



Barloworld



Integrated report

For the 12 months ended
30 September 2024

Barloworld continues to deliver on our strategic lever of fixing and optimising our existing business portfolio to ensure we extract our full potential

Introduction

We are delighted to present our integrated report for 2024. This report provides a comprehensive overview of our strategic execution and highlights the significant information we have identified.

It also outlines the sustainability-related risks and opportunities we have encountered. Our reliance on resources and relationships across our value chain and our impact on them contribute to the risks detailed in this report.



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About our report

This report details the activities of Barloworld and its subsidiaries (the group). Barloworld is headquartered in Johannesburg, South Africa and is listed on the Johannesburg Stock Exchange (JSE).

Scope and boundary

This integrated report covers the performance of Barloworld Limited for the financial year ended 30 September 2024 for all geographic regions in which the Barloworld group and its subsidiaries operate. The consolidated data incorporates the company and all entities controlled by Barloworld as if they are a single economic entity. There are no other entities over which the group has significant influence that it believes should be included in the report. Financial and non-financial performance data reflected in this report is for continuing operations only, unless otherwise stated. Any material events up to the board approval date on 6 December 2024 are also included.

Industrial Equipment and Services:

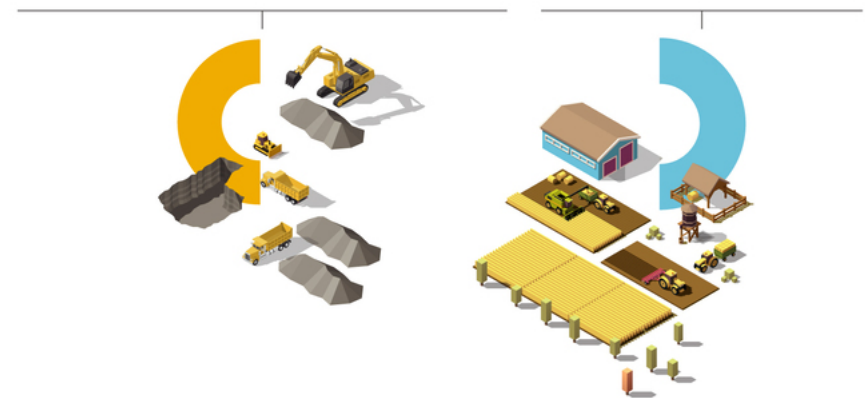
Barloworld Equipment offers earthmoving equipment, industrial services, and power systems:

Equipment southern Africa has operations in Angola, Botswana, Eswatini, Lesotho, Malawi, Mozambique, Namibia, South Africa, Zambia, Zimbabwe, and the Democratic Republic of the Congo's (DRC) Katanga province through a joint venture with Bartrac.

Equipment Eurasia operates in Russia (Siberia) under the Vostochnaya Technica (VT) brand and in Mongolia under the Equipment Mongolia brand.

Consumer Industries:

Ingrain, which has operations in South Africa and a presence in Australia, provides large local and international enterprises with ingredients essential to manufacturing a range of products, including food and beverages, paper, pharmaceuticals, building materials, and adhesives.



Our process

Our procedure commences with the identification of internal and external materiality, which is detailed on page 24. This process is overseen by the board, steered by our executive committee (exco), validated through our combined assurance model, and developed in collaboration with the entire group.

In the drafting phase, the leaders of various departments, along with our exco, review the content and offer feedback to the reporting team, which is then incorporated into the draft that is shared with the audit committee. Members of the audit committee provide their insights to the exco and senior management regarding the draft. A revised version is created and shared with all board members, with additional modifications made based on their feedback.

Reporting frameworks

Our integrated reporting is guided by the:

- principles and requirements of the International Integrated Reporting Framework (2021)
- Global Reporting Initiative's (GRI) standards.

It 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).

The group has adopted the disclosure recommendations of the Task Force on Climate-related Financial Disclosures (TCFD). With the disbanding of the TCFD, Barloworld is assessing the future application of IFRS S1 General Requirements for Disclosure of Sustainability-related Financial Information and IFRS S2 Climate-related Disclosures.

Providing information required by readers of this report

Our reporting aims to deliver insights into our sustainability-related risks and opportunities. This information is crucial for investors and debt providers wanting to make well-informed evaluations of our performance in creating, preserving or eroding value during the reviewed year, and to anticipate our likely performance in the medium to long term. Our reliance on resources and relationships across our value chain, coupled with our impact on these elements, leads to the emergence of the group's sustainability-related risks and opportunities.

Moreover, we share pertinent information with our other primary stakeholders, including our employees, customers, government entities, regulatory bodies, and the broader community.

Approach to materiality

We employ the principle of materiality and the notion of double materiality to evaluate the information to be incorporated in our integrated report. We identify material matters as those that significantly influence the group's capacity to generate, sustain or diminish enterprise value in the short, medium, and long term, as determined through our annual materiality assessment process. Our reporting is grounded on the outcomes of this process. The procedure we adhere to is detailed on page 25.

Ensuring the integrity of our report

We employ a unified assurance model to validate the information we share and the foundational processes that bolster the trustworthiness and integrity of our reporting. The implementation of our assurance plan encompasses assurance derived from management as well as our internal and external assurance providers. Our joint auditors, Ernst & Young Inc. and SNG-Grant Thornton Inc. conducted an audit of our consolidated annual financial statements.

PricewaterhouseCoopers Inc. (PwC) conducted limited assurance on chosen sustainability data (indicated by "LA") in our 2024 integrated report. PwC's limited assurance report can be found on page 88.

The audit committee monitors the execution of our assurance plan and reporting, providing the board with an annual assurance on their execution. The group's internal audit function, overseen by the committee, assesses the group's financial, operating, compliance and risk management controls.

The audit committee has provided feedback on its progress in the integrated report this year. Its information can be found in our annual financial statements on our website at https://barloworld.com/pdf/investors/annual-results/2024/Barloworld_AFS_FY2024.pdf

Reporting element	Assurance providers and assurance functions
Consolidated annual financial statements	Audited by Ernst & Young Inc. and SNG-Grant Thornton Inc.
Selected sustainability information	Limited assurance provided by PricewaterhouseCoopers Inc.
Financial, compliance and risk management controls	Internal audit function and group risk and compliance



We value your feedback to ensure we provide you with the information you require.

Please e-mail your feedback to bawir@barloworld.com

Navigating our 2024 reports

Our [integrated report](#) is our primary report to stakeholders. It aims to provide a balanced, concise view of how Barloworld has applied its resources to create value in the year under review and can be found on our [website](#).



The [annual financial statements](#) provide a comprehensive report on Barloworld's financial performance for the year. It is published on our [website](#).

The [King IV™ application register](#) provides a summary of our application of the principles of [King IV™](#).

Our [remuneration report](#) accounts for the compensation paid to executives, directors and prescribed officers. It is published on our [website](#).

The [social, ethics and transformation committee \(SETC\) report](#) can be found on [page 47](#) of our integrated report.



LA [Limited assurance](#)

Reference to more information on our website

Six capital icons:

- Financial
- Manufactured
- Intellectual
- Human
- Social and relationship
- Natural

[King IV Report on Corporate Governance for South Africa \(King IV™\)](#)

GRI Index

The Barloworld [GRI Index](#), produced as a stand-alone document, provides disclosure on key environmental, social and governance elements that could have a material impact on our business or the external environment if not managed effectively. It can be found on our [website](#).

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 prospects, developments and business strategies. Unless we are required by law to update these statements, we will not necessarily update any of these statements after the date of publication of this report so that they conform to changes in our expectations.

Board approval

The board recognises its responsibility in overseeing the integrity of the group's reporting. The audit committee supervises the creation of this report, scrutinising its content, process and assurance to ensure its integrity. Other board committees also oversee the content related to their respective mandates. The audit committee endorsed the 2024 integrated report for the board's approval.

The board reviewed the 2024 integrated report to ensure the integrity and balance of the information. It further determined whether the report embodies the collective mindset of the board. The board contemplated the material issues included in the integrated report and how the presence or absence of information on the accuracy or validity of a statement in the report could influence stakeholders' decisions.

The board has assured itself of the authenticity of the information used for internal decision-making by management, the board, and its committees, as well as the integrity of the Integrated Report.

The board believes that, to the best of its knowledge and belief, the integrated report addresses matters significant to stakeholder decision-making by elucidating the impact of the group's value-creation process over time.

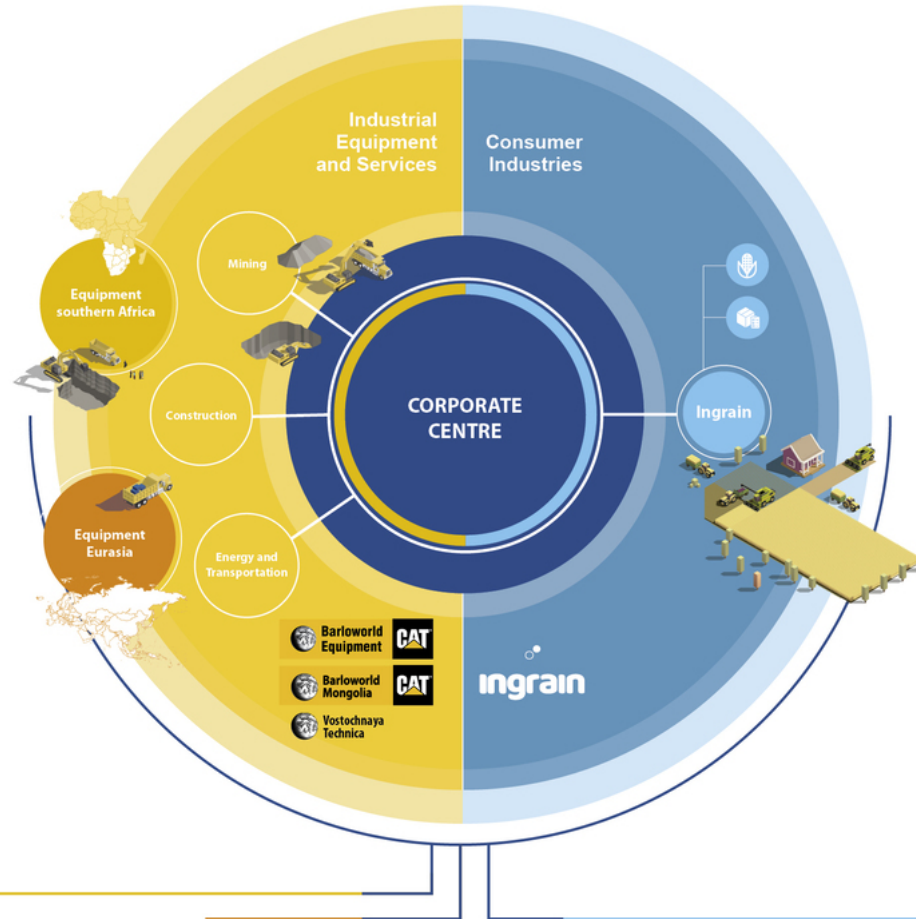
The board approved the report on 6 December 2024.

- Nolulamo Gwagwa** Chair
- Dominic Sewela** Group Chief Executive Officer
- Nopasika Lila** Group Finance Director
- Neo Mokhesi** Lead independent director
- Nicola Chiaranda**
- Nomavuso Mnxasana**
- Hugh Molotsi**
- Vuyisa Nkonyeni**
- Bashirat Odunewu**
- Peter Schmid**

Our business

The Barloworld Group today

Barloworld is an industrial holding company operating mainly in Africa, Mongolia and Russia that focuses on asset-light, cash-generative, diversified businesses serving industrial customers, delivers value-creating returns, and creates enduring economic and social value for our stakeholders.



2024 performance highlights

Equipment southern Africa

ROIC	Remains attractive at 20.7% (2023: 25.5%)	20.7%
Revenue	Declined to R25.7 billion (2023: R29.5 billion)	
EBITDA	Marginal reduction at R3.1 billion (2023: R3.2 billion)	R3.1 bn ↓
Solid profit margins	Improved EBITDA margin 12% (2023: 11%) Improved operating margin from 9.3% (2023: 9.0%)	12% ↑

Equipment Eurasia

ROIC (\$)	52.6% well above the prior year of 33.1%	52.6% ↑
Revenue	Increased by 10.5% to R9.1 billion (2023: R8.2 billion)	10.5% ↑
Operating margin	Operating margin from 17.3% (2023) to 15.4%	15.4% ↓

Ingrain

Revenue	Marginal change at R6.5 billion (2023: R6.6 billion)	-0.7% ↓
EBITDA	Declined to R787 million (2023: R859 million)	-8.2% ↓
Operating profit	Declined to R498 million (2023: R593 million)	-15.8% ↓

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

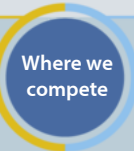
We create enduring economic and social value for our stakeholders by building businesses that serve industrial customers

Ambition

Sustainably double the intrinsic value created every four years
 Deliver top quartile shareholder returns | Drive profitable growth | Instil a high-performance culture

Industrial Equipment and Services:

Offers earthmoving equipment, industrial services and power systems that enable a large array of mining, construction and power solutions for our customers through deep relationships built on trust



Consumer Industries:

Provides large businesses with the ingredients essential to the manufacturing of, among others, food and beverages, paper, pharmaceuticals, building materials and adhesives



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 risks 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.



As we strengthen our position in our chosen verticals, our strategic focus will remain on (see info on page 7):

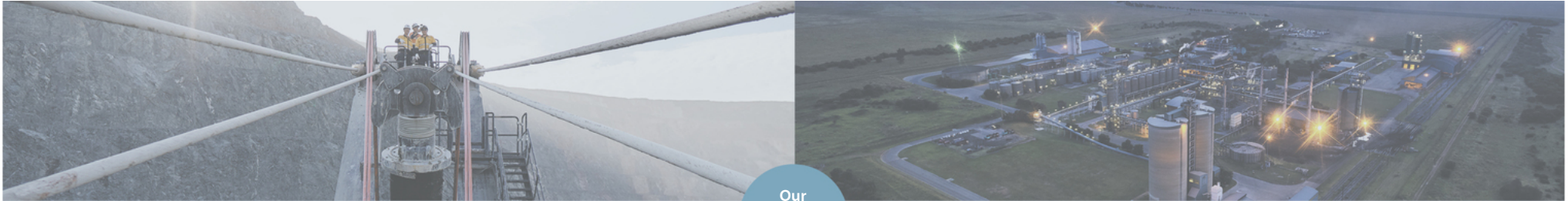
- A** Fix and Optimise
- B** Active Shareholder Operating Model
- C** Organic and inorganic growth

Our strategy

Our strategy, based on a clear ambition and outcome, is to sustainably double the group's intrinsic value every four years, which means that we need to be forward-looking in how we approach our business.

The group has pivoted its portfolio towards defensive, relatively asset-light and cash-generative industrial sectors, based on a business-to-business (B2B) operating model.





Our strategic levers



A

Fix and Optimise

We continued to deliver on our strategic lever of fixing and optimising our existing business portfolio to ensure we extract its full potential.

Our focus will remain on reviewing areas of the business with low operating performance and implementing the various 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 focuses on:

- setting strategy and driving transactions through a centralised mergers and acquisitions (M&A) function
- a centralised management team and the deployment of leadership and talent to the best suited opportunities within the group
- monitoring, measuring and rewarding performance that contributes to the achievement of the group's strategic priorities
- allocating organisational resources to support performance and deliver on strategy, including responsibly allocating these in terms of our overall strategic objectives and by using BBS
- responsible corporate citizenship and ethical and effective leadership that ensure socio-economic and environmental outcomes that meet stakeholder expectations.



C

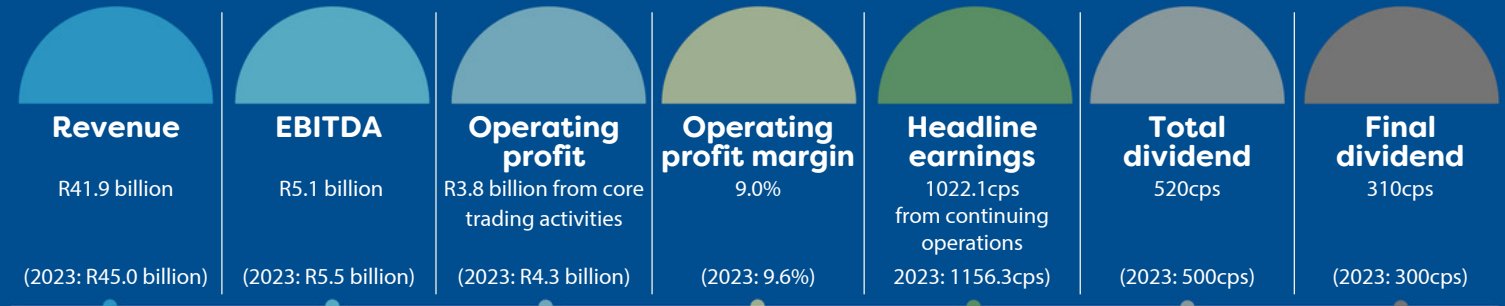
Organic and inorganic growth

As we near the completion of our identified portfolio changes, future growth is being actively considered, in line with our identified strategic growth segments, investment guardrails and capital allocation framework.

Delivering value to our stakeholders

- Services growth**
 Continue to focus on strategic initiatives to grow our services portfolio
- Improve customer experience**
 Create value for our customers through improved machine availability
- Employee engagement**
 Promote holistic wellness and enhance technical skills
- Population growth**
 Deliver solutions to cater to various customer needs across the value chain
- Digital enablement**
 Increase e-commerce penetration and digitise internal processes
- Execution through BBS**
 Driving a culture of execution and continuous improvement

The financial outcomes of our strategy in action



Meeting our sustainability commitments

KPI #1	Inclusion of gender-linked bond: R1.4 billion		Sustainability-linked bond and loan: R2.1 billion	
	2021 Baseline	2024 Target	2021 Baseline	2024 Target
% Female representation in leadership	44.90%	48.70%	Solar photovoltaic (PV) consumption (MWh)	1 398 MWh
2024 Performance	52.54% ^{LA}	Target exceeded	≥1 764 MWh	4 142 MWh ^{LA}
Target	Target exceeded	Target exceeded	Target exceeded	Target exceeded
KPI #2	Discretionary spend procurement from ≥30% black women-owned suppliers as a % of total measured discretionary procurement spend		Lost-time injury frequency rate (LTIFR)	
2021 Baseline	13.80%	2021 Baseline	0.37	
2024 Target	14.70%	2024 Target	≤0.34	
2024 Performance	19.07% ^{LA}	2024 Performance	0.11 ^{LA}	
Target	Target exceeded	Target exceeded	Target exceeded	

^{LA} Denotes Limited Assurance

Our commitment to sustainability and creating enterprise value

Barloworld strives for excellence in every facet of our commitment to intentional environmental stewardship, our proactive societal role, and our governance and leadership approach, which we perceive to be a facilitator for our business. The capital we dedicate to our environmental and social initiatives aids in realising our vision of generating lasting economic and social value for all our stakeholders.

IFRS S1 and S2 will no doubt further assist stakeholders to evaluate organisations’ enterprise value, and Barloworld welcomes the prospect this presents to amplify the value of the information we share on sustainability-related issues going forward.

Barloworld’s 2024 integrated reporting adheres to or is influenced by the prevailing major international reporting frameworks and complies with the relevant legislation, listing requirements, principles, and standards outlined in the introduction to this report.

The sustainability reporting in our Integrated Report is supplemented by the sustainability-related documents accessible on our website, which include:








- GRI content index and responses
- Voluntary Carbon Disclosure Project (CDP) climate change and water security responses
- Environmental, social and governance (ESG) update

We also continue to support the United Nations Sustainable Development Goals (SDGs).

The limited assurance carried out by independent practitioner from PricewaterhouseCoopers Inc. on selected sustainability information bolsters the credibility and integrity of our reporting.

Our key ESG metrics

To assess the impact of our ESG focus, we measure or monitor, where applicable, the metrics set out in the table that follows:

Environment	Sustainability-related risk area	Key performance indicators (KPIs) measured and monitored
  	Climate change	<ul style="list-style-type: none"> • Energy consumption – renewable and non-renewable* • Greenhouse gas (GHG) (scope 1 and 2 emissions) • Carbon emissions efficiency (scope 1 and 2) • Efficiency of non-renewable energy consumption • Efficiency of water withdrawal (municipal and borehole) • Volumes of water withdrawals (municipal and borehole) • Water disposal by destination, including recycling • Responsible disposal of waste • Waste disposal by destination, including recycling
	Products and services	<ul style="list-style-type: none"> • Shifts in consumer behaviour for lower carbon and energy products • Component manufacture and rebuild sales • Energy solutions, including biogas, solar PV, etc
Social	Sustainability-related risk area	KPIs measured and monitored
   	Safety, health and wellness	<ul style="list-style-type: none"> • Number of work-related fatalities • Number of lost-time injuries • Lost-time injury frequency rate (LTIFR) • Response to the wellness support provided
	Skills development	<ul style="list-style-type: none"> • Enrolment in apprenticeships, internships and learnerships • Beneficiaries of our Young Talent Programme • Awarding of external and internal bursaries • Training and development contributing to a just transition throughout the group



Social	Sustainability-related risk area	KPIs measured and monitored
Employees and our communities continued	Transformation	<ul style="list-style-type: none"> Leadership transformation Gender-linked bond Diversity and inclusion in our top, senior and middle management teams in South Africa Diversity and inclusion throughout the group
	Employee engagement	<ul style="list-style-type: none"> One Barloworld Employee Engagement Survey
	Education focus	<ul style="list-style-type: none"> Improving science, technology, engineering and mathematics teaching through the Barloworld Foundation
	Disaster relief	<ul style="list-style-type: none"> Assisting communities severely impacted by extreme weather conditions
	Enabling social impact	<ul style="list-style-type: none"> Impact of providing financial and non-financial support to social enterprises
	Economic transformation	<ul style="list-style-type: none"> Advancing economic transformation through the participation of black people in the mainstream economy (Khula Sizwe) Developing sustainable small and medium enterprises (SMEs) through our enterprise and supplier development (ESD) programme, Siyakhula Preferential procurement from Siyakhula participants



Governance	Sustainability-related risk area	KPIs measured and monitored
 	Effective control	<ul style="list-style-type: none"> Facilitate delegation of authority to the committees and verify that governance policies and processes are applied Promotes independent judgement and protects shareholder interests Promotes diversity and inclusion of diverse skills and experience as well as gender and racial diversity and inclusion at board level
	Ethical culture	<ul style="list-style-type: none"> Takes responsibility for leading ethically and establishing an ethical culture
	Good performance against strategy	<ul style="list-style-type: none"> Supports the achievement of a good performance against our strategic objectives
	Legitimacy	<ul style="list-style-type: none"> Engages with our key stakeholders and takes into consideration their needs, interests and expectations Ensures that the group plays a key role in society as an employer, taxpayer, contributor to transformation and economic growth, and as a responsible corporate citizen
	Risk management	<ul style="list-style-type: none"> The Barloworld board assumes responsibility for the governance of risk in the group

* See targets and KPIs to manage and reduce our impact on climate change for details of divisional performance measures and targets.

The United Nations Sustainable Development Goals

The group endorses the UN SDGs, a set of 17 global objectives formulated by the United Nations to be accomplished by 2030. Barloworld has selected 12 of the SDGs as priorities, based on our perceived potential contribution to them. Our efforts towards these SDGs are discussed throughout this report.

Our main focus

- End poverty in all its forms everywhere (SDG 1)
- Good health and well-being (SDG 3)
- Quality education (SDG 4)
- Gender equality (SDG 5)
- Decent work and economic growth (SDG 8)
- Reduced inequalities (SDG 10)
- Responsible consumption and production (SDG 12)
- Climate action (SDG 13)

Our direct contribution

- Zero hunger (SDG 2)
- Affordable and clean energy (SDG 7)
- Industry, innovation and infrastructure (SDG 9)
- Make cities and human settlements inclusive, safe, resilient and sustainable (SDG 11)



LULU GWAGWA

Chair's report

In 2023, we cautioned against an expected slowdown in business activity, driven not only by the cyclical nature of the Equipment southern Africa business but also by the confluence of factors leading to a constrained macroeconomic environment. The slowdown was more severe than expected due to heightened geopolitical tensions. There is no doubt that 2024 was a challenging year for Barloworld.

Our 2024 results bear testament to the effectiveness of our strategy in traversing these challenges. In line with our stated strategy and pursuant to the exit of non-core assets, the group now comprises two verticals: Industrial Equipment and Services and Consumer Industries. The Barloworld portfolio has been simplified and comprises high margin, relatively asset-light and cash-generative businesses. [The Group CEO's review](#) provides details of Barloworld's performance in the current financial year. Overall, since the adoption of the fix, optimise and grow strategy in 2017, the group has unlocked value to shareholders.

Since 2017 to date, Barloworld has generated a solid total return to shareholders. Over this period, R16.5 billion was returned to shareholders. Return on invested capital has nearly doubled since 2017 through efficient use of capital thus creating value for our shareholders.

^{LA} Denotes [Limited Assurance](#)

Barloworld plays a crucial role in contributing to society.

The [social, ethics and transformation committee report](#) outlines further details with regard to progress on our sustainability commitments.

The group employs 6234^{LA} employees, the majority being employed in the operating businesses; 79% are located across South Africa and Greater Africa, 12% in Russia and 9% in Mongolia.

Women comprise over 50% of our leadership team, and we continue to make progress in improving the diversity across the staff complement within the organisation.

A key objective for us this year has been to establish a psychologically safe atmosphere, enabling management and employees to speak openly without fear of negative consequences or ridicule. This entails weaving a multifaceted quilt using the BBS framework, to create awareness about corporate bullying and to build a conscious leadership culture. I am pleased with the progress made with regard to destigmatising mental wellness and the utilisation of our wellness services, especially by our male colleagues who have historically underutilised the offering.

I am sad to report two^{LA} fatalities of our employees in work-related accidents at Ingrain and VT. I wish to extend the board's sincere condolences to the family, friends and colleagues of these employees.

Our goal is for every Barloworld employee to return home safely to their loved ones.

Safety remains a key priority across all our businesses, including at head office.

We remain vigilant about upholding safety standards, creating a safe working environment, and driving awareness initiatives to sensitise our employees to practise due care.

Barlow Park is a multipurpose development situated on the site of our former head office. The development began in 2017, and January 2024 marked its successful opening.

Barlow Park delivers on our strategy to create enduring economic and social value for our stakeholders by providing an inclusive, safe, resilient and sustainable urban environment for middle and lower income residents of Sandton in Johannesburg.

Environmental stewardship

In 2022, the group set the ambitious target of improving its consumption metrics by 15% against a business-as-usual scenario, using FY2021 as a baseline, to be achieved by FY2027. Progress in 2024 was relatively slower due to operational challenges experienced during the year. Barloworld remains committed to achieving these targets by 2027.

The board is clear that climate change is one of our material issues that affects the sustainability of our operations. Accordingly, the group is reviewing its environmental strategy and framework for beyond 2027.

Governance

The board holds ultimate accountability to the business' stakeholders tasked with delivering ethical leadership and independent oversight. The effectiveness in executing these duties hinges on the board's quality, diversity and dedication. I am pleased to report that our board is well-balanced, ethically grounded, and offers a diverse and independent viewpoint. The board collaborates effectively, fostering rigorous and constructive

discussions to ensure well-considered and comprehensively understood decisions.

The company became aware of a potential breach of US export control regulations where certain of the inventory imported from various parts of Asia appears to have been imported in breach of US export controls. Export controls have been imposed on Russia by the US Bureau of Industry and Security (BIS), requiring licensing on movements of certain US-origin goods into restricted territories. Based on an internal review by management, the company appointed an independent forensic investigator to investigate the existence and extent of these potential violations and to determine the root cause of the lapse in internal controls.

In keeping with our commitment to upholding ethical leadership and transparent governance practices, Barloworld filed an initial notification of voluntary self-disclosure with the BIS. Voluntary self-disclosure is a permitted mechanism that the BIS provides companies who suspect potential transgressions in this regard.

The company has engaged with its key stakeholders regarding this matter, including having advised shareholders through the voluntary announcement that was published on 13 September 2024.

Following the conclusion of the forensic investigation, Barloworld will compile a remediation report, which will include, inter alia, the corrective measures to be taken to remedy the breaches. The remediation report will inform the voluntary disclosure that will be submitted to the BIS by no later than 3 March 2025.

The board upholds the importance of stakeholder engagement and cooperation as a key priority. As part of our regular governance roadshow, the board (represented by myself, the lead independent director and the chair of the remuneration committee) met with our large institutional shareholders.

We engaged on matters including, inter alia, our environmental strategy, remuneration outcomes and policy, growth strategy and capital allocation. These topics are covered in greater detail in various parts of this report as well as in our [remuneration report](#).

Our stakeholder engagement is a continuous process that reaches beyond the board. The Barloworld executive team regularly engages with stakeholders throughout the year. We appreciate these interactions as they offer us valuable insights and an opportunity for continuous improvement. I wish to reiterate our commitment to communicating transparently and openly with our stakeholders in line with the various regulatory regimes that apply to us.

The board continues to identify, monitor and as far as possible mitigate [material risks](#). Refer to [board focus areas](#) for all other matters that received the board's attention.

Outlook

Our macroeconomic outlook is well articulated in the chapter titled, [Our external operating environment](#).

Barloworld has a well-developed capital allocation framework. In conjunction with management, the board follows a rigorous approach to capital deployment for organic and/or inorganic growth while maintaining a conservative capital structure.

This enables the company to declare dividends, as and when appropriate. We acknowledge and commend management's effective actions in strengthening the balance sheet and minimising finance costs, especially under the high interest rate environment of 2024. We believe that the group is well positioned for success when the economic cycle shifts.

We are intent on concluding the forensic investigation and ultimately finalising the regulatory process with the BIS. We will apply remedial actions and the key learnings towards further strengthening our internal control environment, where necessary.

Geopolitics and its impact on the business of Barloworld remains a key item on the board's agenda. So is cybersecurity.

Finally, we look forward to the conclusion of the group's environmental strategy in 2025. The board will continue to leverage both internal and external expertise for guidance on matters where it may require support.

Appreciation

I would like to thank my fellow board members for the valuable contribution they have made.

During 2024, we bid farewell to Hester Hickey who has been on the board since 1 April 2017. On behalf of the board, I wish to thank Hester for her contribution and leadership as chair of the audit committee and wish her well in her new endeavours.

Lulu Gwagwa Chair



Dominic Sewela

Group CEO's review

The year that was

Despite formidable challenges, the group demonstrated remarkable resilience. We navigated the turbulent environments to the best of our abilities, leveraging the levers within our control.

Through focused strategy execution and disciplined capital allocation, we remained steadfast in our vision, mission and sustainability commitment.

We anticipated that **Equipment southern Africa's** results for the 2024 financial year would be adversely impacted by the downturn in the mining industry. Our large industrial customers experienced a mixed performance landscape during the year under review. The industrial sector has been impacted by global economic uncertainties and local challenges, but there have been some positive developments during the latter part of the year. In response to the evolving trading environment, we maintained a strong focus on optimising trade and operating costs in line with current activity levels, while also advancing our strategy to improve our product and service offering.

Equipment Eurasia delivered an exceptionally strong performance, driven primarily by Equipment Mongolia. Unfortunately, the ongoing conflict between Russia and Ukraine has had profound implications for our Russian business, VT. The stringent exchange control regulations imposed as a result of the conflict have severely hampered trade in the region, leading to significant disruptions in our supply chains. These regulatory challenges have impacted our operational efficiency and overall business performance.

We have taken decisive action to restructure our operations at **Ingrain**, implementing a series of strategic initiatives designed to enhance efficiency, streamline processes, and optimise resource allocation. These efforts have involved a thorough evaluation of our organisational structure, the adoption of innovative technologies, and the refinement of our business model to better align with market demands. As a result, we are beginning to see the positive impact of these changes. We believe that this business is now well positioned to benefit from any recovery in the local economy.

Operating and financial performance

Revenue of R41.9 billion was 6.9% below the prior year's R45.0 billion. This was driven by the subdued trading results from Equipment southern Africa (revenue decline of 12.7%) and lower activity from VT (revenue decline of 20.7%) compared to the previous financial year. Ingrain's performance was in line with the prior year's performance.

Operating profit from core trading activities decreased by 12.6% to R3.8 billion.

Group HEPS decreased by 269 cents to 1022 cents in the current year and HEPS from continuing operations decreased by 134 cents to 1022 cents.

The group achieved a return on invested capital (ROIC) of 15.7% compared to 17.7% generated in the prior year, which is above the threshold of 14%.

Capital allocation in support of our long-term strategy

In line with our capital allocation framework and strategy, we invested capital in organic growth opportunities, reduced our gross debt levels and returned capital to shareholders.

The Trustees of the Barloworld UK pension scheme transferred the legacy defined benefit liabilities pertaining to the scheme to insurers, resulting in the liability being removed off our balance sheet.

Our investment in Mongolia, which was concluded in 2021, has surpassed the investment case at acquisition, giving rise to the earn-out provision of US\$10 million, which is discussed further under the divisional performance.

We indicated at the beginning of this financial year that our key focus area would be to normalise our interest bearing obligations including the utilisation of floor plan facilities.

I am pleased to report that we reduced gross debt by 29% and floor plans by 22%. We reduced finance costs by 5% year on year, which is commendable in light of the high interest environment which prevailed in 2024.

The board has approved a final dividend of 310cps, bringing our total dividend to 520cps. This is in line with the group's stated dividend cover of 2.5 to 3.0 times normalised headline earnings.

Enablers of sustainable enterprise value

Barloworld is committed to continuous improvement of environmental performance, efficient use of natural resources, and the preservation thereof. In the pursuit of creating shared value for all our stakeholders, it is important that we employ sound and sustainable business practices that keep our people safe and healthy and protect the environment.

Further details are included in the [social, ethics and transformation committee report](#).

Outlook

As we look ahead into 2025, geopolitical risk has surpassed inflation as the foremost concern affecting our macroeconomic outlook.

The International Monetary Fund projects global growth to remain stable yet lacklustre, with moderation expected from major economies such as the United States, China and India. Additionally, La Niña is anticipated to influence global weather patterns, suggesting continued cyclical and softness in commodity markets.

We anticipate that consumer and business confidence will be significantly bolstered by the anticipated decline in global headline inflation, paving the way for monetary policy easing and creating a more favourable economic environment.

As inflationary pressures subside, we foresee increased spending and investment driving economic growth and stability. This positive shift in sentiment will likely enhance market dynamics, fostering a more optimistic outlook for both consumers and businesses.

Locally, trading conditions are expected to improve, driven by a revival in consumer and business sentiment stemming from the lower interest rate environment, the Government of National Unity, and progress in reforming the electricity and logistics sectors.

We are more optimistic about the future prospects compared to last year, however, we will continue to exercise caution. While we look forward to the opportunities ahead, we will continue to carefully navigate the evolving economic and geopolitical landscapes. Our approach will be marked by prudent decision-making and strategic foresight, ensuring that we capitalise on growth opportunities while mitigating potential risks.

