



Annual
Integrated report

2022



for the year ended
June 30 2022



Food | Service | Technology





Bidcorp is an international broad-line foodservice group, listed on the Johannesburg Stock Exchange.

Bidcorp people provide a comprehensive foodservice solution to a growing customer base in Africa, Asia, Australasia, Europe, Middle East, South America, and the UK.



Navigating this report

OUR CAPITALS

FC Financial capital	HC Human capital
IC Intellectual capital	MC Manufactured capital
NC Natural capital	SC Social and relationship capital

ESG

Environmental sustainability
Social engagement and responsibility
Sound governance

OUR STAKEHOLDERS

Authorities	Communities
Customers	Employees
Investors	Suppliers

Throughout the document we make reference to supplementary sources of information or additional information that might be found in this report. These icons will direct you to the other information.

Cross-reference content within this report

Click here for more information on the company's website

It's all about
the food,
service and
technology

2022 Annual reporting suite

We are committed to transparent reporting to our stakeholders. The following reporting frameworks were applied in preparing this report:

This report	Sustain-ability report	Govern-ance report	Remu-neration report	AFS	Notice of AGM
The International Integrated Reporting <IR> Framework	✓		✓		
The Companies Act, No 71 of 2008, as amended	✓	✓	✓	✓	✓
International Financial Reporting Standards (IFRS)	✓			✓	✓
The JSE Listings Requirements	✓	✓	✓	✓	✓
JSE's Sustainability and Climate Change disclosure guidance	✓	✓			
King IV Guidance	✓	✓	✓	✓	✓
The Global Reporting Initiative's Standards (GRI)	✓	✓			
United Nations Sustainable Development Goals (SDGs)	✓	✓			
Task Force on Climate-related Financial Disclosures (TCFD)	✓	✓			

OUR UN SDG'S



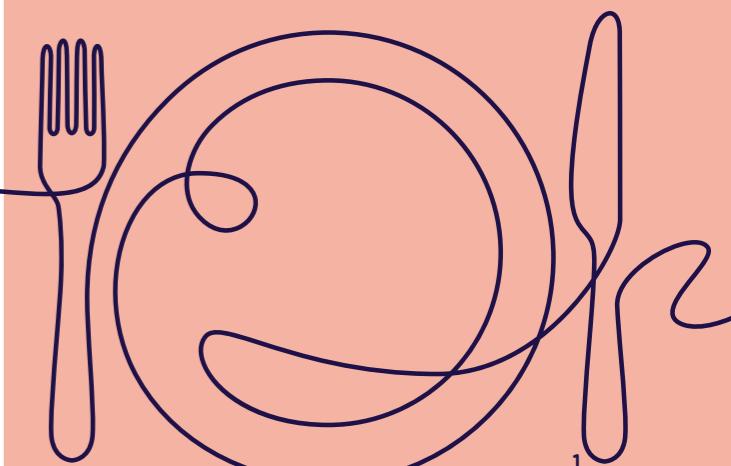
Throughout our 2022 reporting suite, we have highlighted the relevant UN SDG's to which the content relates by using an icon alongside.

Feedback

For further information, contact investorrelations@bidcorp.co.za

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2022 Annual Integrated Report

Scope and boundary

Bid Corporation Limited ('Bidcorp' or 'group') reports the consolidated financial and non-financial information, collected from our global spread in more than 35 countries operating on five continents, in our published annual reporting suite, which includes amongst others this annual integrated report for the year ended June 30 2022. Due to the expanse of local geographic regulations, we focus the information in this report on those areas that we consider material to the value creation story and to the long-term sustainability of the group.

In this report, we have provided a summary of the financial results for the year ended June 30 2022. Bidcorp's audited 2022 annual financial statements prepared in accordance with the recognition and measurement criteria of International Financial Reporting Standards, is available as part of the annual reporting suite.

In line with the guidelines from the Integrated Reporting Committee of South Africa, we report using the recommended six capitals to capture the value creation, erosion and preservation story for the group, while striving to remain concise and relevant in our reporting.

Our reporting boundary is informed by the JSE's Sustainability and Climate Change disclosure guidance, specifically embracing the concept of double materiality. Our report links social and environmental material issues that impact our financial performance as well as those matters that could materially impact our stakeholders or influence our ability to create and preserve value sustainably, over the longer term.

The annual integrated report is our primary report to the Bidcorp stakeholders. It is principally aimed at providers of financial capital, being our shareholders and debt providers; however, it considers the information needs of all our stakeholders.

[Click here for the 2022 annual reporting suite.](#)

Materiality

The Bidcorp board has considered the legitimate interests of all our key stakeholders in determining information that is considered material in this report. We demonstrate how our strategy, business model, stakeholder's interests, and our management's response are connected to the linked material issues reported.

Material issues that we face change over time, and are influenced by many external factors. Identifying our material issues is a group-wide responsibility and is the result of input received from each business management team, assessed within the Bidcorp divisional structure, and consolidated for group review and board deliberation.

This report focuses particularly on those material issues that either financially impact or impact our environment and social conditions present in our global operations, and have played a role in defining the Bidcorp value creation story for 2022.

Assurance

We have adopted the King IV principles on corporate governance recognising the board, management, internal, and external assurance providers as key assurance role players in ensuring the business has demonstrated a robust, effective control environment. While third-party assurance has not been sought for all information contained in this report, certain information has been independently assessed and verified:

- The consolidated annual financial statements were audited by external auditors, PricewaterhouseCoopers Inc., an unqualified opinion was issued.
- Broad-based black economic empowerment (B-BBEE) performance was independently assessed and verified by EmpowerDex.
- Non-financial disclosures and performance data is interrogated quarterly by the board and assured through internal control processes.

The board is ultimately responsible for combined assurance by setting the direction concerning the arrangements for assurance services and functions.

[Refer to the 2022 annual financial statements.](#)

Forward looking statements

This report may contain forward looking statements regarding financial prospects of the group and specific businesses. These statements involve risk and uncertainty as they relate to events and depend on circumstances that may or may not occur in the future. The group does not undertake to update or revise any of these forward-looking statements, whether to reflect new information, future events or otherwise. These forward-looking statements have not been reviewed or reported on by the group's external auditors.

2022 Annual integrated report – how we tell our value creation story

Bidcorp has delivered a very pleasing trading performance for the year ended June 30 2022, particularly as the COVID pandemic had lingering economic and social impacts in a number of jurisdictions in the hospitality, tourism, and leisure industries. This performance is attributable to the contributions of our excellent global teams, our entrepreneurial and decentralised operating model, and our loyal customer and supplier base.

This report tells the Bidcorp 2022 value creation story

Sustained value creation, and the reporting thereof, is the result of embedding integrated thinking, understanding the inherent relationships between our six capitals, the trade-offs made, and in realising real value creation, as well as the responsibility we have to the outcomes delivered. We strive to report transparently, reflecting both the value created and preserved, as well as the value eroded.

The Bidcorp value creation model is depicted on pages 20 to 21.

The board guides and oversees the business in the context of the stakeholder engagement and the feedback received through the varied channels of communication engaged. From these engagements, **material issues** arise which impact the implementation of the group strategy, resulting in trade-off decisions made to deliver **long-term sustainable value creation**.

For more insight into the stakeholder engagement and linked material issues identified, as well as managements response to these issues, refer to the detail on Bidcorp's activities, on pages 22 to 34.

The board has considered those material issues, as presented by the management teams, assessing those that could impact the group's ability to create long-term value for our stakeholders. The linked material issues are detailed in the Bidcorp activities and summarised on the value creation material issues heat map.

For a summary of those material issues identified, refer to page 35.

Each business management team is tasked with navigating their material issues, within their unique environment, on a day-to-day basis. The value creation story is governed by the board, assured through our combined assurance model, and delivered through the collaboration of our decentralised, independent businesses sharing their stories. Our decentralised operational approach is aligned through a shared strategy and value creating business model, as we deliver on our promise to build a brighter future together.

The operational reviews focus on a few business' value creation stories within the division, and is not reflective of the whole division. These stories are shared to give stakeholders a real feel for the passion and commitment that is evident in every one of our teams but only captured in this report for a few – refer to the CEO value creation stories on pages 40 to 57.

Board oversight includes the environmental, social, and governance (ESG) issues forming part of its decision-making process to support sustainable stakeholder value creation.

For more insight into the value creation journey in environmental sustainability and governance, refer to pages 60 to 73.

The annual integrated report is drafted by the group's investor relations team, supported by the businesses reporting and marketing teams, detailed internal management and board reports, interviews with executive management, and the many engagements with key stakeholders throughout the course of the year.

Approval by the board

It is the board's responsibility to ensure the integrity of this annual integrated report. The board has accordingly applied its collective mind to the content of the report and in the opinion of the board, believes it addresses the material issues and presents fairly the financial impacts and the environmental and social impacts that have delivered the Bidcorp 2022 value creation story, as presented.

The Bidcorp board has authorised the 2022 annual integrated report for release on October 17 2022.

Stephen Koseff

Chairman

Bernard Berson

Chief Executive Officer

David Cleasby

Chief Financial Officer

Tasneem Abdool-Samad

Independent Non-Executive Director

Paul Baloyi

Independent Non-Executive Director

Brian Joffe

Independent Non-Executive Director

Keneilwe Moloko

Independent Non-Executive Director

Nigel Payne

Lead Independent Non-Executive Director

Clifford Rosenberg

Independent Non-Executive Director

Helen Wiseman

Independent Non-Executive Director

Leadership reviews

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Chairman's message



Stephen Koseff

As a foodservice business, food safety and the imperative to consistently and transparently ensure that food is sourced sustainably and responsibly, are top priorities.



The year under review has been a year of compounded macroeconomic and geopolitical issues, as the ravages of war, drought and flooding, inflation, and labour scarcities played out against a backdrop of the interminable impacts of COVID.

This has resulted in one of the most challenging external environments for businesses to navigate, however, most of the customers we serve have adapted, finding opportunity in adversity. We saw widespread innovation across industries, as restaurants pivoted to home delivery during lockdowns and replacement hamburger garnishes were found to counter unsustainably high lettuce prices.

 Through all of this, Bidcorp was alongside their customers, enabling their agility and innovating in parallel. The deep understanding Bidcorp employees have of their customers resulted in commendable resilience and ultimately a financial result that was exceptional in almost all respects.

Performance that delivers

Pleasingly, all the regions in which we operate contributed to this strong set of results, with solid performances from our businesses in Europe, despite the impacts of the Russian invasion of Ukraine, double-digit growth across our emerging market businesses and resilience in Australasia, as the region successfully navigated the impacts of prolonged COVID lockdowns.

 The managers of our various operations all deserve to be congratulated, as do Bernard, David, and the head-office leadership for providing the strategic support and the financial headroom and direction to the teams on the ground, enabling this strong performance.

 As the food services market continues to evolve, my fellow directors and I are encouraged by the ongoing investment being made in ecommerce and analytics – capabilities which are essential to driving growth and differentiation. Capital expenditure continues to be both appropriate and effective, advancing our strategic imperatives of expanding our footprint, getting us closer to our customers, differentiating our offering and our brand, and meeting our environmental obligations.

Focused on sustainability

Sustainability remains a central driver of how we conduct our business, holding ourselves to higher standards than those seen across the industry. As a food services business, servicing the global food chain, food safety and the imperative to consistently and transparently ensure that food is sourced sustainably and responsibly, are top priorities. We have responsibilities towards both our customers (and their customers) and food producers. I'm pleased to say that these are responsibilities we live up to every day in varied and multiple ways – details of which can be found in this report and within our sustainability report.

In response to the pressing need to reduce climate impacts, 2022 once again saw increased investment to lower our negative environmental impacts. This was achieved through increased solar generation capacity and advancing our early adoption of greener refrigeration and vehicles.

 A very welcome innovation realised post-yearend was the implementation of an online Bidcorp ESG portal – a reporting analysis tool which will enhance transparency and, we hope, encourage stakeholder confidence in our commitment to sustainability.

All about people

As employers we are also responsible for providing safe, fulfilling work for the people who are the heart and soul of Bidcorp. Talent development and succession planning are top management priorities. Around the world the group continues to successfully recruit top talent and especially, to bring future leaders through the ranks – talent that is growing up immersed in the Bidcorp culture.

 Social investment and community development are managed by our in-country managers – who have an intimate understanding of where and how they can have the greatest impact.

Management has acted decisively to address the fraud discovered at our Miumi operation in China in the prior year; having made adequate provisions and working with authorities to bring those responsible to book. It is therefore pleasing that as we tightened controls and drew a line under this unfortunate episode, our external auditors have expressed an unqualified opinion on our results.

 Against this backdrop, we were pleased to declare a total dividend of 700 cents per share (cps), c.10% higher than the 640cps distribution made in 2019. This is reflective of the excellent work being done to restore the business to, and surpass, pre-pandemic levels.

Appreciation

I wish to thank Bernard, his executive team, and the entire Bidcorp team for their dedication to consistently creating value for all our stakeholders. These stakeholders – whose interest and goodwill are essential to our success – include our investors, our people, suppliers, and customers, as well as governments and regulators. I thank them all.

 I would also like to acknowledge my fellow directors, including our board committee chairmen, Helen Wiseman, Nigel Payne, Paul Baloyi, and Tasneem Abdool-Samad, together with all our directors for the tireless work they do to ensure that Bidcorp's governance is as unfailingly ethical as it is effective. Once again, my thanks to our founder, Brian Joffe who continues to play an inspirational role in the development of our group.

Outlook

 The macroeconomic outlook remains uncertain and challenging in the short-term, however, we are encouraged to see the resumption of the trend that has seen consumer spend on food service grow in relation to retail (groceries) spend. This speaks to the strength of our prospects – and the Bidcorp investment case.

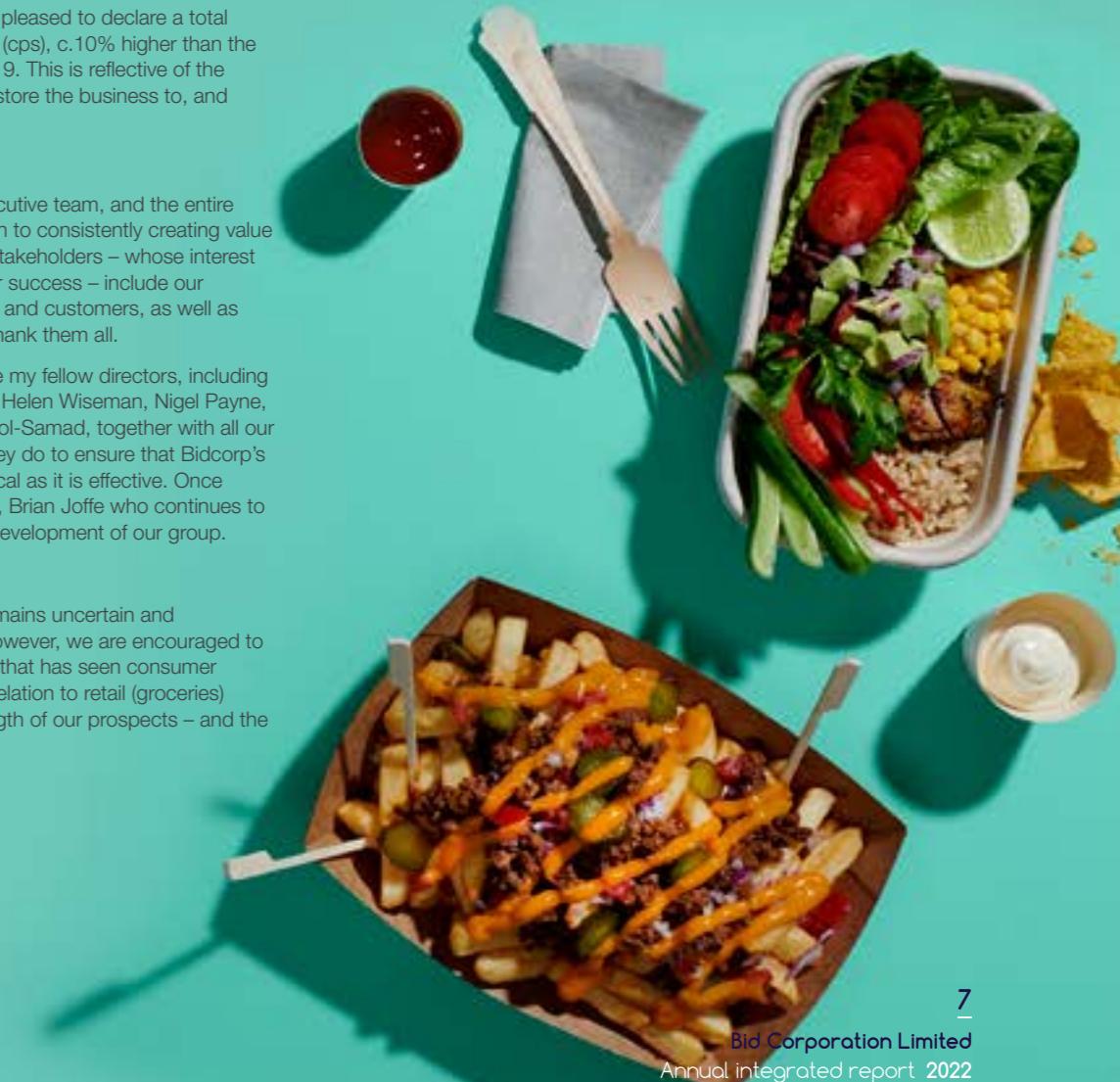
 The fallout from the war in Ukraine is likely to continue putting pressure on the European economy and on our operations on the continent for some time. However, Bidfood Europe's recent performances give considerable comfort that the division is well equipped to continue delivering resilient performances.

At the time of this report's publication, inflation remained a defining global economic feature with concerns around its severity still prevalent. Hopefully whatever transpires, the bulk of the price increases we experience will continue to be margin neutral.

Our balance sheet strength, together with our growing physical and digital reach, alongside the commitment of our people, augur well for Bidcorp's continued success.



Stephen Koseff
Chairman



Chief executive officer's report



Bernard Benson

“Being an optimist is a hell of a lot more fun than being a pessimist”

– Richard Branson

Our 2022 financial year was very different to the previous 12 months, which, of course was unlike anything we, our customers, or indeed the world, had ever experienced.

From mid-June to late October 2021, I was in lockdown in Sydney, while across the Tasman in New Zealand, pandemic-restrictions were probably even more severe. Throughout Europe, Christmas 2021 was effectively cancelled, and the Netherlands was locked down from November to February.

Then, from Easter, we experienced an unexpectedly sudden and robust bounceback in consumer demand for out-of-home eating and entertainment. The strength of the rebound – which persisted for the rest of the financial year and continues as I write – surprised us, but did not catch us unaware.

Conditions in the year we report on here were profoundly different but, as in the recent past, we implemented no significant changes to our business model or our strategy. I am therefore delighted that the wisdom of again “sticking to our knitting” has been borne out by the strongest financial results in our history.

A special performance

This was a particularly special performance considering all the many challenges we faced. Throughout the year our people kept building momentum and, when the tide finally turned, they were more than ready and able to exploit all the opportunities that the bounce back presented.

I've said this before and I'll no doubt say it many times again as long as I'm privileged to be CEO: despite everything they went through, our global team consistently did an absolutely awesome job. I don't have the words to do justice to their performance but I commend to you the business-specific value creation stories shared in this report, to get a sense of how once again, the

Bidcorp “secret sauce” worked its magic in 2022 in pushing up trading margins, while pushing down the cost-of-doing-business.

In our largest segment by both revenue and profit, almost all European territories contributed to an exceptional result and a much improved 4.8% trading margin. These territories included Spain where a turnaround was achieved (and is being maintained), the Netherlands, Czech Republic, Poland, and Italy, all of which posted record performances. Germany remains a work-in-progress but there too steady progress is being made.

Under very trying circumstances, Australasia and the UK achieved very commendable results and, along with Emerging Markets, are now all at revenue and profit levels above those of 2019. (With almost all of our numbers, the scale of COVID upheaval was such that comparing our 2022 outcomes with those of the previous year or even 2020 is of limited relevance.)

Within the Emerging Markets segment there were several standout performances including the Middle East, Turkey, and South Africa. We remain very excited about our prospects in South America, where in all of our markets we are trading at levels above those of 2019. China continues to be unpredictable – but also continues to trade profitably.

Behind the results achieved this year were the magic ingredients of stability and simplicity. Our investments in digital continue to make a complex business look straight forward. Our strategy is well communicated and understood throughout the business, as is our belief in what we're doing and the path we're travelling. So, once again, we inflicted no great changes on our people in the warehouses and out on the road and, for the most part, continued making only small, incremental improvements.

Of course, as demand returned, new challenges presented themselves – skills shortages, mounting supply chain disruptions, and longer lead times, combined with soaring food and energy inflation.

Our sustained focus on balancing the customer mix was only the continuation of a process begun many years prior, to exit a small number of larger low-margin customers – which opens up capacity to concentrate on the freetrade segment – our market “sweet spot”. (This year the UK results were impacted by that operation's greater proportion of large national customers, which takes longer to reprice.)

Investing for growth

Ten acquisitions were made at a combined cost of R818 million (although this amount included the Netherlands property which was subsequently sold). All acquisitions were relatively small and low risk, and are already performing well.

As CFO David Cleasby elaborates in his message, this year capex – our investment in infrastructure, in growing and improving our service offering – returned to more normal levels. I'm particularly pleased to note that this year we devoted capex specifically to enhancing our environmental performance and mitigating our adverse impacts.

Our chairman has reiterated just how serious we at Bidcorp are about maximising our positive social as well as environmental impacts – and have been for some time. This year the Board again challenged management to redouble our work to embed ESG in everything we do. We have accepted the challenge and take pleasure in reporting the advances we made in the year, including progress on achieving our target of eliminating a quarter of our carbon emissions by 2025.

Keeping our people safe is the utmost priority underpinning our commitment to doing business responsibly. After tragically having to report COVID-related deaths in the past two years, I am relieved that this year we lost no colleagues to the virus. Most regrettably however, three of our people died in road accidents, in the Czech Republic and Belgium.

Thanks

It is not only our frontline customer-facing staff and their managers who deserve to be congratulated and thanked; I also salute those working behind the scenes at group and country head offices and elsewhere for their tireless contributions. These individuals include the BidOne team who continue to deliver the group's bespoke world-class ecommerce and digital solutions.

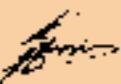
I thank our chairman Stephen Koseff and all Directors for their support and guidance.

Outlook

Many, if not most, of the economies in which we operate are in a precarious position and consumer confidence is once again being tested. We remain realistic about the limited extent to which we are able to predict the future and to what extent factors beyond our control will impact our stakeholders and ourselves. What we do know is that we have the wherewithal and clarity of vision to navigate whatever is thrown at us.

We will continue measured investment in expanding our physical footprint, to keep getting closer to our customers. And we intend growing our very successful light manufacturing/value-add businesses.

I have little doubt that our peers performed well in the 12 months reviewed in this report. That, like Bidcorp, they also reaped the benefits of reduced pandemic impacts on their businesses. However, I do believe that we did better than most. And I have every confidence that we will continue to do so.



Bernard Benson
Chief executive officer

Bidcorp's objectives are to:

- ✓ build a resilient and stable business
- ✓ grow our profitability
- ✓ increase our market share
- ✓ maximise returns for all our stakeholders
- ✓ innovate
- ✓ be a responsible employer and responsible corporate participant
- ✓ care for our planet



Bidcorp's strategy

Our strategy was initiated in 1989.
It is still relevant today.



