



# ITS ALL ABOUT THE FOOD, SERVICE, AND TECHNOLOGY ...

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



## NAVIGATING THIS REPORT

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.

OUR CAPITALS	
FC	Financial capital
IC	Intellectual capital
NC	Natural capital
HC	Human capital
MC	Manufactured capital
SRC	Social and relationship capital

OUR STAKEHOLDERS	
Authorities	
Customers	
Investors	
Communities	
Employees	
Suppliers	

ESG	
Environmental sustainability	
Social engagement and responsibility	
Sound governance	
Click here for more information on the company's website	
Cross-reference content within this report	

### OUR SDGS

Throughout our 2023 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](mailto:investorrelations@bidcorp.co.za)

# NAVIGATING OUR VALUE CREATION JOURNEY ...

Our 2023 annual integrated report is structured into five sections to enable our stakeholders to make an informed assessment of the group's ongoing ability to create and protect value while minimising value erosion. Supporting this primary report, we include cross references to the full reporting suite.

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Our leadership share their views on the group's performance through 2023. They provide an overview of how strong leadership and good governance support the creation and protection of value delivered by an exceptional global Bidfood team. Setting out how our strategy delivers on our value creation aspirations – how we have done this to date and how we intend to do this going forward.

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We have an integrated value creation model describing what we do in our day-to-day business activities that drives our value creation performance – from the capital resources we invest, to the value we deliver, and an assessment of the impact we made and continue to make. Within this context we review the needs and expectations of our stakeholders, and include material issues which define the operating environment in which we find ourselves. We describe how we manage these material issues, our strategic responses, and the trade-offs we make to ensure ongoing value creation.

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### 45 OPERATIONAL REVIEWS

Bidcorp is a consolidation of 35 autonomous businesses, operating on five different continents. We are a decentralised group, with each business operating independently within its local geography. Governance is provided from the centre, implemented through the divisional structure, but the day-to-day operating activities are sovereign to the local management, empowering them to be agile: to make the right decisions, for the right customer, manage their suppliers, and operate successfully within their local foodservice environment.

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We report on our purpose-led sustainably focused business activities, which we align with the group's key material issues. We track our performance against the UN SDGs as well as key ESG matters, which are embedded into our strategy to impact positively and unlock strategic value creation.

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### 76 GOVERNANCE

A synopsis of our governance structures and the outcomes delivered through the deliberations and guidance of our 10-member strong board. Specific board committee inputs are integrated into the report, in line with our integrated governance approach. Our adopted combined assurance model integrates and aligns risk, audit, and compliance functions. This enables an effective internal control environment across the group with assurance focused on the group's material issues.

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Shareholder engagement and communication are key to ensuring value preservation for this key stakeholder community. Abbreviations and acronyms, independent assurance, and company details included.

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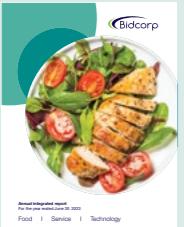


# BIDCORP 2023 ANNUAL REPORTING SUITE

for the year ended June 30 2023

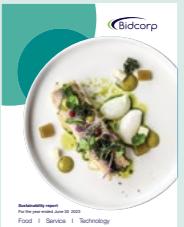
**2023**

## Annual integrated report



Link to report

## Sustainability report



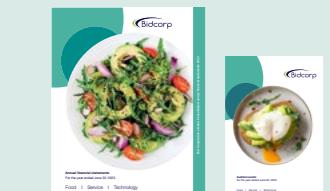
Link to report

## Governance reporting



Governance Report  
Remuneration Report  
B-BBEE Certificate

## Financial reporting



Annual Financial Statements  
Results announcement

## Shareholder reporting



Notice of AGM  
Shareholders information  
(AFS)

## Scope and boundary

The 2023 Bidcorp Annual Integrated Report is our primary report to 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. This report provides a holistic yet concise account of how Bidcorp creates and protects value while minimising the risk of value erosion.

This report is drafted by the group's investor relations team, with input from each business, detailed internal management and board reports, interviews with executive management, and the many engagements with key stakeholders throughout the course of the year. The report has not been externally assured.

This report is intended to address the information requirements of investors including our equity shareholders, debt providers and prospective investors.

## Regulatory frameworks met:

- 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
- United Nations Sustainable Development Goals (SDGs)

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- 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)

- The Companies Act, No 71 of 2008, as amended
- The JSE Listings Requirements
- King IV Guidance

Our climate reporting includes information relating to the group's climate-related activities, policies, governance, strategy, and carbon emissions and targets. The information disclosed can be used to assess the group's progress in managing our impact in addressing climate change. Bidcorp Corporate verified the processes for reporting non-financial information and provided assurance on the same. Information was obtained in line with the company's combined assurance model. Non-financial disclosures and related performance data is interrogated quarterly by the board.

This report is primarily of interest to our investors, ESG ratings agencies, our suppliers, our customers – and their customers, the end-consumer.

Our governance disclosures include information relating to board matters, ethics, and remuneration. The information disclosed demonstrates how the group does business according to sound governance practices, and the highest standards of ethics, integrity, transparency, and accountability. Bowmans provided guidance on the Remuneration Report; and EmpowerDEX Rating Agency provided limited assurance on the group's level 4 B-BBEE rating.

These reports are of interest primarily to investors, ESG ratings agencies, regulators, and governance specialists.

Our financial reporting provides information relating to the group's financial position and performance. The information disclosed can be used to assess the group's financial performance and strength, and includes risk and regulatory disclosures. The 2023 Annual Financial Statements were assured by PricewaterhouseCoopers (PwC), who provided an unmodified audit opinion.

This is of interest primarily to our shareholders, the equity and debt investors, credit ratings agencies, regulators, and various other stakeholders.

Shareholder engagement and communication is key to ensuring value preservation for this key stakeholder community.

The notice of AGM and form of proxy provide valuable information to shareholders who want to participate in the group's 28<sup>th</sup> AGM, to be held on Wednesday, November 22<sup>nd</sup> 2023.

## 2023 ANNUAL REPORTING SUITE EMBRACING INTEGRATED THINKING

Bidcorp delivered an exceptional, record-breaking trading performance in nearly all our operations for the year ended June 30 2023. 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.

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, as well as the responsibility we have to the outcomes delivered. We strive to report transparently, reflecting both the value eroded, as well as the value created and preserved.

## 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 approach and managements' response are integrated to the material issues reported. Material issues change over time and are influenced by many factors. Identifying our material issues is a group-wide responsibility and is the result of input received from each business, assessed within the Bidcorp divisional structure, and consolidated for group review and board deliberation. The board deliberates on these material matters throughout the year, informally and formally, before approving them as part of the year-end reporting process.

This report focuses particularly on those material issues that either have a financial impact or impact our environment and social conditions throughout our global operations – and have played a role in defining the Bidcorp value creation story for 2023.

## Outlook

Outlook information is intended to answer the question "What challenges, opportunities, and uncertainties are we likely to encounter in delivering on our value creating strategy in future?". This outlook question can't always be answered, but we have tried to share some of our insights throughout this report, particularly in the Leadership Review and Value Creation story (see pages 5 – 43).

## Forward-looking statements

This report may contain forward-looking statements regarding the financial prospects of the group and specific businesses. These statements involve risk and uncertainty as they relate to events that may or may not occur in the future. There are factors that could cause actual results to differ materially from those expressed by these forward-looking statements, and the group does not undertake to update or revise any of these forward-looking statements, whether to reflect new information, future events or otherwise. Consequently, all forward-looking statements have not been reviewed by the group's external auditors.

## Approval by the board

The board acknowledges its responsibility for ensuring the integrity of this report prepared in accordance with The International Integrated Reporting Framework. The board has accordingly applied its collective mind to the content of the report and the board believes it addresses the material issues, presents fairly the financial impacts, and the environmental and social impacts that have delivered the Bidcorp 2023 value creation story.

The Bidcorp board has authorised the 2023 annual integrated report for release on October 24 2023.

**Stephen Koseff**  
*Chairman*

**David Cleasby**  
*Chief Financial Officer*

**Helen Wiseman**  
*Independent Non-Executive Director*

**Paul Baloyi**  
*Independent Non-Executive Director*

**Keneilwe Moloko**  
*Independent Non-Executive Director*

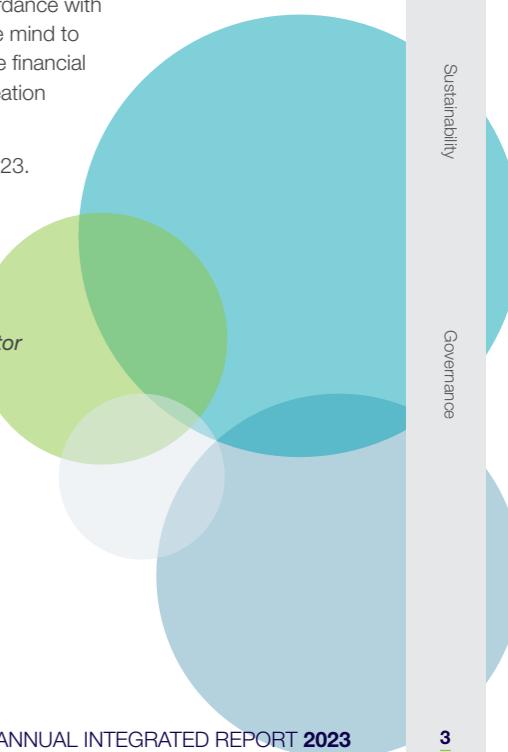
**Bernard Berson**  
*Chief Executive Officer*

**Nigel Payne**  
*Lead Independent Non-Executive Director*

**Tasneem Abdool-Samad**  
*Independent Non-Executive Director*

**Brian Joffe**  
*Independent Non-Executive Director*

**Clifford Rosenberg**  
*Independent Non-Executive Director*





## Leadership reviews .

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# CHAIRMAN'S STATEMENT

**It was particularly pleasing to be able to reward our shareholders for the faith they have put in Bidcorp over the years.**

**Stephen Koseff**

We were delighted to report a very strong set of results in the first full year unaffected by COVID since the June 2019 financial year.

These results took us to a new level of earnings, helped by a very strong bounceback as hospitality and travel took off, a trend we first experienced towards the end of the previous year. Inflation and rand weakness also had a positive impact on the final numbers.

Bidcorp people, led by Bernard at both head office and at our operations around the world, are to be congratulated on another job well done. Under COVID the business continued to be very well run with management navigating the abnormal conditions created by the pandemic. We managed to maintain a strong balance sheet and a sound infrastructure, both physical and people, that enabled the group to be well positioned for the post-pandemic opportunities that presented themselves. When the bounceback came, we were more than ready for it, as these results demonstrate.

We must acknowledge that the global situation was by no means all plain sailing during the year under review. Inflation was high, in many cases very high, and we experienced a rapidly rising interest rate environment not experienced for many years which will ultimately affect consumers' spending power. Geopolitical tensions remained elevated and the war in Ukraine was very close to some of our operations, including those in Czech, Slovakia, Hungary, the Baltics, and Poland which all performed admirably during the year.

Many of our businesses achieved record earnings and all, except one, were profitable including Greater China, the Middle East, and other emerging markets demonstrating their ability to thrive under sometimes unpredictable circumstances.

It was particularly pleasing to be able to reward our shareholders for the faith they have put in Bidcorp over the years. In line with our dividend policy, we declared a final dividend of 500,0 cents, taking the total payment for the year to a record 940,0 cents an increase of 34,3 % over last year and 46,9% higher than the pre-COVID dividend paid in 2019.

## A culture of sustainability

Our positive outcome this year was not just a good financial one. At Bidcorp we are serious about operating sustainably, an ethos that is set by the board and senior management and practised by our teams on the ground. As I write, the board and social and ethics committee are considering setting management new ESG targets beyond 2025 – which we are confident we will meet.

It almost goes without saying that food safety and responsible sourcing are among our core values and these values are rigorously enforced daily.

## Embracing good governance

As part of our governance process, this year Bidcorp directors visited three of the group's European operations – the UK, Netherlands, and the Czech Republic.

In all three countries we were, once again, impressed by the calibre of people we have on the ground and by their entrepreneurial, decentralised culture. This is a culture that doesn't wait for direction from the top but gets on with the job in hand, to deliver for our customers while operating responsibly and safely towards all stakeholders and the environment.

As much as we empower our in-country businesses to pivot and navigate uncertainties as they see fit without excessive intervention from head office, good governance is of the utmost importance to Bidcorp and well respected throughout the organisation – notwithstanding our entrepreneurial spirit.

Our governance framework ensures that we cultivate a resilient, responsible culture and that we have in place strong systems and controls, with robust oversight. Our devolved divisional audit and risk committees are a key group strength, ensuring that appropriate systems are adhered to and issues that may arise are timely escalated.

## Appreciation

I would like to acknowledge Bernard, David, their executives, and Bidcorp's worldwide team for the success they have once again achieved in value creation for all stakeholders. I thank these stakeholders, including our investors, suppliers, regulators and, in particular our customers, for their engagement and continuing support.

My thanks also to all my fellow board members, including our founder, Brian Joffe, and all of the members of our board committees, Helen Wiseman, Paul Baloyi, Tasneem Abdool-Samad, Nigel Payne, Keneilwe Moloko, and Cliff Rosenberg, for their tremendous diligence and support of the group.

## Outlook

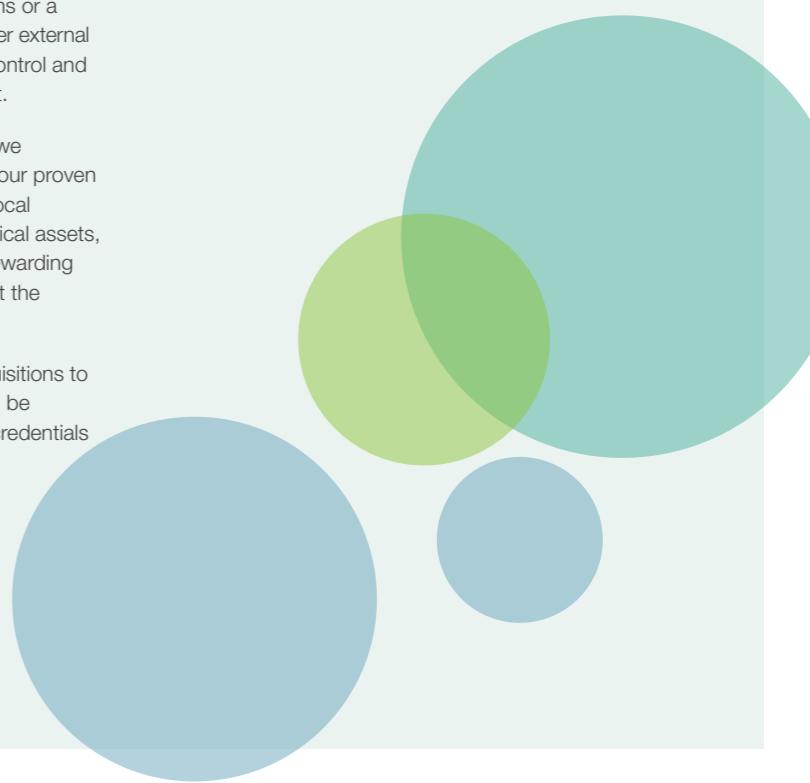
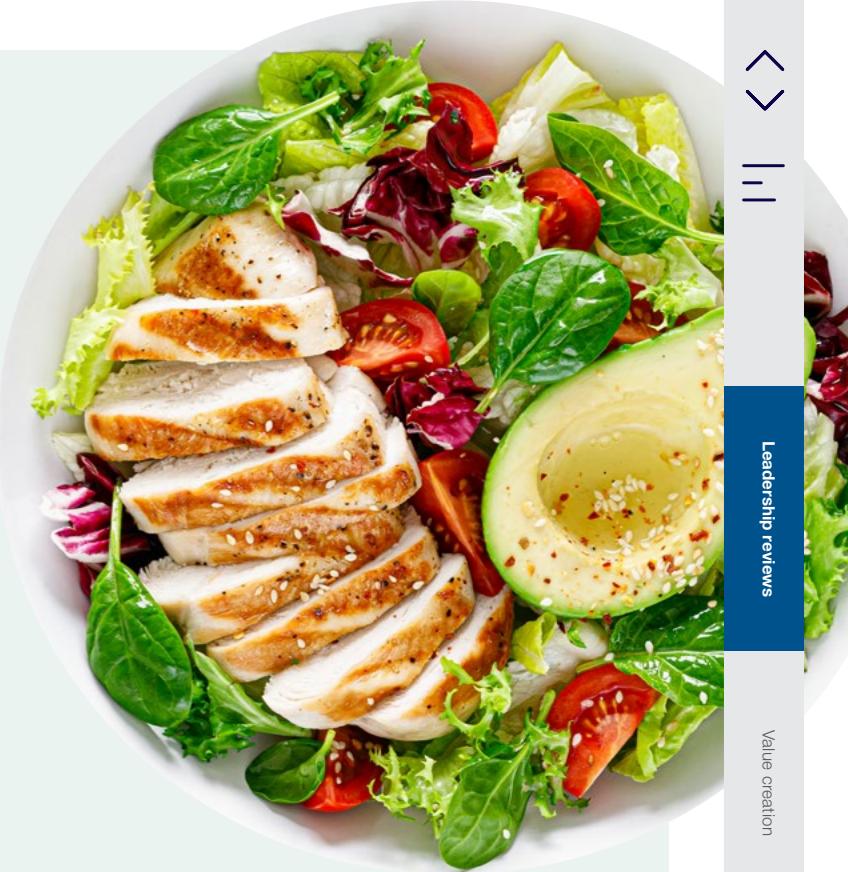
Our business ended 2023 on a good note and, although it is difficult to predict where the world will be in six months or a year's time, we are well positioned to navigate whatever external developments arise. Group management are in full control and our businesses on the ground are all on the front foot.

Certainly, conditions will be more difficult than those we experienced in the year reviewed but we will stick to our proven business model (interspersed with variations to suit local conditions). We will keep investing for growth in physical assets, our digital capability, and our people, appropriately rewarding our executives, managers, and individuals throughout the organisation.

We will keep making measured, mostly bolt-on, acquisitions to grow our footprint and capacity. As we do so, we will be resolute in greening our operations and proving our credentials as good corporate citizens.

**Stephen Koseff**

*Chairman*



# WHY INVEST IN BIDCORP...



## GOOD INVESTMENT RETURNS FROM UNBUNDLING IN 2016

- Compound annual revenue growth from 2016 of 10,2%, compound total shareholder returns from 2016 of 8,8%
- Since listing on the JSE in 2016, Bidcorp has declared R14,5 billion in dividends or 4 311cps
- A commendable return on funds employed of 61,5% and return on equity of 19,7% achieved

## 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

## 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

## STRONG BALANCE SHEET WITH CAPACITY FOR GROWTH

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

## EMPOWERED, ENTREPRENEURIAL MANAGEMENT TEAM

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

## 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 able to compete at our scale market leading position

# CHIEF EXECUTIVE OFFICER'S REPORT



**Bernard Berson**

**Bidcorp's business is better compared to a marathon not a sprint but we clearly sprinted in the year reviewed in this report, breaking all the records set only the year before and, in most geographies, setting a number of personal bests.**

Of course, in setting new records we benefited from a number of strong tailwinds – inflation that assisted our trading and a continuing, strong post-COVID bounceback. But I don't believe for a moment that we should put the group's 2023 performance entirely down to macro-economic factors, strong markets, or luck. Rather, our exceptional performance derived from the hard work of amazingly talented teams of people who were given the opportunity and freedom to operate dynamically and creatively, in our unique Bidcorp way.

We are a global collection of different businesses operating in the same broad industry, and the composite Bidcorp picture is made up of many richly different pieces. Each country has a unique set of circumstances, challenges and opportunities. Although there are multiple common threads, there are even more specific local issues. One of our real strengths and synergistic benefits lies in the fact that we operate across a large number of diverse markets so that we can share learnings and experiences very quickly, and can possibly see trends emerging quicker than those operating in a single, or only a handful of markets.

As ever, a detailed analysis of the numbers is described in David Cleasby's comprehensive CFO report, which gives a very useful overview of, and insight into, our overall financial performance. Here I want to take a step back from the Bidcorp headline performance and look into some of the factors that differentiate us, particularly relative to our competitors, to understand what enables our sustained long-term growth in so many different geographies, and what should perpetuate that success.

Our latest results are, I believe, an overnight success that has been more than 30 years in the making. We have essentially the same french fries and cans of beans as our competitors, our

trucks are more or less the same with different signwriting, and our warehouses all have high racking with lots of inventory. Yes, it is becoming increasingly clear that we are doing the ecommerce side of our business better than most and we continue to invest in our facilities, equipment and vehicles. But Bidcorp's primary differentiator is its people. And those people are the direct consequence of the culture built into Bidcorp from the very start.

This business was built on three cornerstone principles which are as important today as when Brian Joffe first started talking about them in the late 1980s. These principles are:

- Entrepreneurship
- Decentralisation
- Incentivisation

If all three of these work in a synchronised manner, they inevitably attract a certain type of person to our business, the type of people who have successfully built Bidcorp over many years – and continue to do so. Our challenge is to retain and motivate our strategic human capital, and attract more of the same, the kinds of people who share this passion and drive, who will imbibe our culture and thrive on it.

In the latest year our sustained focus on balancing the customer mix was the continuation of a process begun many years ago, to exit a small number of larger low-margin customers, freeing up capacity to concentrate on the freetrade segment which, as I noted a year ago in this space, is our sweet spot. These customers are themselves decentralised, valuing the great products and service that make it possible for them to do what they do best.

Having dwelt on the past and our present, I want to deal, briefly, with our future.

## Outlook

Our investment into future growth will be ongoing... we continue striving to be a maximum of 30 minutes away from 90% of our customers. To enhance margins, our businesses are all on the journey of own brand development, import, and light value-added manufacturing.

We have a portfolio of businesses at various stages of growth and size, those in the earlier stages representing what will be the big opportunities in two, five, or 10-years' time. Of course, not every one of these will be an immediate success; we may even fail at some, as we have done in the past. We continue to pursue bolt-on acquisitions in all geographies, and remain alert to any larger new territory opportunities, of which there have been none for several years now.

We will remain focused on ensuring that we get the basics right, day after day. We will be steadfast in working to keep things simple, managing our assets and cash tightly and, most importantly, being very sure that we remain relevant and important to our customers – that we remain all about the food, service, and technology.

In remaining relevant to our customers, a key priority going forward will be to meet their expectations of us in terms of our social and environmental impacts. We are investing considerably larger amounts in greening our operations and remain concerned with having positive social impacts – on our customers and suppliers, and on our communities. These ESG aspects are important to us and our stakeholders and receive due coverage in this report.

The global economic outlook is volatile (although not necessarily negative) with conditions that are changing rapidly. High inflation is cooling rapidly and consumer demand is contracting at the same time that high interest rates compound the cost-of-living crisis many millions of our customers' customers are facing. The strong bounceback we witnessed last year is normalising – perhaps the urge for "revenge spending" has now been satisfied. This more subdued reality was borne out by our experiences in the fourth quarter of 2023 and since our yearend, when the rate of growth cooled significantly relative to the first nine months. Towards the end of the year, we witnessed a slackening in inflation growth and overall demand but a firming of the cost base as we filled vacancies.

After a halcyon 18 months of post-pandemic growth, we must now adapt to a more "normal" reality, a period in which our growth metrics will appear pedestrian by comparison with the recent past. Our volume growth will be more subdued and I am sure that we will continue to grow, just not at anything like the rates to which we have recently become accustomed.

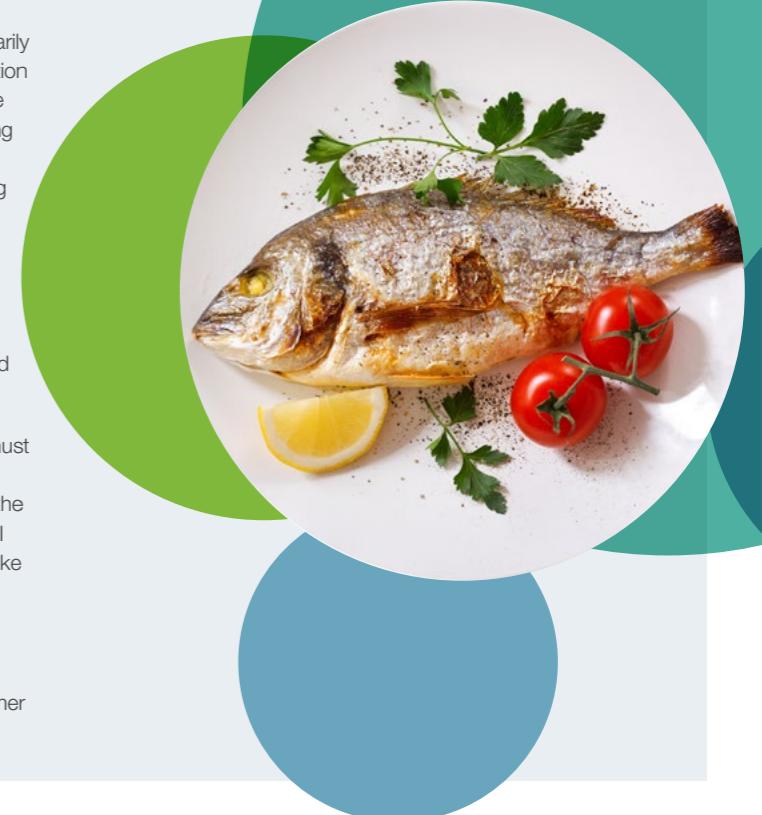
Our advances will be hard won but I have the greatest confidence that our different, but motivated, operations will keep winning market share, add value, and shift our customer mix towards our desired sweet spot.

