Module: Introduction

Page: Introduction

0.1 Introduction

Please give a general description and introduction to your organization.

Barloworld is a distributor of leading international brands providing integrated rental, fleet management, product support and logistics solutions. The core divisions of the group comprise Equipment (earthmoving and power systems), Automotive (car rental, motor trading and fleet services), Handling (forklift truck distribution and fleet management) and Logistics (logistics management and supply chain optimisation).

The group offers flexible, value adding, integrated business solutions to its customers, backed by leading global brands. The brands it represents on behalf of its principals include Caterpillar, Hyster, Avis, Audi, BMW, Ford, General Motors, Mercedes-Benz, Toyota, Volkswagen and others.

Barloworld has a proven track record of effectively managing long-term relationships with global principals and customers. The group has an ability to develop and grow businesses in multiple geographies including challenging territories with high growth prospects. One of its core competencies is an ability to leverage systems and best practices across its chosen business segments.

The company was founded in 1902, is listed on the Johannesburg, London and Namibian Stock Exchanges and has operations in 41 countries around the world, with approximately 60% of its nineteen thousand employees in South Africa.

Barloworld is driven by the maxim of creating long term sustainable value for all its stakeholders and is committed to play a leading role in sustainable development, which embraces economic, social and environmental aspects of the group's activities. Long term value creation for all of its stakeholders requires Barloworld to operate, manage and report its activities in a harmonious manner, without prejudicing the future of any of its stakeholders.

Barloworld is committed to the operational integrity and effectiveness of managing and reporting energy consumption, emissions, water usage (source and recycling), materials consumed, use of recycled input materials, waste and destination or disposal methods and full compliance with regulations.

Non-financial reporting, which includes GRI reporting, is aligned with financial reporting. 2009 was established as the group's base year for the reporting of its GHG emissions inventory under the rules of the GHG Protocol. Independent third party assurance is obtained on key indicators, including energy usage and carbon emissions.

The group is committed to creating long-term value for all its stakeholders and this includes: Providing its customers with the integrated and environmentally sound solutions they require to meet their sustainable development objectives; Acting in the best interests of its principals and representing them in a manner that reflects their sustainable development objectives; Ensuring an inspiring climate for its employees to work in and within which all have equal opportunity to fulfil their aspirations and be proud ambassadors of the group; Delivering sustainable returns to its shareholders that are not achieved at the expense of future generations and; Being regarded as a responsible corporate citizen by all its stakeholders, including the communities in which it operates.

Although Barloworld's GHG emissions are fairly limited, Scope 1 and Scope 2 emissions were 206 389 tons in 2009 and 212 008 tons in 2008. The group understands the climate change impacts of its products and customer offerings and strives to conduct its activities in a responsible manner. In this regard that group has set internal aspirational targets of a 12% efficiency improvement for both its energy consumption and emissions over a five year period off a 2009 baseline. The group has models to predict and assess its performance which is monitored on an ongoing basis. Barloworld, together with its principals, is committed to providing environmentally sound products and customer solutions which also assist customers in achieving their own sustainable development objectives and

commitments. These aspects are included in performance scorecards including those of executive and senior management.

Barloworld's geographic regions of activity are South Africa, Rest of Africa, Europe and the United Kingdom, Australia, North America, Middle East. Reported emissions reflect this activity. Whilst Barloworld addresses its climate change responsibilities in all regions of operation, South African operations, which account for 71% of emissions and are currently exposed to energy constraints, receive priority attention.

Group energy consumption and GHG emissions, which are regarded as material aspects of activity, are subject to independent third party verification.

0.2 Reporting Year

Please state the start and end date of the year for which you are reporting data.

Enter Periods that will be disclosed
Wed 01 Oct 2008 - Wed 30 Sep 2009

0.5 Country list configuration

Please select the countries for which you will be supplying data. This selection will be carried forward to assist you in completing your response.

Select country
South Africa
Australia
Namibia
Portugal
Spain
Sweden
United Arab Emirates
United Kingdom
United States of America
Angola
Belgium
Botswana
Burundi
China
Congo, Democratic Republic of the
Dubai
Cape Verde
Denmark
Germany
Ghana
Hong Kong
India
Kenya
Lesotho
Malawi
Mauritius
Mozambique
Netherlands
Nigeria
Ireland
Norway
Sao Tome and Principe

Select country
Swaziland
Tanzania
Togo
Zambia
Andorra
Madagascar

Further Information

Data from operations in Ivory Coast, Siberia and Zimbabwe is not consolidated into financial and non-financial reporting since these are not companies over which Barloworld exercises financial control.

Module: Governance

Page: Governance

1.1 Where is the highest level of responsibility for climate change within your company?

Board committee or other executive body

1.1a Please specify who is responsible.

Sub-set of the Board

1.2 What is the mechanism by which the board committee or other executive body reviews the company's progress and status regarding climate change?

At group level, performance against safety, health, environmental and climate change issues is reviewed at regular quarterly meetings of the Risk and Sustainability committee. This is a sub-committee of the board, the members of which include executive directors and which is chaired by an independent non-executive director. The chairman reports to the board, which endorses the decisions of the Risk & Sustainability committee. Data on performance against safety, health, environment and climate change issues is included in Barloworld's annual report for review by all stakeholders.

The daily responsibility for managing the business divisions' environmental performance, in the context of the group's and divisional environmental and climate change policies, GHG and other relevant group standards, policies and protocols, is delegated to divisional CEO's and their respective boards.

All divisions have Sustainability Champions whose responsibilities include the collection and submission of sustainability data (including energy consumption and emissions), which is regularly reviewed as part of established management, executive and board processes.

Ultimately, in the context of the group's values and ethics, which include specific aspects relating to responsible custodianship of the environment, every employee is responsible for the sustainability of the organisation through dedicated fulfilment of their respective roles.

Functional responsibilities are managed through a group-wide, integrated performance scorecard system which includes sustainable development aspects.

Independent, external auditors verify energy consumption and emissions data.

1.4 Do you provide incentives for the management of climate change issues, including the attainment of greenhouse gas (GHG) targets?

Yes

1.5 Please complete the table.

Who is entitled to benefit from those incentives?	The type of incentives
Chief Executive Officer (CEO)	Monetary reward
Environment/sustainability managers	Monetary reward
Business unit managers	Monetary reward
Facility managers	Monetary reward
All employees	Recognition (non-monetary)
Risk managers	Monetary reward
Other: Divisional CEO's	Monetary reward

Further Information

Barloworld provides incentives for the management of issues related to climate change, which is incorporated into sustainable development objectives. Management of this process is facilitated through an integrated performance scorecard system. Specifically included are the group's aspirational targets for improvements in energy consumption and emission intensities.

The daily responsibility of managing the business divisions' environmental performance, in the context of the group's and divisional environmental and climate change policies, GHG and other relevant group standards, policies and protocols, is delegated to divisional CEO's and their respective boards.

Ultimately, in the context of the group's values and ethics, which include specific aspects relating to responsible custodianship of the environment, every employee is responsible for the sustainability of the organisation through dedicated fulfilment of their respective roles. Functional responsibilities are managed through a group-wide, integrated performance scorecard system.

Independent, third party auditors verify energy consumption and emissions data.

Module: Risks and Opportunities

Page: Risks & Opportunities Identification Process

2.1 Describe your company's process for identifying significant risks and/or opportunities from climate change and assessing the degree to which they could affect your business, including the financial implications.

The group has integrated financial, social and environmental management practices and reporting to link financial profits with responsible use of natural resources and impacts on the environment. Risks and opportunities, including those associated with climate change, are identified through detailed, robust, systematic strategic planning, risk and opportunity assessment procedures that involve every level of the organisation, and involve continual review and reporting at management, executive and board levels.

Through dedicated divisional risk assessment interventions, which include internal audit and group risk services as appropriate, risks are identified and evaluated in terms of their probability, severity and potential financial impacts, as well as the quality of the existing control environment. They are recorded in divisional and group registers, detailed, comprehensively assessed and given residual risk scores which results in a hierarchy of risks and allows for measurement of progress made. Risks are then addressed through acceptance, transfer, avoidance or reduction strategies.

Divisional management is responsible for the ongoing monitoring and management of their operating companies' risks, and this includes adequate valuation.

Formal reporting on risk related issues to the risk and sustainability committee, a sub-committee of the board chaired by an independent non-executive director, takes place bi-annually. Planning is regularly reviewed at executive and board levels, internal audit also has a significant role in reviewing required processes and procedures.

Arising from these processes, particularly the strategic planning process, opportunities are identified which are then assessed and pursued if appropriate and commercially feasible. Aspects of these

include providing environmentally sound customer solutions which assist customers in achieving their own environmental goals and objectives. The group is determined that these aspects will underscore its long-term value creation capability for all its stakeholders.

This approach has also been embraced by our principals who continue to focus on developing products and services which have reduced negative environmental impacts as well as conducting their operations in an environmentally responsible manner.

Page: Regulatory Risks

3.1 Do current and/or anticipated regulatory requirements related to climate change present significant risks to your company?

Yes

3.2B What are the current and/or anticipated significant regulatory risks related to climate change and their associated countries/regions and timescales?

Essentially three major categories of significant regulatory risk are identified:

(a) Emissions control (including reduction),
(b) Energy control (reduction of use and mix to include renewable sources) and
(c) Related levies and taxes.

The group's geographic regions of activity are South Africa, Rest of Africa, Europe and the United Kingdom, Australia, North America, Middle East and Asia. These regions are in varying states of economic development and the focus on climate change and the regulatory framework is diverse.

Although the group's direct emissions (Scope 1 and Scope 2) are fairly limited (206 389 CO2e tons) as it is primarily engaged in retail, after-market and logistics' activities, its increased exposure results from the nature of the products, services and solutions it provides to its customer segments.

The impact of country commitments is already being experienced in developed countries and will be felt in the rest of the world over the next two to three years. Customers with operations spanning multiple geographies may require, in terms of their own environmental commitments, high environmental standards and technology in products, services and solutions, regardless of the prevailing local regulations and legislation.

The United Nations Framework Convention on Climate Change (UNFCCC) and the Kyoto Protocol have set targets and timeframes for reductions in emissions for greenhouse gasses and, although agreement on further targets could not be reached at Copenhagen, the context has been set for country-based emission targets in the future.

Details on climate change legislation in South Africa: The South African government's Green Paper on the National Climate Change Policy due mid-2010 will provide clarity on how South Africa will achieve the emission reduction targets of 34% by 2020 and 42% by 2025 announced at Copenhagen. Business will participate in the consultation process which will precede the introduction of legislation, Barloworld through representation on industry bodies and Business Unity South Africa (BUSA). South African operations contribute 71% of Barloworld's GHG emissions (Rest of Africa 7%).

New Vehicle Emissions Tax: The 'green' tax on new passenger vehicles will have purchasers paying a levy of R75 per gram that vehicles emit above the limit of 120g CO2/km from 1 September 2010.

Carbon Tax: National Treasury is currently investigating placing a price on carbon emissions.

Barloworld participates in discussions on carbon pricing through representation at BUSA's Climate Change committee and attendance at the South African Green Economy Summit held in Johannesburg in May 2010. Discussion documents on carbon tax and 'cap and trade' are to be released by National Treasury mid 2010 and early 2011, respectively. Initial indications are that a carbon tax of around R100/ton CO2 will be levied on fossil fuel consumption emissions with implementation expected as early as 2012 as per National Treasury's Strategic Plan.

