development programme

2019 **Khula Sizwe B-BBEE initiative** launched and Barloworld Mbewu, a CSI initiative, launched

2022 Work started on the construction of **410 affordably priced residential units** for rent in 11 apartment blocks on the land that previously housed our head office

Social impact enablers continued

Mbewu recruited 13 social enterprises to its Mbewu programme in 2022. The majority are start-ups operating either in food security and conservation businesses in rural communities as emerging farms, agro-processing and waste recycling. They are currently in the incubation stage of the programme during which we provide much needed enterprise development skills support with an emphasis on how to scale up their businesses.

As we exit the pandemic during which most small enterprises were wiped out, we have incorporated a wellness and psychosocial element into the wellness programme to enable enterprise leaders to be supported through one-on-one wellness coaching.



Impact of Siyakhula

Siyakhula disbursed > 53m in FY2022 to over 50 beneficiaries, supporting 1 400 jobs, and an additional 28 SMMEs who had loans brought forward from previous years. Our total beneficiaries, including those funded in the 2021 financial year, amounted to 87 supporting nearly 2 500 jobs.

Collaboration

Siyakhula collaborated with the Exxaro ESD fund to provide much needed support to a black female and youth-owned business that needed fleet of equipment to fulfil its contractual obligations with its mining customers in Mpumalanga.

Siyakhula SMME Summit

The Siyakhula SMME Summit planned for September 2022, brought our beneficiaries together with our strategic sourcing team to improve access to market opportunities within the Barloworld value chain. Our funding partners and development finance institutions have also been invited to increase awareness of other funding sources and reduce reliance on Barloworld ESD for funding.

Wealth builders

The Siyakhula ESD Programme

Siyakhula focused on process improvement and automation in FY2022 to improve our responsiveness to SMMEs and better align our offerings to their changing needs in the current market and economic environment. A more focused approach was adopted to target SMMEs for development. Financial and non-financial support was tailor-made for emerging miners, with funding provided to companies to support their compliance requirement, including costs, for certification of mineral deposits, and capacity as well as land rehabilitation funds required by the Department of Minerals and Energy.

The result was the adoption of a Siyakhula online portal to manage our ESD programme, with beneficiaries asked to provide quarterly reports on their growth, job creation and sustainability. The data for 2022 will provide a more in-depth view of the progress of the SMMEs and the impact of the programme. Automated reminders to beneficiaries, aligned with their financial quarters based on their financial year ends, will enable continued assessments of real-time data going forward.

Additionally, Siyakhula focused on assisting mining contractors with the acquisition of capital goods, including funding the deposit required by CAT Finance on approved loans and in some cases funding for the entire purchase cost of the equipment.

Siyakhula also focused on supporting emerging technology service providers, especially those whose target is to support SMMEs with process automation and improved technology adoption. With the incorporation of Ingrain Consumer Industries into the Barloworld family, increased focus was placed on supporting emerging farmers, especially those in the grain sector, and partnering with agri specialists to provide technical support and advisory along with direct funding.

Progress was realised through increased efforts to partner with other funders to expand our reach and impact. This includes a collaboration agreement with Absa for the co-funding of SMMEs whose requirements exceed our internal budget.

Future outlook

Siyakhula plans to launch an SMME academy in FY2023, working closely with higher learning institutions to provide support to SMMEs in refining and implementing their business strategies, and to optimise operational efficiency and financial controls and performance.

Building wealth through economic transformation

Khula Sizwe Property Holdings was established in 2019 when it purchased a portfolio of 57 commercial properties from Barloworld valued at R2.9 billion, which was at a 5% discount.

Funding of Khula Sizwe Property Holdings in 2019

Debt:
R199 million interest-free loan from Barloworld

R2.2 billion from external funder

38%
shareholding:
Barloworld Management Trust:
Barloworld contributed
c. R199 million and managers
c. R8 million (5%)

32%
shareholding:
Barloworld employees through Barloworld Employee Trust to which Barloworld contributed R174 million

30%
shareholding:
Black public shareholders contributed R163 million

A 15-year empowerment period with a five-year lock-in period to 30 September 2024 when there is potential to list on a stock exchange

Income from 10-year triple net lease with 8% increase per annum paying operational costs, rates and taxes, paying down debt and increasing the value of shares

Make cities and human settlements inclusive, safe, resilient and sustainable

Providing access to adequate, safe and affordable housing

In the early 1970s Barlows bought the land that was to house its head office, one of the first office park-style developments in the Sandton area, to be known as Barlow Park. In 2018, Barloworld's head office relocated to Sandton and the process began to transform Barlow Park into a mixed-use development that would integrate seamlessly with Sandton and provide affordable rental accommodation.

The Covid-19 pandemic interrupted progress with the project, but it is now getting under way. Construction of the retail component with stores such as Dis-Chem, Checkers, Pep, coffee shops, dry cleaners, etc has started. This will be followed by the first phase of the residential accommodation, which will include 750 units available for rental at rates geared to middle and lower-income tenants. The units will vary in size from 21m² to 80m². In the second phase of the residential accommodation, a further 850 residential units will be constructed. Each building will have its own unique flavour and design.

Barloworld is partnering with a consortium for this project. In addition to contributing the land, Barloworld is also contributing 50% of the equity for the project.

Residents of Barlow Park will have access to sports fields and plenty of green space, including Innisfree Park next door. The project will also be aiming for a five-star green rating for its residential units.







2001 Barloworld **Environmental Code adopted**

2002 **23 000 trees planted** in southern Africa and Australia, one for every employee to commemorate our 100th anniversary

2002 Environmental impact and responsibility management **expanded**

Purposeful environmental stewardship

The precautionary approach we have adopted to environmental management, which is in line with UNGC Principle 7, is based on best practice, legal compliance and maintaining our environmental and social licence to operate. We apply UNGC Principle 8 by undertaking initiatives to promote greater environmental responsibility. This includes mitigating our impact on climate change.

We took the decision this year to include only the past two years in our environmental tables and graphs. Firstly, the Consumer Industries division, the major contributor to our energy consumption, was not yet part of the group in 2020 and therefore data for 2020 does not provide a useful comparison; and secondly, this data represents the performance of our two primary areas of focus, namely Industrial Equipment and Services and Consumer Industries.



