

Stakeholder relations report

incorporating sustainability elements

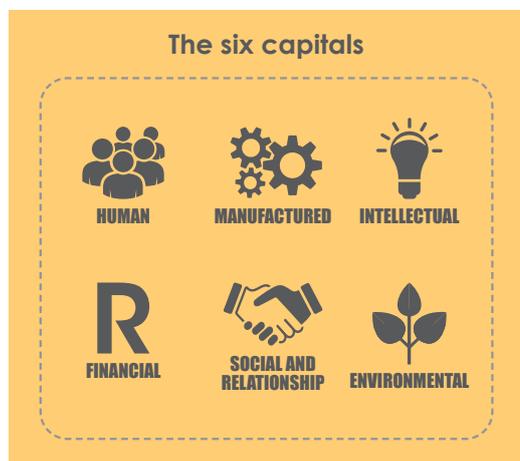
Bell Equipment's stakeholders are those individuals, groups and organisations that affect and are affected by Bell Equipment's activities, products or services and associated performance. Engaging with and building relationships with its stakeholders is key to sustaining the group's business. Bell Equipment's key stakeholder base includes 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 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 has been enhanced by focusing on the six capitals and understanding the value created by the group by employing these six capitals. Through carefully identifying the interests and expectations of each key stakeholder group Bell creates 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 while investing 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.

Stakeholder relations report *continued*

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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.
- Voluntary vaccination programme in South Africa.

Worldwide employee long service awards in 2020 and 2021



Local employees reached long service milestones during 2020 and 2021



Employees worldwide reached long service milestones during 2020 and 2021

While COVID-19 continued to have an impact on the group's employees around the globe in 2021 Bell is confident that the rollout of vaccination campaigns around the world will eventually bring the pandemic under control.

The devastating looting and unrest in KwaZulu Natal and Gauteng in July 2021 negatively influenced Bell employees and the greater communities in those areas financially, physically, emotionally and mentally. During the unrest employees were placed on leave and allowed to use future leave to cover this period so that those with insufficient paid leave due to them would be paid their salaries and not be financially distressed.

Bell Equipment made available the services of a psychologist, its clinic doctor and councillors from various institutions to counsel employees who needed support to deal with the pressures and consequences of the riots as well as with the ever present pressures of COVID-19, working from home and maintaining a healthy work life balance and family relationship dynamics.

Over and above its own clinic sisters and human resources staff, who are always available to assist and counsel employees who approach them for guidance and advice, Bell procured the services of SANCA and other community based non profit organisations and churches. They helped counsel employees who were dealing with alcohol, drug and other social and relationship issues. The group also partnered with banks and Old Mutual, and consultants from financial institutions were made available on request to assist employees in their personal capacities with financial advice and guidance.

A highlight of the year was the opportunity to acknowledge and celebrate 158 local employees who reached long service milestones during 2020 and 2021. Functions were held over two days at Richards Bay factory to ensure COVID protocols could be followed.

During 2020 and 2021 there were 297 Bell Equipment employees worldwide who qualified for long service awards of which 223 employees received 10 year awards, 65 received 20 year awards, seven received 30 year awards and two were presented with 40 year awards.

Employment equity summary: actual December 2021

The following tables illustrate the breakdown of employees within Bell Equipment's South African operations.

Occupational levels		Female				Male				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	1	2
	Professionally qualified and experienced specialists and mid-management	7	0	3	3	10	0	16	15	54
	Skilled technical and academically qualified workers, junior management, supervisors, foreman and superintendents	12	1	7	10	58	8	89	41	226
	Semi-skilled and discretionary decision making	106	11	25	6	460	17	118	40	783
	Unskilled and defined decision making	2	0	0	0	5	0	1	0	8
	Grand Total	127	12	35	20	533	25	224	97	1073
BEGS	Top management	0	0	0	0	0	0	0	1	1
	Senior management	0	0	0	3	0	0	2	4	9
	Professionally qualified and experienced specialists and mid-management	2	0	3	14	20	2	10	79	130
	Skilled technical and academically qualified workers, junior management, supervisors, foreman and superintendents	10	3	9	17	33	3	23	28	126
	Semi-skilled and discretionary decision making	19	2	9	18	48	2	5	1	104
	Unskilled and defined decision making	0	0	0	0	3	1	0	0	4
	Grand Total	31	5	21	52	104	8	40	113	374
BESSA	Top management	0	0	0	0	0	0	0	0	0
	Senior management	0	0	1	0	1	0	0	1	3
	Professionally qualified and experienced specialists and mid-management	1	2	1	2	3	1	2	13	25
	Skilled technical and academically qualified workers, junior management, supervisors, foreman and superintendents	3	3	2	9	89	14	13	104	237
	Semi-skilled and discretionary decision making	37	11	6	28	78	12	17	9	198
	Unskilled and defined decision making	2	0	0	0	4	0	0	0	6
	Grand Total	43	16	10	39	175	27	32	127	469

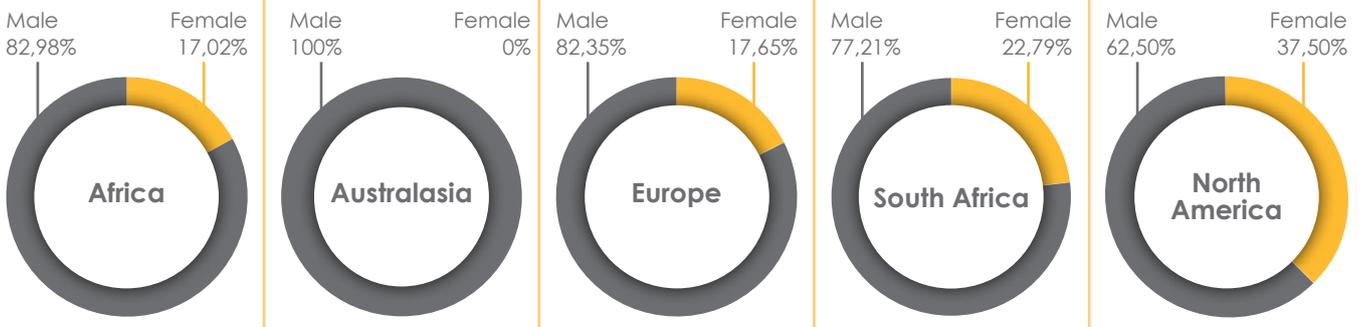
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Employees with disabilities - BECSA, BEGS and BESSA combined

