

Stakeholder relations report

incorporating sustainability performance

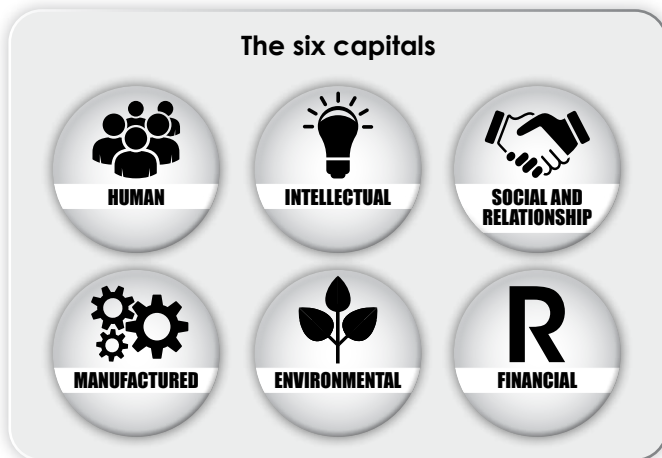
Bell Equipment's stakeholders are those individuals, groups and organisations that affect and are affected by Bell Equipment's activities, products or services and associated performance. Engaging with and building relationships with stakeholders is key to sustaining the group's business. Bell Equipment's key stakeholders include employees, customers, government departments, shareholders and financiers, communities, suppliers and alliance partners.

Bell Equipment values its stakeholder relationships and appreciates the need and responsibility to create mutual value by cultivating enduring and sustainable partnerships with its stakeholders. The board retains oversight of stakeholder management, while implementation and monitoring of stakeholder engagement is devolved to the various management teams within the group. Each of the group's operations engage with their diverse range of stakeholders based on the group's core values of respect, honesty and integrity.

The Bell Equipment brand is the essence of who it is in the marketplace. The organisation uses its brand to differentiate itself through its people-centric approach to business and by promoting the I-Bell philosophy internally and nurturing it externally, thereby adding value to all stakeholders.

The group's stakeholder engagement strategies, systems and processes continue to be enhanced to better understand and respond to its stakeholders' legitimate concerns and to form collaborative partnerships to find solutions to collective challenges.

Bell Equipment's approach to corporate sustainability has been enhanced by focusing on the six capitals and understanding the value created by the group through the use of these six capitals. Through carefully identifying the interests and expectations of each key stakeholder group Bell is able to create value through the use of the relevant capital/s, thereby striving to ensure sustainability of its business.



1. Human capital: determines the capacity of an organisation to accomplish its goals. Bell employees represent a rich and diverse human capital base that provides the skills, competencies, capabilities and experience that ensure the growth and sustainability of its business to deliver innovative products and services that are world class. Bell manages its human capital to ensure people's health and safety and invest in their professional and personal growth.

2. Manufactured capital: is the investment in people, property, infrastructure, buildings, plant, production oriented equipment, machines and tools that Bell relies on to efficiently enable the group to be flexible and responsive to customer demand in getting Bell products to market, while utilising production processes that adhere to environmental regulatory requirements.

3. Intellectual capital: consists of the Bell brand, know-how and the technical acumen of its research and development staff, the company culture and its world class systems and processes. The success Bell achieves in developing, managing and expanding its products and services is the result of the knowledge and experience of people who expertly manage the diverse interests that collectively provide innovative products and service solutions.

4. Financial capital: is the pool of funds, obtained through financing and generated through its operations, that are available to Bell for use in the production of its products and the provision of services. This capital reflects how successful Bell has been at achieving the sustainable development of its environmental, human, social, intellectual and manufactured capital. Bell continues to enhance its financial capital by:

- effective management of risk;
- corporate governance structures;
- ensuring equitable use of wealth created; and
- assessing the wider economic impact of its activities on society.

5. Social and relationship capital: encompasses interactions with its stakeholders, including customers, employees, alliance partners, financiers, investors, communities, suppliers, and governments. Bell prides itself on conducting business by taking into account its legal, ethical and economic responsibilities.

6. Environmental capital: is an input to the production of an organisation's products and the provision of services. An organisation's activities also impact, positively or negatively, on environmental capital. Bell is committed to the responsible use and protection of the natural environment through sustainable practices.

Engagement is an integral part of developing an understanding of Bell Equipment's stakeholder needs, interests and expectations. Set out herewith are the key stakeholders with whom the group engages on a regular basis and the means of engagement. The use of six capitals in respect of stakeholder engagement is further illustrated in the following tables and information thereunder.

EMPLOYEES



Reason for engagement	Stakeholder interests and expectations	Methods of engagement and value creation
<ul style="list-style-type: none"> Bell Equipment's people are the heart and soul of its business. Their skills and commitment determine the group's ability to realise its strategy. 	<ul style="list-style-type: none"> Healthy working conditions. Fairly remunerated for their service. Recognition. Health and safety. Career advancement. Employment equity. 	<ul style="list-style-type: none"> Employee forums (e.g. health and safety, employment equity committees). Training and skills development. Learning programmes for disabled black employees. Information road shows about employee benefits (e.g. medical aid and pension funds). Fraud awareness road shows. Fraud management briefs. Induction programmes. Quarterly GEC feedback sessions. Internal newsletter and intranet. Health and safety 'toolbox talks'. Employee wellness days. Long service awards. Anonymous tip off reporting line. Regular engagement with trade union representatives on key issues.

Bell Equipment values its human capital - the group's employees - as its most important resource and key differentiator; striving to create and nurture positive relationships and provide the necessary support structures to care for their overall mental, emotional and physical wellbeing.

The skills, knowledge, attitude, innovativeness, experience, diversity, efficiency and productivity of its employees enable the group to operate its facilities safely, reliably and sustainably. This, in turn, allows Bell Equipment to deliver on its objectives of delivering world class products and services.

Employee engagement through every day strengthening of its employee and union representative relationships and communication provides opportunity for increased efficiency, productivity, quality and mitigates risks of labour action.

This is achieved by:

- building positive employee and union relationships through mutual respect; upholding the right to collective bargaining and freedom of association;
- driving a diversity and transformation plan and strategy that covers recruitment, development and retention of candidates from previously disadvantaged and under represented employment equity groups, thereby enabling gender equity and equality.

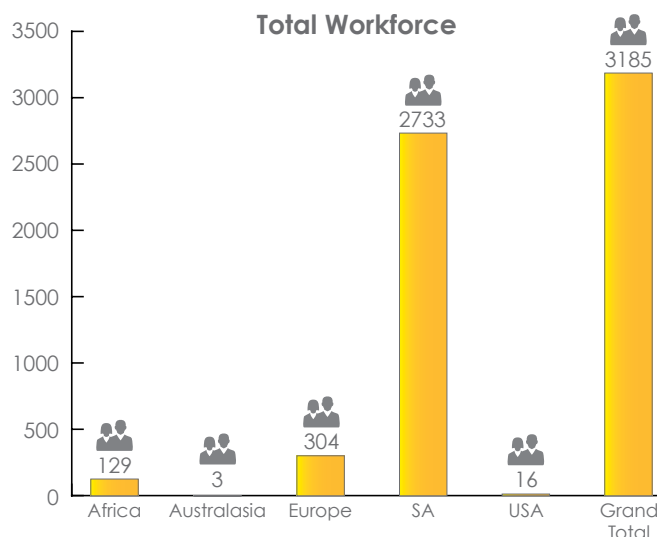
The group's employee relations environment remains very stable with the climate being one of mutual respect and co-operation. We manage our union representatives as fellow labour force managers, finding that this approach allows us to involve them in ensuring a stable and peaceful employee base. In South Africa our labour unions consist of NUMSA, LIMUSA, Solidarity and UASA.

