

Stakeholder relations report

incorporating sustainability elements

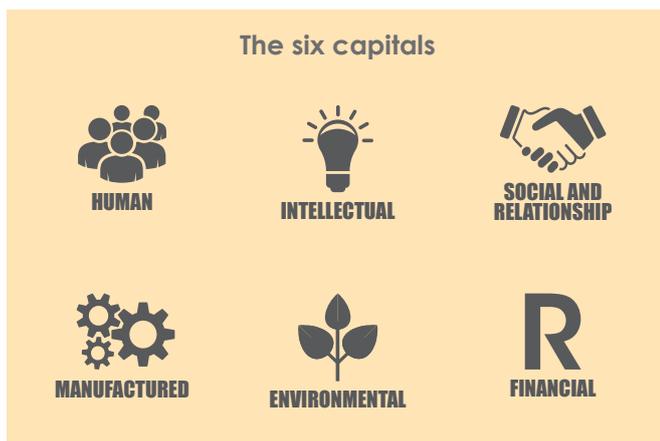
Bell Equipment's key stakeholder base includes employees, customers, government departments, shareholders and financiers, communities, suppliers and alliance partners. These individuals, groups and organisations affect and are affected by Bell Equipment's activities, products or services and associated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

Bell Equipment strives 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 1-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 is enhanced by focusing on the six capitals and understanding the value created by the group using these six capitals. Through carefully identifying the interests and expectations of each key stakeholder group Bell creates value using 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 invests 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 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 its 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, interest and expectations. Set out below 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

- 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.

Stakeholder interests and expectations

- Healthy working conditions.
- Fairly remunerated for their service.
- Recognition.
- Health and safety.
- Career advancement.
- Employment equity.

Methods of engagement and value creation

- 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.

1977

Average number of employees who benefitted from TERS per month

R40,5 million

Total TERS funding received

2969

Total workforce

18

New permanent employees in 2020

44

Promoted employees in 2020

The COVID-19 pandemic had a massive impact on our employees during 2020 as the world struggled to come to terms with how the virus changed life as we know it, from both a business and individual perspective.

In response to market conditions, the group took steps to reduce costs during the months of May, June and July by implementing 20% short time across the global operations. During the same period, GEC members took a 25% salary reduction and the board of directors sacrificed 30% of their director's meeting fees for a six month period.

Our employees showed great understanding, loyalty and cooperation when faced with this necessary short time, and having to adhere to COVID-19 protocols, amongst other challenges. Importantly, they made sure our customers continued to receive quality service, all of which underpins why our employees are the group's greatest asset.

During this time Bell has prioritised the protection of jobs and easing the financial pressure on employees caused by the global lockdowns. Where available, the group applied for relief measures in the countries in which we operate to try and cushion our employees globally. In South Africa we applied for the Temporary Employer/Employee Relief Scheme (TERS) for those months when the group embarked on short time.

Notably, Bell Zimbabwe continued to provide financial assistance to employees to mitigate against the economic pressures in the country.

Our employee relations environment remains very stable and the group is grateful for the support shown by the South African labour unions, which have committed to lobbying government to work towards improving the sustainability of the group for all stakeholders.

Of the new employments, 12 were appointments that improved the group's transformation requirements.

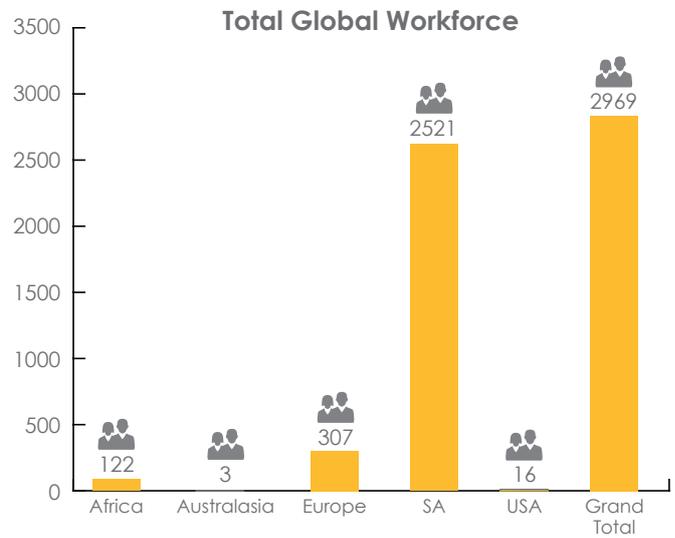
Stakeholder relations report *continued*

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The annual long service awards ceremony was deferred in 2020 due to COVID-19 restrictions on the number of people allowed at a function. The group will celebrate these achievements together with those employees who reach long service milestones in 2021, if possible. The number of employees who qualified for long service awards in 2020 is as follows:

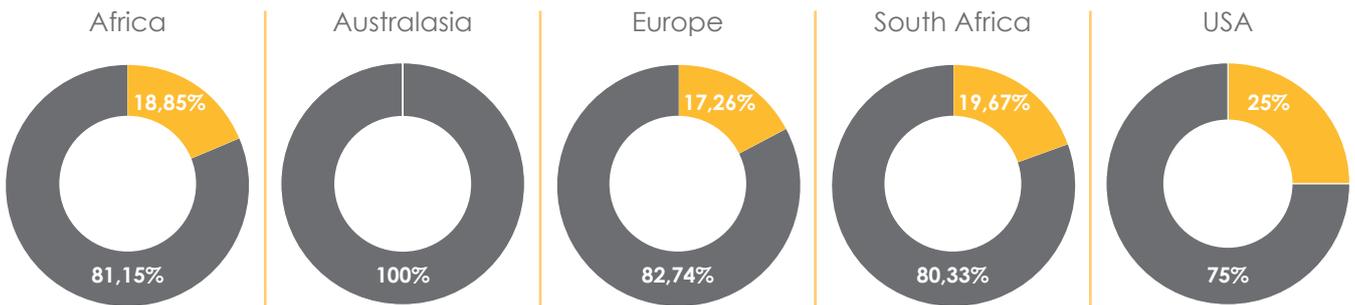
Long Service Awards 2020

- 10 years
- 20 years
- 30 years
- 40 years



Bell Equipment total workforce

- Male
- Female



Employment equity summary: Actual December 2020

| Occupational levels | Male | | | | Female | | | | Grand Total |
|---|------------|-----------|------------|------------|------------|-----------|-----------|-----------|-------------|
| | African | Coloured | Indian | White | African | Coloured | Indian | White | |
| BECSA Top management | 0 | 0 | 0 | 0 | 0 | 0 | 0 | 0 | 0 |
| Senior management | 0 | 0 | 0 | 1 | 0 | 0 | 0 | 0 | 1 |
| Professionally qualified and experienced specialists and mid-management | 7 | 0 | 17 | 16 | 7 | 0 | 1 | 3 | 51 |
| Skilled technical and academically qualified workers, junior management, supervisors, foreman and superintendents | 56 | 9 | 90 | 47 | 11 | 1 | 6 | 9 | 229 |
| Semi-skilled and discretionary decision making | 498 | 17 | 122 | 37 | 108 | 9 | 25 | 7 | 823 |
| Unskilled and defined decision making | 6 | 0 | 0 | 0 | 2 | 1 | 2 | 1 | 12 |
| Grand Total | 567 | 26 | 229 | 101 | 128 | 11 | 34 | 20 | 1116 |

| Occupational levels | | Male | | | | Female | | | | Grand Total |
|---------------------|---|------------|-----------|-----------|------------|-----------|-----------|-----------|-----------|-------------|
| | | African | Coloured | Indian | White | African | Coloured | Indian | White | |
| BEGS | Top management (CEO) | 0 | 0 | 0 | 1 | 0 | 0 | 0 | 0 | 1 |
| | Senior management | 0 | 0 | 2 | 4 | 0 | 0 | 0 | 2 | 8 |
| | Professionally qualified and experienced specialists and mid-management | 20 | 2 | 11 | 79 | 1 | 0 | 3 | 14 | 130 |
| | Skilled technical and academically qualified workers, junior management, supervisors, foremen and superintendents | 29 | 3 | 22 | 29 | 8 | 3 | 9 | 19 | 122 |
| | Semi-skilled and discretionary decision making | 53 | 3 | 5 | 1 | 20 | 1 | 9 | 17 | 109 |
| | Unskilled and defined decision making | 1 | 0 | 0 | 1 | 1 | 0 | 0 | 0 | 3 |
| Grand Total | | 103 | 8 | 40 | 115 | 30 | 4 | 21 | 52 | 373 |
| BESSA | Top management | 0 | 0 | 0 | 0 | 0 | 0 | 0 | 0 | 0 |
| | Senior management | 2 | 0 | 0 | 0 | 0 | 0 | 1 | 0 | 3 |
| | Professionally qualified and experienced specialists and mid-management | 2 | 1 | 2 | 14 | 1 | 2 | 1 | 2 | 25 |
| | Skilled technical and academically qualified workers, junior management, supervisors, foremen and superintendents | 80 | 10 | 12 | 106 | 3 | 3 | 2 | 7 | 223 |
| | Semi-skilled and discretionary decision making | 69 | 12 | 18 | 8 | 33 | 10 | 6 | 29 | 185 |
| | Unskilled and defined decision making | 7 | 0 | 1 | 0 | 5 | 1 | 0 | 0 | 14 |
| Grand Total | | 160 | 23 | 33 | 128 | 42 | 16 | 10 | 38 | 450 |

Employees with disabilities – BECSA, BESSA and BEGS combined

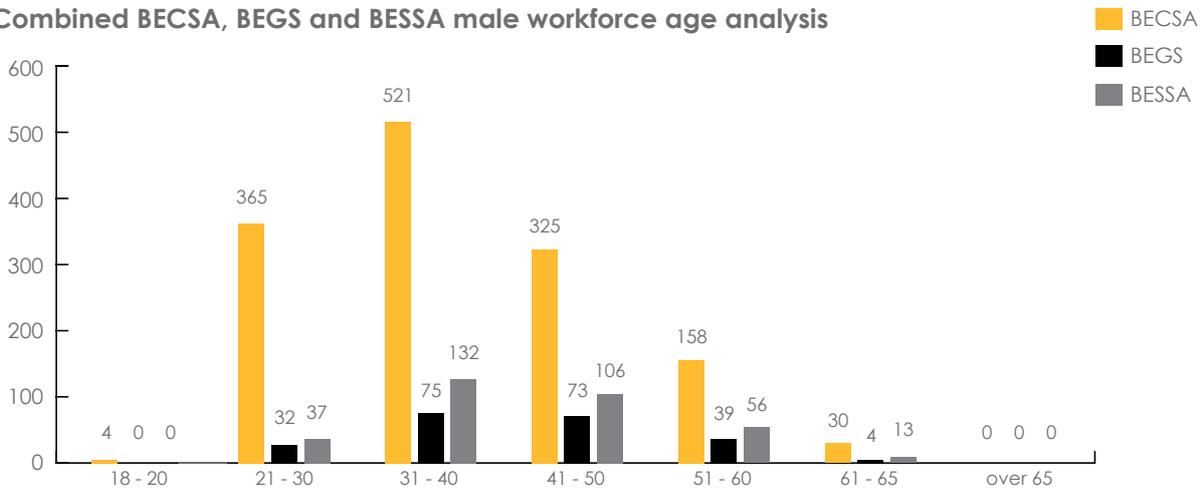


| Occupational levels | BECSA | BEGS | BESSA | Grand Total |
|---|----------|----------|----------|-------------|
| Top management | | | | 0 |
| Senior management | | | | 0 |
| Professionally qualified and experienced specialists and mid-management | | | | 2 |
| Skilled technical and academically qualified workers, junior management, supervisors, foreman and superintendents | | | | 3 |
| Semi-skilled and discretionary decision making | | | | 5 |
| Unskilled and defined decision making | | | | 0 |
| Grand Total | 6 | 2 | 2 | 10 |