Customers

Focus on higher margin freetrade/
independent business



Services

Our "direct-to-chef" model continues to deliver
improved results



Suppliers

Category development, Own Brand, value-add light
manufacturing, and growth of high value specialist products



Our people

Decentralised, empowered, entrepreneurially led
businesses that are locally relevant



Environment

Protecting our environment, nurturing our product
sources and investing for long-term sustainable growth



Our strategic imperatives

- Be physically close to our customer
- Have the right customer mix
- Build our Own Brand portfolio
- Create an import procurement capability using group resources
- Growing a bespoke manufacturing capability (keep it small and simple)
- Be creative, daring, inclusive, and positive
- Embrace our world-class technology offering
- Care for our environment

Delivering on our strategy – our evolving value proposition

Bidcorp's operations are all at differing stages of development along the foodservice profit continuum.

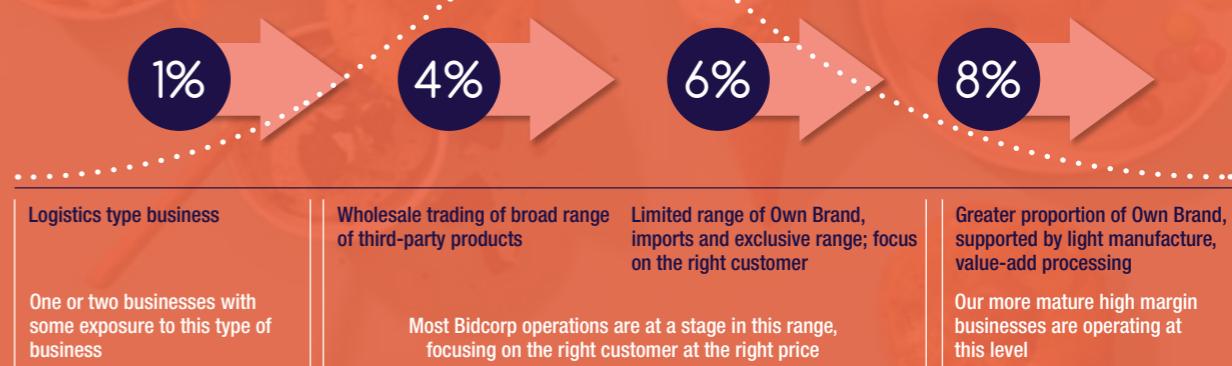
As our businesses mature, they increase the amount of revenue they generate from smaller independent customers (not national or QSR clients) and from value-adding activities including light manufacturing and processing, Own Brand products and imports. More mature businesses are also able to achieve higher procurement efficiencies, thus boosting their margins and profits.

The graphic below illustrates this continuum with the left side representing a low-margin logistics type business and the right side a more mature business trading at greater margins, thus delivering higher returns on capital employed.

The graphic below depicts where our various businesses are on the foodservice maturity continuum.

Bidcorp businesses around the world

Our profit continuum



We move our business along the foodservice continuum by:

- Building the customer base through scale
- Focusing on the correct customer
- Influencing the customer's buy and sell decisions
- Transitioning to a preferred supplier status
- Moving customers to own brand ranges
- Offering premium-grade imports and exclusive products
- Increasing value-add and light manufacturing.

Why invest in Bidcorp...

1 Our markets have significant runway for growth

- ✓ Long-term fundamentals of the foodservice industry are positive in all of our territories
- ✓ We continue to optimise our customer mix to focus on higher-margin independent business
- ✓ Fragmented competitive landscape with few players operating at our scale
- ✓ Market leading position with a growing footprint in Europe, Asia Pacific and Latin America



2 Innovative digitisation strategy

- ✓ Online real-time bespoke ecommerce platform
- ✓ AI tools and analysis proactively influence trends and behaviours
- ✓ Pro-active communications strategy to support healthier and positive eating habits



3 Stable empowered management team

- ✓ Decentralised, standalone operations with each management team responsible and accountable for its performance
- ✓ Entrepreneurial culture responsive to change, opportunities and challenges
- ✓ Experienced senior management team



4 Strong balance sheet with adequate capacity for organic and acquisitive growth

- ✓ Conservative gearing, cash-generative business model
- ✓ Ample balance-sheet capacity to accelerate consolidation in globally fragmented markets
- ✓ Ready to engage and embrace acquisition opportunities, both in-country bolt-on and in new territories



5 Good investment returns since creation in 1989

- ✓ Compound annual revenue growth from 2012 of 8%
- ✓ Since listing on the JSE in 2016, Bidcorp has declared R11,9 billion in dividends or 3 371cps
- ✓ In 2022 a pleasing return from funds employed 62,8% and return on equity 16,3% achieved post the COVID disruption



6 Demonstrable commitment to ESG

- ✓ Highest standards of governance
- ✓ Ethical and effective leadership, committed to trust, transparency, accountability and integrity
- ✓ Successful delivery against climate-change targets, with more to come

Chief financial officer's report



David Cleasby

The group's balance-sheet strength as well as the strength of our human, intellectual, and manufactured capital bode well to successfully navigating a positive future.

Operating context



Whereas the previous two years were dominated by the impacts of COVID and attendant lockdowns, 2022's challenges included rising global inflation and the fallout from the Russian invasion of Ukraine. This further exacerbated supply chain disruptions and the costs of food and other inputs including energy. Pandemic-related lockdowns affected our operations in Europe (over the northern hemisphere winter), Greater China (repeatedly from January 2022) as well as New Zealand (for much of the year) and, Australia.

Financial and operational performance



Net revenue of R147,1 billion was 28,2% higher than the R114,8 billion of the previous year – in constant currency an improvement of 33,1%. Driving this increase were the group's focus on smaller independent customers (which saw revenue in the hotels, restaurants, and cafés segment rise from 35% of total income to 41%) and overall strong growth in discretionary-spend sectors. Demand from institutional customers, including education, hospitals, aged care, prisons, the military, and government departments, was stable overall.

In terms of IAS 29, our results from Türkiye have been adjusted for hyper-inflationary impacts. This resulted in a net profit gain of R81,9 million.

On higher revenue and effective cost control, headline earnings per share (HEPS) rose by 77% to a record 1 538,3 cents per share (868,4 cents). Expressed in constant currency, HEPS increased 82%.

Gross profit margins were marginally stronger than those of both 2021 and 2019 (the last pre-COVID comparative period), benefiting from higher sales to independent customers. In Q2 the onset of the Omicron variant and soaring food inflation put some pressure on gross margins, but these recovered strongly in Q3 and Q4 to end the year at levels which we are satisfied with. In the last quarter, increased stock purchases were made in anticipation of a buoyant northern hemisphere summer as well as price increases.

Group EBITDA, (earnings before interest, tax, depreciation, and amortisation, excluding IFRS 16) was R8,6 billion, up 46,4% on that of 2021. 2022 EBITDA represented 5,9% of revenue, a pleasing increase over the 5,1% of 2021 and trending towards the levels recorded in 2019. Trading profit was particularly buoyant, margins returning to 2019 levels.



A standout achievement – almost across the board – was performance on managing operating costs. As a percentage of net revenue, operating expenses declined to 19,1% (2021: 19,8%; 2020: 20,8%). Constant currency cost increases were below constant currency revenue growth. Informing this outcome was economic normalisation which offered some operating leverage – although by yearend this was unwinding due to cost-push inflation.

- Cost pressures included employment, particularly for semi-skilled workers. In the context of labour shortages, recruitment, and training expenses rose but, despite these pressures, staff costs as a percentage of revenue remained in check at 11,9%. Fuel costs increased 32% and electricity 41%. Most of these abnormally large increases had a neutral impact on trading margins. This was because our reputation for reliably supplying a broad range of products at competitive prices made it possible to push cost increases through. Our performance on margins speaks to the strength of our competent and autonomous management teams on the ground.

Despite the higher working capital requirement, cash flow from operations was a robust R9,9 billion, 41% up year-on-year and higher than that of both 2020 and 2019 (R8,0 billion) comparatives.

The expected credit loss (ECL) percentage for trade receivables increased from 4,5% in 2019 to 11,5% in 2020 due to the onset of COVID. In 2021, the ECL percentage reduced to 9,8% given better-than-expected collections and improvements in forward-looking information following vaccine rollouts. In 2022 the ECL provision fell further, to 5,8% on improved economic activity. We expect the ECL percentage to continue improving off the back of further economic stability.

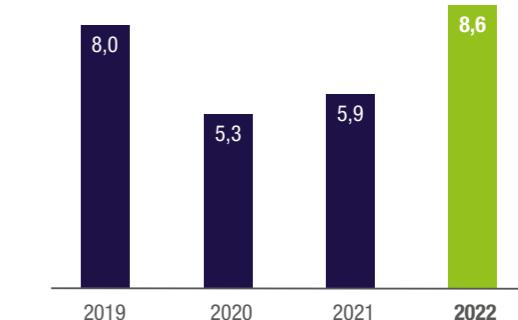
Free cash flow of R1,5 billion (2021: R4,7 billion) was impacted by working-capital absorption, increased capital expenditure, and a limited but higher number of bolt-on acquisitions. (2021 included significant cash receipts from sale-and-leaseback transactions in Australia and Greater China.)

In 2021, as we scaled back business, considerable working capital was released while, in 2022, there was an absorption as the foodservice markets rebounded. At 6,8 days, average working capital days were similar to the previous year's 6,7 days. This was a commendable outcome given heightened current and anticipated activity, mounting supply chain constraints and the investment into inventory made ahead of expected food price increases.

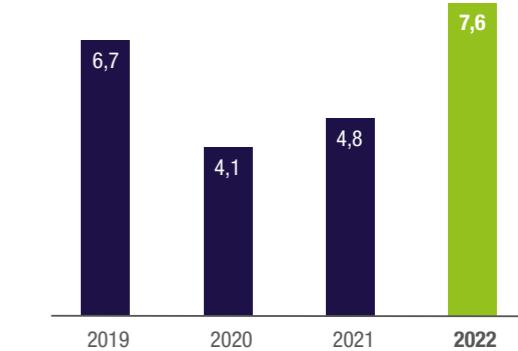
Unlike 2021, when stay-in-business outlays represented the bulk of expenditure on plant, property and equipment, this year we resumed significant expansionary capital expenditure, in growing our footprint and capabilities. In 2022 investment in growth represented 55% of gross capital expenditure of R2,9 billion, reflecting the considerable upside we believe still exists in our markets. (Such is our balance sheet strength and credit rating that we can borrow to build and equip what are mostly bespoke premises at interest rates lower than those that can be obtained by landlords.)

The total cost of acquisitions of R818 million included the Zegro property in the Netherlands, which was acquired and then sold and leased back for two years to a third-party investor. In Belgium, R94 million was spent on acquiring Foster Fast Food BV.

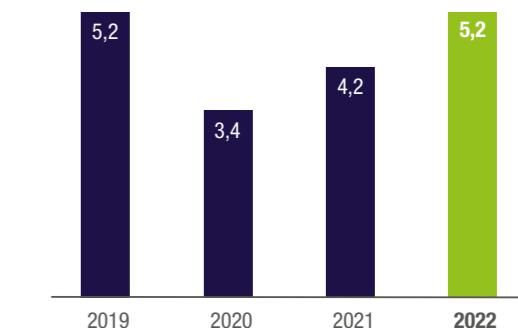
EBITDA (R'billion)



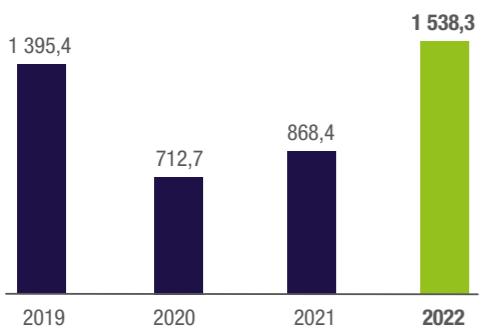
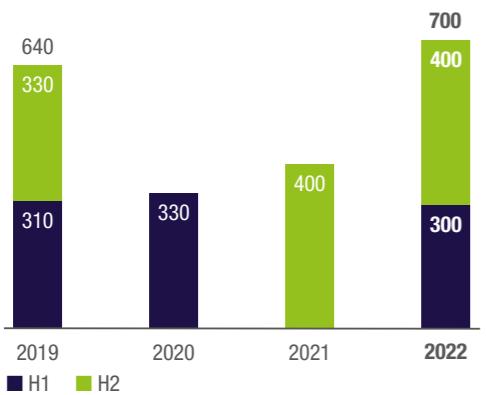
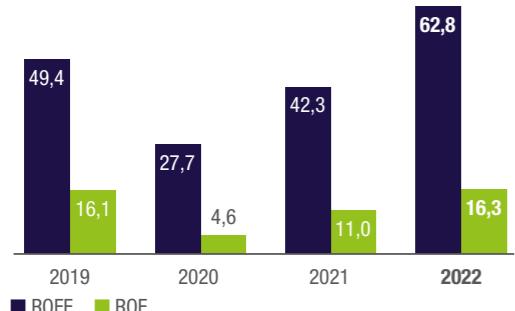
Trading profit (R'billion)



Trading profit margin (%)



Chief financial officer's report continued

HEPS (cps)**Dividend per share (cents)****Annual returns (%)**

Debt and cash management

Constant currency net finance charges (excluding IFRS 16 charges) were 14,8% higher at R350,9 million (2021: R305,8 million). Since October 2021 interest costs ticked higher, internally due to increased working capital requirements and externally because of a significant rise in global interest rates.

In February and March 2022, a substantial exercise was undertaken to roll-over and refinance maturing term debt, reducing the group's liquidity and interest rate risks. The United States Private Placement market was accessed for €225 million and bank debt of €75 million was rolled. This enabled a significant portion of group debt to be termed out to differing maturity dates of three, five, and seven years at an average fixed interest rate of 1,74%. (At the 2022 yearend the weighted average interest rate on non-South African borrowings stood at 3,1%, up from 2,1% in 2021.)

Of the R9,5 billion group borrowings at June 30 2022, 71% were at fixed interest rates. Floating interest rate exposures mainly related to Greater China (R1,3 billion) and South Africa (R724 million). At R1,7 billion, net non-IFRS 16 debt at yearend was up on the R0,5 billion a year earlier. Net debt increased from June 30 2021, primarily because of a R2,0 billion absorption of working capital, dividend payments of R2,3 billion and net investment in property, plant, equipment, and intangibles of R3,1 billion.

Capital management

Bidcorp has traditionally maintained conservative leverage and the past two years have vindicated this stance and contributed to the group's ability to exit the COVID pandemic stronger than before. Many overleveraged competitors haven't had this luxury and found navigating the crises far harder, and as we exit one situation, the next one appears.

We remain unapologetic about our conservatism in this regard as leverage has a relatively small impact on returns, which ultimately is the true indicator of a business's performance. Bidcorp's returns (on equity, invested capital and funds employed) have been maintained and improved on our pre COVID position, a fairer indicator of performance than whether the business has leverage of 0,5 times or 2 times net debt to EBITDA. We are continually focused on the need to balance gearing and shareholder returns but strongly believe that our ability to generate value for shareholders will be primarily driven by investing in our assets to pursue growth opportunities, both organic and inorganic. Our overall financial position is strong and will maintain our good foundation in the current volatile global economic environment.

Governance, audit and regulatory

Further to the fraud uncovered in the Miumi division of our Angliss Greater China business in June 2021, considerable additional forensic work was concluded but no further issues came to light to affect the group's treatment of the fraud losses in the previous year. Criminal and civil proceedings have begun, and we remain confident of future recoveries, none of which had been accounted for as at June 30 2022.

In 2021 our external auditor, PwC, issued a qualified opinion on the group's 2021 annual financial statements which were issued a month later than is our practice due to PwC's inability to obtain sufficient and appropriate evidence regarding the quantum of the Miumi loss and the allocation of this loss to the appropriate reporting periods. Pleasingly, and as expected, we received an unqualified audit opinion in 2022.

Bidcorp is committed to tax transparency and to executing against our obligations towards taxation authorities. This year the group paid R6,2 billion in taxes, including R2,5 billion in import and customs duties, and corporate taxes of R1,5 billion. Another R9,6 billion was collected on behalf of authorities, this included employees', VAT, and sales taxes, as well as excise duties.

Appreciation

I congratulate our global team, especially the respective management teams around the world for the many astute, proactive ways in which they have succeeded in delivering very pleasing results. I also thank them for their unfailingly diligent financial stewardship.

In addition, I thank the members of our audit and risk committee who consistently contributed above and beyond their mandate and our expectation.

Outlook

Our decentralised environment aims to ensure that our operations have sufficient liquidity for their requirements but that we also manage the returns achieved on this capital employed. In 2022 the average group returns on funds employed (excluding freehold property)

improved to 63% from 42% in 2021 and 49% in 2019. We anticipate that this performance will be maintained in the new year.

On June 30 2022, the group had cash and cash equivalents of R7,4 billion and gross borrowings of R9,1 billion, of which R3,1 billion was short term. Total headroom including uncommitted facilities and cash and cash equivalents stood at R19,3 billion (£977 million). We expect to retain our low levels of gearing – which we consider to be prudent in the context of uncertain but rising interest rates.

Group leadership remains alive to opportunities to grow our footprint, raise service levels, and continue gaining market share. As readers will appreciate, we are well positioned to exploit any such opportunities as they arise. Capital expenditure will likely follow a similar growth trajectory as that witnessed in 2022, cementing gains and positioning us for growth, while further mitigating our negative environmental impacts.

The group's balance-sheet strength as well as the strength of our human, intellectual, and manufactured capital bode well for our ability to continue successfully navigating a volatile but positive future.



David Cleasby
Chief financial officer



Highlights and summary of financials for 2022

Revenue R147,1bn (2021: R114,8bn) ↑ 28,2% Constant currency ↑ 33,1%	Trading profit R7,6bn (2021: R4,8bn) ↑ 58,5%	HEPS 1 538,3 cents (2021: 868,4 cents) ↑ 77,1% Constant currency ↑ 83,0%
Cash generated by operations (before working capital) R9,9bn (2021: R7,0bn) ↑ 41,4%		
Total distribution per share 700,0 cents (2021: 400,0 cents) ↑ 300,0 cents ↑ 75%		Click here for the year-end results announcement. Click here for the 2022 annual financial statements.

Summary consolidated statement of profit or loss for the year ended June 30		
R'000	2022 Audited	2021 Audited
Revenue		
Cost of revenue	147 138 311	114 803 442
Gross profit	(111 495 826)	(87 296 234)
Operating expenses	35 642 485	27 507 208
Trading profit		
Share-based payment expense	7 590 775	4 787 652
Acquisition costs	(161 258)	(107 452)
Capital items	(16 320)	(6 151)
Operating profit		
Net finance charges	(333 150)	242 750
Share of profit of associates and jointly controlled entities	7 080 047	4 916 799
Profit before taxation		
Taxation	(689 754)	(693 400)
Profit for the year Attributable to:		
Shareholders of the company	39 718	29 904
Non-controlling interest	6 499 226	4 253 303
Basic earnings per share (cents)	(1 584 987)	(1 134 694)
Diluted basic earnings per share (cents)	4 914 239	3 118 609
Headline earnings per share (cents)	4 824 720	3 088 860
Diluted headline earnings per share (cents)	89 519	29 749
Distributions per share (cents)	4 914 239	3 118 609
	1 444,3	924,6
	1 440,3	923,2
	1 538,3	868,4
	1 534,1	867,1
	700,0	400,0
		75,0

Summary consolidated statement of cash flows

R'000	2022 Audited	2021 Audited
Cash flows from operating activities		
Cash generated by operations before changes in working capital	3 483 490	5 823 001
Changes in working capital	9 940 211	7 027 875
Cash generated by operations	7 956 711	7 660 187
Finance income received	53 479	48 018
Finance charges paid	(653 099)	(654 585)
Taxation paid	(1 525 772)	(1 230 619)
Dividends paid	(2 347 829)	–
Cash effects of investment activities	(3 429 210)	(307 870)
Cash effects of financing activities	(819 874)	(3 761 408)
Movement in cash and cash equivalents	(765 594)	1 753 723
Cash and cash equivalents at the beginning of the year	8 120 639	7 024 426
Effects of exchange rate fluctuations on cash and cash equivalents	255 095	(657 510)
Hyperinflation effect on cash and cash equivalents	(211 890)	–
Cash and cash equivalents at end of the year	7 398 250	8 120 639

Salient features consolidated statement of financial position

R'000	2022 Audited	2021 Audited
ASSETS		
Non-current assets	40 493 131	37 513 404
Current assets	39 074 357	31 696 619
Total assets	79 567 488	69 210 023
EQUITY AND LIABILITIES		
Capital and reserves	31 103 472	28 088 174
Non-current liabilities	16 726 268	11 512 934
Current liabilities	31 737 748	29 608 915
Total equity and liabilities	79 567 488	69 210 023
Net asset value per share (cents)	9 196	8 305

Summary consolidated segmental analysis

R'000	2022 Audited	2021 Audited	% change
REVENUE			
Bidfood			
Australasia	33 343 369	33 010 216	1,0
United Kingdom	37 818 927	24 955 373	51,5
Europe	50 077 127	35 706 221	40,2
Emerging Markets	25 898 888	21 131 632	22,6
	147 138 311	114 803 442	28,2
TRADING PROFIT			
Bidfood			
Australasia	7 687 487	4 893 592	57,1
United Kingdom	2 330 923	2 489 692	(6,4)
Europe	1 533 213	394 303	288,8
Emerging Markets	2 382 215	1 086 046	119,3
	1 441 136	923 551	56,0
Corporate			
	(96 712)	(105 940)	
	7 590 775	4 787 652	58,5

Value creation

- 22 Bidcorp's value creation model
- 35 Bidcorp's value creation response



Bidcorp's value creation model

Our inputs – what we invested

Financial capital	2022	2021
Equity (Rm)	31 103	28 088
Debt (Non-IFRS 16) (Rm)	9 116	8 624
Cash (Rm)	7 398	8 121

Human capital	2022	2021
Employees (Number)	24 978	22 552
Male	17 662	15 902
Female	7 316	6 650
Payroll investment (Rbn)	17,6	13,7
Training investment (Rm)	54,2	45,3