In 2019 the group employed 139 new permanent employees and promoted 114 employees internally to higher positions in the context of the total workforce of 3 185. Of these new

employments 108 were appointments that improved the group's transformation requirements.

Every year the group honours its long serving employees around the world. This year 37 employees celebrated 30 years of service, 12 achieved 20 years of service and 31 had 10 years of service. This was the largest group in the history of Bell to celebrate the 30-year milestone and included employees from Cape Town, Johannesburg, Nelspruit, Tzaneen, Swaziland, Zambia, eThekweni (Durban), Empangeni and Australia.

Those employees based at the Richards Bay factory attend a long service luncheon. The luncheon is always preceded by a 'walk of honour' through the factory by the 20-, 30-, and 40-year delegates and their partners, which is always a highlight for both the delegates and their colleagues who line the factory in support.



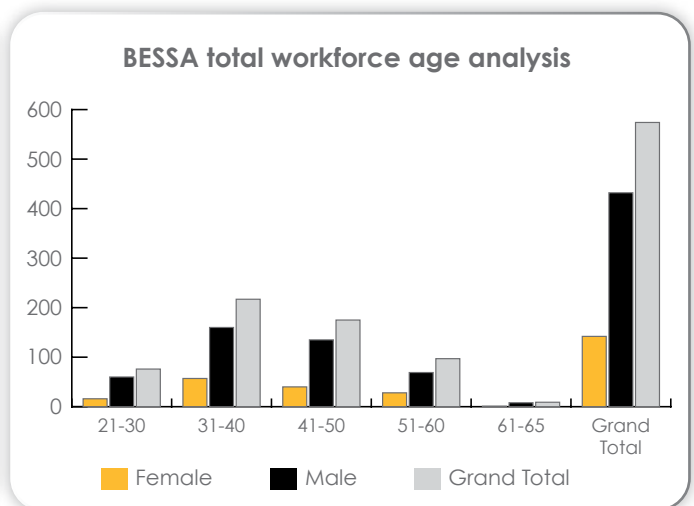
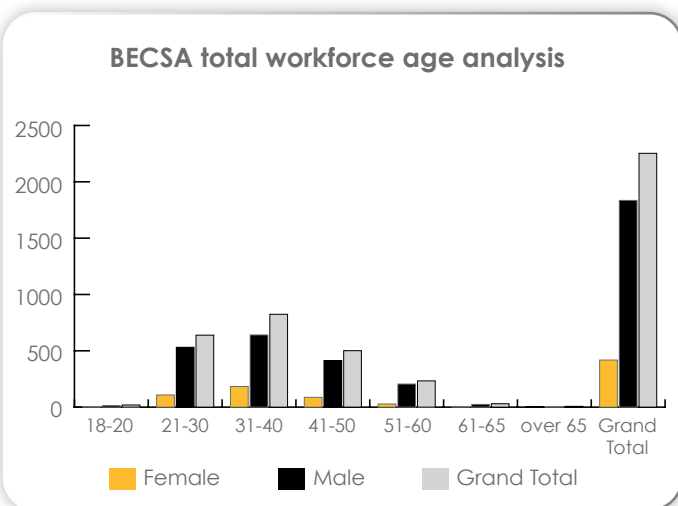
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BECSA employment equity summary

Occupational levels	Female				Male				Foreign nationals		Total
	African	Coloured	Indian	White	African	Coloured	Indian	White	Male	Female	
Top management	0	0	0	0	0	0	0	1	0	0	1
Senior management	0	0	0	2	0	0	2	8	0	0	12
Professionally qualified and experienced specialists and mid-management	7	0	4	17	26	2	29	97	0	0	182
Skilled technical and academically qualified workers, junior management, supervisors, foremen and superintendents	19	4	16	29	85	12	112	82	0	0	359
Semi-skilled and discretionary decision making	131	11	34	24	583	23	135	51	0	0	992
Unskilled and defined decision making	3	1	2	1	7	0	0	1	0	0	15
Total Permanent	160	16	56	73	701	37	278	240	0	0	1561

Employees with disabilities Occupational levels	Female				Male				Foreign nationals		Total
	African	Coloured	Indian	White	African	Coloured	Indian	White	Male	Female	
Top management	0	0	0	0	0	0	0	0	0	0	0
Senior management	0	0	0	0	0	0	0	0	0	0	0
Professionally qualified and experienced specialists and mid-management	0	0	0	1	0	0	1	1	0	0	3
Skilled technical and academically qualified workers, junior management, supervisors, foremen and superintendents	0	0	0	0	0	0	1	2	0	0	3
Semi-skilled and discretionary decision making	1	0	0	0	0	0	1	0	0	0	2
Unskilled and defined decision making	0	0	0	0	0	0	0	0	0	0	0
Total Permanent	1	0	0	1	0	0	3	3	0	0	8

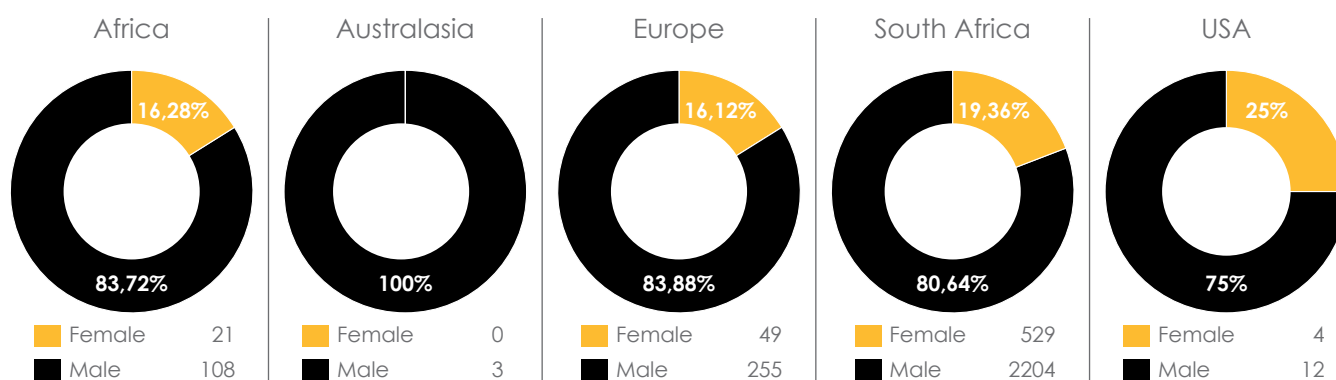


BESSA employment equity summary

Occupational levels	Female				Male				Foreign nationals		Total
	African	Coloured	Indian	White	African	Coloured	Indian	White	Male	Female	
Top management	0	0	0	0	0	0	0	0	0	0	0
Senior management	0	0	1	0	2	0	0	0	0	0	3
Professionally qualified and experienced specialists and mid-management	1	2	1	2	2	2	2	16	0	0	28
Skilled technical and academically qualified workers, junior management, supervisors, foremen and superintendents	3	3	2	7	81	11	12	112	0	0	231
Semi-skilled and discretionary decision making	33	10	6	30	74	13	20	9	0	0	195
Unskilled and defined decision making	6	1	0	0	7	0	1	0	0	0	15
Total Permanent	43	16	10	39	166	26	35	137	0	0	472