## Appreciation

Which brings me to the people I need to acknowledge. Chief among these are our employees and managers who make up the incredible human capital we have on the ground all over the world. Also my chairman, Stephen Koseff and his board, for their unstinting support.

We have in place, in 35 countries, a 28 000 strong entrepreneurial, decentralised, and incentivised team of the highest calibre. I have no doubt that they will continue delivering the goods, wherever they operate and whatever it takes.

**Bernard Berson**  
Chief executive officer



# BIDCORP PEOPLE

*It's our people and culture that make the Bidfood difference!*

"The best way to summarise this year is to borrow the words from one of our businesses:

***"The results for this year are simply glorious"***

..... I think it is an injustice to simply put this great performance down to a strong market or luck, it is absolutely the result of a remarkable team of people around the world, being given the opportunity to operate dynamically and creatively, and they have delivered this awesome result."

"We have an absolutely incredible team of people around the world, led by a remarkably talented bunch of in-country management teams ... They have achieved amazing success so far, and will continue to do so in the future, providing we maintain the correct focus and culture."

**Bernard Berson**



We know foodservice.

Our mission is to empower foodservice to invent and create.

With a team of 28 000 Bidfoodies that know and love the industry.

"Our business is very **well positioned to continue to grow and flourish**, and I am truly grateful to my team out there for all that they do"

**Bernard Berson**

## In memoriam

All at Bidcorp have been shocked and deeply saddened by the recent, untimely passing of two our legendary European stalwarts – Giuseppe Scuola, president of DAC Italy, and Mehrdad Seifi, chairman of Bidfood Portugal.

Both men were refugee entrepreneurs who started from scratch and remained passionate about their businesses up until the time of their deaths. Giuseppe and Mehrdad epitomised the Bidcorp culture – an entrepreneurial can-do attitude and a firm commitment to doing whatever it took to delight their customers. Both were equally devoted to the wellbeing of their employees. All at Bidcorp express our heartfelt condolences to the families, friends and colleagues of Mehrdad and Giuseppe.

**Bernard Berson**

### Giuseppe Scuola

Giuseppe Scuola, who passed away suddenly in August 2023, was born in Libya in 1948 but was forced out of the country at the age of 20 when all Italians were ejected following a coup d'état.

In Italy Giuseppe began working as a self-employed salesman for a pasta producer and quickly spotted the opportunity to sell and distribute to commercial customers. In 1972 he began distributing dry goods from his garage and soon had to recruit additional help. As the business took off, Giuseppe added chilled and frozen products and bought land near his adopted home, the city of Brescia in northern Italy.

In 1988 the business was incorporated as Distribuzione Alimentare Convivenze (DAC S.p.a) and continued growing, organically and through acquisitions. In 2014, Giuseppe and his family sold a majority stake in DAC to Bidcorp.

Despite the sale, Giuseppe remained as actively involved in DAC as he had ever been, usually working seven days a week. His son Daniele was appointed managing director and wife Valerie and daughter Laura as well as brother Giacomo continue to work for the company, giving it a real family-business feel.

Several of those individuals Giuseppe recruited in the 1970s remain with the business. Today DAC is one of the largest, national, foodservice distributors in Italy.

Giuseppe was a proud promoter of his adopted city and an influential and responsible entrepreneur, quietly supporting many local charities and other businesses.

Giuseppe died suddenly in August 2023, aged 75.



### Mehrdad Seifi

Mehrdad came to Lisbon in 1983 following the revolution in his homeland, Iran. He knew no-one and did not speak Portuguese.

After finding work in a restaurant, in 1988 Mehrdad started a small trading business, M. Seifi, renting a tiny space in a local market. In the beginning, it was just him and his wife running the business.

Mehrdad soon spotted the opportunity to do door-to-door distribution, for which he made his first investment, a second-hand Ford truck. M. Seifi then began renting space in the warehouse of a client. The business continued to grow and in 1993 acquired its first key account, by which time the company had become known as Frustock.

Mehrdad developed the Lisbon business throughout the 1990s, achieving a breakthrough when he secured the right to supply 85% of restaurants at Expo 98. Warehouses opened in Porto in 2008 and the Algarve in 2009. In 2017, Frustock was sold to Bidcorp but Mehrdad continued to lead it, as CEO until 2023, when he became chairman.

Mehrdad was passionate about the business; there was never a problem for which he didn't have a solution. He was intuitive and ambitious but, most importantly, he was kind. Mehrdad had a heart big enough to fit everyone. His biggest legacy is his people, the team he created who continue to honour his life's work.

Mehrdad passed away after a short illness in September 2023, aged 61.



# BIDCORP'S VALUE CREATION STRATEGY

## - HOW WE CREATE VALUE

Our strategy was initiated in 1989. It remains relevant today.

Our strategy		Our strategic imperatives		2023	Outlook
 <b>Customers</b>	Focus on higher-margin freetrade/independent business	<ul style="list-style-type: none"> <li>Be physically close to our customer</li> <li>Have the right customer mix</li> </ul>	<ul style="list-style-type: none"> <li>Most businesses moved along the maturity continuum</li> <li>Continued investment in expanding our physical footprint</li> </ul>	<ul style="list-style-type: none"> <li>Further progression of operations towards free-trade/independent business</li> </ul>	
 <b>Services</b>	Our "direct-to-chef" model continues to deliver improved results	<ul style="list-style-type: none"> <li>Growing a bespoke manufacturing capability (keep it small and simple)</li> <li>Expanding our technology offering</li> </ul>	<ul style="list-style-type: none"> <li>More customers embraced ecommerce</li> <li>Promotions to chefs prioritised at various operations</li> </ul>	<ul style="list-style-type: none"> <li>Continued rollout of easy-to-use, value-adding digital solutions</li> <li>Expand Own Brand and light manufactured product ranges</li> </ul>	
 <b>Suppliers</b>	Continued relationships with our trusted and loyal suppliers combined with category development, Own Brand, value-add light manufacturing and growth of higher-value specialist products	<ul style="list-style-type: none"> <li>Remain a supporter of mainstream brands</li> <li>Build our niche Own Brand portfolio</li> <li>Create import procurement capability using group resources</li> </ul>	<ul style="list-style-type: none"> <li>Many operations launched and expanded import operations</li> <li>Invested in growing Own Brand portfolio</li> <li>BPC expanded number of territories procured from</li> </ul>	<ul style="list-style-type: none"> <li>Grow import and Own Brand, with focus in developing the liquor offerings where appropriate</li> <li>Foster supplier diversity and innovation</li> </ul>	
 <b>People</b>	Decentralised, empowered, entrepreneurially led businesses that are locally relevant	<ul style="list-style-type: none"> <li>Be creative, daring, inclusive and positive</li> </ul>	<ul style="list-style-type: none"> <li>Increased financial incentives paid, in line with improved profitability</li> </ul>	<ul style="list-style-type: none"> <li>Maintain an entrepreneurial and decentralised group</li> </ul>	
 <b>Environment</b>	Protecting our environment, nurturing our product sources, and investing for long-term sustainable growth	<ul style="list-style-type: none"> <li>Care for our environment</li> </ul>	<ul style="list-style-type: none"> <li>Invested in environmentally friendlier facilities, equipment, and solar power</li> </ul>	<ul style="list-style-type: none"> <li>Maintain momentum towards 2025 25% carbon reduction target</li> <li>Board considering additional environmental targets</li> </ul>	



## Delivering on our strategy – our evolving value proposition

Bidcorp's medium- to long-term strategy is to move each operation along our defined foodservice maturity continuum.

Our operations are all at differing stages of development along this maturity continuum. As our businesses mature, they focus on growing their trading profit margins. Pricing in the foodservice industry is dictated by the market, so to grow profits we need to focus on procurement and value-adding services.

For us the "right" customer is the customer who wants a value-adding supply partner and is willing to pay the right price for this service. Generally, this tends to be independent or freetrade customers who see the value and benefit to be derived from our value-adding activities such as flexible deliveries, light manufacture, repacking, or ingredient preparation, as well as accessing our niche Own Brand range. Our more mature businesses are also able to achieve higher procurement efficiencies, which further boosts their performance.

New bolt-on acquisitions tend to start at the lower end of our foodservice maturity continuum. Wherever we operate, it is part of our strategy to invest in establishing a national footprint. We then encourage our managers to make the often tough

decisions to exit high-volume, low-margin accounts – for some businesses, losing these "bread-and-butter" accounts poses a significant risk, but doing so frees up much-needed capacity. This additional capacity can then be used to grow the exposure to independent freetrade customers, winning them over with the Bidfood best-in-market service levels, providing access to the myBidfood world-class ecommerce platform, and making their lives easier with our value-add solutions.

The Bidcorp foodservice maturity continuum depicted below shows the profit-margin spread of our operations – from the lower-margin national-account operations to the well-established more mature, value-adding operations.

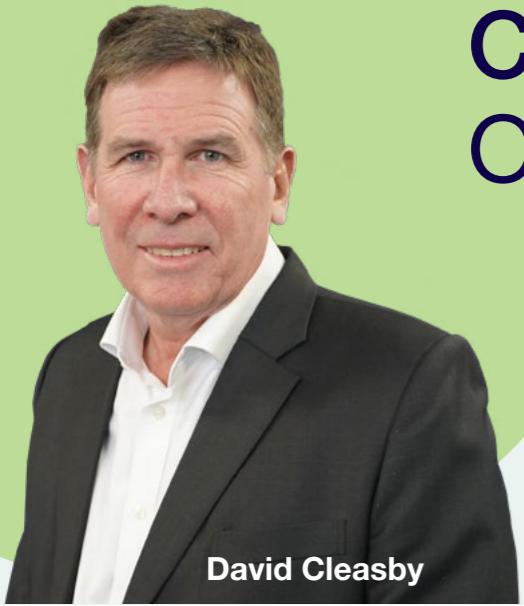


## Our foodservice maturity continuum

Each dot represents a Bidcorp business



> 2% Logistics type business	2 – 4% Wholesale trading of a broad range of third-party products	4 – 6% Limited range of Own Brand, imports, and exclusive range; focus on the right customer	8% < Greater proportion of Own Brand, supported by light manufacture, value-add processing
One or two businesses with some exposure to this type of business	Most Bidcorp operations are at various stages within this range, with all focused on securing the right customer at the right price		Our more mature high-margin businesses operate at this level



# CHIEF FINANCIAL OFFICER'S REPORT

David Cleasby

The group returned a very pleasing result for the year, growing revenue, gross profit, and headline earnings per share (HEPS) all by well in excess of 30%. In all respects this was a quality result, reflecting a solid on-the-ground performance across the board.

## Operating context

In the first full year without any material COVID-impacts, high interest rates – which some had thought might dampen consumer demand – had little impact on overall spending habits. It became increasingly apparent this year that eating-out is becoming the norm for many consumers in many of our markets rather than being the discretionary, occasional indulgence of yesteryear.

In 2023, in most countries, a revival in global tourism offset any declines in domestic spending but, particularly towards the end of the year, we witnessed a return to much more normal trading conditions.

Group-wide food inflation (which is based on official figures but is not necessarily exactly representative of our actual basket of goods) remained stubbornly high for most of the year, rising from 13,6% in Q1 to 15,1% in Q3 before moderating in Q4.

Inflation certainly had a positive impact on our results, but I'm pleased to note that the increase in HEPS included real growth and an increase in market share across the group (although the latter is notoriously difficult to quantify).

## Financial and operational performance

As much as external factors influenced our results – and those of all of our competitors – the reality is that in 2023 we reaped the benefits of two to three years of concerted effort to strengthen relationships with both customers and suppliers. At the same time, our teams focused on keeping things simple – maximising opportunities and managing costs.

At R196 billion, revenue for the year increased by 33,4% (23,5% in constant currency) with the cost base being very effectively leveraged to support this growth. The divisional breakdown was as follows:

<b>UK</b>	<b>R51,4 billion</b>	▲ 35,9%	Local FX: ▲ 28,5%
<b>Europe</b>	<b>R69,5 billion</b>	▲ 38,9%	Local FX: ▲ 27,0%
<b>Australasia</b>	<b>R44,3 billion</b>	▲ 33,0%	Local FX: ▲ 23,7%
<b>Emerging Markets</b>	<b>R31,1 billion</b>	▲ 19,9%	Local FX: ▲ 8,8%

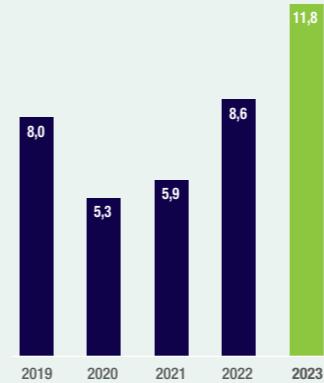
(For detail on the various divisions' performance, see from page 44).

Gross profit margins, at 23,8%, held up well considering the trading environment, which was impacted by rising employee costs, high energy and fuel prices, and ongoing inefficiencies from supply chain disruptions.

Non-IFRS 16 EBITDA (earnings before interest, tax, depreciation, and amortisation), was a strong 6,0% of revenue, higher than the 5,9% recorded in 2022.

HEPS from operations rose by 35,4% to 2 082,9 cents per share (cps) (2022: 1 538,3 cps). In constant currency, HEPS increased by 25,3%, the balance deriving from rand weakness.

EBITDA (R'billion)



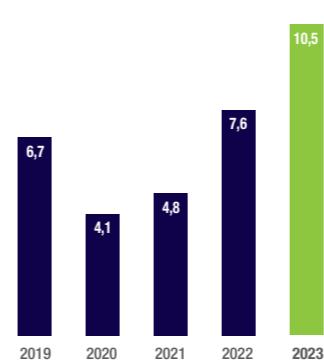
Revenue growth again outstripped growth in costs with the result that operating costs as a percentage of net revenue decreased year-on-year and, for the most part, were well managed.

At 10% of revenue, staffing costs were similar to those of 2022 with a not insignificant portion of those costs relating to incentives paid in response to the group's exceptional financial performance. Notably, staffing levels had normalised by the end of the year – addressing the key risk of retaining qualified, talented people.

It was thanks to those qualified, talented people that full-year trading profit rose 38,4% to a record R10,5 billion. Europe contributed to this outcome with a 25,7% gross profit margin and Australasia with 26,1%.

The UK maintained its strong contribution, recording commendable organic growth while Emerging Markets delivered an overall solid sales performance despite the devastating earthquakes in Türkiye, and South Africa continuing to experience very low economic growth. Greater China improved its profitability but the robust post-COVID bounceback experienced elsewhere failed to materialise.

Trading profit (R'billion)



Group management maintains a watching brief over Chile and Spain. The former had a poor 2023 but, as was the case with Spain, appeared to be headed in the right direction in Q4 and post-yearend. Germany continued its slow but sustained turnaround.

Reading the results, it is instructive to note how the group's trading and revenue mixes have changed since unbundling in 2016. In 2023, the:

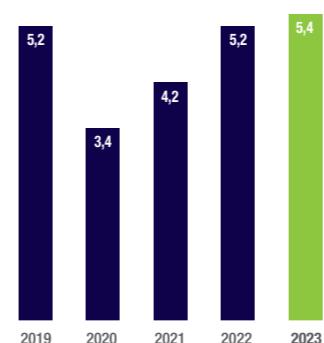
- biggest five businesses contributed 72% to trading profit (down from 82% pre-unbundling) and 66% of revenue (down from 75% pre-unbundling);
- next six to ten businesses contributed 23% (up from 17%) to trading profit and 25% of revenue (14%); and
- remaining businesses contributed 5% (2%) to trading profit and 9% of revenue (4%).

Bidcorp's concentration risk is lessening – and is likely to reduce further as our smaller businesses scale up and utilise their long runways for growth.

Our expected credit loss for trade receivables was little changed from that of 2022 (5,9% vs 5,8%) and remains elevated relative to 2019 but is reflective of prevailing economic uncertainty and heightened cash flow pressures on independent free trade customers.

In 2023 capital expenditure amounted to R4,3 billion – up from R2,9 billion. Expansionary capital investment rose to R1,8 billion (2022: R1,6 billion). This included new distribution centres, and plant and equipment, the overwhelming bulk of which was spent on creating further capacity closer to our customers – a key competitive advantage in all markets. The group continues to invest to reduce our carbon emissions. Our initiatives and investments in this regard are focused firmly on the areas within our control, that is in zero-emission, energy-efficient refrigeration and renewable energy generation. However, acquiring an environmentally friendly fleet of vehicles capable of meeting our operational requirements remains elusive.

Trading profit margin (%)



Replacement capital expenditure for the year was R2,5 billion, ahead of depreciation as replacement values increased due to inflationary pressures, the timing of vehicle fleet replacement (given long lead times), and a backlog of supply constraints experienced in 2021 and 2022.

Acquisitions in 2023 consisted of nine bolt-on investments, at a combined cash cost of R1,3 billion. Since 2016, Bidcorp has spent R6,8 billion acquiring 68 businesses, in line with the group's strategic focus on what we call acquisitive-organic growth through bolt-on acquisitions.

Working capital days, calculated on a quarterly average basis, were higher at 7 days (2022: 5 days) but better by six days against pre-pandemic comparatives (2019: 13 days). This derived largely from higher inventories, which were needed to provide a buffer against supply chain disruptions. Yearend working capital percentage to revenue stood at an excellent 3% – well below our normalised target of 4% to 5%.

#### Debt and cash management

Cash generated from operations after working capital was R13,2 billion, up almost two-thirds on 2022, an exceptional result with 113% of EBITDA being generated into cash (2022: 92%). Non-cash items of R694 million comprised mostly share-based payment expenses of R227 million and increases in debtor and stock provisions of R442 million.

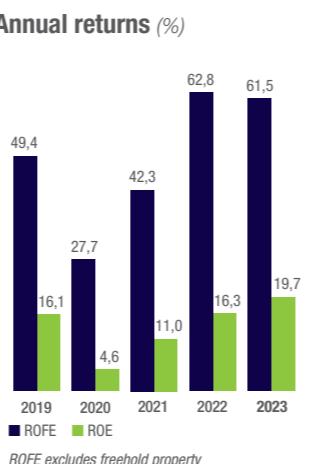
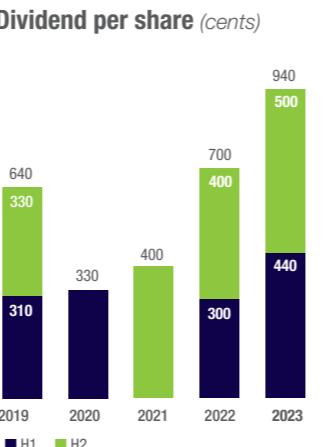
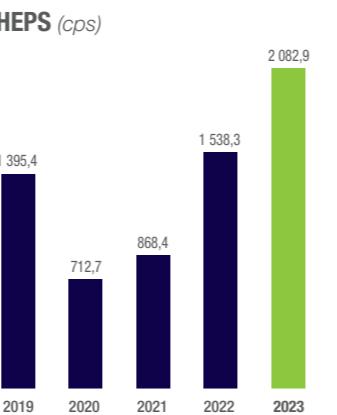
Free cash flow (excluding dividends but after operating cash flows, working capital, capital investments and lease payments) was an inflow of R3,4 billion (2022: R1,5 billion), an excellent result given capital investments (including acquisitions) of R5,8 billion.

A key feature of our decentralised business model is to ensure that our on-the-ground businesses have enough liquidity to respond effectively to operational requirements, risks and opportunities. At the same time, we monitor returns on funds employed (ROFE) and so it is pleasing to note how our ROFE (excluding freehold property) grew from 49,4% in 2019 to 61,5% (although marginally down on the percentage achieved in 2022).

Excluding IFRS 16 charges, net finance charges were 37,5% higher at R463 million (2022: R336,6 million). Interest costs were higher largely on increased average working capital requirements – which stemmed from pressure on supply chains and the need for higher inventories, greater activity, and significantly firmer interest rates.

Of the R14,3 billion group gross borrowings at June 30 2023 (2022: R9,1 billion), 83% were at fixed interest rates. The group remains well capitalised and retains adequate headroom for further organic and acquisitive growth. At yearend, non-IFRS 16 EBITDA interest cover remained healthy at 23,2 times (2022: 25,2 times). Total headroom available including uncommitted facilities and cash and cash equivalents stood at R26,3 billion.

Net debt to EBITDA was 0,2x (2022: 0,2x), well within our debt covenants and further evidence that Bidcorp has substantial headroom with which to weather unanticipated disruption and fund expansion opportunities.



In March, finance of €195 million was raised through the United States Private Placement market and despite the timing (coincidentally on the same day that witnessed the collapse of Silicon Valley Bank), we were very satisfied with this particular capital raise – which termed the debt out to five and seven years – and the market response. The proceeds of the latest placement were used for refinancings and expansion.

#### Capital management

Despite our higher borrowings in 2023, Bidcorp remains conservative on leverage as this has a relatively muted impact on returns which, whether measured on equity, invested capital, or funds employed, all remain extremely positive and best in our peer group. So, we continue to believe that the greatest driver of returns is reinvestment in the business and hold the position that share buy-backs, certainly in the current environment, are not accretive and therefore not in shareholders' best interests.

#### Appreciation

I need to congratulate our management teams across the world on another sterling performance and thank them for the extremely high standards of financial accountability and reporting.

Also, my thanks to the members of the group's audit and risk committee who add considerable value to our governance oversight.

#### Outlook

Most sectors of our industry have now approached normalised trading levels. Real growth is likely to be more normalised and gains hard won, but we are well-positioned to exploit opportunities as they arise.

We expect that interest rates will remain elevated for longer, in most countries. Food inflation is also expected to moderate but will likely remain "sticky". The impact of currency volatility is expected to continue to bolster HEPS in 2024.

We are conscious that economic activity can soften quickly – and may well do so in the new year. Such developments will require adjustments to our short-term trading efforts but I am confident that our various management teams will, as ever, be more than sufficiently nimble and responsive, without necessitating any change in overall group strategy.

**David Cleasby**  
Chief financial officer

**“ As much as external factors influenced our results – and those of all of our competitors – the reality is that in 2023 we reaped the benefits of two to three years of concerted effort to strengthen relationships with both customers and suppliers. At the same time, our teams focused on keeping things simple – maximising opportunities and managing costs. ”**

# Financial results highlights for 2023

**Revenue**  
**R196,3bn**  
(2022: R147,1bn)

↑ 33,4%  
Constant currency ↑ 23,5%

**Cash generated by operations (after working capital)**  
**R13,2bn**  
(2022: R8,0bn)

↑ 66,0%  
**Total distribution per share**  
**940,0 cents**  
(2022: 700,0 cents)  
↑ 240,0 cents ↑ 34,3%

**Headline earnings per share**  
(cents)



↑ 35,4%  
Constant currency ↑ 25,3%

## Summary consolidated statement of profit or loss for the year ended June 30

	2023 Audited	2022 Audited
<b>Revenue</b>	<b>196 341 239</b>	<b>147 138 311</b>
Cost of revenue	(149 537 909)	(111 495 826)
Gross profit	<b>46 803 330</b>	<b>35 642 485</b>
Operating expenses	(36 294 726)	(28 051 710)
<b>Trading profit</b>	<b>10 508 604</b>	<b>7 590 775</b>
Share-based payment expense	(226 717)	(161 258)
Acquisition costs	(45 806)	(16 320)
Capital items	(77 724)	(333 150)
<b>Operating profit</b>	<b>10 158 357</b>	<b>7 080 047</b>
Net finance charges	(909 802)	(689 754)
Share of profit from associates and jointly controlled entities	<b>89 242</b>	<b>39 718</b>
Monetary gain arising from hyperinflation in Türkiye	<b>7 426</b>	<b>69 215</b>
<b>Profit before taxation</b>	<b>9 345 223</b>	<b>6 499 226</b>
Taxation	(2 393 482)	(1 584 987)
<b>Profit for the year</b>	<b>6 951 741</b>	<b>4 914 239</b>
<b>Attributable to:</b>		
Shareholders of the company	<b>6 886 260</b>	<b>4 824 720</b>
Non-controlling interest	<b>65 481</b>	<b>89 519</b>
	<b>6 951 741</b>	<b>4 914 239</b>
<b>Shares in issue</b>		
Total ('000)	<b>335 404</b>	<b>335 404</b>
Weighted ('000)	<b>333 999</b>	<b>334 062</b>
Basic earnings per share (cents)	<b>2 061,8</b>	<b>1 444,3</b>
Headline earnings per share (cents)	<b>2 082,9</b>	<b>1 538,3</b>
<b>Distributions per share (cents)</b>	<b>940,0</b>	<b>700,0</b>

## Income statement

**Revenue** of R196,3bn (2022: R147,1bn) is up 33,4% (constant currency improvement of 23,5%). There has been a strong recovery in the discretionary spend sectors, which has benefited our strategic focus on “the right customers” which has led to good revenue increases in the independent sector.