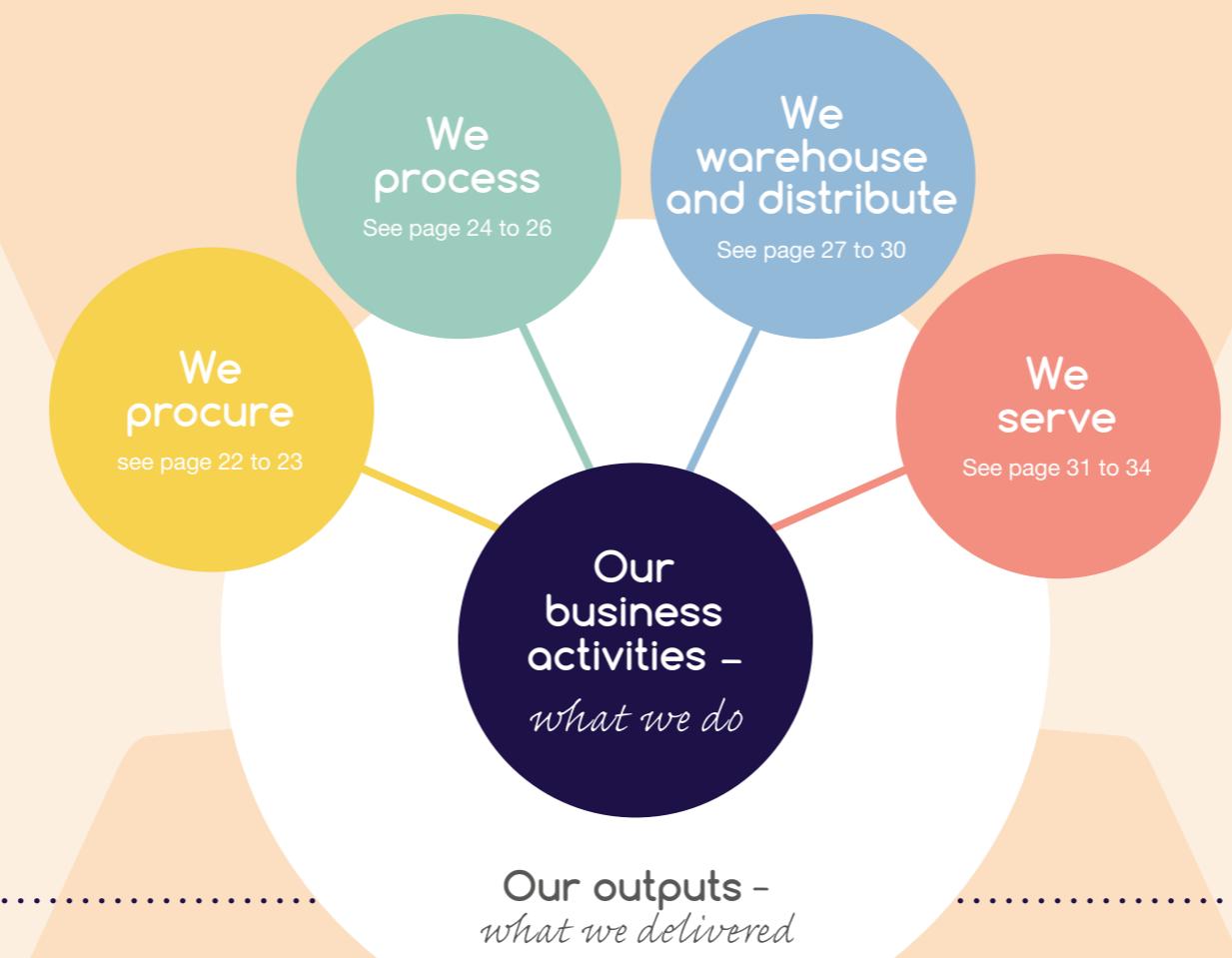
Social and relationship capital	2022	2021
Suppliers	32 753	32 596
Foreign suppliers (%)	20	21
Customers	370 683	321 653
Independent (%)	57	56
Chain (%)	31	31
Logistics (%)	5	6
Retail and other (%)	7	7

Manufactured capital	2022	2021
Depot size (sqm)	1 423 871	1 344 066
Number of vehicles (Number)	7 071	6 649
Delivery	5 286	4 782
Passenger	1 785	1 867

Intellectual capital	2022	2021
Software investment (Rm)	157,8	138,2
Size of product range (SKUs) (Number)	375 522	369 726
Frozen (%)	36	36
Chilled (%)	27	28
Ambient (%)	31	30
Non-food (%)	6	6

Natural capital	2022	2021
Grid supplied power used (kWh)	297 464 610	277 092 525
Fuel consumed (kilolitres)	51 650	44 673
Natural gas used (tonnes)	2 236	2 370
Refrigeration and aircon gas (tonnes)	20	14
Waste (tonnes)	32 489	20 490
Water (kilolitres)	943 005	829 907

Each of our businesses does similar activities but differently.
These differences represent a key Bidcorp strength.



Our outputs – what we delivered

Financial capital

	2022	2021
Profit attributable to shareholders of the company (Rm)	4 825	3 089
Weighted average number of shares in issue ('000)	334 062	334 058
Basic earnings per share (cents)	1 444,3	924,6
Headline earnings per share (cents)	1 538,3	868,4

Human capital

	2022	2021
Staff attrition (%)	32	33
Female (%)	29	29
Employees training completed (hrs)	298 361	194 034
Fatalities (Number)	3*	1

Social and relationship capital

	2022	2021
Donations (Rm)	24,0	14,0
Sponsorships (Rm)	26,2	Not available

* Workplace fatalities, refer to note on page 27.

Our outcomes – we made a difference

- HEPS increased by 77% to 1538,3 cps (2021: 868,4 cps)
- A significant successful refinancing exercise enabled a large portion of the group debt to be termed out to differing maturity dates of 3, 5 & 7 years at competitive fixed interest rates, reducing liquidity and interest rate risks
- Record cash generated by operations (before WC) of R9,9bn (2021: R7,0bn); 92% of EBITDA (non-IFRS 16) and 105% of trading profit was turned into cash
- Balance sheet remains strong with reliable cash flows which allows flexibility to achieve strategic growth objectives, organic and acquisitive
- We are better today than we were in pre-pandemic in 2019, and most importantly we retained our human capital
- Our staff attrition rate remained high as the scarcity of driver and warehousing skills, worsened in developed markets. We sought to address this skills deficit through energised interactions with our teams, meeting their work-life balance and long-term career incentivisation needs
- Good business is ethical business built on trust, goodwill, and confidence – we stand by our customers and suppliers
- Customer engagement to share healthy eating meal options, sustainable menu ideas, sourcing sustainable substitute product options, promoting positive eating habits for our customers' customers
- 10 business acquisitions in 8 countries, developing our value-add offering
- Monthly average NWC days of 7 days (2021: 7 days); WC% to revenue of 3,4% (normalised range: 4-5%); an achievement considering food supply shortages
- Expansionary capex of R1,6bn into upgrades of and new DC's. Replacement capex of R1,3bn in line with the depreciation. Vehicle fleet capex continues to be challenged by supply chain disruptions
- Strategy remains to own our facilities – 72% of property portfolio owned in 2022
- Significant IP invested into ecommerce development, embracing best of breed service-related insights; ecommerce adoption continues to increase, generating 54% of 2022 group revenue
- External audit issued an unmodified audit opinion issued for 2022 AFS, putting the impacts of the Miumi fraud of 2021 behind us
- Despite limitations in technology, we continue to invest in electric vehicles and remain committed to identifying viable sustainable alternatives
- Concerted waste reuse, renew, and recycle practices have been embedded; improving our awareness, success, and ability to accurately report on Scope 3 emissions
- Through investment in solar installations, we have increased our renewable power generation in 2022 by 27% to 8,623,036 kWh
- Significant effort into sourcing and promoting a sustainable product supply chain for our customers, positively changing eating habits

To create value... We Procure

We are proud of our ability to provide a complete one-stop shop solution that encompasses a wide range of products and services tailored to add value to our customers' establishments.

- We source**
- 1 high-quality products at the best price and ensure that food safety, sustainable and ethical business practices are implemented throughout our supply chain
- 2 a full range of quality ambient, chilled, and frozen foods; as well as catering equipment and non-food essentials – overwhelmingly from local suppliers

We adopt a decentralised model where local purchasing decisions are based on the quality and price of the local product, and according to our local customers' and their customers' ever-changing needs.

Our suppliers are specialists in their product, as well as being ethically and sustainability minded, located as close to the source of the food as possible.

We strive to create value for our suppliers by engaging with them on market trends and requirements. Alerting them to changes in customer needs and product developments required.

As well as investing in our people, technology, the community, and environmental management, we also aim to make a positive impact when it comes to our supply chain. We are proud to say we take a sustainability-based approach to product sourcing, minimising the impact of our carbon footprint, whilst ensuring fair labour practices are at the forefront of our supply chain.

Code of conduct for suppliers

We're committed to working with our suppliers to operate ethically and to build greater transparency within our supply chains. We aim to act dutifully and always within the law and regulations. As a minimum we expect all suppliers to comply with national and international laws.

Setting the supply chain standard

Prior to trading, all suppliers undergo a supplier approval process and are expected to provide documented evidence of compliance with Bidfood's food safety and legality standards. Suppliers of our Own Brand products are subject to further risk assessment checks. Failure by a supplier to meet our standards may jeopardise their ability to continue to do business with us.

A zero-tolerance to modern slavery

Modern slavery is an unquestionable and indefensible violation of an individual's basic human rights. Bidcorp has a moral and social responsibility to take a zero-tolerance approach to any modern-slavery practices. We are committed to playing our part in the eradication of any form of child labour or slavery throughout our supply chain. We have and will continue to put effective controls in place to guard against any form of modern slavery within our business and our supply chain.

Stakeholder

Suppliers

32,753 global suppliers, sourcing **375,522** product SKU's

2022 revenue generated from sale of **36%** frozen products, **27%** chilled products, **31%** ambient products and **6%** non-food products

Foreign suppliers make up **20%** of purchases

Own Brand products now make up **21%** of total revenue

How we engage

- decentralised operational structure requires each business to manage its own supplier network, sourcing locally, negotiating independently
- supplier approval processes, engaging with international standard organisations
- in-person and online engagement with suppliers, in trade shows, visits, demo's
- regular meetings with key suppliers, increased as supply chains came under pressure
- food safety audits at production facilities
- engaged enterprise development programme

Issues raised

- Support local sourcing, especially in Own Brand, to meet rising cost pressures
- COVID-imposed lockdowns threatening supply chains
- The Ukrainian conflict is a destabilising factor that affects not just Europe but the entire world, including higher energy and food prices and grain scarcity
- Joint pursuit of efficiencies
- Need for clear communication channels providing accurate, timely information to all parties

How we respond

- ✓ growing the pool of top quality, sustainably responsible local producers
- ✓ continued efforts to streamline logistics chain
- ✓ driving supplier vetting processes, ensuring compliance and commitment to modern slavery and ethical labour practices
- ✓ ensuring product traceability is available and transparent
- ✓ Inventory stocking due to global supply chain disruptions and product availability
- ✓ sourcing an environmentally responsible product range

How did we do?

A globally diverse supplier base, locally positioned where possible. Working together we navigated supply chain challenges, keeping our customers' doors open. Focus remains on developing our Own Brand; sourcing locally; and ensuring a sustainable, environmentally friendly range.

It's all about the food

Linked material issue

SC Supply chain security and stability

Bidfood has worked closely with our supplier base to ensure steady supply and distribution of products. In the event of an inability to obtain adequate product supply and/or to timely service our customers, this could have an adverse impact on our business, our financial and operational results, as our customers may turn to other suppliers.

Bidcorp is mindful of the substantive financial and operational impact of the global pressures across our value chain, but we mitigate this by identifying substitute products and procuring locally for much of our product range. We purchase from thousands of domestic and international suppliers, from large corporates selling branded products, to the small local manufacturers which may produce and supply Bidfood's Own Brand range.

What it may mean to us

- COVID-related pressures could increase global supply chain disruptions
- Product pricing increases
- Lack of in-house manufacturing capacity
- Own Brand pressure on product supply
- Certain high volume products could see immediate and long-term shifts in cost that we may not immediately be able to pass onto our customers, causing margin pressure or forcing us to eliminate the SKU from our product range

How we respond

- ✓ Inflation is at an all-time high but as all customers are experiencing this, they are fairly understanding and accepting of inflationary price increases needed
- ✓ We encourage product substitution, where possible with Own Brand and/or locally sourced products
- ✓ We have protected margins through active price management
- ✓ Customers are evolving their product offering to the end-consumers, eliminating, where possible, high-cost ingredients
- ✓ We proactively adjust our stock holding as circumstances change

2022 Impact –

Heightened, additional economic and political strains

Stakeholders:



Capitals:



Linked material issue

MPV Macro political volatility

Bidcorp is a geographically diverse business exposed to the global economic instabilities. Political instability is unpredictable and can present suddenly, with significant impact. These unforeseeable upheavals can potentially disrupt normal business operations materially. Global economic uncertainty combined with political volatility in many jurisdictions, are expected to continue to adversely affect some businesses and results of operations. These events have and may further affect consumer confidence, behaviour, and spending patterns, this could adversely affect the economies and financial markets of many countries, resulting in an economic downturn. We remain alert to and aware of these developments.

We are committed to each country and legislative jurisdiction in which we operate. Our local teams are best placed to focus on what is within the control of the local operator - delivering the right products, at the right price, at the right time, to the right customer.

What it may mean to us

- Increasing inflation rates around the world driven by wage inflation, fuel and energy costs
- Russia's invasion of Ukraine threatening significant global food supply disruption
- Exposure to political, economic and social conditions in various jurisdictions around the world
- Potential business slowdown due to lower economic activity, financial instability, trade restrictions, imposition of tariffs, and volatility in exchange rates

How we respond

- ✓ A group-wide initiative was conducted to determine if there were any direct customers or suppliers from Russia or Ukraine, none were found
- ✓ Russia is a large provider of fish, therefore global sanctions are affecting the price and availability of fish; Ukraine a global supplier of grains – we are actively managing the impact of these disruptions on our supply chain
- ✓ Political strife, loadshedding impacts, and civil unrest in South Africa has an impact on our local operations, but our disaster recovery processes have been tested and are in place and working
- ✓ We continue to monitor macro economic pressures, managing the current impacts and mitigating where possible through hedges of costs and proactive investment in working capital (where possible)

Responsible procurement



Sustainable seafood sourcing



Cage free eggs



Responsible meat sourcing



Zero-tolerance to modern slavery



Health and food safety

To create value... We Process

Organic market share gains remain the focus of all businesses in all markets through broadening the offering to our existing customer base whilst gaining new customers. Further development of our product sourcing capabilities, both local and imported, is creating the opportunity to expand our Own Brand product offering. Small but strategic investments are also being made into value-add product opportunities to further enhance the Bidfood product range.

Value-add opportunity

We transform quality ingredients into innovative food products, capturing the margin to support our strategy, but ensuring we keep these products and offerings small and simple:

Rpacking: light manufacture processing sites that specialise in roasts, coats, blends and packs nuts, cereals, seeds, spices, and powders

Preparing fresh fruit and vegetables: fully automated food processing environments, cutting, slicing, dicing, grating, and preparing fresh fruit and veg; and where required we have our team hand-cutting and preparing product to customer specification

Protein processing: value-add processes in place to prepare full range of meat and seafood products, including slicing, mincing, marinating, to sous-vide meal preparation

Importing: ensuring the supply chain continuity of key product items, whilst ensuring the highest quality products are responsibly sourced and available



Quality commitment

We are committed to transparent and prompt communications with stakeholders along the full supply chain, engaging food safety specialists to ensure the highest standards are implemented.

We engage experienced production teams, with the knowledge and expertise to implement best practice food processing standards. Contract manufacturing quality assurance teams certify the manufacturing and processing plants, meeting global quality control standards and our rigorous requirements.

We continue to seek new opportunities to develop process automation, to improve the quality of our output, and maximise our yield.

Through listening to our customers, we have identified opportunities to make our customers' lives easier through food preparation and packaging. These value-add light processing and bespoke manufacturing opportunities create a valuable "stickiness" factor with our customers and directly contribute to our margin preservation efforts.

In addition to this, we identify changing legislative requirements our customers are required to comply with, we ensure proactive transparency with our customers, we provide all the product information necessary to operate in the horeca market: nutritional values, presence of allergens, presence of GMOs (genetically modified organisms), yield, instructions for use, conditions conservation, to mention a few.

Our employees are trained to the highest standards and are aware of the importance of high-level quality control. Thanks to our efficient processes and procedures, we are able to manage the varying reporting and quality parameters of our full product range throughout our global supply chain.

We know foodservice

Our mission is to empower our foodservice businesses to invent and create. With a team of passionate foodies that know and love the industry, we're familiar with what it takes to run successful eating-away-from-home establishments.



It's all about the food

Bidcorp people are entrepreneurial and incentivised to be so. We operate autonomously in pursuit of the same end goal. Our people are experts in their field with a common goal to produce the finest quality product and be market leaders in our field.



Our thinking
We think business is about more than just money, so our strategy for the future is focused around not only results, but also our reputation as a business and our relationships with both our customers and employees



What we stand for
We stand for being a great place to work, a sustainable and forward-thinking business partner and a positive presence in the community, and our values will continue to underpin everything we do

At Bidfood, our culture is what sets us apart. We walk-the-talk by living our values each day, which is why we are able to deliver continued growth and success. We're one team, working together to achieve excellent results.

Bidfood globally strives to be an employer of choice, ensuring market competitive packages are created, reward systems in place, and recognition given for outstanding performance. Each of our operations provide bespoke, locally relevant packages and incentives to their team. Some of our employee benefits include employee discounts on product ranges, discounted shopping vouchers, money off deals on holidays and activities, health care provision, and employee support and assistance programme. We also reward long-service loyalty, starting from five years' service, departmental rewards and recognition. Our employees also have the opportunity to give feedback and have their opinions heard in employee surveys.



We engage with our team to communicate strategy, identify needs, recognise and reward good performance.



Stakeholder

Employees

24,978 employees,
11% increase on prior year.

Workforce of **29%** women providing equal opportunities

32% staff turnover recorded in 2022, based on terminations recorded

R54,2 million invested in nearly 300,000 training hours completed, 54% increase on prior year

How did we do?



A tough year navigating labour shortages and wage pressures, but at yearend we have a full complement, a top quality team, that we have looked after through the worst of the pandemic, and they are now committed to serving our customers.

How we engage

- decentralised operational structures keep management in close contact with our employees
- regular communications and opportunities to have real dialogue
- performance reviews and incentivisation
- employee job satisfaction surveys
- whistleblower line, available in all countries where we operate
- constructive, proactive engagement with labour unions
- social media celebrating achievements and occasions together

Issues raised

- recruitment and onboarding of a well-equipped team able to deliver highest level of service to our customers
- retention and incentivisation of a well-trained and motivated team
- maintaining the highest standards of health and safety in the workplace, especially in light of COVID
- lost-time injuries, ill-health, and fatalities
- responses and support to our teams
- flexibility required to facilitate, where possible, remote, hybrid, and on-site working environments

How we respond

- ✓ focused on career pathing and succession programmes to retain and incentivise
- ✓ rollout of wellness programmes to ensure staff are supported physically and mentally
- ✓ training to grow skill sets, both tangible and soft skills
- ✓ world class health and safety protocols and training to ensure safety at work
- ✓ equipping our team to meet their diverse work environment requirements
- ✓ social media online and moral support initiatives to keep teams engaged

To create value... We Process

Linked material issue >

TM Talent management

Labour retention, recruitment of the right skillsets and wage pressures are key drivers of our operating costs. The global changing dynamics of labour ensures management focus in attraction, retention, and motivation of the Bidcorp workforce.

Warehouse and driver availability and retention is a global issue but a local challenge. Increased and pronounced scarcity of warehouse and driver shortages across Europe, the UK and Australasia persist. It is vital to recognise the importance of these roles and support them with tools and incentives to retain and enable the best possible performance.

Our priority remains ensuring a safe workplace for our staff through maintaining exceptional operational and hygiene standards in line with local environment and jurisdiction guidance

2022 Impact –

Significantly heightened due to labour resource challenges and inflation pressures

Stakeholders:



Capitals:



What it may mean to us

- Labour costs continue to rise due to labour shortages and inflation
- Loss of key members of management
- Loss of customer and suppliers' relationships due to staff loss
- Shortage of labour resources
- Interruptions, planned and unplanned, impacting service delivery

How we respond

- ✓ Our efforts are focused on labour efficiency and retention
- ✓ Management teams are committed to grow and mentor high-potential individuals within their team to ensure strong succession plans exist
- ✓ Proactively reviewing wage rates to remain competitive
- ✓ Re-negotiate salary and wage agreements to ensure workers incentivised
- ✓ Invest in world-class tools and systems to improve our working environments
- ✓ Provide training and support on core and non-core skills

Linked material issue >

FS Food safety

Inherent to the food industry and as we embrace more production and manufacturing opportunities, is the risk of listeriosis and other food contaminations from time-to-time. Food safety is of critical importance to Bidfood and to our customers. It is our policy to exceed the minimum legal requirements to ensure our products are always safe. The quality assurance teams in all geographies are responsible for sourcing safe, legal, and quality food products.

Robust quality assurance processes are vital, to provide product traceability and reporting through a sustainable reliable trustworthy supply chain. Bidcorp has embraced this challenge and engages our stakeholders to identify opportunities to support consumers with the development of tools and support services to assist in understanding product source, ingredients, and detailing product and allergen information.

2022 Impact –

Ongoing; increasing as we transition to more light manufacture

Stakeholders:



Capitals:



What it may mean to us

- Consumers of contaminated products may institute class action, resulting in impairment to the business's reputation.
- An increase in the manufacturing of our Own Brand products, particularly ready-to-eat products, increases our potential exposure to contamination and then, product recalls
- Reputational damage
- Heightened regulatory scrutiny

How we respond

- ✓ Maintain highest quality assurance standards and processes
- ✓ Extend product recall insurance
- ✓ Implement new recall processes to improve communication and traceability
- ✓ IT processes to assist with the control and communication structures around a recall are being rolled out to form part of our CRM engagement software



To create value... We Warehouse and Distribute

With multi-temp broadline warehouse facilities, across all categories, positioned close to our customers, supported by an extensive, multipurpose logistics network we ensure our service is the best that we can deliver, meeting our customers' varied needs.

Bidfood aims to be the most locally available, readily accessible foodservice supplier

The Bidfood difference

From the product in our locally positioned branches, to reliable deliveries and innovative tech helping you order, Bidfood is committed to foodservice.

Our branches – We understand what it means to be local. Our branches are manned by a team of foodservice experts who have been helping customers be the best they can be.

Solar – We have committed to installing solar panel systems in new builds, and retro-fitting current sites where possible, and employing more efficient refrigeration and lighting.

Fleet – We are venturing down the road with investment into electric trucks, and other alternate fuel and powered, low emissions fleet options. The rest of our fleet is constantly monitored by GPS to ensure efficient routes and improve driving habits.

Waste – Waste produced by our distribution centres is mostly packaging waste and food waste. Each year we are improving our monitoring and reporting systems, informing us to minimise our waste and ensure we reduce and reuse wherever possible.



Drive your career in a whole new direction

Our drivers are crucial to us delivering service excellence to our customers. Bidfood drivers choose to work with us for a host of reasons. Some are experienced – and tell us they like the fact they have supportive managers and organised teams who make it easier to do a great job they can be proud of. Others are new to the driving life, but love meeting people, and like the way they can put their customer service skills to good use. All of our drivers take pride in providing great food and great service across thousands of deliveries around the world every day.

Workplace fatalities

Sadly, we have reported three workplace fatalities in this year. All the result of tragic road accidents in Europe. We have completed full investigations, cooperating with the local authorities, into the circumstances which surrounded the two separate incidents, where we lost a driver in Belgium and a driver and his assistant in the Czech Republic.

Measures have been taken to reinforce the highest standards of road and driving safety within our distribution teams that spend so much time on the road. These messages have also been communicated to everyone in our global team. We ensured that support was made available to the colleagues and families of those that lost their lives.

Our people's safety is our top priority.