Details on climate change legislation in the United Kingdom (UK): The UK recently introduced the Carbon Reduction Commitment Energy Efficiency Scheme which aims to improve energy efficiency and reduce carbon emissions through the purchase of emission allowances to meet annual emissions.

Organisations that consumed more than 6,000 megawatt-hours (MWh)/year of half hourly metered electricity during 2008 are eligible. Organisations that did not meet the threshold will make an information disclosure of their half hourly electricity consumption during 2008. All group Handling facilities in the UK fall inside the 6,000 MWh threshold and will be registered by end-August. UK and European operations contribute 14% of Barloworld's GHG emissions.

Details on climate change legislation in Australia: The introduction of the Carbon Pollution Reduction Scheme, which will directly affect owned facilities with emissions covered by the scheme of at least 25 000 tonnes of CO2e a year, has been delayed until 2012. Barloworld facilities are, at current levels, below the threshold for compliance. However, the group could be impacted through its supply chain. Mandatory reporting initiatives are already in place in Australia: the National Greenhouse and Energy Reporting System, Energy Efficiency Opportunities and National Pollutant Inventory, but Barloworld facilities' emissions are currently well below the thresholds for these schemes. Australian operations contribute 2% of Barloworld's GHG emissions (Middle East and Asia 2%).

Details on climate change legislation in the United States of America: The US Clean Energy and Security Act of 2009 (ACES) is an energy bill that aims to establish a 'cap and trade' plan for GHG emissions. The bill, which was narrowly approved by the House of Representatives in June 2009, is still under consideration in the Senate. North American operations contribute 4% of Barloworld's GHG emissions. Additional aspects reported under "Further information".

3.3 Describe the ways in which the identified risks affect or could affect your business and your value chain.

Possible or impending changes to the regulatory framework create uncertainty, impose additional administrative burden and cost, and impact business decisions on issues such as: competitive products, services and customer offerings, sectors in which to operate, business models and optimal locations. Operating across a number of industries and under many jurisdictions presents challenges in adapting standards and strategies throughout operations, to staying abreast of all regulatory developments and, potentially, maintaining full compliance. These regulatory risks apply to Barloworld, as well as its principals and customers, and their continued viability.

Future regulations which might impose restrictions on the group's consumption of energy may negatively affect operations or its ability to grow or to enter new markets. Energy and/or clean energy costs may rise sharply in response to regulatory pressure. Carbon taxes would need to be factored into operating costs and pricing, as well as costs associated with non-compliance. Losses may be incurred through reduced economic activity, or customer offerings which become uncompetitive due to a shift in customer preferences in response to government introduced disincentives (or incentives).

Country-based commitments to emission reductions also present challenges. The majority of Barloworld's emissions are in South Africa, a country which relies heavily on coal-generated energy. At the UN Climate Change Summit in Copenhagen at the end of 2009, the country committed to emission reduction targets of 34% by 2020 and 42% by 2025, dependent on, among other things, the receipt of technical and financial assistance. The greater part of the responsibility for achieving these targets will be passed on to the private sector, again affecting Barloworld, as well as its principals and customers, and their continued viability. The competitive environment may be affected.

Customers' continued use of the products and services that Barloworld offers will depend on the extent and pace at which the group's principals and group companies can introduce new technology in products, adapt existing products, services and solutions so that offerings remain competitive.

The requirement to include carbon footprint data on product labels would be both a short term risk (as suppliers conform) and a medium term opportunity, since labelling would be beneficial to the environmentally friendly products that the group offers to customers.

New regulations, including regulations that involve the transfer or sharing of risk, may complicate the procedures and/or lengthen waiting periods for obtaining licences, applying for tenders or finance.

3.4 Are there financial implications associated with the identified risks?

Yes

3.5 Please describe them.

Anticipated financial implications associated with climate change regulations include cost of compliance, including greater disclosure obligations, additional levies, surcharges and taxes, fines for non-compliance, potential for law suites which might, for example, relate to alleged misrepresentation or omissions associated with greater disclosure requirements, or with causally related damages, penalties for energy consumption or emissions over allocated volumes or targets. Increases in the cost of inputs and doing business may affect the viability of group companies, or the viability of its supply chains.

For indicative purposes, in South Africa the group's Scope 1 and Scope 2 emissions amount to 146 388 tons which, at an assumed carbon tax rate of R100 per ton, would amount to an additional tax expense of R14 638 800. The group has developed models which it uses to predict the financial implications of additional carbon taxes and the savings resulting from its aspirational efficiency targets (12% efficiency improvement over five years off a 2009 base-line).

Regulations which might impose restrictions on consumption of energy may constrain or negatively affect operations. This is applicable for both customers and internally for Barloworld, resulting in decreased ability to create value. Regulatory or financial barriers to entry for embedded carbon products or carbon emitting products imported from international Original Equipment Manufacturers (OEM's) may result in loss of revenue or market share.

New regulations, including regulations that involve the transfer or sharing of risk, may complicate procedures and/or lengthen the periods involved in obtaining licences, in procurement: increasing the complexity of putting out or applying for tenders or for accessing finance, presenting future business constraints.

Costs associated with the responsibility to dispose of products may become significant.

There are also positive aspects. Tax incentives and other financial benefits may be realised by investing in appropriate technology and solutions which improve energy and emission efficiencies.

3.6 Describe any actions the company has taken or plans to take to manage or adapt to the risks that have been identified, including the cost of those actions.

General Overview:

Barloworld is committed to ensuring its environmental legitimacy and managing its impacts on climate change. The group has integrated management practices and reporting. Sustainable development is included in one of the group's Strategic Focus Areas and Social and Environmental legitimacy is one of the group's 10 Pillars of Sustainability.

The group maintains flexible business models and limits exposure to high risk activities, industries, countries and regions through in-depth risk assessment. Management is responsible for the ongoing monitoring of all pending and actual changes to the group's regulatory framework, this includes assessment and valuation.

Barloworld has developed strong relationships with its principals and suppliers, which facilitates information sharing about local market conditions and trends, including information on regulatory environments and emissions standards, and assists its principals in developing customer solutions that differentiate and expand their product ranges. These also serve the adaptation of Barloworld's own customer solutions. Similarly, logistics management and supply chain optimisation offerings include minimising emissions.

Through its strategic planning processes, the group reviews it composition and customer offerings and adapts to meet emerging trends and stakeholder requirements.

Specific Actions:

Set out below are the specific regulatory risks the group has identified and the activities the group has undertaken in respect thereof.

Internally, Barloworld addresses the risks identified above by proactively committing to aspirational energy and emission improvement targets. These are publically disclosed in its 2009 Annual Report and are off a 2009 base-line year. The aspirational commitment is for a 12% improvement in energy

and emission intensities over a 5 year period from 2010 to end 2014. These aspirational targets are cascaded into the group operations where appropriate initiatives are being developed and implemented to achieve compliance. The group has developed models which it uses to predict the financial implications of additional carbon taxes and the savings resulting from the achievement of these aspirational efficiency targets.

Barloworld's operating divisions develop their own respective responses and initiatives in this regard, which include Avis Rent a Car South Africa achieving a CarbonNeutral® accreditation for the offset of its internal fuel and energy usage CO2 emissions.

Externally, the group is exposed through the impact of regulations related to climate change on its customer base. In this regard the group and its principals are committed to providing customer solutions that assist customers meet their particular sustainable development objectives, including expectations and requirements in respect of climate change. Illustrations of customer solutions offered in this regard are reflected below.

Caterpillar's innovative ACERT® technology which was developed to meet American and European regulations restricting harmful emissions from diesel engines, utilised in both "on highway" and "off-road" applications, as well as Caterpillar's new earthmoving machine, the D7E tractor, which features the first all-electric drive train.

Hyster launched the XN electric truck series in January 2009. These trucks use less energy than their predecessor in the Hyster range and offer up to 31% lower power consumption than equivalent competitor trucks.

In Barloworld Automotive division, the motor retail operations represent leading global vehicle manufacturers which are continuing to develop and introduce energy efficient vehicles, low emission vehicles, hybrid vehicles and electric vehicles.

Also, offered in car rental fleets are hybrid and flexi-fuel vehicles such as the Toyota Prius, SAAB Bio-Power, Volvo V50 and V70 flexi-fuel and Mercedes Benz NGT Blue Efficiency vehicles. Diesel and bio-fuel cars are becoming far more prevalent in car rental fleets. All fleets include the latest vehicle models and technology, which results in general improvement in energy efficiency and emission reductions.

Barloworld Logistics division provides, through the CAST-CO2 module of its leading supply chain design system, the ability to calculate the carbon emissions from any supply chain model and therefore to design supply chains with transport modes, loads, inventories and routes which minimise carbon emissions. The CAST suite of solutions uses advanced mathematical modelling techniques to optimise the supply chain network.

Barloworld Power is a recently established business unit which offers leading energy solutions to customers, including efficiency and renewable aspects.

Regulatory limits and restrictions on embedded carbon may affect the competitiveness of principals' products.

Other group initiatives to reduce emissions are reflected in the section for "Further Information".

3.7 Further Information

Barloworld is at risk from the impact of regulatory requirements on its supply chains: suppliers and customers, and their continued viability. Also on customers' continued use of the group's customer offerings, and the extent and pace at which the group's principals and group operations can adapt these to remain competitive in the context of emissions standards, levies, carbon taxes and fuel tariffs.

Regulations affecting energy are also anticipated. These may be motivated by generation constraints or the objective to affect the mix of energy consumption away from carbon based fuels to renewable energy sources. Also, in regions where electricity generation is constrained (e.g. South Africa), limits and absolute constraints may be imposed on consumers.

In addition, there was also mention in the South African 2010 budget speech of other environmental taxes to be levied on pollution and waste water.

There is the possibility of regulations requiring the environmentally sound disposal of non-consumer products at the end of their useful life. This could affect the group (vehicles and equipment). Further actions taken by the company to manage or adapt to regulatory risks that have been identified include:

• Green building principles are being investigated and incorporated into new building developments: e.g. new motor dealership and car rental turnaround yards

• Comprehensive energy management plans, installation of additional meters, energy audits and installation of systems to manage power demand.

• Retrofitting at buildings and sites around the world, e.g.
– Installation of energy efficient light bulbs
– Installation of slightly higher wattage lamps but fewer fittings in area provides same light intensity but lower consumption
– Installation of more energy efficient lighting systems (local switches, timers, light and motion sensors, etc.)
– Geyser cladding

• A number of sites either already have or are investigating building insulation:
– installation of double glazing on windows

• Alternative sources of lighting and heating
– Installation of translucent roof sheeting at car ports to aid natural lighting of the area
– Solar water heaters are being investigated at some of our sites

• Behaviour change of facilities and security personnel and employees is encouraged:
– Where possible, switch off lights in rooms that are not in use
– Promote limited use of individual office air conditioners
– Switch off non-essential lights overnight, over weekends and holidays

• Managing the monitoring and reporting of energy consumption:
– Divisional sustainability champions in place, linked to risk and environmental management, to collect, collate and report material data streams linked to managing energy efficiencies and emissions.
– Ensure monthly meter readings are provided to utility suppliers so consumption can be monitored as accurately as possible in order to be managed.