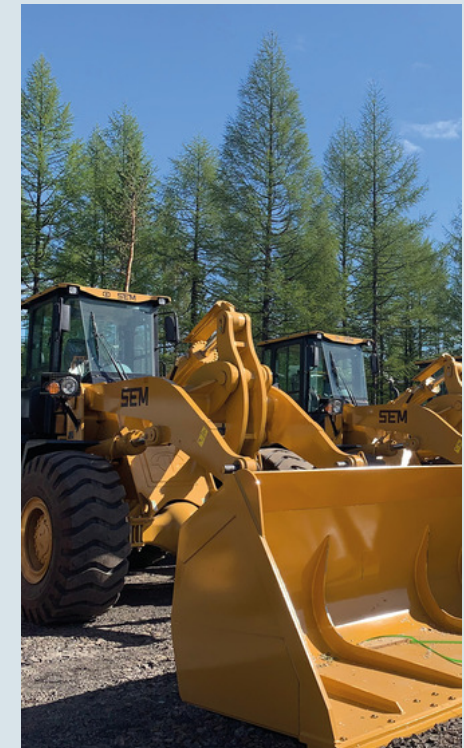
Our businesses have demonstrated proven resilience in navigating the challenging operating environment, guided by our fix, optimise and grow strategy, which continues to be highly relevant.

Appreciation

In closing, 2024 has been a challenging year on all fronts. I wish to extend my heartfelt gratitude to the board for their fortitude and leadership, and to all our staff for their hard work and relentless dedication to the Barloworld group. Your unwavering commitment has been instrumental in navigating these turbulent times.

I also want to express my sincere thanks to our suppliers for their continued support and partnership, to our customers for their loyalty and trust, and to our shareholders for their confidence and patience.

Dominic Sewela
Group Chief Executive Officer



Our business model

Our business model and strategy are designed to ensure we can create value by delivering on our purpose, which directs our decision-making and responsible approach towards creating true socio-economic value.

OUR CAPITALS

-  Financial
-  Manufactured
-  Intellectual
-  Human
-  Social and relationship
-  Natural

INPUTS

- 
 - Funds available to the business, including:
 - > retained earnings
 - > debt
 - > cash generated from operations
 - Strong balance sheet
 - Prudent capital allocation
 - Dividend policy

- 
 - Extensive Industrial Equipment and Services facilities globally:
 - > 92 depots for Equipment southern Africa
 - > 5 facilities for Barloworld Mongolia
 - > 11 facilities for VT
 - Ingrain has:
 - > four wet mills
 - > downstream production plants (finishing channels across South Africa)
 - Barloworld contributes to circularity through component remanufacturing and rebuilding, which reduces the components going to landfill and extends the life of components

- 
 - Our brand reputation
 - Strategy for growth
 - The BBS contribution
 - Robust governance structures
 - Value added for stakeholders
 - Product and service innovation
 - Supplier licences and relationships

- 
 - Training and development
 - 6 234^{LA} employees
 - 83% of our employees in South Africa are black
 - Fair and responsible pay policy in place
 - 224 119 man-hours invested in training
 - Health and safety policies (including OHASA)

- 
 - Target for 2024: achieve a 6% reduction in non-renewable energy consumption, water withdrawal and green house gas emissions (scope 1 and 2) relative to business as usual

- 

^{LA} Denotes Limited Assurance

Industrial Equipment and Services

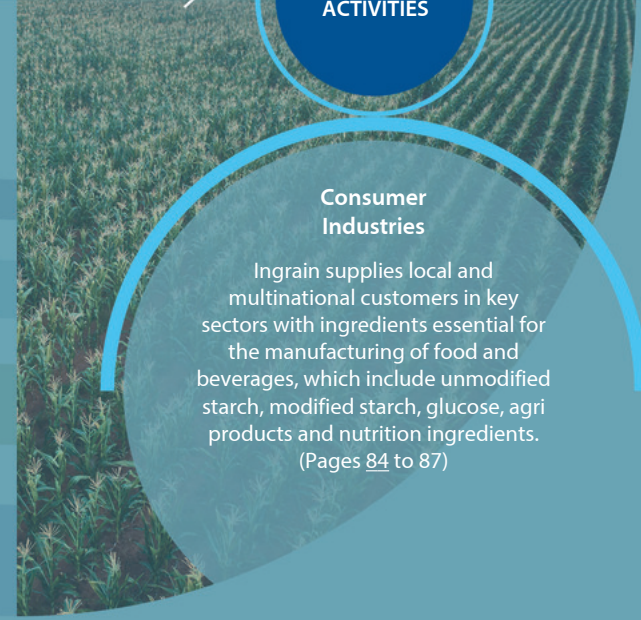
Business-to-business sales, servicing, rebuilding and salvaging of earthmoving equipment, industrial services and power systems that enable a large variety of mining, construction and power solutions for our customers in the mining, construction, energy and transportation sectors. Our activities include providing innovative products to reduce GHG emissions in Africa and Eurasia. (See pages 73 to 84)



BUSINESS ACTIVITIES

Consumer Industries

Ingrain supplies local and multinational customers in key sectors with ingredients essential for the manufacturing of food and beverages, which include unmodified starch, modified starch, glucose, agri products and nutrition ingredients. (Pages 84 to 87)



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- Effective growth strategy execution
- Geopolitical instability
- Fraud and corruption
- Macroeconomic risk
- Regulatory and compliance risk



- Access to essential services
- Declining customer demand
- Increased competition and substitution products
- Regulatory and compliance risks
- Macroeconomic risk



- Effective growth strategic execution
- Cybersecurity
- Technology risk
- Human capital risk
- Reputational risk



- Succession plan
- Employee turnover
- Talent and skills shortage
- Health, wellness and safety risks
- Fraud and corruption risk



- Unemployment
- Lack of affordable housing
- Food security
- Lack of education
- Lack of health services
- Reputational risk
- Stakeholder trust and engagement risk
- Customer relationship risk



- Climate change
- Mitigation
- Adaptation
- Regulatory changes and compliance
- Access to essential services

BUSINESS ACTIVITIES



- Gross debt reduced by 29.0% from R11.1 billion to R7.9 billion
- Free cash flow generated of R662 million (R1.3 billion before payment toward UK pension fund)
- R16.4 billion market capitalisation at year end
- Refer to the annual financial statements



- Revenue R41.9 billion
- Capital investment for the year – R2 585 million
- Depreciation and amortisation – R1 323 million



- Successful execution of strategy
- BBS contributing to effective execution of strategy



- R4.7 billion distributed to employees as remuneration and benefits
- Spent R39.4 million on training and development
- Our progress towards creating a diverse and inclusive workforce
- Use of our new employee assistance programme focusing on holistic wellness increased 141%
- 38% year-on-year reduction in LTIFR



- Siyakhula disbursed R16 million to over 46 beneficiaries, creating 896 jobs in 2024
- 46 social entrepreneurs added to Mbewu's funding and leadership training programme
- Ingrain is working with Women in Farming to develop emerging farmers who will supply it with ±11 000 tonnes of maize per annum

Ratings:

- Maintained our ISS rating of 1 for environmental and social disclosures in 2024
- Maintained our MSCI AA ESG rating

Waste:

- 55 768 tonnes of solid waste and 966KL of liquid waste were generated in 2024
- 81% of our solid waste and 57% of our liquid waste were recycled, reused, remanufactured, composted and beneficiated
- Our waste is disposed of responsibly : 100% of liquid waste and 99.98% of the solid waste

Non-renewable energy consumption, water withdrawal and GHG emissions (scope 1 and 2) relative to BAU:

- Non-renewable energy consumption decreased by 1%
- Water withdrawal reduced by 3%
- GHG emissions flat

The risks affecting the availability of our capitals

The role of the Barloworld Business System (BBS) in creating value

One of Barloworld's core competencies is our ability to leverage systems and best practices across our chosen business segments. The deployment of BBS enhances our capability to deliver value to our stakeholders.

The purpose of BBS is to achieve a leadership style and culture that speaks the same language, facilitates integrated thinking, and is based on respect for people, society and the environment. We aim for continuous improvement so that we deliver the value our customers require.



We are committed to finding new ways to make our customers successful by delivering excellence every day.



Involving the entire organisation in raising and solving problems for the betterment of customers, employees, shareholders and suppliers through inspired and engaged people and teams.

Making our customers successful

Engaged employees

Leadership

Developing leaders to enhance and support transformation through coaching, mentoring and profound learning experiences.

Innovation

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

Digital

We live in a digital world, and we must embrace and embed technology to deliver excellence in everything we do.

Culture

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

Business excellence

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

BBS in action

The effective implementation of BBS across all businesses within the Barloworld group is critical to the execution of our strategic imperatives. We need to ensure that our actions are always underpinned by our core values of Integrity, Excellence, Teamwork, Commitment and Sustainability.

As part of our drive to embed the principles of the BBS across all our regions of operation in 2024, the leadership teams from Barloworld Eurasia visited South Africa on dedicated BBS study tours. In January, we hosted the VT team and in May the Mongolia team concluded their study tour of our South African operations.

At the centre of the study tours was workshoping effective ways to develop and execute BBS cultural transformation deployment action plans at both VT and Mongolia, so that we can ensure that the key pillars of the BBS philosophy – respect for people (including society and the environment) and continuous improvement – underpin everything we do.

VT leadership study tour highlights



Barloworld Mongolia leadership study tour highlights



Equipment southern Africa

During the year under review, the team achieved several skills transfer milestones and improvement initiatives, including the following:

- Over 90% of the brand champions within the organisation have successfully completed lean foundational training (i.e. BBS Green). This is an important step towards an organisation of analytical people, focused on finding solutions for the benefit of our stakeholders.
- This year's skills transfer journey achieved a significant milestone when two of the Business Excellence team members were certified BBS Gold (i.e. LCS 2b).
- Problem-solving initiatives logged this year have increased from 990 to 1 845 (+186%), highlighting the positive trajectory of the lean transformation.



- Our focus on customer partnerships was successfully demonstrated in a 6S (i.e. Sort, Set for Flow, Shine, Safety, Standardise, Sustain) opportunity with Barrick Gold in Zambia. Teams working together organised their parts warehouse to significantly reduce the time to find parts so that machines could be repaired more quickly and ageing stock reduced, thereby saving major finance costs.



Andronicca Masemola (right) presented both Ramatiyane Seepe (far left) and Rudy Phillis with their BBS Gold certificates.



Left to right: George Mwansa (BWE, Parts Manager), Harrison Chilufya (Barrick, Ancillary Supervisor), Emeldah Chisha (BWE, Warehouse Manager), Michael Mutale (Barrick, Coordinator Manager), Mwaba Kunda (BWE, Assistant Parts Manager) and Lawrence Muleng (Barrick, Warehouse Assistant Central Stores).

Ingrain

Ingrain made good progress in its BBS journey during the year. Our focus on problem-solving through respect for people and continuous improvement resulted in tangible benefits across the business including the following:

- Improved operating efficiencies, a 40% improvement year on year and gains in the second half:
 - > A 44% year-on-year improvement in operating efficiencies at the Germiston mill
 - > Higher yields at the Meyerton wetmill through process care and optimised operating conditions, resulting in grind capacity unlock and enhanced quality
- Strengthened lean competency through accreditation of qualified and capable lean leaders, and skills transfer. Ingrain awarded the first certified BBS Gold (i.e. LCS 2b) practitioner.



From left to right: Dominic Sewela (Group CEO) presented Mart-Mari Lesch with her BBS Gold certification, accompanied by Andronicca Masemola (CEO: Equipment southern Africa) and Christopher Wierenga (CEO: Consumer Industries).

- Enhanced flow and safety culture through the deployment of 6S lean methodology across various sites:

Before 6S Implementation



After 6S Implementation



Mechanical engineering workshop at Germiston mill where the 6S methodology was deployed.



Streamlined equipment for disassembly and assembly process and improved workplace organisation leading to reduced equipment mean time to repair.

We are seeing the positive impact of 6S implementation on collaboration, productivity and the safety culture. Our efforts are focused on sustaining these improvements across the business.

Our external operating environment

During the year under review

Persistent inflation, high interest rates, rising geopolitical flashpoints and extreme weather events were the major themes that prevailed on the global macroeconomic front during the 2024 financial year. Pleasingly, the global economy proved its resilience and bucked expectations of a recession despite high interest rates and sticky inflation. While global interest rates remained elevated for the most part of the 2024 financial year, they finally entered the long-awaited cutting cycle, signalling a significant shift in monetary policy for major economies in the third quarter of 2024. Switzerland led the global interest rate easing cycle in March 2024, followed by the European Central Bank and the Bank of Canada cutting their rates in June 2024.

After an extended period of aggressive rate hikes aimed at curbing inflation in the post-Covid period, major central banks are pivoting towards easing financial conditions to support growth and the labour market in the face of moderating inflation and slowing economic activity. This moderation in inflation, particularly in developed markets like the US, has been driven by slowing employment and wage growth, along with stabilised energy prices. This has fuelled expectations that headline inflation may return to long-term targets by 2025.

However, there are persistent inflationary pressures in the services sector. While the rate of inflation in other subcategories has been declining since the end of 2023, this was not the case in respect of the sector due to rising salary and wage costs.

Additionally, geopolitical tensions and lingering supply chain disruptions threaten to derail the disinflationary momentum. In South Africa, where inflationary pressures and economic challenges are more pronounced, interest rate cuts will aim to provide relief amid sluggish growth.

Our mining customers' fortunes are inextricably linked with global macroeconomic circumstances, especially those of the US and China, the economies of both being constrained in 2024. China's economic growth ambitions are undermined by the risk of high local debt levels, the protracted housing market downturn and the slowdown in consumer demand. This, coupled with overall lower global economic growth rates and changing consumption patterns, has dampened demand for several commodities including coal, iron ore, zinc and PGMs, with the latter being the most significantly affected. On the other hand, gold, as a safe haven resource, benefited from market uncertainty, whereas copper prices were buoyed by supply-side constraints despite fluctuations in demand.

The period from June 2023 to July 2024 is reported to have been the hottest 13 consecutive months on record – impacting energy costs as well as crop yields. The El Niño weather pattern has now made way for La Niña conditions in the coming months, which are characterised by unusually cold ocean temperatures in the Equatorial Pacific. La Niña is expected to result in cool and wet conditions in southern Africa in the summer months, favouring local maize production should these conditions be realised.

In 2024, the Israel-Palestine conflict entered its first year, and the Russia-Ukraine conflict its second. This has been exacerbated by rising geopolitical flashpoints in the rest of the world, adding further pressure to an already delicate global supply chain network and resulting in significant delays in product delivery as well as contributing towards the rise of global transportation [shipping] costs.

This year has also been the ultimate election year, with the European Union and 64 countries across the globe hosting national elections, including South Africa of course. In the face of rising geopolitical and national polarisation, the 2024 elections have the potential to be the most consequential in recent history.

The International Monetary Fund projects global economic growth will end at 3.2% for 2024. Developed economies are anticipated to grow by 1.7% by the close of 2024, while emerging markets and developing economies are expected to stabilise at 4.2%. Global monetary policy easing is now in full swing, with most developed nations' central banks cutting their interest rates in the latter part of 2024.

adverse weather patterns impacted energy costs and crop yields



The year ahead

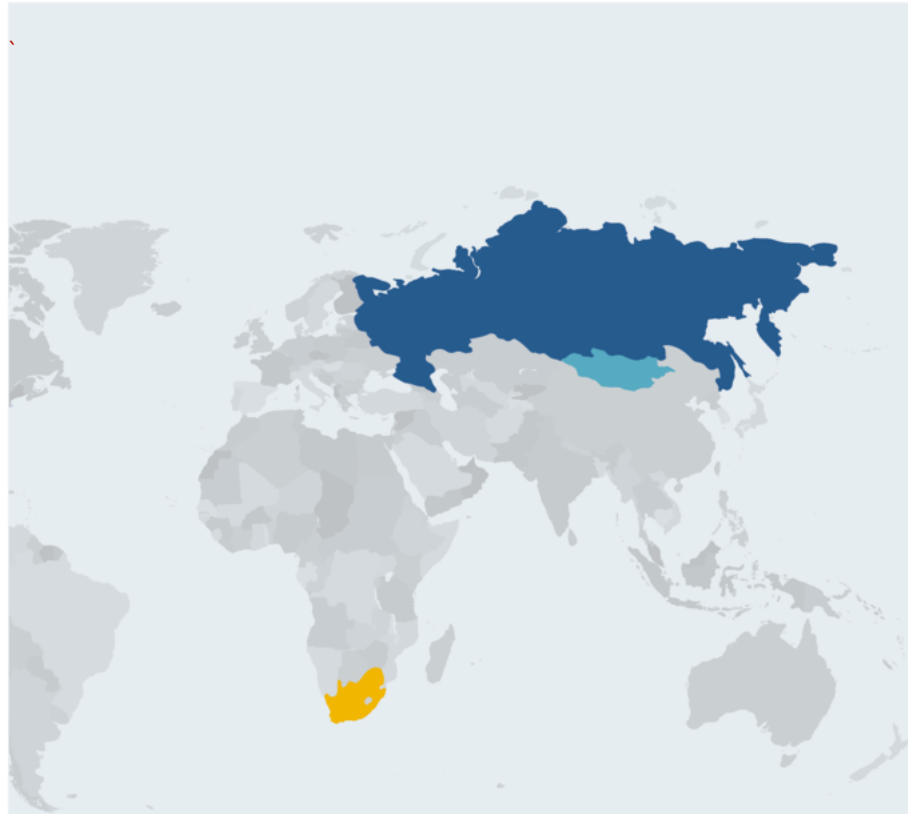
As we look ahead into 2025, geopolitical risk has overtaken inflation as the primary risk factor. The outcome of the 60th US presidential elections in November 2024 will set the tone for the geopolitical landscape going forward.

We expect trading conditions will improve as the global monetary policy continues to ease into 2025. According to a recent World Economic Forum survey, the global economy is expected to stabilise while many vulnerabilities remain in the system. We remain cautiously optimistic.

Developed economies are anticipated to grow by 1.7% by the close of 2024

Emerging markets and developing economies are expected to stabilise at 4.2%





We expect trading conditions to ease

	Tailwinds	Headwinds
Global	<ul style="list-style-type: none"> Global inflation moderation Easing of monetary policy, interest rate cut cycle to continue Soft landing of the US economy Stable global gross domestic product (GDP) growth 	<ul style="list-style-type: none"> Intensified geopolitical tensions and rising trade wars between superpowers, China and the US Slow economic growth from China and Europe High global sovereign debt levels Volatile weather patterns: La Niña
southern Africa	<ul style="list-style-type: none"> The Government of National Unity Transnet's performance Improved consumer and business sentiment Power availability 	<ul style="list-style-type: none"> The sustainability of the Government of National Unity High sovereign debt levels Volatile weather conditions Access to essential services
Mongolia	<ul style="list-style-type: none"> Household and government spending Continued growth expected to be driven by the services, industrial and mining sectors 	<ul style="list-style-type: none"> China's economic slowdown Policy change following the newly elected coalition government
Russia	<ul style="list-style-type: none"> Rich commodity endowment Strong local pent-up demand 	<ul style="list-style-type: none"> Ongoing Russia and Ukraine conflict Tightening of regulatory framework

Our material risks and building risk resilience

Our risk philosophy

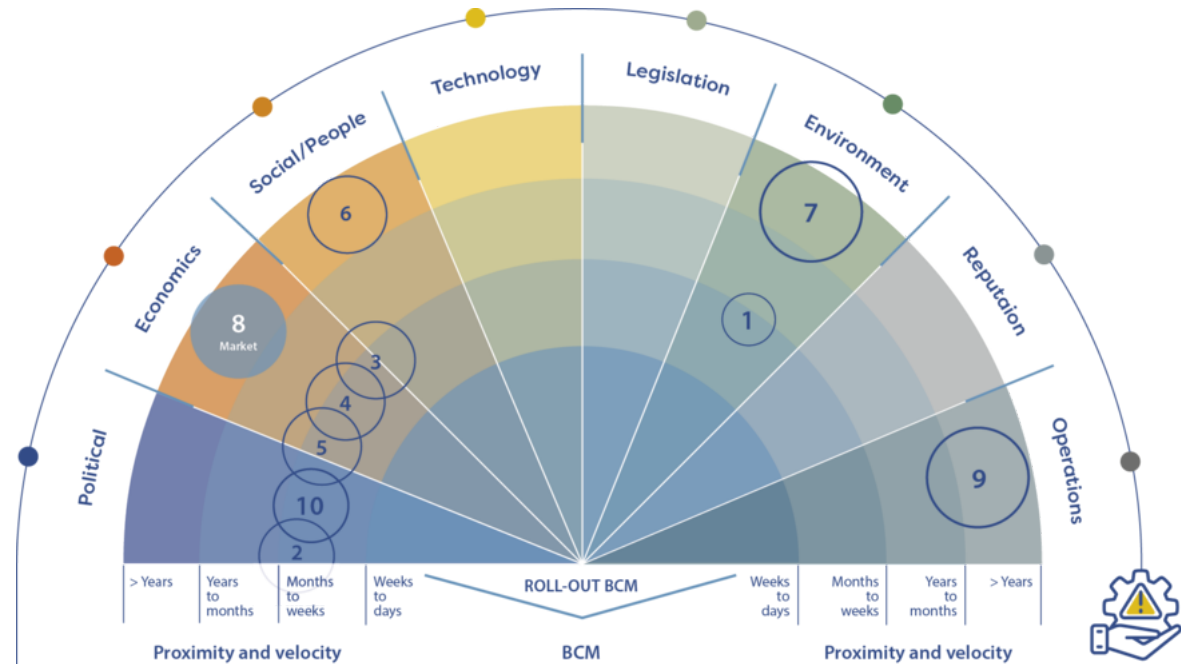
Our risk philosophy continues to be anchored on the concept of embracing risk as both hazards and opportunities. Our emerging risk radar highlights 10 emerging risks that present as threats while three emerging risks present as opportunities for the group for the prospective 24-month period.

As an emerging trend, the key concerns for the risk committee were identified across three broad categories of emerging risks:

- i. The availability of the artificial intelligence (AI) skill set, cybersecurity and data security
- ii. Geopolitical instability, both live and emerging
- iii. Regulatory uncertainty, interstate conflict, social unrest, war, geopolitics of AI, the North Atlantic Treaty Organisation (NATO), increased political polarisation and the US/China conflict.

Key considerations over the next two years for the group have been identified as:

- opportunities to test and scale AI
- opportunities to strengthen cross-border data and technology governance.



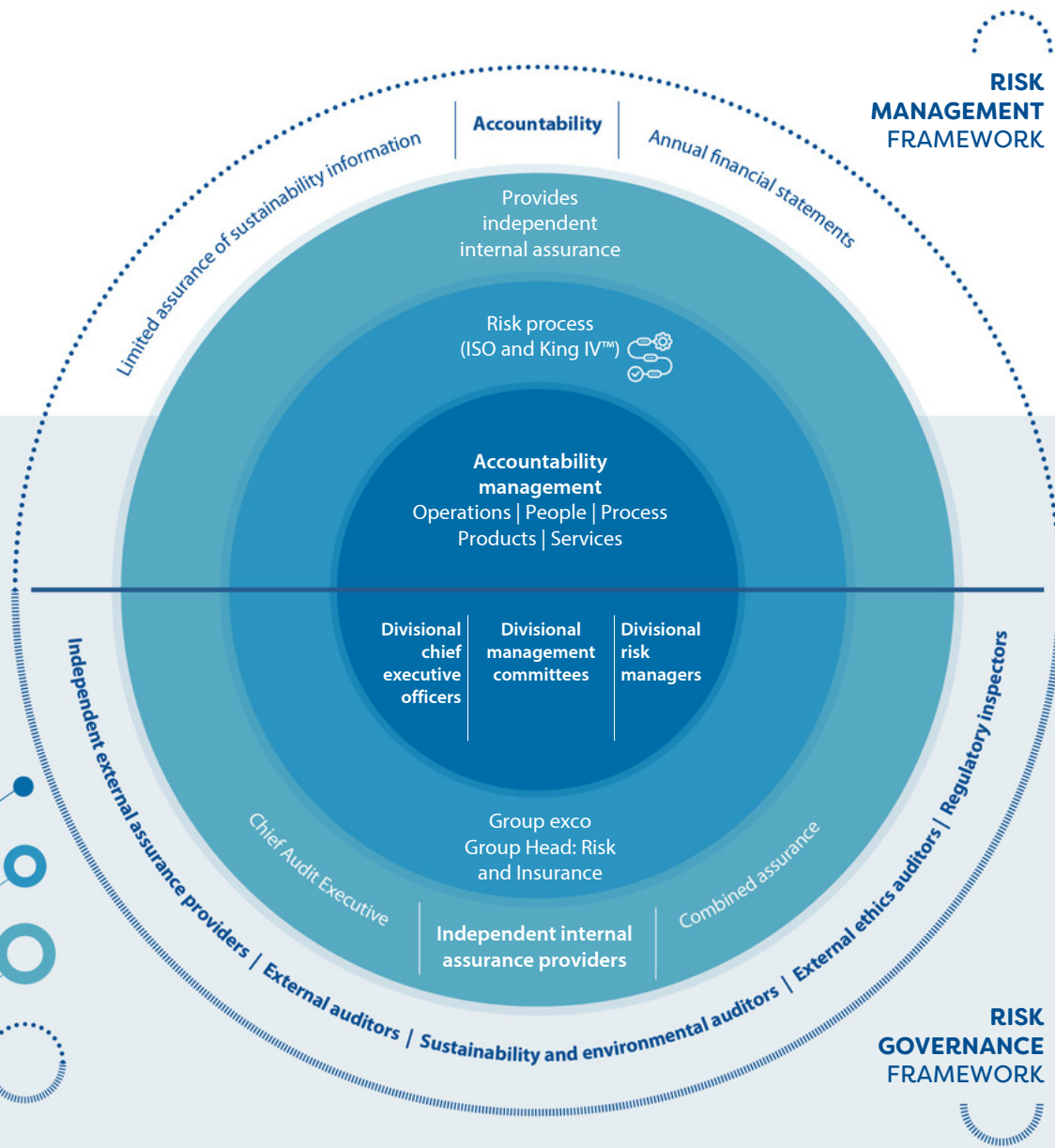
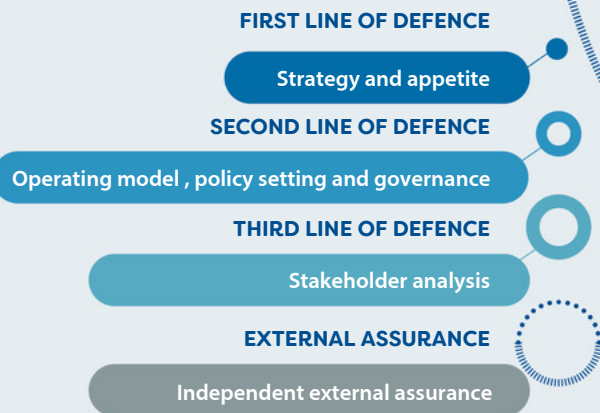
●	1	Environment	Ongoing environmental monitoring efforts relating to the Thesen Island Parkland Trust.
●	2	Political	Uncertainty resulting from social instability.
●	3	Economics	Softening of global starch and glucose prices.
●	4	Economics	Softening demand because of an increase in customer breakdowns.
●	5	Economics	Prolonged high interest rate environment and consumer demands.
●	6	Strategic/Social/People	Pandemics result in the closure of a plant and loss of lives.
●	7	Environment	Climate change and the impact on operations.
●	8	Market/Consumer	Product substitutions result in loss of volumes or the opportunity to expand to other markets.
●	9	Operations	Availability of gas supply.
●	10	Political	Threat of volatile crude oil prices globally (Russia-Ukraine war/Gaza conflict).

Risk governance

With risk fully embedded into strategy setting, our board remains responsible for overseeing risks and opportunities not limited only to those identified as part of the risk management cycle but those that are emerging in nature as well. They continue to entrust the risk committee with the task of ongoing supervision of the group’s enterprise risk management (ERM) activities in line with the approved risk management framework that articulates the three lines of defence model, which are the guardrails within which risk management is applied at Barloworld.

Risk framework

Our approved risk management framework provides clear guardrails outlining key responsibilities for the risk management process oversight. The risk management team within Barloworld uses the framework to make recommendations on appetite setting, strategy alignment, policy setting and overall risk governance.



Risk process

With the adoption of a risk and resilient framework, the 12 building blocks underscoring our commitment to risk management were integrated into a uniform setting to collectively describe the risk procedure within Barloworld.

- Policies, standards and guidelines
- Methodology
- Risk and business continuity plans
- Appetite and tolerance
- Governance and reporting
- Networking and collaboration
- Risk assurance and cause analysis
- Performance benchmarking and maturity evaluation
- Business continuity management
- Disaster management
- Simulation exercises

RISK GOVERNANCE FRAMEWORK

The risk management process within Barloworld remained unaltered for the year under review and continued to follow the five-step process to identify, measure, assess, mitigate and report on risks.

Identify At the start of each calendar year, we identify our divisional risks using the Barloworld risk resilient management framework blue sky approach.

Measure We use a two-pronged approach to calculate tolerance and risk-bearing capacity for each division. The result of this two-pronged approach is aggregated at group level.

Assess Our risks are then assessed using our 10 x 5 matrix

Mitigate The mitigation of the risks are assessed against the business continuity continuum of time, which requires that each of our operations assess for emergency preparedness, crisis management and business disaster recovery.

Report We use a bottom-up approach. The risks identified at divisional level are reported on at group level, providing the Barloworld board with oversight of the risks reported on at divisional level. Our board receives reports on the group's top strategic and operational risks every quarter. The risks our group faces are discussed, and where necessary a business continuity plan is presented.

Top-down approach:

- The risk philosophy statement, risk universe, risk framework, risk and resilience policy, risk processes, and the emergency management and business continuity plan are crafted and set at the group level for the divisions to adopt and adapt to suit their unique operational requirements.
- The group's risk tolerance level is calculated at the group level.
- The group's bearing capacity is calculated at the group level.

Bottom-up approach:

- The divisional risk appetite statements and divisional risk tolerance levels are set at the divisional level and approved by the divisional risk committees.
- The risk and resilience plan is developed at the divisional level and then aggregated at the group level.

2024 risk management activities

Risk maturity

With the increased focus on enhancing our risk posture, a bottom-up approach was adopted for risk maturity for the year under review, which saw risk assessments being conducted firstly at a divisional level and thereafter at the group level, in contrast to prior years where risk maturity assessments were only conducted at the group level.

The risk maturity assessment resulted in an upgrade from an overall 3.75 to 4.00 out of 5.00 by the Institute of Risk Management South Africa (IRMSA), signalling our enhanced risk posture.

Country risk

The continued challenging and uncertain conditions, both globally and locally, continue to support our risk-resilient approach to risk management. This is appropriate and necessary for our organisation given the varied domiciles where we conduct our business.

For the duration of 2024, we reported quarterly on our readiness for key country risk elements, with a specific focus on our readiness in South Africa for a 14-day electricity grid collapse, as well as globally, for a social instability crisis that could lead to secondary hazards. Business continuity plans were put in place per division for both these risk elements detailing the current plans in place, interventions required to close the gaps, and self-sustaining periods should either risk element come into fruition.

The business continuity plan for the 14-day grid collapse was tested throughout our operations in South Africa during various electricity outages to test sufficiency and gaps. The business continuity plans for the social instability crisis were put through a simulation exercise in the various countries where political elections were held during this period under review.

Our top risks and the materiality impact

The group also adopts a top-down approach to identify strategic risks that are cascaded downwards into the organisation. These risks are regularly reviewed and performance monitored by exco and the board through the risk committee. The strategic risks are as follows (in alphabetical order and not an exhaustive list):

- Strategic risks
- Operational risks

1.	Access to essential services	●
2.	Climate change mitigation and adaptation	●
3.	Cybersecurity	●
4.	Effective growth strategy execution (acquisitive and organic)	●
5.	Fraud and corruption	●
6.	Geopolitical instability	●
7.	Regulatory changes and compliance	●
8.	Technology risk	●



Double materiality

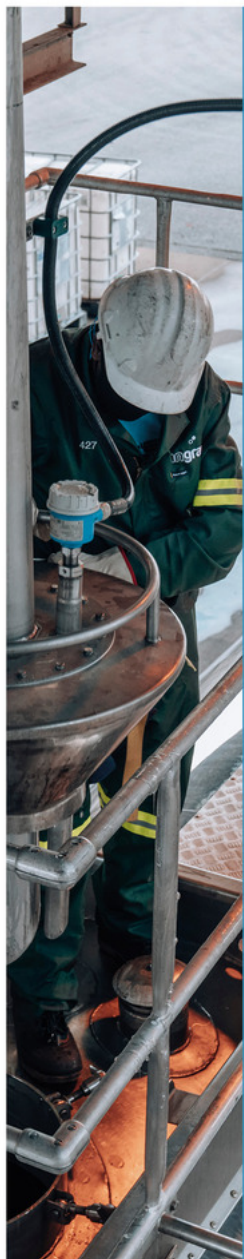
We have adopted a double materiality approach to identify and prioritise information on the group's economic value creation for the benefit of the investor community (inward-focused financial materiality) and our impact on society, communities and the environment (outward-focused impact materiality).

- 1 Our process**
- We analysed and distilled the feedback we received from engaging with key stakeholders, which included:
 - Internal interviews with the exco, board of directors, divisional heads and our employees
 - External engagements with investors and funders, customers, partners, suppliers, shareholders and financiers, government and regulators and communities
- 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**
- We analyse and distil the material matters identified into those that can impact our business, and those that may result in our business impacting society and our external environment, and their role in creating, sustaining or eroding value
- 4 Agreeing on what is material**
- Presentation to exco for approval
 - Presentation of exco-approved material matters to our board for approval
- 5 Outcome**
- The outcome of our materiality process informs our reporting
- 6 Material matters**
- Impact on growth of strategy execution
 - The impact of technology and digitisation
 - The impact of local and geopolitical instability on the ability of Barloworld to execute on its strategy
 - Cybersecurity risks associated with data theft and ransomware
 - The continual increase in regulatory requirements
 - The performance of our operations against the ROIC threshold set by the group
 - A values-based ethical culture in our business
 - The impact of our business on the environment and climate change in particular

Through our analysis and distillation of the matters raised during our materiality determination process, we identified the issues below as material to Barloworld’s ability to create, sustain or erode enterprise value.