To create value... We Warehouse and Distribute

Stakeholder



Investors

Shareholder base stable at around **51%** held by investors outside of South Africa

45,229 public shareholders, holding 99,1% of the 335,4 million shares in issue

We distributed a total of **R2,4 billion** in dividends to our shareholders

Investments in PPE reflecting **maintenance capex of R1,3 billion, and R1,6 billion into new capacity**

Our strategy remains to own our facilities, with **72%** of property portfolio owned

How did we do?



Consistent financial returns in the form of dividends and earnings growth, through effective management and capital allocation decisions we ensure value is created for the investors.

How we engage



Issues raised



How we respond

- at least 5 formal shareholder engagements annually: 2 financial results presentations at half year and yearend, 2 capital market trading updates in Q1 and Q3, and AGM in Q2
- participated in a number of international investor conferences
- regular meetings with investors, analysts, and fund managers through open periods
- direct engagement on proposed resolutions prior to and after the AGM
- engaged and accessible corporate office management team
- investor relations website facilitating ease of communications

- timely, accurate, transparent, and relevant information publication
- expanded disclosure on key environmental and social issues
- competitor activity, market share spread, and opportunity for acquisitions
- understanding our business model, strategic direction, and profit drivers
- potential changes to the remuneration policy
- liquidity and interest rate risks

- ✓ no changes to the dividend policy
- ✓ responsible, practical, and implementable ESG practices in place; with ever improving non-financial disclosures
- ✓ strong balance sheet to protect the group and to take advantage of the right opportunities
- ✓ A significant refinancing exercise undertaken in Q3 to rollover and refinance maturing term debt
- ✓ robust, proactive shareholder engagement
- ✓ timely relevant communications issued through SENS to keep investors informed

Bidcorp – a compliance-based business. Committed to meeting and supporting the local and national needs of governments and institutions in all jurisdictions where we operate.

Stakeholder



Authorities

The group engages with **35 different governments**

Government lockdown support **decreased to R151 million** in 2022 from R1,2 billion in 2021

R1,5 billion paid in income taxes; average tax rate of 23,9%;

R15,8 billion total taxes paid

How did we do?



Timely and accurate submissions of transparent financial results, supporting government initiatives such as human rights issues, gender equality and transformation, demonstrated through active participation and engagement.

How we engage



Issues raised



How we respond

- remaining abreast of requirements of national authorities and regulators through engagement via webinars, training seminars, updates
- real-time proactive engagement with authorities and regulators on issues
- engaged employment equity plans to meet transformation standards
- participating in industry wide initiatives designed to promote and improve economic activity

- changing government restrictions and regulations
- meeting changing requirements of national authorities and regulators
- taxation obligations and reporting requirements
- modern slavery standards implementations
- transformation progression requirements (eg in South Africa & Middle East)
- crime and fraud prevention

- ✓ reporting fraud to authorities
- ✓ Modern Slavery policies in place, a zero-tolerance standard to unethical labour practices
- ✓ group-wide data privacy and security measures in place
- ✓ active engagement with industry specific bodies to identify, train, and hire candidates in meeting transformation targets
- ✓ taxes and other authority's dues paid timely
- ✓ proactive consultations with regulators in the development of rules and standards within our respective jurisdictions

[Refer to 2022 governance report for more information](#)

It's all about the service

Linked material issue

GF Growth and funding

Bidcorp continues to actively select and pursue opportunities to supplement organic growth with strategic acquisitions, both bolt-on and new country investments.

Growth requires that depots be large enough to be economically viable, yet small enough to ensure we remain agile and customer focused. Through timely strategic investment we are equipped and able to facilitate growth and capitalise on market opportunities as they arise. Successful integration of the acquisitions to fully realise the anticipated economic, operational, and other benefits and synergies in a timely manner. Growth is funded through a combination of internal cash resources, incremental cash flow from operations, short-term and long-term borrowings.

The group has actively engaged with the funding partners to ensure sufficient facilities are available and accessible should the working capital and operational needs demand. The group continues to deliver strong cash flow results, protecting the group's liquidity through tightly managed operating costs and aggressive working capital management.

What it may mean to us



How we respond

- ✓ Ensuring good businesses with good management and fitting the Bidfood mould are acquired, with a disciplined approach to valuation to ensure we do not over pay for acquisitions
- ✓ Bidfood executive management works in the new business for an extended period to gain a detailed understanding of the business to assist management of the acquired business
- ✓ Forward exchange contracts are utilised, as well as hedging strategies
- ✓ Sufficient funding facilities are available to the group to enable organic and inorganic growth

Linked material issue

CI Cost inflation

Operating conditions were difficult with our businesses having to contend with localised pandemic restrictions, significant staff shortages and churn, and erratic supply chain disruptions, all of which contributed to rising operating costs. In H2 rapid inflation aggravated by the fallout of the Russian invasion of Ukraine, meant that operational cost increases were significant, and ever increasing. Despite the difficulties our businesses faced, our teams did a tremendous job of seizing the opportunities that circumstances presented.

Bidcorp believes that the worst of the COVID crisis is behind the group, however, significant uncertainty persists as to the speed and depth of the economic recovery in the jurisdictions in which the group operates. Given the unpredictability of possible further regulatory changes, policy interventions to control rampant inflation, and the potential interdependency, it is very difficult to predict the cumulative effect on the groups operational results.

What it may mean to us



How we respond

- Energy and electricity availability and cost continues to be seen as a risk
- The inflationary pressure is impacting a wide range of products, an increased need to ensure cost increases are being passed on where possible
- Products cost increases that we may not immediately be able to pass onto our customers, causing margin pressure or forcing us to eliminate the SKU from our product range. This is particularly a concern with certain customer contracts that restrict our ability to flex pricing
- ✓ Minimise the number of contracts with fixed product prices; where fixed prices are agreed to, ensure the term is as short as possible
- ✓ Hedge fuel and energy costs where possible
- ✓ New sites are being constructed with permanent on-site power backup, for existing sites mobile generators are procured
- ✓ Most (if not all) new sites being constructed have solar power generation installed, where possible this is being fed back to the grid to help alleviate pressure. Existing sites are gradually being retro-fitted with solar panels where possible



2022 Impact –
Well managed, ahead of the curve, positioned for growth

Stakeholders:



Capitals:



2022 Impact –
Cost of living and inflation continues to increase

Stakeholders:



Capitals:



To create value... We Warehouse and Distribute

Linked material issue ➤

CC Climate change

Extreme weather patterns and environmental degradation have the potential to significantly impact the entire food value chain, from production through to distribution and sales. To help mitigate those risks that threaten food systems in the long term, we explore opportunities to contribute positively to biodiversity, source environmentally sustainable food products, and strive to reduce our carbon emissions impact across our business value chain.

Each of our businesses have engaged with local stakeholders and developed local programmes and plans designed to minimise emissions. Best practice is rolled out among our businesses, to share quick wins as each operation strives to minimise their carbon footprint. Capex investments are focused on improving energy efficiencies, embracing sustainable innovative solutions, and contributing to a positive carbon footprint outcome.

Robust disaster recovery and business continuity plans are established in all businesses. In the event of business interruption, our decentralised network of smaller depots allows us to support those customers whose depots are in trouble until normal operations resume. We have the appropriate global insurance policies in place to protect our assets and address business interruption risk.

What it may mean to us

- Lack of product availability and product pricing increases
- Constraints in product supply
- Regulatory risks associated with environmental legislation
- Business Continuity Planning (BCP) continues to be given focus due to recent natural disasters
- Ammonia leaks from refrigeration plants may be hazardous, cause major disruption & result in fines being imposed which necessitates effective ammonia response plans to be implemented

Bidcorp's linked environmental SDG targets:



How we respond

- ✓ Risk assessments are conducted to mitigate risks
- ✓ Newly completed distribution centres create capacity in the regional network
- ✓ New sites are equipped with the latest technology, ensuring energy efficiencies are in place, reducing emissions and costs
- ✓ Investment into fleet upgrades and maintenance reduces environmental impact
- ✓ Development of an increased number of regional branches continues to ensure we are closer to our customer and strengthen our business continuity plan
- ✓ Business Continuity Planning (BCP) is developed and actively communicated and tested throughout the operations
- ✓ Ongoing identification of opportunities to improve efficiencies and reduce emissions and other impacts to the environment are embraced

[Refer to 2022 sustainability report for more information.](#)



Solar installations on all new group builds.



Bidfood New Zealand's electric delivery vehicle.

To create value... We Serve



Our mission is to deliver service excellence. Everything we do has the customer at heart, and is led by research and insights, be it into food trends to keep a step ahead of the curve, or the latest technological advances allowing us to continuously develop our service offering. Chefs, Cooks, Owners, Buyers – these are all our customers



Catering wholesaler for food professionals

Bidfood is the online wholesaler for the catering industry and a total supplier in the foodservice market. From restaurant to cafeteria and from hotel to sports canteen and institutional care: we have a suitable offer for every food professional. Easily ordered online and delivered to the kitchen.

As a wholesaler for the catering industry, we connect our customers with the most diverse food and non-food products bundled on our ecommerce platform. In a transparent and sustainable way: we disclose the source of our products. We make sustainable purchasing easy for our customers.

We strive to create value for our customers by listening to them – understanding what their needs are and responding to make their lives easier

Stakeholder



Customers

Bidcorp served **370,683** customers, a 15% increase on prior year

54% of all revenue generated from **ecommerce** platforms

Independent customers now make up **57%** of total revenue, chain customers account for 31% and logistics, retail and other, the remaining 12%

How did we do?



Supporting our customers to do what they do best, as they navigate the challenges faced in the past few years, we have grown our customer base, improved loyalty, and intend to continue doing so.

How we engage



Issues raised



How we respond

- ✓ navigating the economic challenges, labour constraints and cost inflation pressures
- ✓ keeping the doors open in the hospitality sector
- ✓ changing needs of the consumer, in products, menu, and delivery
- ✓ sustainable, transparent product traceability
- ✓ compliance with consumer protection legislation
- ✓ using data intelligence to develop online digital solutions to meet customer needs
- ✓ proactive training and support materials delivered to inform and support through lockdowns
- ✓ innovative financial support programmes provided when required
- ✓ adjusting customer service in line with customer needs, turnaround times on orders, type and frequency of delivery, value-add product range provided (prepared, sous-vide solutions etc)
- ✓ engagement in new online media campaigns
- ✓ digital solutions to label and provide food information required
- ✓ development and support of simplification of menu options as required

To create value... We Serve

Linked material issue ➤

CE Consumer environment

Operating conditions have been tough for our customers having to contend with localised lockdowns and inflationary cost pressures. Differentiation in the foodservice industry is achieved through relationships with customers, competitive pricing, with the ability to provide a broad basket of products, and consistently delivering promptly and accurately. We typically do not enter into long-term customer agreements; therefore, our businesses must be able to react quickly to changes in pricing, customers requirements, often anticipating them before our customers are aware themselves. Through conveniently located warehousing, specifically enabling a faster, better last-mile response to customer orders, we differentiate ourselves on our service excellence.

2022 Impact –

Heightened due to changing consumer trends during lockdown

Stakeholders:



Capitals:



What it may mean to us ➤

- Resistance to customer pressure will result in loss of market share
- Growth focus is on independent, street trade, to reduce our exposure to national account pressure
- Fit-for-purpose infrastructure
- Responsive and agile delivery capability
- Product range availability

How we respond

- We maintain a very frank and open relationship with customers, ensuring a mutual understanding that we charge a margin that reflects the level of service required, and that we are prepared to forego business where the margin is driven to an unacceptably low level
- Track and monitor internal KPIs at a branch level monitoring sales growth, customer mix, ecommerce sales, Own Brand sales etc

Linked material issue ➤

HSL Hospitality sector lockdown

The unexpected, quick market-wide shut downs of the hospitality industry has been a phenomenon few could have anticipated. The impact of these shutdowns on the industry and all players within it has been a key area of management focus, developing responses and action plans necessary to keep activity levels continuing.

Efforts to maintain and grow a diverse customer base has allowed us to manage the impact of the downturn and reduced the impact by spreading our revenue streams. Review of supply chains, growing our Own Brand product range as substitutes to mainstream imported products and to develop a locally accessible and environmentally friendly, local supplier base has presented many new opportunities.

2022 Impact –

Unpredictable, significant impact

Stakeholders:



Capitals:



What it may mean to us ➤

- Downturn in revenue as customers are closed or restricted from regular trade
- Inventory write offs due to sudden lockdowns
- Many hospitality businesses have been assisted by government subsidies, further wide scale closures in the market could be devastating
- Border closures directly impact tourism which has a severe impact on the hospitality sector with staycation revenue warning
- Potential for further supply chain disruption, particularly on imported products

How we respond

- Keep our team and stakeholders positive and enthused
- Encourage agility in business approach and manage according to the environment
- Strengthen relationship with customers and suppliers to ensure support should further future lockdowns occur
- Keep credit policies tight and work proactively with customers and suppliers to meet their constraints
- Manage working capital investment
- Reinforce policies for remote working, health and safety etc and ensure branches have incorporated any learnings into DRP

Our results reflect the improved market conditions

In most geographies, we have seen a strong recovery in demand in the discretionary spend sectors: the group's strategic focus on "smaller independent customers" has led to good revenue increases in the hotels, restaurants and cafés segment up from 35% in 2021 to 41% this year.

Non-discretionary demand from institutional customers, including education, hospitals, aged care, prisons, the military, and government departments has remained stable subject to the usual seasonality (school holidays, etc).

Gross profit % improvements delivered in the year are an indication that the businesses traded well through a period of rapid food inflation, made possible because of the broad independent customer mix. Those operations that are exposed to more "larger-type" customers experienced some temporary margin squeeze due to delayed timing in our ability to pass price increases through.

It's all about the technology

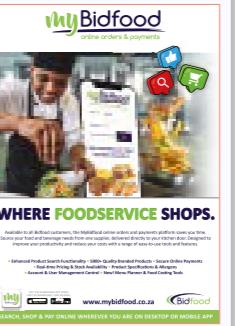
We use technology to deliver operational efficiency, implementing smart solutions faster through sharing of learning and ideas across our businesses. Our in-house developed ecommerce solution, myBidfood is a market-leading customer communication, transaction and information portal connecting us directly with our customers and suppliers.

Our ecommerce and digital strategy remain key enablers of competitive advantage and are designed to facilitate digital customer interaction in a low-cost but high-impact way. Customers have an online offering such as real-time product availability and pricing, product and sourcing information, planning, and costing facilities. Customers are able to place orders on a tablet, mobile phone or laptop, with a delivery time as quick as within the operating day.

myBidfood - PICK IT, CLICK IT, TRACK IT

Placing your foodservice order has never been quicker or easier using myBidfood, offering a full basket of products by category or brand, offering many useful features:

- Full product searches
- Real time stock availability and pricing
- Personalised order forms and detailed transaction history
- Order and delivery tracking
- Online account payments



Bidfood blogs

Around the Bidfood world customers and participants in the horeca sector will find topical trending conversations and topics presented and debated in online blogs. Blogs topics vary from entrepreneurship, food transition, kitchen support, transitioning to vegetarian/vegan menus, and much more. Through these interactive blogs we keep our customers informed and inspired, helping them do business successfully.



Linked material issue ➤

ICS Information and cybersecurity

Our market-leading ecommerce platform provides a comprehensive database, tracking trends in the overall foodservice environment and in particular changes in consumer preferences.

Through the use and uptake of the myBidfood platform, the bespoke data insight that has been gathered has enabled Bidfood to provide customers with value-add services such as substitute product suggestions, product usage reports, menu-planning advice, and food safety training, to proactively deal with the changing end-consumer landscape. Development and effective use of our ecommerce solution positions us to be agile enough to proactively meet to our customers' needs.

Enterprise-wide information technology supports and facilitates critical functions within each of our individual businesses and those cloud-based solutions. Risks to systems stability and security are increasing due to the frequency of global cyber and ransomware attacks, the acceleration in digitisation across our business and the increase in online transactions.

What it may mean to us ➤

- Data privacy breach
- Critical system downtime
- Direct financial loss from fraudulent input or manipulation by an employee or an external source
- Third Party liability claims
- Security breach/hack to the Bidfood network disrupting customer activity/orders
- Cyberattacks and the impact on the security of confidential information
- Reliance on IT systems that are unable to support growth and innovation
- A lack of accuracy or delays to critical information provision having a negative impact on decision-making

How we respond

- Group Cybersecurity policy developed, setting globally accepted minimum standards in place for all environments to adhere to
- Annual peer review process established to support all businesses to meet minimum standards
- Only engage reputable vendors, employ recognised software, and share this information on group communication portal to ensure best practices adopted
- Internal Cyber Awareness campaign and programmes continue – phishing tests are conducted to highlight to employees the risk of phishing scams
- Regular testing and upgrading of contingency and DRPs
- myBidfood has world-class security modules in place, hosted in the cloud

To create value... We Serve

Serving our local communities

In each of our business we are committed to being a responsible corporate participant, to step up and lead by example to give back to the communities where we are. Across all of our operations we are actively engaged in a variety of local initiatives, supporting aged care facilities, funding school projects, feeding communities left destitute after natural disasters – where you find Bidfood, you will find a foodservice provider that cares.

We invest in social and education initiatives, focusing on programmes such as healthy eating. Senior citizen programmes, community projects, sponsorships, donations, and education programmes are just some of the many initiatives owned by each of our businesses in their individual and group efforts to make a difference.

Real engagement to support inclusive economic growth for all

Our success depends on the goodwill and well-being of the communities within which we operate. We engage with our local communities to provide meaningful socio-economic support and create opportunities for sustainable economic growth that benefits all.



Positively impacting all the people that we engage with, our employees, our customers, our suppliers, the people that eat in the restaurants we serve, those that drive past our trucks on the road, those that meet us in the street – Bidfood strives to make a positive impact

Stakeholder



Communities

R24 million donated to charities and community projects

Countless **local projects** supporting those within reach

Food recycling and donation projects reported **2.2 tonnes of food donated**

How we engage



Issues raised



How we respond

- each business, branch and depot identifies a variety of community specific social development programmes
- engagement with the local food bank teams participate in local community forums
- identify local schools and other education facilities to partner with
- small-business development initiatives, particularly in the supply chain
- participation in nation building initiatives such as the YES programme in South Africa
- Globally available anonymous whistleblower service is available to all where anyone can raise a concern identified positively or negatively

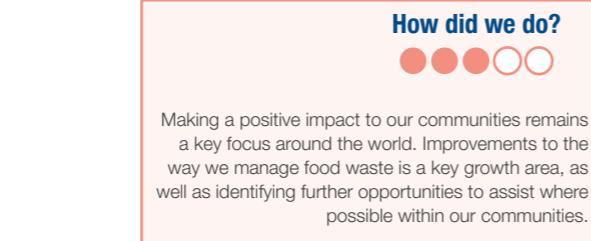
- economic crisis concerns due to rising cost inflation pressures
- small business development sustainability challenges
- environmental consciousness
- alignment of businesses and their support programmes with the needs of the communities they exist within

- reinforcement and implementation of a two-tier CSI strategy, to deliver maximum real benefit to the recipients:
 - Group support of a number of overarching worthy causes
 - Individual businesses support locally identified projects
- significant support of food bank and food waste initiatives globally
- campaigns launched on social media and in local media outlets educating and promoting healthy eating, responsible waste management, protecting our water supplies, and other sustainable living messaging
- Healthy eating and menu development initiatives to our customers

Bidcorp's linked social SDG targets:



Refer to the 2022 sustainability report for more information



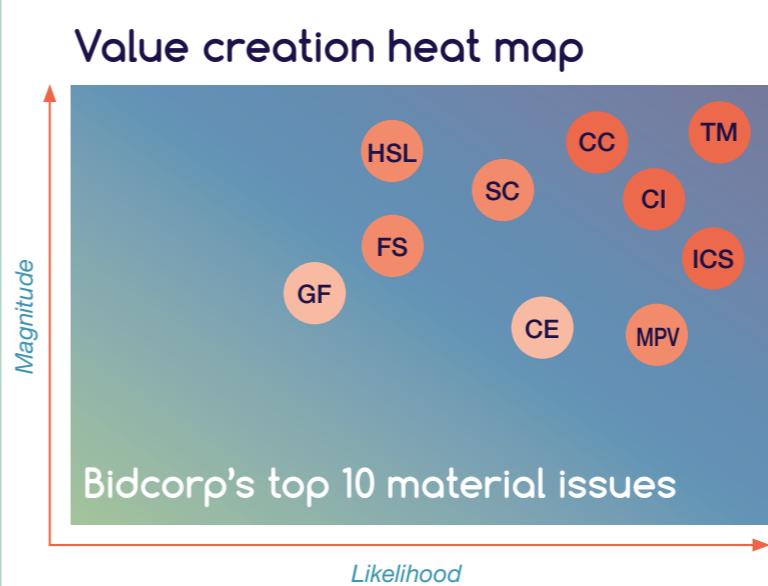
Bidfood mission
“Contributing to the success of our clients is our main mission.”

Bidcorp's value creation response

The Bidcorp board recognises that the implementation of the strategy, the identification of material issues, the effectiveness of risk management, a commitment to social and environmental responsibility, and the group's financial performance are all inseparable elements of long-term value creation

Protecting long-term value creation for our customers, suppliers, employees, and our communities remains key

Following the group's annual materiality assessment, the board agreed those material issues identified by each operation, and approved the consolidation for group reporting. These material issues are specifically related to the group strategy and are considered to be the inherent risks facing the foodservice industry today.



Bidcorp's material issues:

TM	Talent management	CC	Climate change
	– page 26		– page 30
CI	Cost inflation	ICS	Information and cyber security
	– page 29		– page 33
HSL	Hospitality sector lockdown	SC	Supply chain security and stability
	– page 32		– page 23
MPV	Macro political volatility	FS	Food safety
	– page 23		– page 26
CE	Consumer environment	GF	Growth and funding
	– page 32		– page 29

Bidcorp's capital trade-offs

Some of the key trade-offs made in 2022 include but are not limited to:

- Bidcorp achieved cost efficiencies with a 28.4% increase in operating costs against an increase in revenues of 33.1% but many of the efficiencies gained through the pandemic were dissipated by rising costs and an increasingly inefficient operating environment

SC ▲ MC ▼

- Group margins held up well at 24.2%, above 2021 (24.0%) and 2019 (23.9%), benefiting from our strategic mix of smaller independent customers. Gross margins were under pressure in geographies exposed to national accounts where it is difficult to pass on rapidly rising prices

IC ▲ MC ▼ FC ▼

- Increased ESG related expenditures where initial costs of ESG spend is high but economic and social benefits are to be received over time.

FC ▼ NC ▲

The board interrogated these (and other) material issues that could impact our ability to create value for our stakeholders

OUR STAKEHOLDERS

Authorities	Communities
	– page 28
Customers	Employees
	– page 25
Investors	Suppliers
	– page 28

Operational reviews

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- 48 Bidfood Europe
- 52 Bidfood Emerging Markets
- 56 Bidcorp Corporate





A consistently good track record is a result of strong organic and acquisitive growth, positive market fundamentals, the advantages of shared operational best practice and deep local customer and supplier relationships.

