

Social, ethics and transformation committee report

The Bell Equipment group social, ethics and transformation committee ('the committee') is a statutory committee which assists the board in monitoring the group's corporate citizenship, transformation, sustainability and ethics. The committee is an integral part of the group's governance and management. It performs an oversight function to ensure that the board and the wider organisation are equipped and on track to deliver on the goal of having an ethical culture; and seeks to ensure that the group is sustainable in the triple contexts of the economy, society and the environment.

Dear shareholders,

I am pleased to present the committee report for the year ended 31 December 2024.

The committee's charter details its composition, functioning and duties in terms of the Companies Act, as amended, the JSE Listings Requirements and King IV™, as well as responsibilities allocated to it by the board. The board approved charter is annually reviewed for relevance.

This report should be read together with the corporate governance report on page 78, the stakeholder engagement report on page 72 and the sustainability report on page 50 which reports will provide stakeholders with a comprehensive review of how the group creates sustainable value.

The United Nations Global Compact ('UNGC') 10 principles are the foundation for companies seeking to advance the 17 Sustainable Development Goals ('SDG's).

Sustainability begins with a company's values and culture. The 10 principles provide a universal definition for responsible business, calling on all companies to operate in ways that, at a minimum, respect fundamental responsibilities in the areas of human rights, labour, the environment and anti corruption.

In line with these principles and goals, and in order to attain true sustainable development in economic, environmental, social and ethical terms, Bell Equipment has embarked on identifying, preventing, mitigating and accounting for any negative impacts it may have on society and the environment, and establishing a culture of integrity and compliance.



THE GLOBAL GOALS For Sustainable Development



Role and responsibilities of the committee

The committee assesses the group's actions in relation to the 10 principles of the UNGC as well as the decent work and working conditions provisions in the International Labour Organisation's ('ILO') 2030 agenda for sustainable development.

The committee acts in terms of the board's delegated authority and performs an independent oversight function. It assists the board in monitoring the group's and that of its subsidiaries' activities and disclosures in terms of law and codes of best practice relating to:

- embedding an ethical culture in the organisation;



- the environment, health and public safety, including the impact of its activities and of its products, and the annual review of the group's environmental policy;



- corporate social investment, including sponsorships, donations and charitable giving;



- stakeholder relations including consumer relationships and contribution to the development of the communities in which it operates;



- strategic empowerment and transformation;



- labour and employment, including the group's standing in terms of the ILO protocol on decent work and working conditions, its employment relations and contribution toward the educational development of its employees;



- promotion of equality, prevention of unfair discrimination, and zero tolerance of corruption;



- compliance by the group's supply chain with the group's ethical standards.



Above: KwaNgwane Consulting, owned by Joy Hlongwane, won two awards at the Forty Under 40 Awards and was named the Top SMME of the Year at the Standard Bank Women in Business Awards. Joy is part of BESSA's ESD initiatives and it's truly rewarding to see her hard work and determination being recognised.



Above: Bell Equipment partnered with the South African Medical and Education Foundation ('SAME Foundation') to refurbish the science laboratory at Forte Secondary School in Soweto, which was handed over in August 2024.

Composition and functioning of the committee

In line with the Companies Act amendments that took effect in December 2024, the committee remained compliant, with its five appointed members, three of whom are non executive directors who have not been involved in the management of the company during the previous three financial years. The committee comprises two independent non executive directors, Mamokete Ramathe, the chairperson, and Rajendran Naidu. The chairman of the board and non executive director, Gary Bell, Ashley Bell, chief executive, and Karen van Haght, the executive group finance director, are also members of the committee. The five suitably skilled and experienced members have an appropriate mix of talent. Both the human resource executive and the group commercial executive attend the meetings of the committee as standing invitees.

The above members of the committee have been nominated by the board for election by the shareholders at the group's AGM on 3 June 2025.

Attendance at committee meetings in 2024

	February	August	November
Mamokete Ramathe	✓	✓	✓
Rajendran Naidu	✓	✓	✓
Gary Bell	✓	✓	✓
Ashley Bell	✓	✓	✓
Karen van Haght	✓	✓	✓

Fees paid to the chairperson per meeting

R24 330 in 2024
(R22 950 in 2023)

Fees paid to the committee (including the chairperson) per member per meeting

R24 330 in 2024
(R22 950 in 2023)

Focus areas of the committee

During the course of the reporting period the committee met three times. The following focus areas were considered by the committee:

An annual review of the group environmental policy was undertaken by the committee with a specific emphasis on the environmental, social and governance ('ESG') risks and opportunities affecting the organisation's strategy, specifically climate change and its financial and materiality impacts on the group. ESG remains a standing agenda item for each meeting in order for the committee to focus on meaningful disclosure of such ESG factors.

The external service provider, appointed in early 2024 to assist the group with commencing its ESG journey by developing a framework to ensure compliance required from an ESG reporting perspective, is undertaking a scoping exercise to understand the applicable ESG legislation's reporting

requirements and the timing of such ESG disclosures for each of the Bell legal entities in the various geographical regions.

Good corporate citizenship

The committee supported the importance of maintaining the ethical culture of the organisation by evaluating the progress made towards the maturation of the ethical culture within the group and reporting such progress to the board. The committee continued to monitor the code of ethics and the application of such ethical leadership principles throughout the group to ensure continued ethics awareness remains a key focus area for the committee.

The committee monitored the group's continued commitment to zero tolerance of fraud, theft, corruption or any similar illegal behaviour. It noted its commitment to compliance with all applicable anti bribery and anti corruption laws and regulations in line with the group's associated compliance framework including the fraud risk assessments undertaken and the internal controls.