	The impact on growth through strategy execution	The impact of technology and digitisation	The impact of local and geopolitical instability on the ability of Barloworld to execute on its strategy	
Materiality	Financial materiality	Financial materiality	Financial materiality	
Associated risks	4 Effective growth strategy execution	8 Technology	6 Geopolitical instability	1 Access to essential services
Residual risk rating	Low	Low	Medium	Low
Capitals affected	Financial, manufactured, intellectual	Financial, intellectual, human	Financial, manufactured, social and relationship	
Our response to the risks and opportunities	<ul style="list-style-type: none"> • Board-approved group and divisional strategies in place • Active M&A programme with clearly defined guardrails • Oversight and approval of group investment strategy committee 	<ul style="list-style-type: none"> • Board-approved divisional strategies in place, with a focus on progressing their implementation • Focus on attracting and retaining requisite skills • Leveraging of Principals’ innovation where appropriate • Continue investing in a digital-ready IT architecture 	<ul style="list-style-type: none"> • Geographic diversification • Diversification of customer base, promotion of local manufacturing, lean expense base, legal advice as required • Increase capital investments in alternative energy sources 	
Accountability	Group exco and Group Executive: M&A	Group exco, divisional chief executives, Group CIO	Group exco, Chief Executive: Ingrain	
Oversight	Board	Board	Board	





	The short, medium and long-term effect of climate change on our business		The impact of our business on the environment and climate change in particular	Cybersecurity risks associated with data theft and ransomware	The continual increase in regulatory requirements
Materiality	Financial materiality		Impact materiality	Financial materiality	Financial materiality
Associated risks	2 Climate change mitigation and adaptation	1 Access to essential services	2 Climate change mitigation and adaptation	3 Cybersecurity	7 Regulatory changes and compliance
Residual risk rating	Low	Low	Low	Medium	Medium
Capitals affected	Financial, manufactured, human, intellectual, natural		Financial, social and relationship, intellectual, natural	Financial, human, intellectual	Financial, intellectual, social and relationship
Our response to the risks and opportunities	<ul style="list-style-type: none"> Barloworld's operations continue to assess the possible physical and financial impacts of climate change on our business, identifying actions we can take to minimise the impacts Barloworld's operations are progressing capital investment in alternative energy sources and water-related projects 		<ul style="list-style-type: none"> Continued engagements with key stakeholders through governance roadshows, investor engagements and business engagements Active stakeholder management activities across the group The purpose of our environmental sustainability framework, which includes our climate change policy, is an integral part of our approach to doing business in a sustainable manner and reducing our impact on our external environment 	<ul style="list-style-type: none"> To continually strengthen our cybersecurity, Barloworld invests in technologies to prevent and detect cyber threats, robust strategic cyber incident response capabilities and guidance from cybersecurity experts To strengthen users' understanding and awareness of cyber threats, our employees receive regular communication and training in this regard Minimum group IT security standards are in place 	<ul style="list-style-type: none"> We continually monitor Barloworld's regulatory universe, obtaining legal advice to ensure we meet legislation requirements We proactively engage with regulators to keep updated on future changes Formally audited and managed a privacy compliance programme
Accountability	Group exco and divisional chief executives		Group exco, divisional chief executives, Group Executive: Risk, Ethics and Governance, and Head: Group Sustainability	Group exco, Group CIO	Group exco, Group Legal Counsel, Group Company Secretary
Oversight	Social, ethics and transformation committee and the board		Social, ethics and transformation committee and the board	Board, audit and risk committees	Board, risk and social, ethics and transformation committees



	The performance of our operations against the ROIC threshold set by the group		A values-based ethical culture in our business	
Materiality	Financial materiality		Financial materiality	
Associated risks	4 Effective growth strategy execution	5 Fraud and corruption		
Residual risk rating	Medium		Medium	
Capitals affected	Financial, intellectual		Financial, human, intellectual	
Our response to the risks and opportunities	<ul style="list-style-type: none"> Group and divisional board-approved strategies are in place to establish an appropriate portfolio mix and capital structure The group's investment strategy committee provides oversight of performance against invested capital The group has a board-approved capital allocation strategy in place as well as divisional advisory boards 	<ul style="list-style-type: none"> Barloworld has financial controls in place to address fraud and corruption, and these are regularly tested by internal audit Criminal cases are lodged with the authorities for substantiated investigations, which are then actively pursued Embedding ethical standards throughout the group is a key focus 		
Accountability	Group exco, Group Executive: M&A, divisional chief executives		Group exco, divisional chief executives, Group Executive: Ethics and Compliance	
Oversight	Board		Board and social, ethics and transformation committee	

Our insurance philosophy

The six fundamental principles that our insurance philosophy is anchored on remained in place throughout the year under review:

- The ability to understand the level of risk that we are able to retain prior to risk sharing or risk transfer was guided by our risk-neutral appetite. This was supported by the risk tolerance and risk-bearing assessments conducted at both the division and group levels.
- The South African, UK (London) and Greater Africa roadshows were conducted in the year under review to engage directly in discussions with our insurance partners.
- Operational retentions were increased significantly on some classes of insurance, signalling our continued commitment to our insurance partners to share in the risk.
- Our captive in the Isle of Man, Barloworld Insurance Limited (BIL), remained a critical vehicle through which risk retention was exercised in the year under review.
- Alongside maintaining the strong relationships we have nurtured with our risk carriers, we also formed relationships with risk carriers in new regions to align with our expansion into new territories, such as the United Arab Emirates, for which we secured insurance cover for the first time in the year under review.
- During the year under review, the group insurance programme was renewed across 12 classes of insurance, with limits of cover purchased being maintained from the prior year across all our business operations.

2024 insurance activities

Our panel of insurers identified 10 of our operational sites for annual insurance surveys, with requisite access being granted for those sites to ensure transparency and commitment to the strong relationship we enjoy with our insurers.

In response to the open risk recommendations identified by insurers, which were ongoing throughout the year under review, capital expenditure in excess of R23 million was deployed by the various operations cumulatively to address the risk engineering improvements identified by insurers in this financial year.

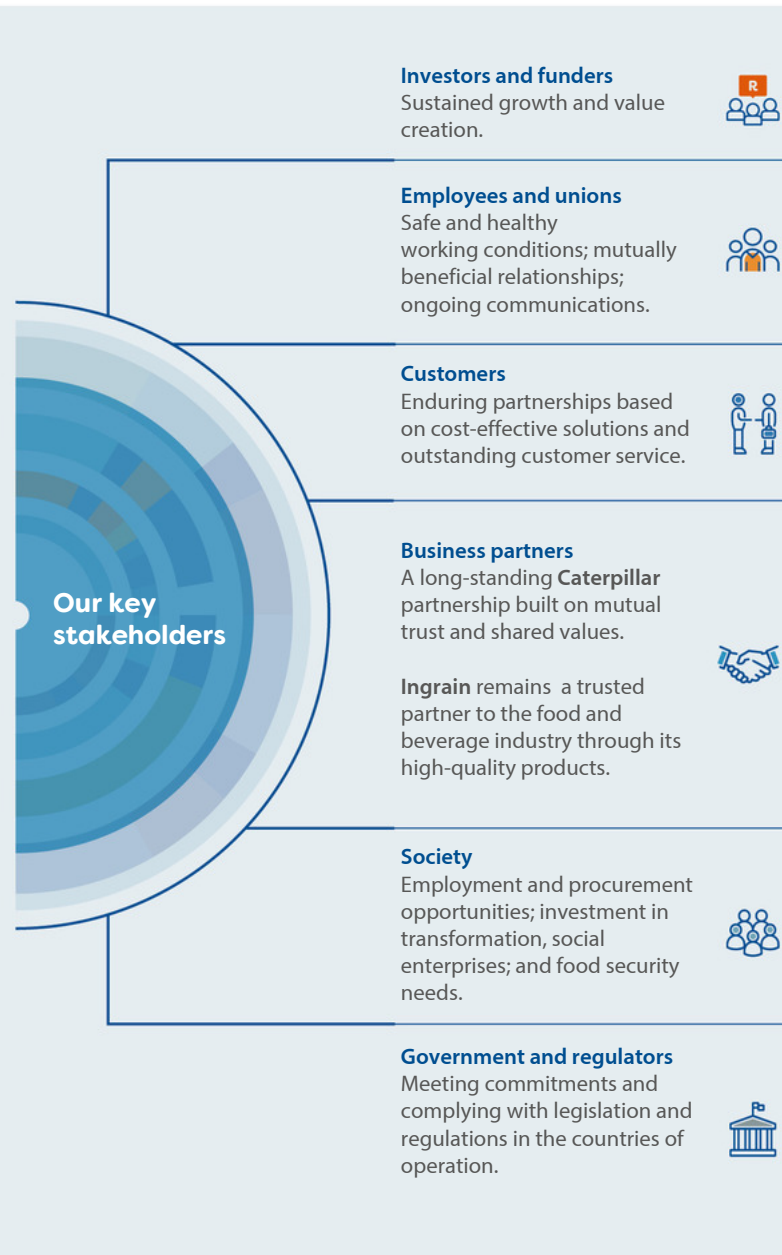
With enhanced deductible structures on some of our corporate insurance policies, we continue to evidence confidence in our own risk management discipline and continue to strive towards a strong control environment with the resultant aim being an enhanced risk posture.

Engaging with our stakeholders

Building trust-based and enduring partnerships remains a critical component of our success and is aligned with our purpose: Inspiring a world of difference, enabling growth and progress in society. We aim to add real value to our business and stakeholders through purposeful engagement.

Through surveys and the outcomes of our engagements, we identify key stakeholders, what matters to them and what matters to us, as well as the risks and opportunities arising from these. Based on this, we are also able to address areas requiring improvement.

Our group stakeholder engagement policy takes into account issues that are significant to our stakeholders and ensures these are included in our decision making, while our internal group stakeholder forum focuses on strategic stakeholder priorities and key trends.



Investors and funders •

Why we engage

- Understanding and responding to investor and funder expectations
- Building transparent communication and maintaining trust
- Providing information that investors and funders require to make informed assessments

How we engage

- SENS announcements
- Annual and interim results presentations and reports
- Board chair meetings with shareholders
- One-on-one meetings with our executive team and board members to address ESG issues, the board's approach to steering and overseeing strategy, and its remuneration philosophy
- Media channels
- Our website

Key matters in 2024

- Growth strategy and capital allocation
- Strength of the balance sheet in a tough macroeconomic environment
- Impact of the ongoing Russia-Ukraine war, including our ability to operate in Russia
- Submission to the BIS related to potential export control violations
- Cautionary announcement made in April 2024

Our response

- Ongoing and transparent engagement with the investment community
- Regular, transparent and comprehensive financial, operational and ESG reporting

Legend

- Strong relationships that benefit both parties
- Good quality relationships
- Relationships with room for improvement



Employees and unions

Why we engage

- Employee engagement and productivity
- Understanding and responding to concerns and expectations
- Embedding our Code of Ethics and encouraging whistleblowing
- Assessing levels of engagement, wellness and the ability to adapt to changes in the working conditions

How we engage

- Digital platforms
- Internal communication
- Employee engagement surveys
- Performance management process

Key matters in 2024

- Employee wellness
- Zero-harm culture
- Employee engagement
- Fair remuneration
- Retaining and attracting key skills
- Diversity and inclusion
- Career development and opportunities
- Embedding an ethical culture

Our response

- Implementation of an employee wellness programme
- Improving employee engagement
- Learning and coaching opportunities for career development
- Good progress in diversity and inclusion
- A fair and responsible pay framework is in place



Customers

Why we engage

- Keeping customers informed
- Providing aftersales support
- Understanding requirements and challenges

How we engage

- Digital communication
- One-on-one customer meetings, both in person and online
- Presentations

Key matters in 2024

- Legislative and regulatory compliance
- Our ability to attract, develop and retain technical skills
- Our ability to leverage digital transformation to better serve our customers
- Our ability to manage supply chain disruptions
- Enhancing service levels
- ESG performance
- Mining industry challenges

Our response

- Improving customer satisfaction and meeting our customers' requirements
- Progress with digital transformation
- Good progress with developing and retaining technical skills
- Governance is in place to meet all legislative and regulatory requirements
- Implementation of BBS to facilitate continuous improvement
- Creating innovative solutions to reduce our impact on the environment



Business partners

Why we engage

- To keep abreast of product developments and partner strategies
- To maintain relationships
- To keep our partners informed
- Contractual terms

How we engage

- Face-to-face and online meetings
- Digital communication

Key matters in 2024

- Maintaining relationships
- Availability of products that reduce operating and life cycle costs and our environmental impact, including GHG emissions
- The ongoing impact of the Russia-Ukraine war
- Grow our services and the aftermarket share of wallet in a challenging macroeconomic environment

Our response

- Maintaining regular contact with our partners
- Collaborating with our partners to solve supply chain challenges
- Good progress with growing our services and the aftermarket share of wallet
- Keeping our partners advised of the performance of our operations and their operating environment

Legend

- Strong relationships that benefit both parties
- Good quality relationships
- Relationships with room for improvement



Society

Why we engage

- Understanding and addressing community needs
- Ensuring transformation and inclusion
- Achieving our purpose

How we engage

- Community consultation
- Our service providers frequently engage with our beneficiaries on our behalf

Key matters in 2024

- Food security impacted by rapidly rising food inflation
- Employment
- Economic inclusion
- Preferential procurement opportunities for community businesses
- Maintaining our social licence to operate
- Skills development and educational opportunities

Our response

- Providing community support focused on food security and educational needs
- Investing in financial and non-financial support in social enterprises through Mbewu
- Promoting skills development
- Building wealth through the Siyakhula enterprise and supplier development programme
- Increasing preferential procurement from community businesses
- Providing access to adequate, safe and affordable housing through the Barlow Park mixed-used development



Government and regulators

Why we engage

- Adherence to legislative and regulatory requirements
- Input into policymaking and development of legislation and regulations
- Clarity on legislation and regulations requirements
- Fostering trust and maintaining regulatory licences

How we engage

- Submission of statutory reporting
- Attendance at meetings
- Communication via e-mail
- Participation in forums and engagement through industry bodies
- Compliance with B-BBEE reporting requirements

Key matters in 2024

- Continued efficacy of our control environment
- Ongoing regulatory and legal compliance
- B-BBEE commitments
- Protection of personal information
- Cybersecurity
- Responsible taxpayer
- Role as responsible corporate citizen
- Compliance with environmental legislation
- Localisation in Greater Africa

Our response

- Engaging in industry-related matters
- Achieved good progress with localisation in Greater Africa
- Provided an effective control environment
- Applied a combined assurance model
- Met and, in some instances, exceeded our B-BBEE commitments

Legend

- Strong relationships that benefit both parties
- Good quality relationships
- Relationships with room for improvement



A photograph of four men in a factory or industrial setting. They are wearing white hard hats and high-visibility yellow safety vests over dark clothing. They appear to be in a discussion, with one man gesturing towards a piece of equipment. The background shows industrial machinery and a sign with Cyrillic text. A large blue circle is overlaid on the right side of the image, containing the word 'Leadership' in white.

Leadership

“At Barloworld, we hold a profound respect for every individual, regardless of their role or position. Leadership, in this context, means fostering an environment where everyone feels heard, valued and empowered to contribute their best. It is about guiding with empathy, inspiring through action, and creating a culture of mutual respect and collaboration.”

Nopasika Lila

The board that governs us

The nomination committee regularly evaluates the board's composition to ensure its members possess the necessary expertise, knowledge and experience to establish, guide and supervise the company's strategic direction and performance, both as a conscientious corporate citizen in the workplace, and in social and natural environments.



Independent non-executive directors			
<p>Lulu Gwagwa (65) </p> <p>Chair:</p> <ul style="list-style-type: none"> Board Nomination committee Strategy and investment committee <p>Memberships:</p> <ul style="list-style-type: none"> Remuneration committee Social, ethics and transformation committee <p>Qualifications: BA (University of Fort Hare), MSc Social Policy and Planning (London of Economics and Political Science), MPhil (St Augustine College), PhD in Development Planning (University College, London)</p> <p>Appointed: 1 October 2021</p> <p>Skills and experience: Lulu was appointed as chair of the Barloworld board in 2021 having previously served as an independent non-executive director of FirstRand, Massmart, Sun International and Afrox Limited.</p> <p>She is a development planner with extensive experience gained in both the public and private sectors, as well as in academia.</p> <p>Meeting attendance: Board: 4/4</p> <p>Committees: Nomination: 3/3 Remuneration: 7/7 Social, ethics and transformation: 4/4 Strategy and investment: 5/5</p> <p>Directorships in other listed entities: None</p>	<p>Neo Mokhesi (63) </p> <p>Lead independent director</p> <p>Chair:</p> <ul style="list-style-type: none"> Social, ethics and transformation committee <p>Memberships:</p> <ul style="list-style-type: none"> Nomination committee Remuneration committee <p>Qualifications: BCom, Advanced Management Programme</p> <p>Appointed: 1 February 2019</p> <p>Skills and experience: Neo's over 25 years' experience in marketing, corporate affairs, development finance, strategy and corporate governance included being the senior executive responsible for market development in the rest of Africa for the Industrial Development Corporation.</p> <p>She currently serves on a number of unlisted companies including Mozai Aluminium SA, a subsidiary of South 32.</p> <p>Meeting attendance: Board: 4/4</p> <p>Committees: Nomination: 3/3 Remuneration: 7/7 Social, ethics and transformation: 4/4</p> <p>Directorships in other listed entities: Kumba Iron Ore Limited</p>	<p>Nicola Chiaranda (60) </p> <p>Chair: Risk committee</p> <p>Memberships:</p> <ul style="list-style-type: none"> Audit committee Strategy and investment committee <p>Qualifications: Master's Degree in Economics (University of Venice), Italian Chartered Accountant, Executive Training Programmes at INSEAD, France, and Olin School of Business, USA</p> <p>Appointed: 11 February 2022</p> <p>Skills and experience: Nicola's work experience has mainly been in the agribusiness and food sector where he has worked as a global CFO, vice-president responsible for strategy and business development and vice-president responsible for performance improvement for listed American, French and Italian multinational groups. His experience includes executing several mergers and acquisitions, large-scale investments and change management initiatives.</p> <p>Currently, he is Professor of Private Equity and Development Funding at the University of Venice (Italy) and heads up his own strategy and finance consulting company, Cropfield Consulting.</p> <p>Meeting attendance: Board: 4/4</p> <p>Committees: Audit: 5/5 Risk: 6/6 Strategy and investment: 5/5</p> <p>Directorships in other listed entities: None</p>	<p>Hugh Molotsi (58) </p> <p>Memberships:</p> <ul style="list-style-type: none"> Risk committee Strategy and investment committee <p>Qualifications: BSc Comp, MSc Comp</p> <p>Appointed: 1 February 2019</p> <p>Skills and experience: Hugh's extensive experience in information technology started out as a software engineer working for Hewlett Packard in the United States before moving to financial software and services firm, Intuit. During his 22-year tenure at Intuit he became an engineering fellow and in his role as Vice-President of Innovation led the Intuit Labs Incubator.</p> <p>He is currently the president and CTO of The Buy Nothing Project, Inc. He is also a board member of the Mozilla Corporation and Echoing Green.</p> <p>Meeting attendance: Board: 4/4</p> <p>Committees: Risk: 6/6 Strategy and investment: 5/5</p> <p>Directorships in other listed entities: None</p>



Independent non-executive directors				Executive directors	
Nomavuso Mnxasana (68)	Vuyisa Nkonyeni (55)	Bashirat Odunewu (62)	Peter Schmid (62)	Dominic Sewela (59)	Nopasika Lila (55)
Memberships: <ul style="list-style-type: none"> Audit committee Nomination committee Risk committee 	Memberships: <ul style="list-style-type: none"> Audit committee Risk committee Strategy and investment committee 	Memberships: <ul style="list-style-type: none"> Audit committee Remuneration committee Social, ethics and transformation committee 	Chair: <ul style="list-style-type: none"> Remuneration committee Memberships: <ul style="list-style-type: none"> Risk committee Strategy and investment committee 	Group Chief Executive Officer Memberships: <ul style="list-style-type: none"> Risk committee Social, ethics and transformation committee Strategy and investment committee 	Group Finance Director Memberships: <ul style="list-style-type: none"> Risk committee
Qualifications: BCompt (Hons), CA(SA)	Qualifications: BSc (Inf Proc), BSc (Hons) Computer Science, Accountants Conversion Course, Postgraduate Diploma in Accounting, CA(SA)	Qualifications: BSc (Chem), MSc (Chem Tech), FCA, MCI Arb, Certificate in Business Excellence (Columbia Business School)	Qualifications: BCom (Hons), CA(SA)	Qualifications: BSc Chemical Engineering	Qualifications: BCom Accounting Science, BCom (Hons), CA(SA)
Appointed: 1 October 2017	Appointed: 14 April 2023	Appointed: 14 April 2023	Appointed: 1 April 2017	Appointed: 19 March 2014	Appointed: 1 August 2019
Skills and experience: Nomavuso's experience in corporate governance includes being a former director of the Nedbank Group and the JSE Limited. She was a senior partner and member of the executive committee of SizweNtsaluba VSP before becoming group audit and risk executive at Imperial Holdings Limited.	Skills and experience: Vuyisa has over 25 years of experience in investment banking and private equity. He is a chartered accountant having served his training contract with PwC, which he completed in 1996. He has served as a senior executive of a number of companies, including as financial director of Worldwide African Investment Holdings (Pty) Ltd and as CEO of Kagiso Tiso Holdings (Pty) Ltd, a position he held from 1 January 2012 until 31 December 2017. He holds the following non-executive board responsibilities: Burstone Group Ltd and chairperson of Guardrisk Group (Pty) Ltd	Skills and experience: Bashirat's experience includes audit/ accounting, corporate and commercial banking, investment banking, and treasury and business development strategy, which she gained in various financial institutions over the past 30 years. This includes holding the position of executive head of corporate banking (energy, natural resources and infrastructure) at First Bank of Nigeria (FBN) Limited. She also supervised the CEOs of First Bank subsidiaries in six African countries and the bank's representative in China. Bashirat currently serves on several boards, including Seplat Energy and Leadway Holdings. She is chair of FBN, Senegal.	Skills and experience: Peter has extensive experience in private equity and asset management. He was responsible for alternative investments at Investec and spent 11 years as a partner at Ethos Private Equity, where he led and originated several buyouts across southern Africa. He was also global head of private equity at ACTIS, responsible for its global private equity business.	Skills and experience: Dominic's experience in the business supplies and equipment industry includes being the founding managing director of Exel Petroleum, a successful wholly black-owned fuel retail company, director of support services at Eskom Enterprises and subsequently acting CEO before joining Afgri Limited as deputy managing director. Having previously been employed by Barloworld, he rejoined the company in 2007 as CEO of the Equipment Division in South Africa. In 2014, he became COO of Barloworld Equipment southern Africa. In March 2014, he joined the board of Barloworld, was appointed Deputy CEO in March 2016, Chief Executive designate of Barloworld in 2016 and Group Chief Executive of Barloworld Limited in February 2017.	Skills and experience: Nopasika previously served as CFO of the Eskom Pension and Provident Fund before being appointed CEO and principal officer. She has over 20 years of experience in finance, corporate governance and the financial industry. Her particular areas of expertise include funds administration, corporate governance and compliance management, risk management and reputation and stakeholder relations gained while leading major funds in a sustainable manner. She previously served on listed and unlisted boards, which included enX Group Limited, Nampak Limited and Basil Read, and chaired the audit committees of some of the companies.
Meeting attendance: Board: 4/4 Committees: Audit: 5/5 Nomination: 3/3 Risk: 5/6	Meeting attendance: Board: 4/4 Committees: Audit: 5/5 Risk: 6/6 Strategy and investment: 5/5	Meeting attendance: Board: 4/4 Committees: Audit: 5/5 Remuneration: 7/7 Social, ethics and transformation: 4/4	Meeting attendance: Board: 4/4 Committees: Risk: 5/6 Strategy and investment: 5/5	Meeting attendance: Board: 4/4 Committees: Risk: 6/6 Social, ethics and transformation: 4/4 Strategy and investment: 5/5	Meeting attendance: Board: 4/4 Committees: Risk: 5/6
Directorships in other listed entities: Blue Label Telecoms	Directorships in other listed entities: Burstone Group Limited	Directorships in other listed entities: Seplat Energy Plc (quoted on the LSE and NGX)	Directorships in other listed entities: None	Directorships in other listed entities: None	Directorships in other listed entities: None

Executive directors

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

A summary of the board’s expertise and knowledge is set out below. The profiles of its members on the previous pages provide insight into the experience our directors have gained during their careers.

Board skills and experience

Areas of expertise and knowledge crucial to the sustainability of our business	Number of directors with expertise and knowledge in these areas											
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	•	•										

Election of directors

A third of our non-executive directors, who will have been longest in office at the date of our annual general meeting (AGM), must retire by rotation. They can choose to offer themselves for re-election in line with our Memorandum of Incorporation and the JSE Listings Requirements.

Peter Schmid, Bashirat Odunewu, and Nomavuso Mnxasana are all retiring by rotation. They are eligible for re-election and have offered themselves for reappointment.

A Inner rings

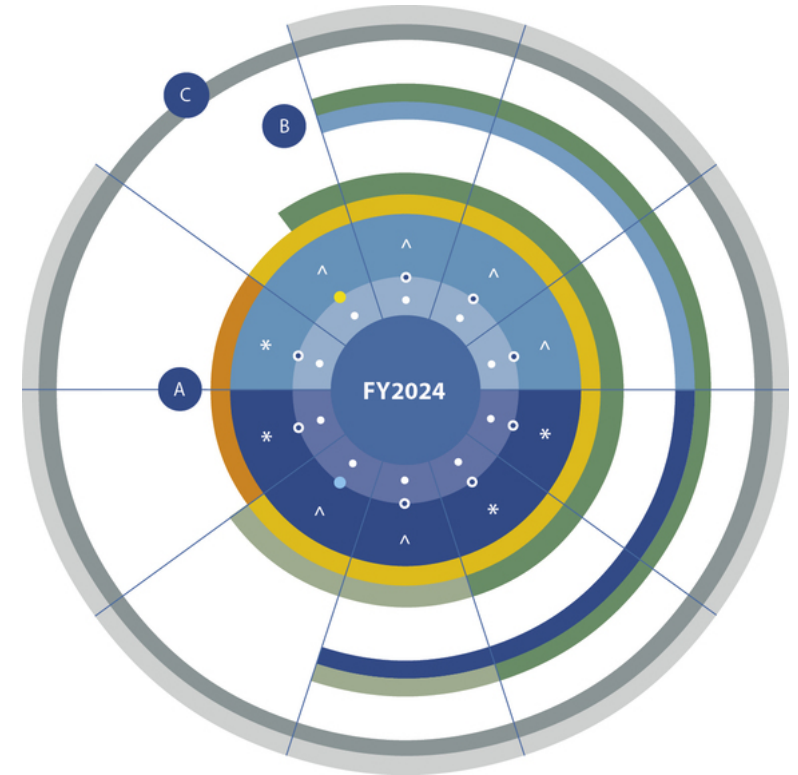
Unitary board structure	10	•
Members		
Men	50%	•
Women	50%	•
Executive directors	2/20%	•
Independent non-executive directors	8/80%	•
Nationality of our board members		
South African	8/80%	•
Nigerian	1	•
Italian	1	•
Independent non-executive demographic		
Black	75%	•
White	25%	•
Men	50%	•
Women	50%	•
Tenure and age		
Age	53 to 59	4
	60 to 69	6 *
Tenure	0 to 3 years	4 ^
	4 to 7 years	6

B Middle rings

South African independent non-executive board members’ demographic		
Target of 50% black South African members was exceeded by 33% in 2024 (2023: 21%)		
Black	83%	•
White	17%	•
Gender of South African non-executive board members		
Male	50%	•
Female	50%	•

C Outer rings

Attendance		
Average board attendance:	100%	•
Average committee attendance:	90%	•



Diversity commitment

The board intends to ensure that a minimum of 50% of our board members are women and that a minimum of 50% of our board members are black South Africans.

In 2024, women made up 50% of our board membership and 70% of our board members are black South Africans.

The executives that lead us



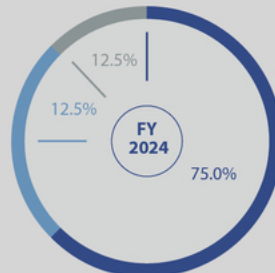
Dominic Sewela (59)	Nopasika Lila (55)	Emmy Leeka (55)	Gale Lemmert (59)	Andronicca Masemola (50)	Dr Nandkishore Menon (45)	Nomini Rapoo (61)	Chris Wierenga (49)
Group Chief Executive Officer	Group Finance Director	Chief Executive Officer: Barloworld Equipment Eurasia	Group Executive: Risk, Ethics and Governance	Chief Executive Officer: Barloworld Equipment southern Africa	Group Executive: Strategy, Mergers and Acquisitions	Group Executive: Corporate Secretariat	Chief Executive Officer: Consumer Industries
Qualifications: BSc Chemical Engineering	Qualifications: BCom Accounting Science, BCom (Hons), CA(SA)	Qualifications: BSc Eng – Metallurgy and Materials (Wits), Postgraduate Diploma in Business Administration	Qualifications: BA, LLB, MBA	Qualifications: BCompt (Hons), CTA, Postgraduate Diploma Economic and Management Science (strategy and integrated reporting), CA(SA)	Qualifications: PhD (Aeronautical Engineering)	Qualifications: BCom, LLB, UED, admitted attorney of the High Court, Certificate in Corporate Governance	Qualifications: BCompt Accounting Sciences
Areas of responsibility: Chief Executive Officer	Areas of responsibility: Group finance, strategic finance including treasury; tax; company secretariat; legal, investor relations; and information technology	Areas of responsibility: Equipment Eurasia Vostochnaya Technica Barloworld Mongolia	Areas of responsibility: Enterprise risk management (ERM), insurance, retirement benefits, medical aid, ethics and compliance, sustainability	Areas of responsibility: Equipment southern Africa	Areas of responsibility: Strategy, mergers and acquisitions	Areas of responsibility: Providing professional corporate governance services to the governing body	Areas of responsibility: Consumer Industries, Ingrain

The gender of our executive team



Diversity

- Black
- White
- Foreign national



Average age



Full biographies are available on the group's website: www.barloworld.com

Our approach to governance

We regard good governance as a catalyst for business and are dedicated to upholding the highest standards of governance, ethics and integrity. We recognise the reciprocal relationship between the group and its stakeholders, and have embraced a stakeholder-centric approach that harmonises the needs, interests and expectations of stakeholders with the long-term best interests of the group.

Our board's governance oversight is steered by its commitment to its duties and governance goals, achieved through the application of the principles and practices outlined in the King IV™ Code and adherence to the JSE Listings Requirements. We offer comprehensive disclosures in our online application of the King IV™ Principles.



The principles of corporate governance endorsed by the Barloworld board anticipate that the board and management will contribute to the attainment of the following objectives:

- Integrity: To act in good faith and the company's best interest
- Transparency: Make the necessary disclosures; this process needs to be observable to outsiders
- Accountability: There is an obligation and responsibility to give an explanation or reason for the company's actions and conduct
- Fairness: There needs to be equal treatment or fairness in the treatment of all stakeholders, including shareholders, employees and communities

 The good governance that we aim to achieve by applying the King IV™ Code is:

- effective control
- an ethical culture
- good performance against strategy
- legitimacy through stakeholder inclusivity and the group's role as a corporate citizen.

The board, as the custodian of governance for Barloworld, 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 foster 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 in this regard. Furthermore, our board keeps a vigilant eye on the broader macroeconomic environment and its potential effects on our business.

The board's leadership role

The board is responsible for establishing the tone from the top and effectively guiding the group in an ethical and responsible manner. When making decisions, board members ensure they are well-informed, act independently with awareness, courage and insight, and manage any conflicts of interest that may arise.

The board collaborates with the executive team to fulfil the group's purpose and direct our strategic course to generate economic value for all our stakeholders in the short, medium and long term.

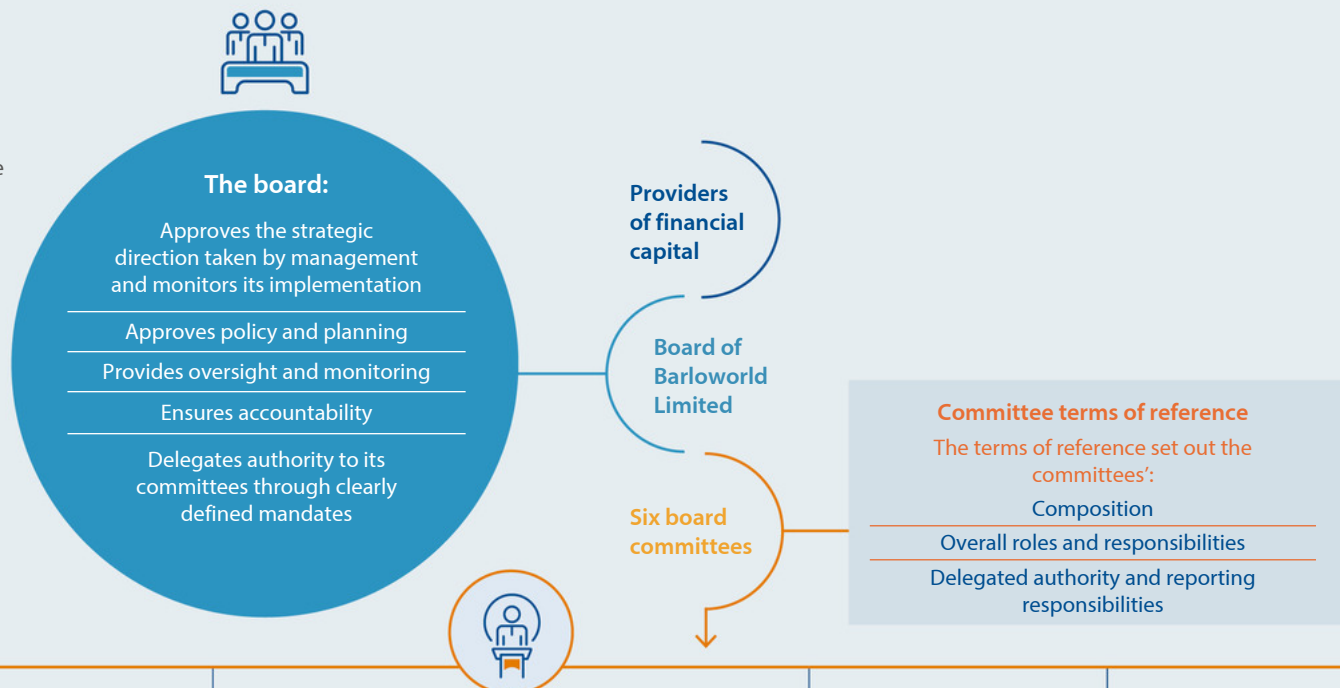
The board maintains its adaptability to swiftly respond to changing market conditions and innovate. It also oversees and guides the group's performance in its societal role as an employer, taxpayer, and facilitator of transformation and economic growth.

The group has established a clear balance of power and authority at board level through the appointment of strong independent directors and the separation and a clear definition of the roles and responsibilities of the chair and Chief Executive Officer.

Our governance structures

Our governance framework designates the board as the custodian of corporate governance, effectively providing it with control over the business. By governing the group proficiently and considering the interests of our stakeholders, our board and management enhance the group's ability to create value in the short, medium and long term.