Responsibility and accountability

Ultimate responsibility for environmental management and climate change mitigation and adaptation	Board of directors and Group Chief Executive Officer, assisted by the social, ethics and transformation committee
Responsibility for development and implementation of sustainability strategies, policies and plans	Sustainability Manager reporting to the Group Executive: Risk, Ethics and Governance
Operational accountability	Divisional Chief Executives supported by divisional sustainability executives and divisional sustainability champions
Compliance and control	The Sustainability Manager is responsible for driving the implementation of the environmental sustainability framework and environmental policies, standards and procedures throughout the group.



We voluntarily participate in the Carbon Disclosure Project (CDP) for Water Security and Climate Change, which allows Barloworld to measure progress towards environmental stewardship and to benchmark and compare progress against our peers.

CDP DISCLOSURE INSIGHT ACTION

Environmental and climate change governance

The framework and policies that govern our environmental approach and practices include our:

- Environmental sustainability framework, which was approved by our board in FY2022
- Environmental policy
- Energy efficiency policy
- Climate change policy
- Water use and management policy
- Waste management policy

The environmental sustainability framework is an integral part of our approach to doing business in a sustainable manner. It is designed to provide guidance on the management of our environmental matters and impacts. It defines the principles, approach and minimum expectations for the management of Barloworld's impact on the natural environment. Its purpose is to ensure robust governance processes are in place and implemented to manage the associated risks and ensure the requisite levels of assurance are achieved.



Two of the SDGs that are the focus of our commitment to contributing to the achievement of the SDGs are relevant to our approach to natural capital. These are **SDG 12: Responsible consumption and production** and **SDG 13: Climate action**. The relevant SDG to which we make a direct contribution is **SDG 7: Affordable and clean energy**.

Assurance on the integrity of environmental information

Limited assurance from external independent assurers was obtained using the International Standard on Assurance ISAE 3000 (revised) and ISAE 3410 (emissions).

Environmental information that is assured:

- Non-renewable energy by primary source (petrol, diesel, coal, gas, electricity, etc)
- Solar photovoltaic (PV)
- GHG emissions (scope 1 and 2)
- Municipal water withdrawals

Our approach to environmental management

Our approach is based on international best practice, legal compliance and maintaining our environmental and social licence to operate.

We review our environmental impacts, risks and opportunities annually as part of our environmental management and set our environmental objectives for our significant environmental impacts.

We measure and monitor our water usage and efficiencies, energy consumption and efficiencies, and noise levels.

Where required, we submit monitoring results to the authorities in line with legal and regulatory requirements.

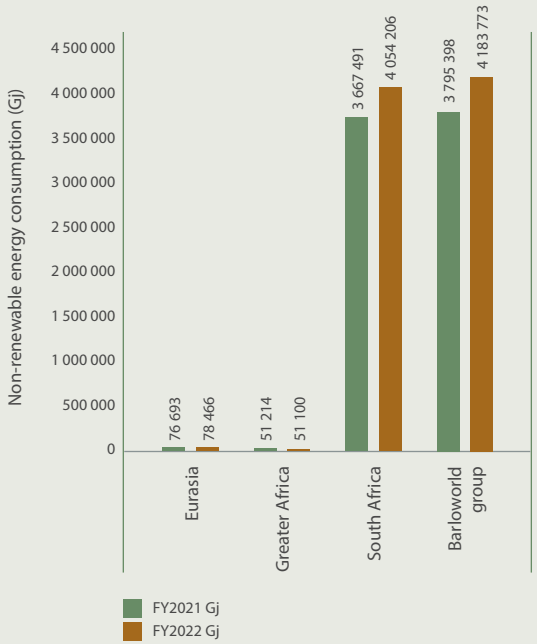
Energy consumption and GHG emissions

Barloworld, which recognises the importance of being energy efficient, was an early signatory of the Energy Efficiency Leadership Network Pledge and we participated in the Private Sector Energy Efficiency initiative. We have also adopted the Measure, Avoid, Reduce, Switch and Offset (MARSO) methodology to manage our emissions.

Energy consumption

During the year under review our non-renewable energy consumption increased by 10% year on year as activity levels normalised against a subdued comparative period impacted by the Covid-19 pandemic. At an intensity level (using revenue as a proxy for activity), non-renewable energy intensity improved by 4% year on year. We continue to install additional solar photovoltaic (pv) capacity and during the year we generated 1 728MWh of renewable energy.

Group non-renewable energy consumption by region (continuing operations)



We were able to achieve a **4% improvement** in our energy intensity and a **3% improvement** in our carbon intensity year on year.

Key changes in consumption of non-renewables in FY2022 in our continuing operations