**Gross profit %** decreased to 23,8% (2022: 24,2%) reflecting that most businesses have been able to substantially pass through product and cost inflation increases. Gains were achieved from the inflationary environment but were offset to a small extent by strategic decisions to sacrifice margin to maintain volumes, some discounting of overstocked positions, and some pressure from the exposure to national customers where there has been a timing lag in repricing contracts.

**Group trading profit** increased by 38,4% to R10,5bn (2022: R7,6bn), 28,1% higher in constant currency. Trading profit margins improved to 5,4% (F2022: 5,2%) where the slight drop in gross margins has been made up by the improved cost-of-doing-business.

**Final dividend** of 500,0 cps (up 25% on 2022 final dividend) giving a total dividend of 940,0 cps for 2023 (up 34% on 2022 total dividend).

## Summary consolidated statement of cash flows for the year ended June 30

	2023 Audited	2022 Audited
<b>Cash flows from operating activities</b>		
Cash generated by operations before changes in working capital	<b>13 665 726</b>	<b>9 940 211</b>
Changes in working capital	(453 756)	(1 983 500)
<b>Cash generated by operations</b>	<b>13 211 970</b>	<b>7 956 711</b>
Finance income received	<b>154 398</b>	<b>53 479</b>
Finance charges paid	(870 503)	(599 620)
Taxation paid	(2 012 597)	(1 525 772)
Dividends paid	(2 817 395)	(2 347 829)
<b>Cash flows from investment activities<sup>1</sup></b>	<b>(5 774 795)</b>	<b>(3 379 734)</b>
<b>Cash flows from financing activities<sup>1</sup></b>	<b>1 735 055</b>	<b>(869 350)</b>
<b>Movement in cash and cash equivalents</b>	<b>3 626 133</b>	<b>(765 594)</b>
Cash and cash equivalents at the beginning of the year	<b>7 398 250</b>	<b>8 120 639</b>
Effects of exchange rate fluctuations on cash and cash equivalents	<b>1 187 723</b>	<b>255 095</b>
Hyperinflation effect on cash and cash equivalents	<b>12 527</b>	<b>(211 890)</b>
<b>Cash and cash equivalents (including bank overdrafts) at end of the year</b>	<b>12 224 633</b>	<b>7 398 250</b>

<sup>1</sup> Refer to statement of cash flow re-presentation note.

<sup>2</sup> Payments made to vendors for acquisition were in line with their acquisition date fair values.

## Summary consolidated statement of financial position as at June 30

	2023 Audited	2022 Audited
<b>ASSETS</b>		
<b>Non-current assets</b>	<b>52 857 592</b>	<b>40 493 131</b>
<b>Current assets</b>	<b>53 782 660</b>	<b>39 074 357</b>
<b>Total assets</b>	<b>106 640 252</b>	<b>79 567 488</b>
<b>EQUITY AND LIABILITIES</b>		
<b>Capital and reserves</b>	<b>40 194 621</b>	<b>31 103 472</b>
<b>Non-current liabilities</b>	<b>24 773 239</b>	<b>16 726 268</b>
<b>Current liabilities</b>	<b>41 672 392</b>	<b>31 737 748</b>
<b>Total equity and liabilities</b>	<b>106 640 252</b>	<b>79 567 488</b>

## OUTLOOK

Group sales tracking well into July and August 2023, despite the poor Northern Hemisphere summer. Weekly sales into the first quarter of 2024 (15% ahead of Q1 2023) tracking at consistently above R4,1bn per week in constant currency.

Further inflationary impacts anticipated from product pricing and operating costs, but moderating. Currency volatility likely to remain a feature into 2024; ZAR is the reporting currency however non-ZAR trading profits make up 93% of the group. Forecasting risk remains high, as the ongoing uncertainty remains constant in the global environment – our provisioning remains conservative amid potentially more difficult economic conditions ahead (global recession).

## Cash flow statement

Cash generated by operations for 2023 split R6,1bn in H1 and R7,6 bn in H2.

**Working capital** absorbed R0,5 bn vs. R2,0bn absorbed in 2022; delivering a net 3-month monthly average working capital cycle 7 days (2022: 5 days). Net working capital % of annualised revenue (WAR%) of 3,0% (2022: 3,4%) a pleasing outcome as the groups' normal WAR% is between 4% - 5%. As expected, there was some working capital absorption into 2023.

**Cash effects of investing activities** of R5,8bn (2022: R3,4bn) include investments in PPE reflecting maintenance capex (R2,4bn), investment into new capacity (R1,8bn) on modern distribution facilities with freezers and refrigeration necessary for anticipated organic growth. Our strategic intention remains to own our facilities (73% of property portfolio owned).

Net acquisitions and investments R1,4bn (2022: R0,9bn) include 9 bolt-ons at a cash cost of R1,3bn in the UK, Australasia, Emerging Markets, and Europe to expand geographic reach and product range. Contributions of 1,6% to revenue and 2,2% to trading profit.

## Balance sheet

Balance sheet remains strong with reliable cash flows which allows flexibility to achieve strategic growth objectives, organic and acquisitive.

A refinancing exercise was undertaken through February and March 2023 to access additional liquidity ahead of further global interest rate increases. The United States Private Placement (USPP) market was accessed for €195 m, at differing tenures of five and seven years, and at an average fixed interest rate of 4,61%. Capital raises over the past 2 years have been concluded at a blended rated of 2,87%.

Bidcorp is cash generative, and we are expecting to remain so into 2024. Further and continued capital investment (capex) planned across the group - businesses in Australasia, UK, Europe, and Emerging Markets all planning capital investment to cater for anticipated organic growth. Adequate headroom remains to fund our organic and acquisitive growth.

No material debt maturities in the year ahead, but more efficient treasury focus in 2024 to counter rising interest rate environment. Bidcorp core philosophy of naturally hedging assets and liabilities remains – businesses are managed and measured in their local currencies. The strength of Bidcorp's financial position remains a competitive advantage. 2024 has started off as expected – Bidcorp budgeting for real growth into 2024.



## Value creation .

Bidcorp's value creation model  
Bidcorp's value creation response

24  
28



## BIDCORP'S VALUE CREATION MODEL

The Bidcorp value creation model describes how we effectively and efficiently utilise our capital inputs to optimise our capital outputs, and to deliver sustainable, impactful outcomes for all our stakeholders. Our value creation model describes how we create and preserve long-term sustainable value in all our operations and how we minimise value erosion through the effective and balanced application of our six capitals.

This value creation model is proudly underpinned by a solid governance foundation and strong stakeholder relationships, impacted both positively and negatively by the significant material issues our teams strategically navigate on a daily basis, to keep the orders coming in, the food going out, our customers happy, and the end-consumers satisfied.

### OUR INPUTS – *what we invested*

**FC**

#### Financial capital

Our financial resources include equity and debt funding, and earnings generated and retained by the group. We rely on our financial resources to fund our organic and acquisitive growth strategy, to invest in infrastructure growth and maintenance, systems and technologies, to upskill and develop our staff, and to responsibly invest to reduce our carbon footprint.

	2023	2022
Equity (Rm)	<b>40 195</b>	31 103
Debt (Non-IFRS 16) (Rm)	<b>14 476</b>	9 116
Cash (Rm)	<b>12 397</b>	7 398

**HC**

#### Human capital

We are committed to creating value for our people through providing exciting employment opportunities across our business. Promoting from within and developing the team to ensure strong succession plans are in place. Continuous investment in training to build a high-performance culture, both within functional roles and with regards to health and safety in the workplace. Actively driving transparent and meaningful engagement with employees and with their representative forums and unions.

	2023	2022
Employees (#)	<b>28 022</b>	24 978
Female	<b>7 609</b>	7 316
Male	<b>20 413</b>	17 662
Payroll investment (Rbn)	<b>22,6</b>	17,6
Training investment (Rm)	<b>67,0</b>	54,2

**SRC**

#### Social and relationship capital

We continue to invest in and develop positive, rewarding relationships with all our stakeholders. We invest in social and education initiatives, focusing on programmes such as healthy eating and sustainable consumption. We earn the loyalty of our customers through these initiatives, and we use our reach and buying power to develop small businesses and local suppliers.

We strive to provide our investors with value through consistent financial returns. Proactive, transparent communications, quarterly trading updates and engaging reporting ensures the shareholders are informed of the performance of the company.

	2023	2022
Suppliers (#)	<b>29 322</b>	28 364
Foreign suppliers	<b>22%</b>	20%
Customers 381 179	370 683	
Customer mix		
Independent	<b>57%</b>	57%
Chain	<b>32%</b>	31%
Logistics	<b>5%</b>	5%
Retail and other	<b>6%</b>	7%

**MC**

#### Manufactured capital

Bidcorp invests in owned-assets, strategic to our operational growth strategy. We use the physical infrastructure within our operations to serve customers quickly, efficiently, and reliably. Our manufactured capital enables Bidcorp to procure, transport, store, and distribute a competitive, market-leading offering. Continuing to invest in modern energy-efficient vehicles and depots is key to responsibly catering for future growth.

	2023	2022
Depot size (sqm)	<b>1 559 800</b>	1 423 871
Number of vehicles (#)	<b>7 693</b>	7 071
Delivery	<b>5 782</b>	5 286
Passenger	<b>1 911</b>	1 785

**IC**

#### Intellectual capital

We strive to create value for our customers by listening to them – understanding what their needs are and responding with the right products, the right tools, and the best service to make their lives easier. Bidfood is growing a portfolio of leading, competitively priced Own Brand products. Our myBidfood ecommerce platform enables our customers to engage on-the-go, to place orders on a device of choice, with a delivery time as quick as later that same day.

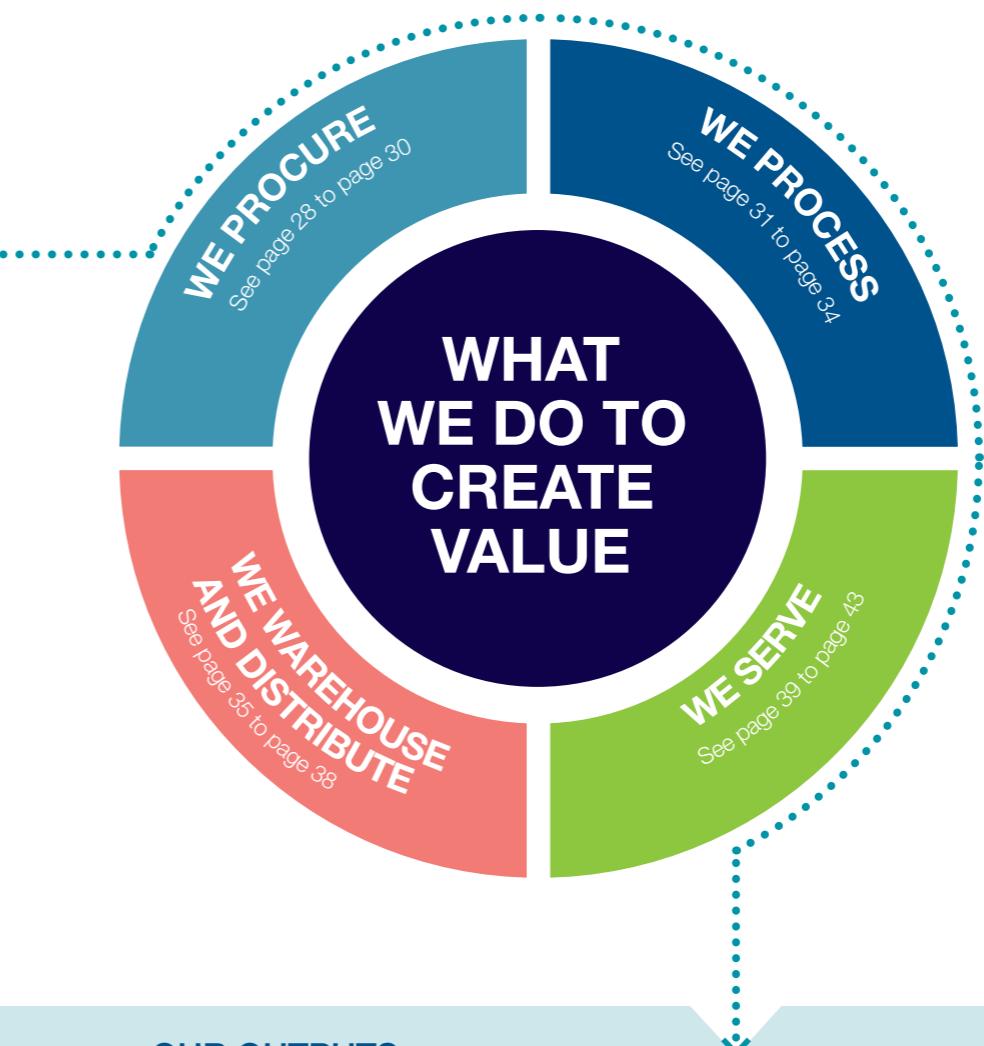
	2023	2022
Software investment (Rm)	<b>151</b>	152
Product range (SKUs) (#)	<b>380 438</b>	375 522
Product mix		
Frozen	<b>36%</b>	36%
Chilled	<b>28%</b>	27%
Ambient	<b>31%</b>	31%
Non-food	<b>5%</b>	6%

**NC**

#### Natural capital

Each of our operations is committed to implementing real, relevant, impactful solutions towards our group target. Plastic reduction and efficiencies, recycling initiatives, and sharing of foodservice specific environmental and sustainability initiatives are driven within each business - and best practice is shared within the group. We are reducing our consumption of natural and scarce resources.

	2023	2022
Grid supplied power (kWh)	<b>308 241 955</b>	297 464 610
Fuel (kilolitres)	<b>55 555</b>	50 934
Natural gas (tonnes)	<b>2 043</b>	2 236
Refrigeration gas (tonnes)	<b>19,2</b>	19,6
Waste (tonnes)	<b>35 348</b>	32 489
Water (kilolitres)	<b>1 028 480</b>	943 005



### OUR OUTPUTS – *what we delivered*

**FC**

#### Financial capital

	2023	2022
Profit attributable (Rm)	<b>6 886</b>	4 825
Weighted average shares ('000)	<b>333 999</b>	334 062
Basic earnings per share (cents)	<b>2 061,8</b>	1 444,3
Headline earnings per share (cents)	<b>2 082,9</b>	1 538,3
ROFE	<b>61,5%</b>	62,8%
ROE	<b>19,7%</b>	16,3%

**MC**

#### Manufactured capital

	2023	2022
Capital investment (Rm)	<b>4 435</b>	3 082
Depots	<b>64%</b>	69%
Vehicles	<b>27%</b>	20%
IT	<b>9%</b>	11%

**IC**

#### Intellectual capital

	2023	2022
Ecommerce (% of rev)	<b>56%</b>	54%
Own Brand (% of rev)	<b>23%</b>	21%

**NC**

#### Natural capital

	2023	2022
Total carbon emissions (tCO <sub>2</sub> e)	<b>332 745</b>	306 362
Scope 1	<b>152 256</b>	142 792
Scope 1+	<b>42 526</b>	28 944
Scope 2	<b>131 279</b>	129 257
Scope 3	<b>6 684</b>	5 369

Carbon emissions efficiency (CEE) ratio  
(Target = 2,47)

Tracking ahead of 2025 CEE target by  
**2,22**

**19%**

### OUR BUSINESS ACTIVITIES *what we do*

#### what we do

Operating as foodservice businesses around the world means the basics are the same, with local entrepreneurial flair the differentiator. On pages 28 to 43 we describe a little more of what we do, every day, around the world.

### OUR STAKEHOLDERS *who we do it for*

We do what we do by engaging with our stakeholders, to varying degrees in each stage of our activities. Throughout we recognise that each stakeholder is essential to us, and we are committed to delivering value to them. In the business activities described on pages 28 to 43 we focus on a particular stakeholder group and unpack how we engage and what value we have delivered.



## OUR OUTCOMES – where we made a difference

### Financial capital

- Record results achieved by Australia, New Zealand, Netherlands, Belgium, Czech Republic, Italy, Portugal, Africa, Brazil, Türkiye, Poland, Baltics, Singapore, and Malaysia
- Strong cash flow generation after working capital as 126% of the 2023 trading profit was converted into cash
- Refinancing exercise was undertaken to access additional liquidity ahead of further global interest rate increases, at competitive fixed interest rates, reducing liquidity and interest rate risk
- Balance sheet remains strong with reliable cash flows which allows flexibility to achieve strategic growth objectives, organic and acquisitive

### Human capital

- Bidfood employs over 28,000 people, selected not only for their experience and knowledge of the industry but also their ability to make decisions. Our people are passionate about what they do, and they do what it takes to provide exceptional service
- Our staff attrition rate of 34% remains as the labour scarcity-risk starts to ease in most markets. We continue to proactively engage with our teams, meeting their work-life balance and career needs
- We retained our workforce gender profile in a challenging labour retention period; we continue to proactively adjust our work environment to break down previous gender profile imbalances

### Social and relationship capital

- Good business is ethical business built on trust, goodwill, and confidence – this year over 380 000 foodservice operators chose Bidfood to supply their foodservice needs
- Customer engagement to share healthy eating meal options, sustainable menu ideas, sourcing sustainable substitute product options, promoting healthier eating habits
- Our operations across Europe and as far afield as New Zealand mobilised support and food packages for those impacted by the earthquake in Türkiye and the ongoing Russian invasion of Ukraine
- We spent more than R34m on a variety of charitable and socio-economic development programmes, making a difference in thousands of lives

### Manufactured capital

- Nine bolt-on acquisitions concluded, growing the independent customer base
- Expansionary capital investments accounted for R1,8bn relating to infrastructure upgrades or new distribution centres. Replacement capex of R2,4bn was ahead of depreciation as replacement values increased due to global inflationary pressures and delays in vehicle fleet replacements given supply constraints from previous years
- Strategy remains to own our facilities – 73% of property portfolio owned in 2023

### Intellectual capital

- We have managed high-inflation pressures, present in all our markets, well and are trading through these. Sharp deflation in a few commodity products resulted in a supply shortage which was replaced quickly by a glut of supply, impacting market prices negatively. The deflationary losses were accounted for in 2023
- Our ecommerce and digital strategy remain key enablers of our competitive advantage. Significant intellectual property has been invested into ecommerce development, embracing best of breed service-related insights. Ecommerce adoption continues to increase, generating 56% of 2023 group revenue

### Natural capital

- Through investment in solar installations, we have increased our renewable power generation in 2023 by 14% to 9,816,624 kWh. Despite lags in battery technology development, we continue to explore delivery alternatives, like electric vehicles, and remain committed to finding a viable sustainable solution
- The group's infrastructure capital investment is integrated with leading ESG trends (solar, water-saving measures, LED lighting, state-of-the-art refrigeration, etc.) which, although upfront are expensive, do provide a strategic long-term economic and social benefits
- Concerted waste reuse, renew, and recycle practices have embedded. Significant effort into sourcing and promoting a sustainable product supply chain for our customers, informing food choices and positively influencing eating habits

SDG's impacted

SDG 8  
SDG 9  
SDG 10

SDG 3  
SDG 5  
SDG 8

SDG 2  
SDG 3  
SDG 10

SDG 7  
SDG 9  
SDG 15

SDG 8  
SDG 9  
SDG 12

SDG 7  
SDG 14  
SDG 15

## OUR CAPITAL TRADE-OFFS – what we sacrificed

In our strategic decision-making process, sometimes we must make the tough decision to sacrifice value in one area in order to maximise value creation in another. These trade-off decisions are not taken lightly, due diligence and care is applied, within the context of the group's strategic priorities, and in line with the board-approved delegation of authority framework. Some of the more material decisions made in 2023 include:



Our stock of manufactured capital increased substantially through investments in new plant and equipment, and through nine bolt-on acquisitions. These were costly in the short term but will boost our footprint and ability to reach more customers.



Ensuring our ability to operate with adequate inventory in the face of supply-chain uncertainties and disruption, most operations maintained elevated inventory levels for much of the year.



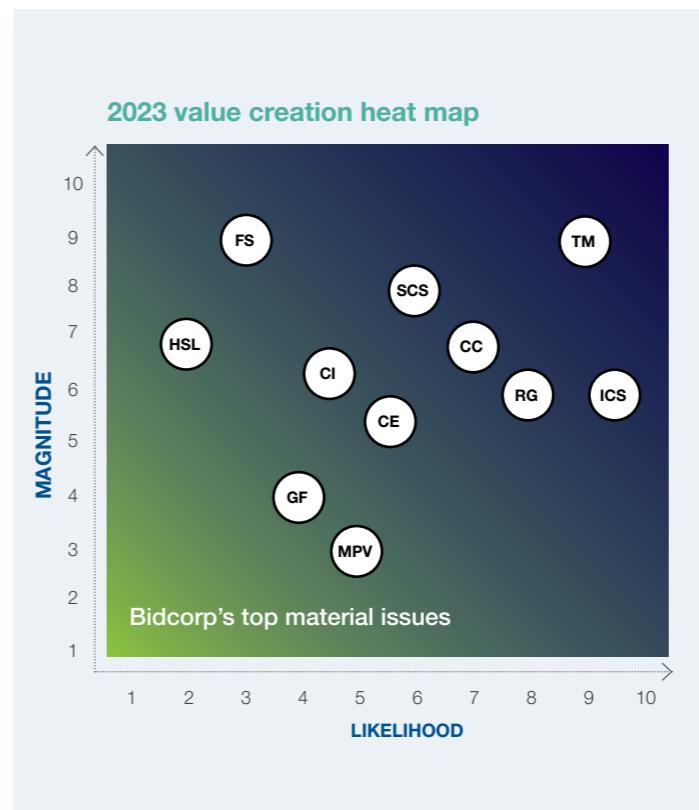
We invested more than R400 million in our IT infrastructure, enhancing our digital capabilities and customer-service levels.



Significant investment into solar, electric vehicles, enhanced refrigeration, and numerous recycling initiatives-making a positive impact on our environment.

## OUR MATERIAL ISSUES – what we have to navigate

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.



### OUR TOP MATERIAL ISSUES

### 2023 Impact

<b>TM</b> Talent Management	Volatility in resource availability and inflationary pressures remain	Unchanged, remains key risk	page 34
<b>ICS</b> Information and Cyber Security	Significant efforts have been invested in the year to mitigate risks	Unchanged, high likelihood, but mitigated impact through decentralised structure	page 42
<b>RG</b> Regulatory Governance	Ever increasing as the reporting burden builds	Added in 2023 as the reporting requirements increase around the world	page 34
<b>CC</b> Climate Change	Increased global climate related events heighten this risk	Likelihood is increased, but magnitude is relative to the specific geography	page 38
<b>SCS</b> Supply Chain Stability	Supply chain backlogs are beginning to ease, volatility remains	Likelihood is unchanged, magnitude has decreased as mitigation controls embed	page 30
<b>CE</b> Consumer Environment	Ever-changing trends drive consumer demands, we are agile in our response	Likelihood is lower post-COVID but environment still fragile, magnitude remains	page 40
<b>CI</b> Cost Inflation	Cost and food inflation pressures have shown signs of easing	Likelihood has decreased, but magnitude remains as inflation levels settle	page 37
<b>FS</b> Food Safety	Ongoing; risk increases as we transition to more light manufacture	Likelihood unchanged, but as we grow value-add offering magnitude increases	page 32
<b>GF</b> Growth and Funding	Well managed, ahead of the curve, positioned for growth	Balance sheet strength remains, likelihood and magnitude is down	page 36
<b>MPV</b> Macro Political Volatility	Ongoing; economic and political volatility remains	Decentralised structure mitigates impact to a specific region, risk unchanged	page 30
<b>HSL</b> Hospitality Sector Lockdown	Post-COVID reopening disappoints in China; other global markets normalised	Likelihood significantly reduced, magnitude still severe if lockdowns were to reoccur	page 41

During the year, our board engaged in several discussions related to key issues and topics that could impact our ability to create value for our stakeholders.