Australasia

Revenue
R33,3bn

Trading profit
R2,3bn

Employees
4 478

For more information see page 40 to 43

Australia
New Zealand

- 1995 – Acquired an initial 40% interest in listed Australian foodservice business Manettas, the start of our business in **Australia**
- 2000 – Entry into the **New Zealand** foodservice market with the acquisition of Crean Foodservice
- 2001 – John Lewis Foodservice acquired and incorporated into **Australia**, creating the leading Australian foodservice distributor
- 2017 – Successfully rebranded Bidfood **Australia** and Bidfood **New Zealand**
- 2021 – Acquired Craven Foods in **Australia**
- 2022 – Light manufacturing investment into Salad World and Bayview Seafoods in **Australia**
- 2022 – **New Zealand** bought Total Repack, expanding into value-add repackaging

Each business is directly responsible for its product range, its buying and sales approach. Businesses retain their local brand, tone of voice, look and feel. Each business operates as an autonomous, local business.

Local offering



Europe

Revenue
R50,1bn

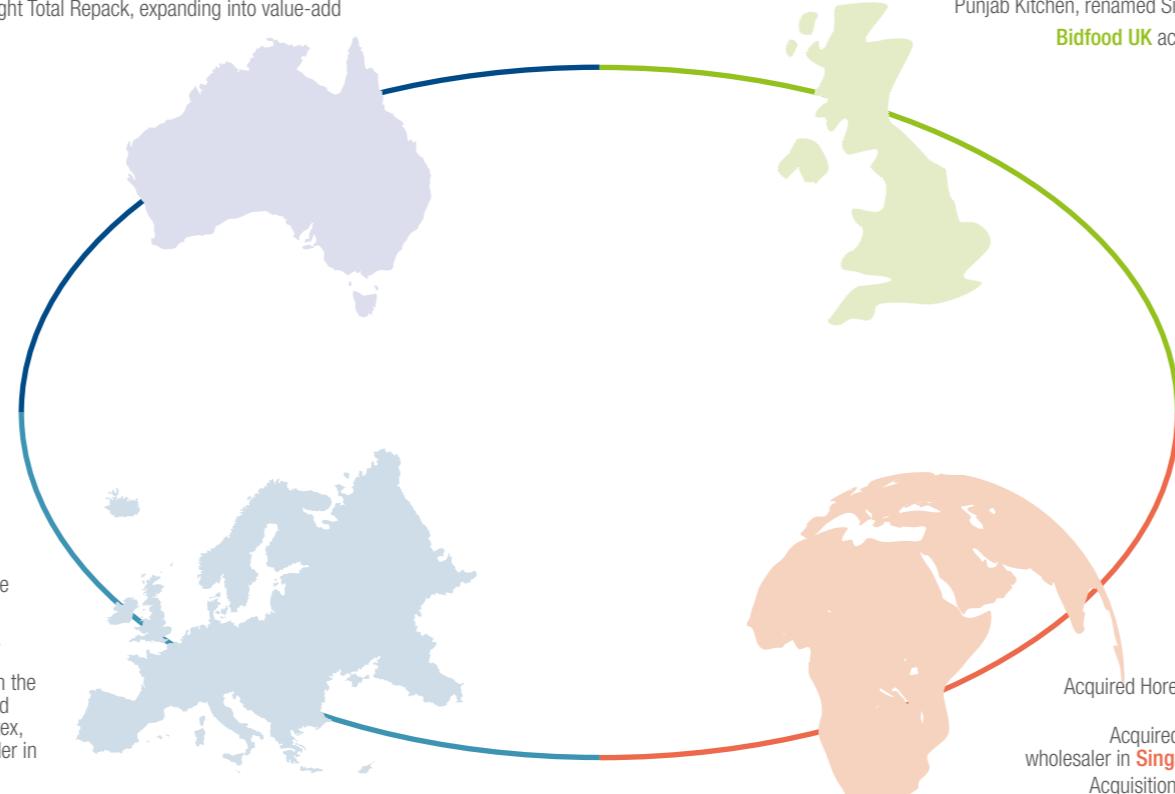
Trading profit
R2,4bn

Employees
7 803

For more information see page 48 to 51

Netherlands
Czech Republic
Slovakia
Hungary
Poland
Belgium
Baltics
Italy
Germany
Austria
Spain
Portugal

- 2006 – Acquired the **Netherlands** and **Belgium** foodservice company, Deli XL
- 2009 – Acquired Nowaco, a leading foodservice provider operating in the **Czech Republic** and **Slovakia**, and Farutex, a foodservice provider in **Poland**
- 2011 – Acquired Nowaco **Baltics** (Lithuania, Estonia & Latvia), a leading distributor in frozen and chilled products across the Baltic region
- 2015 – Acquisition of a 60% stake in Gruppo DAC S.p.A, a leading foodservice provider in **Italy**
- 2017 – Bidcorp moves into **Spain** through its acquisition of Guzmán Gastronomía & Cuttings (Guzmán)
- 2018 – Foodservice acquisition in **Germany** and **Austria**, as well as Frustock in **Portugal** strengthening our Bidfood **Iberia** business
- 2021 – Alborghetti was acquired and consolidated into **Italy**
- 2021 – **Czech** established a depot in **Hungary**
- 2022 – **Belgium** acquired Fosters Fast Food, a wholesaler in fast food concepts
- 2022 – **Netherlands** acquired Zegro, a broadline food wholesaler



- Established Bidvest Plc (now Bidcorp Foodservice International in the United Kingdom) – 1998
- Booker Foodservice, renamed 3663 First for Foodservice, acquired in the **United Kingdom** – 1999
- Acquired Seafood Holdings, later rebranded to **Bidfresh UK**, a market leading fresh fish foodservice business operating in the UK – 2011
- Bought **PCL24/7 Transport Limited** – 2015
- Exited the PCL and logistics operation – 2019
- Acquired specialty food manufacturing business, Punjab Kitchen, renamed Simply Food Solutions
- Bidfood UK** acquired Nicol Hughes – 2022

United Kingdom

Revenue
R37,8bn

Trading profit
R1,5bn

Employees
5 916

For more information see page 44 to 47

Bidfood UK

- Foodservice
- Fresh
- Caterfood Buying Group

- Acquired **South African** Chipkins and Sea World – the start of Bidcorp Foodservice
- Acquired **Crown** – 1992
- Acquired **National** in South Africa
- Acquired Horeca Trade, a **UAE** based foodservice distributor
- Acquired Angliss, a foodservice wholesaler in **Singapore** and **Hong Kong**
- Acquisition of Deli Meals in **Chile** – 2012 our first entry into South America
- Acquisition of Aktaes Holdings in **Turkey** – 2013
- Acquired Distribuidora E Importadora Irmãos Avelino, a foodservice provider in **Brazil**
- Investments throughout **mainland China**, driving second-tier city presence strategy
- Invested 38% into an **Argentinian** business, Blancaluna – 2019
- Acquired Wet Fish in **UAE** – 2020
- Brazil** bought Leao Marinho – 2021
- Spice World Kuruman acquired in **South Africa** – 2022
- Brazil** acquired Central Foods and Vinhais – 2022

Emerging Markets

Revenue
R25,9bn

Trading profit
R1,4bn

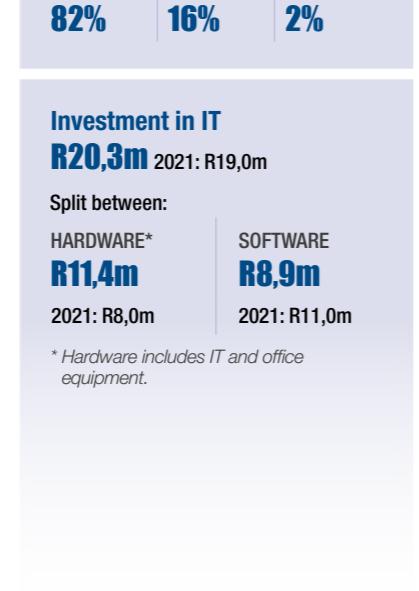
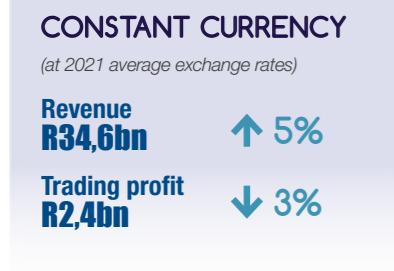
Employees
6 713

For more information see page 52 to 55

Bidfood South Africa
Crown Food
Chipkins Puratos
Mainland China
Hong Kong
Singapore
Malaysia
Vietnam
Brazil
Chile
Argentina
Middle East
Türkiye

Bidfood Australasia

Operating in Australia and New Zealand for over 20 years, these businesses offer a full end-to-end national distribution service. Bidfood is a one-stop wholesale solution distributing products to the foodservice and catering industry, offering a comprehensive range of products and services as the customer determines. This division leads the group in ecommerce innovation, developing and driving the online “myBidfood” customer engagement solution, a key differentiator in the foodservice industry.



OUR BUSINESSES

Bidfood Australia

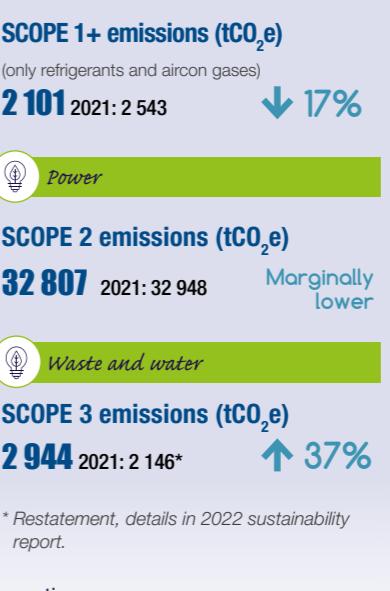
CEO: Rachel Ruggiero

Bidfood New Zealand

CEO: Phil Struckmann



Show casing at demo kitchens and trade shows.



Investing in electric trucks.



New Zealand processing team.



“Day for Daniel” charity event.

Please link to individual country websites for more detail, using the buttons alongside.



Our value creation stories

Bidfood Australia

Rachel Ruggiero, CEO of Bidfood Australia, unpacks the benefit that comes from being close to your customers

I'm delighted to be able to report a very strong all-round 2022 performance by Bidfood Australia at a time when 50% of the country was locked down for half the year, costs went through the roof, and, like everyone else in our sector, we often struggled to recruit people.

Our trading margin was slightly better than that of 2019 and our trading profit was 8.6% higher than what we achieved in that year. We succeeded in managing our expenses well, in a highly inflationary market, working closely with our customers on stock shortages and supporting our staff through challenging times.

Our operating and financial success demonstrated that our strategy of having a large number of depots closer to customers and strategically positioned throughout Australia does pay dividends.

Skills shortages

Throughout the year, filling driver and warehousing positions was particularly difficult as labour costs soared and there was mounting competition for these scarce resources. However, our determination to look after staff during the pandemic was clearly rewarded with loyalty – unlike a number of our competitors who were unable to deliver, sometimes for extended periods, which even led to their customers calling us.



People and planet

In February 2022 our facility in Lismore, New South Wales suffered multimillion-dollar flood damage. For our customers that were not directly impacted by the flood we were able to continue to service them from other branches. A great example of how having multiple sites is key to great service.

Customers in Australia are acutely conscious of climate change and increasingly expect their suppliers to demonstrate that they are acting to reduce carbon emissions. Since 2018, I'm proud to say, Australia has led the group's journey towards net zero, slashing our emissions by 40% and (with New Zealand) accounting for a third of all the solar power generated by Bidcorp worldwide. We have achieved this largely by investing in renewable energy in new build facilities. Investment in the latest eco-friendly infrastructure has also resulted in refrigeration and air conditioning gas consumption falling by half.

Five new facilities being built in 2023 will all be fitted with 100kW to 200kW solar arrays and power saving lights. In 2023, hybrid and fully electric vehicles will be bought for sales reps.

Negatively, both waste and water consumption rose in the year although I should point out that the higher waste figures derived from us applying more stringent reporting protocols.

Environmentally friendly packaging is a strong focus and the use of non-recyclable plastic has reduced by 93%. Sales of eco-friendly products have risen from 1.6 million units per year to over 10 million.

In the year we undertook various campaigns to highlight healthy school catering, indigenous foodstuffs, and low sodium nutrition while corporate social investment rose by nearly 30%.

Gearing for growth

In 2022 we succeeded in growing our light manufacturing reach as well as the production of our Own Brand range. Import activity also rose sharply thanks to closer cooperation with the Bidcorp Procurement Community and peer Bidcorp companies. A number of relatively small acquisitions boosted our manufacturing capability.

Liquor is an increasingly important value-add to our offering and new initiatives to raise this included exclusive imports and our own wine labels.

I believe in 2023 we will continue to see the success of the group strategy by being close to our customers; transitioning to being a preferred supplier; ramping up imports; and building a value-add light manufacturing offering.

Bidfood New Zealand

For three-quarters of 2022, New Zealand was effectively shut off from the outside world – and from much of itself. Sales held up remarkably well though, but the cost of multiple, unpredictable, and often severe disruptions ate into profits to the point that our financial bottom line (profits) declined to 2018 levels.

Multi-tasking

The reported results do not however reflect the extraordinary effort that our team put in during the year. Workplace rules and restrictions wrought havoc with shift planning and scheduling and, during the worst of the pandemic wave in February 2022, some branches had to contend with absenteeism rates of up to 65%. Multi-tasking, job sharing, and going the extra mile became the order of the day. Office staff supported the warehouse during the day, and then caught up their own work at night. I am extremely proud of the extent to which our traditionally excellent levels of customer service were maintained.

On top of COVID disruptions, like the rest of the group, we experienced runaway increases in fuel and food costs as well as major supply chain difficulties. This meant that while on paper, our total sales shrank by just 1.2%, adjusted for inflation, this actual number was closer to a negative 7%.



As challenges mounted, and the unexpected became the norm, branch managers were able to quickly and effectively adjust service levels, manage expenses, and work with customers to mitigate the impact of rising food prices, all while keeping staff welfare as the primary concern and priority of the business.

Foodservice and Fresh revenue declined and trading profit slumped, with the fresh produce market in particular being affected by lockdowns and staff shortages.

Manufacturing enjoyed an excellent year with profits up 38% notwithstanding a decline in volumes. Recent investment in

Bidfood NZ – taking work and cost out of our customers' kitchen, CEO Phil Struckmann tells us how



newer equipment and technology saw a significant improvement in yields, while the focus on higher margin value-add lines also reaped benefits.

Staffing our business

Manufacturing's performance in 2022 was especially pleasing because we believe that this part of the business offers the greatest growth opportunities. The hospitality industry is severely constrained by staff shortages, creating a strong demand for the sort of value added products which we are delivering from our manufacturing operations. Bidfood is effectively taking work and cost out of the kitchen.

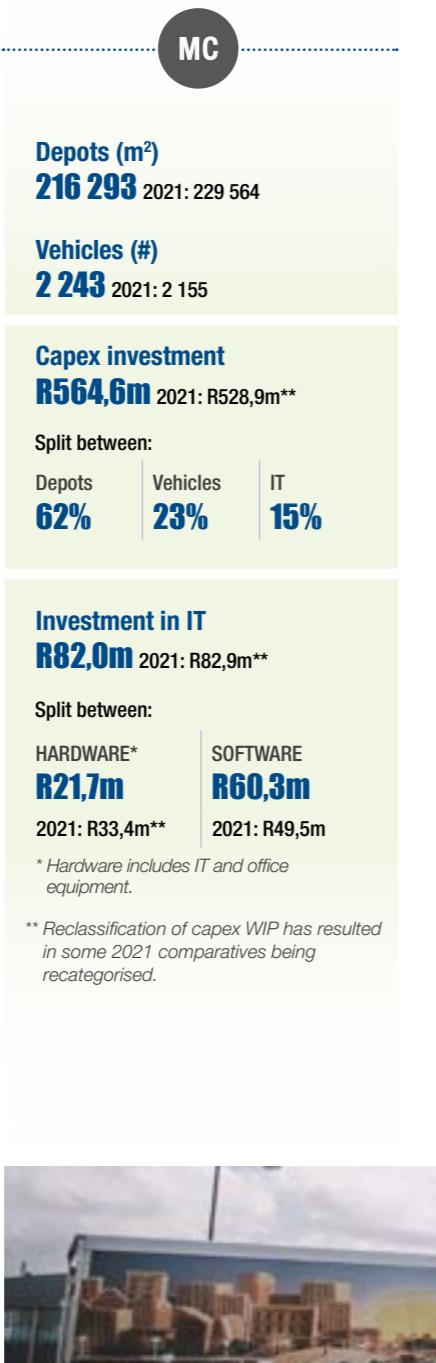
Staffing is likely to remain our biggest challenge with unemployment at record low levels. To this end, the business has appointed a learning and development manager, whose efforts have already had a noticeable impact on skills, staff morale, and retention.

Notwithstanding all of these difficulties, our team has shown that they are up to the challenge – we have a clear plan for the year ahead and are 100% focused on getting our growth trajectory back on track.



Bidfood United Kingdom

For more than 20 years as a leading foodservice wholesaler, Bidfood has supplied fresh, frozen, ambient food, beers, wines, spirits, catering essentials, and catering equipment to customers in a wide range of sectors. We supply over 50 000 products to more than 50 000 customers. With a depot network spanning the country, a truly local presence is experienced. The multi-temperature supply chain ensures the full consolidation experience of frozen, ambient, and chilled products on the same delivery truck.



Our value creation story



Against almost all metrics by which our performance is measured, Bidfood UK excelled in 2022. It was a performance that spoke to the strength of our people and the value we deliver to our customers.

2022 quarter-by-quarter:

- Q1** Sales boomed after pandemic lockdowns and restrictions were lifted and a buoyant summer "staycation" boosted demand.
- Q2** As the education year started, volumes continued to rise but logistics challenges tested our ability to consistently deliver service excellence; COVID-related self-isolation limited the Christmas season.
- Q3** Labour shortages and soaring wage bills combined with rising fuel and energy costs put pressure on margins. Restrictions from the Omicron variant dampened demand in the hospitality sector.
- Q4** Wage, energy, and food costs continued to soar as volumes recovered and we worked with our customers on price reviews.

The full-year revenue was 7% higher than that of 2019 and H2 trading profit reflected a more normalised trading period. The Foodservice business grew trading profit by a remarkable 85% on the prior year results, and Fresh turned a significant loss into a satisfactory profit.

At the end of the day, I'm extremely pleased with trading and financial performances that were achieved in the face of soaring cost hikes and mounting supply and logistics difficulties.

Strategic focus

Our business strategy is built around these key themes:

- ✓ Being a technology-led business
- ✓ Growing sales and margin in all areas
- ✓ Simplifying the business while striving for greater service excellence
- ✓ Adopting a sharper, stronger focus on ESG performance and impacts

OUR PEOPLE



Our Vision

To be the best foodservice provider and a positive force for change

because we care about...

OUR PLANET



OUR CUSTOMERS



OUR COMMUNITIES



OUR PRINCIPLES



Bidfood UK CEO, Andrew Selley, reflects on the benefits derived from looking after their people



Like all Bidcorp businesses, the UK is a people business. Every week, almost 6 000 employees in the UK delight their customers. In 2022 our UK team had to work harder than ever to delight – to keep up with demand and to keep a lid on expenses.

And our managers had to work harder than ever to recruit, retain, and motivate the brightest and the best in the UK foodservice industry. In the three months to June 2022, the UK's unemployment rate was at 3.6%, the lowest level since 1974. In a year when total headcount increased by 3%, our total payroll costs rose by more than a third.

In 2022 we invested R564.6 million in capex, to improve and enhance our ability to maintain the highest standards of service offerings. R82 million was invested in the division's IT estate, to make information systems simpler, faster, and more secure. Digital innovations were aimed at enhancing the security and reliability of data and making it more useful – to our salespeople but also to our customers.

The health and safety of our people at work – whether it's in our depots and warehouses or on the road – is our utmost priority. Our ongoing investment in the best tools and equipment to support and protect our team underlines this. In this financial year we invested R177 million in new solutions to improve our team's work experience.



People focus

In recent years the UK workforce has begun attaching much greater importance to how they believe the company treats them and how seriously managers take their health and wellbeing. We have always seen this as a high priority and have done an annual people survey for over 10 years. Our response rates are always nearly 90% and our engagement score is 86%. Just some of the engagement improvements we made in 2022 were:

- a new health and wellbeing strategy is being implemented, including the appointment of a "culture and wellbeing manager";
- rolling out mental health awareness training to three-quarters of managers and establishing various in-depot health groups while piloting on site physiotherapy in Slough; and
- an employment applicant tracking system was developed and is now expected to go live in January 2023.

The Foodservices business derives a considerably higher percentage of its revenue from large national customers (almost 70% of whom are national account and public sector clients). Our business will continue to service these customers while raising its focus on independent, mostly higher margin business. Fresh has a far greater concentration of smaller independent customers, and in our Caterfood Buying Group, our customers are all mainly independent. At present, manufacturing is largely confined to ready-meals and ice cream, but investment in processing and manufacturing is being prioritised.



Getting closer to customers

Regardless of the size of the customers we supply, getting physically closer to them is a key priority. This is especially important in a sector in which smaller competitors consistently emphasise their "localness" and reliability and service excellence are prized. To get within 30 minutes of most customers, we invested in expanding our presence in Scotland and the north of England.



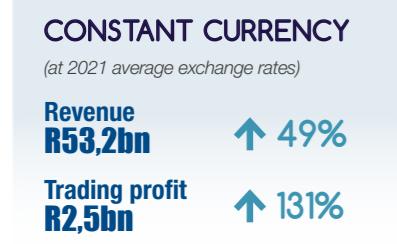
Unlike most of our major competitors, we are not increasing depot sizes. When we get to capacity in any depot we look to build additional infrastructure to continue to grow locally with our customer base. While this adds some costs, this approach brings us closer to customers and reduces mileage – a key consideration given a growing energy crunch and customers' heightened focus on their suppliers' carbon footprints. Our structure – Foodservice, Fresh, and the Caterfood Buying Group – plus local presence gives the division a growing, more flexible competitive strength, and more routes to market.

After two years of relatively low spending, capital expenditure to aid growth and get us closer to customers will increase in 2023. Emerging from the worst effects of COVID and its attendant lockdowns, our Foodservice team's flexibility and ability to maintain service levels in the face of severe supply disruptions played to our long-term advantage. New business worth more than £150 million has been won – which will stand the division in good stead as we navigate an uncertain future of continued cost increases, labour pressure, and harsher economic conditions.



Bidfood Europe

With nine reporting management teams present in 13 countries, this division consists of leading foodservice distributors in their respective countries, offering unparalleled end-to-end value-add foodservices. Supplying premium brands across a wide product range, and with a significant presence in Own Brand manufacturing and distribution, Bidfood Europe is fast becoming recognised as a leading foodservice distributor in the horeca sector. Our industry-leading innovations in operational efficiencies, and ground-breaking product and menu development, deliver smart solutions exceeding our customer expectations.



OUR BUSINESSES

Bidfood Netherlands

CEO: Dick Slootweg

Bidfood Belgium

CEO: Thierry Legat

Bidfood Czech/Slovakia

CEO: Bohumil Volf

DAC Italy

CEO: Daniele Scuola

Pier 7 Germany

CEO: Harald Hamster-Egerer

Bidfood Poland

CEO: Paweł Świechowicz

Bidfood Baltics

CEO: Ramunas Makutenas

Frustock Portugal

CEO: Mehrdad Seifi

Bidfood Spain

CEO: Grant Cox



Ukraine donations, Bidfood Poland team in Lubin.



Ukraine donations, Bidfood Belgium.



Bidfood Czech donates to Ukraine aid.