• Awareness and leadership:
– Information on sustainability is included in the group's induction, leadership and executive d Development programmes, which provide the opportunity to inculcate Barloworld's values and culture and to share strategic information with new employees, identified talent and future leaders, senior managers and executives in the group. Content specifically addresses the imperative and operational elements of responsible corporate citizenship. The 2009 group leadership development programme (LDP) included action learning projects on the risks and opportunities to add value which emerge from sustainable development, a component of which is environmental legitimacy and climate change.
– Create general awareness with employees (and contractors on site) about the need to live sustainable lifestyles by reducing consumption, conserving energy and reducing emissions.
– Regular communications on progress on achievement of energy savings and emissions reduction and avoidance objectives. Providing practical information on how employees can save energy and reduce or avoid emissions generating activities both in their work and private lives.

• Car rental operations in Scandinavia offer their customers the opportunity to purchase carbon credits to offset the emissions from their vehicle rental transactions.

Page: Physical Risks

4.1 Do current and/or anticipated physical impacts of climate change present significant risks to your company?

Yes

4.2B What are the current and/or anticipated significant physical risks, and their associated countries/regions and timescales?

We consider the group to be exposed to the physical risks that arise from climate change, which have consequences for human health, buildings, livelihoods, infrastructure and habitats, etc. (Intergovernmental Panel on Climate Change (IPCC) 4th Assessment Report. 2007), as well as for the group's value creation potential.

It is believed that these risks may affect all the group's geographic regions of activity which are South Africa, Rest of Africa, Europe and the United Kingdom, Australia, North America, Middle East and Asia.

In terms of the timeframe for the emergence of physical risks associated with climate change, Barloworld believes that the increased intensity of weather events: storms, hail damage, lightning strikes, flooding and extended drought, are currently occurring, and there is growing scientific evidence that these will increase, with consequences for services and infrastructure, resources and preparedness, both public and private, including the group's own equipment and plant, and with implications for supply chains.

Practical examples of this risk might be the effects of heavy storms at ports or airports, or a rise in sea level, where Barloworld's logistics and handling divisions have operations and which result in infrastructure damage, or damage to the group's equipment and plant, either of which may lead to additional cost and supply chain inefficiencies.

The safety of Barloworld employees is its highest priority. A robust and comprehensive risk identification and management regime is followed throughout Barloworld companies. This ensures that all facilities maintain business plans that incorporate emergency response actions, including medical assistance, crisis management and business recovery plans specific to the businesses and the respective territories in which the businesses operate, in order to deal with unscheduled occurrences and stakeholder concerns.

Similarly, physical damage incurred due to the effects of climate change by Barloworld's customers will have negative affects for the group, as will general physical damage that affects society and prejudices economic activity. Consequent shifts in trading locations and commercial activities could affect established Barloworld locations.

Longer term risks such as marked changes in prevailing temperature – excessively cold winters, heat waves – and rainfall patterns, interrupted energy supplies and water shortages, loss of food security, flash fires, rising sea levels, severe weather and damaged infrastructure affecting supply and delivery of essential services, raw materials and goods would all have profound effects on broader society, including the group's employees, suppliers and customers.

4.3 Describe the ways in which the identified risks affect or could affect your business and your value chain.

Severe weather events could impact on the services and infrastructure required to manage Barloworld's businesses, to service its customers or negatively affect supply chains.

Loss of services, utilities and damage to infrastructure might also endanger its employees.

The cost of on-going repairs to weather-damaged public and private infrastructure will add to cost of living and the cost of doing business. Temporary or part-time alternative sources of energy and water might need to be sourced and, if basic services such as sewerage and waste management services are affected because of infrastructure damage, private short term solutions may need to be put in place, all adding to costs. Cost of living increases have consequences for the group's customers, employees and for society.

Changing climate patterns could cause a shift in agricultural and urban centres which may impact the location of the group's operations.

Prolonged drought and resulting water shortages could impact on the group's need to maintain high standards of cleanliness and hygiene in its equipment, rental fleets and motor retail operations.

Should human health be affected by climate change, productivity may be affected. There may be an increase in respiratory ailments due to air pollution or the range and frequency of infection of vector

borne diseases such as malaria, for example. Attention will need to be given to the structure and cost of healthcare services funded through the tax base, and to employee benefit schemes.

Despite being highlighted as risks, the aspects described above may also provide business opportunities and the group continues to assess these and include them in its strategic planning process.

4.4 Are there financial implications associated with the identified risks?

Yes

4.5 Please describe them.

All Barloworld facilities maintain business plans that incorporate emergency response actions, including medical assistance, to ensure business continuity. Nevertheless, disruptions may decrease operational efficiencies, leading to financial losses. The cost of on-going repairs to weather-damaged buildings and infrastructure will also add to the cost of doing business.

Temporary or part-time alternative sources of energy and water have on occasion had to be sourced at business sites and, if sewerage or waste disposal services are affected because of infrastructure damage, private short term solutions may need to be put in place, all adding to costs.

Barloworld's equipment and plant may be damaged in extreme weather events or our supply chains affected by damage to transport infrastructure (roads, ports and airports) and services.

As a consequence of drought, at group locations where water shortages are experienced and equipment and vehicles require regular washing, consideration needs to be given to the recycling of water and, if feasible, the harvesting of rainwater. At many of these sites, water treatment plants are already installed to treat the waste water from wash bays.

Public infrastructure is repaired through tax bases, to which Barloworld contributes. Rates may be increased. Increases in tax and rates may lead to cost of living increases, which have consequences for the group's suppliers, customers, employees and for society. Livelihoods may be affected. Damaged public infrastructure affects the group's employees' commute, as well as the public services which ensure their quality of life.

A relocation of group facilities and infra-structure would add to its cost base which could negatively affect its competitive position.

4.6 Describe any actions the company has taken or plans to take to manage or adapt to the risks that have been identified, including the cost of those actions.

General Overview: Barloworld is committed to ensuring its environmental legitimacy and managing its impacts on climate change. The group has integrated management practices and reporting. Sustainable development is included in one of the group's Strategic Focus Areas and Social and Environmental legitimacy is one of the group's 10 Pillars of Sustainability.

The group maintains flexible business models and limits exposure to high risk activities, industries, countries and regions through in-depth risk assessment. Management is responsible for the ongoing monitoring, assessment and valuation of all pending and actual changes to the group's regulatory framework.

Barloworld has developed strong relationships with its principals and suppliers which facilitates information sharing about local market conditions and trends, including information on climate change issues, including regulatory environments and emissions standards, which assists its principals in developing customer solutions that differentiate and expand their product ranges. These also serve the adaptation of Barloworld's own customer solutions. Similarly, logistics management and supply chain optimisation offerings include minimising related emissions.

Through its strategic planning processes, the group reviews it composition and customer offerings and adapts to meet emerging trends and stakeholder requirements.

Specific Actions:

Set out below are the specific physical risks the group has identified and the activities the group has undertaken in respect thereof.

Employee health is constantly monitored through employee wellness and assistance programmes, and benefit schemes are well structured and competitive.

On-going repairs to company owned or rented weather-damaged buildings and infrastructure takes place with minimum disruption to business activities. Serious damage repair would be attended to in terms of the businesses business continuity plans. Temporary or part-time alternative sources of energy, water and other facilities would need to be provided. Emergency plans address this.

Operational facilities are optimally located.

A number of water conservation projects, which include rainwater harvesting and water recycling projects, have been implemented across Barloworld operations in water-scarce countries. In Barloworld's automotive operations, the group's largest water consumer, investments have been made in the latest recycling technology which has resulted in 20% (group 12%) of metered water being recycled. At the group's car rental main depots in South Africa in 2009, 85% of water was recycled, resulting in savings in excess of 100 million litres of water per annum and, in May 2010, Avis car rental operations at the Cape Town International Airport were declared 100% water neutral.

Ongoing performance and constructive relationships with principals would assist if having to relocate operations to new commercial centres in the event of movement due to climate change. A robust and comprehensive risk identification and management regime is followed throughout Barloworld companies. This ensures that all facilities maintain business continuity plans that incorporate emergency response actions, including medical assistance, crisis management and business recovery plans specific to the businesses and the respective territories in which the businesses operate, in order to deal with unscheduled occurrences and stakeholder concerns. These incorporate physical damage due to climate change where appropriate.

These preparatory and preventative measures add costs to the business and are regarded as a component of the operational cost base.

Page: Other risks

5.1 Does climate change present other significant risks - current and/or anticipated - for your company?

Yes

5.2B What are the current and/or anticipated other significant risks, and their associated countries/regions and timescales?

We consider the group to be exposed to other risks that arise from climate change and believe that these may affect all the group's geographic regions of activity which are South Africa, Rest of Africa, Europe and the United Kingdom, Australia, North America, Middle East and Asia.

Having identified the importance of the growing number of climate change related issues over the past decade, Barloworld has dedicated resources and improved monitoring capabilities across a range of disciplines in order to identify and understand trends and risks that affect the group, as well as to track the effectiveness of proposed and implemented adaptive strategies.

Barloworld believes that a better grasp and acceptance of the issues surrounding climate change has led to a greater commitment to action and that the impact of country commitments, perhaps sometimes ahead of multi-laterally negotiated country-based targets, led by consumer sentiment and a strengthening scientific argument, are already being experienced in Developing Economies. These commitments will be felt in the rest of the world over the next two to three years, depending on other pressing global issues at stake, such as economic recovery.

With the advent of mandatory emission reduction targets, there is also the risk that earlier voluntary reductions achieved will not be recognised or factored in. Consequently, businesses which have been addressing the matter for some time may be prejudiced. The interventions Barloworld companies have already put in place and the group's recent establishment of a baseline year could make it difficult to effect significant further reductions in energy consumption/intensities (fossil fuel based) and consequent emission reductions/intensities.

Other perceived risks include a loss of business confidence as climate change events and their financial and social consequences add to inflationary pressures and detrimentally affect consumer confidence and standards of living.

The group's value chains may be affected as suppliers and/or customers attempt to pass on certain risks associated with climate change, or expect the group to absorb a disproportionate share of increased input costs consequent on this activity.

There may be risks associated with shareholder or public activism arising from climate change issues. There are litigation, financial and reputational risks for companies that might inadvertently fall foul of regulations or public opinion.

There are competitive risks from suppliers who may enter the market with technologies, products and services with greater energy and emission efficiencies or lower impacts on the environment.

Possible new health impacts on employees would need to be managed through safety and health structures and functions, e.g. impacts on employee wellness and assistance programmes will need to be considered and addressed.

Longer term risks such as marked changes in prevailing temperature – excessively cold winters, heat waves – and rainfall patterns, interrupted energy supplies and water shortages, loss of food security, flash fires, rising sea levels, severe weather and damaged infrastructure affecting supply and delivery of essential services, raw materials and goods would all have profound effects on broader society, including the group's employees, suppliers and customers.

Changes in human settlement patterns, as well as in financial and insurance markets, could take place and this would impact on long term strategic decisions such as business models and locations, and how capital and human resources are allocated, accessed and managed.