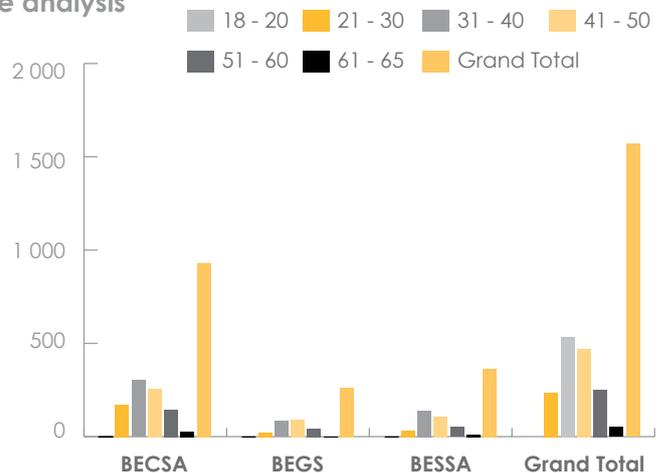
		Female		Male		Grand Total
		African	Coloured	Indian	White	
Occupational levels						
BECSA	Professionally qualified and experienced specialists and mid management	0	0	1	1	2
	Skilled technical and academically qualified workers, junior management, supervisors, foreman and superintendents	0	0	1	1	2
	Semi skilled and discretionary decision making	1	0	1	0	2
	Grand Total	1	0	3	2	6
BEGS	Skilled technical and academically qualified workers, junior management, supervisors, foreman and superintendents	0	0	0	1	1
	Grand Total	0	0	0	1	1
BESSA	Professionally qualified and experienced specialists and mid management	0	1	0	0	1
	Semi skilled and discretionary decision making	2	0	0	0	2
	Grand Total	2	1	0	0	3

Bell Equipment total workforce ■ Male ■ Female



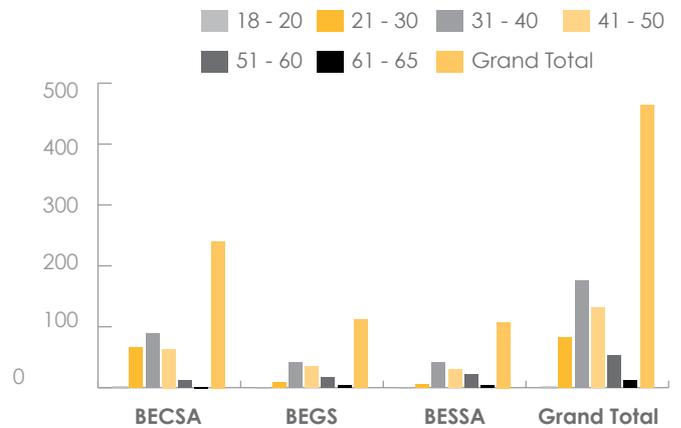
Combined BECSA, BEGS and BESSA male workforce age analysis

	BECSA	BEGS	BESSA	Grand Total
18 - 20	4	0	0	4
21 - 30	175	26	39	240
31 - 40	307	89	143	539
41 - 50	263	98	112	473
51 - 60	151	48	57	256
61 - 65	33	8	16	57
Grand Total	933	269	367	1569



Combined BECSA, BEGS and BESSA female workforce age analysis

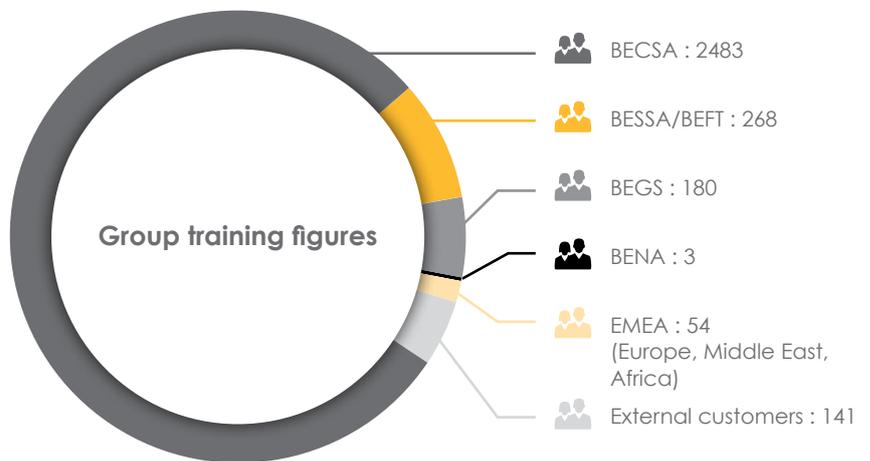
	BECSA	BEGS	BESSA	Grand Total
18 - 20	3	0	0	3
21 - 30	67	10	7	84
31 - 40	90	43	43	176
41 - 50	65	37	31	133
51 - 60	13	18	23	54
61 - 65	3	5	5	13
Grand Total	241	113	109	463



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 Richards Bay and Johannesburg, South Africa. Training is focused 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 customers.

Bell invested in an online cyber awareness training platform to ensure users remain vigilant to external threats and educated as to potential risks. This is an ongoing initiative as a part of the group's cyber security program.



Group workforce training by type

	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	1
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

During 2021 the group continued to engage with MOTTO Human Research, which held 110 coaching sessions with the GEC and 47 sessions with senior managers as part of a change management plan. From the collective qualitative data obtained, workshops were compiled for senior and middle management on influence and leading beyond authority as part of a leadership development plan. Six leading beyond authority workshops were attended by 82 senior and middle managers, who found the sessions beneficial especially as Bell is managed through a matrix organogram where the ability to 'lead beyond authority' or influence teams and individuals who do not report directly to such a manager is critical but can be challenging.

In addition, the MOTTO self perception tool was used on an ad hoc basis to kick off the individual coaching processes and coaching of at risk individuals within the organisation also took place as part of the change management plan.

An engagement survey was undertaken with Bell UK staff and feedback sessions on the survey results were subsequently conducted.

Stakeholder relations report *continued*

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Health and Safety

The safety and well being of all the group's employees, contractors, suppliers and customers are of paramount importance to Bell Equipment and fundamental to the sustainability and growth of its operations. Bell Equipment's aspiration is to operate sustainably, without harm to people, the environment and the communities in which it operates. Every company desires safe operations, but the challenge is to translate this desire into action. Written rules, standards and procedures are important and necessary, but are not enough. Bell Equipment has developed a culture in which the value of safety is embedded in every level of the workforce.



Management and organisational factors have a strong influence on accidents and incidents, either directly or through their impact on the behaviour of its employees. Employers and employees at all levels of the organisation are 'safety champions' when it comes to a behaviour based safety approach.