Please link to individual country websites for more detail, using the buttons alongside.



Two of our value creation stories



Bidfood Netherlands drives digitisation to temper operating costs and improve efficiencies, says CEO Dick Slootweg

In 2022 Bidfood Netherlands achieved a solid profit result. This was achieved despite four months of severe COVID restrictions (which included the disrupted 2021 Christmas season), supply chain disruptions, the Russian invasion of Ukraine, and soaring food, energy, and labour costs.

Integrated strategy execution

This financial performance was achieved through concerted, focused strategic execution. We kept a close eye on volumes per customer, we reduced our logistics complexity and the frequency of customer drops, and we actively pushed Own Brand sales. Also, switching more customers to online digital interaction reduced costs and enabled us to do more up-selling.

We also kept investing in our manufactured and human capital. We opened a new (smaller) branch in Utrecht, boosting customer satisfaction and our reputation.

A very big priority for all of my managers was internal communication, staff advancement, and wellbeing. So I'm pleased to be able to report that we spent more on employee training, in both absolute terms and per head, keeping our team motivated and positive.

Staff shortages were no less acute in the Netherlands than in other European countries. A quarter of all Dutch restaurants reported staff shortages, for all or almost all, of the year. This played to our advantage as customers looked to their foodservice suppliers to deliver higher levels of service. It is



rewarding to hear stories about how our Bidfood people were pitching in (often after hours), despite staff shortages, to do whatever it took to get the job done.

All customer segments showed year-on-year sales growth. In real terms, all segments were also up relative to 2019 with the exception of Catering. As external pressures, including supply disruptions, cost increases, and unpredictable demand mounted, Bidfood Netherlands won a lot of new business, and we did a great deal of work to transition our sales mix to more horeca customers and more value-add products.

Greening our operations

Our ESG performance received appropriate management attention. Post-yearend, five new electric trucks were ordered. From 2030 legislation will prohibit diesel trucks from operating in 40 Dutch city centres and so we're already planning to meet that deadline. We implemented new protocols to reduce waste but at the same time, increased stock levels so that we could improve service levels. Managing this balancing act speaks to the heart of sustainability integration in our business.

Our new bolt-on acquisition Rotterdam-based Zegro-Centrum (in March 2022) performed above expectations and accounted for a portion of sales growth in the freetrade segment.

COVID lockdowns severely tested Bidfood Netherlands but the operation passed its pandemic tests. In 2023 the short-term economic outlook for Europe is uncertain and concerns about exponentially higher costs, particularly in energy, remain. The Dutch economy, however, is expected to record better (albeit modest) growth than most.

I am very confident that in the new year we will increase our turnover further. We'll do so by driving digitalisation and making our business simpler, by investing more in manufacturing and in our physical footprint, and by consistently motivating our people to make Bidfood Netherlands indispensable to their customers' business.



Bidfood Czech and Slovakia

Bidfood Czech has delivered a successful foodservice manufacturing strategy, CEO Bohumil Volf tells us more

For much of 2022 one of our most important production facilities was out of commission; the costs of almost everything kept climbing; and then a war erupted on our doorstep. On top of that there was the matter of an unpredictable worldwide pandemic.

Despite all of this, Bidfood Czech achieved record profits with EBIT climbing 57% year-on-year – to above pre-COVID (2019) levels. This was despite cost increases also being at record levels as fuel prices doubled, the cost of natural gas rose four-fold, and staff expenses spiralled.

Very sadly, in May we mourned the loss of two colleagues, a driver and assistant who died in a tragic road accident.

Our business – which operates across the Czech Republic and Slovakia – invested extensively in growing and strengthening our physical footprint and reach and we began rolling out a very large renewable energy project.

Rebuilding the fresh fish factory in Kralupy (destroyed by fire in 2021) was completed using the latest non-flammable materials, fire alarms, and sprinkler systems and is now operating at full capacity. The business also continues to establish the still new Hungarian depot and reinvesting in new, more fuel-efficient vehicles, as well as in production and distribution infrastructure.

Investing for growth

This year we automated a number of production lines and our upgraded ERP system (which we expect will last us for a decade) was bedded down. We spent what was (at least for us) a significant amount on marketing two of Bidfood Czech's leading brands – Nowaco and Prima. Today these products are sold in 12 000 retail outlets and manufacturing our Own Brand product accounts for a larger slice of our revenue at better, more sustainable margins.

Towards the end of the year the business began implementing a large solar energy installation at Kralupy. At a cost of more than €1.6 million, this investment is forecast to generate in excess of 116 kWh per month. It couldn't have come at a better time with skyrocketing energy bills and customers asking about our environmental credentials.

Throughout the year, Bidfood Czech benefited from a buoyant horeca sector which experienced high post-pandemic demand for eating out boosted by good summer weather. We recorded strong sales across

both our distribution and production businesses. However, rampant inflation (which reached over 15% by yearend) impacted gross profits as the cost of raw materials dampened manufacturing profitability.

We distribute food products across our two countries from seven depots. In Czech we have depots in Kralupy nad Vltavou, Opava, Velké Meziříčí, Dýšina, and Chlumec nad Cidlinou, and in Slovakia we have depots in Prešov and Nové Město nad Váhom. Bidfood is the largest manufacturer of ice cream in both the Czech Republic and Slovakia, producing 12 million litres per year.

We're also a leading producer of frozen meals, sous-vide meat and poultry (at Dýšina near Plzeň), charcuterie meats, marinated meat, and sausages. In addition to 1 500 tonnes of fresh and 5 000 tonnes of frozen fish, the Kralupy facility supplies over 2 200 tonnes of fresh meat and semi-finished products under the "Gourmet" brand, as well as 4 000 tonnes of frozen bakery and pastry goods. The Opava factory produces 11 000 tonnes of frozen vegetables each year. In other words, we are a significant manufacturer of premium and commodity food products in our markets.

Positively impacting society

Some years ago we set ourselves the task of working to raise the quality of Czech gastronomy and helping customers to learn about new techniques and ingredients. We do this because customers increasingly look to us not just to deliver the products they need but to also deliver menu knowledge, insights, and expertise. To this end, we employ 16 professional chefs and, in 2022, undertook 130 seminars and events at our fully equipped "Gastrostudio" in Kralupy – the first of its kind in the Czech Republic. Staff also attended over 150 trade events to engage with industry specialists and build relationships with customers, both current and potential.

Chief among Bidfood Czech's social impacts is employment – in 2022 headcount grew by 10% to 2 340 positions. During 2022, staff collected food, clothing, and other essentials for civilian victims of the war in Ukraine; the company made trucks available to transport these items.

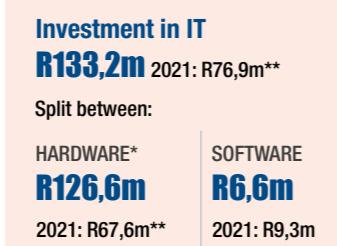
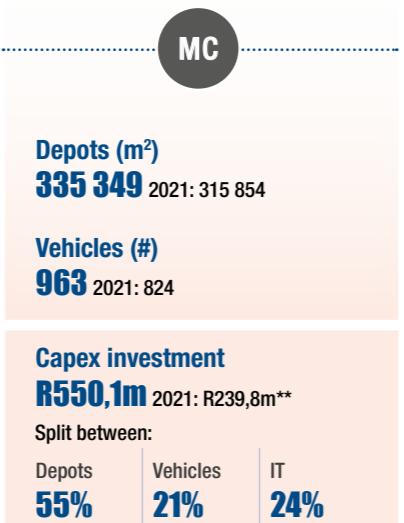
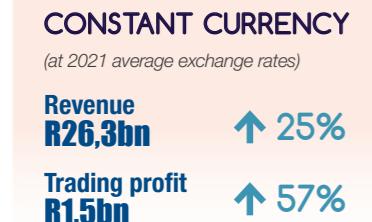
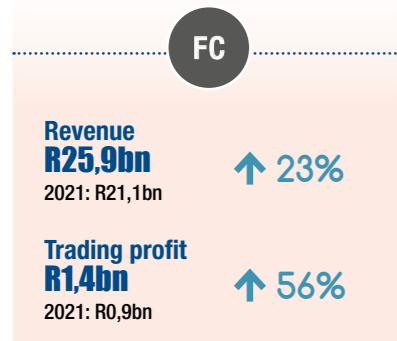


Bidfood Emerging Markets

With a geographic footprint over four continents, this division includes operations in Africa, South America, Asia, and Europe. African operations manufacture and distribute ingredients for the meat, poultry, dairy, and bakery industries; as well as being a market-leader in multi-temp foodservice offering ambient, chilled and frozen food products to the horeca market. Asia and the Middle East have established themselves as a significant foodservice player in their markets, whilst still distributing exclusive high-end speciality products into the western styled food market. South America sources and distributes frozen, chilled and ambient product into the independent street market.



* Restated



* Hardware includes IT and office equipment.

** Reclassification of capex WIP has resulted in some 2021 comparatives being recategorised.



OUR BUSINESSES

Bidcorp Food Africa

CEO: Klaas Havenga

Bidfood South Africa

CEO: Brent Varcoe

Crown Food

CEO: John Morris

Chipkins Puratos

CEO: Nigel Phillips

Bidfood Türkiye

CEO: Nedim Makzume

Bidfood Middle East

CEO: Hisham al Jamil

Angliss Asia

CEO: Johnny Kang

Bidfood Brazil

CEO: Antonio Celso Dias Avelino

Bidfood Chile

CEO: Gabriel Abramovicz

Blancaluna Argentina

CEO: Gustavo Picciafuoco

LIVES TOUCHED

Our employees (#)

6 713 2021: 5 920

Our customers (#)

109 033 2021: 88 748

Our suppliers (#)

9 147 2021: 9 188

COMMUNITY PROJECTS

Charitable programmes and donations were up 25% in the year; some projects include:

- Asia – **Food Angel** (Hong Kong); **Shan You** (Singapore)
- South Africa – **Mandela Day, Clarens Christmas project, U Can Grow** (EDL project), **CP Bakery School**, food donations to KZN flood victims
- South America – **Pequeno Cotolengo Paulista** (Brazil), food and clothing donations to communities during the pandemic
- Middle East – **UAE Foodbank**, Ramadan charity support
- Türkiye – aid and assistance provided during devastating national fires

For more detail on these and other programmes, please go to the company websites

[Refer to the 2022 sustainability report for more information](#)

TOTAL CARBON EMISSIONS (tCO₂e)

76 766

2021: 76 701*

Marginally higher

Fuel and gas

SCOPE 1 emissions (tCO₂e)

(excl refrigerants and aircon gases)

22 756 2021: 21 871

↑ 4%

SCOPE 1+ emissions (tCO₂e)

(only refrigerants and aircon gases)

12 242 2021: 11 497

↑ 6%

Power

SCOPE 2 emissions (tCO₂e)

2021: 42 632

↓ 4%

Waste and water

SCOPE 3 emissions (tCO₂e)

2021: 701*

↑ 33%

* Restatement, details in 2022 sustainability report.



Bidfood Brazil donations to Pequeno Cotolengo Paulista, a home for children and adults with disabilities.

Please link to individual country websites for more detail, using the buttons alongside.

Two of our value creation stories

Bidfood Food Africa

Riots, power shortages, floods, inflation, and a chronically weak economy in 2022 were just some of the challenges our businesses had to overcome. Yet, all three of our businesses achieved double-digit revenue growth.

Gross revenues for the year rose by 19%, outstripping the increase in cost of sales which were up by 17.4%. A big rise in trading profit translated into EBIT growth of 55%.

Bidfood, our foodservice business, delivered most of the increase in profits while Crown Food Group (CFG) and the equity accounted joint venture Chipkins Puratos (CP) continued to make excellent contributions. Bidfood experienced a strong bounce-back in the restaurant and hotel channels (particularly in Q4 with the return of conferencing), and ended the financial year with a larger proportion of independent/freetrade customers than before the pandemic.

Headwinds

The year began on an extremely troubling note with widespread looting and vandalism in Gauteng and KwaZulu-Natal. In early July 2021 our Cornubia site, just outside Durban, housing all three of our businesses was looted and badly damaged, together with two CFG retail factory marts on other sites that were vandalised. Property and fixed assets were damaged or destroyed, stock stolen, and 60 vehicles were damaged. But our staff responded magnificently, immediately springing into action to repair the damage and restart operations. Then, in April 2022, massive flood damage, also in KwaZulu-Natal, negatively affected Q4 results.

Economic and operational headwinds experienced in 2022 included inflation (fuel costs rose by 35%), supply chain disruptions, competitor activity, electricity shortages, and a slow

Investing for growth in South Africa, opportunities abound says Klaas Havenga, CEO, Bidcorp Food Africa



return to normal activity in industrial and commercial catering. Despite these challenges, costs were mostly well contained: delivery vehicle expenses rose by less than half the increase in fuel prices; and Bidfood's expenses-to-revenue ratio was exceptional.

In the face of multiple and growing pressures, most of our business segments gained market share. CFG experienced growth in all its channels, driven largely by Own Brands and other ingredients used in food manufacturing. For its part, CP grew manufacturing output and sales of these products but experienced a decline in commodity products for the baking industry.

Investing in the future

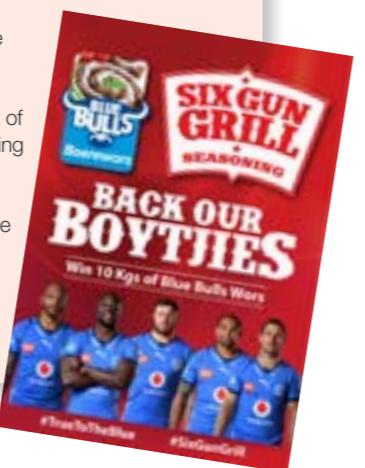
Capex investment was higher than the previous year. We completed the Gqeberha distribution centre to service the Eastern Cape. Solar installations in Longmeadow, Johannesburg and Montague Gardens, Cape Town generated 474 937 kWh of solar power during 2022. Solar is now delivering 11% of the electricity requirement of the two sites.

In Pretoria, land for a new distribution facility for Bidfood and CFG progressed and building plans for a multi-temperature operation – to replace Heriotdale – in the south of Johannesburg were lodged with the authorities. This property, in Elandspark, is expected to be ready for occupation in the second half of 2023.

In 2022 two battery-operated Bidfood truck refrigerators were bought following lengthy trials. Orders have been placed for a few additional units for Durban and Gqeberha.

Pleasingly, the business continued to invest in training and skills development; through various learnership programmes as well as the youth focused YES initiative.

The business's short-term prospects are clouded by the likelihood that economic growth will moderate in 2023 from an already weakened base, and the impact of higher inflation and interest rates impacting consumers and patrons that our customers serve. Despite this, the businesses are well positioned to achieve growth. Over the medium- to long-term, the fact that we are investing for growth, is an indicator of the confidence we have in our South African prospects.



Bidfood Türkiye



Nedim Makzume,
CEO of Bidfood Türkiye,
tells us how
transitioning into a
national foodservice
provider boosts
confidence

Bidfood Türkiye is still in the early stages of development and while we are growing rapidly we are conscious of being a relatively minor contributor to group profits. We plan to change that in the next few years.

Our story reflects the developmental group strategy, transitioning from exclusively importing and supplying niche brands five years ago, to embracing a full broadline foodservice offering, and establishing a solid national footprint, positioning ourselves not only close to our customers but also as a national foodservice provider in the region.

Bidfood Türkiye delivered outstanding results despite economic turmoil which saw the Turkish lira lose 44% of its value against the US dollar in the 12 months to June 2022.

Revenue was more than double that of the previous year – and 600% higher than in 2019. Trading profit was five times what we projected at the beginning of the year. While rampant inflation and flagging investor confidence characterised the economy throughout the year, we – and many of our customers – did benefit from a strong rebound in the tourism sector.

A major, national player

In 2022 the business made considerable strides towards becoming one of only a handful of truly national foodservice distributors. A new 7 800 m² distribution centre was opened to service the Izmir region and another, 3 600 m² facility, extended

Bidfood Türkiye's reach into Ankara. Supporting our exponential growth – and to meet projected resource requirements – in the year we grew our team by 68 positions to 254.

In line with group policy to install the latest energy and water efficient technology, the Izmir and Ankara distribution centres will reduce the intensity of the company's environmental impacts. The Izmir branch can operate effectively off the grid, producing all of its own electricity and water. Also, the freezer room panels are thicker than the industry standard, translating into sustainable energy savings of 20% to 25%. These investments will have a lasting, positive financial impact, especially considering utility costs in 2022 rose sharply and repeatedly.

We have taken big strides in our transition – begun in 2017 with the acquisition of a foodservice business in Izmir – transforming from an importer of niche brands to a broadline foodservice distributor occupying over 24 000 m² of warehouse space in 2023 and serving more than 15 000 customer locations daily. myBidfood platform enjoyed strong growth in the number of customers taking up our ecommerce offering.

With a population of 82 million, Türkiye has an addressable foodservice market worth over US\$18 billion. I believe that our recent results underscore Bidfood's potential to become a significant contributor to group results.



Bidcorp Corporate

Bidcorp Corporate Services, with offices in South Africa and UK, complements the work of decentralised operational divisions through a range of services. Corporate Services houses the group's investments and oversees the activities of those entities that deliver strategic services to the group.



Supported by a finance team based in the Isle of Man, Bidcorp Corporate Services has developed an in-house financial consolidation tool ensuring smooth and efficient monthly consolidation process of our globally diverse businesses and internal reporting systems.

The corporate centre adds further value by identifying strategic and investment opportunities while promoting experience-sharing across divisions and fostering synergies and savings.

Our employees (#)

68 2021: 61

Our team

Male employees (#)
40 2021: 36

Female employees (#)
28 2021: 25

41%
female

OUR LEADERS

Bernard Berson
Chief executive officer

David Cleasby
Chief financial officer

Nigel Boswell
Chief development officer



Employees by business:

Bidcorp
21

BidOne
37

BPC
10

Complementing the work done throughout the group, the corporate office continues to donate and support a variety of charities and community organisations.

Donations through the year have been made to support those charity programmes which are generally focussed on food provision and related feeding schemes, as well as those that are aimed at supporting children, the elderly, and other vulnerable community members.

Each organisation is required to submit all NPO documentation which is vetted, ensuring they are compliant with local regulations. Each charity is visited and a chance is provided to have a hands on experience with the work being done. A few organisations have stood out due to their alignment with Bidcorp's selected SDGs.

They include:

- **Nkosi's Haven** – our primary beneficiary, Nkosi's Haven is a children and mothers home caring for those who are HIV+
- **Wings of Inspiration** – a safe haven for women who are victims of gender-based violence
- **Abraham Kriel Bambanani** – two children's homes for victims of abuse
- **St Vincent de Paul** – an outreach programme in Diepsloot
- **CHOC** – supports children diagnosed with cancer or life-threatening blood disorders
- **Nazareth House** – a charity caring for abandoned children and the aged
- **The Help Net Fund** – a care home for abused children removed from their parents by the state



Nkosi's Haven, Johannesburg.



St Vincent de Paul, Diepsloot, Johannesburg.



Abraham Kriel Bambanani, Johannesburg South.



IC



Across our global footprint – in both developed and emerging markets – in 2022 saw thousands more Bidcorp customers adopt our web-enabled ecommerce trading solutions to place a million more individual orders.

BidOne is the Bidcorp Technology business which develops and deploys digital offerings including an online shop, supplier portal, EDI gateway and CRM. These solutions offer customers flexibility, simplicity and convenience as well as value-added, real-time information and options. They help our customer-facing teams service their customers better, faster, and more effectively.

Technology – developed by BidOne and in-country IT teams – has become a key Bidcorp differentiator. We are experts at delivering solutions that make decision-making quicker and easier for customers and our sales teams. In 2022 we made further important advances on data analytics, including greater use of AI.

Some key BidOne developments this year include:

- Total orders using BidOne's myBidfood platform grew 16%, from 6,75 million to 7,85 million
- Unique trading accounts rose 13%, from 112 000 to 127 000
- EDI order volumes increased 41%, reflecting the strength of the large commercial sector's recovery post-COVID

Ordering via various ecommerce channels represented 54% of revenue in 2022 (2021: 50%).

BidIQ – developed by BidOne in 2019 – is a potential game-changing CRM platform. It gives our sales teams live product, sales and basket suggestions as well as dynamic smart recommendations. In 2022 BidIQ was in use by Australia, New Zealand, South Africa, and Spain, and various other operations including the United Kingdom were preparing to implement it.

In 2023 developers are prioritising 100% order fulfilment, to avoid customer disappointment when they do not receive out-of-stock items – a material challenge given ongoing supply chain difficulties. Migrating EDI to Azure cloud technology will allow us to interact with many more customers and suppliers.



IC



Bidfood Procurement Community (BPC)

Since inception, the work of the BPC has represented a key group competitive advantage – in 2022 the BPC substantially enhanced its value to our 35 businesses.

BPC's mission is to find the best global source of quality products for all Bidcorp operations worldwide.

This year, BPC globally sourced food and non-food items worth 39% more than in the previous year and this momentum continues into 2023

Operating from two locations, working with Bidcorp operations in 15 countries, BPC procures more than 530 quality items (2021: 500 items) from over 108 suppliers (2021: 91 suppliers). BPC procures for individual country operations according to the unique requirements and tastes of their local markets. In doing so BPC applies the group policies on supply chain integrity and food quality and safety. Potential suppliers are audited for quality and required certification. Listed vendors are regularly vetted either by third party or internal experts for quality and compliance with regulations including import regulations.

In 2022 BPC:

- added four new territories (Peru, Mexico, Ecuador, and New Zealand) to the thirteen from which it previously sourced items;
- launched a group-wide tender functionality to secure better economies of scale and lower prices;
- negotiated with third party inspection company's and international shipping lines to secure preferential pricing; and
- increased the team's procurement and quality professionals from seven to ten.



Sustainability

60

Our commitment to environmental sustainability



Our commitment to environmental sustainability

Our vision is to be the best foodservice provider – a positive force for change

The Bidcorp board and global team acknowledges that we are a user of energy, we operate warehouses with refrigeration, and we operate fleets of vehicles delivering our products to our customers. Accordingly, investments of time and money, are focused on long-term sustainability and are getting the focus and attention of each of our management teams.

Bidcorp's journey so far

Bidcorp has publicly committed to a target of reducing carbon emissions by a quarter, across the whole group, by 2025. Meeting this target has been a key measure of performance for both our operations and our management teams. The group tracks and measures monthly, quarterly, and annual improvements on a scope-by-scope basis. The group is committed to setting challenging targets that will drive measurable action to be a positive force for change. Targets are set for three to five years ahead, in order to ensure that we incentivise and measure progress. Our decentralised structure helps mitigate risk through our geographical spread and economic diversification. Significant responsibility and accountability has been devolved to local management teams who are driven by sustainable ESG business practices. Each one of our businesses adopts their own approach to addressing the climate change challenges posed both in their local environment and as part of the group. Bidfood UK for instance has committed to a Carbon Net-Zero target by 2045. We are proud of each one of our operations and their demonstrable commitment to being a positive force for change!

Bidcorp has committed to a 25% REDUCTION IN OUR CARBON FOOTPRINT BY 2025*



Running our businesses in an environmentally efficient and waste-minimising manner



Demonstrating the financial benefits of being environmentally conscious and responsible



Rolling out a sustainability strategy that contributes to a long-term industry drive towards the UN's SDGs



Committed to accurate monitoring, creating efficiencies and reporting reductions in fuel consumption, electricity and water usage and impactful waste management

* Based on the 2018 reported carbon emissions on a like-for-like basis. 2018 did not include waste emissions but we have subsequently recalculated and included.