Following the annual materiality assessment, the board considered those material issues identified and approved the material issues for group reporting. These material issues are specifically related to the realisation of the group strategy and that are facing each of our operations to differing extents. The board interrogated these (and other) material issues that could impact our ability to create value for our stakeholders. The board has approved the material issues as presented and the impact on our stakeholders as summarised below.

### OUR STAKEHOLDERS

Authorities	page 37
Customers	page 40
Investors	page 36
Communities	page 43
Employees	page 33
Suppliers	page 29

### Change from prior year



Leadership reviews

Operational reviews

Sustainability

Governance

27

# ••• 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.

We operate 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') changing needs.

Our suppliers are specialists in their products, as well as being ethically and sustainability minded, they are 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.

We aim to make a positive impact on our supply chain. We take a sustainability-based approach to product sourcing and minimising the impact of our carbon footprint, while ensuring fair labour practices are at the forefront of our supply chain.

## Our product range

Bidfood stocks a full requirement for a restaurant kitchen or foodservice operation. Protein, seafood, and fresh produce are complemented by a full range of dry goods and pantry staples. Cheese, small goods, and dips are just some of our chilled category range. Cakes, desserts, and ice cream are a small selection of our sweets. Bidfood has all menu requirements met.

We have curated a bespoke range of exclusive Own Brand products to offer quality, consistency, and competitively priced products. Developing our product sourcing capabilities, both local and imported, continues to expand our Own Brand offering.

Our extensive range has developed over time and is continually refined to reflect innovation, new product development and culinary trends. We are committed to meet the needs of our customers in all sectors, offering a range of product specification from premium quality to large format value, delivered on time, at competitive prices.

## Code of conduct for suppliers

We are 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 Bidcorp'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 basic human rights. Bidcorp has a moral and social responsibility to take a zero-tolerance approach to any form of modern-slavery practices. We have and will continue to put effective controls in place to guard against any form of modern slavery or child labour that may be identified within our operations and throughout our supply chain.



Own Brand products

In performing our **PROCURE** activities, a key stakeholder we engage with is that of our **SUPPLIERS**. A summary of how we engage with this stakeholder, the issues raised in the year, and the outcomes we achieved is highlighted below:

## SUPPLIERS

**29 322** global suppliers, sourcing **380 438** products

**Foreign** suppliers make up **22%** of purchases

2023 revenue generated from sale of **36% frozen** products, **28% chilled** products, **31% ambient** products and **5% non-food** products

**Own Brand** products now make up **23%** of total revenue

### How did we do?

A globally diverse supplier base locally positioned where possible

Working closely with our suppliers we navigated supply chain challenges successfully

Focus remains on developing our niche Own Brand; sourcing locally; and ensuring a sustainable, environmentally friendly range



## Our stakeholders

### 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 as well as trade shows, visits, demonstrations etc
- regular meetings with key suppliers increased as supply chains came under pressure
- food safety audits at supplier's production facilities
- engaged enterprise development programmes continued

### Issues raised

- joint pursuit of logistic efficiencies
- need for clear communication channels to provide accurate, timely information to all
- support local sourcing, especially in Own Brand range
- impacts of global political events and severe climate disasters, such as the Ukrainian conflict and Turkish earthquake – a destabilising event that affects not just the region but also potentially impacts product availability and pricing

### What we did

- sourcing an environmentally responsible product range, disclosing product traceability and supply chain transparency
- focussed efforts to streamline supply chain logistics
- growing the pool of top quality, sustainably-responsible local producers
- embedding supplier vetting processes, ensuring compliance and commitment to modern slavery and ethical labour practices
- inventory stocking due to global supply chain disruptions impacting product availability



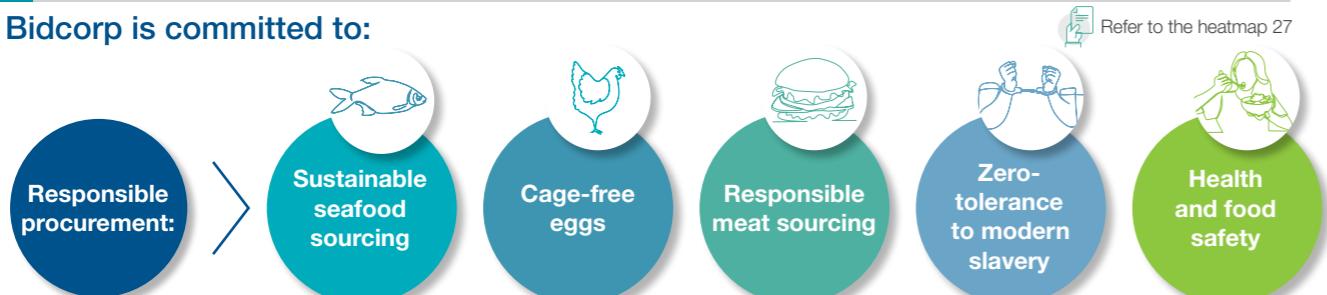
## ••• To create value ... WE PROCURE continued

In performing our **PROCURE** activities two of the key material issues that our teams face includes **SUPPLY CHAIN STABILITY** and **MACRO POLITICAL VOLATILITY**. We describe these two material issues, the impact they have on our ability to operate, and our response to navigating these material issues below:

<b>SC</b>	<b>SUPPLY CHAIN STABILITY</b>	<b>Stakeholders:</b>	<b>Capitals:</b>	<b>2023 Impact</b>
				Supply chain backlog are beginning to ease, volatility remains
<p>Bidfood has worked closely with our supplier base to ensure steady supply and distribution of products. An inability to obtain adequate product supply and/or to timely service our customers, could have an adverse impact on our business, and our financial and operational results, as our customers may turn to other suppliers.</p> <p>Bidcorp is mindful of the global pressures across our supply chain, but we mitigate this by identifying substitute products and procuring locally for much of our product range. We purchase from a wide variety 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.</p>				
<b>What it means to us</b> <ul style="list-style-type: none"> <li>Product pricing increases</li> <li>Lack of in-house manufacturing capacity</li> <li>Own Brand pressure on product supply</li> <li>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 item from our product range</li> </ul>		<b>How we respond</b> <ul style="list-style-type: none"> <li>Inflation is at an all-time high but as all customers are experiencing this, they are understanding and accepting of price increases as needed</li> <li>We encourage product substitution, where possible, with Own Brand and/or locally sourced products</li> <li>We have protected margins through active price management</li> <li>Customers are evolving their product offering to the end-consumers, eliminating, where possible, high-cost ingredients</li> <li>We proactively adjust our inventory levels as circumstances change</li> </ul>		
Refer to the heatmap 27				

<b>MPV</b>	<b>MACRO POLITICAL VOLATILITY</b>	<b>Stakeholders:</b>	<b>Capitals:</b>	<b>2023 Impact</b>
				Ongoing; economic and political volatility remains
<p>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. 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 these macro developments.</p>				
<b>What it means to us</b> <ul style="list-style-type: none"> <li>Increasing inflation rates around the world driven by wage inflation, fuel and energy costs</li> <li>Exposure to political, economic, and social conditions in various jurisdictions</li> <li>Potential business slowdown due to lower economic activity, financial instability, trade restrictions, imposition of tariffs, and volatility in exchange rates</li> </ul>		<b>How we respond</b> <ul style="list-style-type: none"> <li>Political strife, loadshedding impacts, and civil unrest in South Africa has an impact on our local operations, but our business continuity processes have been tested and are in place and working</li> <li>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)</li> </ul>		
Refer to the heatmap 27				

### Bidcorp is committed to:



## ••• To create value ... WE PROCESS



Value-add light processing and bespoke manufacturing opportunities create the valuable "stickiness" factor with our customers and directly contribute to our margin preservation efforts.

Organic market share gains is fundamental to achieving growth in our businesses. We do this by growing the basket offered to our existing customers, whilst winning over new customers with our insightful, delicious, and value-add offering. Small but strategic new business acquisitions are made into developing the value-add manufacture opportunities we can offer to further enhance the Bidfood product range and service offering.

We monitor the changing operating requirements our customers have to comply with. We ensure proactive engagement with our customers to provide the solutions that they need to operate successfully within the horeca market. We provide solutions such as nutritional values, presence of allergens and GMOs (genetically modified organisms), instructions for use, carbon footprint impact, to mention a few.



### Our product range

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

### Our value-add offering

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:

- Rewrap:** light manufacture processing sites that specialise in roasts, coats, blends and packing of nuts, cereals, seeds, spices, and powders
- Ingredient preparation:** fully automated food processing environments, cutting, slicing, dicing, grating, and preparing ingredients. Where required we even have our teams hand-cutting and preparing products to customer specification
- Protein processing:** value-add processes in place to prepare full range of meat and seafood products, including slicing, mincing, marinating, and sous-vide meal preparation
- Importing:** ensuring the supply chain continuity of key product items, while maintaining the highest quality in products sourced

# ••• To create value ... WE PROCESS continued

**It's all about the people**

## Our material issues

**FOOD SAFETY**

**Stakeholders:** MC SRC IC

**Capitals:**

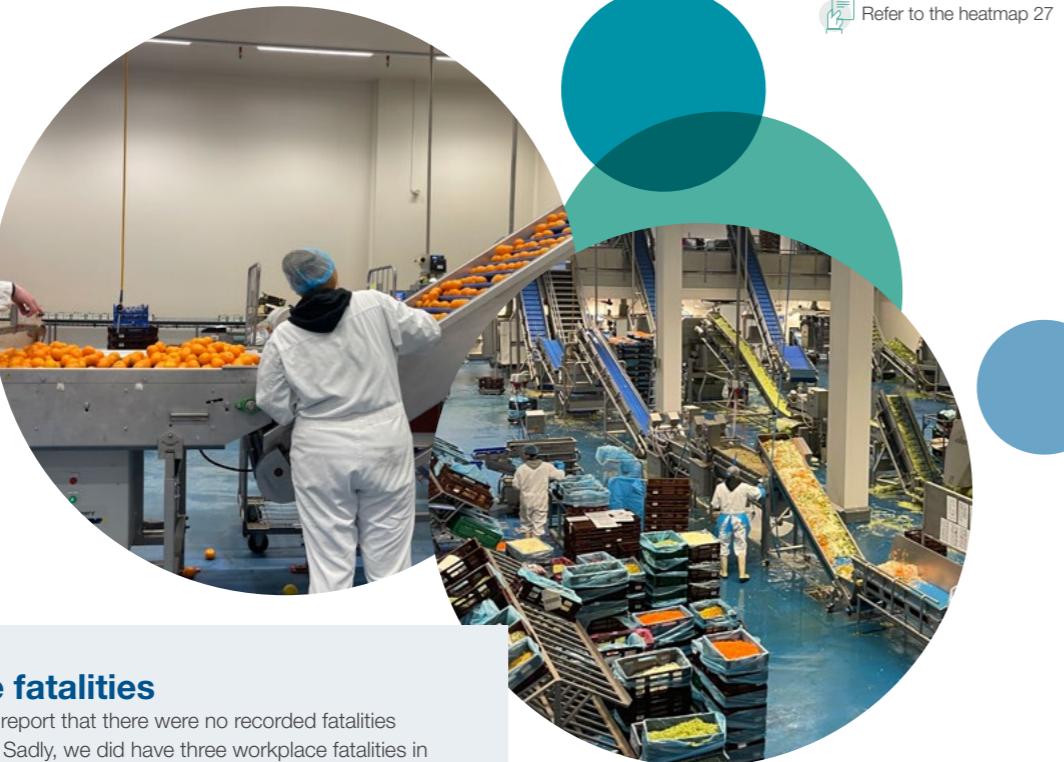
**2023 Impact**  
Ongoing; risk increases as we transition to more light manufacture

**What it means to us**

- Consumers of contaminated products may fall ill impacting the business's reputation
- An increase in the manufacturing of our niche Own Brand products, particularly ready-to-eat products, increases our potential exposure to contamination and then product recalls
- Heightened regulatory scrutiny

**How we respond**

- Maintain highest quality assurance standards and processes
- Extend product recall insurance
- Recall processes to improve communication and traceability
- IT processes to assist with the control of products and communication structures to label, inform and improve transparency



Refer to the heatmap 27

**Workplace fatalities**  
We are pleased to report that there were no recorded fatalities over the past year. Sadly, we did have three workplace fatalities in the prior year, all the result of tragic road accidents in Europe. We continue to ensure the highest standards are in place to ensure the safety of our team, both in our warehouse and out on the roads.

**Our people's safety remains our top priority.**

**Bidcorp people**

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.

**Diversity and inclusion**

Our people are our greatest asset. We are committed to providing equal opportunities across our workforce and treating our people with fairness and respect. Whilst we have more work to do, we are committed to working with our teams to make sure Bidfood is an inclusive place to work.

**Health and wellbeing**

We recognise that the only way to achieve our vision is to have great people who are healthy, happy, and motivated to be their best and thrive in what they do. We have a health and wellbeing strategy that drives the importance of taking care of ourselves for all employees.

**Rewarding responsibly**

In recognition of our commitment to a triple bottom line approach to business, balancing the need for profit with the wider needs of people and planet, we align remuneration with ESG objectives. We see this as a key way to embed sustainable and responsible practices into our daily operations.

In performing our **PROCESS** activities, a key stakeholder group we engage with are our **EMPLOYEES**. A summary of how we engage with this stakeholder, the issues raised in the year, and the outcomes we achieved is highlighted below:

## Our stakeholders

### Bidcorp people

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### EMPLOYEES

**28 022 employees**, 12% increase on prior year

**34% staff turnover** recorded in 2023, based on terminations recorded

**R67 million** invested in more than **300,000 training hours completed**

Workforce of **27% women** driving equal opportunities in the foodservice industry

#### How we engage

- decentralised operational structures keep management close to their teams
- regular communications to engage in real meaningful dialogue
- performance reviews and incentivisation
- employee satisfaction surveys
- whistleblower line, available in all countries where we operate
- constructive engagement with labour unions
- celebrating achievements
- social media platforms – recognition and social

#### Issues raised

- recruitment and onboarding of a world-class team ready to service our customers
- retention and incentivisation of a strong team
- maintaining the highest standards of health and safety in the workplace
- lost-time injuries, ill-health, and mental-wellness support for our teams
- flexibility to facilitate, where possible, remote, hybrid, and on-site working environments

#### What we did

- 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 wide range of skill sets, hard & soft skills
- world class health and safety protocols and training to ensure safety at work
- equipping our team to meet their ever-changing work environment requirements
- social media online and moral support initiatives to keep teams engaged

### Performance and talent

We want to attract and retain talent across all our businesses. We offer a wide selection of development solutions and support to unlock the potential of our people driving personal performance and growth.



Leadership reviews

Value creation

Operational reviews

Sustainability

Governance

## ••• To create value ... WE PROCESS continued

In performing our **PROCESS** activities further key material issues that our teams need to navigate are **TALENT MANAGEMENT** and **REGULATORY GOVERNANCE**. We describe these two material issues, the impact they have on our ability to operate, and our response to navigating these material issues below:

**TM** **TALENT MANAGEMENT**

**Stakeholders:**  **Capitals:** 

**2023 Impact**  
Volatility in resource availability and inflationary pressures remain

**What it means to us**

- Labour costs remain heightened due to persistent labour shortages and inflation pressures
- Loss of key members of management
- Loss of customer and suppliers' relationships with staff loss
- Interruptions, planned and unplanned, impacting service delivery

**How we respond**

- Our efforts are focused on labour retention and efficiency
- Management teams are committed to grow and mentor within to ensure strong succession
- Proactively reviewing wage rates to remain competitive
- Invest in world-class tools and systems to improve conditions
- Provide training and support on core and non-core skills

 Refer to the heatmap 27

**RG** **REGULATORY GOVERNANCE**

**Stakeholders:**  **Capitals:** 

**2023 Impact**  
Ever increasing as the reporting burden builds

**What it means to us**

- Compliance is non-negotiable. Non-compliance results in lawsuits, investigations, and reputational damage. We have a broad range of international, national, and local laws and regulations governing our licence to operate
- We are required to navigate an increasingly complex business environment, eg tax compliance obligations are stringent, with tax authorities targeting corporates to ensure strict compliance
- Importance of remaining close to and nurturing collaborative relationships with regulatory and government standard setters

**How we respond**

- The cost of compliance is significant, and although we are committed to ensuring we remain compliant, the risk is growing. We invest in skilled assurance teams, robust compliance tools, and engage professional guidance to meet the requirements demanded
- We continue to invest in and develop processes to meet the proliferation of regulatory requirements across the foodservice industry and our territories, adding to costs and consuming a growing amount of management time
- Invest in our relationships with regulatory bodies as increasing legislative and regulatory compliance requirements continue to expand

 Refer to the heatmap 27

## ••• To create value ... WE WAREHOUSE AND DISTRIBUTE



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

Our multi-temp distribution solution provides our customers with a one-stop shop. Our fleet is equipped to simultaneously distribute products at positive and negative temperatures, with modular compartments equipping us to deliver to specific customer and product requirements. We have an extensive range of quality products for all menus across all categories. Whatever our customers are looking for, we have a consolidated supply chain that means we can get this to our customers all in one delivery, saving labour, time, and costs.



We invest in depots and vehicles equipped with state-of-the-art efficient and sustainable capabilities. We utilise tools such as voice-pick technology in warehouses and onboard-telematics in vehicles to ensure improved efficiencies and accuracies in service.



### The Bidfood difference

From the product in our locally positioned branches to reliable deliveries, and innovative tech helping our customers, Bidfood is committed to making foodservice better and easier.

- Branches** – We understand what it means to be local. Our branches are manned by teams of foodservice experts.
- Energy** – We install solar panel systems in new builds and retro-fit current sites where possible, as well as energy-efficient lighting, and carbon neutral refrigeration.
- Fleet** – We are exploring investment into electric trucks, and alternate low-emissions fleet options. Our fleet is monitored by tracking systems improving driving habits and routes taken.
- Waste** – Waste produced is mostly packaging and food waste. Each year we improve our waste monitoring and reporting, minimising our waste production and ensuring we reduce and reuse where possible.



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



### Investing for growth

Most of the capital investment made into infrastructure is long-term in nature as distribution centres are generally used for 20 to 40 years (or beyond); they are custom built close to our customer; integrated with leading ESG trends (solar, water saving measures, LED lighting, state-of-the-art refrigeration etc.), and provide a strategic advantage to our businesses. Supply chain disruptions have not only been restricted to the supply of food products but also across the supply of equipment such as refrigeration equipment, delivery vehicles, and forklifts, all adding to the longer lead times experienced (between 9 to 18 months) in the current macroeconomic environment.

## ••• To create value ...

### Our stakeholders

### Our material issues



#### INVESTORS

We distributed a total of **R2,8bn** in dividends to our shareholders  
**Shareholder base** stable at around **47%** held by investors outside of South Africa  
**43 653** public shareholders, holding **99,96%** of the **335,4m** shares in issue  
 Investments in PPE reflecting **maintenance capital investments of R2,4bn**, and **R1,8bn** into new capacity  
 Our strategy remains to **own our facilities**, with **73%** of property portfolio owned

How we engage	Issues raised	What we did
<ul style="list-style-type: none"> <li>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</li> <li>participated in a number of international investor conferences</li> <li>regular meetings with investors, analysts, and fund managers through open periods</li> <li>direct engagement on proposed resolutions prior to and after the AGM</li> </ul>	<ul style="list-style-type: none"> <li>expanded disclosure on key environmental and social issues</li> <li>competitor activity, market share spread, and opportunity for acquisitions</li> <li>understanding our business model, strategic direction, and profit drivers</li> <li>potential changes to the incentivisation policy</li> <li>liquidity and interest rate risks</li> </ul>	<ul style="list-style-type: none"> <li>dividend cover of 2,2x normalised HEPS, in line with group policy</li> <li>responsible and implementable ESG practices shared across group; with ever improving non-financial disclosures</li> <li>strong balance sheet to take advantage of the right opportunities</li> <li>a significant refinancing exercise completed accessing additional liquidity ahead of global interest rate hikes</li> <li>robust, proactive shareholder engagement</li> </ul>



#### GROWTH AND FUNDING

**Stakeholders:**

**Capitals:**

**2023 Impact**  
Well managed, ahead of the curve, positioned for growth

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. 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 means to us

- Opportunity cost lost due to capacity constraints
- Higher borrowing costs due to macro-economic conditions
- Expansion into new business models – new business channels are being created, with limited expertise in those channels, which may incur losses
- A significant downgrade in our credit ratings or adverse conditions in the capital markets may increase our cost of borrowing

##### How we respond

- Ensuring good businesses with strong management are acquired, with a disciplined approach to valuation
- Bidfood executive management works in the new business for an extended period to gain a detailed understanding of the business to assist management to onboard
- Forward exchange contracts are utilised, as well as hedging strategies to mitigate exposure
- Sufficient funding facilities are available to the group to enable organic and inorganic growth

Refer to the heatmap 27

## WE WAREHOUSE AND DISTRIBUTE continued



In performing our **WAREHOUSE AND DISTRIBUTE** activities, two key material issues that our teams face include **GROWTH AND FUNDING** as well as navigating the **COST INFLATION**. We describe these key material issues, the impact it has on our ability to operate, and our response to navigating these key material issues below.



#### AUTHORITIES

The group engages with more than **35 governments** around the world  
 Tax contributions to **authorities** of **R19,9 billion** – the group contributes **10 cents** for every **R1** sales to tax authorities  
 Average **tax rate** of **25,7%**, increased due to contribution mix impact from Australasia and Europe  
 B-BBEE group rating maintained “**A Level 4 Contributor**”

**How did we do?**  
 Timely and accurate submissions of transparent financial results, supporting government initiatives such as human rights issues, gender equality etc



### Our stakeholders

How we engage	Issues raised	What we did
<ul style="list-style-type: none"> <li>remaining abreast of requirements of national authorities and regulators</li> <li>proactive engagement with authorities and regulators on trending and developing issues</li> <li>engaged employment equity plans to meet transformation standards</li> <li>participating in industry wide initiatives designed to promote and improve economic activity</li> </ul>	<ul style="list-style-type: none"> <li>meeting changing requirements of national authorities and regulators</li> <li>taxation obligations and reporting requirements</li> <li>modern slavery standards implementations</li> <li>transformation progression requirements (eg in South Africa and Middle East)</li> </ul>	<ul style="list-style-type: none"> <li>modern slavery policies enforced, a zero-tolerance standard to any unethical labour practices identified</li> <li>group-wide data privacy and security measures assured</li> <li>identify, train, and hire candidates in meeting local transformation targets</li> <li>taxes and other authority's dues paid timely</li> <li>proactive consultations with regulators in the development of rules and standards</li> </ul>

### Our material issues

#### COST INFLATION

**Stakeholders:**

**Capitals:**

**2023 Impact**  
Cost and food inflation pressures have shown signs of easing

Operating conditions were difficult with our businesses having to contend with high food and cost inflationary impacts, staff shortages and churn, and erratic supply chain disruptions, all of which contributed to rising operating costs. Despite the difficulties our businesses faced, our teams did a tremendous job of seizing the opportunities that presented.

Inflationary cost pressures are starting to ease, however, significant uncertainty persists as to the speed and depth of the economic health in many of the jurisdictions in which we operate. 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 means to us

- The inflationary pressure is impacting a wide range of products, an increased need to ensure price increases are being passed on where possible
- The erratic nature of power and energy availability and cost continues to be a risk in RSA
- Product cost increases that we may not immediately be able to pass onto our customers, causing margin pressure particularly with certain customer contracts that restrict our ability to flex pricing

##### How we respond

- 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 constructed have solar installed. Existing sites are gradually being retrofitted with solar panels where possible

Refer to the heatmap 27

••• To create value ...  
**WE WAREHOUSE AND DISTRIBUTE** continued

In performing our **WAREHOUSE AND DISTRIBUTE** activities a third key material issue that our teams face is **CLIMATE CHANGE**. We describe this key material issue, the impact it has on our ability to operate, and our response to navigating this key material issue below:

**CLIMATE CHANGE**

Stakeholders:	Capitals:	2023 Impact
	FC NC MC SRC	Increased global climate related events heighten this risk

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, we explore opportunities to contribute positively to biodiversity, source environmentally sustainable products, and strive to reduce our carbon emissions impact across our business value chain.