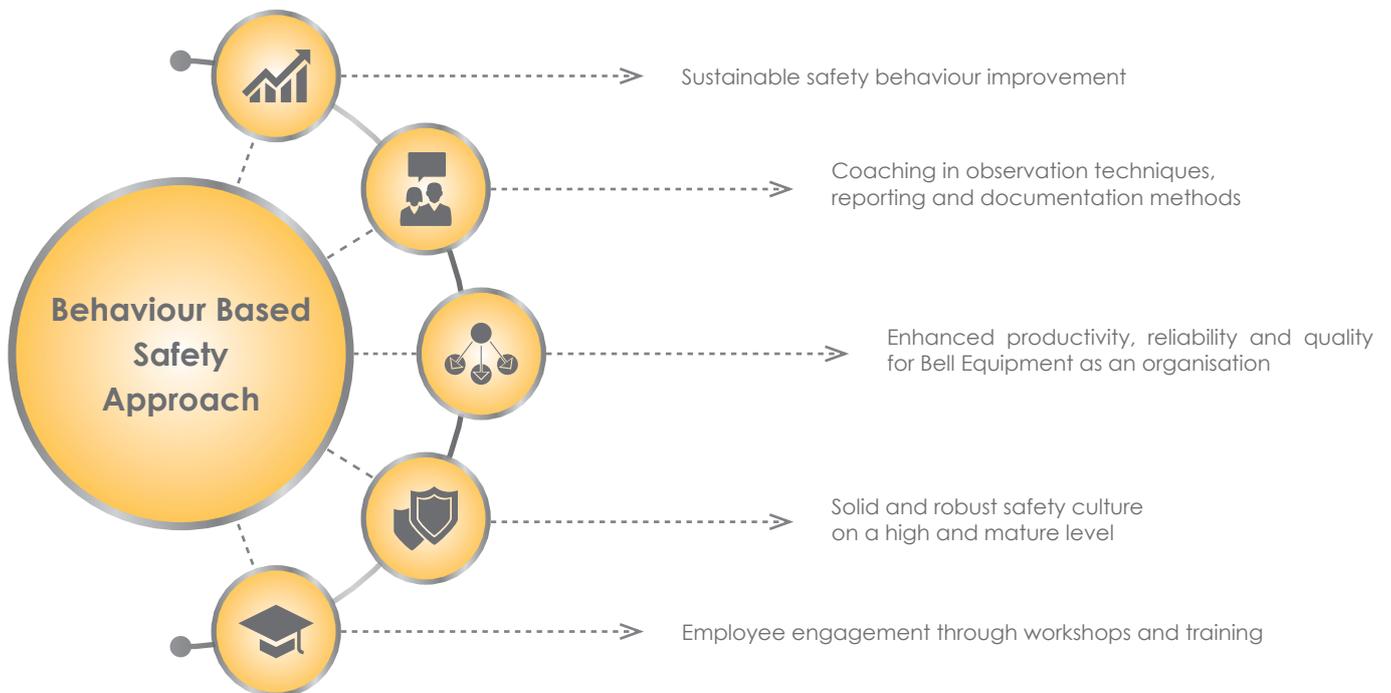
The behaviour based programme lays the foundation for the company to move towards a change in safety culture. Management and employees work together towards the aim of a total safety culture.

In a total safety culture:

- individuals hold safety as a 'value' and not just a priority
- individuals take responsibility for the safety of their co-workers in addition to themselves and
- employees at all levels are willing and able to act on their sense of responsibility – they go 'beyond the call of duty'.

Bell Equipment's behaviour based safety programme is a process that complements the other elements of a good incident reduction programme. These other elements are: hazard elimination, substitution to reduce a hazard, engineering controls, administrative controls and personnel protective equipment. Behaviour based safety has moved the group

beyond workplace audits and inspections, past the policing role and closer to really knowing how much the workforce understands their work practices, procedures, conditions, and behaviours that cause them to make mistakes. Behaviour based safety is a proactive process that helps to get changes in its work group's safe behaviour levels before incidents happen.



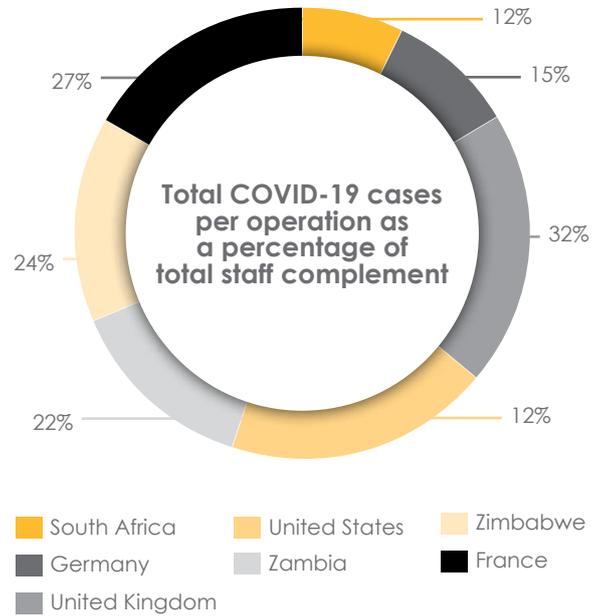
As required by South African regulations, Bell Equipment has well established safety and health committees at all the relevant divisions that approve and implement mandatory safety training and operating procedures. Safety staff oversee compliance audits, site conditions, and identify and allocate any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

COVID-19

Bell continues to ensure that its policies and procedures, developed in terms of the relevant regulations and requirements for all its operations, are adhered to and that employees are kept well informed of changes and updates through continual communication and training.

In fulfilling this commitment, a healthy and safe work environment is provided and maintained as indicated by acceptable organisational practices and compliance with legislative and other requirements, and Bell strives to eliminate any foreseeable hazards which may result in illnesses and infections. To achieve the above, Bell Equipment has, as far as reasonably practicable:

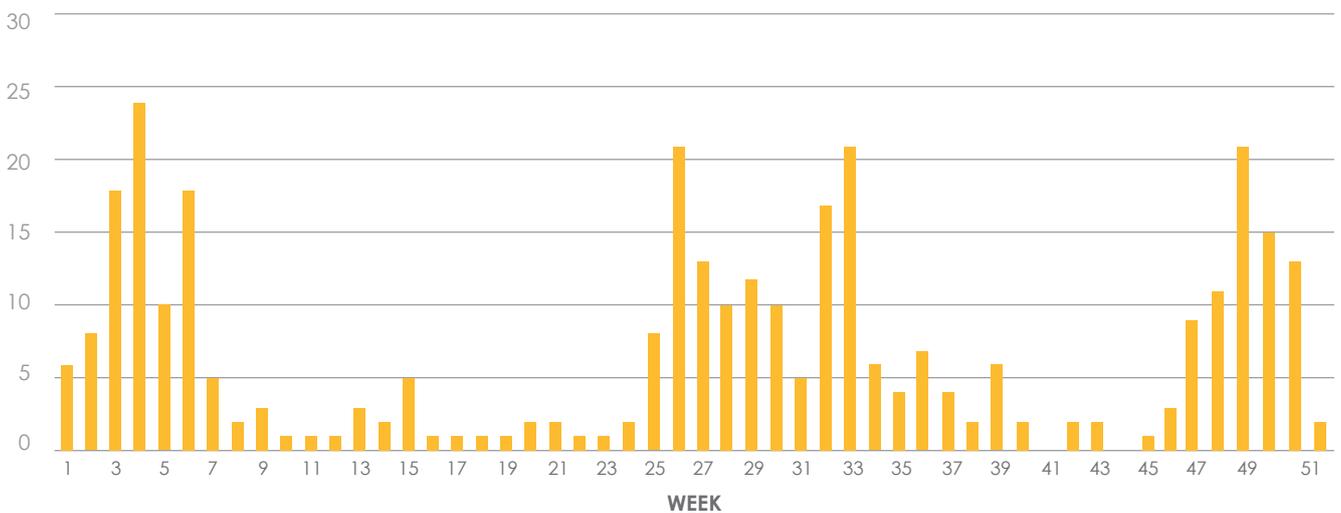
- followed health advice and information from the World Health Organisation, as an international source, and the Department of Health and the National Institute of Communicable Diseases, as local sources
- updated its risk assessments in respect of COVID-19 and adapted measures required in terms of regulations specific to the working environment
- consistently provided updates on COVID-19 to employees and its approach at work regarding attendance and preventing the spread of infection
- ensured that there are adequate facilities for employees to wash and/or sanitise their hands regularly within the workplace. Stringent disinfection measures were also adopted for high risk work areas and places
- identified vulnerable workers and implemented mitigating actions to protect their health
- enforced social distancing and implemented work from home strategies where possible
- implemented screening of employees and visitors to ascertain whether any employee or visitor has any of the commonly reported symptoms associated with COVID-19 before entering the workplace
- provided employees with face masks and any other personal protective equipment as prescribed free of charge
- implemented induction programmes to ensure all employees are aware of COVID-19 symptoms, how infection is spread and what preventative actions to take.



Ongoing communication with the entire workforce is critical. Bell Equipment frequently communicates COVID-19 related information via email and SMS to all staff members. Safety notice boards have been placed on the factory floor and offices and are updated daily with the notices sent via electronic channels.

As of 31 December 2021, Bell Equipment had a total of 441 positive cases reported in the group from the onset of the pandemic of which 358 were reported at its South African operations. Four employees regrettably passed away due to COVID-19 complications.

Bell Equipment COVID-19 cases for 2021



Stakeholder relations report *continued*

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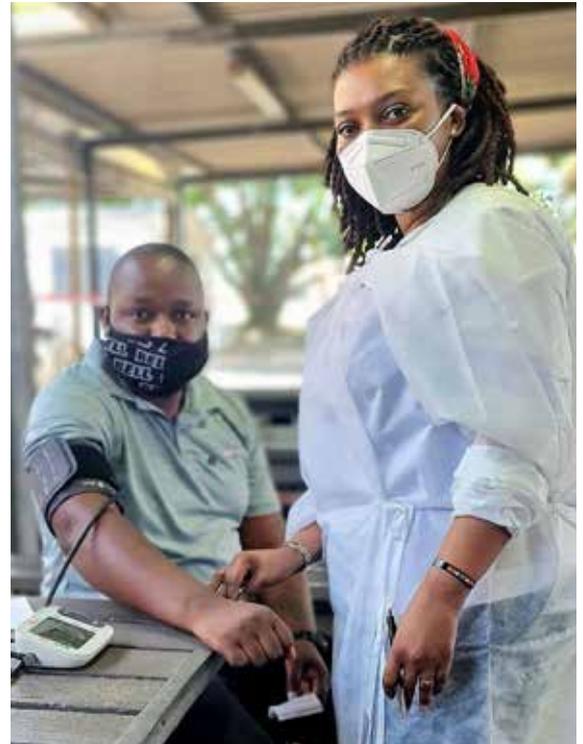
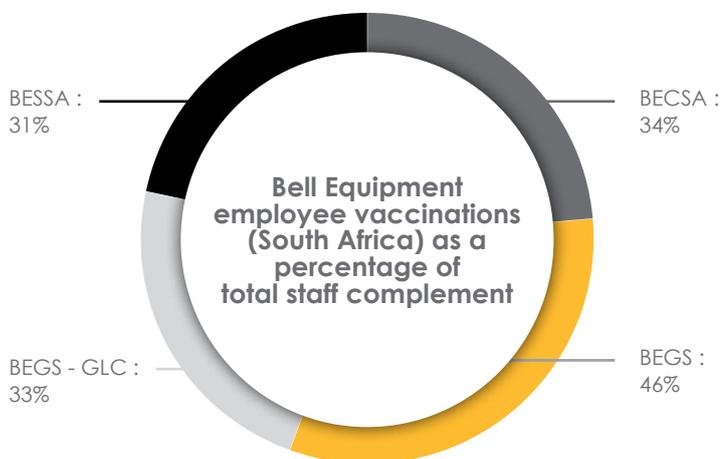
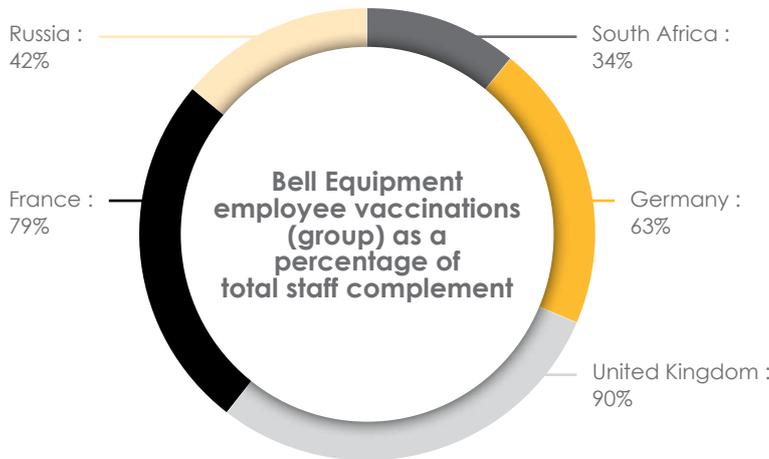
Vaccinations

Bell Equipment acknowledges that vaccines are an important part of mitigating the spread of COVID-19 in the world. Workplace vaccinations are voluntary at all its operations and Bell Equipment encourages all employees and their families to get vaccinated. To facilitate vaccinations Bell initiated a voluntary vaccination programme in South Africa in partnership with Momentum Health whereby employees were vaccinated onsite at the Richards Bay factory and at Jet Park. The campaign resumed in 2022 to enable those who received their first vaccination the opportunity to get a second vaccination and later also a booster vaccination. It also gives those who have not yet come forward a further chance to get vaccinated. As an incentive Bell sponsors R300 Game vouchers to every employee who submits proof of being fully vaccinated.