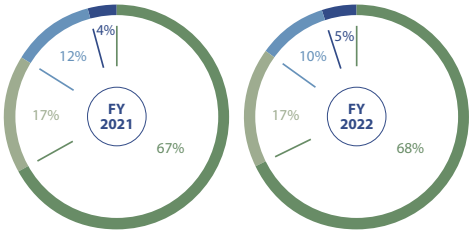
15.7% INCREASE IN THE CONSUMPTION OF ELECTRICITY FROM FOSSIL FUELS

10.6% INCREASE IN THE CONSUMPTION OF DIESEL AND PETROL

Energy efficiency year on year



Breakdown of non-renewable energy consumption by type

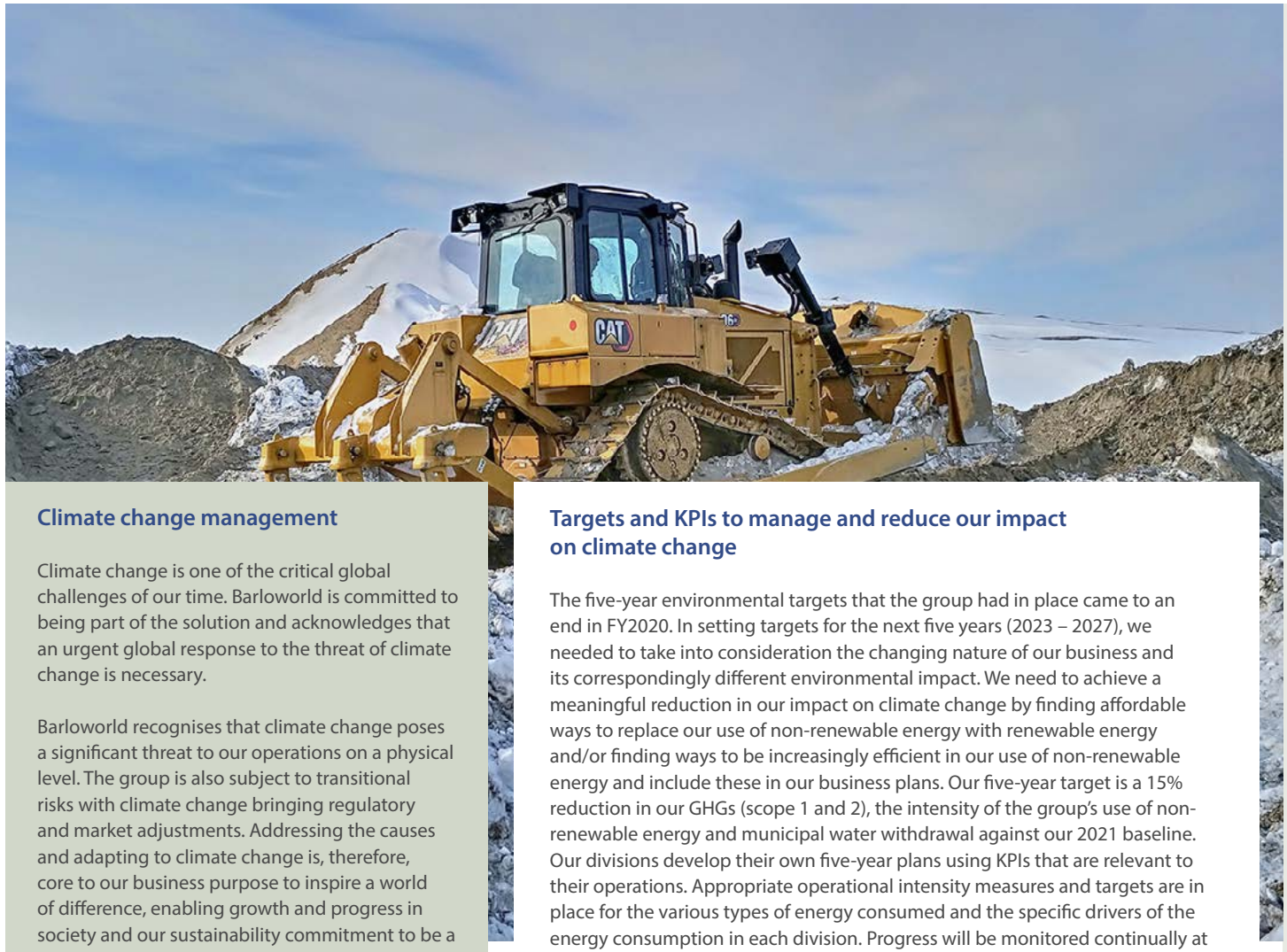


- Boiler coal
- Electricity from fossil fuels
- Sasol gas
- Diesel and petrol

2010 Standards of environmental practice **monitored and improved**

2012 Barloworld named one of the **JSE's 10 best performers** on its Socially Responsible Investment Index and is the only industrial company to be included in the top six of the JSE's Carbon Performance Leadership Index for 2012

2016 **One of only a few SA companies** to become a constituent of the Dow Jones Sustainability Emerging Markets Index and FTSE/JSE Responsible Investment Top 30 Index



Climate change management

Climate change is one of the critical global challenges of our time. Barloworld is committed to being part of the solution and acknowledges that an urgent global response to the threat of climate change is necessary.

Barloworld recognises that climate change poses a significant threat to our operations on a physical level. The group is also subject to transitional risks with climate change bringing regulatory and market adjustments. Addressing the causes and adapting to climate change is, therefore, core to our business purpose to inspire a world of difference, enabling growth and progress in society and our sustainability commitment to be a responsible corporate delivering products, services and solutions that generate sustainable outcomes.

Targets and KPIs to manage and reduce our impact on climate change

The five-year environmental targets that the group had in place came to an end in FY2020. In setting targets for the next five years (2023 – 2027), we needed to take into consideration the changing nature of our business and its correspondingly different environmental impact. We need to achieve a meaningful reduction in our impact on climate change by finding affordable ways to replace our use of non-renewable energy with renewable energy and/or finding ways to be increasingly efficient in our use of non-renewable energy and include these in our business plans. Our five-year target is a 15% reduction in our GHGs (scope 1 and 2), the intensity of the group's use of non-renewable energy and municipal water withdrawal against our 2021 baseline. Our divisions develop their own five-year plans using KPIs that are relevant to their operations. Appropriate operational intensity measures and targets are in place for the various types of energy consumed and the specific drivers of the energy consumption in each division. Progress will be monitored continually at both division and group level to ensure we are making the progress necessary to achieve our 2027 goals.

Carbon emissions

Scope 1 and 2

FY22/FY21 Intensity[1] (Continuing operations): 3% improvement

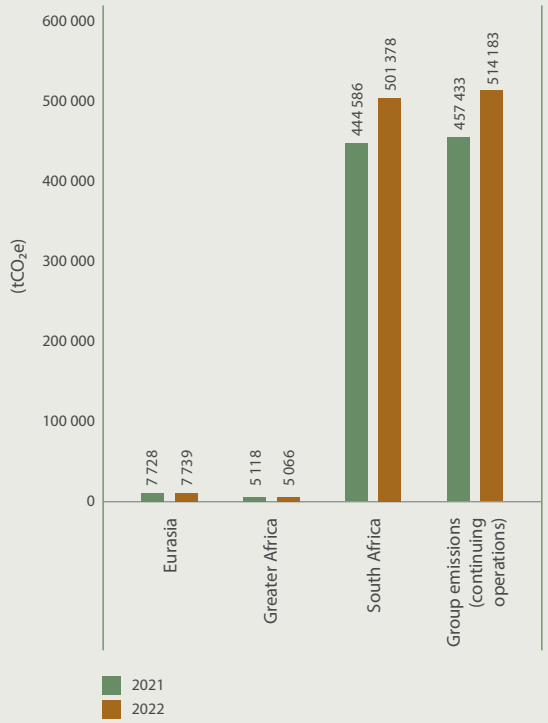


Reducing GHG emissions through the use of renewable energy

During FY 2022 additional solar PV panels with an installed capacity of 308kW (peak) were commissioned for installation at Equipment southern Africa's Middelburg campus. The division plans to conduct feasibility studies regarding the installation of a solar PV plant in one of its Greater Africa regions.