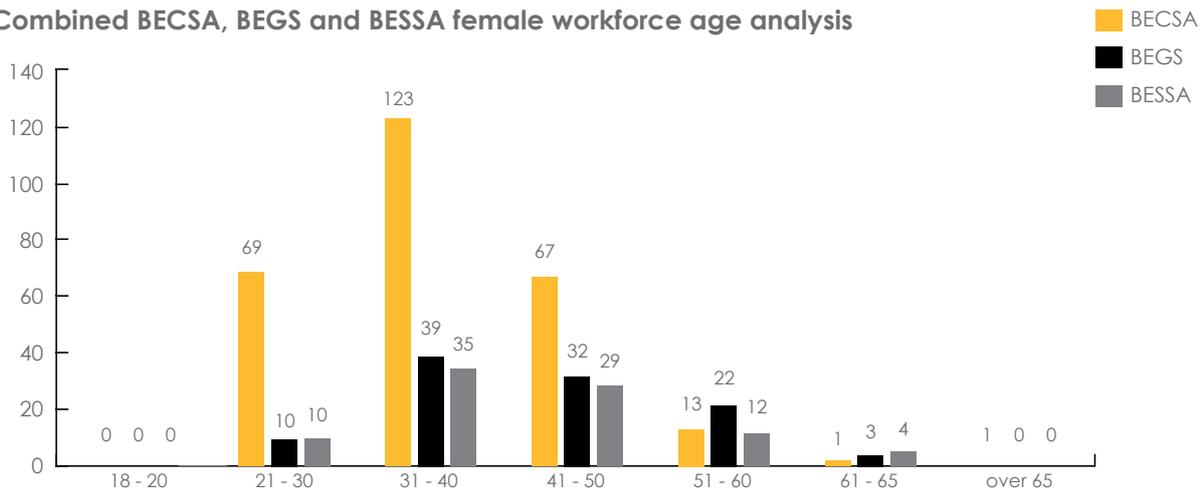
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Combined BECSA, BEGS and BESSA male workforce age analysis



Combined BECSA, BEGS and BESSA female workforce age analysis



Training

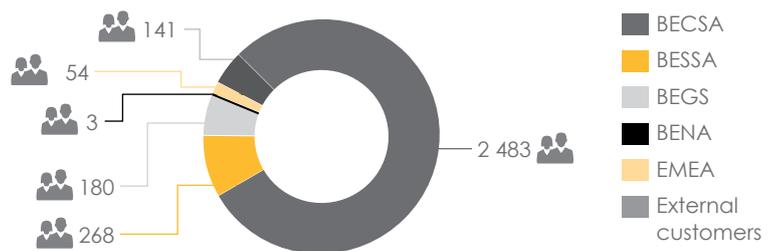
Bell Equipment has had a dedicated focus on training for almost 30 years and is a fully accredited training provider with well equipped training facilities in South Africa located in Richards Bay and Johannesburg. Training is focussed on 'growing our own timber' through the group's MERSETA registered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

The outbreak of COVID-19, the hard lockdown and the further working from home arrangements of the non scheduled employees has required much of the training opportunities to take place online.

In 2020 training across the group was wide ranging and included technical, apprenticeship, soft skills and legislative training as well as education assistance.

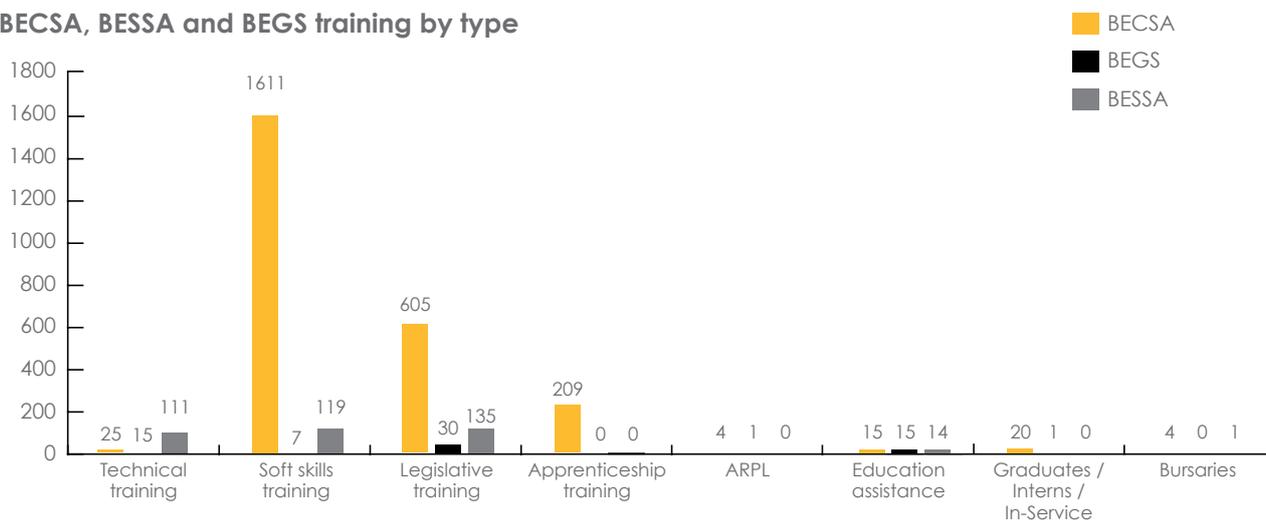
Attendance was as follows:

Group training figures



| Company | Technical Training | Soft Skills | Legislative training | Apprenticeship training | Artisan recognition of prior learning | Education Assistance | Graduates / Interns / In-Service | Bursaries |
|--------------------|--------------------|-------------|----------------------|-------------------------|---------------------------------------|----------------------|----------------------------------|-----------|
| BECSA | 25 | 1611 | 605 | 209 | 4 | 5 | 20 | 4 |
| BESSA | 111 | 7 | 135 | 0 | 1 | 14 | 0 | 0 |
| BEGS | 15 | 119 | 30 | 0 | 0 | 15 | 1 | 0 |
| BENA | 0 | 3 | 0 | 0 | 0 | 0 | 0 | 0 |
| EMEA | 1 | 24 | 25 | 2 | 0 | 2 | 0 | 0 |
| External Customers | 107 | 1 | 3 | 30 | 0 | 0 | 0 | 0 |

BECSA, BESSA and BEGS training by type



BECSA appointed Motto Human Research to administer a confidential and anonymous culture, climate and engagement survey among employees and facilitate focus group discussions and training to address the results of the survey.