South African law currently does not impose any legal duty or obligation on employers to provide or enforce compulsory vaccination for employees. Bell Equipment will be closely monitoring any changes in the law and will follow best practice in terms of vaccination programmes for its employees.

In some of the European countries Bell operates under stricter requirements concerning mandatory employee vaccinations and testing. Bell Equipment conforms to all the relevant requirements regarding employee vaccination and pre entry testing at its facilities in these countries.

Employee vaccination rates per region:



CUSTOMERS



INTELLECTUAL



SOCIAL AND RELATIONSHIP



MANUFACTURED

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, Facebook, LinkedIn, Instagram and YouTube.
- Website.
- Ongoing product testing.



INTELLECTUAL



SOCIAL AND RELATIONSHIP

After an unprecedented lean year in 2020 in terms of in person customer interaction, it was pleasing to be able to host a handful of factory tours during 2021, interact with customers at an open day at Bell Cape Town and hold a Bell Golf Day at the Serengeti Golf and Wildlife Estate in Gauteng in October, which was well supported and received. In addition, various branches supported golf days organised by customers in their areas.

The group's goal for the coming year will be to focus on growing our face to face customer interactions to fully re-establish relationships. While Bell has not exhibited at any virtual trade shows during the pandemic, the group is excited to physically attend the international shows of Hillhead and Bauma Munich planned for 2022. Several local customer open days and shows are also planned including NAMPO, Institute of Quarrying and the Royal Show in Pietermaritzburg.

The group continued to expand its support of email ecards and online advertising to communicate with customers and potential customers. There was focus on creating meaningful content for its bellequipmentglobal and bellequipmentsa social media handles on LinkedIn, Facebook, Instagram and YouTube to grow Bell's following. For the first time the group also invested in an extensive community newspaper advertising campaign locally to create awareness of the JCB dealership.

Bell Equipment continues to 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 services and parts transactions. Customers are asked to rate their perception of Bell Equipment's service. The group's service rating remains in the world class range.

With international travel restrictions having been in place due to COVID-19, the technical services team focused on making more online training courses available. The team eagerly resumed face to face operator training in countries where travel was allowed.

The Bell care packages, covering service and maintenance of the group's product range, were rolled out to Bell UK in 2021 following the strong acceptance by its local customer base when it was launched the previous year. The packages will be introduced to the rest of the dealer network in 2022.

As part of the group's strategy to introduce digital solutions for customers to make doing business with Bell easier, door to door delivery of Bell parts was successfully introduced across the South African dealer network. A global pre owned equipment website that launched earlier in the year enables customers from around the world to shop all the pre owned equipment available from Bell and its participating dealers from one user friendly and convenient website.

While COVID related travel restrictions have limited the group's ability to meet dealers and their customers face to face, online platforms have proved to be largely effective and have enabled new market development and integration into new territories to continue. Going forward the group will look to create a balance between these two methods of engagement.

The rollout of the Aspire dealer relationship programme commenced in Europe during 2021. The programme is a useful tool with which to formalise communications with dealers regarding important business aspects between the OEM and dealers and has been designed to incentivise dealers who exceed their pre agreed targets for unit sales, marketing efforts, parts sales, training and tooling.

Stakeholder relations report *continued*

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MANUFACTURED

Bell Equipment has built its brand through providing strong reliable solutions to its customers. Employees, investors, and business partners enjoy long term growth and benefits from this reputation. Central to maintaining and growing this reputation are the group's manufacturing operations.

Bell has adopted a lean manufacturing philosophy and declared a 'war on waste' (Bell WOW) which seeks to maintain its competitive advantage and protect employment considering the logistic challenges faced by the group's complex local and international supply chains. This is a measured methodical approach to review current processes and systems that will ensure that Bell sustains continuous improvement in the long term to support its strong, reliable manufacturing foundation.

Best in class practices, such as 5S (sort, set in order, shine, standardise and sustain) with its focus on a foundation of good housekeeping have already been implemented. This has resulted in neat and tidy workplaces, which has enhanced work efficiency as well as contributed to better quality and safety throughout the plants.

It has also provided an excellent foundation upon which to launch the Bell WOW initiative. Waste can be classified into eight different types: transport, inventory, movement, waiting, overproduction, over processing, defects and skills. Bell will be using this renewed focus to identify activities and processes in all these areas that are not adding value to its customer and improve, reduce or remove them where possible. Bell Equipment's focus is on ensuring the people and processes producing value are supported. Essentially to make the job of meeting the production plan easier for those doing the work.

The lean manufacturing initiative fully supports and enhances the 1-BELL focus areas of customer, quality, team, efficiency and safety.



Customer machine handover to Alfieri Holdings



INTELLECTUAL

To remain relevant and resilient from a technology perspective, the group understands the need to invest in new technology to keep its products at the cutting edge of innovation and IT that can improve its processes and the way in which it interacts with its customers.

Products

Though autonomous vehicle developments in the markets are still in the early adopter and commercial investigation stage there have been increased requests for information on what is possible and discussions on potential real world commercial opportunities.

The ability to integrate Bell ADTs with third party pedestrian detection systems (PDS) and crash avoidance systems (CAS) has 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 platform that enables the easy integration of the Bell ADT with systems offered by various autonomous site control specialists. This gives its customers the ability to operate different brands of equipment in one autonomous operation.

ADT innovation has been carried through to Bell Equipment's new generation low profile ADTs for underground mining, which are fitted with all the group's 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.

2021 saw further ADT innovative developments including the upgraded rear suspended mounted rear axle on the B45E 4x4 ADT. This, together with the Bell 'comfort ride' adaptive front suspension system, improves ride quality and productivity. The B45E 4x4 bin concept derived from the well accepted B60E, has been improved on load over height to facilitate easier loading with various load tools.

Bell Equipment officially launched the Bell tracked carrier, a niche product designed to meet market requirements in the North American market. Offered in 7 ton and 11 ton versions, these machines offer a premium solution for soft, undulated underfoot conditions. The tracked carrier offers features synonymous with the Bell brand including superior ride comfort, product safety features and economical operations. The innovative six roller under carriage with compound walking beams have been designed to equally distribute weight, and keep constant roller contact with the ground increasing ride comfort and increase track life. Bell will continue to explore new markets for this innovative product.

Processes

The implementation of SalesForce CRM for the Bell owned South African dealership digitised a manual, paper based sales process allowing for greater visibility, analysis and management on a detailed level. Further investment in the deployment of CRM to other Bell owned dealer operations is planned for 2022.

