



Annual Integrated Report **2021**



www.bidcorpgroup.com



Bidcorp is an international broad-line foodservice group, listed on the Johannesburg Stock Exchange, and present in developed and developing economies on five continents.

It's all about the food, service and technology

WHO WE ARE

- Bidcorp:**
- is a complete foodservice solution serving customers in more than 35 countries
 - people are entrepreneurial and incentivised to be so
 - has a proven decentralised business model and best practices are shared
 - growth is organic, acquisitive-organic through bolt-ons, and acquisitive
 - believes that balance sheet strength with conservative gearing is a key competitive advantage
 - is at the forefront of foodservice digital commerce with its proprietary technology
 - embraces environment, social and governance criteria within its day-to-day operations and integrated reporting framework
 - business model has been tested and proven through the COVID-19 (COVID) pandemic

What's on our plate

Bidcorp 2021	
About this report	1-3
Global footprint	4-5
Why invest in Bidcorp	10
Strategy in action	11
Engaging with our stakeholders	18-25
Bidcorp business model	14-17
Value creation and response	37-43
Environmental sustainability	25-29
Leadership reviews	
Chairman's message	8-9
Chief executive officer's report	12-13
Chief financial officer's report	32-36
Operational reviews	
Bidfood Australasia	46-51
Bidfood United Kingdom	52-57
Bidfood Europe	58-63
Bidfood Emerging Markets	64-69
Bidcorp Corporate	70-71
Governance reviews	
Board of directors	74-79
Good governance creating value	80-81
Ancillary information	
Board of directors curricula vitae	84-85
Shareholders' information	86-87
Shareholders' diary	87
Glossary	88
Administration	89

Building a brighter future

Navigating this report

OUR CAPITALS

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

ESG



OUR STAKEHOLDERS

	Employees		Customers
	Communities		Suppliers
	Authorities		Investors

OUR SDGS



2021 Annual reporting suite

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

- The Companies Act, No 71 of 2008, as amended (Companies Act)
- The JSE Listings Requirements
- The King IV Report on Corporate Governance for South Africa 2016 (King IV)*
- The Global Reporting Initiative's Standards (GRI)
- The International Integrated Reporting <IR> Framework
- United Nations Sustainable Development Goals (SDGs)

[Click here for the full 2021 annual reporting suite](#)

[Cross-reference content within this report](#)

[Click here for more information on the company's website](#)

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:

This is our primary report to our shareholders and other stakeholders

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



2021 Annual Integrated Report



Scope and boundary

Bid Corporation Limited ('Bidcorp' or 'group') reports the consolidated financial and non-financial information gathered from the global spread of the group's businesses in this annual integrated report for the year ended June 30 2021. Bidcorp's geographic reach spans over 35 countries on five continents. Due to the expanse of local geographic regulations, we focus the information in this report on those areas that we consider material to the long-term sustainability of the group as a whole.

In line with the guidelines from the Integrated Reporting Committee of South Africa, we report using the recommended six capitals as a platform to inform this review, while striving for concise, relevant reporting. This report contains relevant comparisons to previous periods and is consistent with information and performance indicators included in internal management reporting.

The 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.

There has been no material change in the scope and boundary of this report compared to the prior year.

Click here more insight into the value creation story, refer to bidcorpgroup.com/where-we-operate.php

Materiality

The Bidcorp board has considered the legitimate interests of all our key stakeholders in determining information that is considered material for inclusion in this report. We demonstrate the connectivity between our strategy, business model, stakeholder interests, and management's response to our risks and opportunities analysis. The material issues are monitored by management on an ongoing basis and have been reported herein.

We apply the principle of materiality in assessing what information should be included in our annual integrated report. This report focuses particularly on those risks and opportunities that impact materially on our six capitals, and therefore on the group's ability to be a sustainable business that consistently creates and preserves, minimising the erosion of value creation for all.

Identifying our material matters is a group-wide responsibility and requires input from each of the business management teams, assessed within each divisional structure, and consolidated for group review and consideration. Material matters change over time, influenced by many factors, including changes in our economic, natural, and social environments, evolving consumer needs and trends, advancements in operating systems and technology, disruptions in our competitive landscape.

As an outcome of the group's annual risk review, the board agreed that all material risks and opportunities identified and presented to stakeholders last year remain relevant for 2021.

Forward looking statements

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

Assurance

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

- The consolidated annual financial statements were audited by external auditors, PricewaterhouseCoopers Inc., a qualified opinion was issued. Refer to the 2021 annual financial statements for the full report Click here for the 2021 annual financial statements.
- Broad-based black economic empowerment (B-BBEE) performance was independently assessed and verified by EmpowerDex
- Non-financial disclosures and performance data is reviewed quarterly by the board and validated through internal financial control review processes

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

Financial performance

In this report, we have provided a summary of the financial results for the year ended June 30 2021. Bidcorp's audited 2021 annual financial statements prepared in accordance with the recognition and measurement criteria of International Financial Reporting Standards, is available as part of the annual reporting suite, on the group's website www.bidcorpgroup.com.

This report tells the Bidcorp value creation story

The Bidcorp board endorses the concept of integrated thinking, which underpins corporate citizenship, stakeholder inclusivity, sustainable development, and delivers a robust integrated reporting outcome. Our annual integrated report is the output of a group-wide integrated communication and engagement process, capturing the many independent value creation stories produced by each of our businesses around the world, which combines to deliver the value created by the group over the course of the past year.