Our businesses have engaged with stakeholders and developed programmes designed to minimise their carbon emissions. Best practice is shared among our businesses, as each operation strives to make a positive contribution. Capital investment is focused on improving energy efficiencies, embracing sustainable 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 in trouble until normal operations resume. We have global insurance policies in place to protect our assets and address business interruption risk.

**What it means to us**

- Lack of product availability and product pricing increases
- Constraints in product supply
- Regulatory risks associated with environmental legislation
- Business Continuity Planning continues to be given focus due to recent natural disasters
- Refrigeration gas leaks may be hazardous, causing major disruption and resulting in fines being imposed

**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 innovative solutions, ensuring energy efficiencies and reducing emissions
- Investment into fleet upgrades and ongoing maintenance reduces the environmental impact
- Business Continuity Planning (BCP) is developed and actively communicated and tested throughout the operations
- Development of an increased number of regional branches continues to ensure we are closer to our customer and strengthen our BCP
- Identification of opportunities to improve efficiencies and reduce emissions and other impacts to the environment are embraced

Refer to the heatmap 27



[View our video](#)  
Temperature Controlled Storage Facility in Glasgow



••• To create value ... **WE SERVE**



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

We are a leading foodservice distributor and supply partner to thousands of customers. Our attention to food safety standards help to protect and enhance the reputation of our customers. We are passionate about foodservice and believe that we add value to our customers by offering a wide range of products, simplified ordering process, and efficient delivery solutions.



**We know foodservice**

**Our mission is to**

- Contribute to the success of our customers"
- 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
- 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

**Catering wholesaler for food professionals**

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

Bidfood is committed to prompt and accurate delivery of orders, competitive pricing, customer service, and the ability to provide a full array of products and services to assist customers in their foodservice operations.

We offer daily deliveries to local customer locations and the capability to deliver special orders on short notice. Through committed personal relationships between our team and support staff, we are informed of our customers' needs and we respond and meet those needs with innovative products and services.

We also go the extra mile, providing additional value-add services such as customers' product-usage reports, menu-planning advice, food safety training, support in inventory management, and more, developing this insight and knowledge through our bespoke, market-differentiating online tools and solutions.

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."**



# ••• To create value ... WE SERVE continued

**It's all about the service**

## Our stakeholders

## Our material issues



### CUSTOMERS

Bidcorp served **381 179 customers** around the world

**Independent** customers now make up **57%** of total revenue, national accounts make up **32%** and logistics, retail and other, the remaining **11%**

**56%** of all revenue is generated from our **ecommerce** platforms

#### 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

- decentralised structure keeps customers local and management within reach
- online training programmes, sales demo's, product launches
- in-person attendance at trade shows, on site gastro studio kitchen
- online tools to facilitate ordering, delivery tracking, promoting new product ranges, even connecting chefs and restaurateurs
- social media pages communicating changing trends and new innovations

#### Issues raised

- navigating the economic challenges, labour constraints and cost inflation pressures
- changing needs of the consumer, in products, menu, and delivery
- sustainable, transparent product traceability
- compliance with consumer protection legislation

#### What we did

- using data intelligence to develop online digital solutions to meet customer needs
- adjusting customer service in line with customer needs, turnaround times on orders, type and frequency of deliveries, value-add product range provided
- engagement in new online media campaigns
- digital solutions to label and provide food information required

In performing our **SERVE** activities, another key material issue that our teams face is the threat of another **HOSPITALITY SECTOR LOCKDOWN**. We describe this key material issue, the impact it has on our ability to operate, and our response to navigating this key material issue below:



### HOSPITALITY SECTOR LOCKDOWN

**Stakeholders:**

**Capitals:**

#### 2023 Impact

Post-COVID reopening disappoints in China; other global markets normalised

The unexpected, rapid market-wide shut downs of the hospitality industry was a phenomenon few could have predicted. The impact of the shutdowns on the industry and the players within it was a key area of management's focus, developing responses and action plans needed to keep activity levels continuing throughout that difficult time.

Our diverse customer base allowed us to mitigate the impact of the lockdown by spreading our revenue stream exposure. 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.

#### What it means to us

- Downturn in revenue as customers are closed or restricted from regular trade
- Inventory write offs due to sudden lockdowns
- Border closures directly impact tourism which has a severe impact on the hospitality sector with staycation revenue waning
- Potential for further supply chain disruption, particularly on imported products

#### How we respond

- Keep our team and stakeholders positive through regular communications
- Manage working capital investment
- Encourage agility in business approach and manage according to the environment
- Keep credit policies tight and work proactively with customers and suppliers to navigate any constraints
- Reinforce policies for remote working, health and safety etc
- Ensure branches have incorporated any learnings into DRP

Refer to the heatmap 27

In performing our **SERVE** activities, a key material issue that our teams face is the changing **CONSUMER ENVIRONMENT**. We describe this key material issue, the impact it has on our ability to operate, and our response to navigating this key material issue below:



### CONSUMER ENVIRONMENT

**Stakeholders:**

**Capitals:**

#### 2023 Impact

Ever-changing trends drive consumer demands, we are agile in our response

Operating conditions have been tough for our customers having to contend with post-pandemic bouncebacks 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 accurately and promptly.

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.

#### What it means to us

- Resistance to customer pressure will result in loss of market share
- Growth focus is on the independent, street trade customer, to reduce our exposure to national account pressures
- Fit-for-purpose infrastructure availability
- 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 exists 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 unprofitable level
- Track and monitor internal KPIs at a branch level monitoring sales growth, customer mix, ecommerce sales, Own Brand sales etc, ensuring reward and incentivisation initiatives are appropriately aligned

Refer to the heatmap 27

## Our material issues



View our video  
Our customers are why we do it

Tools for chefs

**myBidfood**  
online orders & payments



### Embracing technology – to make our customers lives easier

We use technology to deliver operational efficiency, implementing smart solutions faster through sharing of learning and ideas across our businesses. 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.

*It's all about the technology*

#### myBidfood – PICK IT, CLICK IT, TRACK IT

Whether online or on a mobile device, myBidfood is the 24/7 support our customers can rely on. With information that is entirely personalised our customers can view the range, see real-time stock availability, bespoke account pricing, images, allergens, nutritional content, and more. They can order from their account history, or browse the full range of our product categories. Customers can view invoices and statements, pay accounts, or create reports to receive by email at a frequency that is right for each individual customer.



The importance of managing food cost for our customers can be the difference between business success and failure. It's not just the cost at the time that the menu was created and setting the right pricing that matters, it's having a current view of the total food cost that will determine if the pricing is right and margin is accurate. Using the myBidfood "myRecipes" functionality as the menu costing library, customers are able to load their own personalised recipes linked to their local branch.

### Bidfood blogs and social media

Around the world customers and participants in the horeca sector will find trending conversations and topics presented on Bidfood's social media platforms and online blogs. Topics vary from entrepreneurship, food transition, kitchen support, how to transition to vegetarian/vegan menus, and much more. Through these interactions we keep our customers informed and inspired, helping them do business successfully.

In performing our **SERVE** activities, a key material issue that our teams face in navigating today's digital environment is the management of **INFORMATION AND CYBER SECURITY**. We describe this key material issue, the impact it has on our ability to operate, and our response to navigating this key material issue below:

### ICS INFORMATION AND CYBERSECURITY

**Stakeholders:** **Capitals:**

**2023 Impact**  
Significant efforts have been invested in the year to mitigate risks

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 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 means to us

- Direct financial loss from fraudulent input or manipulation by an employee or an external source
- Security breach/hack to the Bidfood network disrupting customer activity/orders
- Data privacy breach
- Cyberattacks and the impact on the security of confidential information
- Critical system downtime
- A lack of accuracy or delays to critical information having a negative impact on decision-making

#### How we respond

- Group cybersecurity standards implemented, setting globally accepted standards in place
- Annual peer review process established to support all businesses to meet 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 protecting our users

### Serving our local communities

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.

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. 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. 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.



In performing our **SERVE** activities, another key stakeholder we engage with is our **COMMUNITIES**. A summary of how we engage with this stakeholder, the issues raised in the year, and the outcomes we achieved is highlighted below:



### COMMUNITIES

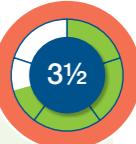
**R34 million donated to charities and community projects**

Countless **local projects** supporting those within reach

**Food recycling and donation projects reported 1,6 tonnes of food donated**

#### How did we do?

Making a positive impact to our communities remains a key focus around the world. Improvements to the way we manage food waste is a key growth area, as well as identifying further opportunities to assist where possible within our communities.



### Our stakeholders

#### How we engage

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

#### Issues raised

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

#### What we did

- reinforcement and implementation of a two-tier social investment strategy, to deliver maximum real benefit to the beneficiaries
- group support of a number of overarching worthy causes
- individual businesses support locally identified projects
- significant support of food bank and food waste initiatives
- campaigns on social media focussing on educating and promoting healthy eating, responsible waste management, protecting our water supplies, and other sustainable living messaging
- healthy eating and menu development initiatives shared online for all to access



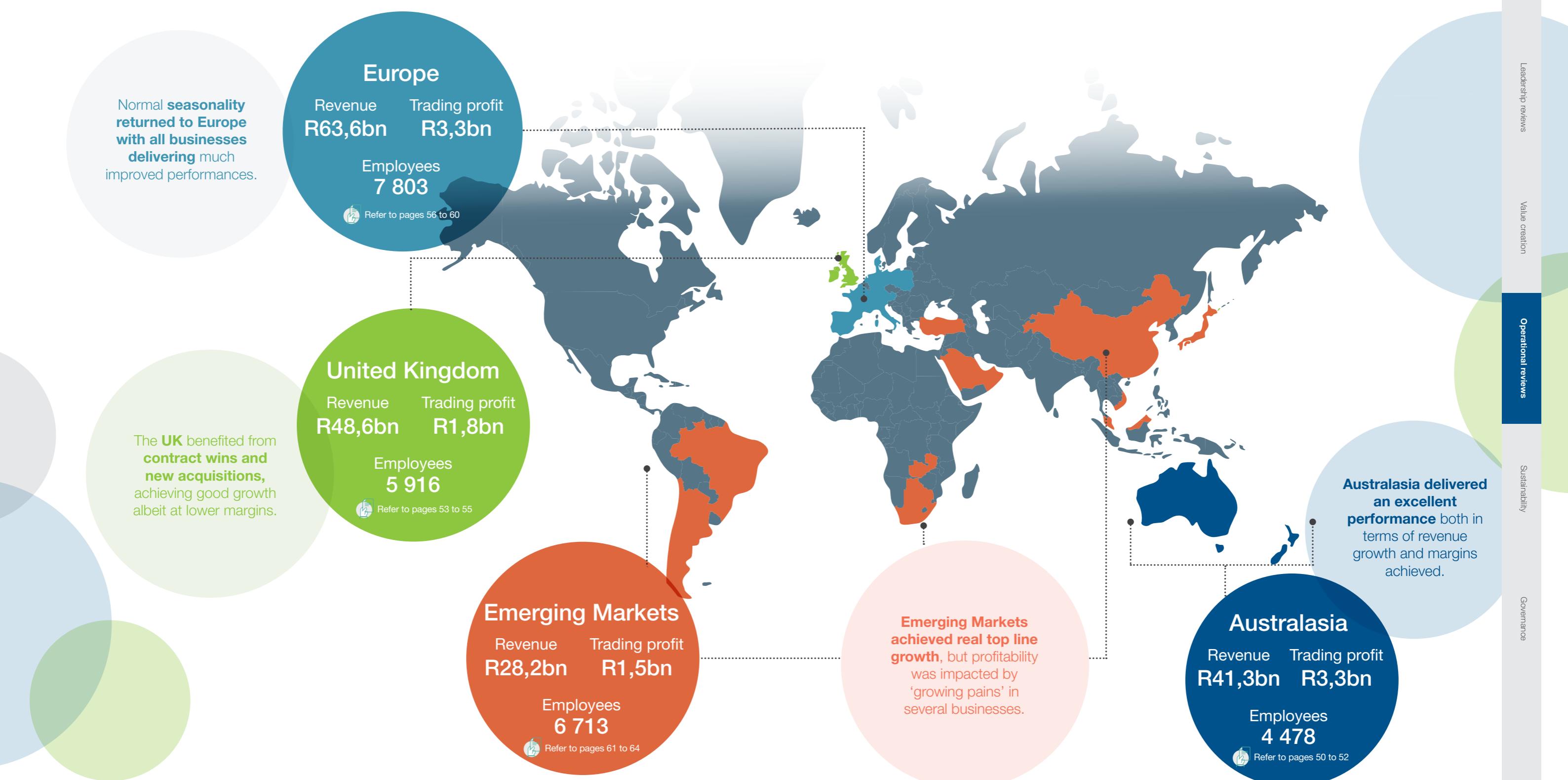
## Operational reviews .

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

**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.



## BIDCORP'S FOOD ADVENTURE



Our **greatest synergy** is the collective knowledge of **operating in multiple geographies** with each business at **differing stages of maturity and development**



Focus remains on building scale, through organic – acquisitive growth



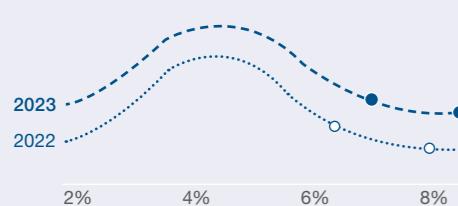
## Australasia

Australasia ended the year with an excellent performance from both Australia and New Zealand.

**Revenue for the year increased 33,0% to R44,3 billion (2022: R33,3 billion).** Trading profit was up 51,9% to R3,5 billion (2022: R2,3 billion), an excellent result with commendable expense management.



### Bidcorp's strategy in action



Bidcorp's strategy explained on page 15

## Bidfood Australia

CEO: Rachel Ruggiero



### Rachel Ruggiero, CEO of Bidfood Australia explains how a record year was used to build real sustainability

We are once again in the enviable position of being able to report that our Australian team delivered yet another record financial performance. Strong revenue growth of almost a quarter was achieved, at margins that overall, are now well up on those recorded before COVID.

Perhaps the most pleasing aspect of Bidfood Australia's 2023 performance was the extent to which we invested in the sustainability of our business and our all-round integrated impact on society, our employees, and the environment.

A strong trading result was achieved on the back of a solid foodservice performance and despite us exiting a major national account. While high inflation certainly contributed to the top line, we achieved strong volume growth and continue to win business from our competitors.

#### Strategic imperatives

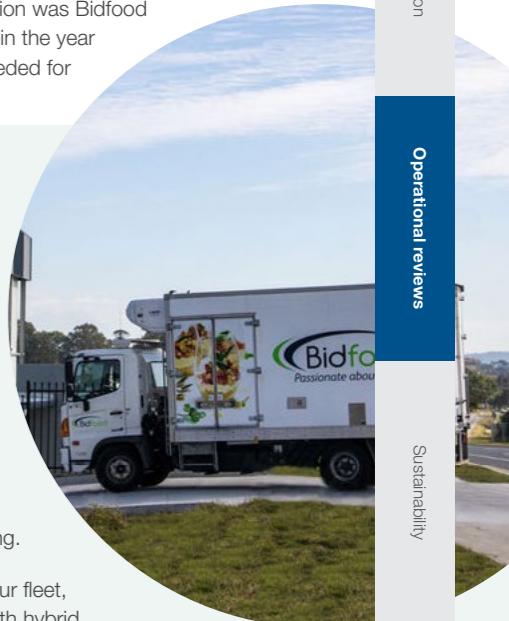
Continuing to grow revenue while maintaining excellent EBIT margins boils down to successful strategy implementation. We are growing our manufacturing business – at present we are slicing, dicing, and shredding cheese, crumbing and breading items such as fish and chicken nuggets, repacking nuts and pulses, and we have a wet sauce plant. All of these position Bidfood Australia to capture manufacturing margins as well as margins on our traditional distribution operations. To spur our manufacturing growth trajectory we invested in a second dry facility in Adelaide, and two frozen and chilled plants, in Girraween and Yatala.



**Growing our footprint**  
Commissioning new manufacturing facilities allows us to get closer to our branch network which in the year grew substantially, in order to get closer to our customers, particularly the independent horeca segment.

We get closer to our customers by growing our physical footprint – in pursuit of our objective of being within 30 minutes of 90% of our customer base.

But manufacturing also improves our customer proximity – by offering value-adding products that the competition can't match.



Being physically closer to customers required capital investment and we opened new depots in Morwell (Victoria), Malaga (Western Australia), Armidale, and Newcastle (New South Wales). We also extended our Toowoomba (Queensland) and John Lewis (South Australia) sites and began building a new facility in Darwin (Northern Territory) and another in the capital, Canberra. Combined, these new builds have added more than 40,000 m<sup>2</sup> of hard-working space.

The capital costs associated with this expansion were exacerbated by soaring construction costs. With new builds being so much more expensive, it is harder for smaller competitors (our greatest source of competition) to invest in capacity for future growth.

#### Staffing challenges

Despite much talk about Australia's cost-of-living crisis, we saw no signs of demand for out-of-home dining and catering declining. This buoyant demand meant that our people had to work harder than ever – often for extended periods over and beyond their normal work days – with managers and sales people having to pick orders and drive trucks. All to make sure that we kept our promises to our customers. Exacerbating this situation was Bidfood Australia's single biggest challenge in the year – finding staff, particularly those needed for warehousing and distribution.

#### Greening our business

We are already a big producer of solar energy and increased investment in our generation of renewable electricity in the year – with more to come in 2024. The Canberra and Darwin facilities will double our footprints in those cities but both will see only a negligible uptick in their energy consumption, such as the efficiencies being built into them. Both sites will also make extensive use of rainwater harvesting.

We continue to invest in greening our fleet, by replacing our smaller vehicles with hybrid models – although our tests on electric trucks have not, to date, yielded the hoped-for results.

#### Our social impacts

Bidfood Australia has a profound social impact by investing in the foodservice chain and in our suppliers. In 2023 this investment took multiple forms, including numerous workshops and informal knowledge-transfer sessions with customer managers and chefs. Not the least of our social impacts was achieved by growing our donations 144%, much of it focused on vulnerable children.

Despite a challenging environment, our business surpassed its ambitious targets and once again displayed great resilience and adaptability further strengthening an already strong foundation, setting us up for even greater things.

## Bidfood New Zealand

CEO: Phil Struckmann



### Post-COVID, New Zealand is well and truly back in business, according to Bidfood New Zealand CEO, Phil Struckmann

Bidfood New Zealand finished 2023 well ahead of the prior year – and of its own expectations – a magic carpet ride that lasted for the full 12 months.

This was achieved in a context of the economy slipping into a technical recession, high inflation and interest rates, adverse weather conditions including a particularly wet summer, a cyclone, and especially towards the end of the year, mounting cost-of-living pressure on consumers. Recruiting and retaining staff continued to be a major challenge.

#### Turning things around

Revenue for the year was a record NZ\$1,4 billion and gross profit lifted by more than a percent. In 2022, Bidfood New Zealand continued to experience a drop in profitability brought about by COVID but the 2023 performance changed all that – to the extent that profits were above those of the pre-pandemic growth curve. Bidfood New Zealand exited a large QSR account, its largest single customer in the year. Sales growth confirmed that work done on revising service levels post-pandemic was working. In essence, this has entailed creating a model that offers customers less flexibility but greater certainty of supply, thereby taking out costs for both our customers and ourselves.

While the core Foodservice business delivered an exceptional result, the Fresh division also delivered a superb performance. This was despite a string of extreme weather events and food inflation in fresh produce averaging over 20% across the basket, turning the market on its head. Logistics suffered from the loss of the large QSR account but remained profitable.

The pandemic pared profits but gave Bidfood New Zealand an opportunity to create a more effective and efficient business. As our business grew we concentrated hard on not trading away those efficiency gains. Our results prove that this approach is working.

#### Opportunities for growth

Retaining efficiencies built into the business and keeping a lid on expenses are important to our ability to trade profitably but growth is today focused on two key areas. The first is our Simply Food Solutions business. Our customers are reacting to sharply rising costs by being much more open to the innovative, value-adding options our manufacturing and importing arm can offer them. In this way we create growing social value for our customers and their increasingly hard-pressed end-consumers.

The second big opportunity is alcohol, an area in which our customers have, historically, been poorly served. This year we trialled alcohol distribution at two branches, to make sure we could deliver on this new opportunity effectively and efficiently. We plan to ramp up our involvement in alcohol distribution in the new year.



#### Investing for growth

During the COVID-years investment in infrastructure was, to all intents and purposes, paused. We are now facing space and equipment constraints. To address this, we began working on a new distribution centre in Taupo, in the centre of North Island. Work on new depots will start soon in Kerikeri, in the far north of the country, and in Wellington. A new facility for our large Christchurch butchery operation is also planned.

#### In closing

One of the achievements that we are all particularly proud of was our work with colleagues in Poland, 17,000km away, to provide 20 tonnes of food to residents of the beleaguered Ukrainian city of Kharkiv.

We are working hard to phase out petrol and diesel vehicles and by yearend owned 29 hybrid and electric vehicles – 15% our passenger fleet.

**Towards yearend we witnessed a general softening of trading conditions and overall economic activity but are confident that we can hold onto the cost and efficiency gains achieved while continuing to win market share.**



## United Kingdom

A turbulent first half of 2023 both politically and economically in the UK resulted in little growth being recorded in the food and beverage sector.

Despite these challenges, **Bidfood UK** grew revenue **35,9%** to **R51,4 billion** (2022: R37,8 billion) and trading profit up **25,1%** to **R1,9 billion** (2022: R1,5 billion).

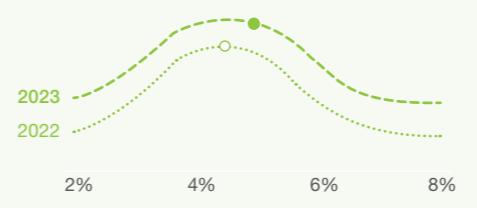


**Bidfood UK delivering to Hensol Castle**

#### Bidfood UK – segmental capital highlights

		% change	2023	2022
FC	Revenue*	(R'billion)	29%	48,6
	Trading profit*	(R'billion)	18%	1,8
	Gross margin (%)	(%)	-6,9%	23,0%
IC	Employees (#)	(#)	25%	7 369
	% Female		21%	22%
	Payroll investment (R'billion)	(R'billion)	26%	6,3
SC	Training investment (R'million)	(R'million)	9,8	9,8
	Suppliers (#)	(#)	2%	4 523
	Customers (#)	(#)	14%	58 062
MC	Donations (R'million)	(R'million)	-77%	0,9
	Depot size (sqm)	(sqm)	16%	250 498
	Vehicles (#)	(#)	6%	2 373
IC	Capital investment (R'million)	(R'million)	105%	1 159,1
	Ecommerce platform sales (% of div rev)	(% of div rev)	61%	63%
	Foreign suppliers (% of div rev)	(% of div rev)	5%	4%
NC	Own Brand (% of div rev)	(% of div rev)	27%	20%
	Total carbon emissions (tCO <sub>2</sub> e)	(tCO <sub>2</sub> e)	5%	76 794
	Carbon emissions efficiency (CEE) ratio (Target = 2,01)	(Target = 2,01)	2,04	7%
* In constant currency				

#### Bidcorp's strategy in action



Bidcorp's strategy explained on page 15

## ●●● OPERATIONAL REVIEWS continued



### Bidfood UK CEO: Andrew Selley

#### UK CEO, Andrew Selley, reflects on a year of strong all-round delivery

Bidfood UK enjoyed another bumper year in 2023 with sales jumping by almost 30% and trading profits at similarly unprecedented levels.

Margins remained under pressure in a context of intense competition, a flat economy, and interest rates that, by yearend, had reached their highest level in 15 years. On top of this, both food and general inflation remained stubbornly high and British consumers' discretionary income diminished. And, like all of our peers, we struggled to find the best people to join us.

#### Performance delivery by division

Let's look at how that hard work paid off:

**Wholesale** – making up about 80% of our business – delivered growth in excess of 10% on both the free trade and national account sectors. It's worth mentioning here that our performance on winning new business in 2023 was exceptional – more and more customers, it seems, want to be associated with the "Wholesaler of the Year". Account wins included a number of major national accounts.

**Caterfood Buying Group** solidified its reputation as one of the leading buying groups in the British independent foodservice market with the acquisition of Nicol Hughes, Thomas Ridley, and Harvest Fine Foods, all of which contributed positively to revenue and profits.

**Value-add manufacturing's** Simply Food Solutions (SFS) performed well, with Yarde Farm also returning an excellent result. At present our manufacturing capability is largely restricted to ready meals (SFS) and ice cream (Yarde Farm) but we are planning to increase investment in our processing and manufacturing capabilities.

**Fresh** continued its excellent post-pandemic recovery, excelling particularly in the seafood category and maintaining margins by passing on supplier price increases (regular, often erratic, price hikes from suppliers were a challenge faced by all divisions in the year).