5.3 Describe the ways in which the identified risks affect or could affect your business and your value chain.

Barloworld has commenced addressing energy and emissions efficiencies and may be prejudiced as interventions already in place and the group's recently established baseline year could make it relatively more difficult to effect significant further reductions in energy consumption/intensities (fossil fuel based) and consequent emission reductions/intensities or, not being able to access any financial incentives that may be available for this purpose.

A loss of business confidence may result due to climate change events as financial and social consequences add to inflationary pressures and detrimentally affect morale, standards of living, and affect production and business costs.

Value chains may be affected as suppliers and/or customers attempt to pass on certain risks or costs associated with climate change.

Shifts in consumer preference to locally sourced products with a reduced carbon footprint (or regulation which has a similar effect) may affect the group's logistics business, as well as other products supplied by the group.

There may be risks associated with shareholder or public activism arising from climate change issues. Litigation and reputational risks also exist, should the group inadvertently fall foul of regulations or public opinion. This could result in law suits against the group and increased insurance premiums.

Negative health impacts on employees would need to be managed and could lead to personal suffering and tragedy, loss of productivity and increased costs.

Longer term risks such as marked changes in prevailing temperature and climate patterns may have negative effects on confidence and economic activity adversely affecting the group.

Human settlement patterns, financial and insurance markets could be affected and this would impact on long term strategic decisions such as business models and locations, and how capital and human resources are accessed and managed.

Loss of competitive advantage in products, services and customer offerings would negatively affect the company as commercial activity is reduced.

5.4 Are there financial implications associated with the identified risks?

Yes

5.5 Please describe them.

As part of its commitment to sustainable development, Barloworld has commenced addressing energy and emission efficiencies which may make it difficult to comply with further reduction targets in energy consumption/intensities (fossil fuel based) and consequent emission reductions/intensities. Consequently the risk of possible fines or levies is increased which has a direct financial effect on the group. It may also prejudice access to any financial incentives available for this purpose.

A loss of business confidence and related consequences would reduce the group's commercial activity with the concomitant negative financial implications. As would shifts to local consumption as the logistics business could be prejudiced by reduced levels of regional transport activity.

As suppliers and/or customers attempt to pass on certain risks or costs associated with climate change, insurance premiums could increase.

Shifts to local consumption could affect consumer preference to locally sourced products with a reduced carbon footprint which may affect the group's logistics business.

Shareholder or public activism arising from climate change issues could result in law suits against the group and increased insurance premiums.

Reputational damage could also negatively affect the commercial standing and activity in the group.

Negative health impacts on employees could increase costs associated with employment.

Longer term risks such as marked changes in prevailing temperature and climate patterns may generally have negative effects on confidence and economic activity adversely affecting it through reduced commercial activity.

Changes in human settlement patterns, and financial and insurance markets could be affected and this would impact on long term strategic decisions such as business models and locations, and how capital and human resources are accessed and managed.

There is competitive risk from suppliers who may enter the market with technologies, products and services with greater energy and emission efficiencies with lower impacts on the environment.

These aspects would regularly affect business activity, prejudicing the group's financial performance, as well as increasing its cost base.

5.6 Describe any actions the company has taken or plans to take to manage or adapt to the other risks that have been identified, including the costs of those actions.

General Overview:

Barloworld is committed to ensuring its environmental legitimacy and managing its impacts on climate change. The group has integrated management practices and reporting. Sustainable development is included in one of the group's Strategic Focus Areas and Social and Environmental legitimacy is one of the group's 10 Pillars of Sustainability.

The group maintains flexible business models and limits exposure to high risk activities, industries, countries and regions through in-depth risk assessment. Management is responsible for the ongoing monitoring, assessment and valuation of all pending and actual changes to the group's regulatory framework. Due to the large number of jurisdictions which govern the group's activities, this monitoring occurs in each relevant country of operation.

Barloworld has developed strong relationships with its principals and suppliers, which facilitates information sharing about local market conditions and trends, including information on climate change issues, and assists its principals in developing customer solutions that differentiate and expand their product ranges.

These solutions also serve the adaptation of Barloworld's own customer solutions. Similarly, logistics management and supply chain optimisation offerings include minimising related emissions. Through its strategic planning processes, the group reviews it composition and customer offerings and adapts to meet emerging trends and stakeholder requirements.

Specific Actions:

Set out below are the specific other risks the group has identified and the activities the group has undertaken in respect thereof.

The group engages in appropriate forums, processes and initiatives and will attempt to ensure that establishment of any baseline, target or standard takes relevant prior initiatives, achievements and commitments into account.

Barloworld generally guards against a loss of business confidence by providing customers with a range of integrated customer solutions across a range of business segments and in a number of geographies.

Similarly, the group mitigates risk of long-term climate change.

Customer solutions are continually evolving and would address the sharing of risk associated with climate change on a fair and equitable manner. Ongoing performance and constructive relationships with principals would assist in having to relocate operations to new commercial centres in the event of a change in human settlement patterns due to climate change.

By aligning and engaging with leading world-class principals and suppliers, together with engaging with customers on an ongoing basis and sharing information, the group ensures its competitive position.

Through its approach and commitment to being a socially responsible corporate together with its commitment to sustainable development and the related initiatives and activities of its operations, the group strives to reduce risks arising from shareholder or public activism arising from climate change issues.

In a similar manner, the group strives to protect its reputation and, through a dedicated process of review, strives to ensure compliance with regulation and legislation.

Through the group's leading employee value creation initiatives, it would be able to mitigate the prejudicial affects of climate change on employee wellness.

It is difficult to quantify costs directly relating to climate change issues as they are incorporated into the ongoing activities and cost base of Barloworld companies. Many of the activities which address climate change aspects are integrated into the day-to-day management activities of the organisation.

Page: Regulatory Opportunities

6.1 Do current and/or anticipated regulatory requirements related to climate change present significant opportunities for your company?

Yes

6.2B What are the current and/or anticipated significant regulatory opportunities and their associated countries/regions and timescales?

Barloworld considers that there are opportunities that arise from climate change and believes that these may affect all the group's geographic regions of activity which are South Africa, Rest of Africa, Europe and the United Kingdom, Australia, North America, Middle East and Asia.

Essentially three major categories of significant regulatory opportunity are identified. These relate to:
(a) Emissions control (including reduction),
(b) Energy control (reduction of use and mix – encouragement to use energy from renewable sources) and,
(c) Related levies and taxes (to support the prior two aspects).

The United Nations Framework Convention on Climate Change (UNFCCC) and the Kyoto Protocol have set targets and timeframes for reductions in emissions for greenhouse gasses and, although the Copenhagen Accord could not reach agreement on further targets, the context has been set for country-based emission targets in the future.

Whilst such targets and regulations may initially apply to developed economies, it is anticipated that underdeveloped economies will also be pressured to reduced emissions which would affect energy consumption and Barloworld's operations and customers in such regions. In any event, customers are already requesting products and solutions which assist them in achieving internal energy and emission targets, sometimes ahead of regulation. It is anticipated that this trend will grow.

This includes customers with operations spanning multi-geographies who may require, in terms of their own internal environmental commitments, high environmental standards and technology in products, services and solutions regardless of the prevailing local/regional regulations and legislation.

While new taxes, surcharges, levies and compliance costs are a risk to the group's viability as an enterprise, financial incentives offered by governments to encourage private sector solutions to some of the energy efficiency, emissions management and climate change problems present opportunities.

These opportunities relate directly and indirectly to Barloworld. The direct nexus is due to the group's ability and commitment to implement aspirational energy and efficiency targets and, indirectly, as Barloworld's customers seek to implement similar targets and look to the group to provide them with the necessary products, services and solutions.

Anticipated regulatory requirements around GHG emissions and mandatory energy efficiency targets will increase the market for products, services and customer solutions that are energy and emission efficient, environmentally sound and innovative. In addition, opportunities are presented for customer offerings which provide energy security, energy efficiency, energy demand management and emissions management services. Barloworld divisions continue to consider these aspects in the provision of their customer solutions, which include plant and equipment, motor vehicles, car rental, power solutions and logistics supply chain management and optimisation. The range and scope of these products and services is continually being reviewed and expanded.

As the market grows, so arguably will the number of principals contributing to the Barloworld group's customer offerings and increasing customers and channels to market. All of these benefit Barloworld and reduce its overall risk profile.

The group could benefit from the South African government's intention to create an enabling environment for the shift to a 'green economy'. Measures to create an enabling environment include ensuring that 1.5% of GDP is allocated to research and development by 2015, sending the right 'price signals' and implementing subsidy reforms and rebates.

Also, international technical assistance programmes and the increasing scale of concessionary finance being made available through development finance institutions and banks to encourage business solutions to climate change, present opportunities for new ventures.

The market for products and services incorporating clean, green technologies will grow, as will opportunities for the generation of renewable energy (South African on-grid target 30% by 2025), and services aimed at achieving an optimal and reliable energy mix, including independent power supply for own consumption and potential for selling energy into regional energy grids.

Barloworld operations are addressing these aspects in their respective business models, customer offerings and strategic plans.

The increasing requirement to include carbon footprint data on product labels would be both a short term risk (as suppliers conform) and a medium term opportunity, beneficial to the environmentally friendly products that we offer customers.

The development of Clean Development Mechanism (CDM) remains an opportunity for the group.

6.3 Describe the ways in which the identified opportunities affect or could affect your business and your value chain.

Anticipated regulatory requirements around GHG emissions and mandatory energy efficiency targets will increase the market for products and services that are energy efficient, environmentally sound and innovative, which provide energy security, energy demand management and emissions management services. Barloworld divisions continue to consider these aspects in the provision of their customer solutions, which include plant and equipment, motor vehicles, car rental, power solutions and logistics supply chain management and optimisation. The range and scope of these products and services is continually being reviewed and expanded.

As the market grows, so arguably will the number of principals contributing to the Barloworld group's customer offerings and increasing customers and channels to market. All of these benefit Barloworld and reduce its overall risk profile.

Many governments have implemented or signalled their intention to create an enabling environment for the shift to a 'green economy' through the introduction of supply-side measures to facilitate private sector involvement. This introduces additional demand for new products and solutions for the group to provide.

The market for products and services incorporating clean, green technologies will grow, as will opportunities for the generation of renewable energy. Barloworld operations are considering these aspects in business models, customer offerings and strategic plans. The recently established Barloworld Power division is also offering energy efficiency management solutions which it is driving within the group as well as externally to customers.

Such opportunities not only benefit existing businesses, but also increase the potential for the establishment of new business units offering supplementary or complementary products, services and solutions.

6.4 Are there financial implications associated with the identified opportunities?

Yes

6.5 Please describe them.

Financial implications include the increased cost of energy and/or of clean energy, rising in response to regulatory pressures.

Other financial implications include costs associated with the identification, assessment and operationalising of new business opportunities in the context of regulatory requirements.

Also included in the value chain is the cost of accessing or developing products and services which are innovative, fuel-efficient and low carbon technologies in order to include these in our customer offerings.

New technologies are usually available at premium prices; costs associated with sourcing and/or up-skilling of human resources across a range of disciplines. New skills are required to support new technologies, to implement climate change adaptive strategies: monitor and manage within regulatory frameworks and collaborate in supply chains on targets, which could involve financial outlay, potential savings and increased business and associated revenues.

Overall, there are also positive financial implications resulting from increased business activity.