This provided an opportunity to identify strengths, opportunities and areas for development to improve the business and ensure a continued focus on employees and their success.

Survey results indicated Bell employees are committed, loyal and care about the group. The survey further indicated Bell employees are customer orientated, innovative and want to be involved in decision making. The survey highlighted several development areas that would improve the overall ethos of Bell. These areas formed the basis of an organisational development plan that was driven through group and individual coaching, workshops and leadership training during the year. 2021 will be used to build on these interventions and to continue with leadership and diversity training.

Stakeholder relations report *continued*

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Employee wellness



The BECSA Wellness Week was delayed until December 2020 due to COVID-19 and fewer employees were able to participate due to social distancing and other COVID protocols.

External service providers that took part 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 testing, glucose, blood pressure and cholesterol testing, male cancer testing (124 employees tested), pap smears (40 tests done), psychological services as well as alcohol and drug related counselling services. A total of 559 employees were tested for HIV and TB.

Health and Safety



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

THE BELL WAY Safety & health principles

BEHAVIOUR

All harmful practices and unsafe acts will be investigated to determine what happened and why. Necessary steps will be implemented to prevent any recurrences.

CULTURE

We believe we can proactively prevent harmful exposures and occupational risk.

We are all responsible for correcting unsafe practises and behaviours.

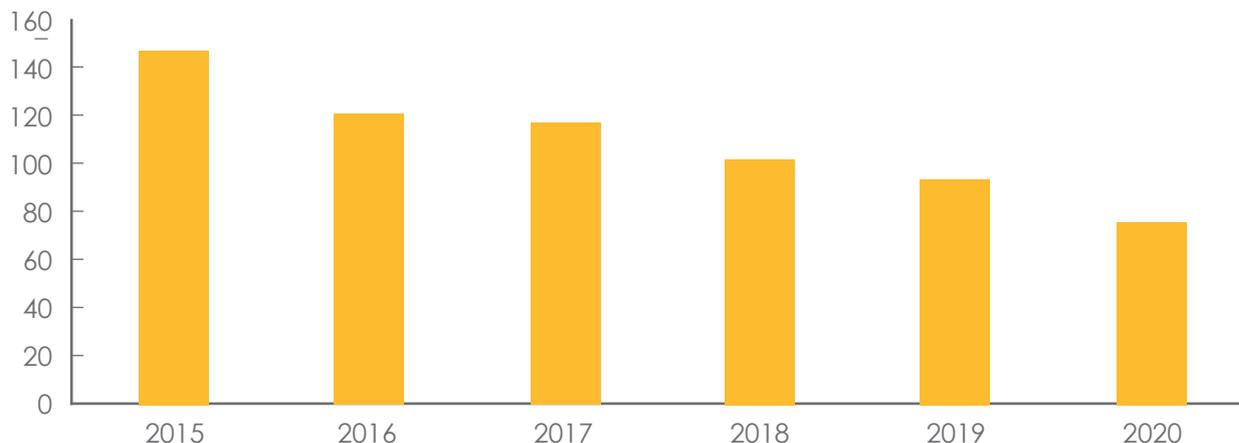
SYSTEMS

We will adopt a common, simple set of non negotiable standards and rules throughout the group that will be implemented and maintained by line management.

Our safety performance is measured using a range of leading and lagging indicators, including Total Injury Frequency Rate (TIFR) and Lost Time Injury Frequency Rate (LTIFR). Both these frequency rates are calculated on total man hours worked.

There were no findings of non compliance, nor were any fines or penalties incurred.

Group total accidents



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 implemented and embedded by the management of every group company to enable the journey towards zero harm.

The safety, health and environment committees at both the factories 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. The system requires a baseline risk assessment to identify the major risks at the 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 leadership and ongoing training.

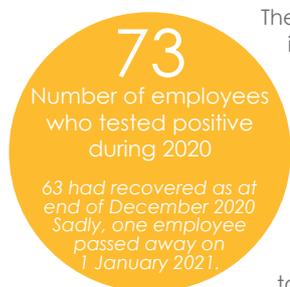
As required by South African regulations, Bell Equipment has established safety and health committees at all the relevant divisions to approve and implement all mandatory safety training and operating procedures. Safety staff oversee compliance audits, site conditions and identify and allocate any necessary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

Measures are followed as far as reasonably practicable and include:

- Following health advice and information**
 Advice is followed from the World Health Organisation, as an international source, and the Department of Health and the National Institute of Communicable Diseases, as local sources.
- Implementing administrative measures**
 Risk assessments in respect of COVID-19 are conducted and updated. Required measures are adapted in terms of regulations specific to the working environment.
- Communicating with employees**
 Updates are consistently provided on COVID-19 including the approach in the workplace regarding attendance and preventing the spread of infection.

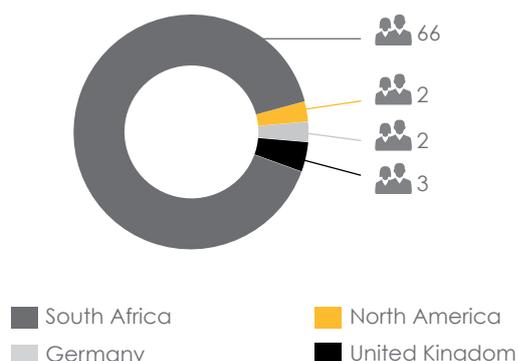
 Email, SMS and WhatsApp is used for ongoing communication with all employees. Safety notice boards are found on the factory floor and offices and are updated daily with the notices sent via electronic channels.
- Sanitising and disinfecting**
 Adequate facilities are provided for employees to wash and/or sanitise their hands regularly within the workplace. Stringent disinfection measures have been adopted for high risk work areas and places.
- Identifying vulnerable workers**
 Employees with weakened immune systems and long term health conditions have been identified and mitigating actions implemented to protect their health.
- Enforcing social distancing**
 Social distancing protocols and best practices have been implemented along with work from home strategies where possible.
- Screening employees and visitors**
 Employees and visitors are screened for any of the commonly reported symptoms associated with COVID-19 before entering the workplace.
- Providing face masks and personal protective equipment**
 Employees are supplied face masks and other personal protective equipment as prescribed, depending on their occupation, free of charge.
- Ongoing training and awareness**
 Induction programmes ensure employees are aware of COVID-19 symptoms, how infection is spread and preventative action. Self assessment declarations are conducted to disclose possible symptoms.