The judges of the Grocer Gold Awards, the annual "blue riband" event for our industry, named Bidfood UK "Wholesaler of the Year" – a coveted and fitting tribute to the incredibly hard work put in by our 7,369 "Bidfoodies".



#### Sustainability in the UK

Set out below are some of the steps we took this year to strengthen our human capital. Such were our increased levels of activity (and planned activity) that this year we grew our headcount by fully a quarter, and our payroll spend rose by slightly more as we rewarded our people for their hard work.

In March this year we went live at our new Glasgow depot and, post-yearend, we are about to commission a similarly large new depot in Bedford. At the end of the year, we were planning for six new builds, which will further boost our national footprint and capacity. Capital expenditure for the year, on depots, vehicles, and our IT infrastructure doubled year-on-year.

Our acquisitions and new builds increased the square metres we now operate from by 16% but our consumption of grid electricity decreased by 5% (at the same time that sales grew by almost a third).

This achievement derived largely from our investment in energy efficiency but, particularly in solar energy. We ended the year with six solar installations whereas we began 2023 with only one. Next year, we will start implementing Phase 2 of our solar roadmap, bringing solar to 17 sites, at a cost of R187 million.

[Read our 2023 sustainability report for more details.](#)

In addition, we invested in our delivery vehicle fleet, acquiring 222 more new vehicles in total (we wound down our company car scheme this year). And we took an important step forward on our digitisation drive when the BidOne BidIQ solution was handed over for user acceptance testing following an initial pilot. BidIQ gives our UK sales teams live product and sales suggestions and will be important to further differentiate our service offering. This year we made further advances on consolidating and streamlining the IT infrastructure, to improve efficiencies across our offering.

#### Investing in our people

The strength of our team is by far the most important ingredient in our recipe for success. This is a reality our people demonstrated again in 2023 as they navigated a difficult year – and is why we placed an even greater emphasis on employee wellness – both mental and physical.

Bidfood UK was awarded the Health and Wellbeing category in the UK Employee Experience Awards. This was fantastic recognition of the efforts made by our managers to keep everyone healthy and motivated.



#### Our Vision

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

because we care about...

OUR PEOPLE



OUR PLANET



OUR CUSTOMERS



OUR COMMUNITIES



OUR PRINCIPLES



[View our video](#)  
Bidfood Glasgow  
– a bird's eye view  
of our new depot



Recent investments we've made in our people's wellbeing include:

- beginning a national rollout of on-site physiotherapy (to eight sites by yearend);
- mental health awareness training for managers and establishing in-depot health groups; and
- launching a "People and Sustainability" vision, mission and purpose to create leaders who will develop talent and drive the business forward. We hope to champion better working environments everywhere.

Our ESG credentials matter to us and they matter, increasingly, to our suppliers and customers. Not only are we investing in solar, we are spending large amounts and a great deal of time and effort to reduce waste and water consumption and to practice responsible sourcing. We have a number of "People and Planet" teams on the ground at various facilities, doing great work to raise environmental awareness and to champion some excellent, practical, initiatives.

As a wholesaler and small-scale manufacturer, there is only so much we can do to influence the overall negative impacts of our total supply chain on our own. But, working with partner stakeholders including suppliers and customers, we can exercise a great deal of influence – for the good. In 2023 our ESG committee began a process that entailed sending questionnaires to our suppliers about the emissions profiles of their products and operations. This is an exhaustive process that will take some time to begin showing tangible results but we will be sure to update stakeholders on our progress.

2023, then, was a year of all-round strong delivery for Bidfood UK. I have no doubt that 2024 will throw up more of the same trials and tribulations we experienced this year but with our winning team onboard we look to the future with confidence.



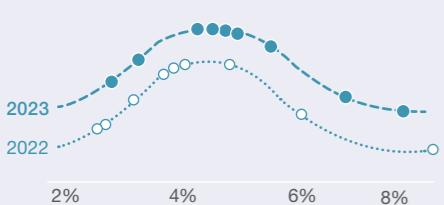
## Europe

In 2023 Europe **became our largest divisional contributor**, with revenue up 27% to R69,6 billion in constant currency. **Europe's trading profit rose almost 40% to R3,7 billion.**

With 9 reporting management teams operating in **13 countries**, Bidfood Europe consists of leading foodservice distributors offering end-to-end **value-add foodservices**. Its **industry-leading innovations** in operational efficiencies and ground-breaking product and menu development deliver **smart solutions** to customers.

Several European operations are at the **forefront of our drive to green operations**.

### Bidcorp's strategy in action



Bidcorp's strategy explained on page 15



Guzman delivering in Barcelona

#### Bidfood Europe – segmental capital highlights

		% change	2023	2022
FC	Revenue*	(R'billion)	27%	<b>63,6</b>
	Trading profit*	(R'billion)	40%	<b>3,3</b>
	Gross margin	(%)	0,4%	<b>25,7%</b>
				50,1
				2,4
				25,6%
IC	Employees	(#)	9%	<b>8 539</b>
	% Female			<b>26%</b>
	Payroll investment	(R'billion)	37%	<b>8,2</b>
	Training investment	(R'million)	16%	<b>27,9</b>
				6,0
				24,1
SC	Suppliers	(#)	11%	<b>11 644</b>
	Customers	(#)	-9%	<b>146 151</b>
	Donations	(R'million)	54%	<b>6,3</b>
				10 502
				159 830
				4,1
MC	Depot size	(sqm)	4%	<b>596 625</b>
	Vehicles	(#)	10%	<b>2 965</b>
	Capital investment	(R'million)	37%	<b>1 393,0</b>
				573 993
				2 686
				1 016,8
IC	Ecommerce platform sales	(% of div rev)		<b>57%</b>
	Foreign suppliers			<b>26%</b>
	Own Brand	(% of div rev)		<b>24%</b>
				55%
				20%
				24%
NC	Total carbon emissions	(tCO <sub>2</sub> e)	5%	<b>97 758</b>
	Carbon emissions efficiency (CEE) ratio	(Target = 2,49)		<b>1,88</b>
	Tracking ahead of 2025 CEE target by			<b>32%</b>

\* In constant currency

## Bidfood Belgium

CEO: Thierry Legat

bidfood.be



### Thierry Legat reviews a strong year for Belgium

The Belgian economy performed strongly in 2023 although growth was well shy of the percentage increases achieved, post-COVID, in 2021 and 2022. In the year, inflation moderated – from a high of 10% in 2022 to under 2% at the end of the year; at around 6%, unemployment remained low relative to historical levels.

Bidfood Belgium achieved a very pleasing result in 2023, exceeding expectations as sales and profits were both well up on the previous year.

Operating from six sites, our business has a mix of institutional, logistics and horeca customers and experienced strong growth in all three sectors. Local management's intention is to grow the horeca and institutional, including catering, elements as logistics is typically associated with large-volume/low-margin business.

Early in the year we lost a single large national customer – 8% of our turnover at the time. We quickly put this behind us and, by the end of the year, had managed to achieve our best ever results, largely on the basis of winning a large number of QSR/logistics-type accounts. The Belgian fast-food sector experienced strong growth as consumers' buying power came under pressure. Growth in independent business was particularly strong.

**Sustainability is at the core of our business** – and what we do every day. This year we spent R18,6 million on upgrading refrigeration at our Brussels facility from R404a gas to the lower-emissions CO2E. We also bought 11 trucks for the Kruibeke depot that are run on compressed natural gas and we are busy installing 23 charging points for company cars at five sites. Energy costs reduced considerably in the year, on the back of lower gas prices and our own greater energy efficiency.

In the second half of the year, two small electric (9T) trucks were bought for the Brussels operation; we will be testing these extensively to see how they perform.

For Bidfood Belgium the future is bright – and it is green.



## Bidfood Poland

CEO: Paweł Schwiechowicz

bidfood.pl



### CEO Paweł Schwiechowicz discusses doing business in a high-inflation environment

Bidfood Poland enjoyed an excellent year as it increased revenue, margins and trading profit with a strong, and successful, focus on the free trade segment.

Our growth in revenue had a great deal to do with inflation, which came in at 11,5% for the year – down on the previous year's 17,5% but almost double that of 2021. However, these numbers also show that the business achieved strong growth in volumes and added a large number of new customers. This meant that we increased market share – winning new business at the right margins has recently been a particular strength of the Polish team.

A standout success in the year was managing costs. The prices of raw materials and energy remained high as food inflation also continued to figure prominently in the sectors we service.



Labour costs were a particular challenge with wages being raised by the government and salary expectations escalating because of the significant rise in the cost of living.

Substantial investments were made this year in infrastructure. A new depot in Nowy Targ in the south of the country opened in December 2022 and two more sites are under development in Wrocław and Poznań. Considerable investment was made in IT; the deployment of the e-Bidfood app has recently boosted the uptake by customers of our ecommerce offering. A promotional campaign we ran this year where we promised to plant a sapling for each new registration on our online platform was a success in just one month, 500 young trees were planted!

Investment in greening our infrastructure included installing solar energy at the Poznań depot; depending on the success of this installation, we plan to invest in solar panels at other sites. We have also launched a programme to switch our refrigeration gas to low emission alternatives.

Sharing a border with Ukraine, the war in that country has had a profound impact on the Polish economy. While we look forward with optimism to an end to hostilities, our sectors have benefitted from the presence of NATO military and civilian personnel in the country.

We face multiple challenges going into 2024 but are confident that we will be able to build on the tremendous success achieved to date.

## ● ● ● OPERATIONAL REVIEWS continued



### DAC, Italy CEO: Daniele Scuola



#### CEO Daniele Scuola comments on DAC's recipe for success

2023 was another record year for DAC. A very positive Northern Hemisphere summer and a good winter helped our result and inflation boosted revenue but we increased volumes over and above the effects of inflation – and gained market share.

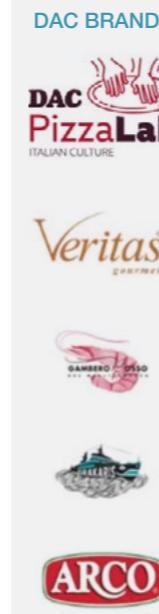
Italy benefitted from higher tourism activity in the year and general consumer sentiment was positive, in line with a more optimistic economic outlook and strengthening employment. Further boosting the positive national sentiment was an easing in most inflation indicators as energy costs fell. Of course, as is well known, Italy suffered floods and other weather-related disruptions in the 12 months.

It was not only tourism that boosted the foodservice market; in the fourth quarter out-of-home food sales were up by 10% on the previous year. DAC's record performance did not, by any means, derive solely from macroeconomic developments. We worked hard, across the organisation, to boost operational profitability with all sectors: ambient, chilled and frozen contributing although the wholesale segment was impacted by low availability of frozen seafood products. Our business is in the fortunate position of deriving a large majority of its revenue from the horeca segment, our group's "sweet spot". This position was significantly strengthened in 2023.

This year we invested a large amount of capital in increasing our capacity, in buildings and equipment. Solar and low-emission vehicles were particular focuses of our capital investment programme and we intend to maintain the drive to reduce our carbon footprint, waste and water consumption.

An acquisition in Teramo boosted our Quartiglia brand's ability to service that region.

**With our improved sales mix, increased headcount and greater brand value we are confident of building on the successes of 2023.**



### Bidfood Netherlands CEO: Dick Slootweg



#### Bidfood Netherlands delivered an exceptional financial performance with revenue growing by more than 20% to exceed €1 billion for the first time

Gross margin was strong and trading profits reached record levels. The freetrade and independent segments exceeded expectations while national accounts performed strongly. Our operating expenses were impacted by once-off costs related to the integration of the Zegro acquisition, completed in 2022.

We spent a large amount of time and money on ensuring that we maintain our recent momentum. Capital investments included a new depot, Zierikzee, at a cost of R218 million (which is equipped with the latest energy-efficient technology), the purchase of a building in Meppel, and a new property development in the Hague.

In the year, our business began switching electricity supplies to a new zero-emissions supplier; we expect that 85% of all of our energy requirements will be received from this one supplier in the next year. The budgeted investment in our electric truck fleet will grow from the current 11 vehicles to 31 vehicles by the end of 2024.

Read our 2023 sustainability report for more details.



### Bidfood Czech Republic, Slovakia and Hungary CEO: Bohumil Volf



Our Czech operation recorded excellent trading profits despite headwinds including extremely high inflation, labour shortages and commodity price volatility. Revenue from all customer segments improved and the year ended strongly with the early onset of summer boosting ice cream sales. Faced with Europe's highest inflation, in some instances we were not able to pass on all cost increases, to preserve volumes; this inevitably impacted margins.

Slovakia and Hungary had a more challenging year but continued to trade profitably.

Towards yearend, we completed a small bolt-on acquisition. Capital investment focused on solar energy (some R28 million spent in the year) and improved fire systems.

We built the gastrostudio in 2008 and became the first food distributor in the Czech Republic with its own professional cooking studio. We are currently investing in state-of-the-art technology.



### Pier 7, Germany CEO: Harald Hamster-Egerer



Germany delivered trading profits for the first time since joining the group. Volume growth and significant food inflation positively impacted revenue as margins also improved slightly. This was despite increased labour costs (in response to rising wage pressures, our employee numbers fell by 14%) as we worked to streamline operations and boost profitability.



### Bidfood Baltics CEO: Ramunas Makutenas



Latvia, Lithuania, and Estonia all traded successfully with revenue up strongly. The fresh food supplier we acquired with effect from July 2022 further cemented our solid presence in the Estonian market.

Supporting an all-round outstanding performance (Baltics today have sales of some R1,2 billion) was strong control over expenses despite high energy costs. Lithuanian and Latvian margins came under pressure as the business struggled to push price increases into the retail sector.

One standout highlight from the year was our performance in Estonia, where our recent bolt-on acquisition performed exceptionally well, establishing a strong and growing market position.

## Bidfood Spain

CEO: Grant Cox

**Very promisingly, Spain's hospitality sector exceeded pre-COVID levels in 2023 with the hotel and tourism industry delivering excellent growth**

All of our trading branches were profitable. Guzman had a tough year but improved profitability. Igartza showed signs of real improvement although still not quite at its previous levels. The acquisition of a bread and pastry business, Euskopan (with effect from December 2022), contributed positively.

Investment into a new facility for Igartza will help support our long-term growth ambitions as will the acquisition of land for a new depot in San Sebastian, to increase capacity.



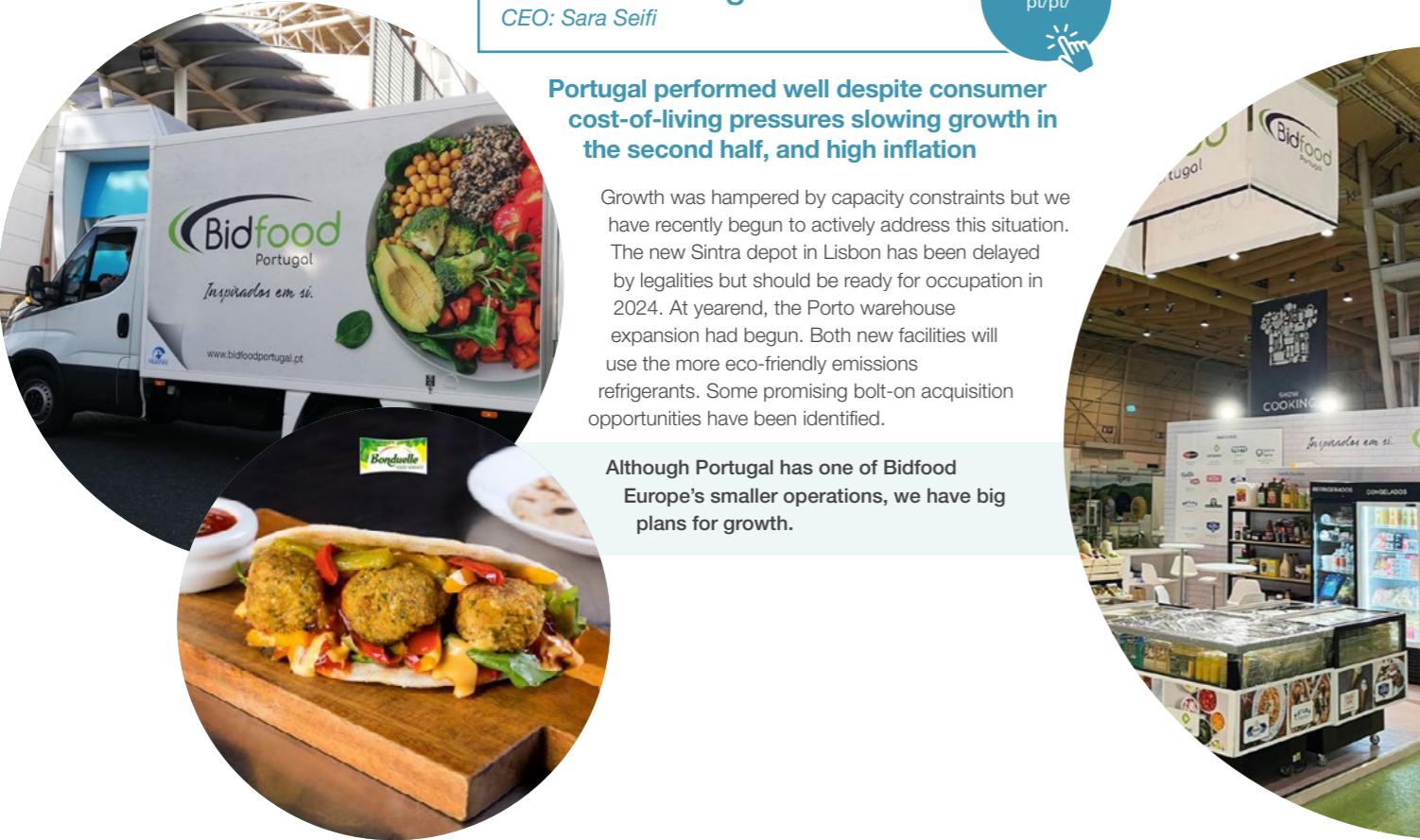
## Bidfood Portugal

CEO: Sara Seifi

**Portugal performed well despite consumer cost-of-living pressures slowing growth in the second half, and high inflation**

Growth was hampered by capacity constraints but we have recently begun to actively address this situation. The new Sintra depot in Lisbon has been delayed by legalities but should be ready for occupation in 2024. At yearend, the Porto warehouse expansion had begun. Both new facilities will use the more eco-friendly emissions refrigerants. Some promising bolt-on acquisition opportunities have been identified.

Although Portugal has one of Bidfood Europe's smaller operations, we have big plans for growth.



## Emerging Markets

Emerging Markets spans **diverse operations** in Africa, South America, Asia, and Europe, each embracing their **local culture**, individual eating trends, and the Bidcorp **decentralised** management approach.

Our **African** operations manufacture and distribute ingredients as well as doing multi-temp distribution to the horeca market.

**Asia and the Middle East** are foodservice all-rounders, growing their national coverage.

**South America** sources and distributes products into the independent street market and other segments.



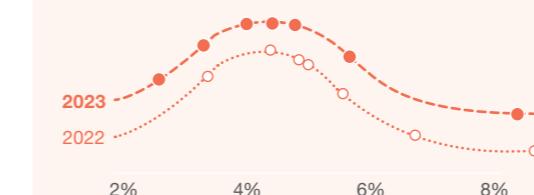
Bidfood South Africa delivering to Cape Town's waterfront

### Bidfood Emerging Markets – segmental capital highlights

		% change	2023	2022
FC	Revenue*	(R'billion)	9%	28,2
	Trading profit*	(R'billion)	2%	1,5
	Gross margin (%)	-0,5%	22,1%	22,2%
IC	Employees (#)	7%	7 194	6 713
	% Female	34%	37%	
	Payroll investment (R'billion)	25%	3,0	2,4
SC	Training investment (R'million)	20%	19,6	16,4
	Suppliers (#)	-2%	8 931	9 147
	Customers (#)	14%	123 870	109 033
MC	Donations (R'million)	41%	5,3	3,8
	Depot size (sqm)	11%	372 519	335 349
	Vehicles (#)	12%	1 081	963
IC	Capital investment (R'million)	-21%	433,2	550,1
	Ecommerce platform sales (% of div rev)	25%	21%	
	Foreign suppliers (% of div rev)	50%	50%	
NC	Own Brand (% of div rev)	15%	18%	
	Total carbon emissions (tCO <sub>2</sub> e)	17%	89 657	76 766
	Carbon emissions efficiency (CEE) ratio (Target = 3,72)	3,35	22%	

\* In constant currency

### Bidcorp strategy in action



Bidcorp's strategy explained on page 15

## ●●● OPERATIONAL REVIEWS continued



Leadership reviews

Value creation

Operational reviews

Sustainability

Governance

### Bidcorp Food Africa

CEO: Ryan Licht



#### Bidcorp Food Africa's newly appointed CEO Ryan Licht on growing a business in a stagnant economy

Bidcorp Food Africa had an outstanding year, led by a strong performance from Bidfood's street trade segment (where we focused a lot of our investment and effort), buoyed by a return to out-of-home spend. This was achieved in a very adverse context of high inflation, high interest rates, little or no economic growth, and ongoing loadshedding (periodic but regular power blackouts).

The Crown Food Group, on the other hand, disappointed as loadshedding negatively affected food manufacturers. Crown was impacted by the fall-off in demand from consumers which are serviced by its customers. Chipkins Puratos (in which we hold a 50% share) battled to maintain sales levels as loadshedding hit its important smaller customers.

Bidfood's revenue growth was well above inflation with good growth being recorded in national account and industrial sales. The operating-expenditure-to-sales ratio was, as usual, excellent with a tight lid being kept on most expense categories. Return on funds employed was exceptional.

This year we invested extensively in building our capacity, in particular, vehicles, material handling equipment, and IT infrastructure. The new Bidfood Gqeberha depot was completed and work began on new facilities in Johannesburg (Heriotdale) and Pretoria, both of which will open in the new year. All new facilities will be equipped with greener technologies. For instance, Heriotdale will use ammonia as a refrigerant, rather than the current carbon emitting gas utilised at its predecessor site.

In 2023, our total electricity purchases declined by 14%; this was mostly down to loadshedding (although electricity costs actually increased because of higher tariffs). We are serious about reducing our reliance on South Africa's very coal-intensive public power sector and plan to spend R40 million on eight new solar installations and upgrades in 2024. We will also purchase a further 16 electric truck fridges, replacing diesel units (at yearend we had 11).

Apart from corporate social investments, one way in which we create social value is through Crown's extensive sports sponsorship.

These sponsorships have made our best-selling Six Gun Grill brand a household name.



"Recently I had the privilege of taking over the reins of Bidcorp Food Africa from Klaas Havenga, a legend in South Africa's foodservice industry for many years.

It has been my privilege to work closely with Klaas for more than a decade and to learn from him some of the secrets that make this such an excellent business – for employees, suppliers, shareholders and, most importantly, customers."

Ryan Licht



### Bidfood Türkiye

CEO: Nedim Makzume



Bidfood Türkiye sales grew on the back of an increase in local consumption. Despite the impact of the February earthquake and disruptions caused by national elections, all divisions met targets.

**Like all Turkish businesses, our people were all profoundly affected by the earthquake in response Bidfood Türkiye donated R2.1m to various efforts.**

Foodservice operations in Antalya and Izmir both surpassed expectations and have moved to new facilities to cater for anticipated growth. Ankara, where we had not had a presence until recently, progressed well after opening a new distribution centre in 2022, while another depot in Marmara was set to open in September 2023.

In focusing strongly on building our geographic footprint, Bidfood Türkiye's cost base was inevitably impacted.



**Although the 2023 tourism season started slightly later than anticipated, summer trade was extremely promising. Despite the high inflation environment (by far the highest in the group), demand for consumer goods increased. Our prospects remain good.**

### Bidfood Southeast Asia

CEO: Nigel Boswell



Singapore performed well, increasing both revenue and trading profits despite sluggish economic activity, high inflation and a tight labour market. Angliss's overall performance was encouraging. Poultry margins came under pressure but were offset by improved margins in the beef and seafood categories. Our operating expenses increased due to higher labour and energy costs.

Innovations (our bespoke production arm) contributed well with an investment into larger premises to increase capacity. Gourmet Partner Vietnam (in which we have an 80% equity interest) continued to improve results.



Malaysia had a difficult year, impacted by a weak currency affecting imported products, yet all businesses reported an improvement in sales. Investment into additional fleet and warehouse capacity is underway, with occupancy planned for 2025. Operating expenses were higher than anticipated, which is getting management attention. myBidfood implementation is planned for 2024.