Employees with disabilities Occupational levels	Female				Male				Foreign nationals		Total
	African	Coloured	Indian	White	African	Coloured	Indian	White	Male	Female	
Top management	0	0	0	0	0	0	0	0	0	0	0
Senior management	0	0	0	0	0	0	0	0	0	0	0
Professionally qualified and experienced specialists and mid-management	0	0	0	0	0	0	0	0	0	0	0
Skilled technical and academically qualified workers, junior management, supervisors, foremen and superintendents	0	0	0	0	0	0	0	0	0	0	0
Semi-skilled and discretionary decision making	2	0	0	0	0	0	0	0	0	0	2
Unskilled and defined decision making	0	0	0	0	0	0	0	0	0	0	0
Total Permanent	2	0	0	0	0	0	0	0	0	0	2

Bell Equipment total workforce



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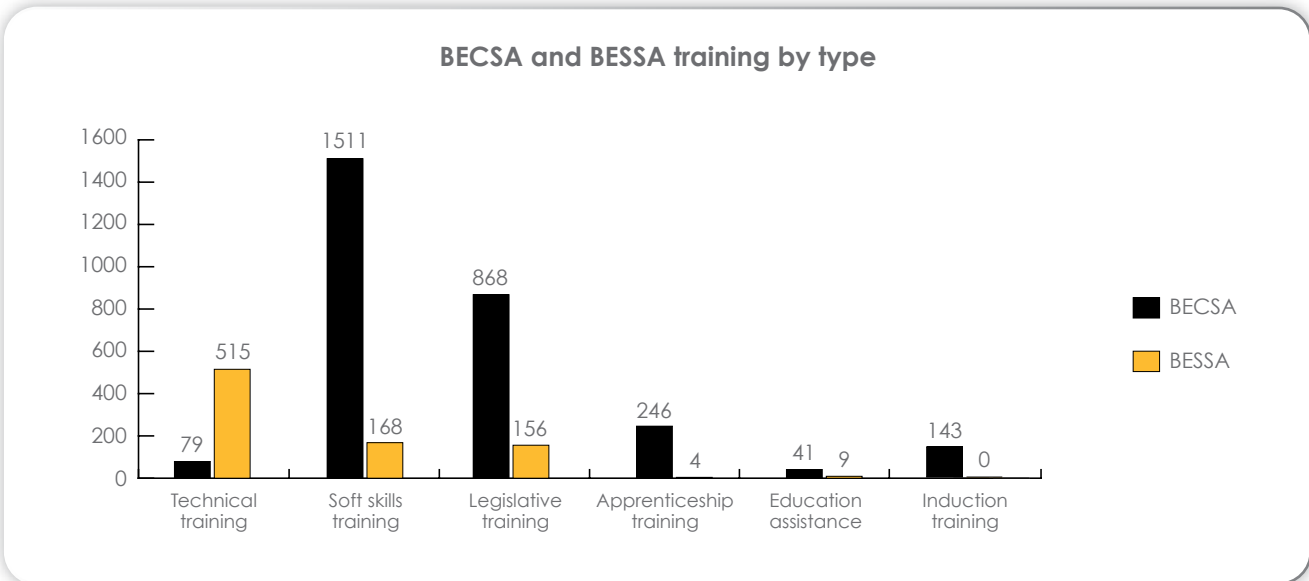
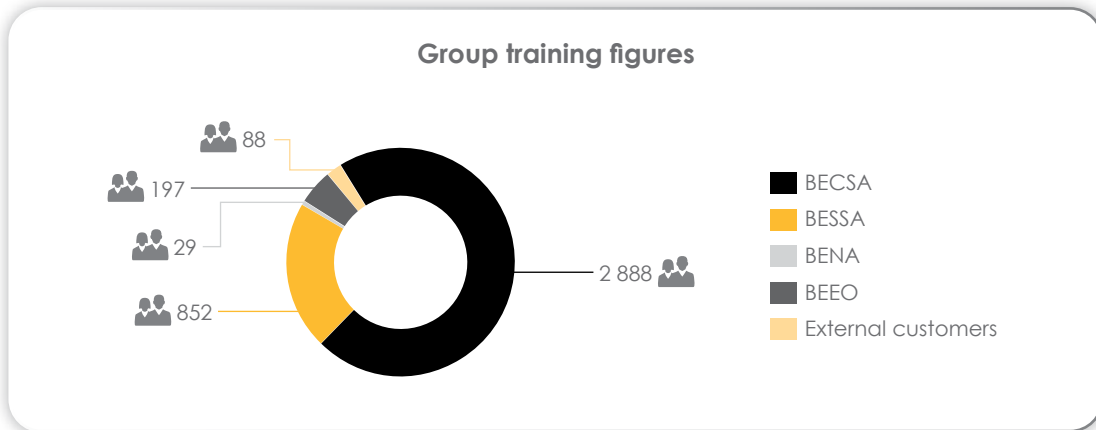
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Training

Bell Equipment has had a dedicated focus on training for almost 30 years and is a fully accredited training provider with well equipped training facilities in South Africa located in Richards Bay and Johannesburg. Training is focused on 'growing its own timber' through the group's MERSETA registered apprenticeship

programme as well as providing operator and technical training for Bell employees and its customers.

In 2019 training across the group was wide ranging and included technical, apprenticeship, soft skills and legislative training as well as education assistance. Attendance was as follows:



During 2019 BECSA enlisted an external service provider, MOTTO Business Consulting, to administer a confidential and anonymous culture, climate and engagement survey among employees. The survey provided an opportunity to identify strengths, opportunities and areas for development in order to move the business in the right direction and ensure that the organisation remains focused on employees and their success.

Eighty eight percent of employees globally took part in the survey – way above the norm for an organisation of Bell Equipment's

size – and 94 percent of participants indicated they are loyal, committed and care about Bell. Employees are customer orientated, want to find new ways to do their work, be involved in decision making and share information. The survey highlighted a number of development areas that would improve the overall ethos of Bell. These areas formed the basis of an organisational development plan that was driven through coaching and group workshops during the year.

A second survey is planned in 2020 to measure progress.

Employee wellness

The BECSA wellness week took place in June with 1 502 employees (63,48%) at the Richards Bay factory participating in the various wellness activities that were presented. External service providers were on site for employees to access and included: Old Mutual, SANCA Zululand, SOS Optometrists, Momentum Health and their rewards partner Multiply and Care Works. Activities comprised: personal financial wellness planning, retirement planning, medical aid and gap cover presentations and advisory services, eye testing, BMI (body mass Index) testing, HIV and TB testing, glucose, blood pressure and cholesterol testing, psychological services as well as alcohol and drug related counselling services. A total of 818 employees were tested for HIV and TB, two of whom tested positive. They are being counselled by our psychologist and assisted with access to treatment plans and services.