How we measure ourselves

The group has adopted a “carbon efficiency ratio” calculation to measure progress against the target set. This ratio calculates the carbon emissions as a percentage of 1,000 units of revenue (in local currency). Group reporting is translated at the 2018 forex translation rates, ensuring a like-for-like comparison is maintained and emissions are measured against a relative level of growth and activity.

Bidfood has committed to:

Cage-free eggs

Bidfood in Australasia, UK and operations across Europe have fully committed to the move towards cage-free eggs by 2025. In addition a further commitment to the removal of caged eggs from our Own Brand labels in these businesses by 2023.



Responsible meat sourcing

We follow strict animal welfare guidelines when it comes to our range of meat. Suppliers are accredited by all major meat and livestock programmes, ensuring best practice during transport and processing.



Sustainable seafood sourcing

A sustainability-based approach when procuring seafood products is a must, working in partnership with Global Aquaculture Alliance, Marine Stewardship Council, and the Aquaculture Stewardship Council.



Reduce single use packaging

Ambitious goals to not only reduce packaging used but also to make it more sustainable. Targets towards the removal of single-use plastics from our packaging and disposable ranges have already been introduced.



Celebrating our achievements

These are just some of the many successes and exciting implementations of environmentally sustainable initiatives in place across the group.

New green builds

Capex ramped up along with revenue as we emerged from the COVID pandemic. New builds with a green focus included Geelong in Victoria, Australia and Izmir in Türkiye.



Brazil switch to a renewable energy provider

For both its Paulínia and Carapicuíba' branches our operations in Brazil made the decision to switch from the national grid to an independent supplier of clean energy (Vektor energy) in December 2021. The emissions factor linked to this supplier is half that of the national grid.



Steam power use in Germany

Our new depot at Bergkirchen in Germany uses steam power to heat water and warm its offices. The CO2 emissions are less than 0,3% of those that would be emitted per kw if energy was supplied by the national grid. The steam is generated through burning waste (special filters are used to limit emissions). The cost is lower than grid supplied electricity.



Bidfood UK's sustainability mission

Bidfood UK has committed to setting carbon reduction targets to achieve their 2045 net-zero target set. Proudly aligned to the Science Based Targets Initiative (SBTi), the global standard in net-zero initiatives. This commitment supports our customers with their own net-zero ambitions.

“We'll increase the sustainability credentials of our product range, with particular focus on plastics, palm oil, sustainable fishing and modern slavery. We will meet the diverse and ever-increasing needs for products which will offer enhanced nutritional and dietary/allergen criteria, and do our part to help tackle obesity.”

Visit the link: [Bidfood UK: Positive force for change](#)

POSITIVE
force for change

A transparent food supply chain in a digital world

Key to an effective, positive sustainability policy, is transparency. In today's digital world insightful analysis of information is non-negotiable. Consumers want to know what's on their plate and the food professionals preparing the meals want to know where their ingredients come from. The story behind a product, from farm to fork, says something not only about the quality of the food, but also the quality of the foodservice provider. As an foodservice provider, digitally connected, serving food professionals, our goal is to connect the chef, the cook, the entrepreneur directly to the source of the best in food and drink within reach. We want to provide our customers with quality insight into the product composition and origin of the product range, at a level of detail that adds value to their offering. Because knowledge is necessary to be able to make a conscious choice.

Bidcorp's global reach allows us to search, source, buy, and deliver products, better than ever before. We are transparent in our sustainability vision, and we also know the challenges. In order to progress, it is vital that the entire food supply chain recognises and understands the importance of sustainable sourcing. Engaging with our stakeholders to deliver on this commitment will remain a priority as we grow our knowledge, understanding, and ability to deliver on this key sustainability goal.

Our governance of environmental sustainability

The board approved 2025 target has ignited the management teams throughout the group to step up and make that target our reality.

Targets are achieved through the transparent, timeous, and robust reporting and monitoring processes in place. As such, the social and ethics committee has been delegated the board responsibility of oversight of all aspects of the group-wide sustainability initiatives, including the health and safety, food safety, ethical, social, and environmental impacts of our business.

Please refer to our sustainability policy in the 2022 governance report



Reporting guidance

Bidcorp has launched a online ESG search portal, available on the group website. This filtering tool allows a user to:

- search a variety of topics using key words, with the search results displaying all instances of the term used in Bidcorp's publicly available content, including links to where to find this information; and
- select a third party reporting framework, such as MSCI or TCFD, and filter all recently reported information by that guidance's framework and metrics.

We encourage all users of our reporting information to explore the many benefits and ease of use this tool provides.

Please try the Bidcorp ESG Portal, found on the group website: [www.bidcorpgroup.com](#)

Our commitment to environmental sustainability continued



Bidcorp reported a 10% increase in total carbon emissions this year, a pleasing result as constant currency revenue increased by 33%.

✓ The most progress was made in scope 2 emissions

- ✓ Scope 1 up 15% – fuel and gas contributed 47% of the group's total emissions
- ✓ Scope 1+ up 5% – refrigeration contributed 9% of the group's total emissions
- ✓ Scope 2 up 4% – electricity contributed 42% of the group's total emissions
- ✓ Scope 3 up 46% – waste contributed 2% of the group's total emissions

✓ Every division reported a reduction in their carbon ratio

- ✓ Australasia up 2%; contributing 20% of the group's total emissions
- ✓ UK up 17%; contributing 24% of the group's total emissions
- ✓ Europe up 20%; contributing 31% of the group's total emissions
- ✓ Emerging Markets were flat; contributing 25% of the group's total emissions

Bidfood operations owning their sustainability journey

Bidcorp's decentralised structure delegates the ownership of sustainability projects and programmes to each management team in the group. This delegation creates accountability and actualises a real achievement of environmental sustainability. Embracing the group target set, each operation sets out to understand, identify, implement, and monitor the solutions necessary to meet the target set.

Some of these stories are told in the documents and links below:



Low-carbon decision making is a non-negotiable

Through sharing best practice, interrogative reporting, accurate measurement of results, and celebrating our successes, we are embedding environmental sustainability as a foundation stone within the Bidcorp culture.

Despite our achievements to date, we are not easing off. More than ever the determination to ensure we are delivering a demonstrable difference to our environment remains our focus, today and into the future.

The sustainability of our environment is a top priority.

Bidcorp's linked SDG targets

Environmental SDG targets:



Social SDG targets:



Scope 1 – Fuel and gas

Scope 1 emissions (tCO₂e)

(excl refrigerants and aircon gases)

144 726 **↑ 15%**

2021: 125 444

Scope 1: Fuel and gas

2022 Group

Fuel (kilolitres)

<

51 650

Gas (tonnes)

>

2 236

Scope 1+ emissions (tCO₂e)

(only refrigerants and aircon gases)

28 944 **↑ 5%**

2021: 27 565

Scope 1+: Refrigerants and aircon gases

2022 Group

Aircon gas (tonnes)

<

19,6



Scope 2 – Power

Scope 2 emissions (tCO₂e)

129 257 **↑ 4%**

2021: 124 307

Scope 2: Electricity – non-renewable grid supplied

2022 Group

Grid electricity (kWh)

<

297 464 610

Non-grid electricity (kWh)

<

8 623 036



Scope 3 – Waste and water

Scope 3: Waste

2022 Group

Waste recycled (tonnes)

<

19 931

Waste to landfill (tonnes)

<

10 411

Food waste (tonnes)

<

2 147

Scope 3: Water*

2022 Group

Municipal water (kilolitres)

<

937 073

Other water (kilolitres)

<

5 932



* Scope 3 2021 comparatives have been adjusted:

- Scope 3: Australia restated its waste to landfill and recycling downwards by 10 160 and 6 908 tonnes respectively. Reducing emissions by 4 802 tCO₂e. Estimates had been based on standard Australian averages but were restated using actual supplier averages.
- The emissions factor classification for waste to landfill was changed from organic to commercial and industrial resulting in a 2 259 tCO₂e reduction.
- Water emissions were added (an additional 124 tCO₂e).

** Aircon gas adjustment due to rounding error – no impact to Scope 1+ emissions reported.

Governance

- 66 Good governance creating value
- 67 Board of directors



Good governance creating value

Bidcorp, operating as Bidfood in most geographies, embraces a decentralised operating model which empowers the entrepreneurial spirit within our businesses.

Each management team is independently and directly responsible for the successful operation of their business – this is what decentralisation means to Bidcorp.

Each operation owns its own supply chain, identifies and targets its own customer portfolio, negotiates and contracts independently, positioning their unique value proposition within the group's overall strategy and business model.

The varied cultural nuances that you will find within our group are vital to create “our secret sauce”, differentiating Bidfood with our stakeholders in each local operation. Customers will experience interactions with each business as an autonomous, small, local business and yet be confident in the knowledge that Bidfood is able to deliver a world-class service and product range.

Sound corporate governance is deeply embedded in Bidcorp's business processes to ensure that all stakeholders derive full, sustained value from a business founded on honesty, integrity, accountability, and transparency.

Each of Bidcorp's businesses are grouped into a geographically defined division. Each division convenes quarterly, under the lens of the independently chaired divisional audit and risk committee. A robust, in-depth financial and non-financial review of business-by-business results is conducted at the quarterly divisional audit and risk committee meetings. In addition, governance updates, combined assurance reports, ESG information, IT and cybersecurity updates, as well as risk reviews makes up the agenda.

Each management team, including the chief executive officer and chief financial officer, sign a quarterly management representation letter, providing an additional layer of assurance and comfort that policies are in place, are well understood, and successfully implemented by all.

How we integrate

Bidcorp recognises the value of an integrated governance approach combining the inputs of the business-owned risk management, assurance, and compliance functions.

Bidcorp manages the challenge of good governance in a decentralised environment through the rigorous integration of the Bidcorp governance framework encompassing our four basic pillars of governance, assurance, compliance, and risk management. This governance framework ensures compliance with statutory requirements as well as the application of leading principles and practices, yet is flexible enough to accommodate innovative and value-adding solutions to meet these diverse demands.

Our people are pragmatists, possessing the knowledge and experience to recognise scope for improvement and implement change as needed – whether the concepts are independently developed or spring from shared experience. These practices apply to creating value through sound governance practices and more so to creating value through robust business processes.

What the board focused on during the year

Regular board agenda items include a comprehensive group-wide performance overview presented by the chief executive officer, a detailed analysis of the key financial indicators at both a group and divisional level from the chief financial officer, and feedback from the chairs of board committees on the deliberations of each of those committees (including a group-wide risk review from the audit and risk committee, and the non-financial ESG matters by the social and ethics committee).

Throughout the year there was additional focus placed on improving financial controls and mitigating fraud risk.

The board also had the following important discussions:

July to September 2021:

- Miumi fraud investigations and communication of the actions undertaken to the market
- Approval of 2021 notice of AGM, remuneration report and annual integrated report
- Capital markets trading update
- 2021 final cash dividend declaration and payment
- 2021 year-end results announcement

Q1

October to December 2021:

- Formal board appraisal feedback
- Review of executive performance outcomes
- Ongoing Miumi fraud investigation and focus on strengthening internal controls arising from lessons learnt
- Climate change risk discussions and progress tracking against emissions targets
- Release of sustainability report and governance report
- Approval of 2022 risk-based internal audit plans with focus on bolstering internal audit resources
- Engagement with JSE in respect of Bidcorp's 2021 modified audit opinion
- Review of board committees following the appointment of Mrs K R Moloko to the board
- Annual general meeting

Q2

January to March 2022:

- Update on Miumi fraud investigation, legal proceedings and insurance recoveries
- Focus placed on fraud risk mitigation efforts
- Finalisation of group-wide financial controls assessment
- Review and release of the F2022 interim results announcement
- 2022 interim cash dividend declaration and payment

Q3

April to June 2022:

- Assessment of ESG targets to 2025 and beyond
- Assessment of ESG metrics managed across the group and interrogation of appropriateness of reporting focus areas
- Goodwill impairment review
- Benchmarking of executive and non-executive directors' pay
- Review and approval of committee charters, group policies and code of ethics

Q4

Beyond QUARTER 4 – July to October 2022:

- 2023 budget and strategy review
- Review of executive performance outcomes
- Sign-off of the CEO and CFO financial controls attestation process
- Group-wide annual related party declarations
- Adoption of new sustainability policy and data privacy policy
- Review and approval of 2022 notice of AGM, remuneration report and AIR

Board of directors

Independent non-executive directors



Stephen Koseff
Chairman
Nominations Committee Chairman

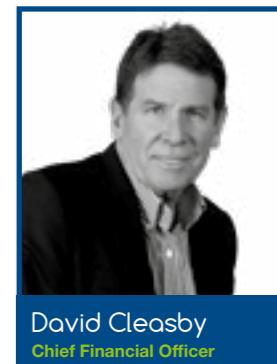


Brian Joffe

Executive directors



Bernard Berson
Chief Executive Officer



David Cleasby
Chief Financial Officer

Board composition

Board nationality



70%
South Africa



30%
Australia

Board by gender and race

Targets for gender and race diversity are included in the board diversity policy. These targets have been met as the board comprises 30% black directors and 30% female directors.



30%
Female



70%
Male



30%
Black



70%
White

The board is satisfied that its composition reflects the appropriate mix of race and gender diversity.

Board skills and expertise

Directors

Accounting and financial management	<div style="width: 90%;"></div>	9
Executive leadership	<div style="width: 70%;"></div>	7
Governance	<div style="width: 90%;"></div>	9
IT and information security	<div style="width: 50%;"></div>	5
Mergers and acquisitions	<div style="width: 60%;"></div>	6
Risk and compliance	<div style="width: 100%;"></div>	10
Stakeholder engagement	<div style="width: 70%;"></div>	7
Strategy and business development	<div style="width: 60%;"></div>	6
Sustainability	<div style="width: 50%;"></div>	5

Please refer to full CVs in the 2022 annual financial statements.

Good governance creating value continued

Ethical culture

Bidcorp's Code of Ethics is reviewed annually. All businesses have adopted this Code of Ethics and ensured it has been widely communicated, even translated for local requirements where necessary.

As a global organisation, Bidcorp is made up of many geographies, nationalities, authorities, governments, languages and cultures. On this basis, a strong ethical foundation is crucial to establishing the Bidcorp culture to underpin the defining traits that set us apart. To ensure we maintain an ethical culture, governance structures are regularly reviewed to align with best practice and reflect regulatory changes.

- Mandatory quarterly declarations from each business confirms entity-wide application and compliance with the Code of Ethics.
- The group adopts a zero-tolerance approach to fraud, bribery, money laundering and corruption, as set out in the Fraud Policy and Code of Ethics, and will report all acts of criminality to the authorities. In line with Bidcorp's zero-tolerance approach to fraud, the Miumi fraud was thoroughly investigated internally and by independent forensic investigators and was also reported to local authorities for further investigation, which has resulted in a number of arrests being made.
- The group has adopted a malus and claw-back policy, entitling stakeholders to request the claw-back of performance-based elements from executives' remuneration should an executive be found guilty of involvement in a material misstatement of the financial statements and/or other dishonesty.
- Annual related-party declarations are completed by all senior members of the global team. Guidance requires that anyone in a decision-making capacity is required to complete the annual declaration regarding related-party relationships and transactions, as well as confirming familiarity of and compliance with the Code of Ethics, delegated levels of authority and the quarterly management representation letter. The group received declarations from 709 members of the group-wide management team at year-end (2021: 620 declarations received).

ESG ratings

Bidcorp is regularly assessed by rating agencies on our environmental, social and governance (ESG) performance. These ratings are used by investors as part of their investment decisions.

We are pleased to be recognised for our progress reported to date and remain committed to ongoing progress.



[www.https://login.isscorporatesolutions.com](https://login.isscorporatesolutions.com)

King IV application summary

The board endorses the King IV™ corporate governance principles, embracing the concept of integrated thinking, which underpins corporate citizenship, stakeholder inclusivity, sustainable development, and integrated reporting.

An annual review is performed using the Governance Assessment Instrument (GAI) tool, to assess Bidcorp's adoption of sound corporate governance principles and practices as set out in King IV.

In line with King IV recommendations, we consider proportionality when we apply corporate governance in the group. This means we apply the practices needed to demonstrate the group's governance in terms of King IV as appropriate across the group.

Leadership, ethics, and corporate citizenship

The directors hold one another accountable for decision-making based on integrity, competence, responsibility, fairness, and transparency through their commitment to lead the company based on the King IV principles. The chairman and lead independent director oversee this process on an ongoing basis.

Performance and reporting

The annual integrated report demonstrates how performance is achieved through the strategic initiatives. Bidcorp sets and achieves its strategic initiatives with reference to its material issues. The board assesses the outcomes from the implementation of the Bidfood strategy and is satisfied that the strategy is fit-for-purpose, delivering year-on-year success for the group's stakeholders.

Governing structures and delegation

The board serves as the focal point and custodian of governance. Its role, responsibilities and execution of duties are set out in the annually approved board charter. The board is satisfied with the current board composition bringing the optimal mix of knowledge, skills, experience, diversity, and independence. The board delegates responsibilities to board committees. The performance of the board and committees is annually appraised.

Governance functional areas

The board recognises the importance of risk management as it is linked to the strategy, performance, and sustainability of the group. Delegated by the board, the audit and risk committee delegates to management the implementation of processes to ensure that the risks are identified and effectively mitigated.

Stakeholder relationships

The board is responsible for and encourages positive stakeholder engagements. The board has delegated to the management teams of each business, the achievement of effective stakeholder relationships with material stakeholders, and the balancing of their legitimate and reasonable needs, interests and expectations.

Our corporate governance practices are aligned with the four governance outcomes, namely ethical culture, effective control, legitimacy, and good performance.

[www](#) Refer to the application of the King IV principles report on pages 32 to 37 of the 2022 governance report.

Remuneration philosophy

The key principles that shape our philosophy are:

- a critical success factor of the group is its ability to attract, retain and motivate the entrepreneurial talent required to achieve its operational and strategic objectives. Both short- and long-term incentives are used to this end;
- delivery-specific short-term incentives (STIs) are viewed as strong drivers of performance. A significant portion of senior management's reward is variable and is determined by the achievement of realistic profit and return targets together with an individual's personal contribution to the growth and development of the group. Only when warranted by exceptional circumstances, special bonuses may be considered as additional awards;
- long-term incentives (LTIs) align the objectives of management, shareholders and other stakeholders for a sustainable period.

The board carries ultimate responsibility for the remuneration policy, delegating the execution of the mandate to the remuneration committee, comprised only of independent non-executive directors, which functions within the terms of a board-approved mandate. The remuneration committee evaluates and monitors the group's remuneration philosophy and practices to ensure consistency with governance principles and corporate strategy and ensures:

- that structures and policies, as well as cash and share-based incentives, motivate superior performance and are linked to realistic performance objectives that support sustainable long-term business growth;
- stakeholders can make an informed assessment of reward practices and governance processes; and
- compliance with all applicable laws and regulatory codes.

The remuneration committee uses the services of Bowman Gilfillan as standing independent advisers.

The remuneration of executives has been benchmarked against appropriate comparators and is aligned with the market and variable remuneration has been based on the achievement of appropriate and stretch performance measures and targets. Details of remuneration components for executives, including STIs and LTIs, are outlined in the 2022 remuneration report. STI and LTI targets and stretch performance targets are set for financial performance as well as strategic, ESG and innovation-related KPIs.

The remuneration of the majority of group employees is governed by the policies of individual group companies based on the circumstances of each country in which Bidcorp operates.

The Bowman Gilfillan benchmarking of non-executive directors' remuneration has recommended a plan to align these fees, as presented in the 2022 remuneration report. The group policy is to pay competitive non-executive director fees while recognising the required time commitment. The annual non-executive director fees are proposed to shareholders annually for approval. Non-executive directors are compensated for international travel time and subsistence on official business when attending meetings. Non-executive directors do not receive STIs and do not participate in any LTI schemes. Bidcorp does not provide retirement contributions to non-executive directors.

A majority of shareholders (>90%) voted in favour of the 2021 remuneration policy and implementation thereof at the 2021 AGM held on Thursday, November 25 2021.

The 2022 remuneration report, which includes the remuneration policy and implementation thereof, was published by Bidcorp's remuneration committee on October 17 2022 and will be put to a non-binding shareholders' advisory vote at the 2022 AGM on Thursday, November 17 2022.

[www](#) For more information refer to the 2022 remuneration report.



Board performance assessment

The nominations committee annually:

- reviews the mix of knowledge, skills and experience of directors in order to assess the effectiveness of the board as a whole;
- reviews the board structure, size and composition and provides recommendations to the board with regard to any adjustments deemed necessary;
- considers and assesses the effectiveness of the board committees, including an assessment of the committee structure, responsibilities delegated and composition of each committee ensuring the necessary knowledge, skills, experience and capacity exist to execute the respective committee's duties effectively;
- reviews the structure, size and composition of the board committees and, when required, makes recommendations to the board with regards to any adjustments deemed necessary;
- considers the committees' performance against their respective mandates in terms of the committee charters; and
- reviews the independence of directors, taking cognisance of the JSE Listing Requirements and King IV recommendations.

In 2022, the board agreed to perform annual board evaluations over a three-year rolling review period, with committee self-assessments to be performed during the first two concurrent years and then an external performance review to be completed every third year.

In November 2021, an independent consultant, Amrop Woodburn Mann, conducted one-on-one interviews with each of the directors to assess the performance of the board and the board committees. The results of this board evaluation confirmed that board members, collectively and individually, effectively discharged their governance role. The board has actioned the recommendations that were raised through this process, which include an increased focus on executive and senior management succession planning; enhancing the risk management function; extending the time scheduled for social and ethics committee meetings; and increasing ESG consciousness around the group. The board is satisfied that action items are being addressed.

During July 2022, committee self-assessments were performed. The results thereof as well as recommendations suggested by members have been reported back to the respective committees and to the board. Action plans and areas for improvement are being agreed and will be implemented by the respective chairmen.

The board remains satisfied that the adopted evaluation process contributes to its improved performance and effectiveness.

Induction and development

The induction programme for new members appointed to the board is tailored to the needs of individual appointees. This involves industry and company-specific orientation, such as meetings with senior management to facilitate an understanding of operations and on-site tours to provide first-hand experience of the workings of the warehouse and logistics, and to meet some of the team. The company secretary assists the chairman with the induction and orientation of new directors and arranges specific training for the board as a whole as required.

The company will continue with directors' development and training to build on expertise and develop an understanding of the businesses and main markets in which the group operates. Relevant industry information, analyst feedback as well as directors' declarations are made available to directors, for information, on the BoardPac app.

Conflicts of interest

Conflicts of interest are actively managed to ensure directors have no conflicting interests between their obligations to the group and their personal interests. Related-party disclosures are submitted by all directors annually and are updated quarterly, as necessary.

Declaration of directors' interests is a standing agenda point at each meeting. Directors who believe there may be a conflict of interest on a matter, advise the chairman and are recused from the decision-making process. Directors also adhere to the policy on disclosure and trading in securities of the company.

Good governance creating value continued

Board

The board is confident that the group's governance framework, supported by these committees, provides a robust governance environment for Bidcorp.

The board's delegation of authority to these committees contributes to role clarity and effective exercise of authority and responsibilities within the group.