EQUIPMENT SOUTHERN AFRICA INCREASED ITS RENEWABLE ENERGY CONSUMPTION BY 23% FROM 1 396MWh (FY2021) TO 1 723MWh (FY2022)

Scope 1 and 2 emissions by region (Continuing operations)



Scope 1 and 2 emissions

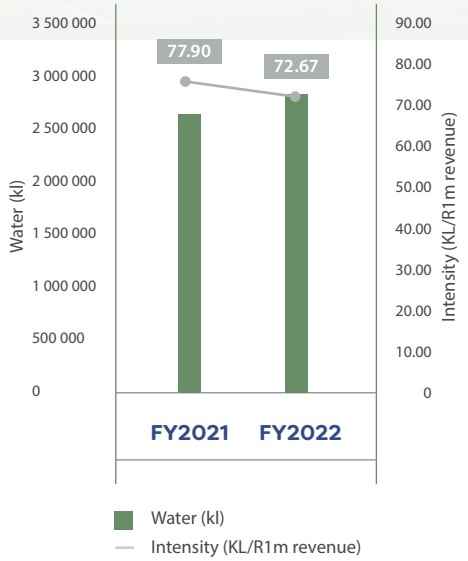
Our scope 1 and 2 GHGs increased by 12% year on year. There was little change in emissions in Eurasia and Greater Africa. The increase in emissions was mainly due to increased productivity in our South African operations.





Municipal water withdrawal (Continuing operations)

FY22/FY21 Intensity: 7% improvement



Municipal water withdrawal

The group's municipal water consumption for its continuing operations increased 8% year on year to 2 861Ml (2021: 2 658 Ml) and Ingrain's consumption increased by 9% year on year. This increase can be attributed to its increase in production.

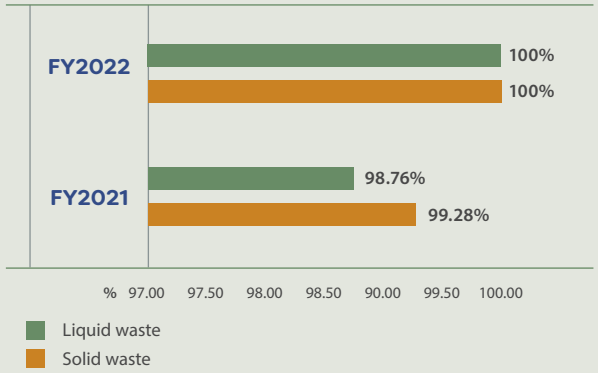
Water reduction initiatives

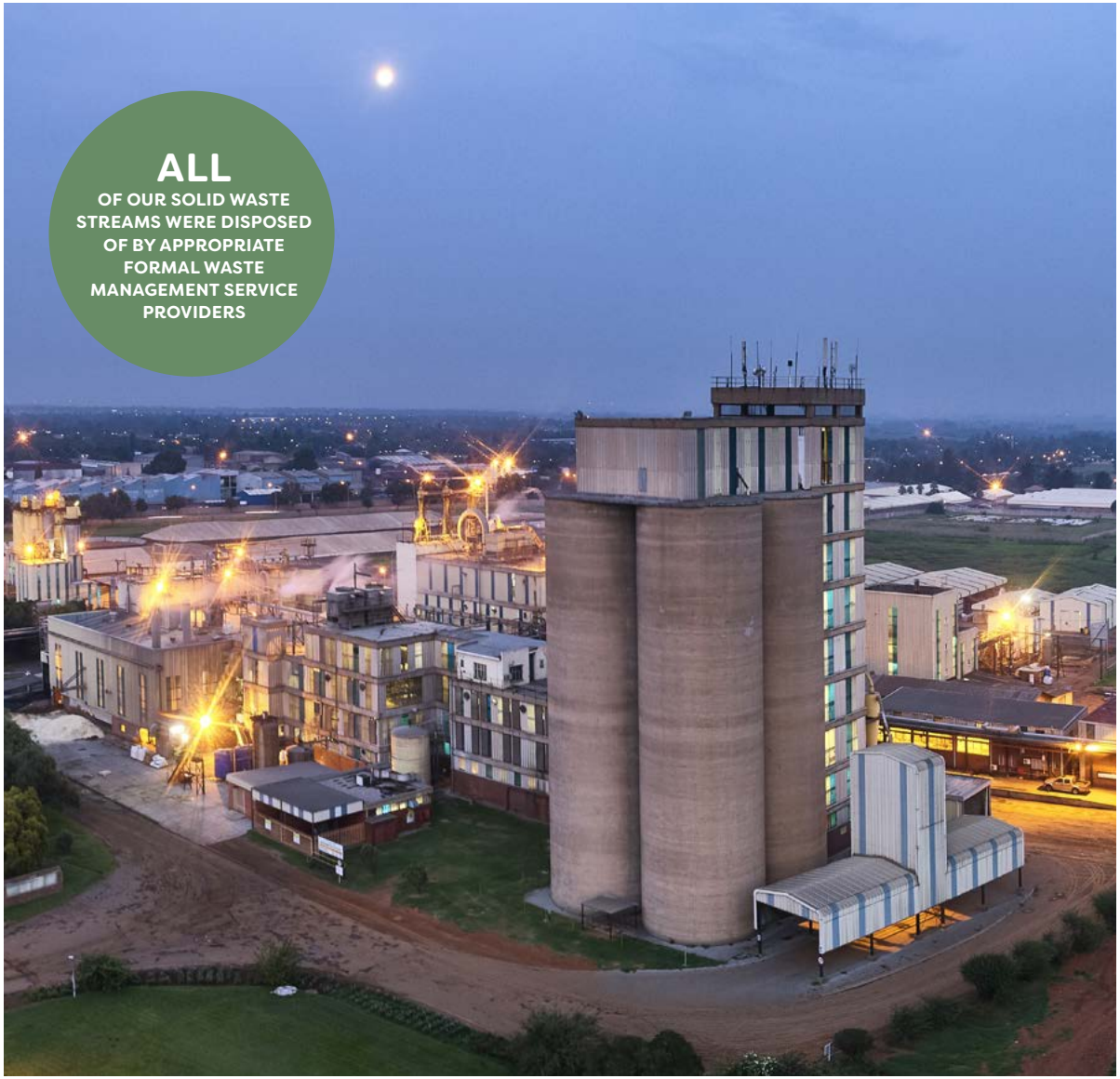
Ingrain, which accounts for 94% of the group's water consumption, is investigating potential water-reduction initiatives. Its manufacturing processes require larger volumes of water than Industrial Equipment and Services requires in its business. Water also forms part of the products that Ingrain produces.