BESSA held its wellness day on 27 September 2019 at Bell Jet Park in Johannesburg, which was attended by 91 employees. Financial advisors, a dietician and an optometrist were on site and services offered included blood pressure and BMI checks, cholesterol and HIV tests, pap smears, prostate tests and eye examinations.

In addition, Bell Zimbabwe continues to provide financial assistance to employees to mitigate against the economic pressures in that country.

Health and Safety

The safety and wellbeing of our employees, contractors, suppliers and customers is of paramount importance to Bell Equipment and fundamental to the sustainability and growth of our operations. Our objective is to realise our aspiration of operating sustainably, without harm to people, the environment and the communities in which we operate. While written rules, standards and procedures are important and necessary, they are not enough. Bell Equipment has therefore developed a culture in which the value of safety is embedded throughout the workforce.

COVID-19

In response to the COVID-19 pandemic the group has a policy and procedures in place to safeguard the health and wellbeing of employees and customers globally, ensuring compliance with government regulations.

Protecting our workforce is our first priority and the group provides ongoing COVID-19 communication to employees on various platforms. Working remotely has been implemented where possible and we have identified vulnerable workers, taking mitigating steps to protect their health.

In the workplace, employees and visitors are screened for symptoms. Social distancing and the use of face masks is enforced along with strict sanitising and disinfection measures. Training and awareness related to COVID-19 symptoms, spread of the virus and preventative actions is also provided.



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Risk	Risk measure	Group tolerance	2019	2018
Behaviour (Health and safety)	Lost time accidents	0	21	24
	Total accidents	0	94	102
	*LTIFR measure - group	0	0,59	0,67
	*TIFR measure - group	0	2,64	2,89
Legal compliance (Health and safety)	Findings of non-compliance	0	0	0
	Fines and penalties incurred	0	0	0

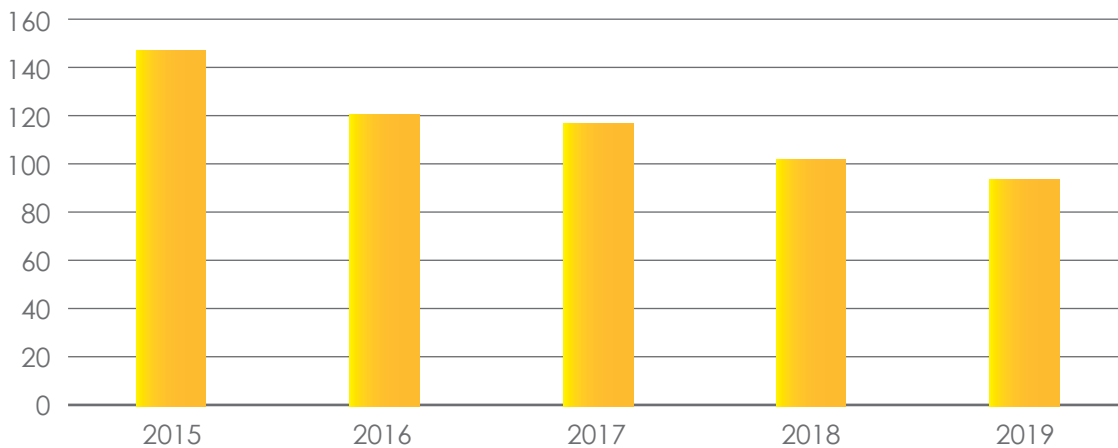
Safety performance is measured using a range of leading and lagging indicators, including TIFR and LTIFR, which are both calculated on total man hours worked.

Rate = (number of accidents x 200 000)/man hours worked

Our 1-Bell integrated approach to the management of occupational safety, process safety, occupational health and quality is based on the fundamentals of leadership, teamwork, effective communication, accountable behaviour and continuous improvement. The approach is detailed in the group safety management system, which is embedded and implemented by the management across the group to enable the journey towards zero harm.

Bell Equipment is pleased to report an 8 percent reduction in total group injuries in 2019. Extra care is taken to ensure our processes and policies are adhered to and that employees are kept well informed of potential safety hazards through continual training. Focus continues to be placed on behaviour based safety and all employees are held accountable for their actions. Where injuries have occurred, the focus has been on completing effective investigations and root cause analysis to prevent repeat incidents. The quality of incident investigations is of utmost importance to ensure that corrective and preventive actions focus on eliminating or reducing risks in line with the hierarchy of controls.

Group total accidents



The safety, health and environment committees at both the factory and operating subsidiary levels are responsible for overseeing compliance with health and safety legislation and policies. All employees, including contractors, receive safety training.

The group employs a safety management system based on behaviour based safety. A baseline risk assessment identifies the major risks at individual operations. These risks are then examined further by conducting issue based risk assessments

and identifying appropriate control measures to mitigate the risks. Further mitigation measures include visible felt leadership and ongoing training.

As required by South African regulations, Bell Equipment has established safety, health and environment committees at all the relevant divisions that approve and implement all mandatory safety training and operating procedures. Safety staff oversee compliance audits, site conditions and identify and allocate any necessary corrective actions.

CUSTOMERS



Reason for engagement	Stakeholder interests and expectations	Methods of engagement and value creation
<ul style="list-style-type: none"> To meet the group's customers' needs and build long term loyalty. To enhance Bell Equipment's brand and grow market share. 	<ul style="list-style-type: none"> Innovative products that meet operational needs. World class after sales support. Overall value proposition. Personally committed and trusted advisor. 	<ul style="list-style-type: none"> 'EYE' external customer service monitoring service. Face-to-face engagement with sales and customer service teams. Trade exhibitions. Product launches and demonstrations. Ongoing research and development. Factory tours. Advertising. Traditional and social media including Bell Bulletin magazine and Facebook. Website. Ongoing product testing.

Our main customer engagement during 2019 took the form of customer open days that were hosted at the Bell factory in Richards Bay at the end of August. Over seventy customers from various industries across southern Africa accepted the invite to gain a thorough understanding of the group, our manufacturing principles and processes as well as our extensive product offering.

The visit included a factory tour to see first-hand the technology and processes used by Bell that ensure that quality, world class products leave the assembly line. Thereafter customers were taken to the Bell farm outside Empangeni, the site of the company's off-road test track, which had been demarcated into six stations representing our Bell and partner products: Bell ADTs, Bell general construction equipment (grader, TLB and wheeled loader), Bomag, Finlay, Kobelco and our own brand Matriarch/forestry. Each station was manned by technical experts for those particular machines who provided a detailed walkaround of the products, answered questions and oversaw the operation of equipment by those customers keen to experience the machines first-hand.

Customer feedback indicated that the event was extremely beneficial in terms of providing updated product information and cementing existing relationships.

Bell was represented at the annual NAMPO harvest day in Bothaville in May, the Focus on Forestry conference in Mpumalanga in April along with other smaller events in which our customers were involved.

A few weeks before the open days the BESA sales team gathered in Richards Bay for the Bell '2020 Vision' Sales Conference, which included a business update, product presentations and an opportunity to get up close and personal with a good cross section of our product range at the Bell farm. While the conference provides a platform to acknowledge top achievers at a traditional awards dinner, other objectives are networking and team building among the sales representatives and empowering them to better serve Bell customers.