Our governance framework also provides oversight of processes, policies and principles, ensuring they are standardised to the greatest extent possible without deviating from the legal obligations of subsidiary boards and local jurisdictional duties and requirements.



Audit committee

Monitors and oversees the integrity of the group's financial and integrated reporting; carries out its statutory responsibilities in terms of section 94(7) of the Companies Act and oversees the effectiveness of the group's external and internal assurance functions.

Risk committee

Monitors and oversees the quality, integrity and reliability of risk and compliance management, IT governance, technology policy direction and implementation, information security and cyber risk management. The committee oversees the insurance programme.

Social, ethics and transformation committee

Monitors and oversees the group's performance as a responsible corporate citizen in the workplace and the social and natural environments, and cultivates a culture of ethical conduct.

Remuneration committee

Monitors and oversees that the group's approach to remuneration is fair and responsible and promotes positive outcomes in the short, medium and long term. Ensures the disclosure of executive management, prescribed officers and directors is accurate complete and transparent.

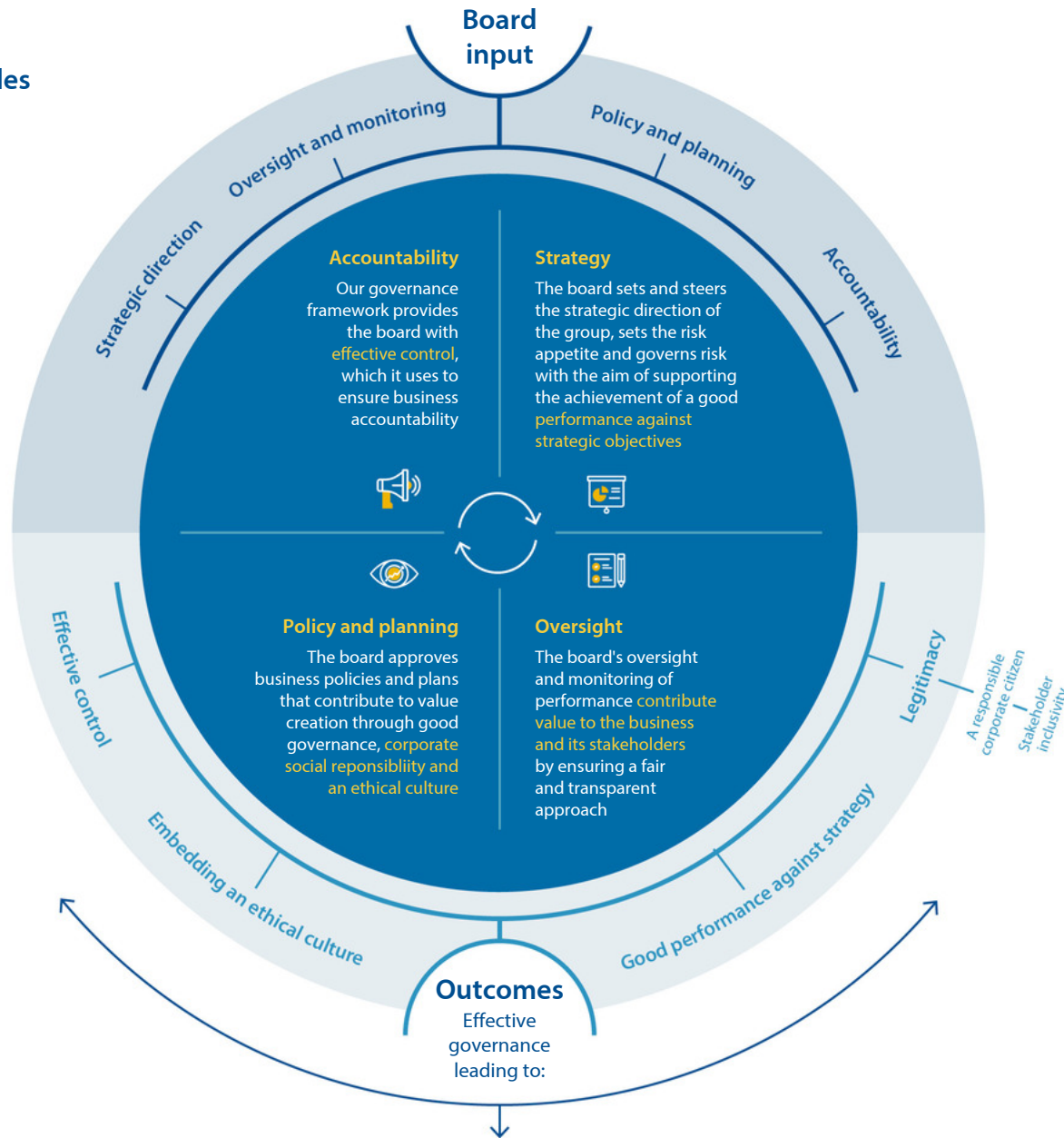
Nomination committee

Monitors and oversees that the preparation of formal succession plans are in place and identifies suitable candidates for the board of directors.

Strategy and investment committee

Considers, oversees and provides direction to the board on major investments and disposals and acquisitions, in line with the group strategy and capital allocation framework.

The board's collective responsibility for its primary governance roles



Effective control

The group's governance and delegation structures position our board as the custodian of corporate governance and ensure Barloworld has sound leadership structures in place. These provide a solid foundation for our application of King IV™, focusing on achieving the four corporate governance outcomes of an ethical culture, good performance, effective control, and legitimacy. Our governance practices facilitate the delegation of authority to the board committees through which the board provides guidance, monitors executive management functions, and verifies that its established governance policies and processes are applied.

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.

All our directors must declare their interests through any shareholding or contracts with the group and any personal or commercial interests that may relate to board matters. They recuse themselves from any relevant discussions and meetings in line with the requirements of the Companies Act.

The nomination committee assessed the competence of the Group Company Secretary and recommended to the board that she is sufficiently qualified to continue in this role.

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 such as culture, age, field of knowledge, skills and experience in line with the JSE Listings Requirements.

Board performance

The board undertook to conduct an internal, high-level analysis. The outcomes of this process have since been shared at the board's strategy session, which was held in September 2024.

Governance designed to embed an ethical culture

Our board is uncompromising regarding embedding and maintaining an ethical culture in our business. It mandates the social, ethics and transformation committee (SETC), supported by the exco, to monitor and oversee ethics management and the fight against fraud and corruption.

The committee also monitors and oversees the implementation of our well-designed ethics management process. Relevant policies are embedded and revised where necessary, and when deemed appropriate, new board-approved policies are drafted. Governance around these policies is measured.

The group understands the power of ethical leadership to influence the actions of our employees and stakeholders and to support us in achieving our purpose. We have a zero-tolerance approach to corruption and unethical behaviour and will always act in good faith as a responsible corporate citizen.

Through our Barloworld Worldwide Code of Conduct, we integrate our values of integrity, excellence, teamwork, commitment and sustainability into our business operations, informing our decisions, actions and interactions with stakeholders.

Our Code of Ethics further requires Barloworld's directors, management and employees to obey the law, respect others, be fair and honest, and protect the environment. Our employees are regularly reminded of these codes, and our ethics and compliance

programme is designed to further entrench and integrate good corporate governance throughout the group. The programme also includes ongoing assessments of ethics risks and opportunities, which are integrated with our risk management processes. Both codes are shared with our suppliers and service providers.

In addition, the group's divisions have strengthened their governance structures and now hold divisional social, ethics and transformation, and risk meetings.

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

Embedding an ethical culture

The board, through its commitment from the tone at the top, has approved our ethics and compliance framework, which sets out the governance structures that embed and foster an ethical and compliant culture at Barloworld.

This framework applies to all employees of Barloworld across all locations. It applies equally to divisions, subsidiaries, and business units, and includes the joint ventures that are under Barloworld's management control.

The scope of the framework includes all business activities conducted by Barloworld, whether in the private or public sector, and in all countries in which Barloworld operates.

The framework is effectively applied and managed to ensure compliance with all applicable laws in the countries in which Barloworld operates. In case of any contradictions between a country's local applicable legislation and any Barloworld policies, the local legislation prevails.

The Barloworld Worldwide Code of Conduct prescribes a mantra of One Barloworld. To promote this mantra and to foster a unified ethical culture, the following measures have yielded positive results:

- Quarterly ethics community meetings with the divisional ethics champions
- A monthly ethics newsletter, which is disseminated group-wide
- A centralised tip-offs case management system
- Group-wide virtual and in-person training sessions on sexual harassment; harassment and bullying; and ethics and compliance policies
- Awareness campaigns on malicious reporting vs protected disclosures; conflicts of interest; retaliation; gifts and hospitality; fraud; theft; and anti-bribery and corruption.

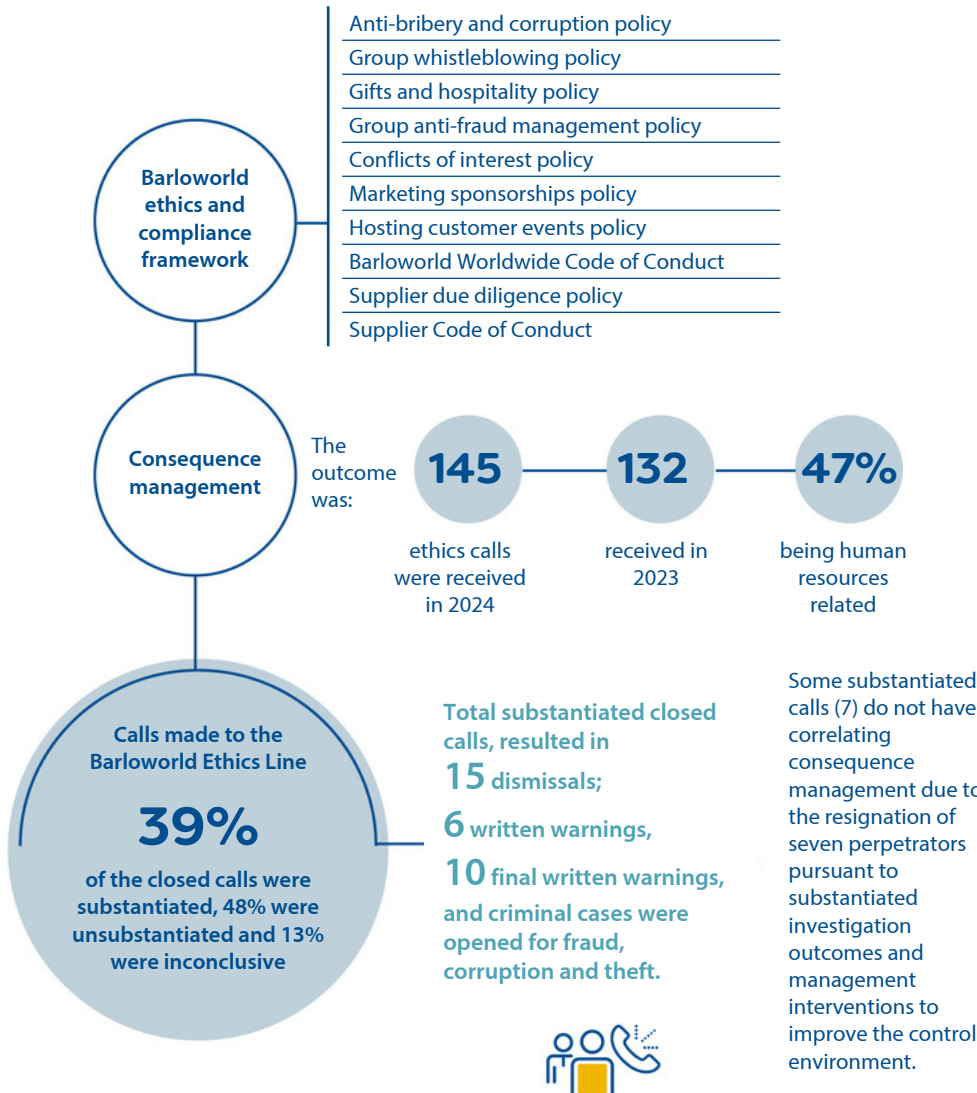
The measures listed above are also integral in creating and embedding an ethical culture, starting with the tone at the top.



In addition, we have implemented several other measures to bolster our efforts in fostering an ethical culture, as described below:

- An independent whistleblowing ethics line is available to confidentially report any actions that violate, or appear to violate, our Code, a Barloworld policy, or applicable laws.
- Internal risk assessments, as well as supplier and employee risk assessments, are conducted to ensure adequate procedures are in place for the prevention of bribery and corruption.
- Due diligence on suppliers and employees is conducted in accordance with Barloworld's procedures to prevent bribery and corruption, in compliance with the UK Bribery Act.
- The ethics and compliance policies are readily available on SharePoint, for ease of access to our employees; and copies are printed for employees who do not have access to computers.
- Employees are required to complete an annual compliance declaration.
- Training sessions for all employees on ethics and compliance policies.
- Mandatory annual training on fraud, bribery and corruption for high-risk employees.
- Training for non-executive directors who are members of the SETC.

Moreover, the Data Repository for Anti-Bribery and Corruption (DRAB) is utilised as a monitoring and assessment tool to ensure the fostering of an ethical culture, record-keeping and compliance with the UK Bribery Act, 2010 thereby ensuring availability of evidence for regulators and auditors to maximise the defence.



The following are some of the cases of fraud and fraud-related activities that were reported to the Ethics Line:

- Theft of company property
- Fraud and procurement irregularities
- Fraudulent employment credentials
- Altered or fabricated medical notes
- Fraud implicating ghost employees
- Medical aid fraud

Compliance governance

Our board is committed to full compliance with all applicable laws and regulations and supports the application of certain non-binding codes and standards. A board-approved combined assurance framework is in place to address the need for an effective control environment.

The audit committee is mandated to provide oversight of internal controls to address compliance with new legislation or amendments to current legislation. This includes a legal and compliance framework and processes.

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 reporting. Our board-approved regulatory compliance framework has strengthened our compliance management, and the appointment of a Chief Audit Executive has strengthened oversight and ensured we are applying best practice principles in combined assurance.

The directors confirm that the group has complied with the JSE Listings Requirements, 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 relevant constitutional documents.

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 the divisional level is regularly reported to management and is also reported quarterly to the risk committee. The administration of our legal compliance system is vested in a senior management member with the appropriate legal qualifications. Members of senior management are regularly informed of all relevant new legislation and amendments.

Technology and information governance supporting the achievement of our strategic objectives

The risk committee’s mandate includes monitoring and oversight of the group’s IT governance, information security and cyber risk. We continue to invest in appropriate systems and resources to protect digital information, increase efficiency, and position our divisions to take advantage of their investment in technology.

Good performance against our strategic objectives

A key responsibility of the board is approving the strategic direction taken by management and monitoring its implementation. Good progress has been made with our strategic objectives.

Legitimacy

Stakeholder inclusivity

To achieve stakeholder inclusivity and create value for both our business and its stakeholders, we identify our stakeholders and the matters material to them through engagement and take into consideration their interests, needs and expectations.

Responsible corporate citizenship

The mandated committees monitor the effectiveness of the policies and processes we have in place to support our performance as a responsible corporate citizen. They also monitor and provide insight into our performance as a responsible corporate citizen in the workplace regarding economic transformation, fraud and corruption, our role in society, our approach to the natural environment and our impact on it.

The social, ethics and transformation committee (SETC) plays a vital role in monitoring and guiding the group as a responsible corporate citizen. The SETC's report covers its performance in terms of its mandate and the group's application of King IV™.

Remuneration that is fair and promotes our strategic objectives

Our remuneration committee is charged with ensuring that our:

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

See the implementation section of our remuneration report for 2024, available on our website, for details of the outcome of the application of our remuneration philosophy and policy (<http://www.barloworld.com/investors>).

Tax governance

The King IV™ Code's fundamental concept regarding tax is that the board should be responsible for a tax policy compliant with the applicable laws but also congruent with responsible corporate citizenship, and that takes account of reputational repercussions.

Barloworld manages all its tax risks to ensure full compliance with all applicable tax legislation and reporting requirements, thereby creating and sustaining stakeholder value.

Our policy stipulates key principles regarding the management of tax across our group:

- To observe all applicable laws, rules and regulations in meeting our tax compliance and reporting responsibilities wherever we operate
- To establish a guideline for effectively and continually managing and mitigating tax risks within the group
- To provide adequate transparency and clarity about internal policies, controls and procedures relating to tax functions
- To enable the achievement of clear objectives while executing our chosen strategy
- To continuously direct the behaviour of our people in the best and correct manner
- To proactively communicate with stakeholders that our taxes are appropriately managed

Our tax risk management policy derives its authority from the Barloworld board under the oversight and approval of the board risk committee and our exco. The tax risk management policy is supplementary to the operational risk policy within the group's enterprise risk management framework. Tax risk is classified as an operational risk but is managed outside of the active risk function and is shown separately in the group risk taxonomy.

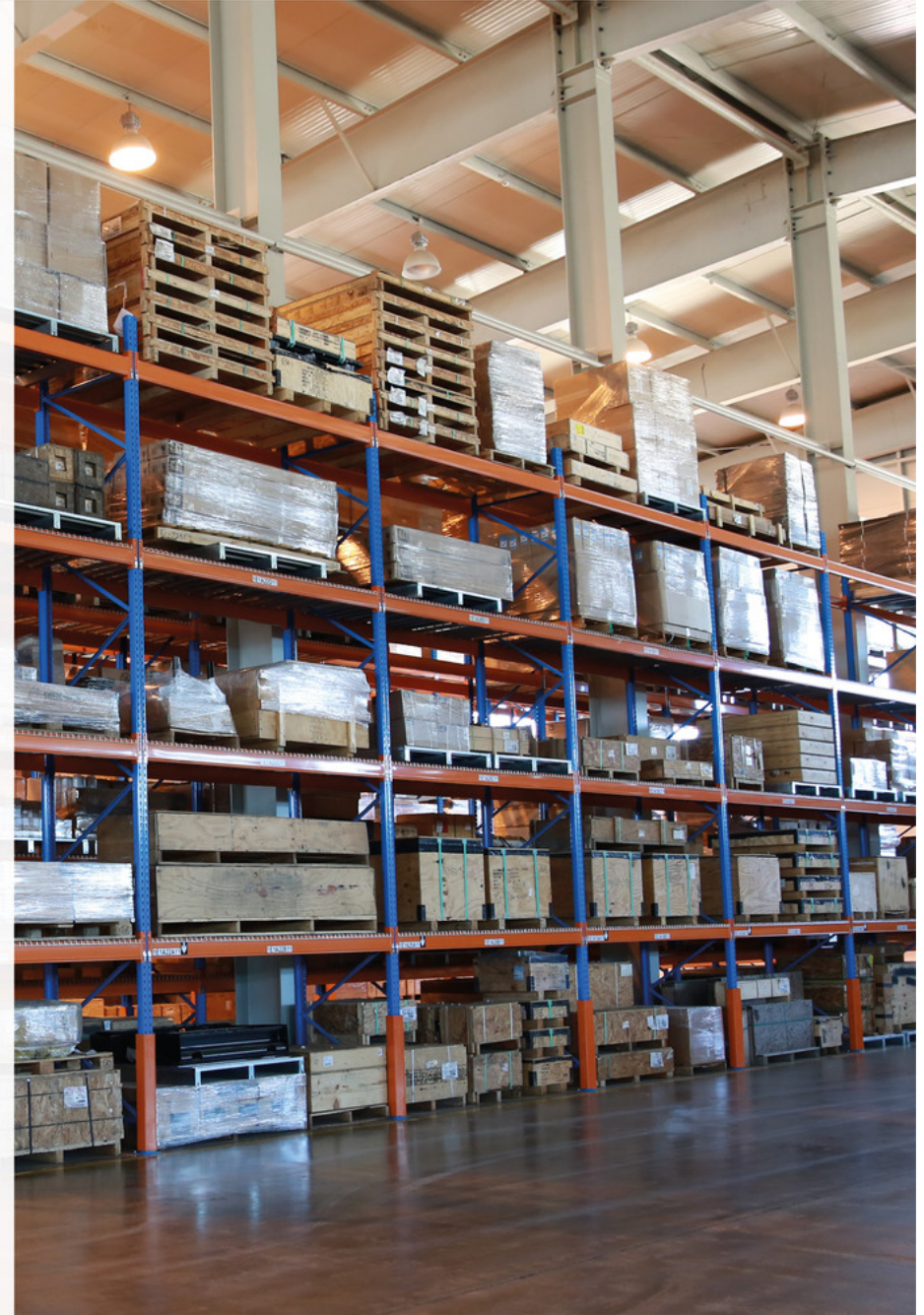
Our tax governance structure includes:

- divisional tax committees
- the group tax committee
- the group audit committee
- the board of Barloworld.

A detailed computation of the IFRS effective tax rate reconciliation is available in note 7 on page 48 of our annual financial statements.

Board focus areas

Board focus areas for 2024	Response regarding what was achieved
Monitoring and evaluation of Barloworld's investment in Russia considering the ensuing conflict in Ukraine	<p>The conflict in Ukraine and its continued impact on Barloworld remains a significant risk and continues to be a regular agenda item for the board.</p> <p>The group continues to monitor its position in the country with compliance around business activities at the forefront.</p>
Oversight of the group's capital allocation strategy	<p>Barloworld has a well-developed capital allocation framework, and the board, in conjunction with the exco, follows a rigorous approach to capital deployment for organic and/or inorganic growth, maintaining a conservative capital structure, and also enabling the company to declare dividends, as and when appropriate.</p>
Assessment of value accretive organic and inorganic growth	<p>The board, along with the executive management of the group, continues to focus on value-accretive organic growth and the delivery of positive economic profit from the businesses in our portfolio. This is evident from the performance delivered by the businesses in a challenging global commodity environment.</p> <p>Keeping with the focus on the Industrial Equipment and Services business, two opportunities have been evaluated in detail in the UK in the power rental space, however, valuation misalignment between the parties following detailed due diligence prevented the conclusion of the transactions.</p> <p>Over two dozen additional opportunities have been identified in the UK in the Testing, Inspection, Certification and Compliance (TICC) segment. A number of these opportunities are being progressed simultaneously and the group is in early-stage engagements with the counterparties.</p> <p>In South Africa, six opportunities meeting the approved themes and plays have been explored. Following an initial assessment, four of these did not meet the investment guardrails and were hence not progressed. The group</p>
Oversight of strategy implementation	<p>Ongoing implementation of the group's "Fix, Optimise and Grow" strategy.</p> <p>The group has successfully exited its 20% shareholding in its non-core investment in Optron and 50% investment in Barzamm for value.</p> <p>The group continues to assess viable exit options for its remaining non-core joint ventures.</p>
Manage board and executive succession planning	<p>A robust succession process has been implemented that not only focuses on executive level succession. The board, through the nomination committee, considered the talent pipeline for the senior management levels and other key positions to mitigate vacancies that arise through both promotions and unplanned attrition. The executive team underwent rigorous leadership assessment and each were tasked with a personal development plan.</p>



Audit committee focus areas

Audit committee focus areas for 2024	Response regarding what was achieved
The audit committee has considered the key audit matters, being the compliance with export administration regulations (EAR) and the impairment assessment of the assets of Vostochnaya Technica LLC (VT)	<ul style="list-style-type: none"> Through the work of the ad hoc committee, the audit committee considered the representations made by expert investigators on the progress of the investigation into potential violations of EAR. The audit committee considered the significant estimates and judgements applied by management in reaching conclusions on relevant contingent liabilities and provisions related to VT. The audit committee examined and challenged management's technical paper and reasonability of assumptions used in the impairment assessments of the VT assets at year end. The audit committee also considered the adequacy of the disclosures in note 32. The committee was satisfied that at 30 September 2024, the carrying amount of VT's assets and the contingent liabilities disclosed were adequate and appropriate in accordance with IFRS.
Continued improvement of the overall control environment focusing on areas identified for improvement. Continue to monitor the strength of the balance sheet. Continuous improvement and continued efforts to achieve the digitisation of the finance functions	The overall control environment was found to be sound, and all areas requiring improvement have been identified. Management has committed to appropriate action plans to remediate the areas of improvement.
Continue to focus on the effectiveness of combined assurance providers addressing key risks identified through risk management processes	The committee noted the ongoing coordination required from various assurance providers through the risk management processes.
Environmental issues, including climate change, are incorporated into the group's risk universe and is subject to the group's enterprise risk management approach	The committee noted that the considerations related to climate change are included within the group's enterprise risk management framework and the risk universe. This enables an integrated approach to the management of climate change-related risks alongside other business risks. Such integration is clear from the inclusion of climate change matters in the material matters section and the risk section of this integrated report.

Risk committee focus areas

Risk committee focus areas for 2024	Response regarding what was achieved
Monitoring the cybersecurity programme	Cybersecurity remains a key focus area for Barloworld and is continuously monitored in various governance forums, such as the IT steering committees and risk committees. The objectives of the cybersecurity programme for 2024 were met, with all divisions completing key initiatives aimed at improving the posture and maturity level of cybersecurity across the group.
Monitoring IT governance effectiveness in response to King IV™ Principle 12 to ensure it addresses critical IT risks	The divisions are required to track and attest their compliance with King IV Principle 12 on an annual basis. The attestations measure the effectiveness of the IT strategy, IT policies and oversight in areas such as IT expenditure and IT risks.
Monitoring significant IT projects	The significant IT projects are tracked, monitored and reported on at the risk committee where the committee engages on concerns, issues and challenges relating to the project. Specific emphasis is placed on tracking the project spend, status measurement against key project phases, project risks and critical activities.
Progressing Barloworld's sustainability through digital strategies	Barloworld is progressing the development and entrenchment of digital enablement, optimisation and transformational thinking into the organisational DNA. Divisions are tracking their digital initiatives and enabling the identification of new opportunities for digitisation. These are reported and showcased in various governance forums to promote knowledge sharing and collaboration.
Enhancement and improvement of the risk posture as it pertains to risk maturity	The risk assessments, which give insight into the risk maturity, were completed at both the divisional and group levels. This resulted in improved risk scores across the group, with the group being awarded an improvement in risk maturity to a score of 4 out of 5 by IRMSA.
Group insurance programme	The six fundamental principles that our insurance philosophy is anchored on, remained in place throughout the year under review. This saw operational retentions increasing significantly on some classes of insurance, signalling our continued commitment to our insurance partners to present an ever-improving risk and to also share in the risk. A key focus area for the new financial year, which is aligned to our commitment to increasing our self-retention levels, will be the more extensive use of our Captive in the Isle of Man, Barloworld Insurance Limited (BIL). The increased use of the Captive will be underscored by our continued commitment to improving our risk posture, risk culture and risk control environment all which are key areas of focus in the new financial year.
Regulatory and compliance risk	A vendor for the policy contract management system was appointed, and the roll-out has been initiated. The regulatory compliance policy and framework has been rolled out.

Nomination committee focus areas

Nomination committee focus areas for 2024

Enhancing the adequacy of board skills; continuous development of the board; and efficient running of the board committees

Response regarding what was achieved

The committee focused its attention on the succession process of all critical skills across the group, specifically regarding the leadership levels. In addition, the committee, via its chair, held one-on-one meetings with all board members to engage on the progress made and the improvements required in implementing the group's strategy. The discussions also focused on the improvements needed to achieve better efficiencies in the running of the board and its committees, such as improved alignment in scheduling meetings and site visits. Furthermore, the committee considered and evaluated the board's capacity, skills and independence, and was satisfied that these remain fit for purpose.



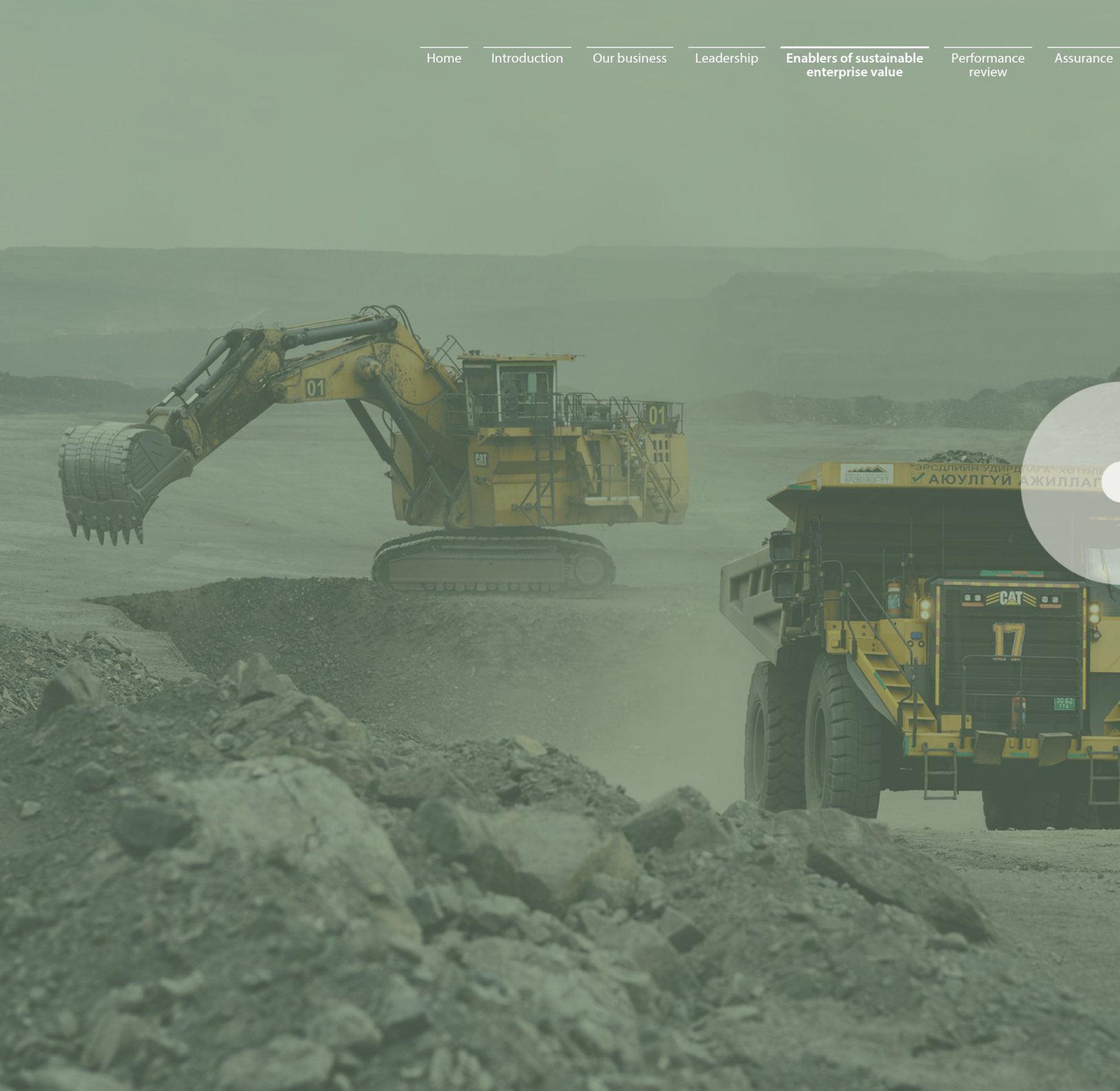
Strategic and investment committee focus areas

Strategic and investment committee focus areas for 2024	Response regarding what was achieved
Assessment of value accretive organic and inorganic growth	<p>The board, along with the executive management of the group, continues to focus on value-accretive organic growth and the delivery of positive economic profit from the businesses in our portfolio. This is evident from the performance delivered by the businesses in a challenging global commodity environment.</p> <p>Keeping with the focus on the Industrial Equipment and Services business, two opportunities have been evaluated in detail in the UK in the power rental space, however, valuation misalignment between the parties following detailed due diligence prevented the conclusion of the transactions.</p> <p>Over two dozen additional opportunities have been identified in the UK in the Testing, Inspection, Certification and Compliance (TICC) segment. A number of these opportunities are being progressed simultaneously, and the group is in early-stage engagements with the counterparties.</p> <p>In South Africa, six opportunities meeting the approved themes and plays have been explored. Following an initial assessment, four of these did not meet the investment guardrails and were hence not progressed. The group continues to remain active in the market, identifying and assessing potential opportunities.</p>
Monitoring and evaluation of Barloworld's investment in Russia considering the ensuing conflict in Ukraine	<p>The conflict in Ukraine and its continued impact on Barloworld remains a significant risk, and remains a regular agenda item for the board</p> <p>The group continues to monitor its position in the country, with compliance around business activities at the forefront.</p>
Overseeing the implementation of the group's strategy	<p>The group has successfully exited its 20% shareholding in its non-core investment in Optron for a favourable value.</p> <p>The group continues to assess viable exit options for its remaining non-core joint ventures.</p>

Remuneration committee focus areas

Our remuneration report is available on our [website](#).

Remuneration committee focus areas for 2024	Response regarding what was achieved
Shareholder engagement	The Remco consulted with and considered the commentary received from relevant shareholders in response to the FY2023 AGM held in February 2024.
Disclosure of pay practices	Remco continued to enhance the disclosure of the Company's pay practices to provide all stakeholders with a transparent and comprehensive overview of the Company's Remuneration Policy and practices and how these are aligned with the Company's strategic objectives.
Benchmarking of Executives' salary packages	Every year, Executives' salary packages are benchmarked against comparator companies to ensure that they are competitively remunerated whilst still being responsible in the context of returns delivered to stakeholders.
STI and LTI performance outcomes and future targets	<p>Effective 2024, employees from Grade 15 and above were migrated to the clawback incentive structure, which includes the ESG downward modifier in their STI targets. This amendment was made to better align the lower-level employees with the strategic objectives of the executives and ultimately the group.</p> <p>Overall Group STI financial score = 0%. and no STI was payable for 2024 to the executives. regarding LTI, the resultant vesting percentages were 30% (out of a potential 100%) for the forfeitable share plan (FSP) with performance conditions, and 75% (out of a potential 250%) for the conditional share plan (CSP) as outlined in the remuneration report. The STI and LTI outcomes are reflective of the Company's performance and the committee was comfortable that they are commensurate to an effective link between pay and performance.</p> <p>The following enhancements to divisional metrics were proposed for FY2025: division specific working capital metrics to replace the FCF/EBITDA conversion metric for the Equipment businesses and augment the FCF/EBITDA conversion metric for Ingrain. Divisional profit after tax to replace divisional Economic profit. Other metrics remain unchanged.</p>
Malus and Clawback Policy provisions	<p>The following amendments were approved with effect from FY2025:</p> <ul style="list-style-type: none"> The Malus and Clawback Policy be extended to all employees from Grade 15 and above who receive variable pay i.e., STIs and LTIs. The inclusion of additional trigger events in the policy: The clawback period was amended to three (3) years post the vesting, exercise, and/or release of an award.



Enablers of sustainable enterprise value



NEO
MOKHESI

SETC
Chair

Social, ethics and transformation committee report

Introduction

Our commitment to sustainability is outlined in [Our commitment to sustainability and creating enterprise value](#) chapter.