Industrial Equipment and Services' water use is primarily for the washing of parts, plant and equipment. The water it uses is appropriately filtered and discharged back into municipal reticulation systems.

In 2022, Equipment southern Africa implemented several water-saving initiatives in the water-scarce regions where it operates. This included rainwater harvesting, drilling boreholes and registering and licensing the abstraction of water in South Africa.

Waste disposed through formal waste management service providers (%)





Waste management

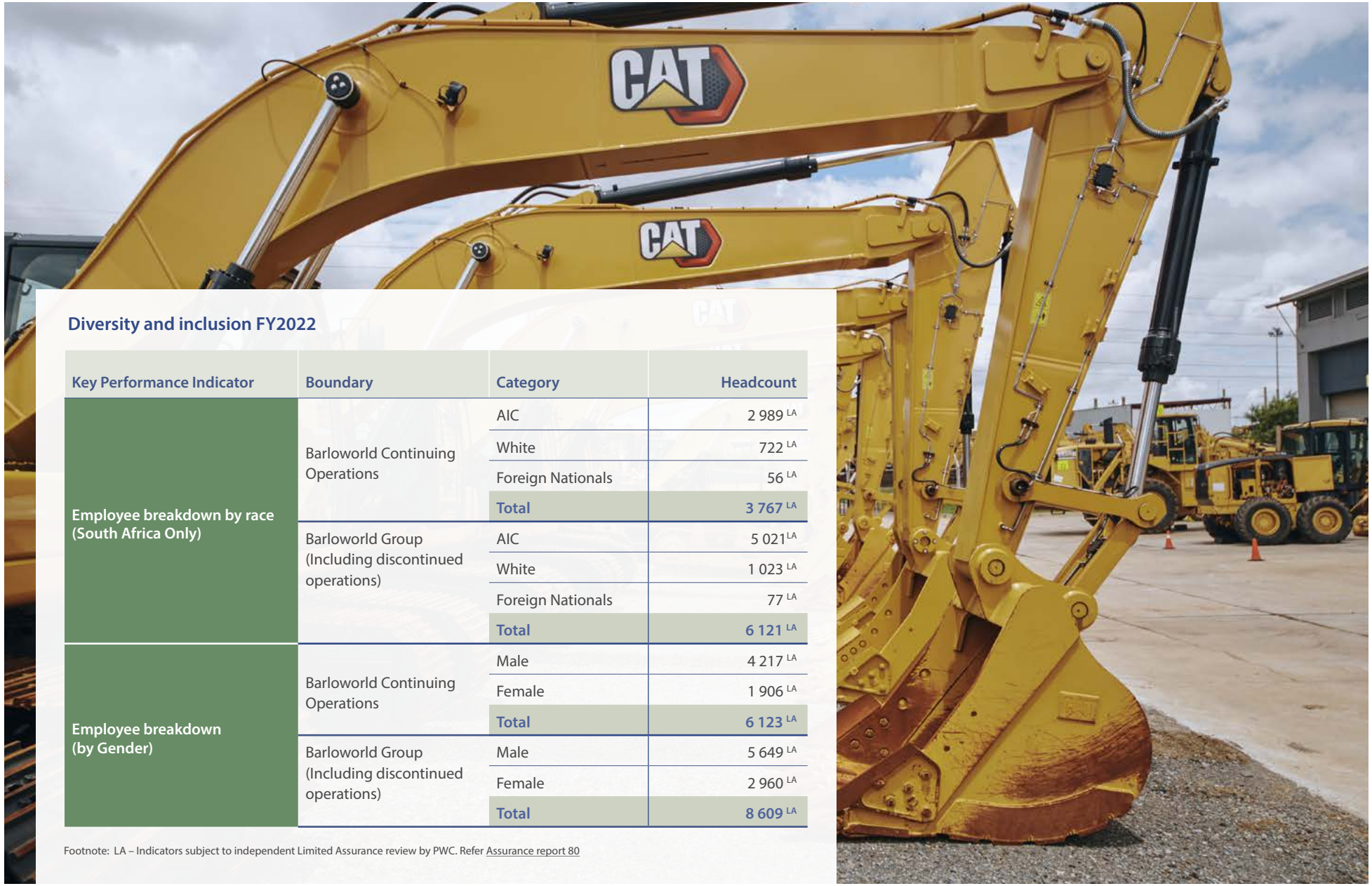
The group strives to improve material usage and reduce waste generation. To the extent that waste cannot be avoided, we dispose of our waste responsibly using appropriately accredited waste management companies and we promote recycling of waste streams. Our waste is monitored by a waste stream and disposal method. Solid waste streams include paper, batteries, oil filters, tyres and electronic waste. Our liquid waste is mainly lubricants and solvents.

100% of our solid and liquid waste streams (99.97%) were disposed of by appropriate formal waste management service providers during FY2022. We have identified areas where we can make improvements to our liquid waste streams.