Bell hosted a customer golf day in Gauteng and also took two groups of southern African customers to Japan for the Rugby World Cup and a tour of the Kobelco factory.

In recent years groups of like-minded customers have been taken on a mountain bike (MTB) adventure through the Isimangaliso Wetland Park. To build on this experience, while contributing towards tourism and conservation in different parts of southern Africa, a decision was taken to support a different MTB adventure event each year. This year customers were invited to participate



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in the Desert Knights 2019 in the /Ai/Ais-Richtersveld Transfrontier Park, which traverses South Africa and neighbouring Namibia, and was a highlight of our social interactions.

Internationally Bell exhibited at Bauma Munich in April, which proved beneficial in terms of both the quality and quantity of visitors. As the only ADT manufacturer with a factory in Germany, Bell elected to distinguish itself as a specialist able to meet any ADT requirement by displaying the B20E 6x6 low ground pressure ADT, the B45E 4x4 and the B50E 6x6 to illustrate the scope of our specialist range.

Bell Equipment's exclusive dealer in Brazil, InfraBrasil Obras Pesadas e Mineração, exhibited at Expositram this year for the first time where it displayed a Bell B45E ADT. Recognising the potential in the Brazilian market, Bell and InfraBrasil plan to introduce the B60E 4x4, the B30E and the B33L SMC (side mount cab) low profile ADT in 2020, to add new dimensions to our product offering to customers in that country.

Bell Equipment continues to gain benefit from the external monitoring service, 'EYE' customer service. Calls are made on a regular basis by an external consultant, on behalf of the group, who contacts customers randomly from a list of recent parts transactions. Customers are asked to rate their perception of Bell Equipment's service. The group's service rating remains firmly in the world class range.

The first phase for development of the ASPIRE dealer management programme has been concluded with implementation to selective dealers; currently large existing and new dealers.

The technical services seminar took place in mid-August at the Richards Bay factory's training venue. This annual event continues to serve as an important vehicle to update the technical team, particularly those working offshore, on new machine models and planned updates so that they are able to support the dealer network and Bell Customer Service Centres when technical issues arise. Time is also allocated for introspection, where field technical analysts feedback about how the Bell product and aftermarket offering compares with competitors.

Twenty two members of the technical team, comprising field technical analysts and international product support representatives, and 10 engineers attended the 2019 seminar. The engineers gave presentations on various products including the Bell tracked carrier and Series V tractor, two new products that will be introduced in 2020.

The technical services team is an important face and aspect of the customer relationship. To highlight the value of this team, two members have been on site in Indonesia where they have done sterling work to keep the growing machine population running. This high level of service has stimulated the sale of additional machines.





The group's manufacturing operation in South Africa is reliant on infrastructure stability in so far as power, water, port facilities and roads are concerned. Infrastructure reliability in the country is becoming more uncertain and the group continues to monitor this to mitigate any risks that could develop. Product costs and manufacturing reliability are continually benchmarked to other economies to guide manufacturing strategy.

Appreciating the importance of continuous improvement throughout the business, Bell continues to invest in and grow its people and assets, improving skills, knowledge, know-how, productivity, efficiency and lowering the impact on the environment.

Understanding that delivering on customer expectations is essential to how products are accepted in the market, the group is likewise continually focused on strengthening its quality

management. Adequate investment has been allocated to production orientated equipment replacement and maintenance to ensure that manufacturing operations in South Africa and Germany continue to operate sustainably.

A number of digitisation projects to improve the customer contact points were completed during 2019 and have impacted positively on technical service, warranty and parts sales processes.

The extension of Bell Equipment's Eisenach-Kindel facility in Germany, the company's European ADT factory, was completed and officially opened in September. The investment demonstrates the group's commitment to be a global manufacturer as it continues to enhance the group's flexibility to respond more efficiently to customer requirements in the northern hemisphere markets.



Innovation has played a key role in Bell Equipment's legacy and remains critical in shaping its future. The group's strategy continues to command investment in the research and development of new technologies and products that will create value for Bell Equipment's customers and uphold the reputation of the Bell brand as an innovation pioneer.

Innovation is largely focused on enhancing ease of operation, productivity and safety of equipment. There are a number of industry firsts where Bell has set standards that other ADT manufacturers have followed.

On board weighing was introduced on Bell ADTs in 2002 and has been subject to continuous development and improvement. Bell has reached the point where it can confidently state that it is accurate to approximately 5 percent irrespective of the loading method and loading tool.

Bell was also the first OEM to manufacture a 50 and 60 ton ADT, incorporate 'tip safe' to prevent bin tipping at an unsafe angle, develop 'i-tip' for automatic bin tipping at the touch of a button, install turbo spin protection that varies engine idle time according to how hard the engine has been working and introduce Fleetm@tic®, a proprietary satellite based telematics software.

From the fourth quarter of 2019 all new Bell ADTs are pedestrian detection system (PDS) ready. PDS and collision avoidance systems (CAS) are the first commercially practical steps for ADT operations to move towards autonomous operation and Bell is excited to be moving in this direction.

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SUPPLIERS AND ALLIANCE PARTNERS



Reason for engagement	Stakeholder interests and expectations	Methods of engagement and value creation
<ul style="list-style-type: none"> Suppliers and alliance partners are key to the group's performance and core to the group's strategic positioning. 	<ul style="list-style-type: none"> Timely payment and fair terms. Future growth of the group and understanding the expectations of the group. Reputational consistency. Responsible and positive brand management. 	<ul style="list-style-type: none"> Product launches and demonstrations. Trade exhibitions. Quest for Gold supplier improvement initiative. 913 South African suppliers form part of Bell Equipment's supplier network. Ongoing regular direct engagements. Service level agreements and audits. Suppliers conference. Factory and site visits.

Bell Equipment's alliance partners were once again incredibly supportive during 2019. Representatives of Bomag, Finlay, John Deere and Kobelco attended the Bell Equipment sales conference in Richards Bay in September where they presented informative product updates to the southern African sales team and were on hand at the Bell farm where sales representatives were given an opportunity to operate the various machines.

Our alliance partners were also an invaluable presence at our customer open days the following month, each providing product specialists to attend the events and interact with customers about new products and features.

After an extensive market research campaign, Bell has grown its Finlay range with the addition of two conveyors in the southern African market. The first unit was delivered to a customer at the end of 2019 and initial market response indicates strong customer interest for both mainstream and niche applications due to the operational cost reduction and site efficiency benefits offered by conveyors.

The group has also introduced the new John Deere 620G grader and Kobelco generation 10 SK300LC excavator. The focus going forward will be on consolidating the product ranges of our strategic partners to improve the group's ability to stock and support machines that are popular in the market.

In terms of our suppliers, Bell continues to implement its Quest for Gold supplier improvement programme. The programme objectives are to develop mutually beneficial and profitable relationships with suppliers, implementing quality and cost controls as well as measuring and rewarding outstanding performance. The programme is also designed to strengthen communications between Bell Equipment and its valued suppliers to maximise its technological offering by utilising suppliers' technical support, innovation and expertise.

Suppliers are evaluated on a quarterly basis in five key areas: quality, delivery, cost, flexibility and technical support.