Acquisitions committee



Chairman
Paul Baloyi

- Members:**
- Bernard Berson
 - David Cleasby
 - Brian Joffe
 - Nigel Payne
 - Clifford Rosenberg

This strategic, growth focused committee supports the board in reviewing material investment opportunities, a key growth driver in Bidcorp's long-term value creation strategy. Bidcorp's growth strategy and bolt-on acquisitions received focus by this committee during the year.

Meetings convened: 2

June 15 2022
August 22 2022

2022 Committee report:

[www](#) Please refer to page 19 in the 2022 governance report.

Nominations committee



Chairman
Stephen Koseff

- Members:**
- Brian Joffe
 - Nigel Payne
 - Paul Baloyi
 - Clifford Rosenberg

This committee is responsible for annually reviewing and assessing the composition of the board and its committees and for evaluating the independence (where applicable), performance and contribution of directors, as well as their individual knowledge, skills and experience. The nominations committee is responsible for identifying and recommending suitable candidates for appointment to the board, when necessary, to ensure a strong and balanced board driving sustainable value creation for all stakeholders.

During the year, this committee focussed on board and executive succession planning and reviewed director independence, membership of the board committees, and the board diversity policy.

Meetings convened: 1

August 22 2022

2022 Committee report:

[www](#) Please refer to page 20 in the 2022 governance report.

1 Governance

Remuneration committee



Chairman
Nigel Payne

- Members:**
- Paul Baloyi
 - Clifford Rosenberg

This committee ensures that the group motivates and incentivises the group executive and senior management appropriately, through the adoption of a fair but robust remuneration policy and practices. Fair and responsible awards that attract, retain and reward the right team is vital in the achievement of the group's strategy.

An executive and non-executive remuneration benchmarking exercise was performed during the year and senior management short- and long-term incentives were considered by this committee.

Meetings convened: 4

October 25 2021
May 3 2022
June 9 2022
August 22 2022

2022 Committee report:

[www](#) Please refer to page 20 in the 2022 governance report.

2 Assurance

3 Compliance

Audit and risk committee



Chairman
Helen Wiseman

- Members:**
- Tasneem Abdool-Samad
 - Paul Baloyi
 - Nigel Payne
 - Kenelwe Moloko

Mrs Helen Wiseman chairs this committee as well as the five divisional audit and risk committees, providing irrefutably strong insight and depth of knowledge.

The committee provides independent oversight and assessment of the group's financial reporting, business and financial controls, risk management, regulatory compliance, governance framework, and internal and external audit processes. Particular focus was placed on financial reporting and internal control assessments during the year.

Meetings convened: 5

October 27 2021
November 11 2021
February 17 2022
May 12 2022
August 18 2022

2022 Committee report:

[www](#) Please refer to pages 14 to 18 in the 2022 governance report.

4 Risk management

Meetings convened: 6	
September 26 2021	May 19 2022
November 18 2021	August 1 2022
February 22 2022	August 23 2022

Social and ethics committee



Chairman
Tasneem Abdool-Samad

- Members:**
- Nigel Payne
 - Bernard Berson
 - Helen Wiseman
 - Kenelwe Moloko

Comprising four independent non-executives and the group's chief executive officer, the committee is well represented. The role of the CEO on this committee strengthens the group-wide commitment to corporate social responsibility and non-financial reporting, key to the group's long-term sustainability.

The committee ensures that group strategy execution is ethical and sustainable. This committee paid particular attention to climate change, gender diversity and whistleblower reports during the year.

Meetings convened: 4

November 18 2021
February 18 2022
May 13 2022
August 19 2022

2022 Committee report:

[www](#) Please refer to pages 22 and 23 in the 2022 governance report.

Strengthening the board

The board has mandated to the nominations committee, a rigorous and transparent procedure for considering new director appointments. The selection process, in line with the annually reviewed diversity policy, considers the required balance of skills and experience and the ongoing task of aligning board composition with group strategy.

There were no new board appointments during the year under review.

Clarity of role and authority

The chief executive officer reports to the board and is responsible for the day-to-day business of the group and for implementing policies and strategies approved by the board, supported through the delegation of these responsibilities to each management team of the subsidiary businesses in the group. Board authority conferred on management is delegated through the chief executive officer, against an approved delegation of authority.

The board is satisfied that the delegation of authority framework contributes to role clarity and the effective exercise of authority and responsibilities.

Bernard Berson assumed responsibility of Bidcorp's global foodservice business in 2010 and was appointed chief executive officer of the company on April 14 2016. Under the terms of his employment agreement, six months' notice is required upon termination of employment or retirement. He has no other professional commitments outside the group.

Balance of power

Responsibility for running the board and executive responsibility for the business are differentiated and no individual has unfettered power of decision-making. Mr Stephen Koseff is the board's independent non-executive chairman and Mr Bernard Berson, an executive director, is chief executive officer. In line with good governance practices, Mr Nigel Payne assumed the role of lead independent director since November 2019. The roles and responsibilities of the chairman, chief executive officer and lead independent director are clearly defined in the board charter.

Board independence

The board, through the nominations committee, considered the issue of director independence, assessing various factors and indicators in line with the King IV recommendations. It has been determined that where a director has served as a member for nine years or longer, they have demonstrated that they are independent in character and judgement and there were no relationships or circumstances that were likely to affect or could appear to affect their independence.

The board is satisfied that, in line with best practice governance recommendations, the Bidcorp board presents a majority of independent non-executive directors.

Board diversity

Bidcorp, as a globally operating group, recognises and embraces the benefits of having a diverse board and sees increasing diversity at a board level as an essential element in maintaining a globally competitive advantage. Bidcorp's diverse board is comprised of individuals with varying skills and industry experience, who are located in different geographies, and with a balanced representation of race, age and gender.

In relation to race diversity, the board has, in the context of the global group, set a minimum race target of 30% representation of black people. The board will, at all times and to the extent practically possible, strive to meet the minimum race diversity target as it pertains to entity management and control, as defined by the B-BBEE Act.

In relation to gender diversity, the board has met the minimum target of 30% female representation on the board and has set an aspirational gender diversity target of 50% female representation on the board as vacancies arise.

[www](#) Please refer to the board diversity policy on pages 39 and 40 in the 2022 governance report.

Company secretary

The company secretarial function of the group was assumed by Bidcorp Corporate Services Pty Ltd (BCS), represented by Ms Ashley Biggs.

The board confirms that it received the required guidance on governance and compliance matters, received timely communications, and is satisfied with the qualifications, competence, and expertise of the representative of the company secretary. The board is comfortable that an arm's length relationship between the board and the company secretary is in place.

Good governance framework

Building robust governance environment on our four basic pillars

1. Governance

Bidcorp is all about the food, the service and the technology; driving our continued commitment to create sustainable value for all our stakeholders. The group is committed and adheres to the highest level of corporate governance and business integrity. Achieved through the support and buy-in from each of the global management teams, providing and implementing robust structures and best practices to deliver timely, compliant and value-adding information to the centre.

The Bidcorp board serves as the focal point and custodian of governance within the group. The board's role and responsibilities are set out in the annually reviewed and adopted board charter, which is compliant with the South African Companies Act, 2008 (Companies Act) requirements, the principles in King IV and the JSE Listings Requirements. This charter sets the tone and is indicative of the board's commitment to the four values that underpin good governance: responsibility, accountability, fairness and transparency.

In line with the Companies Act, the Bidcorp board charter, read in conjunction with the Memorandum of Incorporation (MoI), provides that the company and its affairs be managed by the direction of the board, which has the authority to exercise all the powers and perform all the functions of the company. The directors' general powers are set out in the company's MoI.

The board delegates specific responsibilities to board committees which focus on the needs and strategies of the business while meeting the reporting requirements of a JSE-listed entity. Our executive directors are responsible for the successful implementation of group-wide, business-specific strategies through the execution of the necessary operational decisions. Non-executive directors provide an independent perspective and complement the knowledge, skills and experience of our executive directors. Non-executive directors objectively assess Bidcorp's strategy, budget, performance, risk oversight, diversity, employment equity, and standards of conduct.

Mandatory governance requirements are addressed by each Bidfood management team, directed under group guidance through the divisional audit and risk committees' approval of relevant charters, codes, policies and frameworks. In line with Bidcorp's decentralised structure, operational management develops business specific policies and procedures which effectively and efficiently delivers on the group requirements.

The board comprises an independent non-executive chairman, a lead independent non-executive director and a further six independent non-executive directors, and two executive directors. Due to our wide geographic spread, the nature of the business and the group's decentralised structure, the directors have concluded that there are no prescribed officers within the group.



2. Assurance

The Bidcorp board ensures the necessary assurance services and functions are in place through the delegation of this function to the group audit and risk committee. This committee, supported by the divisional audit and risk committee structure, enables an effective control environment which is equipped to assure the integrity of information reported back to the board, enabling effective decision-making.

Bidcorp has a group-wide robust, independent, risk-based internal audit (IA) function whose authority and responsibilities are defined in a board-approved IA charter. The IA function objectively evaluates business processes and internal controls to support management's efforts to foster a strong control environment focused on operational excellence.

The group and divisional IA managers report to the independent chairman of the audit and risk committee and have unrestricted access to the committee and group executives.

Regular meetings take place between the IA managers and the chairman of the audit and risk committee. The IA function is well constituted with professional audit staff, possessing sufficient knowledge, skills and experience to execute their responsibilities.

A risk-based IA plan is annually approved by the divisional and group audit and risk committees. Progress is reviewed by these committees quarterly and adjustments are made to meet the evolving risk environment when necessary.

In accordance with the group's combined assurance model, the IA team liaises with all other assurance providers including, but not limited to, the external auditors, the insurance risk analysis team, health and safety teams, food safety experts, etc. Taking advantage of artificial intelligence technologies, smart and intuitive tools and continuous audit methodologies, IA is able to maximise coverage of the key risk areas to recommend an opinion to the board on the effectiveness of the respective control environments and associated risks.

Based on the audit and risk committee report and IA findings and recommendations, the board is satisfied with the group-wide effectiveness of the financial controls and internal control system.

Financial controls attestation

Internal audit commenced with reviews of key control principles attestations made by management during 2021, to verify these attestations and identify possible deviations in order for these to be addressed.

A robust review of the key financial controls in place throughout the group was again performed in June 2022, for management to provide positive attestation that internal financial controls in place within their respective businesses are adequate and effective and can be relied upon, to give assurance to the chief executive officer and chief financial officer to allow them to make the statements required in terms of the revised JSE Listings Requirements. This annual representation confirming compliance with the Bidcorp Key Controls Principles, includes matters such as ethics and fraud reporting, financial reporting, IT systems and security, revenue, procurement, inventory, cash, fixed assets and payroll cycles, which are all defined focus areas for the group.

For the financial controls attestation statement, please refer to the 2022 annual financial statements.

3. Compliance

Bidcorp recognises that geographical diversity and decentralisation creates potential vulnerability to the risk of statutory and regulatory non-compliance. As the impacts differ in each jurisdiction, each local entity is required to identify those requirements that apply to their specific operating environment and the information that must be held to comply with the relevant legislation.

The board annually confirms that Bidcorp is compliant with the Companies Act requirements, its MoI, the principles in King IV and the JSE Listings Requirements and places significant emphasis on maintaining the highest standards of financial management, accounting and reporting. On economic, environmental and social issues, the company follows Global Reporting Initiatives Sustainability Reporting Guidelines. The board has a social and ethics committee and ensures quarterly compliance reporting with social and ethics standards – group-wide, industry-wide and across all relevant geographies.

Bidcorp performs an annual review to monitor continued alignment with King IV principles and best practice recommendations. This analysis identifies the steps taken to ensure the application of governance principles and those principles requiring ongoing attention and action.

Ensuring an ethical environment

Bidcorp's commitment to ensuring and sustaining an ethical organisational culture is deeply embedded in the heart of our business.

The board reviews the Bidcorp Code of Ethics annually. Each business adopts, translates and enforces the ethical principles set out in the group Code of Ethics.

The Code of Ethics requires the highest standards of integrity, ethics and behaviour, non-discriminatory employment and promotion practices, support for employees through training and development and proactive engagement on environmental, social and sustainability matters.

The board ensures that no director or employee deals directly or indirectly in the securities of the company on the basis of unpublished, price-sensitive information, nor during any closed period determined by the board. Directors' dealings in the company's securities are published on SENS and disclosed at board meetings for noting.

In support of this code and Bidcorp's values, the board supports the anonymous/confidential reporting of fraud, theft, corruption, breach of ethics and improper behaviour.

Bidcorp has engaged with Deloitte's whistleblower facility to ensure that in all Bidcorp geographies, a local telephone number answered by Deloitte representatives in the local language is available to all stakeholders, along with access to Deloitte's email and online service to report any perceived unethical behaviour.

This outsourced and independent whistleblowing service enables stakeholders to anonymously/confidentially report suspect behaviour, including non-compliance with company policies. All reported incidents are investigated by management and, where appropriate, action is taken.

In line with legislation, our pledge not to victimise whistleblowers ensures transparency and promotes ethical conduct.

4. Risk management

The board, through the audit and risk committee, ensures that the King IV recommendations are integrated into the risk management function. These recommendations and group requirements form part of an ongoing enterprise-wide risk assessment process in support of the group's philosophy.

Management is accountable to the board for implementing and monitoring the processes of risk management while integrating it into day-to-day activities. This enables management to focus on critical issues at a business and industry level. The individual business risks are consolidated to consider the joint impact on the group.

The board is satisfied that the Group's risk management systems and processes support its business model and strategy, and the appetite for risk is appropriate and risks are managed accordingly.

For Bidcorp's material issues, please refer to the 2022 AIR.

IT and data governance

The board recognises technology as a mechanism to access, protect, and manage information. An IT governance framework and minimum cybersecurity standards have been approved by the board, intended to serve as a group-wide baseline.

In line with Bidcorp's decentralised business model, fit-for-purpose in-house operational IT skills, with the necessary strategic IT oversight, are in place within each operation. Each IT function in the group is resourced to meet their business-specific requirements. Significant investment continues to be made, throughout the group, embracing the opportunities presented by ecommerce and digitisation.

In-house IT skills are complemented by outsourced vendors with specialist networking, telecommunications, and cybersecurity skillsets. Entity-specific business resilience controls are in place and tested as part of internal audit's scope.

Implementation and enhancement of this key control environment is monitored and managed by each business, in line with the group framework. Phishing and penetration testing is performed, and staff training is being provided to enhance cybersecurity awareness, as necessary. An IT peer review against board-approved cybersecurity minimum standards was performed in 2022 to identify areas of weakness and improvement, and to share best practices across the group.

The board adopted a new data privacy policy setting out a statement of principles on how the group will ensure that personal information is adequately protected.

Refer to Bidcorp's data privacy policy, pages 47 to 50 in the 2022 governance report.

Each local operation ensures that their independent supporting IT architecture is appropriate to effectively manage and protect data and ensure compliance with applicable local data privacy legislation. No significant information security breaches were reported during the year. Where immaterial cyberbreaches have occurred, the businesses have enhanced their systems and processes to mitigate the cyber risk.

The board is satisfied that IT governance is properly managed and aligned with business needs and strategy, and the disaster recovery programme will support the continuity of critical business processes.

Ancillary information

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Shareholders' information

for the year ended June 30

	Total shareholding	%
BENEFICIAL SHAREHOLDINGS		
Major shareholders holding 3% or more of the shares in issue		
Government Employees Pension Fund (PIC)	62 594 268	18,7
INVESTMENT MANAGEMENT SHAREHOLDINGS		
Fund managers holding 3% or more of the shares in issue		
Government Employees Pension Fund (PIC)	54 267 067	16,2
Ninety One Plc	23 651 615	7,1
J.P. Morgan Asset Management	23 208 458	6,9
Coronation Asset Management (Pty) Ltd	18 976 581	5,7
BlackRock Inc	12 920 535	3,9
The Vanguard Group Inc	12 745 545	3,8
Schroders Plc	10 886 724	3,3
Genesis Investment Management LLP	10 266 231	3,1
	166 922 756	50,0
SHARES IN ISSUE		
Total number of shares in issue	335 404 212	
BTW Investments Proprietary Limited (treasury shares)	(1 428 379)	
	333 975 833	
BENEFICIAL SHAREHOLDER CATEGORIES		
Pension Funds	114 998 029	34,3
Unit Trusts	64 704 547	19,3
Mutual Fund	44 287 357	13,2
Sovereign Wealth	24 913 986	7,4
Private Investor	22 541 357	6,7
Insurance Companies	8 645 487	2,6
Trading Position	7 762 834	2,3
Exchange-Traded Fund	7 369 475	2,2
Custodians	5 688 347	1,7
Hedge Fund	5 465 682	1,6
Investment Trust	2 525 557	0,8
Corporate Holding	1 981 077	0,6
Charity	1 923 723	0,6
Black Economic Empowerment	1 537 455	0,5
Medical Aid Scheme	541 829	0,2
Local Authority	516 833	0,2
University	483 429	0,1
American Depository Receipts	273 502	0,1
ESG	242 701	0,1
Foreign Government	17 499	0,1
Delivery By Value (Collateral)	51 132	0,0
Managed Funds	31 455	0,0
Other	18 900 919	5,6
	335 404 212	100,0

	Total shareholding	%
GEOGRAPHICAL SPLIT OF BENEFICIAL SHAREHOLDERS		
Region		
South Africa	165 880 839	49,5
United States of America & Canada	77 523 372	23,1
United Kingdom	17 883 566	5,3
Europe	29 578 590	8,8
Rest of World ¹	44 537 845	13,3
	335 404 212	100,0

¹ Represents all shareholdings except those in the above regions.

	Number of holders	% of total shareholders	Number of shares	% of issued capital
ANALYSIS OF SHAREHOLDING				
Shareholder spread				
1 – 1 000 shares	38 594	85,3	9 123 181	2,7
1 001 – 10 000 shares	5 349	11,8	14 329 527	4,3
10 001 – 100 000 shares	1 002	2,2	32 244 740	9,6
100 001 – 1 000 000 shares	247	0,6	70 199 956	20,9
1 000 001 shares and above	54	0,1	209 506 808	62,5
Total	45 246	100,0	335 404 212	100,0
Shareholder type				
Non-public shareholders				
Directors	17	0,04	3 033 799	0,9
Bidvest Pension/Retirements Funds	6	0,01	859 902	0,3
BTW Investments Proprietary Limited	10	0,02	745 518	0,2
	1	0,01	1 428 379	0,4
Public shareholders				
Total	45 229	99,96	332 370 413	99,1
	45 246	100,00	335 404 212	100,0

Shareholders' diary

Financial year end	June 30
Annual general meeting	November
Reports and accounts	
Interim report for the half year ending December 31	February
Announcement of annual results	August/September
Annual report	October
Distributions	
Interim distribution	February/March
Final distribution	August/September
	Declaration
	March/April
	Payment
	September/October

Glossary

Ambient products	Food that can be stored at room temperature, generally about 20°C
Bidfood ecommerce platform	Online customer engagement platform, accessible on all devices for online ordering, menu-planning, invoicing, sales reports, and day-to-day customer engagement; Bidcorp bespoke world class system called "myBidfood"
Catering sector	A broad service category that provides foodservices to businesses that prepare large-scale meals for events and functions
Chilled products	Food that is stored at refrigeration temperatures (between 2°C and 4°C)
DC	Distribution centre, also referred to as a depot
ESG	Environment, social and governance standards and reporting in line with recommendations of global guidance, TCFD requirements, King IV and GRI standards
Foodservice business	Wholesaler delivering a broad range of multi-temperature food and related product to the Horeca sector and institutional channel
Free-trade	Also referred to as street trade or independent trade. Standalone customers which are not part of a large conglomerate or holding entity, usually owner managed high-end restaurants
Fresh	Fresh produce (fruits and vegetables), as well as fresh meat, fish and/or poultry
Frozen	Prepared fresh product, packaged and frozen at -18°C for distribution
Group	Bidcorp group, consolidating all subsidiaries (see 2022 AFS Note 12.3)
Horeca	A foodservice distribution channel that includes hotels, restaurants, caterers, cafes and the broader hospitality industry
Hospitality sector	A broad service category that provides foodservices to a hospitality business such as restaurants, pubs and hotels
Industrial caterers	A provider of catering services within the industrial sector, the industrial caterer usually has a presence situated on site
Institutional channel	A foodservice distribution channel into canteens within hospitals, schools, care homes and prisons
JSE	Johannesburg Stock Exchange
Logistics segment	A segment of the foodservice sector that supplies logistics solutions to large-scale food providers and the QSR trade
National accounts	Accounts which have a head office structure with one point of contact for overall account management
Non-food products	Collection of non-food items ranging from cleaning products, work clothing, kitchen equipment, serviettes, dining goods, etc
Out-of-home eating	Restaurant and casual dining prepared outside of the home
Own Brands	Also referred to as home brands or private label products, owned by the group and trademark registered
Processing segment	A segment of the foodservice sector that manufactures and distributes processed, semi-processed and prepackaged products
QSR	Quick Service Restaurant
Ready-meals or Ready-to-eat	Pre-packaged, pre-prepared deli foods and chilled or frozen meals
Re-pack products	Re-packing of bulk containers of whole produce into smaller quantities as part of the light manufacture value-add services offered by Bidfood
Retail segment	Business which supplies a range of products to supermarkets and hypermarkets
Sous Vide products	Quality cuts sealed in airtight plastic bags for slow cooking in water baths or in temperature-controlled steam environments
Voice picking	Accurate, efficient, and effective order picking system implemented in warehouses

Administration

Bid Corporation Limited

("Bidcorp" or "the group" or "the company")
Incorporated in the Republic of South Africa
Registration number: 1995/008615/06
Share code: BID
ISIN: ZAE000216537

Directors

Chairman: S Koseff
Lead independent director: NG Payne
Independent non-executive directors: T Abdool-Samad, PC Baloyi, B Joffe, KR Moloko, CJ Rosenberg*, H Wiseman*
Executive directors: BL Berson* (chief executive officer), DE Cleasby (chief financial officer)
* Australian

Company secretary

Bidcorp Corporate Services (Pty) Limited
Represented by Ms AK Biggs

Independent auditor

PricewaterhouseCoopers Inc.
Registration number: 1998/012055/21
Waterfall City, 4 Lisbon Lane, Jukskei View
Midrand, South Africa, 2090

Legal advisers

Baker & McKenzie
Edward Nathan Sonnenbergs

Transfer secretaries

JSE Investor Services (Pty) Limited
13th Floor, 19 Ameshoff Street, Braamfontein, 2001
PO Box 4844, Johannesburg, 2000

Sponsor

The Standard Bank of South Africa Limited
30 Baker Street, Rosebank
South Africa, 2196

Bankers

Absa Bank Limited
ASB Bank Limited
Bank of China Limited
Barclays Bank Limited
BNP Paribas Fortis
Ceskoslovenská obchodní banka, a.s (CSOB)
Commonwealth Bank of Australia Limited
Fortis Bank Polska SA
Hang Seng Bank Limited
HSBC Bank plc
Internationale Nederlanden Groep (ING)
Nedbank Limited
The Royal Bank of Scotland Group plc
The Standard Bank of South Africa Limited
Standard Chartered plc

Registered office

2nd Floor North Wing, 90 Rivonia Road, Sandton
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Further information regarding our group can be found on the
Bidcorp website: www.bidcorpgroup.com