6.6 Describe any actions the company has taken or plans to take to exploit the opportunities that have been identified, including the investment needed to take those actions.

General Overview:

Barloworld is committed to ensuring its environmental legitimacy and managing its impacts on climate change. The group has integrated management practices and reporting. Sustainable development is included in one of the group's Strategic Focus Areas and Social and Environmental legitimacy is one of the group's 10 Pillars of Sustainability.

The group maintains flexible business models and limits exposure to high risk activities, industries, countries and regions through in-depth risk assessment. Management is responsible for the ongoing monitoring, assessment and valuation of all pending and actual changes to the group's regulatory framework.

Barloworld has developed strong relationships with its principals and suppliers which facilitates information sharing about local market conditions and trends, including information on regulatory environments and emissions standards, and assists its principals in developing customer solutions that differentiate and expand their product ranges. These also serve the adaptation of Barloworld's own customer solutions. Similarly, logistics management and supply chain optimisation offerings include minimising related emissions.

Through its strategic planning processes, the group reviews it composition and customer offerings and adapts to meet emerging trends and stakeholder requirements.

Specific Actions:

Principally these opportunities relate to the current or anticipated emissions and energy restriction regulations (or customer related expectations and requirements).

Actions taken by the group include setting aspirational energy and emission efficiency targets which aim to improve group energy and emissions efficiencies by 12% over a five year period.

New technologies employed in the integrated customer solutions which Barloworld operations offer are resulting in enhanced energy and emission efficiencies, as well as addressing the needs of a wide range of stakeholders.

Practical examples of these are Caterpillar's innovative ACERT® technology which was developed to meet American and European regulations restricting harmful emissions from diesel engines, utilised in both "on highway" and "off-road" applications, as well as Caterpillar's new earthmoving machine, the D7E tractor, which features the first all-electric drive train.

Hyster launched the XN electric truck series in January 2009. These trucks use less energy than their predecessor in the Hyster range and offer up to 31% lower power consumption than equivalent competitor trucks.

In Barloworld Automotive division, the motor retail operations represent leading global vehicle manufacturers which are continuing to develop and introduce energy efficient vehicles, low emission vehicles, hybrid vehicles and electric vehicles.

Car rental fleets include the latest vehicle models and technology, which results in general improvement in energy efficiency and emission reductions.

Barloworld Logistics division provides, through the CAST-CO2 module of its leading supply chain design system, the ability to calculate the carbon emissions from any supply chain model and therefore to design supply chains with transport modes, loads, inventories and routes which optimise carbon emissions.

Barloworld Power is a recently established business unit which offers leading energy solutions to customers, including supply efficiency and management aspects. Internally, Barloworld operations are committed to the optimisation of their energy consumption and a variety of initiatives are underway or in planning across the group.

Barloworld also works to raise awareness amongst its employees through communication and training, and supports the efforts of civil society to educate and inform the public on the importance of adopting environmentally sustainable lifestyles.

Barloworld's car rental operations in Norway remain carbon neutral (excluding rental fleets and licensee operations). Avis and Budget in Norway and Sweden offer their customers the opportunity to purchase carbon credits to offset the emissions from their vehicle rental transaction. On 1 September 2009, Avis Rent a Car became the first rental fleet in South Africa to be accredited CarbonNeutral® for internal business carbon emissions from fuel and electricity usage. Car rental operations spent ZAR 900 000 on their carbon offset programmes for the period under review.

The cost of the interventions and initiatives taken to exploit opportunities is viewed as investment into a sustainable value creating future for the group.

Further Information

To create awareness and develop leadership, information on sustainability is included in the group's induction, leadership and executive development programmes, which provide the opportunity to inculcate Barloworld's values and culture and to share strategic information with new employees, identified talent and future leaders, senior managers and executives in the group. Content specifically addresses the imperative and operational elements of responsible corporate citizenship. The 2009 group leadership development programme (LDP) included action learning projects on the risks and opportunities to add value which emerge from sustainable development, a component of which is environmental legitimacy and climate change.

Page: Physical Opportunities

7.1 Do current and/or anticipated physical impacts of climate change present significant opportunities for your company?

Yes

7.2B What are the current and/or anticipated significant physical opportunities and their associated countries/regions and timescales?

The physical impacts of climate change are considered to present business opportunities for Barloworld.

Such impacts currently occur and include increased intensity of weather events; storms, hail damage; lightening strikes, flooding and extended droughts. Longer term impacts include; rising sea levels and permanently changed weather patterns. It is believed that these may affect all the group's geographic regions of activity which are South Africa, Rest of Africa, Europe and the United Kingdom, Australia, North America, Middle East and Asia.

The continuing shift towards assessing profits in the context of resource depletion and monetising natural capital, e.g. establishing more accurate values for delivered water and energy (and managing waste) presents opportunities in that management of these will require more efficient civil infrastructure, which will utilise Barloworld's products and services.

The physical evidence of climate change has arguably had the greatest impact on opinion and behaviour change, leading to shifts in consumer sentiment and demand to more environmentally friendly products and services, and greater awareness of the environmental footprint of inputs, which is to the group's benefit.

Relocated communities, facilities and infrastructure, the building of protective barriers or levees, as well as repairs to damaged infrastructure (e.g. roads, buildings, water and energy reticulation), all require the group's products, services and solutions, such as commercial vehicles, earth moving equipment and machinery and logistical services.

Shifts in weather and temperature patterns and the effects of these on local ecologies might open up new tourism destinations, which may positively affect the group's car hire operations.

7.3 Describe the ways in which the identified opportunities affect or could affect your business and your value chain.

The physical evidence of climate change has impacted opinion and behaviour change and has driven the development of public sentiment and related environmental regulation and legislation.

The damage caused by the physical effects of climate change positively affects the demand for a range of products, services and customer solutions which can be provided by the group. These would include capital earthmoving and construction equipment, energy generation, material handling equipment, commercial and other vehicles, logistics and supply chain optimisation.

Indirectly, as a consequence of the climate change related devastation, environmentally sound solutions will be required which again supports demand for products, services and solutions offered by the company. They would include energy and emission efficient solutions as well as demand for clean energy. The demand for such products, services and solutions is not only post climatic events, but could increasingly be in anticipation of floods, rising sea levels, droughts, and relocations due to permanent changes in climatic patterns.

An awareness of climate change, highlighted by physical climatic devastation is resulting in new buildings and sites increasingly incorporating design and improved technologies to be 'greener. Customers are demanding cleaner, more efficient technologies in products and services.

Stakeholder activism around climate change concerns is influencing businesses' appetite for risk and decisions on investment.

Governments have and continue to introduce instruments aimed at moving their countries to low-carbon economies.

Tenders increasingly include conditions relating to 'green' practices and products.

The group is well positioned to benefit from this trend, given the nature of its composition and customer offerings.

7.4 Are there financial implications associated with the identified opportunities?

Yes

7.5 Please describe them.

Financial implications associated with opportunities emerging from the physical impacts of climate change include the costs associated with identifying and scoping projects and, if feasible, to commercialising them.

Investment in additional plant and equipment to service key customers' as they embark on major new or rehabilitation projects, for example roads, water reticulation, mining for commodities, new and redesigned buildings and sites incorporating design and energy efficiency innovations, investment in vehicles and equipment incorporating latest technology and fuel-efficient engines; also, investment in development of service and support skills for these aspects.

Positive financial implications will result from increased business activity.

7.6 Describe any actions the company has taken or plans to take to exploit the opportunities that have been identified, including the investment needed to take those actions.

General Overview:

Barloworld is committed to ensuring its environmental legitimacy and managing its impacts on climate change. The group has integrated management practices and reporting. Sustainable development is

included in one of the group's Strategic Focus Areas and Social and Environmental legitimacy is one of the group's 10 Pillars of Sustainability.

The group maintains flexible business models and limits exposure to high risk activities, industries, countries and regions through in-depth risk assessment. Management is responsible for the ongoing monitoring of all pending and actual changes to the group's regulatory framework, and includes adequate valuation.

Barloworld has developed strong relationships with its principals and suppliers, which facilitates information sharing about local market conditions and trends, including information on climate change issues, and assists its principals in developing customer solutions that differentiate and expand their product ranges.

These also serve the adaptation of Barloworld's own customer solutions. Similarly, logistics management and supply chain optimisation offerings include minimising related emissions and can address other climate change issues.

Through its strategic planning processes, the group reviews it composition and customer offerings and adapts to meet emerging trends and stakeholder requirements.

Specific Actions:

Set out below are the specific physical opportunities the group has identified and the activities the group has undertaken in respect thereof.

Actions taken by the group to exploit these opportunities incorporate its general ability to provide customers with competitive and environmentally sound solutions across a wide range of products, services and customer offerings. In particular these include capital earthmoving and construction equipment, energy generation and management, materials handling equipment, commercial and other vehicles, logistics and supply chain optimisation. Practical examples of these are set out below.

Caterpillar's innovative ACERT® technology, which was developed to meet American and European regulations restricting harmful emissions from diesel engines, utilised in both "on highway" and "off-road" applications, as well as Caterpillar's new earthmoving machine, the D7E tractor, which features the first all-electric drive train.

Hyster launched the XN electric truck series in January 2009. These trucks use less energy than their predecessor in the Hyster range and offer up to 31% lower power consumption than equivalent competitor trucks.

In Barloworld Automotive division, the motor retail operations represent leading global vehicle manufacturers which are continuing to develop and introduce energy efficient vehicles, low emission vehicles, hybrid vehicles and electric vehicles.

Also, offered in car rental fleets are hybrid and flexi-fuel vehicles such as the Toyota Prius, SAAB Bio-Power, Volvo V50 and V70 flexi-fuel and Mercedes Benz NGT Blue Efficiency vehicles. Diesel and bio-fuel cars are becoming far more prevalent in car rental fleets. All fleets include the latest vehicle models and technology, which results in general improvement in energy efficiency and emission reductions.

Barloworld Logistics provides, through the CAST-CO2 module of its leading supply chain design system, the ability to calculate the carbon emissions from any supply chain model and therefore to design supply chains with transport modes, loads, inventories and routes which optimise carbon emissions. The CAST suite of solutions uses advanced mathematical modelling techniques to optimise the supply chain network.

Barloworld Power is a recently established business unit which offers leading energy solutions to customers, including efficiency and renewable aspects.

Avis and Budget in Norway and Sweden offer their customers the opportunity to purchase carbon credits to offset the emissions from their vehicle rental transaction. On 1 September 2009, Avis Rent a Car became the first rental fleet in South Africa to be accredited CarbonNeutral® for internal business carbon emissions from fuel and electricity usage.

No specific additional investment is required until actual demand is placed on Barloworld companies. Generally, the above-mentioned initiatives are viewed as investment into a sustainable value creating future for the group and its principals.

Page: Other Opportunities

8.1 Does climate change present other significant opportunities - current and/or anticipated - for your company?

Yes

8.2B What are the current and/or anticipated other significant opportunities and their associated countries/regions and timescales?

The other impacts of climate change are considered to present business opportunities for Barloworld.

It is believed that these may affect all the group's geographic regions of activity which are South Africa, Rest of Africa, Europe and the United Kingdom, Australia, North America, Middle East and Asia. Climate change legislation may be lagging in developing economies but public opinion and voluntary compliance drive the urgency to implement adaptive strategies to address climate change and to include these in the group's customer offerings.