COVID-19



The pandemic is identified as an inherent risk in our strategic overview and risk management report on page 25 due to the risk it poses to Bell globally. However, it bears noting that measures implemented by the group, and the adherence thereto by our employees and customers, have helped to minimise the risk it poses to the health and safety of these important stakeholder groups.

Group COVID-19 cases per country



Stakeholder relations report *continued*

incorporating sustainability elements



INTELLECTUAL



SOCIAL AND RELATIONSHIP



MANUFACTURED

CUSTOMERS

Reason for engagement

- To meet the group's customers' needs and build long term loyalty.
- To enhance Bell Equipment's brand and grow market share.

Stakeholder interests and expectations

- Innovative products that meet operational needs.
- World class after sales support.
- Overall value proposition.
- Personally committed and trusted advisor.

Methods of engagement and value creation

- '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.



INTELLECTUAL



SOCIAL AND RELATIONSHIP

The extraordinary circumstances surrounding the COVID-19 pandemic during 2020 dealt a severe blow to our traditional face to face interactions. This forced the group to reassess its communications strategy and methods to sustain and build on our relationships with customers.

CONEXPO-CON/AGG in Las Vegas, United States in March 2020 provided the only opportunity to meet customers on a large scale before the worldwide lockdowns. Although the show closed a day earlier than planned, the event was a success for Bell Equipment. This was largely due to the premium spot Bell secured in the North Hall, where all the major equipment manufacturers are housed, as well as the considerable interest generated by the launch of the group's Tracked Carrier.

The Bell stand was hosted by senior, technical and product managers from Bell Trucks America, Bell Equipment in South Africa, and Bell Equipment North America. We had many compliments on the friendly, approachable attitude of the Bell team as well as the open stand layout that made visitors feel welcome.

While a limited number of factory tours were conducted later in the year under strict COVID-19 protocols, due to social distancing regulations, the group chose to engage with customers mainly on social media. Two distinct channels, namely Bell Equipment Global ADT and Bell Equipment South Africa, were created on LinkedIn, Facebook, Instagram, and YouTube to effectively channel content to our global customer base. The aim is to launch a third channel, Bell Equipment Sugar and Forestry, in 2021. The group appreciates the influence of this form of communication and will be endeavouring to constantly improve its reach.

In keeping with the growing trend towards online communication, and to conserve cashflow, the group reduced its print media advertising. Instead, in addition to the group's own Bulletin

magazines, different direct marketing methods like email e-cards and customer surveys were employed, the results of which are easier to quantify.

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.

Although the annual technical services seminar was not held due to the pandemic, the technical services team was able to maintain its role as an important face and aspect of the customer relationship as an essential service and made sure customers around the world were able to continue with their operations.

The work from home strategies brought on by regional lockdowns allowed the team to focus on generating and delivering more online courses and these were met positively by those who were engaged by this medium.

An increased acceptance amongst all players in the industry to online and virtual meetings is seen as a positive move during the year. While direct face to face communication will never be totally replaced, the group will focus on rolling out more virtual communication and training platforms going forward.

The rollout of the Aspire dealer relationship programme slowed in the early part of the year and could only be reinitiated through virtual platforms during the second half of 2020. A number of dealers are now active in the programme and incorporating more dealers will be a key action for 2021. The programme uses various specific metrics aligned to rewards that will drive improvement in both the dealer and Bell.



MANUFACTURED



INTELLECTUAL

The group's manufacturing operations form part of a complex international supply chain. We strive to continuously improve our efficiencies and quality standards while working closely with our supply partners to ensure rapid response to our evolving customer needs.

In South Africa we remain reliant on infrastructure stability in so far as power, water, port facilities and roads are concerned. Infrastructure reliability in the country remains a concern and the group continues to monitor this to mitigate risks that could develop.

The extension of the group's Eisenach-Kindel facility in Germany has created further manufacturing efficiencies for both our German and South African operations. The investment demonstrates the group's commitment to being a global manufacturer as it continues to enhance its flexibility to respond more efficiently to customer requirements in our northern hemisphere markets.

Product costs and manufacturing reliability are continually benchmarked to world class standards and guide our 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 and know how to remain lean and cost competitive.

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 systems and compliance with international regulatory requirements. Adequate investment has been allocated to manufacturing capacity and technology to ensure that our global manufacturing operations continue to operate sustainably amongst the best in the world.

The continued gathering of momentum for autonomous developments and projects in 2020 have shown us how close to market we are in this regard. Though still in the early adopter and commercial investigation stage there has been increased requests for information on what is possible and discussions on potential real world commercial opportunities.

The Bell ADT Mark 3 upgrade at the end of 2019 made all Bell ADTs ready to integrate with a pedestrian detection system (PDS) and crash avoidance system (CAS). This provided an important foundation to enable the group to provide an 'autonomous ready' ADT.

Additional vehicle control systems have been developed and trialled to position the group to have a system available when the need arises.

Bell has decided to be technology agnostic, being able to partner with various sensor and software specialists according to our customer's needs and preferences. This gives our customers the ability to run different brands of equipment in one autonomous operation. This concept was trialled during 2020 when two B30E trucks worked on an autonomous quarry site in the Alps with pleasing results.

ADT innovation has been carried through to our new generation low profile ADTs for underground mining, which are fitted with all our standard features for safety, productivity, and machine protection. This includes keyless start, hill assist, speed control, bin tip prevention, auto park application and turbo spin protection to protect the engine. Onboard weighing is now standard on these trucks and Bell Equipment's proprietary fleet management software, Fleetm@tic®, enables machine owners to access daily production figures.

In addition, future investments in information and communication technology will increasingly transition Bell after sales service into the digital space.