LOCAL COMMUNITIES



Reason for engagement	Stakeholder interests and expectations	Methods of engagement and value creation
<ul style="list-style-type: none"> Empowering local economies builds trust in Bell Equipment while communities benefit from social and environmental initiatives. 	<ul style="list-style-type: none"> Socio economic empowerment. Community involvement on key issues. Employment creation. Environmentally responsible. 	<ul style="list-style-type: none"> Social development through sports development: sponsorship of local sports events. Providing air assistance for crime fighting initiatives. Earthmoving equipment apprenticeship programmes. Trade-ins and the Bell Backed Loan Scheme for qualifying small black owned businesses. Welfare projects within the communities in which the group operates. Support of CANSA events.

The group recognises its responsibility as a global corporate citizen to provide meaningful CSI and SED programmes and initiatives to uplift and empower its stakeholders and the communities within which it operates. The group's CSI and SED policies identify priority areas, outline implementation strategies and enable the group to monitor CSI and SED expenditure and measure the impact of projects, ensuring that they are aligned to the group strategy and contribute to the group's overall mission, vision and adhere to its core values.

Bursaries

In 2019 bursaries were awarded to:

- a fourth year bursary recipient who is a final year student studying towards a BCom Accounting degree at Rhodes University;
- a second year bursary recipient studying towards a national diploma in Mechanical Engineering at the Cape Peninsula University of Technology;
- a second year bursary recipient studying towards a Bachelor of Education (Early Childhood Development: Foundation Phase) degree through UNISA; and
- a second year bursary recipient studying towards a BSc Mechanical Engineering degree at UKZN.

In terms of the change in codes another bursary recipient, a Grade 11 learner at Grantleigh School, was this year provided with SED funding for this schooling.

The Bell Foundation Trust, which aims to assist black women with their education in the engineering and allied fields, provides bursary assistance to Zinhle Dlamini, who is currently enrolled at Stellenbosch University pursuing a Mechanical Engineering degree.

Amangwe Village

In 2019 an amount of R250 000 was provided to Amangwe Village, a long standing beneficiary of Bell Equipment's CSI spend. The funding was earmarked to maintain the existing organic food garden at Amangwe so that it could be a model for replication in rural communities. The garden provides nutritional meals to children in the crèche and excess vegetables are distributed to patients and vulnerable households in the community. Medicinal herbs in the garden are used to make ointment, which is used by home based carers to treat skin ailments of patients.

One hundred community members were trained on 'door size' gardening methods with a view to spreading this information among the community. Trainees included learners from a local high school, patients, family members of patients and members of Amangwe's women empowerment programme. The knowledge transfer will have a lasting impact on the community and trainees will be able to share their knowledge with more people in the future.



Thuthukani Special School

Bell has an ongoing relationship with Thuthukani Special School, which caters for over 400 children from multicultural backgrounds, aged between six and eighteen years, who are intellectually disabled. The school has a waiting list of about 200 children, illustrating the dire demand for such a facility in the community.

Understanding that play forms the basis for the motor, cognitive, emotional and social development of a child, a specialised classroom was built at the school during 2019 at a cost of R300 000. Called the 'Gary Bell Play to Learn Room', the school has requested that Bell chooses the outfitting and equipping of this facility as the project for the school in 2020.

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Khula Senior Secondary School

A project was launched in December 2018 to construct a school hall at Khula Senior Secondary School in eSikhaleni, south of Richards Bay, which accommodates 1 070 learners from the surrounding area. Bell funded R200 000 towards the foundation, floor and brickwork and the school financed the steel structure and roof. Following the appointment of a building contractor, construction commenced in February 2019.

A certificate of appreciation was presented to Bell Equipment in December 2019.



Mambuka Primary School

Mambuka Primary School in Ntambanana, north west of Richards Bay, accommodates 630 learners from the surrounding community. During 2019 Bell donated R100 000 towards a project to renovate classrooms at the school, which included fixing of doors and windows as well as the installation of security doors. A local construction contractor, Abie Construction, undertook the work.

iThemba Projects

In 2019 Bell Equipment gave R100 000 to iThemba Projects, an organisation based in Hilton, KwaZulu-Natal, that partners with the Sweetwaters community to break the destructive cycles caused by economic inequality, poor education and a lack of role models and opportunities, and create an empowering environment where people can reach their full potential.

In partnership with the Sweetwaters community, iThemba Projects has developed several programmes that are centred on four main pillars: mentoring, early childhood development, nutrition and construction.

Other noteworthy sponsorships

Bell Zimbabwe supported the Pumping Legs Pumping Water cycle, an annual fundraiser in the country's Hwange National Park. The park has been plagued by a serious drought and the event assists the park with boreholes and water.

A donation was also made to Matusadonha Anti-Poaching Services (MAPPS), an anti poaching effort at Matusadonha National Park in Zimbabwe's Kariba region.

At the beginning of 2019 staff from Bell Equipment UK donated £1 350 to the British Heart Foundation (BHF) and £450 to Derbyshire Blood Bikes, an urgent medical courier service, to purchase a set of tyres. Funds were raised during 2018 through the sale of raffle tickets, a cake sale, a Christmas jumper day and selling BHF badges. Visitors attending the Hillhead Quarry Exhibition were also asked to donate charitable contributions in exchange for hamburgers.



Bell Equipment supported paddlers taking part in the 70th Vaal River Canoe Marathon, a two day event held along a 80km stretch of the Vaal River from the dam wall to Parys, and presented t-shirts to the Johannesburg Canoe Club's developmental team as two of their teammates had recently made the under 18 Gauteng canoe team.

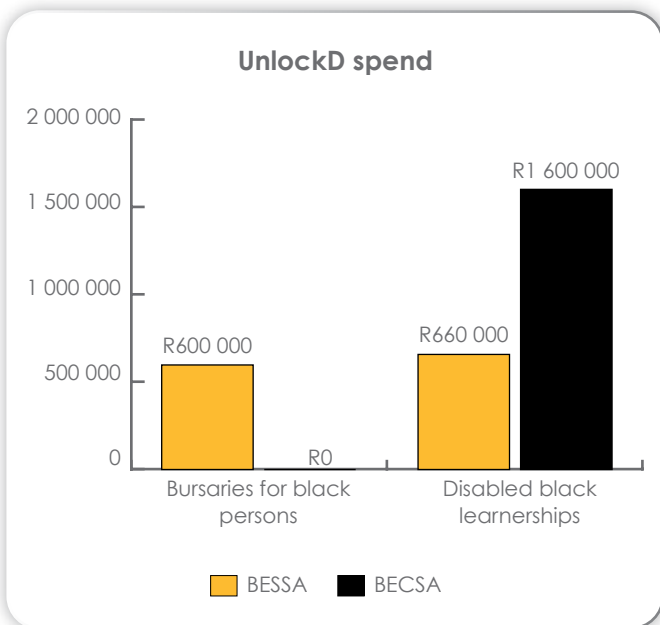


UnlockD

UnlockD is a 51 percent broad based black owned company with a QSE affidavit providing level 2 BBBEE recognition in the amended BBBEE codes. The company connects employable, unskilled youth to meaningful employment while offering clients simple, cost effective solutions for their everyday back office needs ranging from basic data entry to more complex data processing and call centre work.