Barloworld perceives opportunities in all countries of operation as it believes in the long term competitiveness of its products. The group has significant customers in all regions that require the same high standards in their products, levels of service and environmental commitments, no matter where they operate.

Set out below are the specific other opportunities for the group.

An overarching opportunity exists from the commercial benefits of sustainable development and environmental custodianship, including climate change aspects.

An opportunity for the group to differentiate itself arises from the general trend of parties attempting to avoid or pass-on risk associated with climate change.

Similarly, an opportunity exists to create competitive advantage in times of growing public activism on sustainability matters.

Due to its proactive position on energy and emission efficiency, the company may be relatively less exposed to penalties for non-compliance with emission reduction targets and carbon taxes.

An opportunity exists to facilitate the development of local emissions offset projects (Clean Development Mechanism – CDM – which provides carbon credits to registered projects that can be traded and provide an additional income stream).

There are opportunities to create stakeholder value through corporate social investment by working with Non-Governmental Organisation development partners to develop strong, responsible leadership to address issues highlighted and aggravated by climate change, as the Barloworld group has done for the past 25 years.

There are opportunities to expedite information sharing and activities regarding climate change with other companies, non-governmental organisations and government agencies through relevant and appropriate forums.

Generally, the consequences of climate change and policy being enacted to address it will require up-skilling, present new economic and commercial opportunities for the group.

8.3 Describe the ways in which the identified opportunities affect or could affect your business and your value chain.

An overarching opportunity exists from the commercial benefits of sustainable development and environmental custodianship, including climate change aspects. This is consequent on sound measurement and management principles as well as from stakeholder expectations, commitment and support.

As parties attempt to avoid and pass-on activism on risks associated with climate change the company can proactively develop customer offerings and solutions that address the matter in a fair and equitable manner providing all parties with the outcome they require.

As public activism and awareness of sustainability matters increases, corporate reputation and integrity on sustainability becomes increasingly important for all stakeholders. By demonstrating commitment and progress in this regard the company is better positioning itself for long-term stakeholder commitment and support, and ultimately, to fulfil its value creation objectives.

Due to its proactive position on energy and emission efficiency, Barloworld may be relatively less exposed to the negative consequences of energy constraints, price increases and to penalties for non-compliance with emission reduction targets and carbon taxes.

An opportunity exists to facilitate the development of local emissions offset projects (Clean Development Mechanism – CDM – which provides carbon credits to registered projects that can be traded and provide an additional income stream). These could benefit both the company and society. Examples could include the introduction of simple solar and other renewable energy technologies to rural communities with limited affordability and access to power grids in order to encourage the development of new skills and business enterprise.

There is greater need, therefore opportunity, to create stakeholder value through corporate social investment by working with Non-Governmental Organisation development partners to develop strong, responsible leadership to preserve biodiversity and address climate change, to provide relief from natural disasters such as floods and droughts, to provide indigent communities with protection against or treatment for diseases such as malaria, cholera or tick-borne diseases, the ranges of which have been altered or incidences increased by climate change, in providing food security and access to safe water and improved sanitation. The benefits to the group are longer term: a prerequisite for long term successful value creation is a stable society, to which these activities would contribute.

8.4 Are there financial implications associated with the identified opportunities?

Yes

8.5 Please describe them.

Principally, these costs would include those associated with the identification of new projects, feasibility studies and implementation costs. Also required are skilled employees to support innovative, energy efficient new technologies and customer solutions and related training and development.

8.6 Describe any actions the company has taken or plans to take to exploit the opportunities that have been identified, including the investment needed to take those actions.

General Overview:

Barloworld is committed to ensuring its environmental legitimacy and managing its impacts on climate change. The group has integrated management practices and reporting. Sustainable development is included in one of the group's Strategic Focus Areas and Social and Environmental legitimacy is one of the group's 10 Pillars of Sustainability.

The group maintains flexible business models and limits exposure to high risk activities, industries, countries and regions through in-depth risk assessment. Management is responsible for the ongoing monitoring, assessment and valuation of all pending and actual changes to the group's regulatory framework.

Barloworld has developed strong relationships with its principals and suppliers which facilitates information sharing about local market conditions and trends, including information on climate change issues, which assists its principals in developing customer solutions that differentiate and expand their product ranges.

These also serve the adaptation of Barloworld's own customer solutions. Similarly, logistics management and supply chain optimisation offerings include minimising related emissions and addressing climate change issues. Through its strategic planning processes, the group reviews it composition and customer offerings and adapts to meet emerging trends and stakeholder requirements.

Specific Actions:

Set out below are the specific other opportunities the group has identified and the activities the group has undertaken in respect thereof.

An overarching opportunity exists from the commercial benefits of sustainable development and environmental custodianship, including climate change aspects. This is consequent on sound measurement and management principles as well as from stakeholder expectations, commitment and support. Value exists for stakeholders – and increasing competitive advantage - in doing clean, 'green' business.

The group is endeavouring to reduce its carbon footprint through identifying cleaner technologies and providing products and services which incorporate these, adopting aspirational energy efficiency targets with concomitant relative reductions in emissions, and the purchase of carbon credits through some of its businesses. Not only are these activities commercially sensible, they also provide the group with a competitive advantage and reduce exposure to penalties for non-compliance with emission reduction targets and carbon taxes.

Given the nature of its business, Barloworld predominantly relies on its global principals to develop appropriate technologies and equipment to ensure its continued value creation capabilities for its stakeholders into the future.

The groups' Logistics division has its own internal competencies and resources for continual refinement and development of suitable customer solutions and offerings which incorporate and address sustainable development and climate change issues. An example of this is the research and development of a truck and trailer configuration which could reduce emissions by up to 18%.

As parties attempt to avoid and pass-on activism on risks associated with climate change, the company is proactively developing customer offerings and solutions that address the matter in a fair and equitable manner providing all parties with the outcome they require.

The group is committed to playing a leading role in sustainable development and strives to reflect this through engagement with all its stakeholders. The activities and approach reflected above indicate the extent to which the group is committed to, progress and addresses these aspects.

The group is a signatory of the Energy Efficiency accord in South Africa and has voluntarily established aspirational efficiency energy and emission targets which reflect a commitment to improve energy and emission efficiency by 12% over a five year period. The benefits of these proactive measures include the reduction in exposure to the negative consequences of energy constraints, price increases and to penalties for non-compliance with emission reduction targets and carbon taxes.

An opportunity exists to facilitate the development of local emissions offset projects (Clean Development Mechanism – CDM – which provides carbon credits to registered projects that can be traded and provide an additional income stream). These could benefit both the company and society. The group has not yet progressed these aspects but they are identified as opportunities to be considered in strategic planning initiatives.

However, over the past 25 years the group has and will continue to create stakeholder value through ongoing corporate social investment activities which involve working with Non-Governmental Organisation development partners to develop strong, responsible leadership to preserve biodiversity and to address climate change.

Further Information:

Information on sustainability is included in the group's induction, leadership and executive development programmes, which provide the opportunity to inculcate Barloworld's values and culture and to share

strategic information with new employees, identified talent and future leaders, senior managers and executives in the group. Content specifically addresses the imperative and operational elements of responsible corporate citizenship. The 2009 group leadership development programme (LDP) included action learning projects on the risks and opportunities to add value which emerge from sustainable development, a component of which is environmental legitimacy and climate change.

Module: Strategy

Page: Strategy

9.1 Please describe how your overall group business strategy links with actions taken on risks and opportunities (identified in questions 3 to 8), including any emissions reduction targets or achievements, public policy engagement and external communications.

In terms of its value based management philosophy, Barloworld is committed to sustained value creation for all its stakeholders (customers, suppliers/principals, employees, shareholders and communities). This encompasses responsible custodianship of the environment.

The group's defining characteristics and competencies include the provision of flexible, value adding, integrated customer solutions in the following market segments: Equipment (earthmoving and power systems); Automotive (motor retail, car rental and fleet services); Handling (materials handling and agriculture); Logistics (logistics management and supply chain optimisation).

The group's Strategic Focus Areas include a commitment to sustainable development. One of the group's 10 Pillars of Sustainability is Social and Environmental legitimacy which includes taking active steps to measure, set targets, reduce and minimise the group's carbon footprint, which will be off-set where appropriate. The group's Code of Ethics includes – Protect the environment. These underscore a philosophy of creating sustainable value for all its stakeholders without prejudicing the future of any of its stakeholders.

Accordingly, the group conducts its activities in an environmentally sensitive manner and strives to provide its customers with products, services and integrated solutions which enable them to achieve their own sustainable development goals and objectives.

Over-arching these activities is a commitment to responsible corporate citizenship, including corporate governance and compliance. Appropriate policies, including environmental and climate change policies, inform and guide the group's activities regarding climate change, which is ultimately the responsibility of the Barloworld board.

Accordingly, the group has both an internal and external focus on climate change and related issues:

(a) Its internal focus drives its initiatives and activities to reduce the environmental consequence of its own commercial activities.

(b) The group's external focus is on providing environmentally sensitive products, services and solutions which minimise and reduce the negative environmental consequences of their use and enable customers to achieve their respective sustainable development goals and objectives.

Supporting the group's internal approach to sustainable development, are comprehensive and transparent reporting structures which provide management information and address the Global Reporting Index framework. Material indicators (including fuel and electricity usage and emissions, are assured by an independent third party).

The group has committed to aspirational energy and emission targets of a 12% efficiency improvement over five years off a 2009 base-line year. Barloworld is also a signatory to the Energy Efficiency Accord in South Africa.

On 1 September 2009, Avis Rent a Car became the first rental fleet in South Africa to be accredited CarbonNeutral® for internal business carbon emissions from fuel and electricity usage.

Externally, given the nature of its products and the environmental consequences associated with their use, the group is committed, together with its leading global principals, to providing its customers with products, services and solutions which lead in reducing adverse climate change consequences consequent on their use. The group understands its responsibility in this regard as well as the commercial sensibility underlying a sustainable development approach.

In light of the above, the highlighted climate change risks and opportunities have fundamental and significant consequences for the group and its value creation objectives as they affect the group directly (internal activities) and indirectly (though it customer base).

Whilst highlighting the risks, the group believes that these also offer opportunities and has responded accordingly.

Barloworld participates in activities aimed at creating thought leadership and continues to engage on public policy as it pertains to energy efficiency and climate change. These include the National Business Initiative (a number of Barloworld divisions have joined the NBI-led EEA Technical Committee), the BUSA committee on climate change, WWF South Africa, the UN Global Compact (to which the group submits an annual COP), the Johannesburg Stock Exchange SRI (in 2009 Barloworld was elevated to their Best Performer category), and this is the third time the group has submitted a CDP response. Barloworld received an Excellent Ranking in Ernst & Young's 2009 Excellence in Sustainability Reporting survey. In the Sustainability Services' 2010 review of sustainability reporting by companies listed on the Johannesburg Stock Exchange across all industries and sectors in South Africa, testing for compliance with the GRI (G3), Barloworld was ranked 11th overall and 1st in the general industrial sector.