Face masks were removed briefly for the purpose of the photograph

Stakeholder relations report *continued*

incorporating sustainability elements



SUPPLIERS AND ALLIANCE PARTNERS

Reason for engagement

- Suppliers and alliance partners are key to the group's performance and core to the group's strategic positioning.

Stakeholder interests and expectations

- Timely payment and fair terms.
- Future growth of the group and understanding the expectations of the group.
- Reputational consistency.
- Responsible and positive brand management.

Methods of engagement and value creation

- 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.

COVID-19 may have affected our ability to engage face to face with our stakeholders but embracing online meetings and communication has proved highly effective in sustaining relationships with suppliers and alliance partners. For example, during the South African lockdown the sales team benefited from online training on partner products.

Unsurprisingly, factory lockdowns and border restrictions affected deliveries by our suppliers and alliance partners, sometimes impacting on our own ability to deliver. In the face of the pandemic many of our partners, both locally and abroad, have also needed to restructure.

As a result of social distancing restrictions, no marketing events were held, and very few customers visited the factory. However, new partner products continued to be introduced to the southern African market and included the tenth generation Kobelco Excavators from the SK210 to the SK520 at various stages of 2020 as well as the SK220XD-10 in November.

The refuse compactor business has proven to be positive in 2020 and Bell has captured a major portion of the market with focused assistance from Bomag. Bell has also performed well in the public sector with Bomag products specifically.

Sales of Finlay units rallied in the last two quarters.

Based on changes in the operating environment of Bell and John Deere, both companies agreed on new arrangements in August 2020, which will see Bell TLB manufacture end in May 2021. The group will distribute Deere products on a non exclusive basis from mid March until January 2023 and will continue to provide aftermarket, technical and product support to our customers for a further 10 years thereafter.

BESSA has been appointed to distribute the full range of JCB construction equipment effective 1 May 2021.

The termination of the Kamaz distribution agreement is reaching a conclusion with the last of the inventory currently being sold.

Communication with suppliers was a challenge in 2020 due to remote working and restricted travel brought about by the COVID-19 pandemic. However, through online meetings and use of technology interaction was maintained and even heightened in some cases.

The Bell Quest for Gold supplier/business partners evaluation programme, which aims to develop mutually beneficial and profitable relationships with suppliers/business partners, implement quality and cost controls as well as measure and reward outstanding performance, continued to operate. The programme targets those suppliers/business partners linked with production and saw over 240 suppliers/business partners being evaluated as part of the 2020/2021 programme.

To avoid overlap with the group's financial year end, the measurement period of the programme was moved to cover the period from 1 April 2020 to 31 March 2021. Considerable time and resources were also spent on streamlining the reporting process, updating the database, and aligning scoring measures to the current business environment, taking timeframes into account. For example, quality was previously measured in terms of parts per million defects but now also considers the action and time taken to resolve defects.

The annual suppliers'/business partners' conference was not held in 2020 due to the virus, but the group is considering a virtual conference in 2021.



LOCAL COMMUNITIES



Reason for engagement

- Empowering local economies builds trust in Bell Equipment while communities benefit from social and environmental initiatives.

Stakeholder interests and expectations

- Socio economic empowerment.
- Community involvement on key issues.
- Employment creation.
- Environmentally responsible.

Methods of engagement and value creation

- 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. Our 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 2020 bursaries were awarded to:

- A third year UNISA student studying towards a Bachelor of Education degree.
- A second year Cape Peninsula University of Technology student studying towards a National Diploma in Mechanical Engineering.
- A third year University of KwaZulu-Natal student who is studying towards a BSc Mechanical Engineering degree.
- A Grade 12 learner at Grantleigh School.
- The Bell Foundation Trust continued its bursary assistance to Zinhle Dlamini for her third year in Mechanical Engineering at Stellenbosch University.



To further assist black women with their education in the engineering and allied fields, the Bell Foundation Trust will increase its bursary sponsorship in 2021 to include an additional two engineering students.

Thuthukani Special School

BECSA has been involved with Thuthukani for many years due to the instrumental role it fulfils in the advancement and development of learners with severe to profound intellectual disability aged 6 to 19 years.

Previous spend with Thuthukani allowed them to build a new play to learn room which they will be naming the Gary Bell Play to Learn Centre. For 2020 it was agreed to continue sponsoring Thuthukani and, with the play to learn room almost completed, it was agreed, at the request of Thuthukani, to assist with the outfitting and equipping of the room and area.

The ability of children with severe to profound intellectual disability to learn through play is affected by the way that their brains work. Thuthukani will therefore use the Gary Bell Play to Learn Centre as a specific resource for teaching children how to play and plans to have themed toys available for each class.

The interior of the room was designed to accommodate various play stations, for example a play kitchen, lounge, dress up area, messy play area and outside play area. Age appropriate toys and play equipment were then required to furnish the room. For the outside play area, a landscaped garden with paths and areas where children can climb, run, jump and drive pretend cars was envisioned.

During the year they built a miniature town with roads, road signs, hospital, school, park, shopping centre and a "sandpit" for dumping trucks and a life size dollhouse with ¾ adult size furniture for a kitchen, dining area, baby room and lounge area. The furniture was not completed by the end of 2020 as COVID-19 impacted on the waiting period for some of the materials required.



Stakeholder relations report *continued*

incorporating sustainability elements



It was hoped to have a grand opening in the first half of 2021, once it has been completed, but this is dependent on what the pandemic will allow both in terms of completing the project and the restrictions on gatherings and schools opening.

The Thuthukani school buildings are on land owned by the Thuthukani Trust and maintenance requirements must largely be funded through sponsorships. BESSA identified Thuthukani as an SED beneficiary for the first time in 2020 and contributed funds towards the following maintenance projects:

- Awnings in front of the senior phase classrooms to provide shade and shelter from the weather.
- Expanding the current intercom system to enable communication with all teachers.
- Upgrading of playgrounds, including landscaping, pavers and jungle gyms.
- A rainwater management project, which included the purchase and installation of water tanks.

In addition to the Thuthukani funding, BESSA contributed R300 000 to AmaZulu FC and R13 000 to Underdogs Pool Club for SED.

Amangwe Village

The long standing relationship between Bell and Amangwe proved invaluable during 2020 as the COVID-19 pandemic affected them for much of the year.