The committee's key responsibilities include monitoring and overseeing ethics and culture, risk and compliance, employee well-being, safety and health, the environment, stakeholder engagement, and diversity, equity and inclusion (belonging). We share oversight with the audit and risk committees on several facets.

Our terms of reference are approved by the board and reviewed annually to ensure relevance and alignment with the Companies Act and King IV™ Code.

[PricewaterhouseCoopers Inc. \(PwC\)](#) has conducted limited assurance on chosen sustainability data in our 2024 integrated report.



Committee meetings

During the period under review, four committee meetings were held, with exco members invited to attend all committee meetings. The profiles of the members of the committee and their meeting attendance can be found on pages [32](#) and [33](#).

Ongoing compliance

During 2024, the committee continued to ensure Barloworld's ongoing compliance with various legislation and best practice codes. These include, but are not limited to, the United Nations Global Compact Principles, the Organisation for Economic Co-operation and Development (OECD) recommendations on corruption, the Employment Equity Act, the B-BBEE Act, the King IV™ Code, and the Companies Act.

In this respect, the committee is satisfied that there was no material non-compliance with legislation or non-adherence to codes of best practice during 2024.

Committee monitoring and oversight	Committee monitoring and oversight		Joint monitoring and oversight	
	The committee reviews quarterly reporting on the following:		The SETC, audit committee and risk committee jointly oversee:	
Risk and compliance	<ul style="list-style-type: none"> • OECD recommendations regarding corruption 		<ul style="list-style-type: none"> • Fraud risk profile • Risk profiles and registers • Compliance management status 	
Ethics management and culture	<ul style="list-style-type: none"> • Effectiveness of the ethics initiatives and programmes in place to improve the ethical culture within the organisation • The group’s performance regarding the protection of human rights 		<ul style="list-style-type: none"> • Ethics status report and policies 	
Well-being, safety, health and the environment	<ul style="list-style-type: none"> • Employee health, safety and wellness • Sustainability, environmental stewardship and climate change • Tracking the group’s performance regarding key ESG targets. 		<ul style="list-style-type: none"> • Identified risks related to well-being, safety, health and the environment 	
Diversity, equity and inclusion (belonging)	<p>Progress with transformation, including:</p> <ul style="list-style-type: none"> • promoting equity, diversity and inclusion in the workplace and human resource development • advancing socio-economic transformation through preferential procurement with SMEs and large black-owned entities, as well as enterprise and supplier development. 			
Stakeholder engagement	<ul style="list-style-type: none"> • Stakeholder engagement and management reports. 		<ul style="list-style-type: none"> • The integrated report assurance process, scope and findings 	

Key matters for 2024:

Environmental targets and climate change

Last year, we indicated that climate change and the associated risks and targets would remain a key focus area for our committee in 2024. We also undertook to extend our focus to include the financial impacts of climate change on the business.

Aligned with these undertakings, management reviewed the group's decarbonisation strategy for the medium to long term, with committee oversight.

The pathway aims to reduce the group’s contribution to global emissions, global warming and climate change impacts while enhancing resilience to climate-related risks in operations and the value chain.

Detailed environmental targets are included in [Environmental stewardship](#).

Although the group’s non-renewable energy consumption and water withdrawal were marginally improved relative to the business-as-usual case, this was below the targeted improvements. The group did not meet the targets in respect of scope 1 and scope 2 GHG emissions, largely due to the production challenges experienced at Ingrain.

The group has implemented several environmental initiatives, including additional investments in renewable energy, solar PV capacity and a water treatment plant at Ingrain.

In August 2024, Barloworld celebrated the launch of the Phakalane dealership in Botswana by Equipment southern Africa. The facility boasts a 1 200m² parts warehouse, ensuring faster turnaround times for customers.

The facility incorporated EDGE Advanced Certification standards, achieving a 42% reduction in energy consumption, 35% in water usage, and 41% in embodied carbon in materials. Our investment in the Phakalane facility embodies our commitment to sustainable business practices, local development, and creating shared value for all stakeholders, including the country of Botswana.

Barloworld has made significant investments towards a circular economy. The newly built Phakalane facility includes a component rebuild centre, complete with a welding bay and spray booth. This allows the facility to service and rebuild machines and components locally, even accommodating a 100-ton off-highway truck.

In 2024, the group made further investments in the Barloworld Equipment Reman Centre (BRC) as part of the salvage modernisation project. The BRC is one of only 15 certified component repair centres in the global Caterpillar dealership network.

Ensuring the health and safety of our people

Safety remains paramount for the Barloworld board and the executive team and an area of continued focus for the management teams. This is evident in the improvement in our material safety key performance indicators, which indicate progress in the safety posture across the group. This is outlined on pages 66 and 67.

Unfortunately, we had two ^{LA} work-related fatalities at Ingrain and VT. In both incidents, full investigations were conducted internally and in conjunction with local authorities. Identified remedial actions have been implemented to reduce the risk of reoccurrence.

Management continues to work on improving safety by incorporating leading indicators alongside traditional lagging indicators. This includes using digital tools for proactive hazard identification and timely action.

The committee has ensured a continuous organisational focus on fostering a zero-harm culture, including prioritising the promotion of psychological safety, addressing workplace bullying, and implementing mental health strategies.

Driving psychological safety warranted a paradigm shift at the leadership level. It was pleasing that focused transformational programmes were rolled out for leaders across Barloworld. The interventions were focused on equipping leaders to provide a psychologically safe work environment, free from workplace bullying.

It is gratifying to see the increase in the utilisation of employee assistance programmes, especially by our male colleagues and by the LGBTQIA+ community. It is worth noting that the number of unique users participating in the organisation's wellness programme increased by 141%.

Pleasingly, this year's One Barloworld Employee Engagement Survey provided positive feedback on working towards a zero-harm culture. The high awareness rate of mental health support, encouragement of open discussions, and organisational support for mental health problems indicate significant progress regarding the group's efforts, especially amid the restructuring processes undertaken during the year.

Our role in society

Always doing the right thing and making a positive difference remains central to the group's socio-economic transformation strategy.

On diversity and inclusion, our corporate profile is increasingly resembling the societies we operate in. We already surpassed our goal of having at least 50% women representation in leadership in 2023 and we continue to transform our workforce to resemble the demographics of the populations that we serve.

In Greater Africa, Russia and Mongolia, our diversity and inclusion strategy includes increasing localisation by mainly employing local communities and limiting the number of expatriates in our teams. It also includes increasing the number of women at all organisational levels.

In Eurasia, women represent 43% of the management team, a 2.7% improvement year on year.

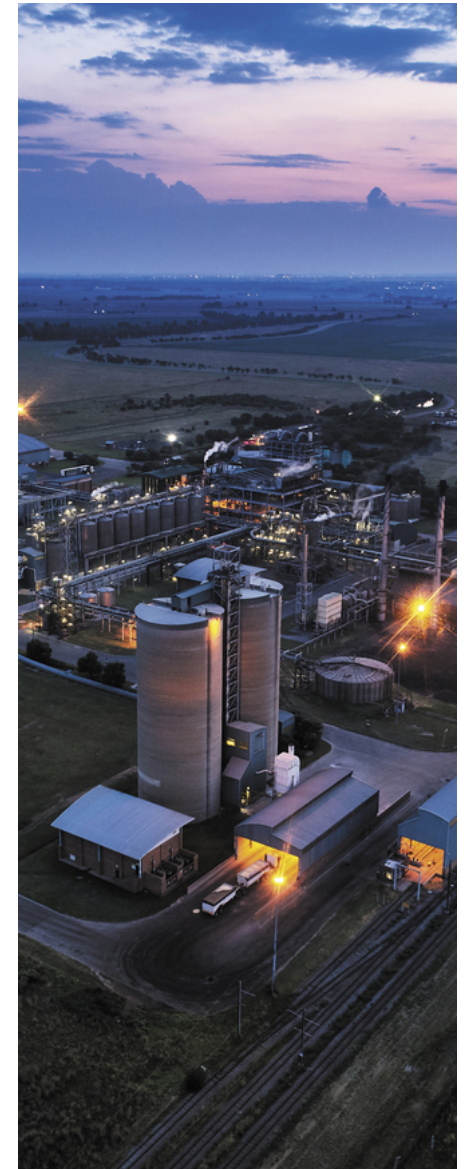
We have strengthened our supply chains and exceeded our targets of procuring from ≥30% black women-owned suppliers. In the current year, 19.07% ^{LA} was procured from qualifying black women-owned entities.

Our efforts towards social entrepreneurship, economic development and inclusion were recognised when Mbewu received the CSI Legacy Best Corporate Award for 2024.

Siyakhula contributed R16 million to fund 46 beneficiaries as part of our ESD programme. The multiplier effect of our contributions provided 896 individuals with much-needed employment opportunities.

As indicated in 2023, the various social (Mbewu), enterprise development (Siyakhula), and CSI (Barloworld Trust) programmes were transferred under the foundation's umbrella. The committee oversees the revised organisational structures following the amalgamation of the group's various entities.

The committee approved the updates to the stakeholder engagement framework and policy during the period. The framework and policy have been communicated and implemented across the group.



^{LA} Denotes Limited Assurance

Driving an ethical culture

The committee continues to exercise oversight of the group’s ethics and compliance framework to ensure that Barloworld continually promotes and enhances an ethical culture.

Efforts to further entrench an ethical culture include group-wide training and awareness campaigns, focusing on leadership and senior management teams in particular.

Furthermore, the committee receives and reviews quarterly whistleblowing updates, highlighting trends and investigation outcomes. This proactive approach aims to implement targeted interventions to reduce the risk of recurrence.

Bi-annual reports on the anti-bribery and corruption framework ensure that the committee proactively monitors the adoption of policies and procedures, the tone at the top, risk assessments, due diligence of suppliers and people, communication and training, and ethics training statistics.

Stakeholder engagement

A focus area highlighted for 2024 was the enhanced application of the group stakeholder engagement framework and policy, and the group stakeholder engagement champions forum.

Aligned with the group stakeholder engagement framework, processes are in place to ensure that the committee remains informed of material stakeholder issues.

Recognising that our employees are a key stakeholder, the One Barloworld Employee Engagement Survey was conducted during the year. This survey enabled us to better understand our employees’ experiences with our value proposition and the impact of the various strategic decisions on their well-being and brand loyalty.

The high overall response rate this year provides a clear and reliable picture of the strengths we need to build on, as well as potential risks that serve as improvement opportunities.



Focus for FY2025

Progress the climate change strategy

Drive a zero-harm organisational culture (well-being, health and safety)

Further embed our ethical culture

Conclusion

The committee is satisfied that its terms of reference align with Barloworld’s material focus areas within our ambit of responsibility. The breadth and depth of management reporting to the committee is more than sufficient for the committee to exercise prudent oversight in discharging its governance responsibilities.

Strategies, policies and processes remain appropriate to sustain the group’s commitment to responsible and ethical corporate citizenship.

Neo Mokhesi
Social, Ethics and Transformation
Committee Chair

Environmental stewardship

Barloworld considers good environmental practices a prerequisite for value creation and trustworthiness, and continues to adopt a precautionary approach to environmental management. Sustainable development, including environmental aspects, underpin our strategic framework and aspirations.

Barloworld's commitment to responsible environmental stewardship contributes positively to the following UN SDGs:



Barloworld's ESG rating:



Our approach

To secure the legitimacy and trust of our stakeholders, including the communities in which we serve, our employees, customers, regulators and shareholders, it is important for Barloworld Limited to ensure sound and healthy business practices, reliable reporting, and compliance with legislation and regulations.

To serve the interests of our stakeholders, the group's environmental framework is subject to ongoing review, assessment and improvement. The board proactively adopts environmental policies and practices designed to align the interests of the board of directors and management with those of shareholders and broader stakeholders, and to promote the highest standards of ethical behaviour, environmental practices and risk management at every level of the organisation and, where appropriate, across its value chain.

Material environmental matters

Given the nature of Barloworld's operations, our material environmental matters include:

- energy consumption
- GHG emissions (scope 1 and 2)
- water withdrawal
- waste management

Governance and oversight

The Barloworld board, through its delegation to the SETC, is responsible for overseeing environmental sustainability, including related strategies, governance, environmental risk management, policies, decarbonisation aspirations, target-setting, performance, assurance and compliance.

Performance on the group's safety, health and environmental performance is tabled to the SETC on a quarterly basis. This ensures that the committee members are kept abreast of performance trends, performance against set targets, non-compliances, and other pertinent environmental developments.

Executive management is responsible for the designing and implementing an adequate and effective environmental framework across the group, while environmental matters are represented by the Group Executive: Risk, Ethics and Governance at a group exco level, supported by the Head of Group Sustainability.

The roles and responsibilities are further defined in Barloworld's environmental sustainability framework ([link to website document](#)).

Codes, frameworks and policies

A number of group-wide documents are in place that set the minimum environmental standards across the group, including the following:

- Barloworld environmental sustainability framework
- Barloworld environmental and biodiversity policy
- Barloworld energy efficiency policy
- Barloworld climate change policy
- Barloworld water use and management policy
- Barloworld waste management policy

Sustainability is one of group's five core values as reflected in the [Barloworld Worldwide Code of Conduct](#). Elements covered under this include, health and safety, people and skills, innovation for customers, environmental responsibility, and communities.

Barloworld expands its influence for good by incorporating ESG elements in its supplier due diligence processes and has a robust [Supplier Code of Conduct](#), to which suppliers must abide. Health, safety and environment are elements covered in the Supplier Code of Conduct. To date, some 4 929 suppliers have signed the Barloworld Supplier Code of Conduct.



Training and development

A multipronged approach is adopted for environmental training and awareness, aimed at enhancing responsible practices and decision making. As we believe that each and every employee has a part to play in overcoming environmental challenges and making a positive impact, training interventions are designed for all levels of employees.

Environmental risk management

Barloworld has a robust risk management approach within the group. This extends to environmental and climate change-related risks.

Similar to all other categories of risks, environmental risks are to be considered by each Barloworld operation in light of its operating context and prevailing legislative and other requirements.

Various risks are considered across Barloworld's value chain, including its direct operations, supply chain and customers. At a high-level, these risks include the following:

- **Environmental policy and regulations**
- **Reputation**
- **Technology**
- **Market**
- **Supply chain disruptions**
- **Pricing**
- **Physical**



Governance structures at divisional and group levels ensure oversight of environmental-related risks and include:

- divisional risk and sustainability committees
- Barloworld exco
- Barloworld board, including the risk and the social, ethics and transformation committees.

Every Barloworld employee is responsible for effectively managing risk, including identifying potential risks. Management is responsible for the developing risk mitigation plans and implementing appropriate risk management strategies. Risk management must be integrated with other planning processes and management activities.

Key responsibilities and accountability for risk management are defined in the Barloworld risk management policy¹

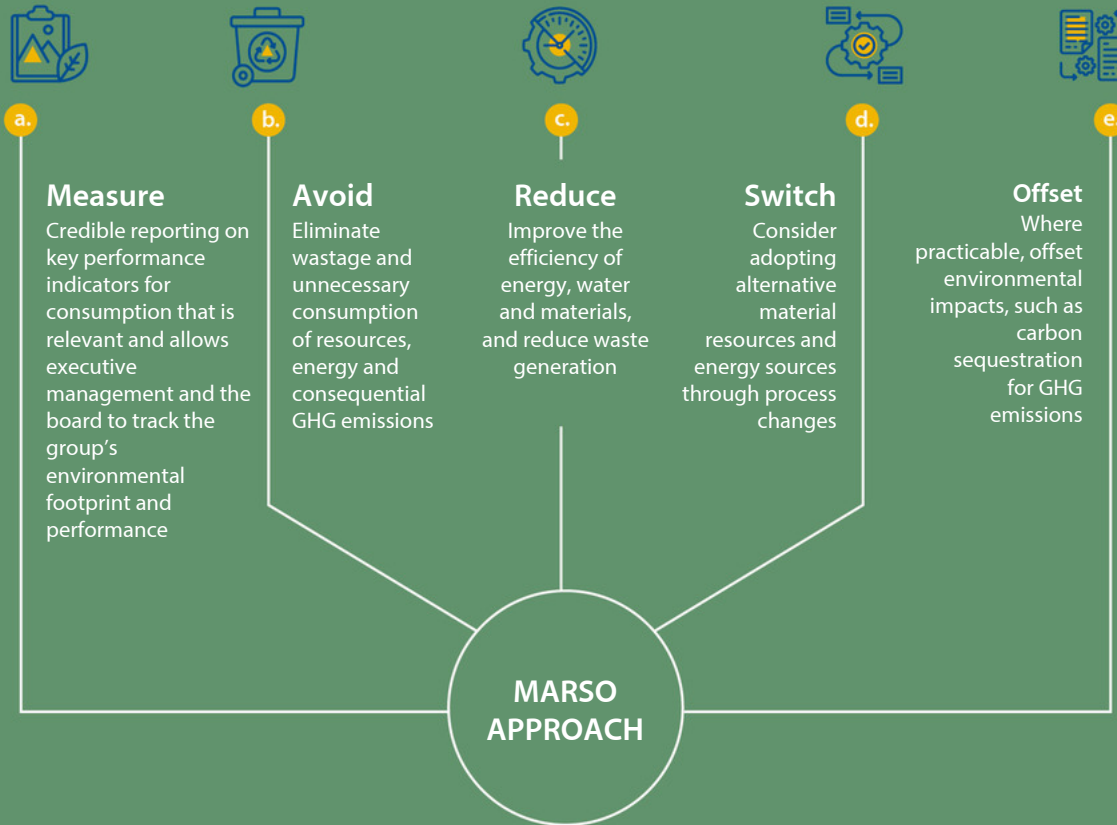
¹ Refer [Barloworld Risk Management Policy](#)

Limiting our environmental impact

Driven by our values and aspiration to be a responsible corporate, our environmental sustainability strategy ultimately strives to reduce Barloworld's environmental footprint, which:

- **reduces** Barloworld's contribution to environmental degradation and climate change
- **improves** operational resilience in the face of pricing increases, including tariff increases, levies and taxes, and supply disruptions
- **aligns** with stakeholder expectations, including assisting customers to improve their efficiencies and contributing to them achieving their own sustainable development goals
- **supports and complies** with national environmental policy and regulations in the jurisdictions where we operate.

For several years, the group has adopted the Measure, Avoid, Reduce, Switch and Offset (MARSO) approach to environmental management:



Efficiency improvement targets are in place at various levels within the group, and monitored at the group executive and board levels. These targets are also incorporated into relevant management performance scorecards as part of the performance management process.

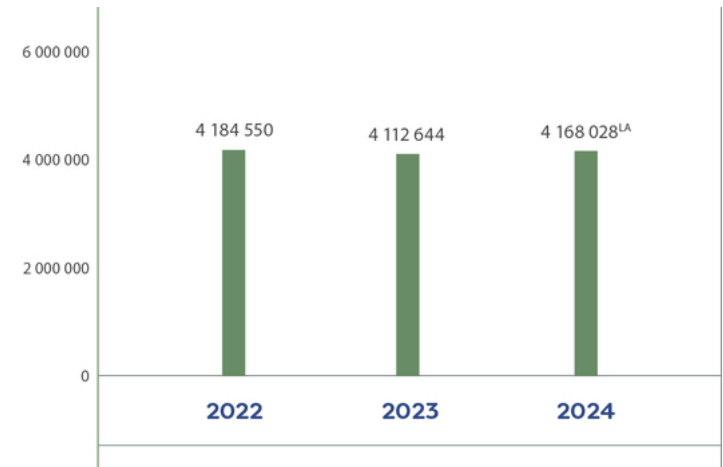
Efficiency improvements achieved at the operational level will translate into improved energy, emissions, water and waste efficiency at an aggregated group level.

Energy consumption and GHG emissions

Consumption of energy derived from non-renewable resources such as electricity, coal, petrol, and diesel drive the group's GHG emissions.

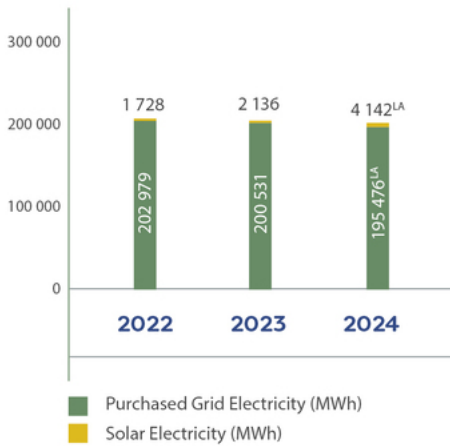
In the past year, non-renewable energy consumption (GJ) for the group saw a slight increase of 1.3%, while there was a decrease of 0.4% compared to 2022.

BAW Group - Non-renewable Energy (GJ)



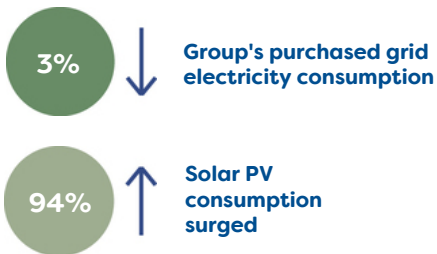
^{LA} Denotes Limited Assurance

BAW Group - Total Electricity (Renewable vs Non-renewable)(MWh)

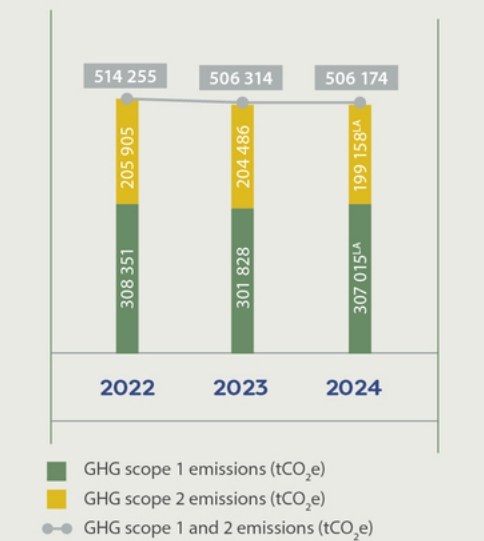


The group's purchased grid electricity consumption decreased by 3% against the prior year and decreased by 4% against 2022, respectively.

The group's installed solar PV capacity at the close of the period exceeded 2,922kW (peak). These installations have played a significant role in generating 4,142MWh^{LA} (14,912GJ) of renewable energy throughout the period, resulting in a reduction of 4,308tCO₂e from traditional grid electricity. Notably, solar PV consumption surged by 94% compared to the previous year and was 140% higher than 2022.



BAW Group - Greenhouse Gas Emissions (Scope 1 & 2) (tCO₂e)



The group is focused on scope 1 and scope 2 emissions, which arise from the use of fossil fuels and purchased grid electricity produced from fossil fuels, respectively. In the past year, total emissions (scope 1 and 2) for the group saw a decrease of 0.03%, and 2% compared to 2022. As of 2024, scope 1 emissions accounted for 61% of the group's overall emissions (scope 1 and 2).

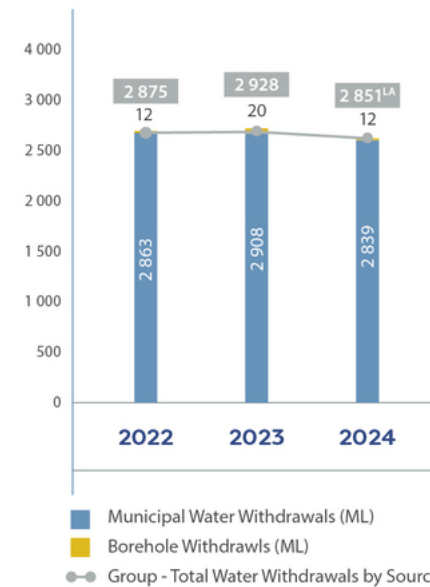


Water management

Water treatment, filtration and recycling continue to be a focus in the group. The majority of water withdrawn within the group's operations are sourced from local municipal supplies.

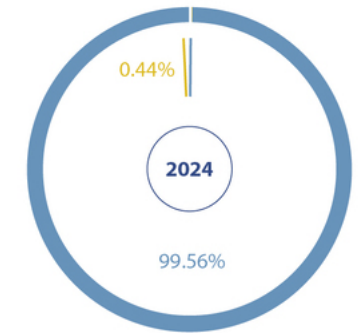
The drive for greater water efficiency reduces the group's consumption of a globally threatened resource, reduces our costs and enhances operational resilience against tariff increases and supply disruptions.

Group - Total water withdrawals by Source (ML)



The group's total water withdrawals (municipal and borehole sources) saw a 3% decrease against the prior year and a 1% decrease against 2022, respectively.

Water consumption by Source (%)



| Water Source - Municipal Utilities (%)
| Water Source - Borehole (%)

BAW Group - Total Water Recycled (ML)



The volumes of water that are recycled continue to increase year on year, as operations enhance the water recycling capacity and measurement.

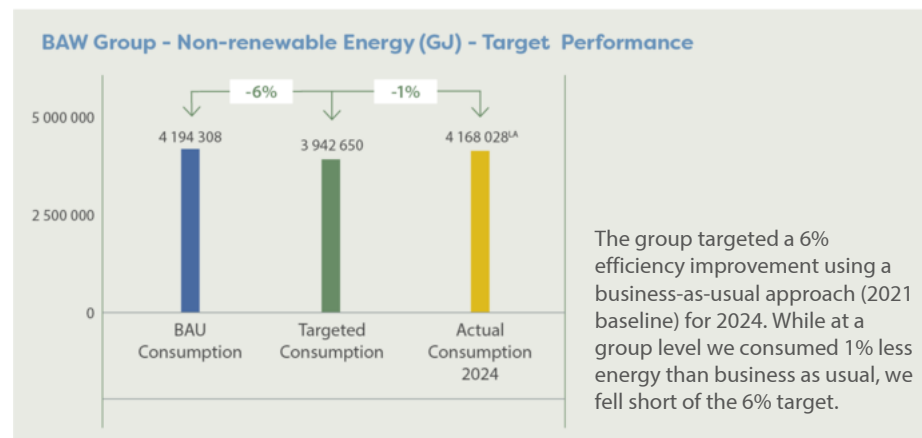
^{LA} Denotes Limited Assurance

Our targeted efficiencies

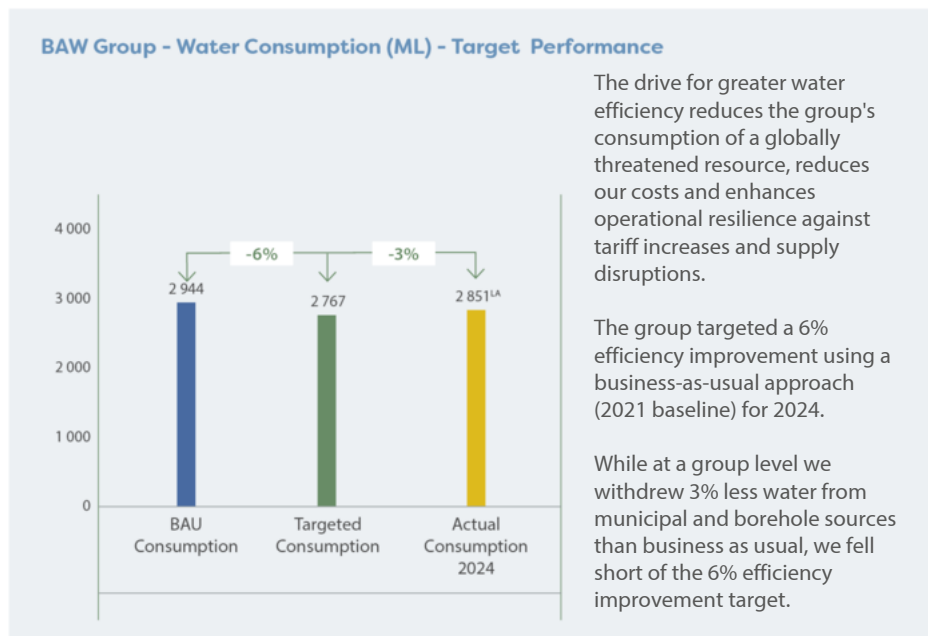
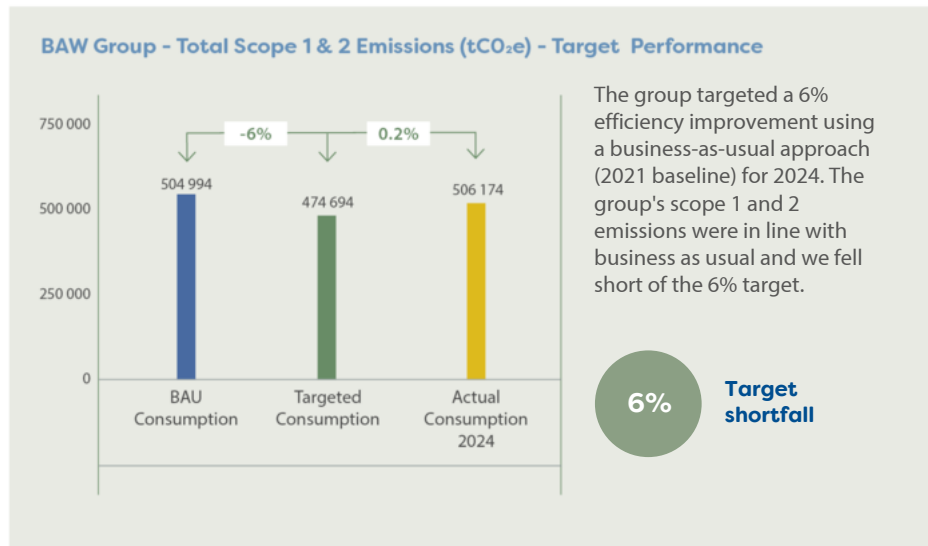
In 2022, the group implemented efficiency improvement targets for non-renewable energy consumption, greenhouse gas emissions (scope 1 and 2) and for water withdrawals (municipal and borehole). Targets aim to improve efficiency by 15% against a business-as-usual scenario using 2021 as a baseline.

Environmental element	KPI Measure	Baseline Year	Target Efficiency	2024 Efficiency achieved against BAU	Target achieved 2024
Non-renewable energy consumption	Gigajoules (GJ) of non-renewable energy	2021	15% efficiency improvement to be achieved by 2027	-1%	No
Greenhouse Gas Emissions (scope 1 and 2)	Tonnes of Carbon emission equivalent (tCO ₂ e)	2021		0.2%	No
Water withdrawal	Million Litres (ML) of municipal and borehole water	2021		-3%	No

See below for graphical representation:



^{LA} Denotes Limited Assurance



Waste management

Circularity and waste

Within the group, Barloworld Equipment’s remanufacture and rebuild facilities in South Africa, Russia and Mongolia make the most significant contributions to the circular economy. Rebuilding and remanufacturing extend and provide multiple life cycles to components that would otherwise be scrapped and often sent to landfills. In addition, remanufactured components require less energy and water than building and delivering new parts, while offering local employment and training and development opportunities.

For the financial period, 85% of sold components were remanufactured, with the balance being new component sales.

Waste management

All operations have appropriate registered waste management companies that assist the group in ensuring all waste generated is disposed of responsibly.

For 2024, 100% of liquid waste and 99.98% of solid waste were appropriately disposed of via appointed certified waste management companies. Where hazardous waste was generated, these were disposed of responsibly in line with local regulations, and certificates of safe disposal were obtained.



Barloworld Equipment Botswana’s new Phakalane Head Office was designed and constructed with sustainability top of mind. The facility boasts impressive energy and water efficiency technology that has led to certified savings for energy, water and embodied carbon in materials.



The facility boasts impressive energy and water efficiency technology



42% Energy Savings
 35% Water Savings
 41% Less Embodied Carbon Materials
 410,40 tCO/year
 Operational CO₂ Emissions
 301,06 tCO/year
 Operational CO₂ Savings

Our role in society

A value-creating workforce

A breakdown of the employees in our business units. The number of employees in Barloworld increased by 0.31%.