Page: Strategy - Targets

9.2 Do you have a current emissions reduction target?

Yes

9.6 Please complete the table. *(If you have a current emissions reduction target or have a recently completed target)*

Target Type	Value of Target	Unit	Base year	Emissions in base year (metric tonnes CO2-e)	Target Year	GHGs and GHG sources to which the target applies	Target met?	Comment
Intensity target	12.00	% reduction /turnover	2009	206 389	2014	Scope 1 + 2	Target ongoing	Pending clarity from the ongoing UN Climate Change negotiations and any consequent national or industry targets being set, the group is guided in South Africa (SA) by the content of the Energy Efficiency Accord with the SA Dept of Energy which reflects the objective of a national final energy demand reduction of 12% by 2015 off a 2000 baseline year. The group has set an overall aspirational target of a 12% efficiency improvement of its non-renewable energy consumption by 2014 off a 2009 baseline year. This applies to petrol and diesel as well as to purchased electricity generated by fossil fuels. The period coincides with the group's five year strategic planning horizon. Indicative consequences can be internally projected using anticipated turnover levels as a proxy for business activity.

Page: Strategy - Emission Reduction Activities

9.7 Please use the table below to describe your company's actions to reduce its GHG emissions.

1. Actions - please describe	2. Annual energy saving	3. Annual energy savings - number	4. Annual energy saving - units	5. Annual emission reduction in metric tonnes CO2-e	6. Reduction - achieved or anticipated	7. Invest-ment - number	8. Invest-ment - currency	10. Monetary savings - currency	11. Monetary savings	12. Timescale of actions & associated investments (if relevant)
Barloworld's Logistics 'green truck' prototype	Anticipated	18	Other: % fuel consumption reduction per 100 km		Anticipated				Anticipated	Barloworld's logistics business is developing a 'green truck' prototype in conjunction with the CSIR for introduction in South Africa in 2010 which presents a 46% reduction in wind resistance and an18% fuel savings per 100 kms.
The group has committed to voluntary 12% energy efficiency and emissions management targets against business as usual which have been established over 5 years off a 2009 base year.	Anticipated	12	Other: % energy and emissions efficiency over 5 years		Anticipated				Anticipated	
Car rental operations in Norway are carbon neutral for internal business carbon emissions from internal fuel and electricity usage.	Achieved			621	Achieved	91 908	NOK		Achieved	In addition, approximately 62% of their electricity is either wind or hydro-power generated
Avis car rental operations in South Africa are working on a project to propel some of the group's sales and management fleet with Compressed Natural Gas.	Anticipated	85	Other: % reduction in GHG emissions		Anticipated				Anticipated	This new technology has 85% less GHG emissions and has a lower cost than petrol or diesel.

9.9 Please provide any other information you consider necessary to describe your emission reduction activities.

Further actions taken by the company to manage emissions that have been identified include:

• Green building principles are being investigated and incorporated into new building developments: e.g. new motor dealership and car rental turnaround yards

• Comprehensive energy management plans, installation of additional meters, energy audits and installation of systems to manage power demand.

• Retrofitting at buildings and sites around the world, e.g.
– Installation of energy efficient light bulbs
– Installation of slightly higher wattage lamps but fewer fittings in area provides same light intensity but lower consumption

– Installation of more energy efficiency lighting systems (local switches, timers, light and motion sensors, etc.) – Geyser cladding

• A number of sites either already have or are investigating building insulation:
– installation of double glazing on windows

• Alternative sources of lighting and heating
– Installation of translucent roof sheeting at car ports to aid natural lighting of the area
– Solar water heaters are being investigated at some of our sites

• Behaviour change of facilities and security personnel and employees is encouraged:
– Where possible, switch off lights in rooms that are not in use.
– Promote limited use of individual office air conditioners
– Switch off non-essential lights overnight, over weekends and holidays

• Managing the monitoring and reporting of energy consumption:
– Divisional sustainability champions in place, linked to risk and environmental management, to collect, collate and report material data streams linked to managing energy efficiencies and emissions.
– Ensure monthly meter readings are provided to utility suppliers so consumption can be monitored as accurately as possible in order to be managed.

• Awareness and leadership:
– Information on sustainability is included in the group's induction, leadership and executive development programmes, which provide the opportunity to inculcate Barloworld's values and culture and to share strategic information with new employees, identified talent and future leaders, senior managers and executives in the group. Content specifically addresses the imperative and operational elements of responsible corporate citizenship. The 2009 group leadership development programme (LDP) included action learning projects on the risks and opportunities to add value which emerge from sustainable development, a component of which is environmental legitimacy and climate change.
– Create general awareness with employees (and contractors on site) about the need to live sustainable lifestyles by reducing consumption, conserving energy and reducing emissions.
– Regular communications on progress on achievement of energy savings and emissions reduction and avoidance objectives. Providing practical information on how employees can save energy and reduce or avoid emissions generating activities both in their work and private lives.

• Car rental operations in Scandinavia offer their customers the opportunity to purchase carbon credits to offset the emissions from their vehicle rental transactions.

9.10 Do you engage with policy makers on possible responses to climate change including taxation, regulation and carbon trading?

Yes

9.11 Please describe.

The group engages through dialogue and participating in written submissions through organised business, e.g. Business Unity SA, Business Leadership SA, and non-mandated voluntary-membership business organisations such as the NBI and environmental conservation organisations such as the WWF. The group also engages directly with government officials, international organisations and opinion leaders, when possible. Barloworld's business units engage through their industry associations, as appropriate.

Module: GHG Emissions Accounting, Energy and Fuel Use, and Trading

Page: Emissions Boundary - (1 Oct 2008 - 30 Sep 2009)

10.1 Please indicate the category that describes the company, entities, or group for which Scope 1 and Scope 2 GHG emissions are reported.

Companies over which financial control is exercised per consolidated audited financial statements

10.2 Are there are any sources (e.g. facilities, specific GHGs, activities, geographies, etc.) of Scope 1 and Scope 2 emissions within this boundary which are not included in your disclosure?

No

Page: Methodology - (1 Oct 2008 - 30 Sep 2009)

11.1a Please give the name of the standard, protocol or methodology you have used to collect activity data and calculate Scope 1 and Scope 2 emissions and/or describe the procedure you have used (in the text box in 11.1b below).

Please select the published methodologies that you use.

The Greenhouse Gas Protocol: A Corporate Accounting and Reporting Standard (Revised Edition)

11.1b Please describe the procedure that you use.

Barloworld has adopted the GHG Protocol Corporate Accounting and Reporting Standard in order to comply with international standards.

Although the GHG Protocol covers the accounting and reporting of the six greenhouse gases covered by the Kyoto Protocol – carbon dioxide (CO2), methane (CH4), nitrous oxide (N2O), hydrofluorocarbons (HFCs), perfluorocarbons (PFCs), and sulphur hexafluoride (SF6), after careful consideration of its operational activities and examination of the GHG Protocol requirements, the group is confident that the only greenhouse gas with material emissions from its operations is carbon dioxide.

Barloworld has established the period under review, its financial year 1 October 2008 to 30 September 2009, as the base year in terms of its GHG emissions inventory for Scope 1 & Scope 2 emissions to provide a performance datum and consistent comparison of emissions over successive reporting periods.

These base year emissions may need to be recalculated in the event that the group undergoes significant structural changes, e.g. acquisitions, divestments or mergers, or “material” changes in divisions’ emitting activities, e.g. alterations in out- or in-sourcing arrangements. Under the GHG Protocol Corporate Standard, these will be recorded so that decisions can be taken on an emitting activities “material threshold” for recalculating its base year emissions inventory.

Business units record and report their energy use (Mobile and Stationary) Scope 1 - diesel, petrol, heavy fuel oil, liquid petroleum gas and compressed natural gas and Scope 2 – electricity from renewable and non-renewable sources, monthly, this information is collated at divisional level, and consolidated at group level on quarterly and annual bases.

Emissions are calculated from this data in carbon dioxide equivalents using internationally recognised regional emissions factors.

Emissions and emissions intensities are reviewed against divisional and group trends by divisional and group executive committees, and reported into the Group Risk & Sustainability Committee (a sub-committee of the board).

A Barloworld group protocol documents its application of the GHG Protocol and each business division has an aligned protocol which documents their accounting and data collection procedures for their reported emission sources.

Energy consumption and emissions are independently assured in accordance with International Standards for Assurance Engagements 3000 (Revised), “Assurance Engagements other than audits or reviews of historical financial information” (SAE 3000).

11.2 Please also provide the names of and links to any calculation tools used.

Please select the calculation tools used.
GHG Protocol - GHG emissions from stationary combustion 3.1 March 2008

11.3 Please give the global warming potentials you have applied and their origin.

Gas	Reference	GWP
Carbon dioxide	IPCC Fourth Assessment Report (AR4 - 100 year)	1

11.4 Please give the emission factors you have applied and their origin.

Fuel/Material	Emission Factor	Unit	Reference
Gas/Diesel oil	2.77	Other: tons CO2e per KL	GHG 2007
Gas/Diesel oil	2.66	Other: tons CO2e per KL	NEF / DEFRA 2008
Gas/Diesel oil	2.70	Other: tons CO2e per KL	NGA Factors Oct 2008
Gas/Diesel oil	2.68	Other: tons CO2e per KL	DoE, EIA, FORM EIA 1605
Motor gasoline	2.49	Other: tons CO2e per KL	GHG 2007
Motor gasoline	2.42	Other: tons CO2e per KL	NEF / DEFRA 2008
Motor gasoline	2.38	Other: tons CO2e per KL	NGA Factors Oct 2008
Motor gasoline	2.42	Other: tons CO2e per KL	DoE, EIA, FORM EIA 1605
Residual fuel oil	3.16	Other: tons CO2e per KL	GHG 2007, NEF / DEFRA 2008, NGA Factors Oct 2008, DoE, EIA, FORM EIA 1605
Liquefied petroleum gas (LPG)	2.97	Other: tons CO2e per ton	GHG 2007, NEF / DEFRA 2008, NGA Factors Oct 2008, DoE, EIA, FORM EIA 1605
Liquefied Natural Gas (LNG)	2.12	Other: tons Co2e per m3k	GHG 2007, NEF / DEFRA 2008, NGA Factors Oct 2008, DoE, EIA, FORM EIA 1605

Page: Emissions Scope 1 - (1 Oct 2008 - 30 Sep 2009)

12.1 Please give your total gross global Scope 1 GHG emissions in metric tonnes of CO2-e.

115 241

12.2 Please break down your total gross global Scope 1 emissions in metric tonnes CO2-e by country/region.

Country	Scope 1 Metric tonnes CO2-e
South Africa	76 732
Other: Rest of Africa	6 737
Other: Europe and UK	22 221
Other: Australia	2 182
Other: North America	5 888
Other: Middle East and Asia	1 481

12.4 Where it will facilitate a better understanding of your business, please also break down your total gross global Scope 1 emissions by business division. (Only data for the current reporting year requested.)

Business Division	Scope 1 Metric tonnes CO2-e
Automotive	33 938
Equipment	27 153
Handling	14 356
Logistics	39 747
Corporate	47

12.6 Please break down your total gross global Scope 1 emissions by GHG type. (Only data for the current reporting year requested.)