### Angliss - Greater China

CEO: Wilman Chong



The rebound in Greater China (including Hong Kong) at the start of the 2023 calendar year quickly faded due to consumer weakness and a net outflow of tourism from Hong Kong. Deflation resulted in imported dairy products becoming uncompetitive after repeated price hikes, leading to a loss in market share in mainland China. Overall, our business's year-on-year sales were marginally down. Improved gross margins in Hong Kong and a pickup in tourism to Macau offset the impact in Greater China.

Going forward, we are hopeful that government stimulus will benefit consumer confidence and the return of international tourism to the region will boost performance. A diversification, from our focus on the high-end western market, is underway as we respond to local market trends.



### Bidfood Middle East

CEO: Hisham al Jamil



Bidfood Middle East (BME) delivered lower trading profits than 2022 although revenues increased after we introduced new brands into the UAE and experienced growth in a QSR account in Saudi Arabia. BME gross margins were impacted by an unfavourable change in the sales mix, a drop in margins on the mixers business in Saudi Arabia, and after we had to liquidate overstocked dairy products in the UAE.

**Despite a year of multiple challenges, BME is today a US\$200 million business with considerable potential for growth. With the GCC economies enjoying relatively buoyant outlooks, we will very soon begin delivering on that potential.**

## ●●● OPERATIONAL REVIEWS continued

**Bidfood Chile**  
CEO: Gabriel Abramovicz



Bidfood Chile had a difficult 2023 but by yearend began to track back to more normal levels of profitability. Financial and operational controls are receiving significant focus. Chile's medium- to long-term prospects are excellent which is why we made considerable investments in expanding our operation's footprint and capacity, investments which weighed on the cost base.

Gross margins were negatively impacted by losses in meat processing and lower poultry margins following a bird flu outbreak in January and February. Expense management, particularly in warehouse and distribution costs, proved to be challenging. Focus on optimising the purchasing and pricing of the protein range will be key to returning to normality.

**Bidfood Brazil**  
CEO: Antonio Celso Dias Avelino



**Times were tough in Brazil in 2023 but CEO Antonio Celso Dias Avelino says the business found ways to thrive**

Bidfood Brazil recorded good growth in 2023 at a time when the country's foodservice market generally was under a great deal of pressure. Difficult conditions which we (and our competitors) experienced included high unemployment and low consumer confidence, which reduced out-of-home food consumption. On top of this, interest rates were also high (ending the year at 13.75%) as the authorities tried to reduce inflation; by yearend this appeared to be working with inflation trending downwards. In addition, economic growth was low and many Brazilian companies continued to let their employees work from home. According to the Institute of Brazilian FoodService, nationally, food sales declined by almost 9% in the last quarter of the year. Positively, hotel occupancies recovered strongly this year, returning to pre-COVID levels.

While our sales growth was limited, we took a number of concerted actions to improve our overall result and am pleased to report that these bore fruit, particularly towards the end of the year. We appreciate that we are still a relatively small contributor to the Bidcorp family but we are confident that we have what it takes to make a significant, and growing impact. In 2023 we restructured many of our functions, including sales, purchasing, and marketing and these changes will certainly benefit us in the new year. The acquisitions we made in 2022 were all bedded down and contributed positively towards our overall performance.

We are well aware of how integrated we are into our value chain. So, this year we worked with numerous suppliers to sponsor a value-adding Culinaristas project in which experts pass on tips and the latest catering trends using our own kitchens. These benefit the chefs we work with and are seen as a great value-add by our customers. Our communities are equally important to us and we made a number of charitable donations.

 Read our 2023 sustainability report for more details.

**Blancaluna Argentina**  
CEO: Gustavo Picciafuoco



Blancaluna Argentina (46% equity accounted) was buoyed by a strong tourism sector and exceeded revenue and trading profit expectations. Our new branches in Ushuaia and Iguazu have been bedded down and we are confident will contribute strongly to profitability. Progress is being made to acquire a new depot in Córdoba in 2024.



We also worked with customers to induce them to make greater use of the myBidfood ecommerce platform – which showed strong, consistent growth this year.

Our environmental performance is of the utmost importance to us. In 2022 we switched 41% of our electricity supply to a clean energy provider, Vektor, which has an emissions factor 96% lower than that of the national grid. We plan to add more on-site solar installations in the year ahead.

With the multiple changes and improvements made this year, we are confident that 2024 will be an even better year for Bidfood Brazil.

# Bidcorp Corporate

Bidcorp Corporate operates from offices in South Africa and the UK, complementing the work of the decentralised operational divisions through a range of services. Corporate 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, Corporate has developed an in-house financial consolidation tool ensuring a 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 (#)

**74** 2022: 68

## Our team

Male employees (#)

**49** 2022: 40

Female employees (#)

**25** 2022: 28

**34%**  
**female**



## SUPPORTING OUR COMMUNITIES

Complementing the work done throughout the group, Corporate continues to donate and support a variety of community organisations. In addition to the charity and outreach support provided, the group, moved by the mass destruction and loss of life incurred, contributed a financial donation in support of the victims of the Turkish earthquake in February 2023.

Community outreach and charitable donations were given to support approved programmes. These recipients tend to be focussed on feeding schemes and food provision, as well as those that are aimed at supporting children, the elderly, and other vulnerable community members, in line with the group's SDG goals. Each beneficiary is required to submit documentation which is vetted, ensuring they are compliant with local regulations and that the benefit reaches the intended beneficiary. Each charity is visited and our team is rewarded with a hands on experience and interaction with the people whose lives we are impacting.

In 2023 the organisations that have benefited from our support, standing out due to their alignment with our selected SDGs, 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
- **Hotel Hope** – a Johannesburg-based orphanage
- **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

 Read our 2023 sustainability report for more details.



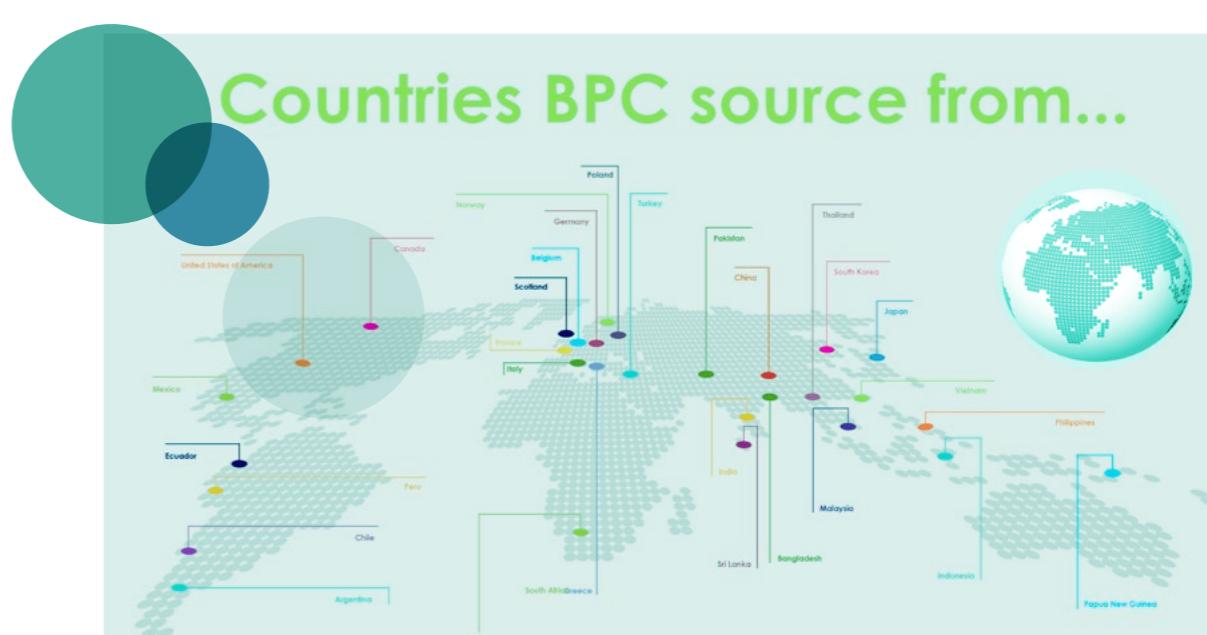
**BidOne**  
CEO: Justine Hopkinson

Robust growth in sales is also reflected in strong upward trends in the digital activity of our customers, with 9,2 million orders placed by more than 140 000 customers in 2023. Our BidOne digital ecommerce platform has been implemented in 19 of our business units.

myBidfood, now in every global region with the launch of myAngliss in Hong Kong this year, with both English and traditional Chinese available to our customers and suppliers. The native multilingual capability of the platform continues to be a highly valued feature of the platform for our businesses, enabling Bidfood total control over language to reflect the local terminology and phrases used by our customers.

With the successful migration of our global platforms to a fully cloud-based platform complete, a refreshed technology strategy has been an important focus for BidOne over 2023. The application of technology to personalisation for our customers was a core principle of our strategy, commencing with a new search engine which has been developed by the team and will be launched in the new financial year.

This year our customer relationship management platform **BidIQ** was rolled out to a number of new markets including the first European implementations. With integration between **BidIQ** and our myBidfood ecommerce platform, our sales teams have data insights and technology capabilities that support a depth they can bring to their customer relationships not achieved in any other offline or online application. Our strategy to grow the customers' product basket is focused on functionality that shows our sales team missing products and categories suitable for their particular customer.



## BPC – Bidfood Procurement Community

CEO: Nigel Boswell

From Peru to Papua New Guinea and 21 other countries in between, in 2023 BPC sourced food and non-food items in record numbers and from a record number of territories for a record number of group businesses.

With expert staff in two locations, BPC sources the best quality products available globally. These are supplied to 14 operations in 20 countries with another five preparing to join the BPC network at yearend. BPC is not simply a one-way street in which products are supplied to individual businesses. As well as this function, products procured by businesses and divisions that may find ready acceptance elsewhere are shared by BPC with other parts of the group.

2023 was a standout year for BPC on various fronts as it increased its offering and service to group operations. Some key highlights included:

- Increasing the territories from which products are sourced, from 13 to 23;
- Enabling greater price transparency between suppliers and countries;
- With its finger on the global food pulse, sharing richer market intelligence with all businesses;
- Facilitated networking and sharing between Bidfood procurement teams; and
- A member of Smeta and connected to Sedex.

BPC is a key group competitive advantage, meaning that we can offer customers the best ingredients, frozen, chilled and ambient food, kitchen requisites and (as of 2023) even gift items – from around the world. In most of the markets in which we operate, few of our competitors can offer the international ranges that BPC makes possible. While we pride ourselves on sourcing the best fresh ingredients from local suppliers, imports are a growing source of revenue and variety for customers who, like ourselves, constantly want to differentiate their menus.

**BPC: Our mission is to find the best global source of quality products for all Bidfood businesses.**





## Sustainability.

Our commitment to environmental sustainability

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## OUR JOURNEY SO FAR



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

We take our commitments to environmental responsibility seriously and we do address our greatest impacts being emissions, our plastics, and waste. We ensure that in all our operations we have commitments in place that demonstrate the part we have to play to minimise deforestation and promote responsible sourcing of food.

Bidfood is a user of energy, around the world we operate multi-temp warehouses with frozen, chilled, and ambient refrigeration requirements, and we operate fleets of multi-temp vehicles delivering our products to our customers. We are committed to investing in the latest technology available in vehicles and refrigeration solutions to ensure the impact we make on the environments in which we operate is kept to an absolute minimum.

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 them

We're progressing on our journey to setting emissions targets beyond 2025. This topic is a priority for Bidcorp's board and management team; but we recognise that this is a journey. Bidcorp is proud to be doing this properly, step-by-step, incrementally making real changes daily.

We're all increasingly aware of the role that we have to play in terms of addressing environmental and social challenges. Foodservice needs continued momentum across the industry, in all geographies – Bidfood cannot do this alone – it's all about collaboration. We are engaging with our stakeholders to drive this change.

### BIDCORP'S JOURNEY SO FAR

**Bidcorp's target of a 25% reduction of carbon emissions across the group by 2025 remains – we continue to make improvements to achieve this target.**

Capital investment (capin) is focussed on this target. Improvements in processes are aligned to this goal. Changes in supply chain sourcing of food and related products are with this goal in mind.

Significant changes and improvements have been noted across the whole group. Incentivising management through remuneration targets have assisted, but more than this a group-wide acknowledgement and commitment to being a "Positive force for change" has been the real driver. The group measures, monitors, and tracks monthly, quarterly, and annual improvements on all scope emission categories, by each business, in keeping with our decentralised governance approach.

The group is committed to 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. Annually the group's budget and strategy process requires management teams to set their own short- to medium-term targets, projects, and commitment to capin which will deliver real and meaningful reductions to the carbon emissions reported.

Beyond the carbon emissions targets, our operations are setting targets on areas of influence and improvement they can make in consumer behavioural trends, encouraging plastic reduction, production substitution for more sustainable alternatives, improved service and business practices that will enable us to work together to make a positive long-term impact. These bottom-up targets and strategies are key in informing the ultimate group-wide commitments and targets.

\* 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 them

## OUR JOURNEY THIS YEAR

We have made significant progress this year and we are proud of the achievements we have made. Not all of these achievements came without a few lessons learned along the way. We continue to push the boundary, sometimes needing to adjust the trajectory, but we are able to share these learnings around the group. These shared learnings contribute to our consolidated progress on this journey together.

### SOLAR INVESTMENT

Bidcorp has 43 solar installations around the world.

- Bidfood UK completed five new installations in the year
- Bidfood Australia is the biggest producer of solar power within the group, with current installations (17 units) supplying 8% of its energy needs and 36% of the total renewable energy generated by the group
- Further significant capin is budgeted to increase our power generation capability in the Czech Republic, South Africa, and the United Kingdom; as well as further expanding the current capacity in existing installations

### REFRIGERATION SOLUTIONS

We recognise the impact we have on the environment using refrigeration gasses. We are committed to embracing efficient emissions solutions. Bidfood European operations are ensuring that all new builds will have zero-emissions cooling systems in place.

Unfortunately, during 2023 Angliss Greater China had two significant refrigeration gas leaks, both due to equipment weaknesses installed in rented facilities. Management have engaged with the local landlords at these sites to ensure a commitment to improve the quality and conditions of these facilities.

### BIDFOOD NETHERLANDS - AHEAD OF THE PACK

Bidfood Netherlands has taken big strides in their journey to minimise their impact:

- Capin of more than R175 million in 2023 to update the delivery fleet, buying cleaner diesel trucks and electric trucks for inner city, short distance trips
- In 2023 a new entrant to the Dutch power supply market offered a clean energy alternative, providing power generation with a zero-emissions factor. Bidfood switched over to this pro-active service and in 2024 anticipate this change will impact up to 85% of its power supply needs

### STRIDES AGAINST DEFORESTATION

It can be clearly seen that land-use change, deforestation, animal feed and on-farm processes produce the greatest share of food related emissions. Bidfood Poland launched a campaign committing to plant a sapling tree for every customer who registered on the Bidfood ecommerce platform. Over 500 trees were planted as a result!

### SCOPE 3 PROGRESS

Reporting of Scope 3 emissions remains a challenge particularly because value chains can be complex and not always transparent.

- Scope 3 includes several categories of emissions, and we currently only measure and verify our Scope 3 emissions for waste and water. However, we have started to investigate and engage with our supply chain to understand the extent of our scope 3 exposure
- Focussed supplier engagements are underway to collaborate towards emissions labelling by product. These improvements will equip our customers to make more informed decisions about the products they buy



### HOW WE MEASURE OUR PROGRESS

Annually Bidcorp reports growth, both organic and acquisitive, in line with the group strategy. In order to embrace the continued value creation and success of the group, Bidcorp has adopted a "carbon emissions efficiency ratio" measure to assess progress against our 2025 carbon emissions reduction target. This measure calculates carbon emissions as a percentage of revenue, in each business, in each currency (emissions as a percentage of 1 000 units of revenue in local currency). Group emissions reporting is translated at the 2018 forex translation rates, ensuring that a like-for-like comparison is maintained and emissions are measured against a relative level of growth and activity. During 2023 inflationary pressures were experienced on food and other costs. Due to this impact a decision was made to adjust for this inflationary impact, particularly in our developed markets. We have adjusted our carbon emissions efficiency ratio in the current year with an average inflationary impact, specific to each geography. We anticipate that we will continue to adjust for inflationary impacts through 2024 and 2025 should inflation conditions remain.

## BIDCORP'S 2023 CARBON EMISSIONS

Bidcorp reported a **9% increase** in total **carbon emissions** this year, a pleasing result as constant currency **revenue increased** by **24%**

**Scope 2 reported best**  
✓ progress for second year in a row

- ✓ Scope 1 up 7% – fuel and gas contributed 46% of the group's total emissions
- ✓ Scope 1+ up 47% – refrigeration contributed 13% of the group's total emissions
- ✓ Scope 2 up 2% – electricity contributed 39% of the group's total emissions
- ✓ Scope 3 up 24% – waste and water contributed 2% of the group's total emissions

**Most divisions reported**  
✓ an improvement in their carbon emissions efficiency ratio

- ✓ **Australasia** up 7%, contributing 21% of the group's total emissions
- ✓ **UK** up 5%, contributing 23% of the group's total emissions
- ✓ **Europe** up 5%, contributing 29% of the group's total emissions
- ✓ **Emerging Markets** up 17%, contributing 27% of the group's total emissions

### TOTAL CARBON EMISSIONS

**332 745 tCO<sub>2</sub>e**  
2022: 306 362<sup>1</sup>

Emissions ↑ 9% Revenue\* ↑ 24%

### AUSTRALASIA

**68 536 tCO<sub>2</sub>e**  
2022: 63 916

Emissions ↑ 7% Revenue\* ↑ 24%

### UNITED KINGDOM

**76 794 tCO<sub>2</sub>e**  
2022: 72 810<sup>1</sup>

Emissions ↑ 5% Revenue\* ↑ 29%

### EUROPE

**97 758 tCO<sub>2</sub>e**  
2022: 92 870<sup>1</sup>

Emissions ↑ 5% Revenue\* ↑ 27%

### EMERGING MARKETS

**89 657 tCO<sub>2</sub>e**  
2022: 76 766

Emissions ↑ 17% Revenue\* ↑ 9%

\* In constant currency

For more information on the 2023 carbon emissions disclosure, please refer to  
**2023 sustainability report**



### TOTAL CARBON EMISSIONS

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2022: 76 766

Emissions ↑ 17% Revenue\* ↑ 9%

### SCOPE 1 – Direct emissions

Scope 1 emissions  
(excl refrigerants and aircon gases)

**152 256 tCO<sub>2</sub>e**  
2022: 142 792<sup>1</sup>

↑ 7%

Scope 1+ emissions  
(only refrigerants and aircon gases)

**42 526 tCO<sub>2</sub>e**  
2022: 28 944

↑ 47%

### Scope 1: Direct activities

	2023	2022	
Fuel	(kilolitres)	55 555	50 934 <sup>1</sup>
Gas	(tonnes)	2 043	2 236

### Scope 1+: Refrigerants and aircon gases

	2023	2022	
Aircon gas	(tonnes)	19,2	19,6

### Scope 1: Zero-emissions

	2023	2022	
Electricity	(Solar power (kwhs))	9 816 624	8 623 036

### SCOPE 2 – Purchased electricity

**131 279 tCO<sub>2</sub>e**  
2022: 129 257

↑ 2%

### Scope 2: Electricity – grid supplied

	2023	2022	
Grid electricity	(kWh)	308 241 955	297 464 610

### SCOPE 3 – Indirect activities

**6 684 tCO<sub>2</sub>e**  
2022: 5 369<sup>1</sup>

↑ 24%

### Scope 3: Waste

	2023	2022	
Waste recycled	(tonnes)	21 786	20 061 <sup>1</sup>
Waste to landfill	(tonnes)	11 968	10 281 <sup>1</sup>
Food waste reused	(tonnes)	1 594	2 147

### Scope 3: Water

	2023	2022	
Municipal water	(kilolitres)	1 028 480	943 005
Other water	(kilolitres)	6 487	5 932



< > |

Leadership reviews

Value creation

Operational reviews

Sustainability

Governance

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## We are proud of our progress

### Green new builds

We embrace the opportunity to invest in our depots and in doing so capture the opportunity to make real and sustainable improvements to our infrastructure.

#### Bidfood Netherlands Zierikzee Depot:

- installed a low emission refrigeration solution
- enhanced energy efficiency through the following changes:
  - heat recovery initiatives will be enhanced through a heat exchanger heating a 1 500-litre buffer water tank which will increase the temperature of the warehouse by about 15 degrees, reducing the use of carbon emitting natural gas to achieve this
  - the residual heat generated will be captured and used to keep the construction floor of the frozen cell above zero
  - the admin and office windows will have outside blinds installed to insulate further
  - installation of insulating white heat reflective roofing material
  - the vehicle docking levellers and shelters are installed on the outside of the building enabling the trucks to dock without opening the overhead warehouse door, releasing the refrigerated air within
  - installation of an insulated high-speed door between the ambient and cool area
  - all lighting installed is low-energy, LED lighting



[View our video](#)  
Temperature controlled storage facility in Glasgow

**“Our goal is to strengthen our commitment to sustainability by reducing our environmental footprint and energy usage across our estate, while improving the efficiency of our operations. Partnering with Star Refrigeration, with their solid expertise in CO<sub>2</sub> refrigeration, has been instrumental in meeting these objectives and supporting us throughout our net-zero journey. ”**

Claire Cox, Bidfood UK Head of Property



#### Bidfood Australia committed to green new builds, which will include:

- high efficiency ammonia refrigeration solutions – with zero-carbon emissions impact
- fire resistant insulated refrigeration panels
- additional warehouse wall insulation to reduce energy consumption
- energy efficient lighting throughout incorporating daylight-harvesting and movement sensors
- high-quality dock sealing cushions to ensure less intrusion of non-refrigerated air to reduce energy consumption
- solar arrays to reduce electricity consumption
- rainwater capture solutions for amenities and landscaping
- cable provision for electric vehicle charging

Current projects underway have made significant progress, and we anticipate these depots to be completed early in 2024. These facilities will be double the current size of the depots they are intended to replace, however the estimated power consumption will remain unchanged – this is approximately a 45% energy efficiency on the current facilities.

#### Power blackouts in our South African operations

As a South African headquartered multinational we are often asked about the impact of South Africa's electricity blackouts on our operations. Our operations have been negatively impacted. Total grid-supplied electricity usage reported in South Africa during 2023 was down by 14%, as a result of lack of power supply due to "load shedding".

Despite using less grid-supplied electricity in South Africa, the cost was approximately R1 million more due to higher government-imposed tariffs. In addition, unbudgeted capital expenditure was

required to equip branches with electricity producing generators. Some easing was experienced in certain industrial/manufacturing regions where local government supported businesses through a curtailment programme to reduce the number of power-cuts in these industrial areas and ease the burden of electricity shortages.

Bidfood South Africa has plans to invest in excess of R40 million in 2024 to increase their solar-power generation and battery storage capacity.

### 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.



Bidcorp has further demonstrated our commitment to environmental transparency by disclosing our environmental impact through CDP, a leading environmental disclosure platform.



## Bidcorp – Positioned to benefit from a more eco-friendly world

Bidcorp achieved record results in 2023, in spite of the impact of increased inflation and interest rates experienced during the year. These improved volumes did not result in an equal increase in emissions, with emissions increasing at only 9% against a 24% increase in revenue. Innovative solutions and investment in new vehicles and equipment assisted us in reducing our carbon emissions.

We continue to educate and raise awareness amongst our stakeholders, especially our employees, on the impact of climate change and our emission reduction efforts. Transition risks and opportunities and the adverse potential impact of climate change is assessed on a country-by-country basis across the group, as part of our internal risk management process. On the ground teams best understand their environment and are able to make the changes necessary to contribute towards reducing carbon emissions.

Extreme weather events have impacted our operations in the past year, and it is likely that there are more to come. Severe heat in southern Europe over the summer and Cyclone Gabrielle in New Zealand in February 2023 are just two examples in the last year. After the cyclone in New Zealand, our Bidfood Hawkes Bay branch suffered damage to electrical and refrigeration equipment due to

power loss and subsequent surges. Many customers in the Hawkes Bay region remained closed for an extended period as their premises and access routes from surrounding roads were impaired. Thankfully our regional Bidfood depots were able to step in and provide support and products to our team and their customers, a great support in a time of great need.

The impact of both drought and significant heat waves through most of Europe over the past summer is likely to have long-term impacts on reduced crop yields for years to come, potentially impacting the sustainability of many food producers. We recognise the impact these events can have on our business and we are engaging with our stakeholders to mitigate these risks as best we can. Part of our approach to protecting the supply chain and reducing our carbon emissions is to source products locally, supporting local and regional food producers where possible.