Salient safety and environmental KPIs

Material safety and environmental indicators	Boundary	FY2022	FY2021	2022/2021 % Δ
Safety				
Number of work-related fatalities	Barloworld Continuing Operations	0 LA	0	-
	Barloworld Group (Including discontinued operations)	0 LA	1	-100%
Lost-time injury frequency rate (LTIFR)	Barloworld Continuing Operations	0.30 LA	0.37	-19%
	Barloworld Group (Including discontinued operations)	0.33 LA	0.44	-25%
Environmental				
Fuel consumption (petrol and diesel) (ML)	Barloworld Continuing Operations	5.11 LA	4.62	11%
	Barloworld Group (Including discontinued operations)	19.65 LA	44.53	-56%
Total Sasol gas (GJ)	Barloworld Continuing Operations	429 666	444 926	-3%
	Barloworld Group (Including discontinued operations)	429 666	444 926	-3%
Total Coal (Tons)	Barloworld Continuing Operations	116 690	104 911	11%
	Barloworld Group (Including discontinued operations)	116 690	104 911	11%
Grid electricity consumption (MWh)	Barloworld Continuing Operations	202 950 LA	175 430	16%
	Barloworld Group (Including discontinued operations)	211 248 LA	187 439	13%
Solar PV Consumption (MWh)	Barloworld Continuing Operations	1 728 LA	1 399	23%
	Barloworld Group (Including discontinued operations)	1 738 LA	1 416	23%
Non-renewable energy (GJ), including consumption by primary energy source	Barloworld Continuing Operations	4 183 773 LA	3 795 398	10%
	Barloworld Group (Including discontinued operations)	4 759 400 LA	5 351 370	-11%
Emissions (tCO_2e) (Scope 1 and 2)	Barloworld Continuing Operations	514 183	457 433	12%
	Barloworld Group (Including discontinued operations)	566 952	594 009	-5%
Emissions (tCO_2e) (Scope 1), including emissions by primary energy source	Barloworld Continuing Operations	308 300 LA	280 479	10%
	Barloworld Group (Including discontinued operations)	352 521 LA	404 647	-13%
Emissions (tCO_2e) (Scope 2)	Barloworld Continuing Operations	205 883 LA	176 954	16%
	Barloworld Group (Including discontinued operations)	214 431 LA	189 362	13%
Water withdrawals (municipal sources) (ML)	Barloworld Continuing Operations	2 861 LA	2 658	8%
	Barloworld Group (Including discontinued operations)	2 983 LA	2 819	6%

Footnote: LA – Indicators subject to independent Limited Assurance review by PWC. Refer Assurance report 80



Diversity and inclusion FY2022

Key Performance Indicator	Boundary	Category	Headcount
Employee breakdown by race (South Africa Only)	Barloworld Continuing Operations	AIC	2 989 LA
		White	722 LA
		Foreign Nationals	56 LA
		Total	**3 767 LA**
	Barloworld Group (Including discontinued operations)	AIC	5 021 LA
		White	1 023 LA
		Foreign Nationals	77 LA
		Total	**6 121 LA**
Employee breakdown (by Gender)	Barloworld Continuing Operations	Male	4 217 LA
		Female	1 906 LA
		Total	**6 123 LA**
	Barloworld Group (Including discontinued operations)	Male	5 649 LA
		Female	2 960 LA
		Total	**8 609 LA**

Footnote: LA – Indicators subject to independent Limited Assurance review by PWC. Refer Assurance report 80

Assurance

Independent Assurance Report

Independent Practitioner's Limited Assurance Report on the Selected Sustainability Information in Barloworld Limited's Integrated Report 2022

To the Directors of Barloworld Limited

We have undertaken a limited assurance engagement in respect of the selected sustainability information, as described below, and presented in the 2022 Integrated Report of Barloworld Limited (the "Company", "Barloworld" or "you") for the year ended 30 September 2022 (the Report). This engagement was conducted by a multidisciplinary team including health, safety, social, environmental and assurance specialists with relevant experience in sustainability reporting.

Subject Matter

We have been engaged to provide a limited assurance conclusion in our report on the following selected sustainability information, marked with "LA" on the relevant pages in the Report. The selected sustainability information described below has been prepared in accordance with the Company's reporting criteria that accompanies the sustainability information on the relevant pages of the Report (the accompanying reporting criteria).

Selected Sustainability Information	Unit of measurement	Boundary	Page
Total number of employees	Number	Barloworld Continuing Operations	Page 63
		Barloworld Group (Including Discontinued Operations)	Page 11
Employee breakdown by race (RSA only) and gender	Number	Barloworld Continuing Operations	Page 79
		Barloworld Group (Including Discontinued Operations)	Page 79
Diversity and Inclusion Targets (Grades 15 to 18)	Percentage (%)	Barloworld Continuing Operations	Page 65
		Barloworld Group (Including Discontinued Operations)	Page 65
Number of work-related fatalities	Number	Barloworld Continuing Operations	Page 78
		Barloworld Group (Including Discontinued Operations)	Page 78
Lost-time injury frequency rate	Rate	Barloworld Continuing Operations	Page 78
		Barloworld Group (Including Discontinued Operations)	Page 78
Fuel consumption – petrol and diesel	Megalitre (ML)	Barloworld Continuing Operations	Page 78
		Barloworld Group (Including Discontinued Operations)	Page 78
Solar PV consumption	Megawatt Hours (MWh)	Barloworld Continuing Operations	Page 78
		Barloworld Group (Including Discontinued Operations)	Page 78
Grid electricity consumption	Megawatt Hours (MWh)	Barloworld Continuing Operations	Page 78
		Barloworld Group (Including Discontinued Operations)	Page 78
Non-renewable energy consumption, including consumption by primary energy source	Gigajoule (GJ)	Barloworld Continuing Operations	Page 78
		Barloworld Group (Including Discontinued Operations)	Page 78
Water withdrawals (municipal sources)	Megalitre (ML)	Barloworld Continuing Operations	Page 78
		Barloworld Group (Including Discontinued Operations)	Page 78
Scope 1 emissions, including emissions by primary energy source	Tonne CO_2 equivalent (tCO_2e)	Barloworld Continuing Operations	Page 78
		Barloworld Group (Including Discontinued Operations)	Page 78
Scope 2 emissions	Tonne CO_2 equivalent (tCO_2e)	Barloworld Continuing Operations	Page 78
		Barloworld Group (Including Discontinued Operations)	Page 78

We refer to this information as the "selected sustainability information".

Your responsibilities

The Directors are responsible for the selection, preparation and presentation of the selected sustainability information in accordance with the criteria set out on Barloworld Limited's corporate website (https://www.barloworld.com/pdf/barloworld-non-financial-reporting-criteria-fy2022.pdf) referred to as "Barloworld Non-Financial Reporting Criteria".

This responsibility includes:

- the identification of stakeholders and stakeholder requirements, material issues, commitments with respect to sustainability performance, and
- the design, implementation and maintenance of internal control relevant to the preparation of the Report that is free from material misstatement, whether due to fraud or error.

The Directors are also responsible for determining the appropriateness of the measurement and Reporting Criteria in view of the intended users of the selected sustainability information and for ensuring that those criteria are publicly available to the Report users.