Bell Equipment has partnered with UnlockD in an effort to fund and assist in training, upskilling and assisting young talent to become employable and economically self-reliable so that they are able to contribute to the country's greater economy and to their families and communities.

The following spend was made by BECSA and BESSA through UnlockD in 2019:



YES

The Youth Employment Service (YES) is actively creating opportunities for young, black South Africans to gain work experience through internships. The goal of the YES initiative is to make the large cohort of the country's unskilled young people more employable, providing them with skills, understanding, references and better resumes.

Youth candidates can sign up on the YES website or be sourced through one of the YES hubs around the country. Candidates must:

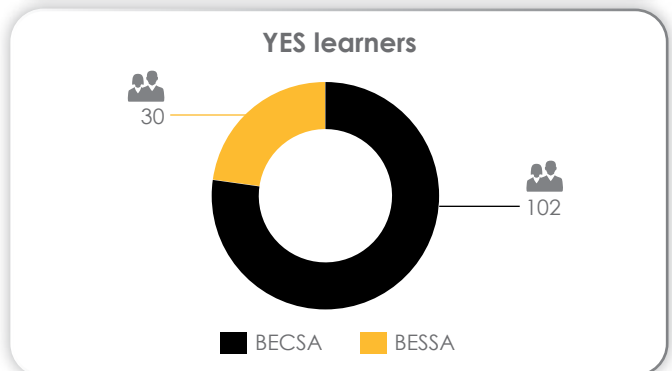
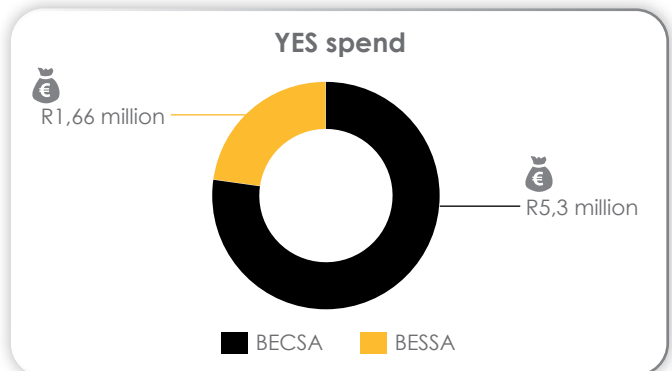
- be between 18 and 34 years old;
- have been unemployed for more than six months;
- be a black person (African, Coloured or Indian);

Government has introduced a new Youth Employment BBBEE recognition, allowing a business that meets YES targets and complies with registration criteria to move up a level on their current BBBEE scorecard. This has been delinked from the skills development scorecard points for spending 2,5 percent of payroll on bursaries for black students. This means that

companies can score points for either the YES recognition or the bursaries, or both.

Bell has chosen, for the past two years, to make use of this allowance and has paid enough towards these internships for a two level enhancement at both BECSA and BESSA. BESSA and the GLC have also taken on YES interns into their operations to give them practical experience in the business, which is beneficial to both Bell and the learner.

In 2019 BECSA contributed R5,3 million to YES and assisted 102 learners while BESSA contributed R1,66 million and assisted 30 learners.



ESD

BECSA recognised contributions of R2,2m towards supplier development beneficiaries and R1,8m towards enterprise development beneficiaries in 2019 from outstanding loans to the value of R6 296 522. These ESD contributions are initiatives in the form of grants and developmental loans for the benefit of 51 percent black owned EMEs and/or QSEs. BECSA also made early payments to suppliers to support this initiative.

BESSA has invested in developmental loans with recognised contributions of R1,03m in 2019 for the benefit of 51 percent black owned EMEs and QSEs. The outstanding values on these ESD loans amount to R4 139 569. PJLG Steel Works, the 100 percent black owned EME that offers BESSA welding and boiler making services, continued to benefit from the 5 percent interest bearing loan to expand their business in 2019.

Stakeholder relations report *continued*

incorporating sustainability performance



Bell Equipment has its own operations in 12 countries, each with its own environmental laws and regulations. Although most of these operations are low risk in terms of environmental exposure, compliance must still be ensured. The group's focus is primarily on the Richards Bay facility due to the size and nature of the operation. Other operations are monitored and managed by the appointed managers and, when necessary, reports are filed in terms of the applicable legislation.

Bell Equipment's approach to the environment and sustainability is underpinned by a sincere desire to effect positive change and ensure that the company's ecological footprint is minimised. This is achieved through innovation and a constant monitoring of international best practices.

Group policy includes:

- the promotion of sustainable development and ensuring that the group's actions meet current needs while minimising the cost to future generations;
- monitoring of compliance with environmental legislation, regulations, and other requirements, and observance of the standards propagated by appropriate local or international authorities where no such legislation exists;
- encouraging and motivating all group employees to follow environmental protection and pollution prevention policies to meet environmental objectives; and
- auditing, monitoring and reviewing subsidiary progress and compliance and communicating this to all interested parties.

Bell Equipment continues to be represented on the uMhlathuze crisis committee in Richards Bay. Through this committee stakeholders are involved in the water and environmental management plan of the local municipality and make recommendations towards water saving initiatives and a cleaner environment.

Currently Bell is liaising with the uMhlathuze Water stewardship partnership, which integrates major industries in the region on better management of water resources, as well as any synergies that may be possible for waste integration and water saving innovations.

The annual external audit in 2018 showed great improvements in terms of compliance. An action plan was implemented in 2019 to reduce the risk of any non-compliances. The next external audit is scheduled for 2021. There were no reportable incidents to the DOE that occurred in 2019. Our main environmental risks have been identified and are being addressed as follows:

- hydrocarbon storage – investigating the use of bund pallets in yard areas and reviewing stock levels to see how this can be minimised.
- hazardous waste management – this is an ongoing drive to ensure employees are being properly educated on the correct disposal methods.
- storm water management – all oil traps are being serviced on a regular basis and scheduled water quality tests are done on existing water ways.

- air quality management – Bell Richards Bay will begin an internal dust monitoring programme during 2020 in compliance with the Air Quality Act and Municipal bylaws. This will ensure non compliances are identified and addressed proactively.

Environmental compliance at the Eisenach-Kindel factory in Germany is controlled by the facility's quality representative in conjunction with the respective authorised organisations for environmental control and waste disposal. The environmental requirements are detailed in the labour law and ISO 9001:2008 quality management system. No incidents were reported during 2019 and the next internal audit will be conducted during 2020.

Environmental sustainability

Bell Equipment continually investigates new initiatives to reduce its environmental impact. Environmental management programmes, sustainability and energy efficiency strategies are implemented within the group's environmental management policy. The following projects were initiated during 2019:

• Waste management programme

Bell Equipment has completed a programme to classify waste as per the current Waste Act Regulations and all hazardous waste has been correctly classified.

The factory waste management site is continuously monitored for compliance and to eliminate cross contamination risks. Waste separation and waste storage is aligned with national norms and standard guidelines. Onsite recycling forms a critical aspect of Bell Equipment's waste management process and separation into three categories takes place at source as far as possible, thereby reducing the group's impact on the environment. Elsewhere both hazardous and non-hazardous waste streams are monitored by type, volume and disposal method and disposed of at certified waste disposal facilities. This ensures consistency, compliance and comparability.