As a responsible corporate citizen we recognise the impact of all aspects of climate change, including deforestation, loss of biodiversity, water scarcity, etc will have on the world. We are committed to ensuring we play our part and contribute positively to protecting our environment. We are committed to being a positive force for change.

#### Bidfood Poland – Ecommerce supporting biodiversity

A unique approach to encouraging our customers to register online with us has been to commit to planting a



tree for every new customer to register on our ecommerce platform. In cooperation with a partner, a specialist in seedlings and tree planting, we have already planted 500 trees in just a few short months. The uptake has been phenomenal, and the appreciation from our new customers significant. Each new tree was acknowledged with a certificate to the new ecommerce customer recognising them for their contribution to sustaining our planet. This is only the start of a new and exciting project to be a positive force for change.

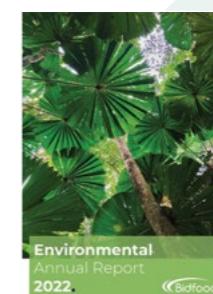
#### Bidfood UK – Reaching out to make a difference

Bidfood UK has been working in partnership with Aimers Coffee & Tea Ltd and City Coffee on a Tanzanian Msia Coffee Project since 2017. The project aims to support the Msia Secondary School in Tanzania, contributing £3 from every case of Msia Coffee sold to the school. To date the project has enabled the building of a six-acre coffee farm, with more than 5 500 coffee trees and providing work to 131 people. Since initiation the team has planted a further 17 000 coffee trees and created employment opportunities for locals in harvesting coffee. The project has also funded the drilling of a borehole to provide water to not only the Msia School, but also to the local community, producing nearly 32 000 litres of water a day. We are proud of the positive impact we have made to these people.

#### Bidfood 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 alongside:





## Governance.

Good governance creating value  
Board of directors

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## Ethical, effective leadership – Bidcorp board of directors

### Independent non-executive directors



**Stephen Koseff**  
Chairman of the board



**Nigel Payne**  
Lead Independent Director



**Brian Joffe**



**Helen Wiseman**



**Paul Baloyi**



**Tasneem Abdool-Samad**



**Clifford Rosenberg**



**Keneilwe Moloko**



**Bernard Berson**  
Chief Executive Officer



**David Cleasby**  
Chief Financial Officer

### Bidcorp board committees

● Acquisitions

● Remuneration

● Nominations

● Audit and risk

● Social and ethics

● Chairman

For more detail, please refer to the directors CVs included in the  
**2023 governance report**

### Board contribution to value creation

Our board is strong and stable, with an appropriate balance between our eight independent non-executive and two executive directors. Our board currently comprises a balance of longer serving and more recently appointed directors. In the past few years a structured process of bolstering the non-executive component of the board has been completed, expanding the skills and diversity of the board. The board functions in terms of a formal charter and provides the group with ethical and strategic direction. The board engages throughout the year informally and formally through quarterly scheduled meetings, annual budget and strategy sessions, and regular training and industry update sessions. Board meetings are productive as management excels in providing the directors with high quality and quantity of information relating to the agenda. Sufficient meeting time is devoted to allow the committee chairmen to provide feedback and insight into the deliberations of each committee, as well as allowing sufficient time for the discussion of strategic matters.

### 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.

### 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.

Stephen Koseff is the board's independent non-executive chairman and Bernard Berson, an executive director, is chief executive officer. In line with good governance practices, Nigel Payne assumed the role of lead independent director in November 2019. The roles and responsibilities of the chairman, chief executive officer and lead independent director are clearly defined in the board charter.

### SDGs applied:



### Board meetings convened during the year

5

November 17 2022, February 21 2023, May 23 2023, July 27 2023, August 29 2023

### What our board achieved during the year

Regular board agenda items include comprehensive group-wide performance reviews 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, discussions around strategic initiatives and feedback from the chairs of board committees on the deliberations of each of those committees (including a group-wide risk review from the group audit and risk committee ('GARC'), and non-financial ESG matters by the social and ethics committee).

#### July to September 2022:

- 2023 budget and strategy review
- Review of Executive STI outcomes
- Sign-off of the CEO and CFO financial controls attestation process
- Approval of group-wide annual related-party declarations
- Adoption of a new sustainability policy and data privacy policy
- Board appraisal feedback
- 2022 year-end results announcement
- 2022 final cash dividend declaration and payment

#### Q2

#### October to December 2022:

- Review of Executive LTI outcomes
- Approval of 2022 annual reporting suite (including notice of AGM)
- Operational risk reviews and approval of 2023 risk-based internal audit plans
- Capital markets trading update
- Consideration of cyberbreach response protocols
- Monitoring of potential acquisition targets
- Annual general meeting

#### Q3

#### January to March 2023:

- Engagement with dissenting shareholders following 2022 AGM at which insufficient support was received for two remuneration resolutions
- Monitoring of emerging risks
- Internal audit performing IT control and cybersecurity reviews planning
- Adoption of the Diligent Boards application
- Review and approval of the F2023 interim results announcement
- F2023 interim cash dividend declaration and payment

#### Q4

#### April to June 2023:

- ESG and cybersecurity board training presentations
- Review and approval of updated group delegated levels of authority
- Assessment of ESG metrics managed across the group
- Goodwill impairment review
- Approval of circular to shareholders detailing amendments to the CSP rules and notice of general meeting for shareholders to vote on the proposed rule changes
- DARC governance strengthened by appointing T J Brown as an independent DARC member
- Board site visits to the UK and Europe
- Deliberation over, and monitoring of, the PwC Australia tax scandal as reported in the global press

#### Beyond QUARTER 4 – July to October 2023

- 2024 budget and strategy review
- Review of Executive STI outcomes
- Sign-off of the CEO and CFO financial controls attestation process
- Review of group-wide annual related-party declarations
- Annual review and approval of committee charters, group policies, and group code of ethics
- King IV gap analysis and review
- Bidcorp cybersecurity standards and overall cybersecurity risk assessment
- Scoping of the F2024 limited assurance review of carbon emissions reporting
- Review and release of the F2023 year-end results announcement
- Review and approval of 2023 annual integrated report (including notice of AGM)

## Board composition

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

### Nationality



### 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.



### SDGs applied:



### 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, gender and culture.

### Tenure

Years	Independent non-executive directors	Executives
<3	1	
3 - 5	2	
5 - 8	4	1
>8	1	1

Years	Independent non-executive directors	Executives
<49	1	
50 - 59	3	1
60 - 69	2	1
70<	2	

### Skills and expertise

<b>FC</b>	Accounting and financial management	9
	Risk and compliance	10
<b>MC</b>	Mergers and acquisitions	6
	Strategy and business development	6
<b>IC</b>	Governance	9
	IT and information security	5
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<b>SRC</b>	Stakeholder engagement	7
<b>NC</b>	Sustainability	5

For more detail, please refer to the directors CVs included in the **2023 governance report**

In relation to race diversity, the board has, in the context of the global group, set a minimum race target of 30% representation of non-white 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.

### Board independence

During the year, 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 was determined that where directors have served as members 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.

Furthermore, through the annual disclosure and self-assessment processes, the board considered and was satisfied that the non-executive directors are sufficiently independent and work without interlocking interests. The appropriate governance mechanisms are in place to ensure transparency and to prevent undue influence.

### Clarity of role and authority

The chief executive officer reports to the board and is responsible for the day-to-day operations of the group. He is responsible for implementing policies and strategies approved by the board, supported through the delegation of these responsibilities to the subsidiary businesses. Board authority is delegated through the chief executive officer against an approved delegation of authority, updated and approved by the board during 2023. 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 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.

### Conflicts of interest

Conflicts of interest are actively managed to ensure that existing directors have no conflicting interests between their obligations to the group and their personal interests. All directors are required to declare full related-party disclosures annually and to provide updates as and when 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 recuse themselves from the decision-making process. Directors adhere to the group policy on disclosure and trading in securities of the company, in line with the JSE Listing Requirements.

### Induction and development

An induction programme is provided for new members of the board, tailored to the needs of each individual appointee. This involves industry- and company-specific guidance such as meetings with senior management to facilitate an understanding of operations, on-site tours to gain first-hand experience of the workings of the warehouses and logistics, and meeting team members. The company secretary assists the chairman with the induction of new directors.

Site visits are facilitated to give directors insights into the businesses, enabling them to view the facilities, obtain a feel for the culture of the company and ascertain the quality of team members.

During May 2023 the board visited Bidcorp sites in the UK, the Netherlands, and the Czech Republic to bolster their insights and relationships with the management teams.

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 technical updates are also made available to directors, on Diligent Boards.

### Board performance assessment

The nominations committee annually:

- reviews the mix of knowledge, skills and experience of directors in context of the board as a whole;
- reviews the board structure, size, and composition, providing recommendations to the board when necessary;
- considers and assesses the effectiveness of the board committees, including an assessment of the committee structure, responsibilities delegated, and composition, ensuring the necessary knowledge, skills, experience, and capacity exist to execute the respective committees' duties effectively;
- 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.

The board and committees perform annual evaluations over a three-year rolling review period, with self-assessments performed during the first two concurrent years and an external independent performance review completed every third year.

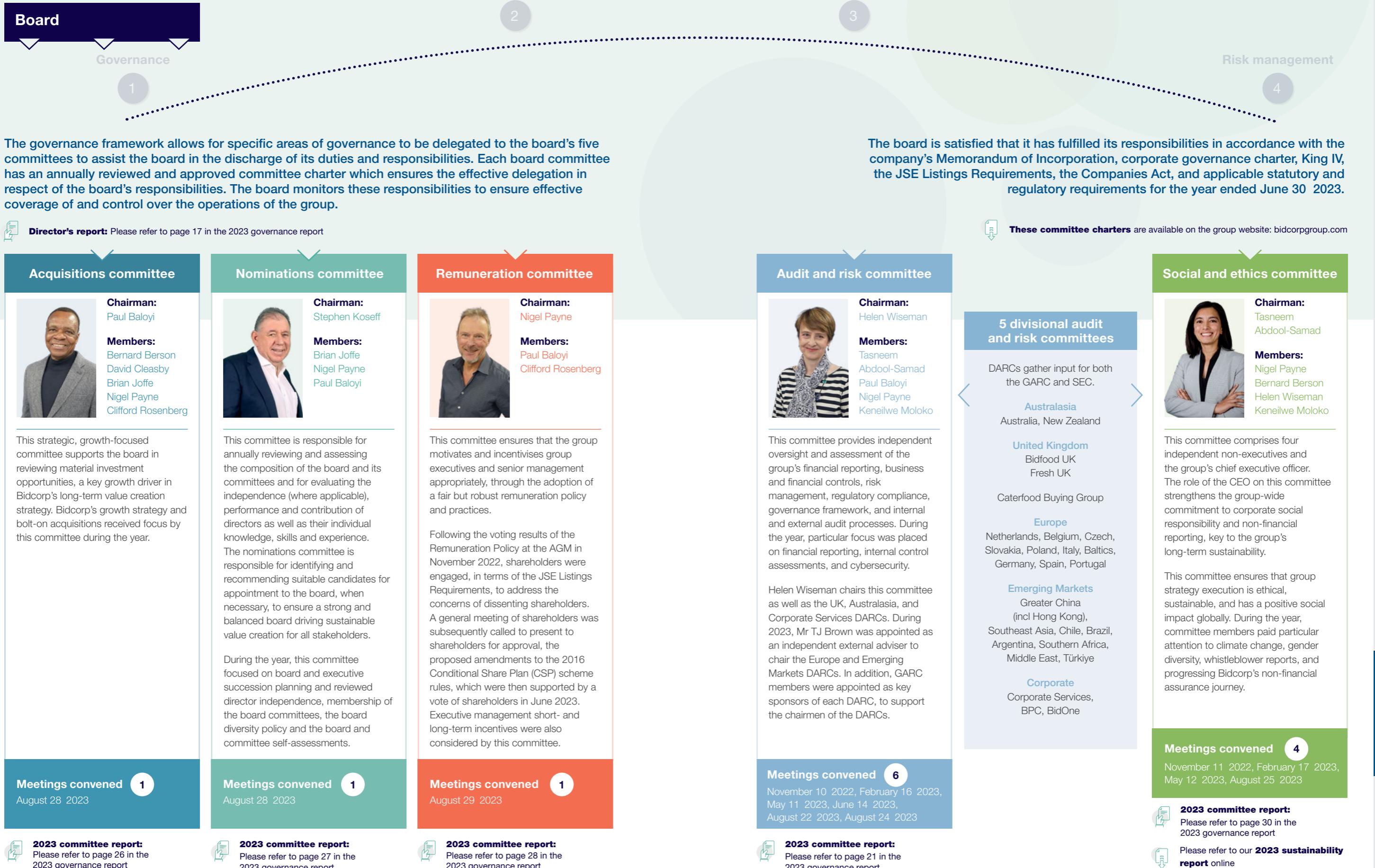
During July 2023, board and committee self-assessments were completed. The results, as well as members' recommendations, were reported back to the respective committees and to the board. Action plans and recommendations raised through this process, included the bolstering of technical and industry updates to the board.

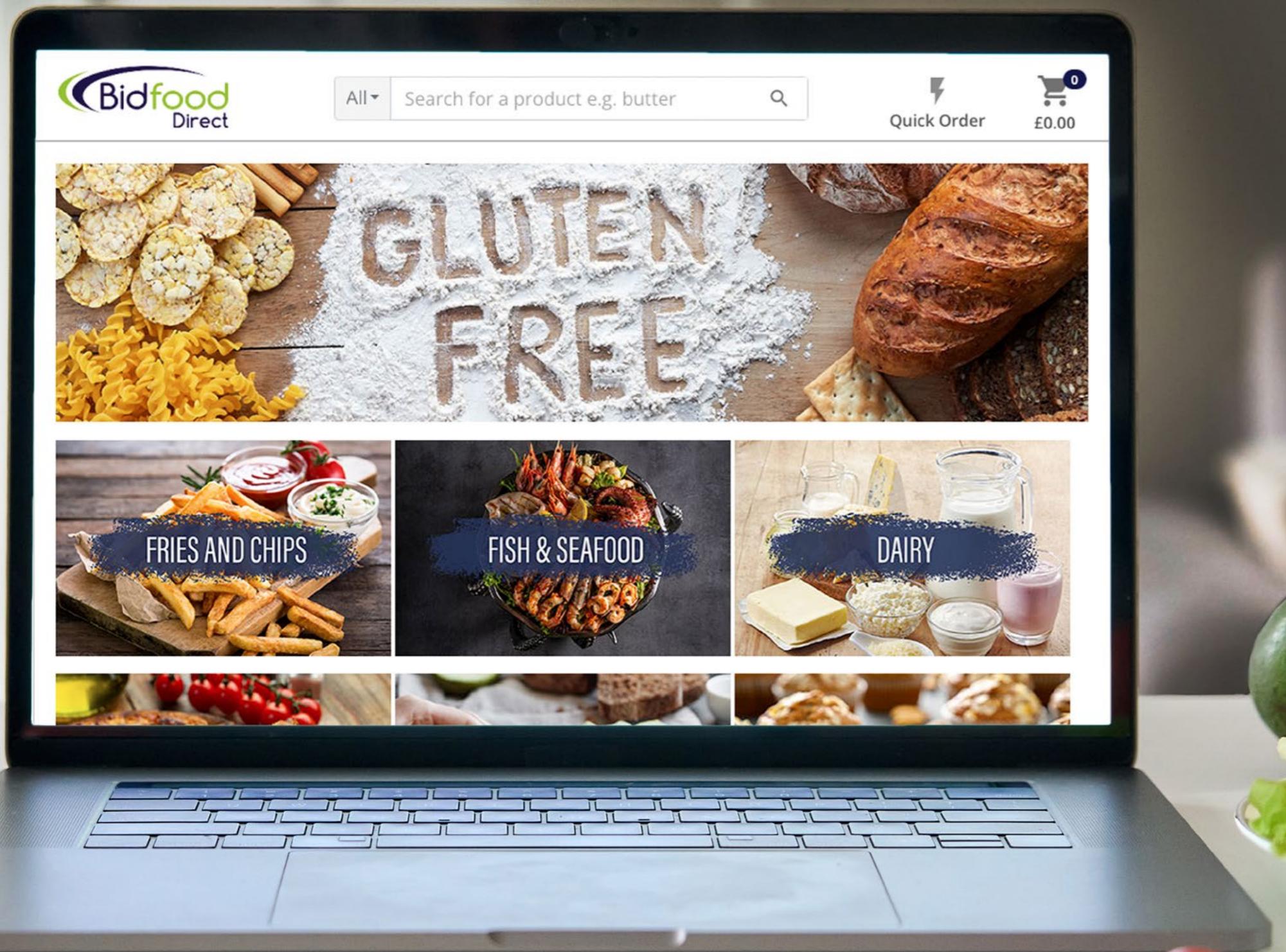
The board remains satisfied that the evaluation process is improving its performance and effectiveness.

### Company secretary

The company secretarial function of the group is fulfilled by Bidcorp Corporate Services Pty Ltd, represented by AK Biggs and L Roos. The board confirms that it has received the required independent guidance on governance and compliance matters, received timely communications, and is satisfied with the qualifications, competence, and expertise of these representatives. The board is comfortable that an arm's length relationship exists between the board and the company secretary.

## GOOD GOVERNANCE FRAMEWORK continued





## Ancillary information.

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● ● ● SHAREHOLDERS' INFORMATION  
for the year ended June 30 2023

	Total shareholding	%
<b>BENEFICIAL SHAREHOLDINGS</b>		
<b>Major shareholders holding 3% or more of the shares in issue</b>		
Government Employees Pension Fund (GEPF)	64 675 319	19,3
<b>INVESTMENT MANAGEMENT SHAREHOLDINGS</b>		
<b>Fund managers holding 3% or more of the shares in issue</b>		
Public Investment Corporation on behalf of GEPF	54 071 262	16,1
J.P. Morgan Asset Management	30 842 360	9,2
Ninety One Plc	24 880 557	7,4
Coronation Asset Management (Pty) Ltd	16 817 311	5,0
BlackRock Inc	14 235 551	4,2
The Vanguard Group Inc	13 176 989	3,9
Sanlam Investment Management	11 366 323	3,4
	<b>165 390 353</b>	<b>49,3</b>
<b>SHARES IN ISSUE</b>		
Total number of shares in issue	335 404 212	
BTW Investments Proprietary Limited (treasury shares)	(1 068 544)	
	<b>334 335 668</b>	
<b>BENEFICIAL SHAREHOLDER CATEGORIES</b>		
Pension Funds	112 422 504	33,5
Unit Trusts	69 621 068	20,8
Mutual Fund	41 927 584	12,5
Private Investor	21 648 622	6,5
Sovereign Wealth	21 602 104	6,4
Trading Position	10 081 909	3,0
Exchange-Traded Fund	9 538 906	2,8
Insurance Companies	8 546 710	2,5
Hedge Fund	5 853 663	1,7
Custodians	2 636 948	0,8
Corporate Holding	2 243 653	0,7
Investment Trust	2 100 959	0,6
Charity	2 020 776	0,6
Black Economic Empowerment	1 548 955	0,5
Medical Aid Scheme	751 021	0,2
University	557 546	0,2
Local Authority	452 997	0,1
ESG	356 818	0,1
American Depository Receipts	271 834	0,1
Foreign Government	209 312	0,1
Other Managed Funds	20 455	0,0
Other	20 989 868	6,3
	<b>335 404 212</b>	<b>100,0</b>

	Total shareholding	%
<b>GEOGRAPHICAL SPLIT OF BENEFICIAL SHAREHOLDERS</b>		
<b>Region</b>		
South Africa	177 045 350	52,8
United States of America and Canada	71 062 202	21,2
United Kingdom	16 126 202	4,8
Europe	28 677 848	8,6
Rest of World <sup>1</sup>	42 492 610	12,7
	<b>335 404 212</b>	<b>100,0</b>

<sup>1</sup> Represents all shareholdings except those in the above regions.

	Number of holders	% of total shareholders	Number of shares	% of issued capital
<b>ANALYSIS OF SHAREHOLDING</b>				
<b>Shareholder spread</b>				
1 – 1 000 shares	37 126	85,0	8 876 066	2,6
1 001 – 10 000 shares	5 214	11,9	14 054 037	4,2
10 001 – 100 000 shares	999	2,3	31 927 393	9,5
100 001 – 1 000 000 shares	283	0,6	80 136 362	23,9
1 000 001 shares and above	48	0,1	200 410 354	59,8
	<b>43 670</b>	<b>100,0</b>	<b>335 404 212</b>	<b>100,0</b>
<b>Total</b>				
<b>Shareholder type</b>				
<b>Non-public shareholders</b>				
Directors	17	0,04	2 762 030	0,8
Bidvest Pension/Retirements Funds	6	0,01	951 777	0,3
BTW Investments Proprietary Limited	10	0,02	741 709	0,2
	<b>1</b>	<b>0,01</b>	<b>1 068 544</b>	<b>0,3</b>
<b>Public shareholders</b>				
	<b>43 653</b>	<b>99,96</b>	<b>332 642 182</b>	<b>99,2</b>
<b>Total</b>				
	<b>43 670</b>	<b>100,00</b>	<b>335 404 212</b>	<b>100,0</b>

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

<b>Ambient products</b>	Food that can be stored at room temperature, generally about 20°C
<b>Bidfood ecommerce platform</b>	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"
<b>Catering sector</b>	A broad service category that provides foodservices to businesses that prepare large-scale meals for events and functions
<b>Chilled products</b>	Food that is stored at refrigeration temperatures (between 2°C and 4°C)
<b>DC</b>	Distribution centre, also referred to as a depot
<b>ESG</b>	Environment, social and governance standards and reporting in line with recommendations of global guidance, TCFD requirements, King IV and GRI standards
<b>Foodservice business</b>	Wholesaler delivering a broad range of multi-temperature food and related product to the Horeca sector and institutional channel
<b>Free-trade</b>	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
<b>Fresh</b>	Fresh produce (fruits and vegetables), as well as fresh meat, fish and/or poultry
<b>Frozen</b>	Prepared fresh product, packaged and frozen at -18°C for distribution
<b>Group</b>	Bidcorp Group, consolidating all subsidiaries (see 2022 AFS Note 12.3)
<b>Horeca</b>	A foodservice distribution channel that includes hotels, restaurants, caterers, cafes and the broader hospitality industry
<b>Hospitality sector</b>	A broad service category that provides foodservices to a hospitality business such as restaurants, pubs and hotels
<b>Industrial caterers</b>	A provider of catering services within the industrial sector, the industrial caterer usually has a presence situated on site
<b>Institutional channel</b>	A foodservice distribution channel into canteens within hospitals, schools, care homes and prisons
<b>JSE</b>	Johannesburg Stock Exchange
<b>Logistics segment</b>	A segment of the foodservice sector that supplies logistics solutions to large-scale food providers and the QSR trade
<b>National accounts</b>	Accounts which have a head office structure with one point of contact for overall account management
<b>Non-food products</b>	Collection of non-food items ranging from cleaning products, work clothing, kitchen equipment, serviettes, dining goods, etc
<b>Out-of-home eating</b>	Restaurant and casual dining prepared outside of the home
<b>Own Brands</b>	Also referred to as home brands or private label products, owned by the group and trademark registered
<b>Processing segment</b>	A segment of the foodservice sector that manufactures and distributes processed, semi-processed and prepackaged products
<b>QSR</b>	Quick Service Restaurant
<b>Ready-meals or Ready-to-eat</b>	Pre-packaged, pre-prepared deli foods and chilled or frozen meals
<b>Re-pack products</b>	Re-packing of bulk containers of whole produce into smaller quantities as part of the light manufacture value-add services offered by Bidfood
<b>Retail segment</b>	Business which supplies a range of products to supermarkets and hypermarkets
<b>Sous Vide products</b>	Quality cuts sealed in airtight plastic bags for slow cooking in water baths or in temperature-controlled steam environments
<b>Voice picking</b>	Accurate, efficient, and effective order picking system implemented in warehouses



#### 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

#### 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

#### Company secretary

Bidcorp Corporate Services (Pty) Limited

Represented by AK Biggs and L Roos

#### Registered office and postal address

Bid Corporation Limited

2<sup>nd</sup> Floor North Wing, 90 Rivonia Road

Sandton, 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

UBI Banca

#### Legal advisers

Baker & McKenzie

Edward Nathan Sonnenbergs

#### Transfer secretaries

JSE Investor Services (Pty) Limited

19 Ameshoff Street, Braamfontein  
Johannesburg, 2001

#### Sponsor

The Standard Bank of South Africa Limited

30 Baker Street, Rosebank, 2196

#### Independent auditor

PricewaterhouseCoopers Inc.

Registration number: 1998/012055/21

Waterfall City, 4 Lisbon Lane, Jukskei View  
Midrand, 2090