The incorporation of the ALC on the Bell Rise within SAP platform forms the foundation for online parts functionality and allows for streamlining of intercompany processing between the hubs as well as greater visibility into groupwide inventory. The group has invested in the platform and will migrate its existing instances of SAP for the hubs onto this solution during 2022. This will underpin the replacement of its legacy system for the Richards Bay factory in 2023.

Continued development using the Microsoft platform has enabled the digitisation of several manual processes in the group, which has contributed to greater efficiency and visibility of internal processes. This development will continue in 2022.

The Bell customer experience is a key focus area for the group's digital technology team, which has many projects in progress to provide digital tools that will increase the ease of doing business with Bell. Making sure machines are running smoothly from service to service takes a lot of data to be in the right hands at the right time. The digital technology team has been focused on changing the way the group works, implementing digital processes, improving functional processes, and designing and implementing new architecture and tools. All these tools like Bell online parts, business portal, support portal, Fleetm@tic®, and mobile Bell support application, helps its customers as well as its own employees and dealers who need to support its customers. These tools are focused on making it easier to get to the right data needed, streamlining processes digitally to improve efficiency and speed, and making sure data is captured accurately for integration into existing systems and new ones. Bell is excited about this journey of creating and maintaining new and better integrated solutions for its customer through the process of digital transformation.



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.

In general, global logistics challenges and commodity prices pushed out lead times, deliveries and increased pricing of imported alliance partner products in 2021.

By far the group's most significant dealer event during the year was the appointment of BESSA as the South African dealer for JCB construction equipment, which came into effect on 1 May 2021. Due to the pandemic and related travel restrictions this partnership was established over Microsoft Teams, which is a first for Bell. It was impressive to be able to manage the transition process in this way.

Importantly, this partnership allows for consolidation and provides a premium line up of machines for construction and mining and increases Bell's offering into agriculture. The range includes backhoe loaders, excavators, wheel and compact loaders, rollers, telehandlers, skid steers and rough terrain forklifts. Due to challenges in the market, Bell has seen an increased acceptance of non premium built units and JCB provides both European and Indian build product to satisfy the different market requirements.

There is huge potential for this partnership in terms of increasing machine sales volumes locally and the JCB product introduction has already started to contribute to its South African business. Considerable investment has been made to ensure sales and aftersales support is in place to drive this business. This includes the rebranding of branches from the entrance to the reception and parts counters and training of staff.

Following the new arrangement reached with John Deere in 2020, Bell migrated to a non exclusive dealer of Bell branded Deere construction products in March 2021 and ceased representing Deere forestry products. At the same time the manufacturing agreement relating to TLBs and wheel loaders was also terminated.

With the subsequent appointment of BESSA as the JCB dealer, Bell stopped distributing Bell branded Deere TLBs and wheel loaders from 1 May 2021 but will continue to distribute Bell branded Deere graders until 1 January 2023. The group will continue to provide aftermarket, technical and product support to its customers with Bell branded Deere products for 10 years thereafter.

After a beneficial 12 year partnership Bell relinquished the Bomag dealership as part of the consolidation process. The single drum rollers and sit on tandem rollers have been the biggest contributors in the compaction environment and these products have now been replaced by the JCB range of compaction equipment.

Due to COVID, interaction between the group's strategic partners has taken place virtually, however, two successful open days were held in Bell Cape Town in September to introduce customers to the new JCB product range and the existing Kobelco range of excavators.

Both the Kobelco and Finlay partnerships remain strong and valuable, and Bell was pleased to host a Finlay delegation in South Africa during the first quarter of 2022.

The group works closely with suppliers, as its business partners, and its alliance partners to ensure a competitive advantage by focusing on customer satisfaction, continuously improving product/s and productivity, servicing markets with agility, reducing total cost and assisting in growth opportunities.

This is largely achieved through the well established Bell quest for gold evaluation programme that aims to develop mutually beneficial and profitable relations with its suppliers and alliance partners, implement quality and cost controls as well as measure and reward outstanding performance. During 2021, 326 suppliers and alliance partners were evaluated as part of quest for gold, which specifically targets suppliers linked with production.

Suppliers and alliance partners are evaluated in six areas: quality, delivery, cost, warranty, flexibility and technical support. South African suppliers are additionally evaluated on their BBBEE scorecard.

COVID-19 has had a substantial impact on the group's supply chain with certain suppliers no longer in business due to the pandemic. Visits to suppliers have been a challenge due to COVID protocols and working remotely, but the group is seeing a greater acceptance of face to face interaction going forward.

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. 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 the 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.

Community relief

Following the unrest and looting Bell contributed R100 000 to the Gift of the Givers Foundation for their campaign to provide disaster relief to KZN and Gauteng communities. A further R100 000 went to the Rebuild Zululand campaign aimed at helping small businesses in the Zululand area rebuild and reopen to save jobs and to rebuild the local economy. Bell also contributed R30 000 to a disaster relief fund started by one of Bell's customers, DSP Group, to bring relief to affected families in the forestry related communities. These contributions assisted in rebuilding small businesses and providing food and other relief to affected employees and the greater surrounding communities affected by the unrest.

Bursaries

In 2021 bursaries were awarded to:

- a fourth year Bachelor of Education student at UNISA
- a third year student at the Cape Peninsula University of Technology studying towards a National Diploma of Mechanical Engineering and
- a fourth year Bachelor of Science: Mechanical Engineering student at the University of KwaZulu Natal.

To further assist black women with their education in the engineering and allied fields, the Bell Foundation Trust awarded an additional two bursaries. In total two fourth year students and one second year student were sponsored for their mechanical engineering studies at Stellenbosch University.



Stakeholder relations report *continued*

incorporating sustainability elements



SED Projects

Thuthukani Special School

BECSA has had a long term relationship with Thuthukani for many years after identifying it as an organisation that sincerely fulfils a role in the advancement and development of learners with severe to profound intellectual disability aged 6 to 19 years in the community. This is the second year that BESSA has also contributed to this worthy beneficiary.

Previous spend with Thuthukani allowed them to build a play to learn centre, which they named the Gary Bell Play to Learn Centre. After some delays caused primarily by the COVID-19 pandemic, group chairman Gary Bell and HR Director Johan van Wyngaardt joined Department of Education representatives, school management and the school's founder, Jo James, for the official opening of this centre in November 2021. The opening coincided with the school's 40th anniversary and the launch of a new motto, 'changing lives'.

For the past few years Bell has been involved in more long term projects at the school. In 2021, with the learn to play centre being completed, it was agreed to continue sponsoring Thuthukani by focusing on the school's greatest short term need, that of learner support.

Both BECSA and BESSA chose to focus on this area because the continuation of the pandemic has meant that funds are not readily available for learner support. Without sufficient learner support the school is not able to function and support the number of learners that they do. At present they also have a waiting list of over 250 learners who they are unable to accommodate.