Inherent limitations

Non-financial performance information is subject to more inherent limitations than financial information, given the characteristics of the subject matter and the methods used for determining, calculating, sampling and estimating such information. The absence of a significant body of established practices on which to draw allows for the selection of different but acceptable measurement techniques which can result in materially different measurements and can impact comparability. Qualitative interpretations of relevance, materiality and the accuracy of data are subject to individual assumptions and judgements. The precision of different measurement techniques may also vary. Furthermore, the nature and methods used to determine such information, as well as the measurement criteria and the precision thereof, may change over time.

In particular, where the information relies on carbon and other emissions conversion factors derived by independent third parties, or internal laboratory results, our assurance work will not include examination of the derivation of those factors and other third party or laboratory information.

Our Independence and Quality Control

We have complied with the independence and other ethical requirements of the Code of Professional Conduct for Registered Auditors, issued by the Independent Regulatory Board for Auditors' (IRBA Code), which is founded on fundamental principles of integrity, objectivity, professional competence and due care, confidentiality and professional behaviour. The IRBA Code is consistent with the corresponding sections of the International Ethics Standards Board for Accountants' International Code of Ethics for Professional Accountants (including International Independence Standards).

The firm applies the International Standard on Quality Control 1, and accordingly maintains a comprehensive system of quality control including documented policies and procedures regarding compliance with ethical requirements, professional standards and applicable legal and regulatory requirements.

Our responsibility

Our responsibility is to express a limited assurance conclusion on the selected sustainability information based on the procedures we have performed and the evidence we have obtained. We conducted our assurance engagement in accordance with the International Standard on Assurance Engagements 3000 (Revised), Assurance Engagements other than Audits or Reviews of Historical Financial Information (ISAE 3000 (Revised)), and, in respect of greenhouse gas emissions, International Standard on Assurance Engagements 3410, Assurance Engagements on Greenhouse Gas Statements (ISAE 3410) issued by the International Auditing and Assurance Standards Board. These Standards require that we plan and perform our engagement to obtain limited assurance about whether the selected sustainability information is free from material misstatement.

A limited assurance engagement undertaken in accordance with ISAE 3000 (Revised), and ISAE 3410, involves assessing the suitability in the circumstances of the Company's use of its Reporting Criteria as the basis of preparation for the selected KPIs, assessing the risks of material misstatement of the selected sustainability information whether due to fraud or error, responding to the assessed risks as necessary in the circumstances, and evaluating the overall presentation of the selected sustainability information. A limited assurance engagement is substantially less in scope than a reasonable assurance engagement in relation to both risk assessment procedures, including an understanding of internal control, and the procedures performed in response to the assessed risks. The procedures we performed were based on our professional judgement and included inquiries, observation of processes followed, inspection of documents, analytical procedures, evaluating the appropriateness of quantification methods and reporting policies, and agreeing or reconciling with underlying records.

Given the circumstances of the engagement, in performing the procedures listed above we:

- interviewed management and senior executives to obtain an understanding of the internal control environment, risk assessment process and information systems relevant to the sustainability reporting process;
- inspected documentation to corroborate the statements of management and senior executives in our interviews;
- tested the processes and systems to generate, collate, aggregate, monitor and report the selected sustainability information;
- performed a controls walkthrough of identified key controls;

- inspected supporting documentation on a sample basis and performed analytical procedures to evaluate the data generation and reporting processes against the reporting criteria;
- evaluated the reasonableness and appropriateness of significant estimates and judgements made by the directors in the preparation of the selected sustainability information; and
- evaluated whether the selected sustainability information presented in the Report is consistent with our overall knowledge and experience of sustainability management and performance at the Company.

The procedures performed in a limited assurance engagement vary in nature and timing, and are less in extent than for a reasonable assurance engagement. As a results the level of assurance obtained in a limited assurance engagement is substantially lower than the assurance that would have been obtained had we performed a reasonable assurance engagement. Accordingly, we do not express a reasonable assurance opinion about whether the Company's selected sustainability information has been prepared, in all material respects, in accordance with the accompanying Company's Reporting Criteria.

Limited Assurance Conclusion

Based on the procedures we have performed and the evidence we have obtained, and subject to the inherent limitations outlined elsewhere in this report, nothing has come to our attention that causes us to believe that the selected sustainability information as set out in the Subject Matter paragraph above for the year ended 30 September 2022 is not prepared, in all material respects, in accordance with the Reporting Criteria.

Other Matters

Our report includes the provision of limited assurance on the Solar PV Consumption and Diversity and Inclusion Targets (Grades 15 to 18). We were previously not required to provide assurance on these selected sustainability information for inclusion in Barloworld's Integrated Report.

The maintenance and integrity of Barloworld Limited's website is the responsibility of Barloworld Limited's directors. Our procedures did not involve consideration of these matters, and accordingly we accept no responsibility for any changes to either the information in the Report or our independent assurance report that may have occurred since the initial date of presentation on Barloworld Limited's website.

Restriction of liability

Our work has been undertaken to enable us to express a limited assurance conclusion on the selected sustainability information to the directors of the Company in accordance with the terms of our engagement, and for no other purpose. We do not accept or assume liability to any party other than the Company, for our work, for this report, or for the conclusion we have reached.



PricewaterhouseCoopers Inc.

Director: Oswald Wentworth
Registered Auditor
Johannesburg, South Africa
15 December 2022



Accountability and shareholder information

Shareholder profile

Public and non-public shareholding of ordinary shares

Shareholder type	Number of holders	% of total shareholders	Number of shares	% of issued capital
Non-public shareholders	**17**	**0.17**	**78 811 625**	**41.44**
- Directors, prescribed officers and associates	8	0.08	344 170	0.18
- Company Related & Subsidiaries	4	0.04	4 164 384	2.19
- Empowerment	1	0.01	6 578 121	3.46
- Share Plan	1	0.01	117 379	0.06
- Employee and educational trusts	1	0.01	33 941	0.02
- Shareholders holding 10% or more	2	0.02	67 573 630	35.53
Public shareholders	**10 187**	**99.83**	**111 391 918**	**58.56**
Total	**10 204**	**100**	**190 203 543**	**100**