The committee also reviewed the implementation of the ethics and compliance policies and management plans that have been developed to combat corruption and fraud. The amendments to the Prevention and Combating of Corrupt Activities Act were also considered and the committee noted the number of risk mitigating controls in place including policies, fraud risk assessments, contractual safeguards and the ongoing training that takes place.

Reports on material disclosures received through the group's anonymous tip offs reporting line administered by Deloitte as well as any resultant investigations that had taken place during 2024 were reviewed, in conformance with the formalised tip offs policy. The committee confirmed that the tip offs reporting line continued to serve its purpose.

R1,24 million BECSA spending on SED for FY2024 (FY2023: R1,25 million)

R1,39 million BESSA spending on SED for FY2024 (FY2023: R1,74 million)

Corporate governance

The committee undertook the annual review of its charter to ensure that the correct focus was being maintained by the committee in terms of its roles and responsibilities.

The annual work plan was reviewed to continue to align the plan with the committee's mandate, as guided by the Companies Act and King IV, with ongoing emphasis on ESG matters.

The committee considered the relevant laws and regulations applicable to the group's operations during the reporting period and its ongoing compliance with these, including the amendments to the Companies Act, 2008, the Corporate Sustainability Reporting Directive and the Carbon Border Adjustment Mechanism.

Social and economic development

The group's subsidiaries, BECSA and BESSA, completed their verification processes in August and September 2024 respectively and achieved a level 3 and level 1 BBBEE contributor respectively, based on the measurement criteria contained in the BBBEE Codes of Good Practice.

The committee continues to monitor the progress of the group's South African operations in relation to its transformation targets to ensure alignment with the group's business objectives and strategies. The committee monitors the company's compliance with BBBEE requirements to ensure improvement in the group's competitiveness within the South African environment.

33 apprentices successfully completed their training at Bell during the reporting period although the committee noted the challenges that the group continues to face in respect of the sustainable absorption of black apprentices in the industry who have successfully completed their training.

The board published its voluntary commitment to reach more than 25% female representation on its board and black member representation on its board of 30%, noting that the current composition of the board was in line with the board approved diversity policy and the voluntary race and gender diversity targets as the board had reached its race measurable target and exceeded its gender measurable target. The committee continued to deliberate on matters of diversity in a much broader sense in the past year and will continue to review progress at all levels of the organisation to promote diversity in terms of gender, race, culture, age, field of knowledge, skills and experience.

The committee considered the annual budget in line with the group's social and economic development policy which is in the process of being reviewed from a greater global perspective going forward. During 2024 Bell ensured its CSI/SED spend was undertaken with an ongoing focus on education and the group CSI and SED spend for 2024 was directed at community based projects as highlighted in the sustainability report on page 50.

Labour and employment activities

In line with the Employment Equity Act, the committee monitored the group's development in employment practices locally and internationally and monitored progress against transformation targets and the group's employment equity plan, a summary of such plan can be found in the sustainability report on page 50. The committee noted that both the current employment equity policy and employment equity plan that were approved by the Department of Labour comply with the provisions of the newly promulgated amended Employment Equity Act.

Bell has participated successfully in the YES programme for 7 years and continued to enjoy the benefits of hosting the candidates inhouse, giving Bell the opportunity to monitor the candidates and identify potential full time employees, trained with the skills required within Bell, that can be absorbed into the company on completion of the twelve month programme and thereby improve the absorption statistics.

The ongoing emphasis by the group in its reporting to the committee of the global view of the group's international operations, specifically from an employee and trade union perspective was provided and assurance was received that the group remains committed to promoting equal opportunities and fair employment practices, globally, across all its businesses, and observing the principles

advocated by the International Labour Organisation Protocol on decent work conditions.

The Committee noted the implementation of a grading system subscribed to by the German workers union in the Kindel operation in Germany, with a view of rolling it out to the rest of the German operation during the upcoming year.

A great deal of time and money continues to be invested in the recruitment, training and development of employees and as such every effort is made to retain its current scarce and critical skills, and to recruit new talent with already developed scarce and critical skills. Bell is a significant trainer and supplier of artisans for the earthmoving industry in southern Africa.

Further plans are being considered to ensure that the group continues to invest, develop, upskill and retain its human capital from a global perspective, in line with the formalised remuneration policy adopted by the remuneration committee during 2024.

Environment, health and safety

Reports on the environment, health and public safety, including the impact of the group's activities and products on the environment and society and the group's continued responsible use of natural resources were considered by the committee and any issues relating to potential risk of non compliance were addressed. All risk mitigations put in place were applied and there was strict adherence to rules when it comes to matters of environment, health and safety. The committee ensured continued use of the group's safety management system that applies a behaviour based approach and the use of appropriate control measures to mitigate risks.

Stakeholder relationships

The committee reviewed the group's consumer relationships reports, including the group's engagement with its customers, employees and other material stakeholder groups; and considered the group's public relations publications, both internal and external, undertaken during 2024. Further detail can be found in the stakeholder engagement report on page 72.

The effectiveness of the committee will again be assessed as part of the board and committee self evaluation process towards the end of 2025 and the outcome of such assessment will be reported on in the following year.

On behalf of the committee, we are satisfied that it has fulfilled its mandate as set out in the Companies Act, duly amended, read with regulation 43 of the Companies Act and its terms of reference. For the period under review there have been no instances of material non compliance with relevant legislation or non adherence to codes of best practice that fall within the committee's mandate.

In line with the amendments to the Companies Act, the committee report will be presented at the group's AGM to be held on 3 June 2025 and I, as chairperson of this committee, will be available at the AGM to respond to any enquiries regarding the statutory obligations of the committee.



Mamokete Ramathe
Chairperson
Social, ethics and transformation committee
26 March 2025