The Department of Education provides limited support in terms of teachers but, with the significant growth in learner numbers, the school governing body needed to raise funds for the balance. The funding from BECSA and BESSA was allocated towards these costs, which included governing body employed teachers and class assistants, volunteer stipends and transport assistance for a year. These staff members fulfil a vital role in supporting the teachers and driving all the extracurricular projects at the school. They also receive in service training at the school to improve their knowledge, ability, and skills in working with learners with disabilities.

"It's unbelievable to see what you have done here and the type of work that you are doing with our children. It's wonderful to be able to take one little step further in helping our children develop. Thank you for the opportunity to play a small role."
- Gary Bell

R2,145 million

total spend by Bell over the five years 2017 - 2021

R304 950

BECSA spend in 2021

R304 950

BESSA spend in 2021

Amangwe Village

Amangwe is another organisation that BECSA has had a long standing relationship with and that also provides invaluable assistance to the local communities. This has proven to be even more invaluable the longer the COVID pandemic has endured.

BECSA identified the early childhood development (ECD) programme as its sponsor area in 2021. ECD focuses on children between the ages of 3 to 5 years old and includes the following:

- management of their onsite creche for 40 children that provides two balanced meals a day, and school readiness for the 5 year olds
- a toy library for 20 rural creches. The toys are loaned out monthly to empower teachers to stimulate the young children and prepare them for formal education
- the training of rural creche teachers to build the capacity of the rural creches and teachers.

The ECD programme started in 2004 with six children at the creche itself and is now registered with the Department of Social Development to cater for 40 children. Priority is given to children who are orphaned, living with a sick parent, children from child headed households, children from single parent families and children at risk. This means that additional funding through sponsorships is Amangwe's only means of being able to run the facility.

This is the first year that BESSA has become involved with Amangwe and the project identified to sponsor was the HIV/AIDS programme. This was the initial programme started when Amangwe was established in 2012 and Amangwe has subsequently grown such that they now have five main areas of focus which are, HIV/AIDS, ECD, women empowerment, organic food garden and foster care programme.

The primary aim of the HIV/AIDS programme is to provide a holistic approach to the prevention and treatment of HIV/AIDS. Services are carried out at a grassroots level and target all people infected and affected by HIV/AIDS within the boundaries of the King Cetshwayo Municipal District.

The programme is implemented in partnership with other stakeholders in support of infected and affected individuals and their families. This is done through raising awareness of the disease, and giving support and counselling, which is done by qualified staff who have been trained on this programme. The awareness is carried out through giving talks to schools, churches, companies and in community events.

This organisation has recruited 25 home based carers who monitor the identified patients, give them support by visiting them in their homes and provide them with the basic care. Some of the basic care includes: bathing bedridden patients, preparing meals for patients whose families are not available to offer care, treat pressure points, provide nappies and linen savers, link them with the nearest clinic, assist in getting documentation, referring them to SASSA and accompanying them if no family member is available, distributing wheel chairs, supplying non medical kits, providing food parcels and providing school uniforms to child headed households whose parents died from the virus. Services are endless depending on the identified need of each patient.

Disabled Learnerships

The following spend was made by BESSA and BECSA through Skills123, in 2021:

	BESSA	BECSA
Disabled black learnerships	R707 000	R1,11mil
No of Learners	7	11

YES

For the 2021 YES Programme, which is the fourth year of Bell Equipment's participation in the initiative, a decision was made to host the candidates inhouse at Bell rather than only be a sponsor and have the candidates hosted by external companies. This gave Bell the opportunity to monitor the candidates inhouse as well as identify potential full time employees, trained with the skills required within Bell, who could be absorbed into the company on completion of the 12 month programme.

The spend and number of candidates taken on for year four of the programme is as follows:

	BESSA	BECSA
YES candidates	R1,59mil	R1,73mil
No. of candidates	30	33

ESD

BECSA had recognised contributions of R1,234 million from supplier development beneficiaries and R813 000 from enterprise development beneficiaries in 2021 from outstanding loans to the value of R2,961 million. These ESD contributions are on initiatives in the form of grants and developmental loans for the benefit of 51% black owned EMEs and/or QSEs.

BESSA has invested in developmental loans with recognised contributions of R1,38 million in 2021 for the benefit of 51% black owned EMEs and QSEs. The outstanding values on these ESD loans amount to R2,76 million. PJLG Steel Works, the 100% black owned EME that offered BESSA welding and boiler making services received a supplier development grant in the amount of R1,93 million in 2021.

R1,468 million

total spend by Bell
over the five years
2017 - 2021

R288 000

BECSA spend
in 2021

R248 000

BESSA spend
in 2021

Stakeholder relations report *continued*

incorporating sustainability elements



ENVIRONMENTAL

Bell Equipment's approach to the environment and sustainability is underpinned by a sincere desire to effect positive change and minimise the group's ecological footprint. This is achieved through innovation and constant monitoring of international best practices. Five main areas are considered material to the group:

1. environmental compliance
2. energy efficiency
3. water stewardship
4. waste management
5. greenhouse emissions.

1. Environmental compliance

Bell Equipment actively strives for high standards of environmental performance in its operations by integrating world class environmental principles into its business strategy. To meet this vision the organisation is committed to:

- implementing and maintaining environmental management systems that drive continual improvement
- reducing its environmental impact across the group with emphasis on energy consumption, water usage, waste reduction and recycling
- ongoing and effective assessment and training to ensure employee knowledge of environmental risks
- waste reduction and the recycling of materials where the means to recycle materials exist
- preventing and reducing all forms of pollution by employing effective technologies
- increasing the use of modern communication 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 its business
- maintaining transparent, consultative relationships with all stakeholders through effective communication channels
- supporting the fundamental human rights of employees, contractors and suppliers within the communities in which the group operates
- contributing to the long term social, economic and institutional development of its employees and the communities within which its operations are located.

Assurance is achieved by scheduled internal compliance inspections and annual external audits at all of Bell's main operations. The last external audit conducted by a qualified and registered authority confirmed great improvements in terms of compliance. There were also no reportable incidents to the DOE that occurred in 2021.



2. Energy Efficiency

In recognising the importance of energy efficiency, the group has initiated various energy saving strategies and is constantly investigating energy saving programmes in South Africa and other countries in which it operates.

Richards Bay Factory

During the upgrade of Bell's main administrative building in 2021 all interior office lights were replaced with energy saving LEDs that are activated by passive infrared motion sensors. The advantage is that the sensors only activate the lights when a person enters an office and switches lights off once the person leaves.

In addition, offices were equipped with energy efficient air conditioners that use double inverter technology with a 70% power saving capability and are programmed to switch off automatically after employees have left the building.