Registered shareholder spread

Shareholder type	Number of holders	% of total shareholders	Number of shares	% of issued capital
1 - 1 000 shares	**8210**	**80.46**	**1 675 422**	**0.88**
1 001 - 10 000 shares	1409	13.81	4 656 449	2.45
10 001 - 100 000 shares	428	4.19	14 118 578	7.42
100 001 - 1 000 000 shares	131	1.28	37 168 542	19.54
1 000 001 shares and above	26	0.25	132 584 552	69.71
Total	**10 204**	**100**	**190 203 543**	**100**

Beneficial shareholdings 5% or more

Shareholder Name	Total shareholding	% of issued capital
Zahid Tractor & Heavy Machinery Co. Limited	35 734 624	18.79
Government Employees Pension Fund	31 839 006	16.74
Silchester International Investment Value Equity Trust	14 167 230	7.45
Total	**81 740 860**	**42.98**

Investment managers holding 5% or more

Shareholder Name	Total shareholding	% of issued capital
Silchester International Investors, L.L.P.	33 420 355	17.57
Public Investment Corporation (SOC) Limited	27 520 266	14.47
Total	**60 940 621**	**32.04**

Geographic split of beneficial shareholders

Region	Total Shareholding	% of issued capital
South Africa	77 413 803	40.70
United Kingdom	36 889 829	19.39
United States of America and Canada	30 396 929	15.98
Rest of Europe	6 110 261	3.21
Rest of World	39 392 721	20.71
Total	**190 203 543**	**100**

Breakdown of non-public shareholders

Non-public shareholders	Total shareholding	% of issued capital
Directors, prescribed officers and associates	**344 170**	**0.18**
Katlego Le Masego Trust	305 000	0.16
Lila, N	11 998	0.01
Fubu, T	9 052	0.00
Wierenga, C	7 371	0.00
Menon, N	4 000	0.00
Masemola, MMA	3 177	0.00
Leeka, E	2 072	0.00
Lemmert, GA	1 500	0.00
Company Related & Subsidiaries	**4 164 384**	**2.19**
Barloworld South Africa (Pty) Ltd	3 584 318	1.88
Barloworld Limited	561 756	0.30
Barloworld South Africa (Pty) Ltd	12 529	0.01
Barloworld Investments (Pty) Ltd	5 781	0.00
Empowerment	**6 578 121**	**3.46**
Barloworld Empowerment Foundation	6 578 121	3.46
Share Plan	**117 379**	**0.06**
Barloworld Limited FSP	117 379	0.06
Employee and educational trusts	**33 941**	**0.02**
Barloworld Education Trust	33 941	0.02
Shareholders holding 10% or more	**67 573 630**	**35.5**
Zahid Tractor & Heavy Machinery Co. Limited	35 734 624	18.79
Government Employees Pension Fund	31 839 006	16.74

Breakdown of beneficial holdings

Non-public shareholders	Total shareholding	% of issued capital
BREAKDOWN OF BENEFICIAL HOLDINGS	**30 944 235**	**15.39**
Government Employees Pension Fund - Public Investment Corporation (SOC) Limited	26 342 404	13.85
Government Employees Pension Fund - Coronation Fund Managers Limited	2 290 445	1.20
Government Employees Pension Fund - Mazi Capital (Pty) Ltd	1 849 368	0.97
Government Employees Pension Fund - Aeon Investment Management (Pty) Ltd	1 115 837	0.59
Government Employees Pension Fund - Umthombo Wealth (Pty) Ltd	205 361	0.11
Government Employees Pension Fund - Afena Capital (Pty) Ltd	35 591	0.02

Issued share capital - 30 September 2022 **190 203 543 shares**
Number of shareholders **10 204**

Glossary

AGM	Annual general meeting
B-BBEE	Broad-based black economic empowerment
BBS	Barloworld Business System
CAT	Caterpillar
CDP	Carbon Disclosure Project
CO_2	Carbon dioxide
CSI	Corporate social investment
DDS	Digital Disposal Solutions
DRC	Democratic Republic of Congo
EBITDA	Earnings before interest, taxes, depreciation and amortisation
ERM	Enterprise risk management
ESD	Enterprise and supplier development
ESG	Environmental, social and governance
GHG	Greenhouse gas
Exco	Executive committee
FY	Financial year
GMO	Genetically modified organism
GJ	Gigajoule
GRI	Global Reporting Initiative
HEPS	Headline earnings per share
IFRS	International Financial Reporting Standards
IMF	International Monetary Fund

Glossary

JSE	Johannesburg Stock Exchange
Kℓ	Kilolitre
kW	Kilowatt
kWp	Kilowatt peak
KPIs	Key performance indicators
LA	Limited assurance
LTIFR	Lost time injury frequency rate (number of lost time injuries multiplied by 200 000 divided by total hours worked)
MOI	Memorandum of Incorporation
MW	Megawatt
Mℓ	Megalitre
MWh	Megawatts per hour
PILO	Programme to Improve Learning Outcomes
OEM	Original equipment manufacturer
PV	Photovoltaic
ROIC	Return on invested capital
SETC	Social, ethics and transformation committee
SDGs	Sustainable Development Goals
SMD	Salvage Management and Disposals Proprietary Limited
SMMEs	Small, medium and micro enterprises
tCO_2e	Tonnes of carbon dioxide equivalent
UN	United Nations
VT	Vostochnaya Technia

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")

Registered office and business address
Barloworld Limited
61 Katherine Street , Sandton, 2196
PO Box 782248
Sandton, 2146, South Africa
T +27 11 445 1000
E bawir@barloworld.com

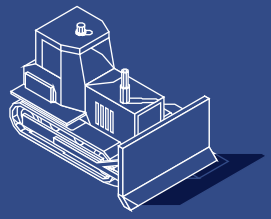
Directors
Non-executive
NN Gwagwa (Chairman), N Chiaranda#, FNO Edozien ^, HH Hickey, MD Lynch-Bell*, NP Mnxasana, NV Mokhesi, HN Molotsi, P Schmid
^Nigeria * UK # Italy
Executive directors
DM Sewela (Group Chief Executive Officer), NV Lila (Group Finance Director)

Group Company Secretary
Nomini Rapoo

Group Investor Relations
Nwabisa Piki

Enquiries
Barloworld Limited
T +27 11 445 1000
E bawir@barloworld.com

Sponsor
Nedbank Corporate and Investment Banking,
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