Currently BESSA helps to fund an organic food gardening initiative which empowers Amangwe to maintain an existing garden at Amangwe as a model for replication in rural communities. Replication is achieved by imparting knowledge to community members through a coordinator and trained staff.

R250 000

BESSA spend
for 2020

The garden plays an important role in:

- poverty alleviation
- promoting the role of nutrition in the fight against chronic illnesses, including HIV/AIDS
- providing organic vegetables to the rural community, especially the unemployed
- providing balanced and nutritious meals to children in Amangwe's crèche
- provide medicinal herbs and plants to make ointments for home based carers to treat skin ailments.

40

Community members trained on gardening methods

29

Crèche children who benefited from the garden

Khula Senior Secondary School

BECSA is assisting Khula senior secondary school in Esikhaleni to realise the dream of having their own school hall. The project was launched in December 2018 and the steel structure and roof were financed by the school. At that time BECSA provided additional funds of R100 000 towards the foundation, floor and brickwork and appointed a contractor.

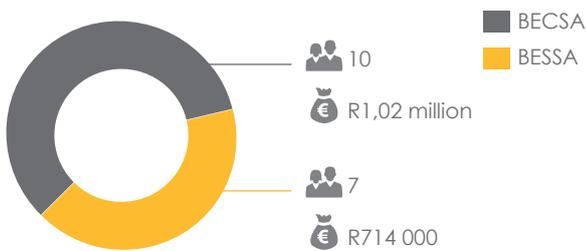
Construction started in February 2019 and the foundation, floor and part of the walls were completed but work stopped when the funds ran out. BECSA contributed a further R200 000 for the continuation of the project. This was used towards brickwork, plastering and electrical work that started early in 2020. The COVID-19 pandemic halted progress and work could only continue when the restrictions allowed. To complete the project, the school requires approximately R1 million and BECSA has donated R250 000 towards this for use in 2021.

R200 000
BECSA spend at Khula senior secondary school during 2020

Disabled learnerships and YES programme

The following spend was made by BECSA and BESSA through Uconomy, formerly Unlockd who underwent a name change in 2020:

Uconomy (formerly Unlockd) spend



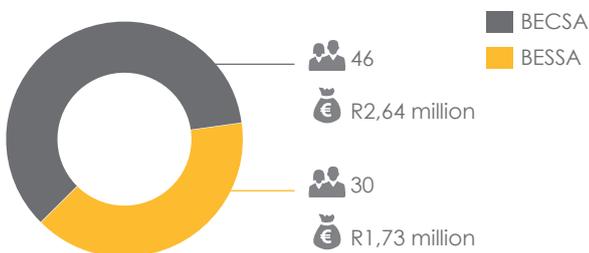
ESD

BECSA contributed R1,081 million towards supplier development. In addition, BECSA contributed R1,198 million towards enterprise development beneficiaries in 2020 from outstanding loans to the value of R3 910 210. These ESD contributions are in the form of grants and developmental loans for the benefit of 51% black owned EMEs and/or QSEs.

BESSA invested in developmental loans with recognised contributions of R2,63 million in 2020 for the benefit of 51% black owned EMEs and QSEs. The outstanding values on these ESD loans amount to R5 274 089. PJLG Steel Works, the 100% black owned EME that offers BESSA welding and boiler making services, continued to benefit from the 5% pa interest bearing loan to expand their business in 2020.

BECSA and BESSA again supported the Youth Employment Service (YES), which actively creates opportunities for young, black South Africans to gain work experience through internships. Some YES learners are being hosted by the GLC and BESSA, both at Jet Park and Rustenburg, where they are obtaining practical experience in the business.

YES spend



Stakeholder relations report *continued*

incorporating sustainability elements

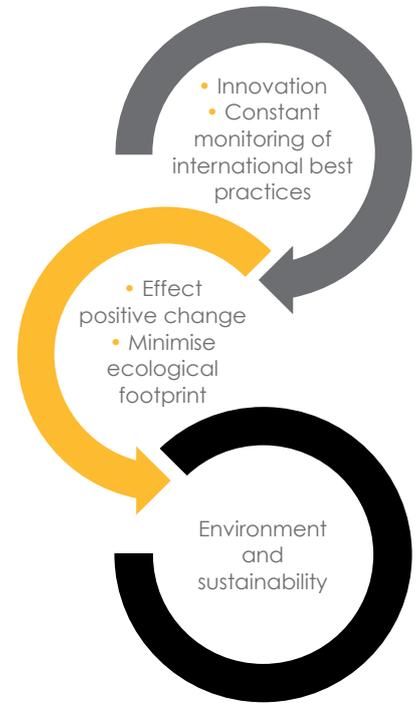


ENVIRONMENTAL

The group's focus is primarily on the Richards Bay facility due to the size and nature of the operation. In 12 other countries we have operations that are low risk in terms of environmental exposure. These are managed and monitored by individual appointed managers to ensure compliance with that country's environmental laws and regulations, including filing reports in terms of the applicable legislation when necessary.

Group policy regarding the environment includes:

- implementing and maintaining environmental management systems that drive continual improvement.
- implementing processes for reducing environmental impact across the organisation with particular emphasis on energy consumption, water usage and waste reduction and recycling.
- ensuring employee knowledge of environmental risks by effective assessment and training.
- seeking to reduce waste and recycle materials where possible and where the means to recycle materials exist.
- preventing and reducing all forms of pollution by employing effective technologies.
- increasing the use of modern communications techniques to reduce the need for travel.
- complying with, and where possible exceeding all relevant legislation, commercial requirements and codes of conduct regarding the impact on the environment of our business.
- maintaining transparent, consultative relationships with all stakeholders through effective communication channels.
- supporting the fundamental human rights of employees, contractors and the communities in which we operate.
- contributing to the long term social, economic and institutional development of our employees and the communities within which our operations are located.