Creating rewarding employment opportunities

	2024	2023	2022
Industrial Equipment and Services	5 163	5 147	4 739
Equipment southern Africa	3 870	3 775	3 172
Equipment Eurasia	1 293	1 372	1 567
Consumer Industries	841		
Ingrain	841	912	904
Corporate Centre + UK Corporate	74	66	79
Corporate	56	49	66
Europe	18	17	13
SMD	156	164	401
Total number of employees in continuing operations	6 234 ^{LA}	6 289	6 436

Industrial Equipment and Services

- Equipment southern Africa
- Equipment Eurasia

Consumer Industries

- Ingrain

Corporate Centre + UK Corporate

- Corporate
- Europe

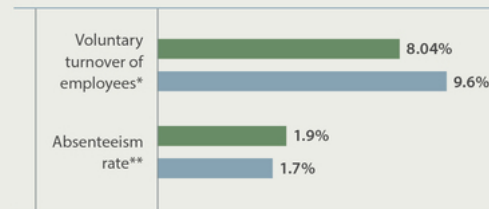
SMD

Total number of employees in continuing operations

The value we have added for our people and Barloworld

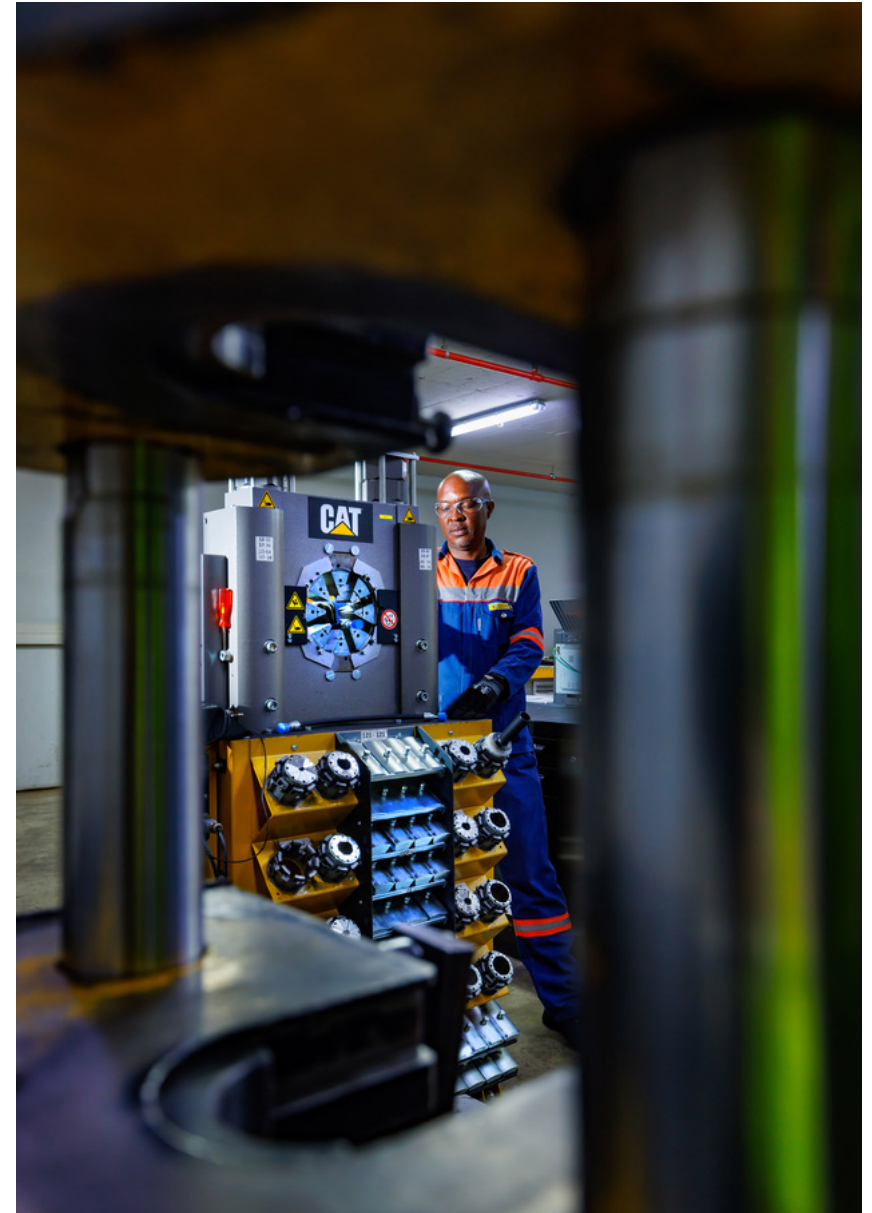
- Investing in the development of our people helps provide Barloworld with the necessary skills
- Building a brand that attracts scarce and critical skills
- Creating rewarding employment opportunities
- Supporting a just transition by offering our people the opportunity to develop skills that will equip them for the new world of work

Turnover rate and absenteeism

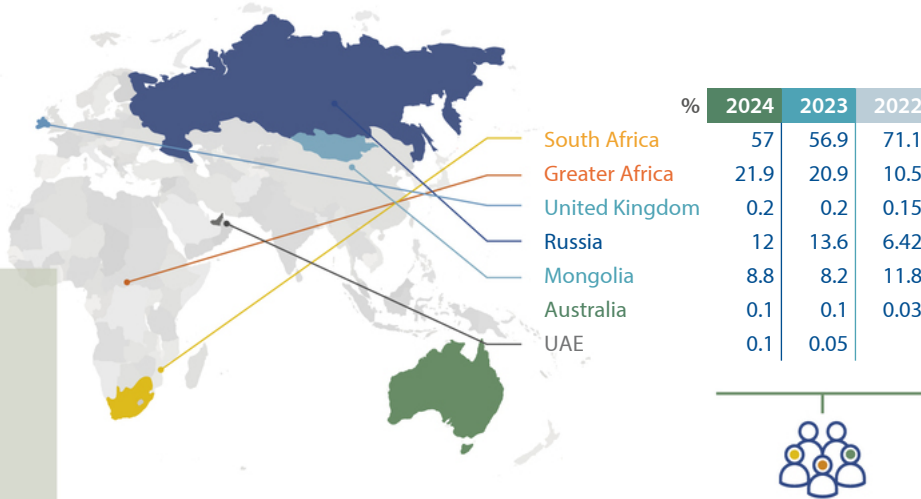


■ 2024
■ 2023

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



Geographic breakdown of the group's employees



Our priorities in 2024

- The wellness of our people
- Recognising and rewarding winning behaviours and exceptional short and long-term results
- Skills development and preparing our employees for a just transition
- The retention and development of scarce and critical skills
- Technical and artisan-related training
- Enhancing talent and diversity
- Continuing with the BBS leadership transformation
- Re-examining our reward strategy for non-managerial employees to ensure short-term incentives are achieving their purpose

Governance protects our people and preserves value

The Barloworld group is believed to be the first South African company to introduce a Code of Employment Practice around the same time the Barloworld Foundation was formed in 1974 to support its commitment to recognising each employee for their contribution to the business.

- 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
- The social, ethics and transformation committee ensures 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 the 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.

The outcome of our learning and skills development investment in 2024

R39.4 million was invested in training and development at all levels of the group during 2024

(2023: R38.1 million)

239 people were enrolled in apprenticeships, internships and learnerships at Barloworld during 2024

(2023: 187)

124 young people

were beneficiaries of our Young Talent Programme in South Africa

(2023: 204)

12 external bursaries were

awarded (2023: 12)

46 internal bursaries

were awarded (2023: 27)



Training and development that enables value creation

Leadership initiatives remained a focus of learning and development at Barloworld during 2024. Among these initiatives is the ESG leadership development programme, which includes ethics and governance modules. Last year, the PJB Learning Academy successfully launched a programme known as SEED (Sustainable Evolution Executive Development Programme) in partnership with GIBS Business School. This is a highly integrative, collaborative and transformative learning experience, designed to support and complement Barloworld's sustainable development. The aim is to drive competitive and responsible performance through the lens of corporate governance, with 88 senior leaders participating.

At the core of the transformative journey is to enhance the capabilities of Barloworld's executive leadership by developing mindsets and behaviours associated with ESG, ethics and mental wellness.

In early 2024, Equipment southern Africa launched a co-created first-line management leadership development programme at the PJB Learning Academy. To date, 42 leaders have completed the sessions planned for the year, with the second and third cohort group commencing at the beginning of the next financial year.

An accelerated boot camp programme was introduced last year to enhance sales competencies. To date, 357 sales brand champions have participated in the programme. The business also continued to target technical skills, with 94 artisans completing the Basic Field Service Troubleshooting course.

To further improve the ability of artisans to troubleshoot on the job, a specialised schematics programme was introduced at the beginning of the financial year, with

157 artisans trained to date. A further 41 artisans completed the CAT Advanced Certification Programme.



Leadership initiatives remained a focus of learning and development

This year, the PJB Learning Adacemy's Technology School of Excellence, in partnership with Initium Venture, launched the Barloworld Equipment Technology Learnership for employed learners. Twenty employees were nominated from different regions, including Middleburg, Kathu, Botswana, Mozambique and Condition Monitoring Central. Additionally, it will support the execution plans for Barloworld Equipment's digital excellence strategy, with the school having trained 185 brand champions on several strategic technology solutions covering applications, functionalities, service and maintenance aspects.

The Academy, in partnership with the University of Johannesburg, also enrolled 65 BWE brand champions in the Operations Management programme to empower them with industry knowledge and the skills required for operational excellence in delivering breakthrough targets across all the Barloworld Equipment regions.

The PJB Learning Academy, which provides training for our employees and the employees of our customers, trained 6 133 people in 2024 and generated R65 million in revenue, a 5.2% increase in revenue year on year.



94
completing the Basic Field Service Troubleshooting course

41
artisans completed the CAT Advanced Certification Programme

6 133
people were trained by the PJB Learning Academy in 2024

During the year, a human capital (HC) function was established as an independent function in Barloworld Mongolia, with a direct reporting line to the General Director. This strategic decision was made to ensure that adequate attention is directed towards the development and implementation of the business's HC strategy.

For both Russia (VT) and Mongolia, training, well-being and succession planning remain priorities. This year, Mongolia also implemented a mentoring programme throughout the business, covering different employee levels and using various formats to ensure the programme is effective. Russia continued to develop its HC portal, allowing employees to easily access HC-related information. The portal includes a new section on well-being added during 2024.

During the year under review, Ingrain's learning and development interventions included job-specific training and policy and functional leadership training. In 2025, its focus will be on addressing skills gaps, which will promote individual growth and improve business performance.

Reducing business risk and strengthening our succession pipeline

Improving our succession coverage ratio for senior management roles remains a key focus. One of the priorities for 2024 was identifying a pool of talent with high potential (HiPo) to grow into positions of higher complexity, be it specialist or leadership roles. Our goal is to tap into this HiPo talent pool to improve our succession coverage for our senior management roles.

Achieved in 2024 were:

- alignment on Barloworld's standard for a HiPo individual, the unique attributes they possess thus setting them apart from the rest
- development of a baseline measurement tool for managers to assess talent
- training of people leaders in the use of the tool
- a phased approach to implement HiPo assessments, taking into consideration business priorities and readiness.

In the same period, we also extended our scope for risk mitigation through succession planning to include all key roles in the group, irrespective of occupational level.

Achieved in 2024 included:

- on-boarding of people leaders on Barloworld's well-established approach to succession planning, including process of role classification to identify those key to our business
- conducting a role classification exercise across the board
- divisional visibility of key roles to enable mitigation
- the next phase of the risk mitigation process; it involves understanding the risks associated with these roles and implementing appropriate mitigation strategies. While this phase has commenced in some of the divisions, a full roll-out is planned for 2025.



The Young Talent Pipeline

Participants in the Barloworld Young Talent Pipeline include apprentices, interns, those on our graduate programme, chartered accountant (CA) trainees, bursars and artisans who are prior learning (ARPL) candidates. At a group level, 12 candidates were offered external bursaries to further their education. During the year under review, 124 people participated in our Young Talent Pipeline programme.

Barloworld Head Office had five new CA trainees joining the Young Talent Pipeline programme this financial year, with two trainees completing the programme and one candidate securing permanent employment at Barloworld Equipment.

Good traction was achieved on the programme overall, with 11 CA trainees participating in the programme, with four in Year 3, two in Year 2 and five in Year 1.

Through the Education Foundation Trust, Barloworld Equipment southern Africa is funding 12 learners in institutions of higher learning in engineering, IT and finance disciplines to serve as a feeder to the Young Talent Pipeline.



The business has 239 apprentices in various phases of training

The business has 239 apprentices in various phases of training, from Year 1 to Year 3, with nine newly qualified candidates having been absorbed into the business. Business demand for 2024 was to increase the intake by 100, with 44 recruited to date.

There are currently 25 interns in the pipeline and seven graduates still in the pipeline completing Year 2 in Zambia. Of our previous cohort, three resigned and 14 were employed by us.



25 interns and seven graduates still in the pipeline

This year, we recruited five interns in the Investor Relations, Ethics and Compliance, Strategic Finance and Share Schemes departments. In addition, the Barloworld Head Office issued two bursaries, and had one employee complete bronze-level BBS training.

Over 54 bursary applications were received across southern Africa, with a combination of undergraduate and postgraduate students applying. Exco has approved the funding for bursaries for students enrolled in disciplines aligned with business strategy.

The Equipment Eurasia talent pipeline includes an apprentice programme in Mongolia, from which 24 apprentices graduated during the year under review. There were new intakes into the apprentice programme in November 2023. Efforts to maintain the future talent pipeline in Russia included having 53 young people working in the business for four months during 2023.



Diversity and inclusion

We have group-wide diversity and inclusion targets in our employment equity plans. To continue progressing towards a more diverse and inclusive workforce in South Africa, our focus has been on career development, appointments, promotions, retentions, and meeting and exceeding the targets set in our employment equity plans. We want our workforce to be as diverse as the economically active population (EAP) of South Africa in the long term. Through the progress members of our workforce are making as valuable contributors to Barloworld’s successful delivery of its strategic objectives, they will achieve financial inclusion.

Our gender-linked bond

In 2022, we launched a gender-linked bond to demonstrate our ongoing commitment to gender equity.

Gender equality	We have made good progress with the percentage of black women in our South African management team	We have also made good progress with the percentage of black employees who are members of our South African management team
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Top management team	88% (2023: 88%)	73% (2023: 76%)
Senior management team	76% (2023: 70%)	74% (2023: 65%)
Middle management team	81% (2023: 81%)	72% (2023: 71%)

Women made up 33.3% of our total South African workforce in 2024
(2023: 29.9%)



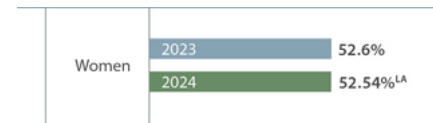
29.5% of the total South African workforce were black women
(2023: 29.2%)

82.9% of the employees making up our total South African workforce are black (2023: 81.3%)

A measurement required for our gender-linked bond

The profile of our leadership team, including the board and exco, has improved in 2024 as a result of increased female representation in South Africa.

Barloworld Group



The improved score is a result of the opportunities that came about during the year for the promotion and recruitment of women into leadership positions. The leadership structures are fully constituted.

The differently abled individuals

Our group-wide target for the differently abled individuals is set above the legislated target of 2%. In 2024, the group employed 140 differently abled people (2023: 60), of whom 65 are women (2023: 24) and 75 are men (2023: 36). Our middle management team comprises 36 differently abled people (2023: 9).

Diversity outside South Africa

In Greater Africa, Russia and Mongolia, our diversity and inclusion strategy includes increasing localisation by limiting the number of expatriates in our teams. It also includes increasing the number of women at all organisational levels.

In Eurasia, women represent 43% of the management team, which is a 2.7% improvement year on year and 39% of the people promoted were women.

VT has more than 50% female representation in back-office positions. VT also established dedicated quarterly diversity and inclusion committees to drive the ongoing promotion of diversity and inclusion within the organisation.



^{LA} Denotes Limited Assurance

Employee benefits and remuneration – equity for all employees

The benefits provided for full-time employees include:

- **Medical aid** 

- **Life and disability insurance** 

- **Wellness support** 

- **Paid maternity leave** 

- **Fair and responsible remuneration** (see details in the remuneration report) 

One Barloworld Retirement Fund

Equity amongst all our employees is the key driver of our benefits design at Barloworld. The amalgamation of the historical retirement funds into the One Barloworld Retirement Fund in 2022 brought about an enhanced and uniform benefit offering for all our employees. To ensure that we continue to evolve and align with the varying needs of our employees, a level of flexibility was introduced within the uniform benefit offering, allowing each staff member to customise their benefits according to their personal needs and retirement goals.

This financial year saw the launch of the investment strategy within the One Barloworld Retirement Fund with a trustee-designed strategy alongside an opt-out, customised member-designed strategy to cater for the unique and varying needs of our employees. The investment strategy approved by the trustees in this financial year sets out to aid staff to have a clear understanding of their net replacement ratio at retirement and to adopt interventions along the way to ensure their savings goals are met.

Our in-house funeral product remains a leading and unique offering for all our staff, with payments in this financial year in excess of R3.2 million, evidencing the critical need and assistance the benefit provides to our staff, their spouses, children and up to six extended family members.

In the months leading up to the launch of the Two-Pot System on 1 September 2024, a series of roadshows were held at all our sites and locations of operation to ensure that our staff are well-informed and equipped to understand the changes in the retirement fund arena. This is in line with our commitment to enhancing knowledge sharing, training and facilitating access to information for all our staff.

Barloworld Medical Scheme

Our in-house medical scheme continues to offer a singular comprehensive plan, which has been in place since the inception of the scheme. Ensuring that all staff of Barloworld receive the same medical cover and access to the same medical treatment, irrespective of their roles within the organisation, continues to be the focal point of ensuring equity among all our staff for those members who are on the Barloworld Medical Scheme.

At the commencement of the 2024 calendar year, we launched an Efficiency Discount Offering (EDO) plan within the scheme. It offers the same benefits and cover options as the comprehensive plan to all staff, however, at a discounted rate. The EDO option utilises a set of network providers and hospitals, limiting access to a wider range of providers for planned procedures but still enabling the use of the extensive provider network for emergencies. This aligns squarely with our commitment to enabling flexibility without compromising cover and equity.

Our strengthened partnership with the Board of Healthcare Funders has ensured that the board of trustees of the Barloworld Medical Scheme participate in industry initiatives and discussions that enhance the service offering to the members of the Barloworld Medical Scheme. This has enabled us to provide a more enhanced messaging to our members through our newsletters and member portal hub.

Our admin and ex-gratia committee received and approved ex-gratia requests in excess of R600 000 for the current financial year, which provided necessary and urgent assistance to our members and their dependants.



Engaging our employees

Our One Barloworld Employee Engagement Survey is our strategic mechanism for touching base with our teams on matters that through extensive research have been proven to be key to them choosing to be associated with the Barloworld brand. The same factors are equally important for key talent attraction.

In 2024, all our divisions that could participate in the Deloitte run survey did so. Provision was made for colleagues in our Russia-based operations to participate in a similar survey, via a local provider. Survey items that were designed by Barloworld were incorporated in the locally run survey for comparable reporting on issues core to Barloworld (i.e. psychological safety, ethical culture, values alignment, etc.).

The One Barloworld Employee Engagement Survey is modelled on Deloitte's Best Company framework and flagship survey for employee engagement and satisfaction. The survey focuses on key drivers of engagement today.

Leadership:

Measures perceptions of leadership behaviours that ultimately influence employees' connections to the organisation. Related survey items include ethical behaviour, vision and mission, communication, role modelling and recognition.

Culture:

Measures perceptions around ways of working that influence attachment to the organisation. Items included themes such as customer orientation, transparency, trust, collaboration, inclusion and belonging.

Human experience:

Looks at perceptions of the day-to-day touch points that influence the relationship with the organisation. The driver addresses themes such as support, work-life balance, burnout, autonomy, motivation and purpose.

Talent:

Measures perceptions of processes and practices that influence the attraction to the organisation. Survey items look at themes such as pay and benefits, equal opportunity, and performance management.

Well-being:

This newly added driver of engagement reflects perceptions on the state of wellness that influence sentiments towards the organisation. Themes addressed include mental, physical, financial and emotional well-being.



In addition to the outstanding number of employees who participated in the 2024 survey (81.7% in the One Barloworld Employee Engagement Survey deployed through Deloitte, and 79% in the Happy Job survey by a VT local provider), the following key insights were noted:-

Our collective strengths worth celebrating:

- Committed workforce that strives to exceed expectations
- Strong drive for customer centricity
- Individuals and teams who find their work meaningful
- Supportive and meaningful relationships with co-workers
- Great levels of awareness about where to seek support when experiencing mental health challenges

Improvement opportunities:

- Perceptions that our pay and benefits may not be adequate relative to peers and the broader market
- Perceived disconnect between an individual's performance and their compensation
- Perceived unequal access to opportunities
- Organisational trust
- Experimentation and risk taking

Similar findings (overall strengths and improvements) were observed in the VT survey.

Wage negotiations

A two-year wage agreement was reached with the National Union of Metal Workers of South Africa (NUMSA) and Barloworld Equipment southern Africa in the Limpopo and Mpumalanga regions in 2023.

The parties agreed to a 6% increase in the first year (2023-2024) and a 7% wage increase in the second year (2024-2025). The signed agreement has been implemented across all regions in South Africa and will expire on 30 June 2025. In Greater Africa, wage negotiations, have been successfully concluded in Namibia and Zambia.



Ingrain restructuring – S189A process

In February 2024, Ingrain announced the intention to restructure based on its financial performance. Given the number of employees likely to be impacted, it was legally defined as a large-scale restructuring. As per the legal requirements of such an action, a 60-day CCMA-facilitated consultation process was initiated with four consultation sessions. We are pleased to report that the arbitration process was finalised amicably, with a Memorandum of Understanding signed with the CCMA.

One of the outcomes of the process was to move non-continuous shift workers to a continuous shift structure to further mitigate high overtime costs and improve operational efficiencies. This also resulted in improved shift coverage and supervision. Concerted efforts to minimise retrenchments resulted in over 100 jobs being saved.

On-site wellness sessions were held to support impacted employees through this time. CV writing and interviewing skills training was also rolled out to affected employees, including fixed-term contractors and learners.

A continued focus on wellness

Some of the key improvements we set out to achieve in 2024 through our well-being centred, zero-harm culture and how we fared included the following:-

(a) Addressing stigma and other challenges contributing to lower utilisation of our employee assistance programme (EAP) among males: In 2023, we reported service utilisation of 39%, which was 2% below the SA EAP benchmark for males. Our concerted improvement efforts have yielded positive results, with utilisation levels surpassing the benchmark at 45%.

(b) Increasing the number of "unique users", as this is an accurate indicator of service uptake. In 2024, the number of unique users making use of the organisation's wellness programme (EAP) increased by 141%. This increase in new users was noticeable across all BAW divisions, with some recording improvements above 300%.

(c) Increasing utilisation beyond those identifying as male or female. While there are currently no South African benchmarks for EAP utilisation by the LGBTQIA+ community, Barloworld's zero-harm and inclusive culture demands consciousness to ensuring that "no one is left behind". Consequently, conscious efforts are ongoing to ensure that all services extended on behalf of Barloworld reflect this inclusive intent. In 2023, only 0.3% of EAP cases were from users classifying as LGBTQIA+. In the year under review, this increased to 1%.



(d) Reducing the number of colleagues with suicidal ideations. In 2023, a total of 22 cases related to suicidal ideation were reported, peaking at N=11 in Q3. In Q4 of the same period, this steadily declined to N=6, then to N=4 in Q1 of 2024; even better improvements were recorded in the following quarter (N=0). Unfortunately, these gains were short-lived in the quarters that followed, and N=22 cases were once again recorded for the period in 2024. We maintain a pulse on these cases to ensure that the necessary support is afforded for full recovery.

(e) Maintaining the 2023 zero lives lost to suicide record. While the number of suicidal ideations are evidence of a diminishing capacity to cope with pressures (work, life or both), it is reassuring to report that our holistic approach to well-being has once again ensured that no life has been lost to self-harm in 2024.

(f) Providing tailored wellness support to reduce the impact of some organisational strategic decisions, such as the organisational restructure, on the well-being of our people. Related interventions included conducting emotional impact sessions, which are debrief group sessions aimed at affording employees, both those directly and indirectly impacted by the restructure, a psychologically safe space to externally process their experiences. These reduce the negative effects of internalised negative emotions, offer validation as necessary, as well as empower employees with the skills to help them cope and navigate the challenges in a more productive and less self-destructive manner.

(g) Empowering employees with the necessary information to know where to go for mental well-being support. In the 2024 One Barloworld Employee Engagement Survey, 80.8% of the 81.7% Barloworld employees who participated in the survey (respondents) indicated that they knew where to go if their mental well-being was being impacted.

(h) Fostering a culture where conversations about mental health are normalised. In total, 73.1% of the respondents confirmed the organisation's positive efforts in encouraging open discussions about mental health problems.

(i) Improving the maturity of the mental health programme at our Vostochnaya Technica Eurasia division. In 2024, we recorded a positive improvement from 33.4 in 2023 to 59.1, which reflects maturity towards a more proactive approach to mental health management. Continued efforts are still needed to fully integrate initiatives into business strategies and to ensure that resources are accessible to all employees.



Governance of health, safety and well-being

Barloworld board

- Supports the board in discharging its duties with respect to health, safety and well-being
- Receives quarterly reports on performance, trends, mitigation and progress on targets

Social, ethics and transformation committee

- Responsible for strategy development and implementation
- Monthly tracking of safety and wellness performance via group bowler (BBS tool)

Executive committee

- Operational accountability for workplace health, safety and well-being in respective operations
- Policy implementation
- Monitors operational performance

Divisional Chief Executives

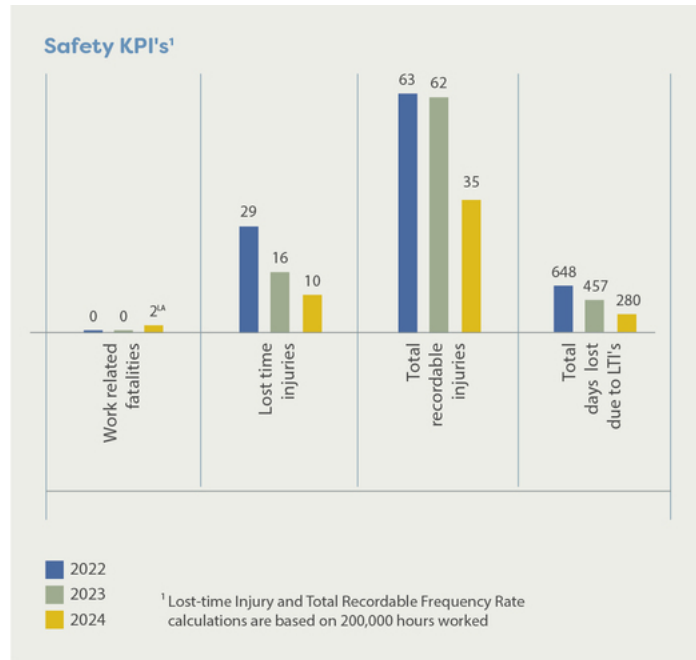
- Performance monitoring and oversight of relevant KPIs (leading and lagging indicators)
- Evaluate performance against set targets

Divisional SETC/ risk and sustainability committees

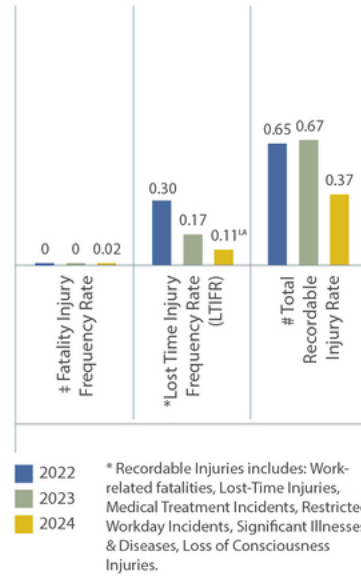
- Divisional oversight and governance structures that monitor health, safety and well-being performance and progress against set targets
- Oversee divisional policies and procedures and ensure alignment with group policies and standards where relevant

Material safety key performance indicators (KPIs)

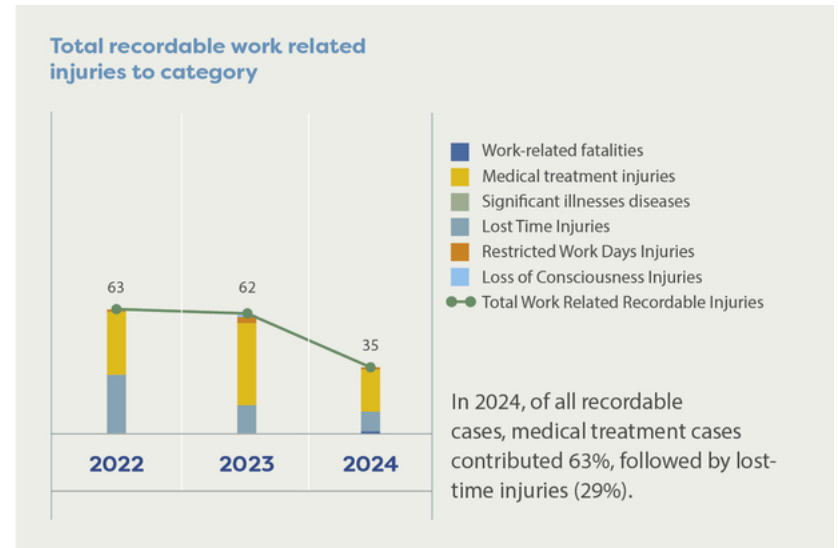
Group



Safety frequency rates



To drive targeted safety improvement initiatives, safety performance reporting tracks incident and injury categories:

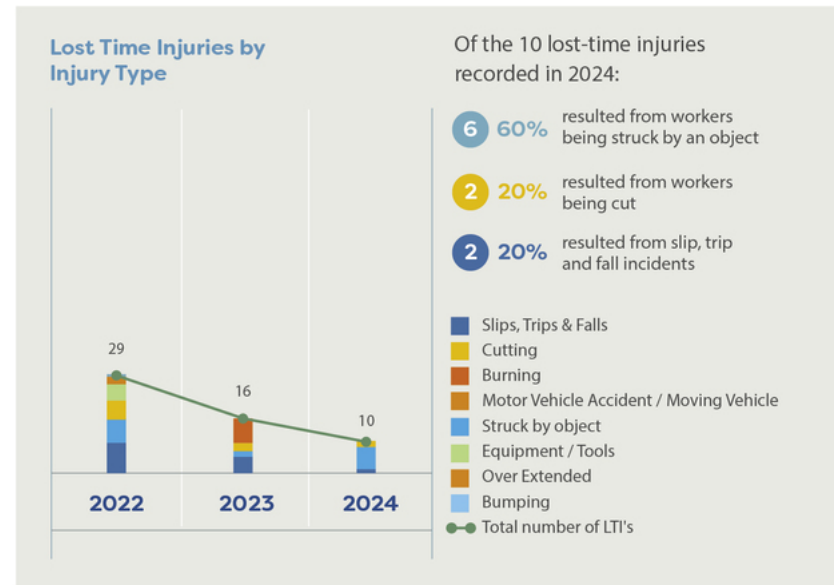


Safety Frequency Rates	#Fatality Injury Frequency Rate	*Lost Time Injury Frequency Rate	#Total Recordable Injury Rate
2022	0	0.30	0.65
2023	0	0.17	0.67
2024	0.02	0.11 ^{LA}	0.37

‡ FIFR = ((No. of Work-Related Fatalities x 200 000)/Total hours worked)

* LTIFR= ((No. of LTIs x 200 000)/Total hours worked)

TRIFR= (((Medical Treatment + Restricted workday + Significant Illness & Disease + Loss of Consciousness + Lost-Time + Work-related fatalities) x 200 000)/Total hours worked)



^{LA} Denotes Limited Assurance



Our performance against the safety and sustainability-linked funding KPIs

Employee wellness and safety remain paramount in the group. Barloworld tracks its safety performance against set targeted levels. Leveraging its safety targets, Barloworld had linked its LTIFR to issued sustainability-linked bond (BAW38). The group's 2024 LTIFR (0.11)^{LA} exceeded the targeted level (0.34) by 68%.

Below is a graphical representation of high-potential hazards (HPHs) identified and the percentage that has been investigated, remediated where necessary, and then closed.

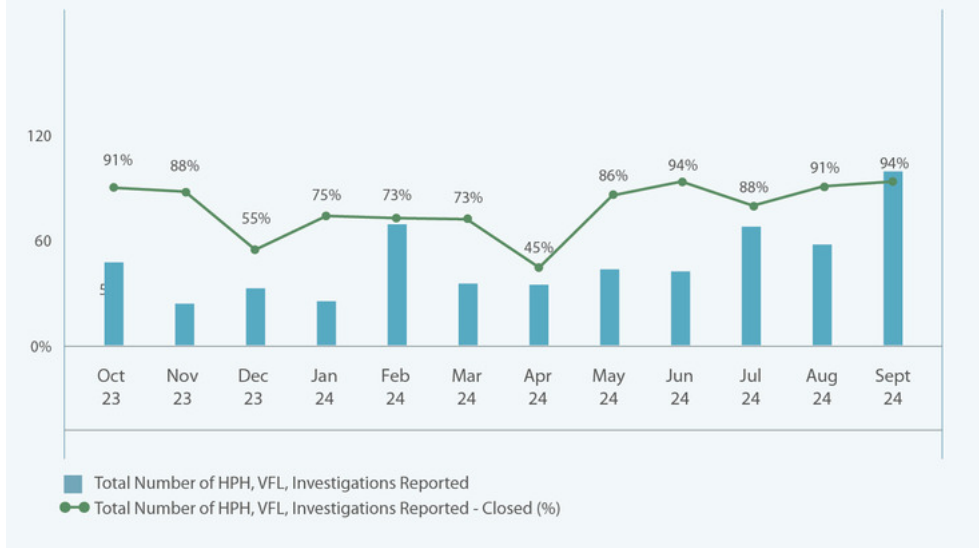
Work-related fatalities	2019	2020	2021	2022	2023	2024
BAW group	0	0	0	0	0	2 ^{LA}

While the above are predominately lagging indicators that track safety incidents after they occur, the group's safety management approach has evolved to include more preventive measures, including the identification of potential hazards. This approach allows all employees to engage with safety hazard concerns by reporting identified hazards for investigation and remedial action by the respective management teams.

We focus on embedding a safety culture, awareness, and accountability by continually having several initiatives underway at our various operations. Digital tools have been adopted that enable all employees to raise concerns via mobile phones using apps that allow for pictures to be uploaded. The approach reinforces that safety is every employee's responsibility and the notion of "being each other's keeper". These initiatives are centrally managed per division and the closure rates for identified hazards are tracked to ensure these do not materialise into safety incidents.

Set targets are in place for hazard identification in each division, with the belief that the workplace becomes safer when hazards are identified and mitigated before they materialise.

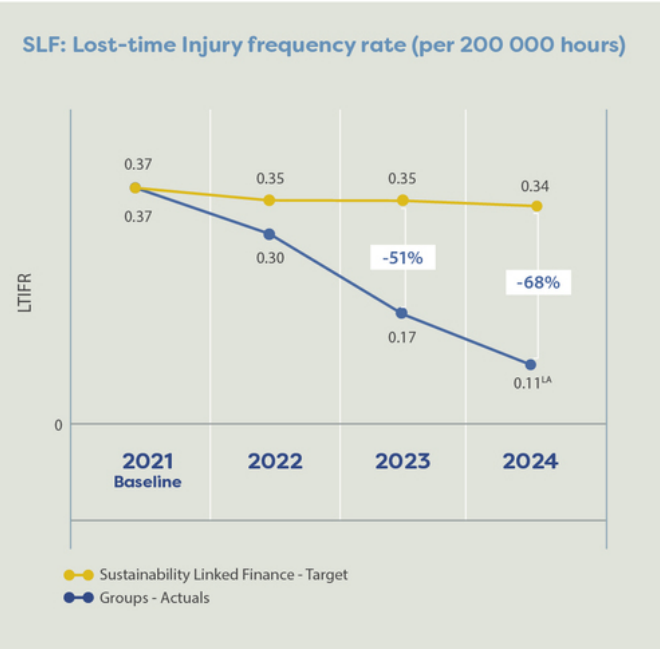
Group - Total Number of HPH, VFL, Investigations Reported & % Closed (2024)



HPHs: At risk behaviour, condition or interaction, which has the potential to cause fatality or multiple fatalities, a chronic occupational disease, major environmental damage or a major legal contravention. (Note: HPHs may not only be limited to safety hazards.)

^{LA} Denotes Limited Assurance

Safety and sustainability-linked funding safety target



Enabling growth and progress in society

Creating meaningful positive change

Barloworld Limited, as part of its socio-economic objectives, has established the Barloworld Empowerment Foundation (BWEF), the key focus areas of which are advancing education, entrepreneurship, youth development and social empowerment and environmental protection and rehabilitation.

The Foundation's innovative change model drives transformational models of cooperative and interdependent community development and investment, empowering communities to lead and own their regeneration.

In 2023, the various entities responsible for the group's social investment interests were amalgamated under the BWEF. This independent body serves as a catalyst for community-led regeneration, social innovation, entrepreneurship, and sustainable impact.

The objective was to consolidate all community-focused initiatives under the expertise of the BWEF, thereby amplifying Barloworld's social value creation agenda. This alignment standardises goals and values across community-focused initiatives through the Barloworld Trust (BWT), the Barloworld Mbewu Social Innovation Programme, and the Barloworld Siyakhula Programme.

These special purpose vehicles are now guided by common goals under the BWEF umbrella. These values include:

- Respecting and valuing community knowledge, agency, social innovation, and entrepreneurship.
- Fostering curiosity, collaboration, and partnership.
- Encouraging storytelling, advocacy, and a human-centric approach.
- Maintaining African authenticity, integrity, and a multi-level, integrative approach.
- Striving for sustainability, resilience, and inclusive social and economic development.