GHG Type	Scope 1 Emissions (Metric tonnes)	Scope 1 Emissions (Metric tonnes CO2-e)
CO2		115 241

12.8 Please give the total amount of fuel in MWh that your organization has consumed during the reporting year.

446 468

12.10 Please complete the table by breaking down the total figure by fuel type.

Fuels	MWh
Gas/Diesel oil	300 074
Motor gasoline	142 368
Liquefied petroleum gas (LPG)	3 112
Liquefied Natural Gas (LNG)	914

12.12 Please estimate the level of uncertainty of the total gross global Scope 1 figure that you have supplied in answer to question 12.1 and specify the sources of uncertainty in your data gathering, handling, and calculations.

Uncertainty	Range	Main sources of uncertainty	Please expand on the uncertainty in your data
		Assumptions Metering/ Measurement Constraints	Limited assurance is provided by an independent third party.

Page: Emissions Scope 2 - (1 Oct 2008 - 30 Sep 2009)

13.1 Please give your total gross global Scope 2 GHG emissions in metric tonnes of CO2-e.

91 148

13.2 Please break down your total gross global Scope 2 emissions in metric tonnes of CO2-e by country/region.

Country	Metric tonnes CO2-e
South Africa	69 656
Other: Rest of Africa	6 849
Other: Europe and UK	6 831
Other: Australia	2 982
Other: North America	3 109
Other: Middle East and Asia	1 721

13.4 Where it will facilitate a better understanding of your business, please also break down your total gross global Scope 2 emissions by business division. (Only data for the current reporting year requested.)

Business division name	Metric tonnes CO2-e
Automotive	48 450
Equipment	24 910
Handling	5 863
Logistics	10 953
Corporate	972

13.6 How much electricity, heat, steam, and cooling in MWh has your organization purchased for its own consumption during the reporting year?

Please supply data for these energy types.	MWh
Electricity	89 282

13.8 Please estimate the level of uncertainty of the total gross global Scope 2 figure that you have supplied in answer to question 13.1 and specify the sources of uncertainty in your data gathering, handling, and calculations.

Uncertainty range	Main sources of uncertainty in your data	Please expand on the uncertainty in your data.
	Assumptions Metering/ Measurement Constraints	Limited assurance is provided by an independent third party.

Page: Emissions Scope 2 Contractual

14.1 Do you consider that the grid average factors used to report Scope 2 emissions in question 13 reflect the contractual arrangements you have with electricity suppliers?

No

14.2 You may report a total contractual Scope 2 figure in response to this question. Please provide your total global contractual Scope 2 GHG emissions figure in metric tonnes CO2-e.

91 148

14.3 Explain the origin of the alternative figure including information about the emission factors used and the tariffs.

Different factors for energy sources have been calculated per region against which Barloworld reports emissions data:

South Africa and rest of Africa - GHG 2007, South Africa energy utility ESKOM 2008
Europe and United Kingdom - - National Energy Foundation (NEF) DEFRA 2008
Australia - National Governors Association (NGA) Factors Oct 2008
North America - United States of America Dept of Energy, EIA, FORM EIA 1605 (Jun 2008)
Middle East and Asia - GHG 2007

14.4 Has your organization retired any certificates, e.g. Renewable Energy Certificates, associated with zero or low carbon electricity within the reporting year or has this been done on your behalf?

No

Page: Emissions Scope 3

15.1 Please provide data on sources of Scope 3 emissions that are relevant to your organization.

Sources of Scope 3 emissions	Metric tonnes of CO2-e	Methodology	If you cannot provide a figure for a relevant source of Scope 3 emissions, please describe the emissions.
Business travel		Not reported in period	Business air travel
Purchased goods & services - direct supplier emissions		Not calculated	Transport of plant, equipment, vehicles and parts from OEM's to Barloworld for retail and after-market services
Leased assets (Scope 1 emissions of the lessor)		Not reported in period	Customer car rental fleet activities
Other: Logistics customers warehousing and transport		Not calculated	Facilitated warehousing and transport (4PL) activities
Purchased goods & services - cradle-to-gate emissions		Not calculated	Embedded carbon of products sold, disposal of products

Page: Emissions 7

16.1 Does the use of your goods and/or services enable GHG emissions to be avoided by a third party?

Yes

16.2 Please provide details including the anticipated timescale over which the emissions are avoided, in which sector of the economy they might help to avoid emissions and their potential to avoid emissions.

Barloworld's sustainability efforts are aligned with business strategy through offering goods and services to customers that, among other things, enable the reduction of their energy and carbon footprints. GHG emissions are thus reduced by third parties. The group provides products and after sales services, as well as energy and emissions management services to its customers that incorporate leading and new technologies for enhanced energy and carbon efficiencies. It is an approach to environmental stewardship which addresses the needs of a wide range of stakeholders.

Due to the nature of Barloworld's operations, the majority of products are supplied by Original Equipment Manufacturers (OEM's) and principals, and the focus is not on manufacturing but on representing major international brands that offer world class products that incorporate leading and new technologies, and which make the group part of supply chains which embrace values and standards that reflect international best practice. Barloworld is committed to supporting its principals in achieving their environmental objectives and to enhancing their competitiveness.

Caterpillar earthmoving equipment is manufactured in plants that have committed to aspirational targets to increase both energy efficiency by 25% and renewable energy sources by 20%, and to reduce GHG emissions by 20% by 2020, which will reduce product-embedded carbon. Caterpillar also has aspirational sustainable development and climate change targets for their customers: a reduction of 20% in greenhouse gas emissions and increases of 20% in energy and material efficiency by 2020.

Barloworld's motor retail operations represent leading global vehicle manufacturers which are continuing to develop and introduce energy efficient vehicles, low emission vehicles and electric vehicles.

Hybrid and fuel efficient vehicles and diesel and bio-fuel cars are becoming far more prevalent in the group's car rental fleets. All fleets include the latest vehicle models and technology which results in general improvement in energy efficiency and emission reductions.

Green supply chain strategies are employed in Barloworld Logistics, including customised software tools which offer customers the opportunity to optimise their supply chain transport modes, loads, inventories and routes which result in energy efficiencies and reduced carbon emissions, and a new, longer aeronautical trailer configuration which is estimated will reduce CO2 emissions by up to 18%.

A next generation electric lift truck range provided by the group offers up to 31% lower power consumption and reduced emissions, without foregoing performance. The same OEM is facilitating the development of hydrogen fuel cells and lithium ion batteries for zero emission lift trucks.

These benefits will be realised over the usage period of the solution provided and will assist customers in achieving their own sustainable development goals and objectives.

17.1 Please provide your total carbon dioxide emissions in metric tonnes CO2 from the combustion of biologically sequestered carbon i.e. carbon dioxide emissions from burning biomass/biofuels.

N/A

17.2 Please explain why not.

This is not an aspect of the group's current activities.

Further Information

The groups' corporate social investment programmes have traditionally funded tree planting projects annually in rural areas, townships and schools through Food & Trees for Africa. Since 2003 Barloworld has planted over 25 000 trees, each of which will sequester half a ton of carbon in its estimated 15 year lifespan.

18.1a Please describe a financial intensity measurement for the reporting year for your gross combined Scope 1 and Scope 2 emissions.

Figure for Scope 1 and Scope 2 emissions	GHG units	Multiple of currency unit	Currency unit	Financial intensity metrics	Please explain if not relevant. Alternatively provide any contextual details that you consider relevant to understand the units or figures you have provided.
4.76	Metric tonnes CO2-e	Million	ZAR (R)	Revenue	The financial intensity reported for 2008 has been restated at 4.42 to align with financial revenue reported in the group's Value Added Statement. Revenue from discontinued operations has been included and intergroup revenues have been excluded.

18.1b Please describe an activity-related intensity measurement for the reporting year for your gross combined Scope 1 and Scope 2 emissions.

Figure for Scope 1 and Scope 2 emissions	GHG units	Activity-related metrics	Please explain if not relevant. Alternatively provide any contextual details that you consider relevant to understand the units or figures you have provided.
10.48	Metric tonnes CO2-e	per full-time equivalent employee	The employee intensity reported for 2008 has been restated at 10.85 to align with the method used to report employee headcount (average over two years) in the group's Value Added Statement.

19.1 Do the absolute emissions (Scope 1 and Scope 2 combined) for the reporting year vary significantly compared to the previous year?

Yes

19.2 Please explain why they have varied and why the variation is significant.

Absolute Scope 1 and Scope 2 emissions for the reporting year have decreased by 5 619 tons of CO2e or -2.7%, although improved measurement has resulted in absolute emissions trailing business fall-off.

Focus on fuel efficiency and efforts to reduce energy consumption during the year supported this result. A portion of the decrease in group carbon emissions has also been attributed to a reduction in business activity.

20.1A Please complete the following table indicating the percentage of reported emissions that have been verified/assured and attach the relevant statement.

Scope 1 (Q12.1)	Scope 2 (Q13.1)	Scope 3 (Q15.1)
More than 80% but less than or equal to 100%	More than 80% but less than or equal to 100%	N/A

20.1B I have attached an external verification statement that covers the following scopes:

Scope 1
Scope 2

Further Information

Limited assurance has been provided by an independent third party on Scope 1 and Scope 2 emissions, auditors' report attached.

Attachments

Deloitte Final AR assurance 09.pdf

Page: Emissions 9 Trading

21.1 Do you participate in any emission trading schemes?

No, we don't participate nor do we currently anticipate participating in any emissions trading scheme within the next two years.

21.4 Has your company originated any project-based carbon credits or purchased any within the reporting period?

Yes

21.5 Please complete the following table.

Credit origination or credit purchase?	Project identification	URL link to project documentation	Verified to which standard?	Number of credits (metric tonnes of CO2-e)	Credits retired?	Purpose e.g. compliance
Credit Purchase	Govindapuram Wind Power Project, Tamil Nadu state in India and Hufu Waste Heat Recovery Project, Jiangsu Province, China	http://www.aboutavis.co.za/main.aspx?ID=1625 http://www.aboutavis.co.za/main.aspx?ID=1624	VCS	11000	No	Voluntary Offsetting
Credit Purchase	Bundled Wind Power Projects at Satara and Supra, Maharashtra State, India	http://cdm.unfccc.int/Projects/DB/BVQI1161930963.7/view	CDM	621	No	Voluntary Offsetting

Module: Climate Change Communications

Page: Communications 1

22.1 Have you published information about your company's response to climate change/GHG emissions in other places than in your CDP response?

Yes

22.2 In your Annual Reports or other mainstream filing? *(If so, please attach your latest publication(s).)*

Yes

22.3 Through voluntary communications such as CSR reports? *(If so, please attach your latest publication(s).)*

No

Further Information

Sustainability and climate change information is also communicated in the Sustainability section on Barloworld website: www.barloworld.com, in the group's annual UN Global Compact COP's, and Johannesburg Stock Exchange SRI response, and through the media.

Information is also communicated to employees via in-house journals, including the group level in-house publication, "Briefing Barloworld", email, the intranet, and in presentations and briefings.

To create awareness and develop leadership, information on sustainability is included in the group's induction, leadership and executive development programmes, which provide the opportunity to inculcate Barloworld's values and culture and to share strategic information with new employees, identified talent and future leaders, senior managers and executives in the group. Content specifically addresses the imperative and operational elements of responsible corporate citizenship.

The 2009 group leadership development programme (LDP) included action learning projects on the risks and opportunities to add value which emerge from sustainable development, a component of which is environmental legitimacy and climate change.

Attachments

Barloworld 2009 Annual Report.pdf