Environmental Sustainability

In terms of the group's policy regarding the environment, the following environmental sustainability initiatives were undertaken in 2020:

| | | |
|--|--------------|--|
| Rainwater harvesting | Richards Bay | Harvested rainwater supplies the wash bays instead of municipal water and is used for the flushing of toilets and urinals in the factory ablution facilities. Due to COVID-19, plans to increase storage capacity were deferred to 2021. During 2021 continuous improvement of the system will provide water security for ablution facilities and some production processes. |
| Machine coolant recycling | Richards Bay | In addition to our specialised liquid recycling units and our thinners recycling plant, machining coolant is now being recycled before disposal. This is controlled by the maintenance process to maintain the quality of coolant and prevent unnecessary disposal of coolant. Machining coolant that is not reusable is sent to a bulk treatment plant. |
| Solar power feasibility investigation | Richards Bay | This project was placed on hold due to delays and difficulties experienced in 2020. Electricity and water usage at the Richards Bay sites are still being monitored along with waste usage and recycling statistics. |
| Electricity saving programmes | Jet Park | Workshop and warehouse lights were replaced with new technology energy saving lights to conserve electricity and realise a cost saving benefit. |
| Waste recycling | Richards Bay | Further to our waste classification programme, as per the Waste Act Regulations and our existing on-site recycling initiatives, our service provider supports the initiative to divert waste to recyclers instead of landfill, thereby reducing the group's impact on the environment. All documents have been received and maintained as per regulation requirements. |

Employee awareness drives form part of toolbox talks while continuous improvements to processes are driven by audits and ongoing projects.

The last external audit showed great improvements in terms of compliance. An action plan was implemented 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 2020. Our main environmental risks have been identified and are being addressed as follows:

- | | |
|-----------------------------------|---|
| Hydrocarbon storage | <ul style="list-style-type: none"> • This is an ongoing exercise. • Bund pallets have been designed and built in house by the tool and design department. This is based on cost saving and custom applications. |
| Hazardous waste management | <ul style="list-style-type: none"> • Employees are educated on the correct disposal methods as an ongoing drive that forms part of toolbox talks and awareness campaigns. |
| Storm water management | <ul style="list-style-type: none"> • All oil traps are serviced on a regular basis and scheduled water quality tests are done on existing water ways. • Waste area has been bunded and an old oil tank has been moved to more suitable location with relevant storm water structures built, in accordance with the storm water management plan. |
| Air quality management | <ul style="list-style-type: none"> • Permits have been renewed and are valid in terms of municipal by laws. • A dust monitoring programme commenced in 2020 with one monitoring station. This will be extended by an additional four stations in 2021. |

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 spelt out in the labour law and ISO 9001:2008 quality management system. No incidents were reported during 2020 and the next internal audit will be conducted during 2021.

Understanding the importance of our environment and our responsibility as a good corporate citizen, Bell Equipment serves on external bodies such as the local municipality's uMhlathuze crisis committee, and liaises with the uMhlathuze water stewardship partnership, which integrates major industries in the uMhlathuze region, which is where the Richards Bay factory is located.

- 2021 plans include:
- increased environmental audits for all processes to provide an in depth review of waste management, and therefore improvements to recycling.
 - continued dust monitoring.
 - developing a greenhouse gas emission report for the Richards Bay factory.
 - renewal of necessary permits in Q3 2021 in terms of municipal water and waste management by laws.

Stakeholder relations report *continued*

incorporating sustainability elements



GOVERNMENT

Reason for engagement

- The group's relationship with governments impact on its ability to contribute towards job creation, broader economic, social and environmental objectives globally.

Stakeholder interests and expectations

- Socio economic growth.
- Skills development.
- Employment creation.
- Transformation.
- BBBEE.

Methods of engagement and value creation

- Local design and manufacture of equipment and the use of locally produced materials.
- Employer of 2 521 South Africans.
- Senior executive meetings with officials at various levels of government.
- Participation in industry consultative bodies and public forums including:
 - 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:
 - trade ins and the Bell Backed Loan Scheme for qualifying small black owned businesses.
 - earthmoving equipment apprenticeship programmes.

In the past year Bell Equipment engaged with the IDC, SEFA, and other lenders, sometimes jointly with SANRAL, with a view to finding a funding solution to assist contractors to access funds for projects. These engagements are ongoing.

The proposed DMRE's mining charter is presenting some opportunity and challenges for the group. While there have been numerous engagements between local manufacturers and DMRE, the OEM forum is making significant inroads in fighting the local content prescripts of the mining charter.

The RT57 programme continues to bear good fruit but the stiff pricing competition is hampering our best efforts. We are therefore pleased that President Cyril Ramaphosa has issued strong statements on the 'Buy Local Campaign', which will hopefully filter down to the next RT57 programme in 2022.

We are in close discussions with the Presidential Infrastructure Coordination Council and administrators of the Presidential Infrastructure Fund, who are responsible for identifying and rolling out 276 projects with a total investment value of more than R2,7 trillion. Budgetary allocations for this process have been made to the DBSA, the Government Technical Advisory Centre and the Presidential Infrastructure Coordinating Commission's Technical Project Management Unit.

BESSA has always maintained that service delivery takes place at local government level. To this end, we have actively participated in the President's Khawuleza Initiative that piloted the district development initiative. We intend to further improve relations at this level and to partner with municipalities to further contribute towards improving infrastructure in rural communities.

SHAREHOLDERS, INVESTORS, FINANCIERS AND INSURERS



Reason for engagement

- To create an informed perception of the group and its activities.

Stakeholder interests and expectations

- Group strategy implementation.
- Group performance and sustained returns on investment.
- Leadership strength and management depth.
- Risk management.
- Transparent executive remuneration.
- Alignment of values.
- Responses to macro economic and socio economic environment.

Methods of engagement and value creation

- AGM.
- IAR and Interim results.
- SENS announcements.
- Media relations.
- Group website including a dedicated investor relations page.
- Dividend policy.
- Sound corporate governance.
- Meetings, roadshows and ad hoc telephonic engagement, outside of a closed period.
- Market perception audits.

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. The social, ethics and transformation committee of the Bell Equipment Limited board, as detailed in its report incorporated in the AGM notice, 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, pertinent events or corporate actions and governance, relevant to the business and which could impact the share price.

An investor relations company is engaged to assist Bell with its annual investor relations programme. This programme includes presentations to shareholders, financiers 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 financial 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 developments in the group. Interactions are through meetings, face to face engagements, business and financial updates.

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