The BWEF is responsible for driving strategy and execution with oversight provided through board controls and governance. The programmes operate independently, fulfilling their mandates.

Sustainability-linked bond

BAW38	KPI	Metric	Baseline 2021	Year 1 target (2023)	Year 2 target (2024)	Applicable UN SDG
Lost-time injury frequency rate	LTIFR	LTIFR	0.37	≤0.35 (6% improvement from baseline)	≤0.34 (7% improvement from baseline)	

^{LA} Denotes Limited Assurance



Strategy & oversight

BWEF Social development programme

- **BWT**
Social development programme
- **Mbewu**
Mbewu Social entrepreneurship programme
Mbewu Social innovation programme
- **Siyakhula**
Siyakhula Enterprise development programme
Siyakhula Supplier development programme

An investment of
R5.8m
across the various focus areas



Barloworld Trust

Over numerous years of social investment, the Barloworld Trust has collated enriching insights on the country’s socio-economic challenges as well as the opportunities for redress. Through its strategic partnerships with the public sector, civil society, academia and the communities it serves, the Trust continues to respond meaningfully to the socio-economic needs of the communities it serves while meeting its ESG requirements.

The Trust’s social investment engages a holistic approach to development to ensure measurable and sustainable impact over time. It cultivates individual agency and community interventions, resulting in broader national impact.

The Trust’s social impact portfolio is diverse, with an investment of R5.8 million across the various focus areas, ensuring continued support of initiatives and organisations that address the socio-economic challenges through innovative means.

Focus area 1: Leadership and youth development

Barloworld recognises the necessity of developing competent and well-rounded leaders, not only for growing its talent pool but also for the benefit of the country. As such, the Trust supports youth and leadership development initiatives targeting youth aged 18 to 25 as well as influential professionals aged 35 to 50.

The youth development initiatives challenge students at 27 tertiary institutions around the country to develop innovative social and entrepreneurial solutions for complex South African issues and improve the quality of life for underserved communities. Students are mentored to apply business concepts to community outreach initiatives.

Case study

A project developed by the Enactus Tsolo Agriculture and Rural Development Institute, a new team that joined Enactus in the 2023/24 programme year.

Hops and Greens aims to combat poverty and food insecurity in Tsolo by introducing rabbit farming and organic vegetable cultivation. Rabbit farming provides an alternative protein source, while rabbit manure enhances soil fertility for vegetable growth. The project sells organic produce and rabbits to the community and trains members to become breeders and suppliers, creating employment and generating income.

The project spent R41 100 on feed, R11 500 on start-up rabbits, and R11 300 on cages. New rabbit farmers received young rabbits (2-3 months old) to start their breeding operations, addressing food security and unemployment.

Hops and Greens integrates sustainable agriculture with community empowerment, providing reliable protein, improving soil fertility, and creating local employment and income opportunities.

The Leadership Development element develops capacity and strong networks in the coming generations of African leaders from the private and public sectors, as well as civil society. The initiative ensures social and economic progress for all to foster responsible leadership, group networking and a pipeline of Fellow projects with social dividends, including projects for incubation and direct funding. The South African cohort comprises 208 connected Fellows who demonstrate a values-based approach to leadership and have a desire to create sustainable social impact by mobilising a community of support and collaboration.

Focus area 2: Education and skills development

A key component to the Trust’s holistic approach to socio-economic development is ensuring that its beneficiaries access opportunities for further education and training. Noting the growing need for agricultural expertise in the country, the Trust supports the Fort Cox College in the Eastern Cape in delivering its newly established Agricultural Engineering diploma.



Focus area 3:
Environment and food security

The preservation of the natural environment, including marine, land and wild life, is integral to the quality of life and the ability to do business effectively.

As such, the Trust supports conservation organisations that work collaboratively with governments, the corporate sector, other non-governmental organisations (NGOs) and individuals to identify complex environmental problems and to devise programmes to stop the degradation of the natural environment. The goal is to build a future in which humans live in harmony with nature, by conserving the world's biological diversity, ensuring that the use of renewable natural resources is sustainable, and promoting the reduction of pollution and wasteful consumption.

The World Wide Fund for Nature SA, the Endangered Wildlife Trust and the National Business Initiative continue their efforts, through advocacy, research and education on natural resource management to mitigate against the increasing demand on the environment.

Focus area 4:
Social welfare

South Africa's rates of gender-based violence (GBV) and femicide are a cause of concern and Barloworld is responding by supporting a cohort of pioneering organisations that leverage community assets to address the immediate needs of victims of GBV.

The Mmabatho Foundation for Women's Development convenes rapid response teams consisting of social workers, counsellors, and traditional and community leaders to support communities by aiding in addressing the effects of GBV. Youth are empowered and capacitated to lead community discussions related to the impact of GBV.



Barloworld Mbewu

Barloworld Mbewu is a social innovation programme that partners with entrepreneurs, investors and communities to drive an inclusive and economically sustainable future. It supports transformative social entrepreneurs, extending beyond traditional registered businesses to individuals, start-ups and organisations with compelling solutions for community development and upliftment.

Mbewu's vision is to create a platform for businesses and entrepreneurs addressing local community challenges, driven by shared value motives. It provides access to developmental resources and growth instruments, and nurtures a sense of pride and dignity in the businesses serving their communities.

Dedicated to empowering entrepreneurs and promoting social impact, Mbewu strives to deliver economic sustainability, transformation and growth by focusing on women-owned businesses and providing seed funding, access to finance and incubation. This includes training and mentorship, supporting social entrepreneurs to grow and scale their businesses for significant social impact.



Siyakhula



Barloworld Siyakhula

The impact of Siyakhula on small, medium and micro enterprises (SMMEs)

Barloworld Siyakhula is an ESD programme spanning across South Africa, which is designed to deliver tailored services to each business in its growth-oriented programme.

The primary objective of the programme is to effect transformational change in Barloworld’s supply chains by providing relevant SMMEs access to market.

Targeted beneficiaries include businesses owned and run by people living with disabilities, as well as black owned, black women-owned and youth-owned businesses. The selection criteria will also prioritise businesses aligned with Barloworld’s social goals, including job creation, a sustainable development focus, and community outreach.

In 2024, Barloworld contributed R16.6 million (2023: R36 million) to Siyakhula in support of SMME beneficiaries. In 2024, 46 businesses that support approximately 896 jobs participated in Siyakhula and benefited from its ESD programme, which offers:

- interest-free loans with six-month payment holidays for working capital and assets
- grant funding for tools, systems and marketing
- non-financial support, including bookkeeping and accounting services
- capacity development, such as strategy development, business coaching, and technical expert support.

Measuring for impact

Siyakhula measures the impact of its programme through business-related sustainability metrics that encompass the ability to create meaningful, sustainable jobs; the sustainability of businesses as evaluated by their revenue growth; the value of new and existing contracts; and growth in new technologies or industries.

Other measures of success include the role and value of the business, its owner, and its employees within the community. This includes the multiplier effect over the duration of the intervention, which should, over time, reflect the resilience and social value created by the business.

Case studies

A look at Siyakhula’s beneficiaries

In 2024, QOS Consulting and Too-See Engineering joined the programme. QOS Consulting provides IT community business hub and power generation services, with the IT division also offering a community development programme targeting computer literacy, office soft skills and business etiquette for young people. Through Barloworld Siyakhula’s support, they are building a warehouse and workshop, which will allow them to establish a dedicated workspace with the necessary tools and facilities to enhance their operations and training opportunities.

Too-See Engineering is a 100% black female-owned manufacturing and fabrication business that offers diverse services, including fabrication, manufacturing, installation, maintenance, and women’s workwear training. Support includes investment in new equipment, mentoring for the leadership team, and other initiatives to strengthen the business.



Supporting emerging farmers

This year, the BWEF partnered with the black women-led African Agricultural Solutions (AAS) in Bushbuckridge, Mpumalanga, to explore the possibility of farming high-yield crops as a cooperative of smallholder farmers. Most homesteads in the area engage in subsistence farming activities due to the availability of fertile land and a favourable climate.

It was previously established that the region is conducive to producing cassava. As such, BWEF assisted AAS in obtaining expert advice on how best to leverage the local community’s assets for communal benefit. In partnership with the Council for Scientific and Industrial Research (CSIR), AAS undertook a pilot project involving two smallholder farmers in the area to produce cassava, with the aim of further processing the crop into cassava flour, which was successfully implemented.



Barloworld contributed R16.6 million to Siyakhula in support of SMME beneficiaries



Future outlook

We continuously review the value proposition of Siyakhula to SMMEs and Procurement, ensuring we address their respective needs. Our priority is to improve our partnership with Procurement, becoming a strategic partner for developing and transforming key categories. We aim to achieve this by co-developing the Siyakhula strategy, showing agility in solving short-term and long-term supply pain points, and proactively pre-empting supply needs for sustainability.

Our value chain considerations for Siyakhula include supporting emerging miners, contributing to the ecosystem beyond financial support, and driving a development agenda for business sustainability. In partnership with the Learning Centre, we aim to offer a holistic Emerging Miners programme covering business development, machine management, maintenance and user training.

Barloworld's contribution to making cities and human settlements inclusive, safe, resilient and sustainable

Barlow Park, now a reality

The Barlow Park development officially launched its retail component on 29 February 2024 and is now abuzz with activity, with all retailers, except the two restaurant boxes on the podium level, being fully operational. Retail trading results are most pleasing.

Residential leasing has achieved remarkable success. The asset management team has swiftly filled Phase 1 of the development comprising 749 residential units. Construction for Phase 2 includes the remaining 860 residential units and a small component of office space is on schedule for completion in mid-2025.

The development team has successfully obtained an International Finance Corporation (IFC) Managed Advisory Grant Component (MAGC) for the development. This grant provides support to green and social initiatives, including solar and other energy/water-saving systems forming part of the precinct's amenities. This grant was facilitated through the development's funders and in alignment with Barlow Park's Edge Green Building Council certification.



Performance review

Industrial Equipment and Services



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Equipment Eurasia



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Consumer Industries



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Operational performance

Industrial Equipment and Services

Our Industrial Equipment and Services operations include:

Equipment southern Africa, which operates in 11 countries in Africa

Equipment Eurasia operating in Mongolia and Russia (Siberia)

Equipment southern Africa

We operate in 11 African countries, including the DRC's Katanga province, through our Bartrac joint venture. We sell, service and rent an unmatched range of Caterpillar equipment for surface and underground mining, construction, energy and transportation, which includes engines and power systems.

Performance against our KPIs in 2024

Revenue decreased 12.7% to R25.7 billion (2023: R29.5 billion)

Operating profit before fair value adjustment reduced to R2.4 billion (2023: R2.6 billion)

EBITDA declined by 4.9% to R3.1 billion (2023: R3.2 billion)

ROIC at 20.7%, which is above the group's threshold of 14% (2023: 25.5%)

Parts sales increased by 3.9%, hire and rental turnover grew by 16.5%, machine sales declined by 27%



Financial performance

Equipment southern Africa's results for the year ended 30 September 2024 reflect resilient performance amidst softer global economic recovery and geopolitical uncertainties. Revenue ended 12.7% behind the prior year at R25.7 billion (2023: R29.5 billion), mainly driven by a 27% drop in machine sales ending at R10.7 billion (2023: R14.7 billion) coming off the previous fleet replacement cycle. The aftersales segments traded ahead of the prior year, with the Parts and the Rental business contributed favourably to sales mix.

Our response to the changes in the trading environment involved the continued focus on optimising trade and other operating costs in line with the current levels of activity and delivering on our strategy to grow services.

These efforts yielded an operating profit before movement in fair value adjustments on financial instruments of R2.4 billion (2023: R2.6 billion) trailing 9.7% behind the prior year. This translated into an improved operating margin of 9.3% (2023: 9.0%) compared to the prior year.

Losses on fair value adjustments on financial instruments of R185.7 million (2023: R145.2 million) were 27% steeper mainly driven by currency devaluations against the US dollar in several of our operating regions amidst a challenging macroeconomic environment.

The operating profit after fair value adjustments reduced to R2.2 billion (2023: R2.5 billion), resulting in an operating margin of 8.6% (2023: 8.5%). While EBITDA was lower at R3.1 billion (2023: R3.2 billion) the EBITDA margin ended higher at 12% (2023: 11%).

Interest costs ended at R968 million (2023: R730 million). This was mainly driven by prevailing interest rates and higher inventory levels in the first half of the year.

Bartrac, the joint venture in the DRC, delivered a positive share of associate income of R193 million (2023: R224 million) which softened on the back of lower mining activity.

Invested capital levels were managed relative to trading activity whilst there was also capital deployed to strategic and business transformation. ROIC ended at 20.7% (2023: 25.5%).

The firm order book was lower at R1.6 billion (2023: R3.6 billion).

Building critical skills to support our customers

Our customers told us they wanted to see an improvement in the skills of some of our technicians, which is an issue affecting most businesses in South Africa. We have lost technicians to offshore markets and needed to rebuild our skills base. While we have achieved a marked improvement in our technical team, digital and IT skills remain scarce and critical.

During the year under review:

- we trained 6133 people (2023: 7 235) in our Learning Academy using Caterpillar-certified facilitators
- 167 of these were apprentices
- we employed three of these apprentices (2023: 29)
- 94 artisans completed the CAT Basic FS Troubleshooting course
- 84 completed the electronic Trouble Shooting course
- 73 completed the schematics training
- 41 artisans completed their CAT Advanced Certification (2023: 62).

Localisation in Greater Africa

Our localisation efforts are focused on ensuring we develop a local and sustainable supply of the skills, knowledge and experience that will allow us to create value for all our stakeholders. We have made good progress and met our 2023 targets of 94.4% localisation in our Greater Africa operations.



Stakeholder engagement

Following our efforts to address our customers' feedback that they needed to see an improvement in the skills of our technicians, we achieved a 75% improvement in our customer Net Loyalty Score, a survey tracking customer satisfaction levels. We are continuing to build on what we have already achieved in building our technical capacity.



Improving our health and safety performance

As part of the BBS process, Equipment southern Africa has developed a Safety A3 to assist in driving and reporting on our safety performance. The plan identified a need to review the approach in the risk management process covering safety, health and the environment. The decision was informed by a lack of a structured approach in risk management as prescribed by some customers and lack of quality in the task and continuous risk assessments.

As part of implementation of our safety, health and environment (SHE) plan, the SHE centre coordinated the process and developed a roadmap defining how the process will be implemented across the business. The layered process was mapped out and included planning, baseline, issue-based, task and individual risk assessment processes.

In addition, a safety champion initiative was introduced in the business to improve our safety culture. To support this process, a number of campaigns were implemented, including a "hazard hunt", high-potential hazard reporting, a company-wide SHE day,

and operational safety improvements. This resulted in a 40% improvement compared to the previous year.

Medical surveillance is one of the critical controls for the SHE risk management process. Prior to 2018, Equipment southern Africa grappled with ensuring compliance with medical surveillance programmes and thus implemented a standardised risk-based medical assessment focusing on employee risk exposure profiles, their fitness status as well as compliance with legislation. The programme integrated occupational and primary healthcare. Of the 2 252 medicals done during this financial year, 93.5% of employees were declared fit to work, an improvement of 13.9% over last year.

To continue the drive for improved employee well-being, various health campaigns were held throughout the year. These included World Aids Day as well as cancer, hypertension and fatigue awareness campaigns, along with general health and wellness days. The programme is integrated into medical surveillance through disease management and referrals to other specialised medical professionals for holistic case management.

Managing the risks associated with fatigue

Fatigue has been identified as one of our emerging risks. For this reason, we have developed and implemented a fatigue management standard to guide the business on driving awareness and implementing controls such as journey planning, overtime management and wellness. Subsequently, a survey was conducted in June 2024 to assess the levels of fatigue and gain insights on the associated potential risks. The survey revealed that some participants experienced fatigue, with several risks factors being identified.

Of the 1 257 participants surveyed, 274 (22%) responded to feeling tired frequently whereas 727 (58%) responded to feeling tired occasionally. Of the former group, 159 also responded to feeling nervous frequently for no reason, translating to 13% of the total sample of participants. This information provides a reference base to drive additional interventions that raise more awareness and thus help to mitigate risks.

Proactive disease awareness and control

Equipment southern Africa keeps abreast of potential disease outbreaks locally and internationally. Response plans are proactively implemented to ensure adequate readiness for management of outbreaks and pandemics in line with our pandemic and communicable diseases management policy. On 14 August 2024, the outbreak of Mpox was declared a disease of international concern by the World Health Organization given that the number of reported cases was increasing in the epicentre, the DRC, as well as spreading to other countries.

South Africa was the first country to be affected by the Mpox outbreak in the southern Africa region and was thus identified as an emerging health risk that could disrupt the business and affect livelihoods. Awareness was raised across the business and a business continuity planning scenario was issued to the affected provinces to ensure adequate plans were developed. So far, the infection rate has stabilised, although we are still monitoring the situation closely.



Ongoing training

The safety, health, environment and quality (SHEQ) e-learning training programme has led to significant improvements in providing increased awareness on workplace safety, health, environmental stewardship, and quality control. By employing a range of training methods, the business has successfully embedded the SHEQ principles into our culture, driving both operational excellence and compliance.

The SHEQ modules, hosted by Barloworld Equipment's PJB Learning Academy and the e-MFUNDO online portal, provide flexible e-learning courses with assessments and certifications. The modules include:

- SHEQ Onboarding
- SHEQ Induction Video
- Environmental Awareness
- Occupational Health Awareness
- Total Quality Management

We are pleased to report that the SHEQ e-learning programme has resulted in an enhanced safety culture, improved compliance, increased efficiency, employee well-being and a reduction in our environmental footprint.

Improved productivity and client satisfaction

Our SHE initiatives have significantly boosted productivity and reduced service warranties by effectively managing service warranty investigations and customer complaints. The non-conformance campaign and change management initiatives launched in 2023 have shifted our focus from corrective action management to preventive action management. This proactive approach has fostered a culture of continuous improvement and proactive risk management, leading to increased customer satisfaction, increased productivity, and reduced service warranties.

Adapting to changing customer requirements

The change in our mining customers' operating environment includes several mining assets changing hands from global owners to regional and local owners. As a result, we have evolved our business model to the needs of the market, which includes retail customers and medium-sized customers. We needed to embrace e-commerce and leverage technology to service our customers efficiently and effectively. Approximately 80% of our customers trade with us on the e-commerce platform.



Contributing to a circular economy

As part of our shared value approach, we provide remanufacturing and rebuilding solutions to our Industrial Equipment and Services clients at an affordable cost and with high quality.

This contributes meaningfully to a circular economy as rebuilding and remanufacturing extend and provide multiple life cycles to components that would otherwise be scrapped and often sent to landfills. Additionally, remanufactured components require less energy and water than building and delivering new parts, and offer local employment and training and development opportunities.

In 2024, we made further investments in the Barloworld Equipment Reman Centre (BRC) as part of our salvage modernisation project. The BRC is one of only 15 certified component repair centres in the global Caterpillar dealership network.

Reducing our impact on the environment

Equipment southern Africa has a five-year plan in place to address climate change. Its progress against the targets it has in this regard is covered in the Environmental stewardship section of this report, as are its efforts to reduce waste to landfill.

Energy use and emissions

We have committed to reducing absolute GHG emissions (scopes 1 and 2) by 15% by 2027. One of the keys to achieving net-zero is efficient energy management.

The installation of solar PV is one of our ESG initiatives geared at reducing our scope 2 emissions. The total solar PV installed capacity since 2016 is approximately 2 922kW (peak).

Roof-mounted solar PV have been installed at eight of our sites, including Isando, BRC, E&T, Middelburg, Bellville, Bloemfontein, Kathu and Richards Bay. In 2024, a total of 814kW were installed at the E&T, BRC and Richards Bay sites. We have further committed to the installation of an additional 400kW in the next financial year and a further 1400kW in the next four years.

In support of our objective to reduce carbon emissions, Equipment southern Africa started a project to instal energy-saving efficient lights throughout the facilities in southern Africa. Ensuring that our energy is used as efficiently and responsibly as possible will bring us closer to realising a reduction in our energy use.

The installation of LED lights in the Isando Campus, BRC, E&T, Bellville, Mozambique’s Tete Depot and Moatize Workshop, and Kitwe in Zambia, among others, has resulted in both consumption and monetary savings.

Water stewardship

Water stewardship is central to our strategic ambitions and allows us to identify and manage our water-related operational risks by measuring, monitoring, managing and reporting our water usage as an aspect of standard business practice. We have proactively implemented water conservation initiatives because of our business operations.

Our operations promote efficient water consumption through reduced use, increased recycling, installation of water-efficient taps and showers, as well as rainwater harvesting. Rainwater that is harvested at the various sites is used in various operational activities, including garden irrigation, emergency water supply, wash bays, warehouse and workshop floor cleaning, and in ablution facilities. This has resulted in both consumption and monetary savings at the various sites.

A number of water-saving initiatives have also been introduced in water-scarce regions. These include rainwater harvesting, drilling, registration and licensing of the abstraction of water from boreholes in South Africa, waterless urinals and the installation of water-efficient taps and showers.

The construction of closed-loop system wash bays and water recycling plants throughout the Equipment southern Africa regions resulted in the recycling of 5 285kl of potable water withdrawn in this financial year. The total amount of water saved at Bellville and East London was 575kl and 402kl, respectively, with a total cost saving of R217 334 resulting from water being recycled at the Isando wash bay.

To ensure that water recycling and saving initiatives are continuously realised, Equipment southern Africa has committed to building closed loop system wash bays in all its regions and upgrading the old wash bays from open loop systems to closed-loop systems where practically possible. This will enable sites to reuse the treated wastewater that would otherwise have been disposed of. This is both a cost-effective and highly effective method of reducing net water usage.



Reducing waste

A number of waste reduction initiatives – including the recycling of oil sludge through co-processing, recycling of oil filters and oil contaminated waste, rag-washing, bioremediation and incineration – are continuously being implemented to ensure that the amount of hazardous waste sent to landfills is significantly reduced.

Sludge currently constitutes about 75% to 80% of the total hazardous waste that is generated within Equipment southern Africa, and bioremediation is one of the initiatives that has proven to be effective in dealing with this. Bioremediation was first introduced at our Middleburg site and has since been replicated at Isando, with around 80 tons of hazardous sludge collected from the Isando wash bay and trialled for bioremediation using locally sourced bacteria. The process yielded clean soil that was used for our bioremediation garden at Isando. Diverting hazardous sludge from landfills to bioremediation resulted in an average annual saving of approximately R100 000 on waste collection and disposal. The vegetables grown from the garden will be donated to communities as part of our CSI initiatives.

 **We remain optimistic that there are sufficient opportunities in the mining and construction segments**

Waste reduction initiatives that have been successfully trialled and implemented are continuously being replicated in other Equipment southern Africa regions to ensure that we achieve our strategic goal of zero waste to landfill. This includes the separation of waste at source, an important step in promoting the reuse and recycling components of the waste management hierarchy. This allows various recyclables, such as paper, plastics, glass, aluminium cans, iron and metal, to be separated from general wastes such as dirt and food waste to avoid contamination. Equipment southern Africa has developed and implemented a colour-coded system to manage waste streams generated on site. This enables us to allocate specific colour-coded waste bins at various locations of regional sites to effectively promote waste separation at source.

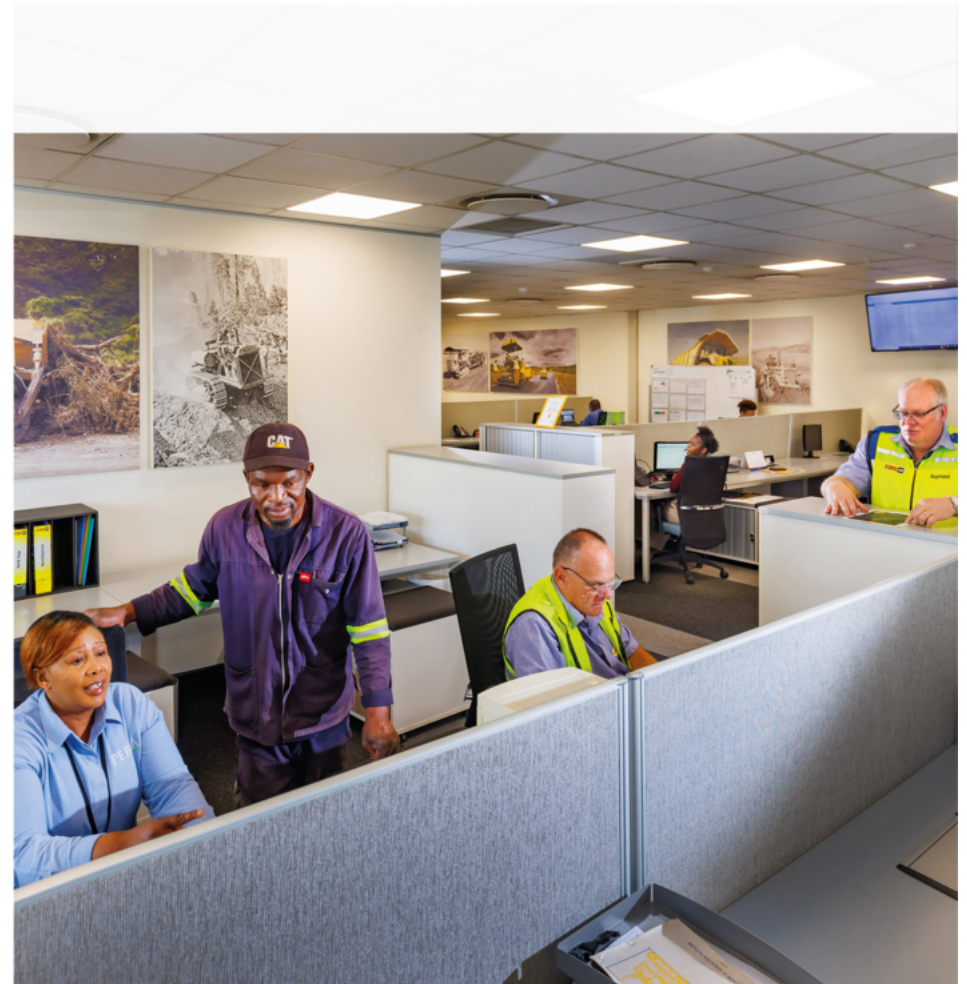
Some of the materials at our facilities still contain asbestos, including roof panels, ceilings, fascia boards, pipe insulations, gaskets and cladding. We are committed to phasing out asbestos by 2026 to achieve our five-year plan. This process is already underway, with the Windhoek, Middelburg, Boksburg and Bloemfontein sites having successfully removed some asbestos ahead of the target date.

All waste was disposed of at certified landfill sites and records of disposal are in place. This implementation not only ensures compliance with the Asbestos Abatement regulations (2020) but also eliminates the risks of potential exposure of employees to asbestos.

Outlook

We remain optimistic that there are sufficient opportunities in the mining and construction segments to support our continued investment in growing our market position in the regions in which we operate. This position is supported by a recovering mining industry and an improvement in business confidence in South Africa.

The process yielded clean soil that was used for our bioremediation garden at Isando



Equipment Eurasia

Operating in Russia (Siberia) and Mongolia.



Performance against our KPIs in 2024

Revenue Equipment Eurasia
R9.1 billion
(2023: R8.2 billion)
10.5% higher year on year

Vostochnaya Technica
R4.2 billion
(2023: R5.3 billion)
20.7% lower year on year

Equipment Mongolia
R4.8 billion
(2023: R2.9 billion)
68.5% increase year on year

Operating profit
R1.4 billion
(2023: R1.4 billion)

Operating profit margin
15.4%
(2023: 17.3%)
supported by strong Mongolia margin of 17.9%

ROIC at 52.6%
(2023: 33.1%) (in dollar terms)

Free cash flow
US\$71 million
(2023: US\$121 million)



Financial performance

Eurasia had a strong 2024, delivering revenue of US\$490 million, which is 8.6% higher than the prior year at US\$451 million, primarily driven by an exceptional 66% growth in Barloworld Mongolia's revenue to US\$261 million (2023: US\$157 million). In rand terms, Eurasia generated R9.1 billion in revenue, which was 10.5% higher than the previous year (R8.2 billion). The improvement in rand terms was assisted by a 1.7% weakening of the rand against the dollar compared to the preceding year.

The acquisition of Barloworld Mongolia was concluded on 1 September 2020. The sale and purchase agreement included a potential additional payment, not exceeding US\$30 million, that would be payable over the ensuing four years, should certain performance conditions be met. Barloworld Mongolia met some of these performance conditions, thereby giving rise to an earnout provision of US\$10 million.

The earnout period lapsed on 30 September 2024 and thus no further payments can be claimed in the future in this regard. VT raised US\$26.7 million additional provisions during the year related to inventory obsolescence and restructuring costs.

Excluding the Barloworld Mongolia earnout and the VT provisions, Eurasia's operating profit from core trading activities amounted to US\$112 million (2023: US\$78 million).

The operating profit from core trading activities declined to US\$75 million after accounting for the Barloworld Mongolia earnout and VT provisions. The firm order book reduced to US\$64 million (2023: US\$113 million) due to Barloworld Mongolia delivering a large portion of the package deal secured in September 2023.

Barloworld Mongolia

Barloworld Mongolia maintained its growth trajectory, supported by prime product sales and aftermarket demand. The prime product contribution to revenue increased to 47% compared to the prior year at 32%, while the aftermarket sales contribution declined to 45% (2023: 56%) of the total revenue mix. Prime product revenue increased by 143% and aftermarket revenue by 33% on the prior year. The remaining revenue largely comprises tyres and other ancillary revenue streams.

The business generated EBITDA of US\$62 million (2023: US\$38 million) and operating profit from core trading activities of US\$57 million (2023: US\$33 million). This resulted in EBITDA and operating profit margin from core trading activities of 23.9% and 21.8%, respectively (2023: 24.3% and 20.9%, respectively).

On a consolidated basis and after having regard to the Mongolia earnout provision, Barloworld Mongolia generated EBITDA of US\$52 million and operating profit from core trading activities of US\$47 million. The resultant EBITDA and operating profit margin from core trading activities decreased to 20.1% and 17.9%, respectively.

The higher levels of business activity, coupled with focused working capital management, contributed to the business achieving an 81% FCF/EBITDA conversion rate for the current year. The strong performance resulted in a ROIC of 111.8% (2023: 43.1%). Barloworld Mongolia continued to generate high returns due to both improved trading and lower invested capital.



Russia (VT)

VT generated revenue of US\$229 million (2023: US\$294 million). Excluding the VT provision, EBITDA increased from US\$49 million in the prior year to US\$57 million in the current year, and operating profit from core trading activities improved from US\$45 million in the prior year to US\$55 million. This resulted in EBITDA and operating profit margin from core trading activities of 24.7% and 24.1%, respectively, excluding the VT provision (2023: 16.6% and 15.4%, respectively). However, when considering the VT provision, EBITDA declined to US\$32 million in the current year and operating profit from core trading activities declined to US\$28 million, resulting in EBITDA and operating profit margin from core trading activities of 13.9% and 12.4%, respectively. VT achieved a 92.1% FCF/EBITDA conversion rate due to strong operating cash flows. ROIC remained healthy at 25.1% (2023: 24.4%).

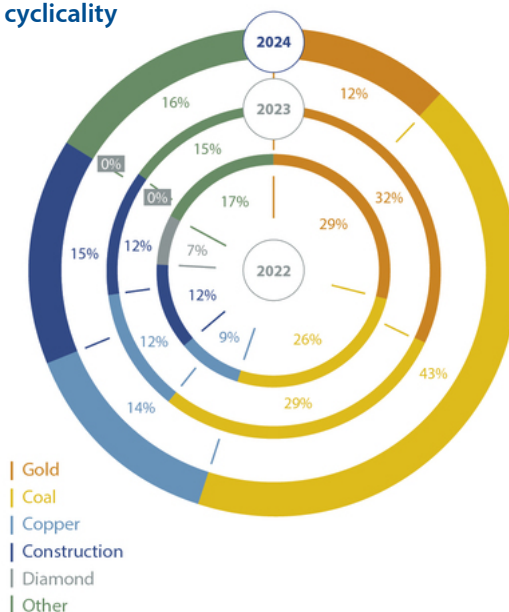
The business continues to trade above break-even and remains self-sufficient in terms of its funding requirements.

Eurasia new equipment revenue

Mining revenue contribution increased to 69% from 61% in the prior year, with a reduction in infrastructure and power.



Diversified commodity exposure defends against cyclicality



Reducing our impact on the environment

Energy use and emissions

Equipment Mongolia has implemented several initiatives leading to a reduction in electricity consumption, so achieving a 2024 outperform target of a 10% improvement against the 2021 baseline. An analysis of stationary equipment and appliances that use electricity resulted in these being replaced with alternative solutions.

- Five refurbished shipping containers previously transformed for use as lockers and toolrooms relied on electricity for additional heating. During the year under review, the lockers were relocated to the basement of Mongolia's main office, with the containers also relocated within the building, eliminating the need for additional heating.
- The head office uses borehole water that is heated by electric boilers. These were replaced by plate boilers that use steam from the central heating, eliminating the need for two large electric boilers.

In respect of VT, the business has replaced 81% of its traditional lighting with LED lighting. This transition has been an important step in reducing carbon emissions and promoting more efficient energy use, and has resulted in a saving of 92 248kWh of electricity over 12 months, equivalent to R140 881. The initiative is not only economically beneficial, but also plays an important role in protecting the environment.

As part of its commitment to reducing its environmental impact, VT monitors GHG emissions from its small hybrid power plant. During the period, the plant generated 25 229kWh of electricity from solar energy, resulting in a total reduction of 17.7 tons of CO₂ emissions. This reduction is equivalent to planting 1 412 trees. Looking ahead, we plan

to expand the area dedicated to solar generation on its campus. An analysis is underway to determine the feasibility of installing solar panels on the roof of the parts warehouse. After the preliminary design phase, we will determine the allowable capacity and production metrics for the new solar power plant.

Initiatives to improve the efficiency of fuel consumption within Equipment Mongolia have realised benefits. Examples include the installation of GPS and the allocation of fuel cards for each vehicle. This helps to track and evaluate performance data. It was found that 47% of mobile fuel was consumed by trailer trucks owned by the business. Investigations into internal route and load planning revealed greater efficiencies could be achieved by utilising specialist third-party transporters. Partially outsourcing some of the road transportation services has resulted in a 23% reduction in Equipment Mongolia's direct mobile fuel use and has positively impacted its scope 1 GHG emissions.

At VT, modern water recycling systems provide a high level of water purification, ensuring the efficiency of washing processes. The use of these systems helps us to meet both environmental standards and legal requirements. Savings in water supply and wastewater disposal contribute to a reduction in overall operating costs. A total of 35 000 litres of water was recycled during the year.