A solar power project is being investigated for the factory whereby part of the factory roof and parking bays would be fitted with solar panels. The project would be designed to generate 1345 kWp (kilowatt peak) and have 100% private equity funding, thereby eliminating the need for lengthy due diligence processes with the lender's legal and technical advisors. This would shorten the implementation period from bid award to commercial operation date. Cost of energy is escalated as stipulated below for the duration of the power purchase agreement.

Kindel and ELC

The ELC administration building and all the offices of the Kindel factory extension were fitted with energy saving lights that, like those in Richards Bay, are activated by passive infrared motion sensors that contribute to further energy efficiencies.

A gas heating system is used during the winter months when temperatures are low as this is currently the most energy efficient way to heat and is more environmentally friendly than conventional oil/diesel heating. The insulation of the buildings is of the highest available quality, which promotes reduced gas consumption as the warehouse and office building are better able to retain heat.

	Power Purchase Agreement Tariff (Y1)	Reduction in tariff	Total savings
20 Year	1.20	7.69%	R16,7 million
15 Year	1.28	1.54%	R 7,4 million
10 Year	1.45	-11.54%	R 124 000

3. Water Stewardship

Bell Equipment continues to be represented on the uMhlathuze crisis committee in Richards Bay, which enables committee stakeholders to be 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 around the uMhlathuze region, on better management of water resources, as well as synergies for waste integration and water saving innovations.

A water harvesting programme has been implemented at the Richards Bay facility, whereby harvested rainwater is used in the operational areas to supply the wash bays instead of using municipal water. Harvested rainwater is also used for the flushing of toilets and urinals in the factory ablution facilities.

A new bulk oil storage facility is being constructed at the GLC in Johannesburg, which will comply to the latest environmental requirements pertaining to hydrocarbon storage and ensure minimal risk in terms of hydrocarbon contamination into the storm water system.

4. Waste Management

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 group's service provider also 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 in accordance with regulation requirements.

On site recycling is another critical aspect of Bell Equipment's waste management process, with separation into three categories taking place at source as far as possible. 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. Awareness drives form part of toolbox talks and continuous improvements to processes in the form of audits and ongoing projects. All waste is being monitored for further improvements to recycling while all records are kept at the SHE office for auditing purposes.

The thinners recycling plant, successfully installed and commissioned in Richards Bay in 2019, has significantly reduced the volume of contaminated thinners requiring disposal. Over and above being environmentally friendly by reducing the volume of hazardous liquid waste, a cost reduction has been realised in terms of the amount of new thinners being purchased and the associated disposal costs despite some challenges experienced in 2021, Bell has thus far recovered over 24 000l of thinners from waste thinners, with a recovery rate of around 60% per batch recycled.

Machining coolant is being recycled before disposal is required. This is controlled by a maintenance process to maintain the quality of coolant and prevent unnecessary disposal of coolant. Nonreusable machining coolant is sent to a bulk treatment plant.

5. Greenhouse Emissions

Although Bell Equipment currently falls outside the requirements for reporting and paying carbon tax, the group recognises the importance of reducing carbon emissions and annual carbon footprint measurements are conducted on emissions generation through its operations.

Bell Equipment Germany has partnered with a large bicycle leasing company to promote bicycle commuting to reduce emissions and create a healthier and friendlier way for employees to travel. Bell employees in Germany can purchase or lease a new bicycle at a reduced cost and interest rate. There is also a tax saving incentive for these employees similar to normal car allowances. Each employee is entitled to two bicycles or ebikes on this programme.

BIKELEASING
www.bikeleasing.de



DAS DIENSTFAHRRAD MIT SPASS UND EINEM GUTEN GEFÜHL UNTERWEGS

- 1 APPLY
- 2 SELECT BIKE
- 3 PICK UP
- 4 RIDE

Stakeholder relations report *continued*

incorporating sustainability elements



MANUFACTURED



INTELLECTUAL



HUMAN

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.
- 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.

The President's reiteration of the 'buy local campaign' and outlining plans of how this will be monitored, is positive for the group.

Engagements with the IDC, SEFA and other lenders were ongoing during the year. SANRAL reported that national treasury has been engaged with a view to finding ways of implementing solutions as suggested by industry around the constraints.

BESSA actively participates in the President's khawuleza initiative and district development model, maintaining that service delivery takes place at local government level. Both initiatives are slowly gaining momentum and Bell anticipates even greater traction during 2022.

Bell Equipment was awarded the South African capital equipment export council's (SACEEC) 2021 exporter of the year award for large business (over R1 billion turnover per year), which was shared jointly with Multotec. The award recognises the group's contribution to the national economy, supplier development and job creation. Bell appreciates this recognition after a challenging year where many of the group's South African suppliers had to go the extra mile during lockdown to keep operations going and Bell worked hard to maintain its labour force and adapt its shift patterns as regulations changed.

Bell Equipment participates in the automotive production and development programme (APDP). The APDP is a production incentive scheme administered by the DTIC, aimed at promoting production volumes of specified motor vehicles and promoting added value in the automotive component industry, thus creating employment across the automotive value chain. Bell Equipment qualifies as a component manufacturer in terms of this scheme.

The APDP came to an end in June 2021 and was replaced by a revised programme referred to as APDP Phase 2. APDP Phase 2, commonly referred to as APDP II, aims to support the vision of the South African automotive masterplan of creating a 'globally competitive and transformed automotive industry that actively contributes to the sustainable development of South Africa's productive economy, creating prosperity for industry stakeholders and broader society.'

Bell Equipment applied to participate in this new scheme and was successful in its application. APDP II is similar to the APDP and is also a production incentive aimed at promoting employment and value add in the motor industry but has some additional requirements, mainly in terms of BBBEE.

The programme commenced effective from 1 July 2021 and remains in place until 2035.

Further to this, Bell Equipment also applied to participate in the automotive investment scheme (AIS) which is also a programme administered by the DTIC designed to grow and develop the automotive sector through investment in new and/or replacement models and components that will increase plant production volumes, sustain employment and continue to strengthen the automotive value chain. The scheme requires investment in qualifying capital equipment and successful candidates receive a cash incentive for a portion of the capital outlay, dependent on certain criteria. Bell Equipment was successful in its application to participate in this programme. The first claim will be submitted during 2022.

SHAREHOLDERS, INVESTORS, FINANCIERS AND INSURERS



INTELLECTUAL



SOCIAL AND RELATIONSHIP



ENVIRONMENTAL



FINANCIAL

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.
- Approach and implementation of ESG.

Methods of engagement and value creation

- AGM.
- IAR.
- Final and interim results.
- SENS announcements.
- Media relations.
- 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, 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, placed onto the website, which are relevant 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 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 to nurture strong relationships.