All waste is monitored for further improvements to recycling. All records are kept at the SHE office for cradle to grave and auditing purposes.

• **Thinners recycling plant**

Bell has already initiated the process to recycle liquids on site by means of specialised recycling units. A thinners recycling plant was successfully installed and commissioned in 2019. This has significantly reduced the amount of contaminated thinners needing to be disposed of. Not only is this environmentally friendly by reducing the amount of hazardous liquid waste but it also yields a cost reduction in terms of the amount of new thinners being purchased as well as the associated disposal costs. A trial is in progress for the recycling of machining coolant, which is planned to be fully implemented during 2020.

• **Power related programmes**

A feasibility study is currently underway for a 1MW solar installation on the Richards Bay site. This will make use of the carport structures and feed directly into the existing Bell factory electrical network with the potential to increase up to 2MW.

At the Jet Park offices in Johannesburg an electricity saving programme is currently being undertaken to replace all the workshop and warehouse lights with new technology energy saving lights. This will also have a cost saving benefit.

The Eisenach-Kindel facility extension in Germany is equipped with the latest available energy saving technology.

• **Water harvesting programme**

A water harvesting programme has been implemented at the Richards Bay facility. The first phase was using harvested water in the operational areas for supplying the wash bays instead of municipal water. The second phase was to use harvested rainwater for the flushing of toilets and urinals in the factory's ablution facilities. The overall storage capacity of the harvested rainwater will be increased in 2020 as phase three of the programme.

Water harvesting tanks have also been installed at branches where critical water shortages are foreseen.

• **Review of the Richards Bay factory's storm water management plan**

Compiled according to municipal bylaws and national guidelines by the Department of Water and Sanitation, and in support of Section 26 of the National Water Act, the plan ensures the effective management of storm water on site. It considers the clean and dirty water runoff in regard to storm water and proposes measures and infrastructure to reduce contamination to storm water systems. Areas of contamination have been identified and an action plan has been compiled to improve the quality of storm water discharge.



Stakeholder relations report *continued*

incorporating sustainability performance

GOVERNMENT		
Reason for engagement	Stakeholder interests and expectations	Methods of engagement and value creation
<ul style="list-style-type: none"> The group's relationship with governments impact on its ability to contribute towards job creation, broader economic, social and environmental objectives globally. 	<ul style="list-style-type: none"> Socio economic growth. Skills development. Employment creation. Transformation. BBBEE. 	<ul style="list-style-type: none"> Local design and manufacture of equipment and the use of locally produced materials. Employer of 2 733 South Africans. Senior executive meetings with officials at various levels of government. Participation in industry consultative bodies and public forums including: <ul style="list-style-type: none"> National Economic Development and Labour Council; Business Unity South Africa; South African Capital Equipment Export Council; SEIFSA; Economic empowerment leading to social upliftment programmes and initiatives including: <ul style="list-style-type: none"> trade ins and the Bell Backed Loan Scheme for qualifying small black owned businesses; earthmoving equipment apprenticeship programmes.



During 2019 Bell Equipment succeeded in providing the first CIDB graded contractors with access to earthmoving machinery in terms of the memorandum of understanding signed with SANRAL in July 2018.

A lack of new projects and associated expenditure by SANRAL over the past three years has resulted in slow progress. However, Bell Equipment was invited to numerous stakeholder relations meetings around the country during 2019 and has had sight of over 100 projects, with a combined valued of R6,5 billion, which started to go out on tender at the end of 2019 and early in 2020. An introduction to the small industry players, who will be subcontracted 30 percent of the projects, should provide increased traction and we are already actively engaging with these subcontractors.

SANRAL has decided to include a local content requirement in its tender documents, which is a positive development for all local manufacturers, who will now be granted preference.

In mid 2019 Bell Equipment became a member of the Mining Equipment Manufacturer's Association of South Africa, a lobby group supported by government to advance the local content agenda in the mining sector. Bruce Ndelela, BESSA director of business and public sector development, was appointed as a MEMSA director and, together with DTI representation on the board, has a mandate to represent all South African manufacturers to support the use of locally manufactured equipment in construction and mining.

Following a visit by the DTI to Bell Equipment's Richards Bay factory during 2019 the group has resubmitted product designation applications for its wheeled loaders, tractor loader backhoes and ADTs to the DTI and National Treasury. This is an ongoing process aimed at benefitting all local heavy construction equipment manufacturers.

Bell sales representatives who deal with the public sector once again attended a meeting of the mechanical sub services committee. The 2019 meeting was hosted in White River, Mpumalanga and was particularly successful as EMEs and QSEs that are appointed suppliers for government's RT57 contracts, as administered by National Treasury, were also in attendance. In terms of RT57 contracts, EMEs and QSEs are appointed suppliers for a period of three years effective July 2019.

While 2019 saw a marked decline in government business due to economic pressures, noteworthy equipment sales were concluded with the Department of Transport in the Eastern Cape to the value of R120 million and R50 million to the City of Cape Town to assist with service delivery to communities.

In December 2019 the group concluded a BBBEE transaction which took effect on 1 January 2020 in terms of which BECSA and BESSA are now 51% black owned and aligned with government's economic transformation policies. The BBBEE transaction has improved the BBBEE scorecards of both entities and positioned the group more competitively in the local market.



SHAREHOLDERS, INVESTORS, FINANCIERS AND INSURERS



Reason for engagement	Stakeholder interests and expectations	Methods of engagement and value creation
<ul style="list-style-type: none"> To create an informed perception of the group and its activities. 	<ul style="list-style-type: none"> Group strategy implementation. Group performance and sustained returns on investment. Leadership strength and management depth. Risk management. Transparent executive remuneration. 	<ul style="list-style-type: none"> AGM. IAR and Interim results. Board and executive management strategy sessions. SENS announcements. Media. Group website including a dedicated investor relations page. Dividend policy. Sound corporate governance. Meetings and ad hoc telephonic engagement, outside of a closed period.

Bell Equipment strives to create value for all its stakeholders and to manage its financial capital to support the group's growth and diversification objectives in a sustainable and profitable manner.

Bell continues to engage with its shareholders through its IAR and its AGM held annually. In line with King IV, engagement with shareholders has improved by providing more and better information, thereby ensuring good governance. The social, ethics and transformation committee of the Bell Equipment Limited board, as detailed in its report incorporated in the IAR, is mandated to report to shareholders at the AGM thereby providing a holistic overview of the group and its activities as a good corporate citizen.

Through SENS announcements the group provided its shareholders with updated information on the impact of the COVID-19 pandemic on the group's operations including the timing of the release of its annual financial results and information

on the measures implemented by the group to mitigate some of the pandemic's impact.

An investor relations company is engaged to assist Bell with its annual investor relations programme. This investor relations programme includes presentations to shareholders and interested parties, the arrangement of one on one meetings with shareholders, peer review of share price data, shareholder analyses, index comparisons as well as the compilation of press releases for Bell Equipment.

Engagement with financiers and insurers is equally important to the group and Bell ensures that these stakeholders are kept abreast of sites across geographies. Interactions are through meetings, face to face engagements, cash flow and financial analysis and project updates.

The group will continue to strive for improved interaction with these important stakeholders on an ongoing basis.