Water stewardship

In our Mongolian operations, the majority of water consumption is at Mongolia's head office, which consists of three primary sources: the main office and workshops, the rental office and allied workshops, and the west office and warehouse. Initially, three main valves and water meters were installed for these areas. However, additional valves and water meters were installed to pinpoint high-water consumption areas. By analysing consumption, Equipment Mongolia has implemented more efficient water-saving measures and has been able to identify and address water leaks quickly, resulting in a 26% reduction in water usage.

Reducing waste

At Equipment Mongolia, 240 small waste bins were removed from under each employee's desk and replaced with larger waste bins at the end of each corridor. This action resulted in a 20% reduction in waste generation in 1H 2024 compared to 1H 2023. 2H 2024 was impacted by multiple construction projects, leading to an overall increase in waste. Despite this, employees have been diligent in segregating waste at its source.

Separate waste collection is a key aspect of VT's waste management system. As part of this initiative, containers have been set up to collect office paper and cardboard, plastic caps, PET bottles and batteries. We send waste such as paper, cardboard, plastics, batteries, tyres, oily materials, hazardous sludge, computers and scrap metal to certified recycling facilities.



We are seeing an increase in the number of our certified recyclers, which is contributing to more efficient recycling processes. Currently, 8% of solid waste and 100% of liquid waste is recycled. Our goal is to increase the amount of recyclable waste and meet our environmental targets. This comprehensive approach not only promotes sustainability, but is also in line with our commitment to environmental responsibility.

During the land reclamation process following the demolition of the emergency branch building in Krasnoyarsk, soil decontamination efforts were carried out to remove pollutants. This work created favourable conditions for the restoration of vegetation over an area of 450m². This initiative not only addresses immediate environmental concerns but also contributes to long-term ecological sustainability in the region.

In line with our commitment to sustainability, VT participated in the Clean Games, an initiative that encourages environmental responsibility through competition. In April 2024, 20 employees from our Novosibirsk office engaged in this event, where teams competed to collect waste in a wooded area.

The goal was to efficiently gather and sort trash – plastic, glass, and other material – each type collected separately. This event marked VT's first partnership with the Clean Games.

In addition, VT representatives conducted an eco-lesson at Lyceum No. 9 to educate students about waste reduction strategies. An environmental specialist presented practical ways individuals can minimise waste, using materials from the Russian Environmental Operator to effectively engage students. The lesson emphasised that environmental education can start at any age and the importance of leading by example. The concept of upcycling was introduced, which resonated with the students and inspired them to explore creative reuse of materials. Initiatives such as this reinforce our commitment to promoting environmental awareness among young people.

Improving our health and safety performance

Weekly comprehensive health and safety inspections by HSE specialists, together with the involvement of senior and middle management as part of the Visible Felt Leadership (VFL) initiative, have significantly raised awareness of occupational risks. Management has begun to better understand existing health and safety hazards and deficiencies. Their active participation in the process increases accountability and motivates employees to comply with safety regulations.

Workplace walkthroughs have identified potential hazards and process deficiencies, enabling timely corrective action. Data from these inspections has been used to develop plans to improve working conditions and raise safety levels. As a result of 136 inspections conducted since February 2024, 77% of the issues identified have been resolved.

In addition, VT organised training workshops for employees focusing on safe behaviour in the workplace, the correct use of personal protective equipment (PPE) and first aid. Recent Safety Days have provided a platform to discuss relevant occupational health issues, including safety rule competitions.

We regularly carry out internal audits of occupational health and safety at work sites. We also conduct industrial tours and information campaigns to raise awareness of the importance of complying with safety standards. To motivate employees, we regularly organise competitions and events that promote a safe and pleasant working environment.

In 2024, there was a significant increase in employee engagement with the Notify mobile app for hazard identification. Regular reporting on identified issues has enabled the company to effectively analyse the situation and identify common safety trends. Frequent notifications of potential threats have played a key role in mitigating risks in a timely manner.

By focusing on continuous monitoring and threat mitigation, we have created a safer and more comfortable working environment, which has had a positive impact on both employee morale and productivity. Ultimately, the application has not only helped prevent accidents, but also fostered an active and responsible team that cares about the safety of their colleagues and themselves.



Significant increase in employee engagement with the Notify mobile app for hazard identification

Month	Western Siberia			Eastern Siberia			Kuzbass			Far East			Krasnoyarsk			Total		
	Number of checks	Violations identified	Eliminated	Number of checks	Violations identified	Eliminated	Number of checks	Violations identified	Eliminated	Number of checks	Violations identified	Eliminated	Number of checks	Violations identified	Eliminated	Number of checks	Violations identified	Eliminated
Feb	8	83	61	1	6	6	2	28	25	0	0	0	6	14	13	17	131	105
Mar	6	12	5	1	5	5	2	23	19	3	18	15	4	7	6	16	65	50
Apr	11	13	10	3	3	2	3	27	22	4	15	15	4	5	5	25	63	54
May	3	6	5	3	3	3	4	37	29	3	5	5	3	6	6	16	57	48
June	4	23	8	3	13	9	3	37	31	2	11	2	5	11	6	17	95	56
July	6	17	8	2	5	4	2	27	23	0	0	0	3	1	1	13	50	36
Aug	5	18	18	0	0	0	3	27	26	2	5	5	3	5	3	13	55	52
Sept	10	13	7	0	0	0	2	3	3	2	6	6	5	9	4	19	31	20

Enhanced safety measures for emergency operations

Fire escape ladders, designed for firefighting and emergency rescue operations, have been fitted with safe ascent and descent mechanisms. In addition, anchor lines have been installed, which play a vital role in ensuring the safety of workers working at height. These lines allow employees to move freely while remaining protected. The anchor lines are installed on different structures, allowing the safety system to be adapted to specific working conditions and improving overall operational efficiency. The initiative underlines our commitment to maintaining a safe working environment, particularly for employees involved in high-risk activities.

Medical surveillance

Preventive medical examinations play a crucial role in identifying and preventing illnesses, ultimately improving workplace safety and the overall quality of work. More than 500 employees have undergone medical and psychiatric examinations based on risk assessments specific to their job roles, underscoring our commitment to prioritising the health and safety of our employees, recognising that proactive health management is essential for fostering a positive and productive workplace.

Blood donations

Employees regularly participate in blood donation drives, which not only assist individuals in need of transfusions but also foster a corporate culture rooted in support and social responsibility. This initiative strengthens team spirit among employees, enhances their moral awareness, and improves our image within the community. This initiative highlights our dedication to not only supporting our employees but also making a meaningful impact in the communities we serve.

500
employees have undergone medical and psychiatric examinations



Employee safety training

We have fundamentally changed our approach to employee safety training as outlined below:

- Implementing off-site training for employees to ensure effective learning without disrupting production processes
- Increasing the variety of training programmes available
- Changing our training methodology to include hands-on sessions for specific programmes
- Establishing additional requirements for mandatory training in the proper use of personal protective equipment
- Modifying our reporting protocols to require the submission of data on trained employees to a special register maintained by the Russian Ministry of Labour
- Allowing skilled trades workers to choose their training location, whereas previously they were only trained in-house
- Introducing knowledge assessments for occupational safety specialists through an information platform that is part of a unified nationwide information and reference system for occupational safety
- Adding interactive safety courses to the Corporate University training programmes at Mirapolis, bringing the total number of safety courses offered to 26

In addition to the courses offered by our Corporate University, our employees also received additional training from accredited training centres in the following areas:

- General occupational safety
- Safe working practices and techniques
- Safe working methods and techniques for high-risk activities
- Skills in the use of personal protective equipment
- First aid training for injured persons
- Safe working methods and techniques for working at height
- Fire safety
- Fundamentals of industrial safety
- Operation of hazardous production facilities using lifting equipment for cargo handling



Giving back to our communities

"Every girl is precious" is the motto for Barloworld Mongolia's CSI project, initiated in collaboration with the Good Neighbors NGO. The Precious project aims to address the urgent need for sexual and reproductive health education among adolescents in Mongolia. It focuses on supporting girls aged 11 to 18, many of whom lack access to essential sexual and reproductive health information and hygiene products. This lack of resources affects their health, school attendance, and overall well-being.

The statistics highlight the urgency of this project: adolescents make up 17% of Mongolia's population, which includes 312 649 girls aged 10 to 19. Among these girls, 18% of those aged 15 to 19 are sexually active, and 3.2% have undergone an abortion by the age of 19. Additionally, 40.4% of girls aged 15 to 19 report missing classes or training due to menstruation.

Barloworld Mongolia is dedicated to educating girls about sexual and reproductive health and providing access to menstrual hygiene products. The division has introduced a smart vending machine, designed and manufactured in collaboration with a technology contractor. To ensure that each girl could use the vending machine independently, they were given an electronic keychain embedded with a chip. This keychain allows girls to access sanitary products from the vending machine up to three times a month. The sanitary products are funded by the division and managed by a local vendor.

Additionally, the project employs a peer-to-peer education model, which involves students in training sessions on sexual and reproductive health, providing a booklet with valuable information about adolescent development and a calendar for tracking periods. In 2025, the project will broaden its scope by including boys.

Outlook

In 2025, our focus areas will be on:

- reviewing the Equipment Eurasia operating model
- compliance by strengthening the internal controls environment and finalising the submission to BIS
- customer diversification and capturing all the opportunities in the very competitive Mongolian market, as is delivering on our services growth plans
- free cash flow generation.

Consumer Industries

Ingrain

Our performance against our KPIs in 2024

Revenue R6.5 billion
(2023: R6.6 billion)
Remained stable with a 0.7% decrease year on year

EBITDA R787 million
(2023: R858 million)
8.2% decline in EBITDA, impacted by lower volumes and fixed cost escalations in the first half

Operating profit R499 million
(2023: R593 million)
16% decline

Operating profit margin 7.6%
(2023: 9.1%)

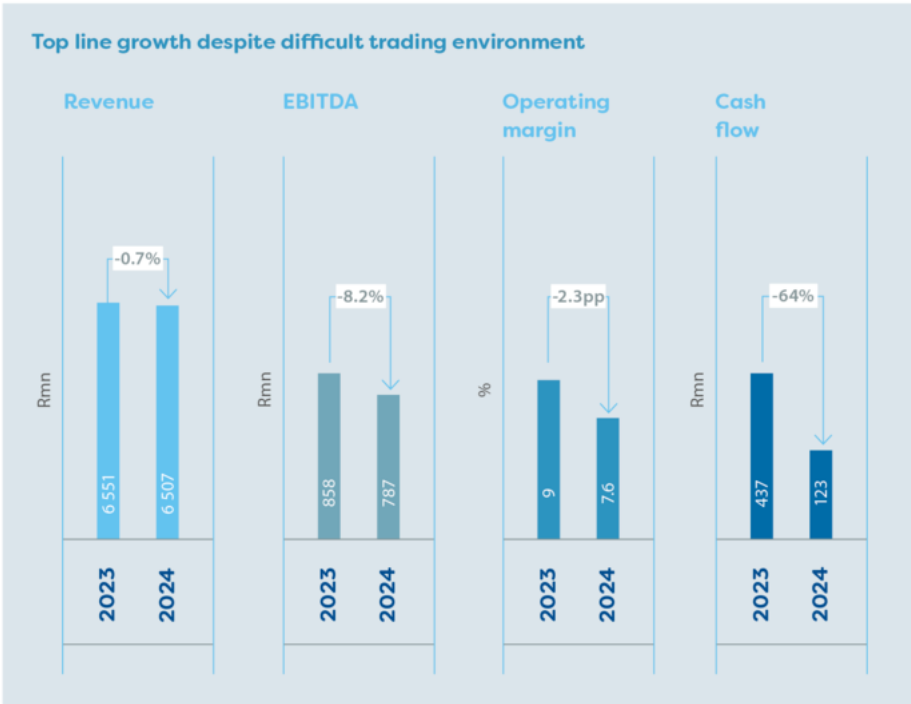
ROIC 7.7%
(2023: 9.2%)

Free cash flow R123 million
(2023: R347 million)
Business continues to be cash generative



Financial performance

Turnaround actions deliver improved performance in second half

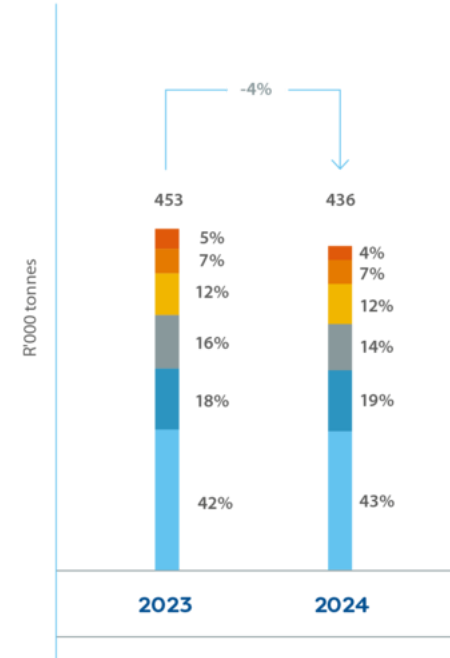


Ingrain showed resilience in the year under review despite constrained local demand and lower overall production volumes. Operational performance also improved in the second half of the year, benefiting from our operational excellence programme and management turnaround efforts.

The business generated revenue of R6.5 billion, maintaining stability in the face of lower volumes which were offset by increased selling prices. EBITDA was down 8.2% to R787 million, owing to rising fixed costs in line with initially anticipated growth in the first half of the year. Our operating profit margin also declined as a result. Ingrain remains cash generative despite ongoing investments in plant, property, and equipment to support our current plant performance and prepare for future growth.

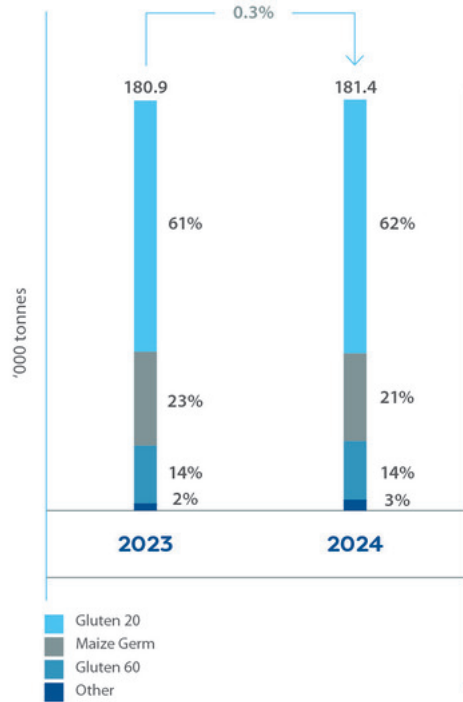
Domestic market conditions

Domestic sales by sector (%)



- Other
- Prepared foods
- Paper
- Confectionary
- Non-Alcoholic beverages
- Alcoholic beverages

Agri-product sales (%)



The South African consumer remained under pressure during this period. Overall domestic sales volumes declined across most sectors, particularly in the first half of the year. Some volume recovery was seen in the second half.

The beverages sector was flat year on year while the confectionery sector was down, impacted by cheap imports as consumers opted for more affordable alternatives. The paper and packaging sector volumes declined, affected by imports and lower volumes of fruit exports out of the Western Cape province due to adverse weather conditions.

Despite lower trading activity in the domestic market, the export markets remained robust, with regional exports into neighbouring countries showing pleasing growth. However, our agri-product revenues were impacted by a bearish international agricultural commodity market, with declining prices of maize, edible oils and soybean over the period.

Plant performance

Our Bellville plant in the Western Cape achieved stellar grind results, exceeding 75 000 tonnes in the year under review. The Meyerton plant also saw good grind performance following improvements in operational excellence in the wet mill. This bodes well for the mill's future performance and ability to serve regional and export customers.

Kliprivier experienced plant shutdowns due to constrained market demand in the first quarter as well as steam shortages over the period, resulting in lower grind. These are being addressed through our asset care programme and by strengthening our engineering skills at the mill.



Through operational excellence interventions, significant improvement in operational efficiencies were realised at the Germiston mill, and we have seen a turnaround from the efficiency performance in 2023. We did, however, experience some challenges with steam generation after the boiler explosion in March 2024 and the subsequent replacement of steam capacity, which affected the grind year on year. Notwithstanding this, the overall progress at the mill is pleasing.

Business transformation

The areas we continue to focus on to unlock capacity and support sustainable growth include:

Enhancing safety and well-being

It is with profound sadness that we report the loss of a valued employee, Mr William Mzamo, following the boiler explosion at our Germiston mill in March. We have taken the necessary steps to investigate and address the root cause of this unfortunate incident and continue to provide support to Mr Mzamo's family and colleagues. Our heartfelt condolences go to the Mzamo family. During the year, three other employees sustained injuries that resulted in time off work.

These safety incidences have reinforced our conviction and dedication to strengthening the safety protocols in our business, supported by the roll-out of a behavioural-based safety programme.

We remain deeply committed to the safety and well-being of our employees, and we are actively working to prevent such incidents from happening again. We are pleased to report that the Meyerton and Bellville mills were LTI free during the year.

Our business offers holistic wellness support to our employees and their immediate families through our employee assistance programme. We have further invested in making help more easily accessible through on-site counselling services and psychological support. We have seen positive engagement with these resources and a significant rise in usage since 2023. We are most encouraged to see the positive impact of these initiatives on the lives of our employees. The programme was also made available to employees during the restructure to support both impacted and remaining employees. Support was continued for impacted individuals and their families for a period of six months.





Customer centricity supported by digital tools

We have invested in the use of digital tools to elevate customer support and proactively manage our relationships. Capabilities include:

- closed-loop reporting and resolution of customer complaints
- advanced digital supply chain planning tools for accurate demand forecasting
- data-driven production planning and improved inventory visibility.

We see positive engagement and improved customer satisfaction and net promoter scores. These tools have also empowered other business areas with insights for decision-making.

Business restructure

Turnaround actions deliver results

Turnaround actions initiated in the first half of the financial year delivered tangible benefits in the second half in the following key areas:

- Volume recovery: Sales volumes stabilised relative to the prior period. Despite subdued domestic demand, exports showed pleasing growth, benefiting from a strategically reorganised salesforce.
- Operational performance: An improvement in operating efficiencies of over 40% year on year
- Fixed cost discipline: Achieved a below-inflation fixed cost growth in the second half

Sustaining this recovery will remain a key focus, positioning Ingrain to deliver target returns in the medium term.

Leadership changes support lean model

Several leadership changes were made during the year to streamline functions across the business and place focus on key customer-facing areas. To that end, a lean leadership model was adopted, with fewer direct reporting lines and realigned, fit-for-purpose portfolios. The leadership team comprises an experienced team with a diverse skills set to drive value.

New ways of working and culture change

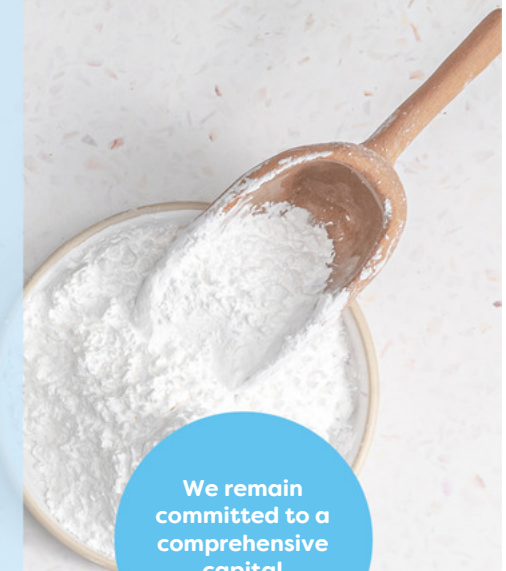
The relocation to our new head offices in Isando has fostered a more conducive work environment, boosting employee morale, productivity, and providing spaces for collaboration. The modern facilities, including a world-class laboratory, are designed to support employee well-being, enable high performance, and provide advanced technical support and product innovation solutions to customers. The move positions us well for growth and delivery into the future.

Investing in operating and capital expenditure to support plant performance

We remain committed to a comprehensive capital programme, investing the equivalent of our depreciation and amortisation into new capital expenditure. Since the acquisition, a total capital of R946 million has been invested back into the business.

Plant reliability is critical to our operation, we therefore continue to invest in our preventative maintenance programme to minimise unplanned downtime, while maintaining cost discipline.

A portion of our future capital spend is geared towards sustainable development, in line with our commitment to leaving the environment better than we found it.



We remain committed to a comprehensive capital programme

Manage cash and commodity price exposure

We continue to maintain our focus on cash in our business. We also manage our commodity price exposure through a comprehensive hedging programme.



Focus on sustainable development

Reducing our impact on the environment

Ingrain uses significant volumes of coal and water in our operations (see the [Environmental stewardship section for information](#)). We continue working towards reducing our usage in the short to medium term, in line with Barloworld Group's environmental targets.

Energy use and emissions

Ingrain has committed to reducing non-renewable energy and GHG emissions by 15% on an intensity basis by 2027, against the 2021 baseline. During the year, we embarked on various initiatives and exploratory solutions in line with our ambition. These include:

- comprehensive energy assessments across mills
- a boiler efficiency enhancement programme
- rooftop solar PV systems
- the replacement of old, inefficient lighting with new, highly efficient LED light fixtures.

We expect these to start yielding benefits for the business in the coming year.

Over 5 000 light bulbs have been fitted at our Meyerton, Germiston and Kliprivier operations to date. The complete installation will result in better electricity consumption efficiencies and improve profitability.

We have also initiated the first phase of installing solar PV systems across our operations to reduce our scope 2 emissions. The preliminary designs and scoping have been completed, with construction set to begin in the new financial year.

Water stewardship

Ingrain has also committed to reducing water consumption by 15% on an intensity basis by 2027, against the baseline of 2021. The current scarcity of water resources underscores the need for responsible water usage.

An effluent spillage occurred at our Kliprivier mill in the second quarter. Our management team moved swiftly to address the issue comprehensively and engage with the affected community. Rehabilitation has now been completed and long-term mitigating solutions are being considered. An effluent treatment plant build is currently under construction at the Meyerton mill.

Reducing waste

We have made good progress in improving our waste management controls and have deployed the "6S" lean methodology to manage our waste sites. Our focus remains on ensuring proper separation at source and reducing our waste to landfill. We partner with credible service providers in pursuit of innovative solutions to reduce waste in our value chain.



Outlook

We expect to see a slight improvement in consumer confidence in the South African macroeconomic environment, as inflationary pressures and local interest rates ease. In line with this trend, we expect to see improvements in the domestic sector volumes in the coming year. Notwithstanding the optimism, the high unemployment rates in the country will continue to impact the end-user markets of many of our customers. Exports are expected to show steady growth as regional export opportunities are expanding.

Utility costs are expected to remain above inflation. We will continue considering ways to optimise these cost increases to avoid adding to inflation within the supply chain.

Short-term SAFEX maize prices show signs of gradual softening on the back of more favourable weather forecasts, a stronger rand, and lower world maize prices. We are exploring innovative ways to manage commodity price exposure to limit downside risk on agri-product recoveries. Ingrain has secured sufficient maize to meet our 2025 requirements.

We expect to realise additional operational excellence benefits from our BBS initiatives and some of the digital transformation initiatives that are underway. A key focus area for us will be eliminating efficiency losses and running our operations to standard in 2025.

Key moves that will see Ingrain sustaining the momentum of the turnaround completed during the period into the 2025 year include volume growth, efficiency improvements and cost discipline.

The investment in our new laboratories will enable Ingrain to explore a wider range of product innovations and ingredient solutions for our customers.

We anticipate continued benefits from our capital programme as we invest in Ingrain's long-term future and sustainability.



Assurance

Independent practitioner’s limited assurance report on the selected sustainability information in Barloworld Limited’s integrated report 2024

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 2024 Integrated Report of Barloworld Limited (the "Company", "Barloworld" or "you") for the year ended 30 September 2024 (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 an "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 Limited	11 , 15 , 57 , 91
Employee breakdown by race (RSA only) and gender	Number	Barloworld Limited (Limited to South African operations for Employee Race breakdown)	91
% Female representation in leadership	Percentage (%)	Barloworld Limited (Limited to South African operations)	8 , 61 , 91
Discretionary spend procurement from ≥ 30% black women-owned suppliers as a % of total measured discretionary procurement spend	Percentage (%)	Barloworld Limited	8 , 49 , 91
Number of work-related fatalities	Number	Barloworld Limited	11 , 49 , 66 , 67 , 91
Lost-time injury frequency rate	Rate	Barloworld Limited	8 , 66 , 67 , 68 , 91
Fuel consumption – petrol and diesel	Megalitres (ML)	Barloworld Limited	91
Solar PV consumption	Megawatt hours (MWh)	Barloworld Limited	8 , 54 , 91
Grid electricity consumption	Megawatt hours (MWh)	Barloworld Limited	54 , 91
Coal consumption	Tons	Barloworld Limited	91
Gas consumption	Gigajoules (GJ)	Barloworld Limited	91
Non-renewable energy consumption, including consumption by primary energy source	Gigajoules (GJ)	Barloworld Limited	53 , 55 , 91
Water withdrawals (municipal and borehole sources)	Megalitres (ML)	Barloworld Limited	54 , 55 , 91
Scope 1 emissions, including emissions by primary energy source	Tonne CO ₂ equivalent (tCO ₂ e)	Barloworld Limited	54 , 91
Scope 2 emissions	Tonne CO ₂ equivalent (tCO ₂ e)	Barloworld Limited	54 , 91

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 accompanying reporting criteria as set out on Barloworld Limited's corporate website (www.Barloworld.com) 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 Management

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 Management 1, *Quality Management for Firms that Perform Audits or Reviews of Financial Statements, or Other Assurance or Related Services Engagements*, which requires the firm to design, implement and operate a system of quality management, including policies or 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 result, 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 2024 are not prepared, in all material respects, in accordance with the reporting criteria.

Other matters

The maintenance and integrity of Barloworld’s website is the responsibility of Barloworld’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’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.

PricewaterhouseCoopers Inc.

Director: Jameel Essop
 Registered Auditor
 Johannesburg, South Africa
 9 December 2024

Assured ESG KPIs

Aspects	Sustainability KPIs	Unit of measure	Boundary	2024 ¹	2023
 Headcount (permanent + contractors >12 months)	Total number of employees	Number	Barloworld Limited	6 234 ^{LA}	6 289
	Male	Number	Barloworld Limited	4 328 ^{LA}	4 406
	Female	Number	Barloworld Limited	1 906 ^{LA}	1 883
 Diversity and inclusion	African, Indian and Coloured	Number	South Africa	2 948 ^{LA}	2 909
	White	Number	South Africa	558 ^{LA}	623
	Foreign nationals	Number	South Africa	48 ^{LA}	48
	Female representation in leadership (board and exco)	Percentage	South Africa	52.54% ^{LA}	52.6%
 Socio-economic inclusion	Discretionary spend procurement from ≥30% black women-owned suppliers	Percentage of total measured discretionary procurement spend	Barloworld Limited	19.07% ^{LA}	42.26%
 Safety	Number of work-related fatalities	Number	Barloworld Limited	2 ^{LA}	0
	Lost-time injury frequency rate (LTIFR)	Frequency rate per 200 000 hours worked	Barloworld Limited	0.11 ^{LA}	0.17
 Environmental	Fuel (petrol and diesel)	Megalitres (ML)	Barloworld Limited	4.72 ^{LA}	5.00
	Solar PV consumption	Megawatt Hours (MWh)	Barloworld Limited	4,142 ^{LA}	2136
	Grid electricity consumption	Megawatt Hours (MWh)	Barloworld Limited	195,476 ^{LA}	200,531
	Coal consumption	Tonnes	Barloworld Limited	114,971 ^{LA}	113,557
	Gas consumption	Gigajoules (GJ)	Barloworld Limited	496,360 ^{LA}	446,978
	Non-renewable energy consumption, including consumption by primary energy source	Gigajoules (GJ)	Barloworld Limited	4,168,028 ^{LA}	4,112,644
	Scope 1 and 2 emissions	Tonne CO ₂ equivalent (tCO ₂ e)	Barloworld Limited	506,174	506,314
	Scope 1 emissions, including emissions by primary source	Tonne CO ₂ equivalent (tCO ₂ e)	Barloworld Limited	307,015 ^{LA}	301,828
	Scope 2 emissions	Tonne CO ₂ equivalent (tCO ₂ e)	Barloworld Limited	199,158 ^{LA}	204,486
	Water withdrawals (municipal and borehole sources)	Megalitres (ML)	Barloworld Limited	2,851 ^{LA}	2,929

¹ LA – Indicators subject to independent Limited Assurance review by PwC. Refer to the Assurance report on page 88.

Accountability and shareholder information

Issued share capital on 27 September 2024:	189 641 787
Number of shareholders:	10 168

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	15	0.15	11 868 268	6.26
• Directors, prescribed officers and associates	8	0.08	1 958 831	1.03
• Company related and subsidiaries	4	0.04	3 215 420	1.70
• Empowerment	1	0.01	6 578 121	3.47
• Share plan	1	0.01	81 955	0.04
• Employee and educational trusts	1	0.01	33 941	0.02
Public shareholders	10 153	99.85	177 773 519	93.74
Total	10 168	100	189 641 787	100.00

Registered shareholder spread

Registered	Number of holders	% of total shareholders	Number of shares	% of issued capital
1 - 1 000 shares	8 403	82.64	1 671 829	0.88
1 001 - 10 000 shares	1 276	12.55	4 070 670	2.15
10 001 - 100 000 shares	351	3.45	12 122 005	6.39
100 001 - 1 000 000 shares	114	1.12	34 721 822	18.31
1 000 001 shares and above	24	0.24	137 055 461	72.27
Total	10 168	100	189 641 787	100.00

Beneficial shareholdings 5% or more

Shareholder name	Total shareholding	% of issued capital
Government Employees Pension Fund	39 519 673	20.84
Zahid Tractor & Heavy Machinery Co Limited	35 834 624	18.90
Silchester International Investors International Value Equity Trust	16 570 120	8.74
Total	91 924 417	48.47

Investment managers holding 5% or more

Shareholder name	Total shareholding	% of issued capital
Public Investment Corporation (SOC) Limited	35 933 886	18.95
Silchester International Investors, L.L.P.	33 531 795	17.68
Total	69 465 681	36.63

Breakdown of non-public shareholders

Non-public shareholders	Total shareholding	% of issued capital
Directors, prescribed officers and associates	1 958 831	1.03
Sewela, D	653 207	0.34
The Katlego Le Masego Trust (Sewela, D)	401 096	0.21
Leeka, E	305 072	0.16
Lila, N	285 064	0.15
Wierenga, C	183 816	0.1
Masemola, MMA	76 168	0.04
Menon, N	52 908	0.03
Lemmert, GA	1 500	0
Company related and subsidiaries	3 215 420	1.7
Barloworld South Africa (Pty) Ltd	2 745 364	1.45
Barloworld South Africa (Pty) Ltd	455 291	0.24
Barloworld South Africa (Pty) Ltd	8 984	0
Empowerment	6 578 121	3.47
Barloworld Empowerment Foundation	6 578 121	3.47
Share plan	81 955	0.04
Barloworld Limited FSP	81 955	0.04
Employee and educational trusts	33 941	0.02
Barloworld Education Trust	33 941	0.02

Breakdown of beneficial holdings

Government Employees Pension Fund	Total shareholding	% of issued capital
Government Employees Pension Fund	39 519 673	20.84
Government Employees Pension Fund – Public Investment Corporation (SOC) Limited	34 282 866	18.08
Limited Government Employees Pension Fund – Coronation Fund Managers Limited	3 691 420	1.95
Government Employees Pension Fund – Aeon Investment Management (Pty) Ltd	972 961	0.51
Government Employees Pension Fund – All Weather Capital (Pty) Ltd	542 872	0.29
Government Employees Pension Fund – Differential Capital (Pty) Ltd	29 554	0.02

Abbreviations and definition

The abbreviations and definitions listed below have been used throughout this remuneration report.

AGM	Annual general meeting	HY	Half year
Barloworld or the company	Barloworld Limited	IRMSA	Institute of Risk Management South Africa
BAU	Business as usual	JSE	JSE Limited/Johannesburg Stock Exchange
BBS	Barloworld Business System	King IV™	The King IV Report on Corporate Governance for South Africa 2016 and the King Code of Corporate Governance Principles
BEE	Black Economic Empowerment	KPIs	Key performance indicators
BIS	US Bureau of Industry and Security	Listings Requirements	Listings Requirements of the JSE
BRC	Barloworld Equipment Reman Centre	Ltd	Limited
BWE	Barloworld Equipment	LTI	Long-Term Incentive OR Lost-time injury
CAGR	Compound Annual Growth Rate	LTIFR	Lost-time injury frequency rate
CE	Chief Executive	M&A	Merger and acquisition
CEO	Chief Executive Officer	ML	Megalitre
CPI	Consumer Price Inflation	Mol	Memorandum of Incorporation
cps	cents per share	n/a	not applicable
CSP	Conditional Share Plan	NED	Non-executive director
DRC	Democratic Republic of the Congo	NGOs	Non-governmental organisations
EBITDA	Earnings before interest, taxation, depreciation and amortisation	PO	Prescribed Officer
ESD	Enterprise and supplier development	PV	Photovoltaic
ESG	Environmental, social and governance	PwC	PricewaterhouseCoopers Inc.
Exco	Executive committee	Remco	Remuneration committee
FD	Financial Director	ROE	Return on equity
FSP	Forfeitable Share Plan	ROI	Return on investment
FY	Full year	ROIC	Return on invested capital
GBP	British Pound	SA	South Africa
GHG	Greenhouse gas	SDGs	Sustainable Development Goals
GJ	Gigajoule	SENS	Stock Exchange News Service
Headline earnings	Net profit for the year adjusted for profit or loss on the sale of property, plant and equipment and investments	SMEs	Small and medium enterprises
HEPS	Headline earnings per share, being headline earnings divided by the weighted average number of ordinary shares in issue during the year (net of treasury shares)	TCFD	Task Force on Climate-related Financial Disclosures
		the board	the board of directors of Barloworld
		the group	Barloworld and its subsidiaries
		VT	Vostochnaya Technica
		USD or \$	United States Dollar
		ZAR or R	South African Rand

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 Share code: BAW JSE ISIN: ZAE000026639
Share code: BAWP
A2X code: BAW
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
Telephone: +27 11 445 1000
Email: bawir@barloworld.com

Directors

Non-Executive Directors

NN Gwagwa (Chair), N Chiaranda[^], NP Mnxasana, NV Mokhesi,
H Molotsi, V Nkonyeni, B Odunewu*, P Schmid

[^]Italy, *Nigeria

Executive Directors

DM Sewela (Group Chief Executive Officer), N Lila (Group Finance Director)

Group Company Secretary

Nomini Rapoo

Group Investor Relations

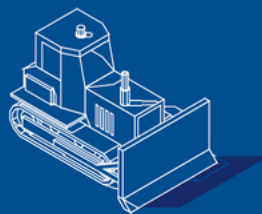
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Sponsor

Nedbank Corporate and Investment Banking (a division of Nedbank Limited)



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