Sustained value creation, and the reporting thereof, is the result of embedding integrated thinking within our organisation, understanding the process is continuous, and acknowledging the inherent relationships between our six capitals, the trade-offs made in pursuing value creation, and the responsibility we have to the outcomes delivered. We strive to report transparently, reflecting both the value created and preserved, as well as the value eroded. By understanding how these elements interact, we are better able to deliver sustained value for all of our stakeholders in the short, medium, and long term.

For an understanding of the various elements of our value creation story, refer to page 14 - 17.

This value creation story process is governed by the board, assured through our combined assurance model, and delivered through the collaboration of our decentralised, independent businesses sharing their stories. Our decentralised operational approach is aligned through a shared strategy and value creating business model, as we deliver on our promise to build a brighter future together.

For more insight into each Divisions value creation story, refer to pages 46 - 71.

The board assumes accountability for the group's performance. The board guides and oversees the business in the context of material and emerging risks and opportunities to ensure that the strategy remains aligned to long-term sustainable value creation. The management team is tasked with navigating these risks and opportunities, and managing the day-to-day operations efficiently and sustainably.

For more insight into the value creation, preservation, and erosion in management's response to the risks and opportunities, refer to pages 37 - 43.

Board oversight includes the environmental, social, and governance (ESG) issues forming part of its decision-making process to support sustainable stakeholder value creation. The social and ethics committee meets on a quarterly basis, with a robust and engaged agenda to understand, challenge, and inspire the journey to building a brighter future. Quarterly reviews of key ESG performance indicators provide a sound foundation for measuring the level of impact our efforts have made to protect the environment in which we operate.

For more insight into the value creation journey in environmental sustainability, refer to pages 25 - 29.

This report is prepared in accordance with the International <IR> Framework of the International Integrated Reporting Council (IIRC), including enhancements published in January 2021.

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



Approval by the board

It is the board's responsibility to ensure the integrity of the annual integrated report. The audit and risk committee and the social and ethics committee acknowledge their responsibility to ensure the integrity of this annual integrated report. The board has accordingly applied its collective mind to the content of the report and in the opinion of the board, believes it addresses all material issues and presents fairly the integrated performance of the organisation and its social and environmental impacts.

The Bidcorp board has authorised the 2021 annual integrated report for release on October 28 2021.

Stephen Koseff
Chairman

Bernard Berson
Chief Executive Officer

David Cleasby
Chief Financial Officer

Tasneem Abdool-Samad
Independent Non-Executive Director

Paul Baloyi
Independent Non-Executive Director

Brian Joffe
Independent Non-Executive Director

Keneilwe Moloko
Independent Non-Executive Director

Nigel Payne
Lead Independent Non-Executive Director

Clifford Rosenberg
Independent Non-Executive Director

Helen Wiseman
Independent Non-Executive Director



Bidcorp Global footprint

Bidcorp Group

	Corporate Services
Revenue	R114,8bn
Trading profit	R4,8bn
Employees	22 552
Carbon emissions	287 982 tCO₂

 Further details, see pages 70 – 71.

Bidfood United Kingdom

Revenue	R25,0bn
Trading profit	R0,4bn
Employees	5 753
Carbon emissions	62 500 tCO₂

[Bidfood UK](#) [Bidfresh UK](#)

 Further details, see pages 52 – 57.



Bidfood Europe

Revenue	R35,7bn
Trading profit	R1,1bn
Employees	6 605
Carbon emissions	79 107 tCO₂

Netherlands [Czech/Slovakia](#) [Poland](#) [Belgium](#) [Baltics](#)
[Italy](#) [Spain](#) [Portugal](#) [Germany](#)

 Further details, see pages 58 – 63.

Bidfood Local offering

Bidfood Emerging Markets

Revenue	R21,1bn
Trading profit	R0,9bn
Employees	5 920
Carbon emissions	76 832 tCO₂

[Bidfood SA](#) [Crown Food](#) [Chipkins Puratos](#) [Middle East](#)
[Turkey](#) [Mainland China](#) [Hong Kong](#) [Macau](#) [Singapore](#)
[Malaysia](#) [Vietnam](#) [Brazil](#) [Chile](#) [Argentina](#)

 Further details, see pages 64 – 69.

Bidfood Australasia

Revenue	R33,0bn
Trading profit	R2,5bn
Employees	4 213
Carbon emissions	69 543 tCO₂

[Australia](#) [New Zealand](#)

 Further details, see pages 46 – 51.

Bidcorp, operating as Bidfood in most geographies, has a decentralised model which encourages the entrepreneurial spirit contained in each of its businesses. Each business is directly responsible for product range, and their buying and sales approach. The cultural differences is what differentiates us, keeping us connected to our local stakeholders.

*Building
a brighter
future*



Bidfood Australia



**Fuel efficiencies gained
in using electric trucks**



Angliss, China



Gruppo DAC, Italy



Bidfood Netherlands

NEXT UP:

Leadership

Chairman's message	8 – 9
Strategy in action	10 – 11
Chief executive officer's report	12 – 13
Value creation business model	14 – 17

Chairman's message



The safety and wellbeing of employees remains a top priority. It is reassuring to see the seriousness with which management teams are approaching the mental-health effects of COVID on their staff.

Every good business leader knows the importance of people and culture. As the father of management consulting Peter Drucker put it: "culture eats strategy for breakfast". Nowhere is this more evident than here at Bidcorp, where our nimble, owner-managed businesses have proven resilient and have acted as a foundation for growth and stability.

Established more than 30 years ago by renowned South African entrepreneur Brian Joffe, this decentralised ethos – underpinned by a strong brand, systems, and processes – has been critical to the group's strong recovery from COVID's devastating impact on the hospitality, tourism, and leisure sectors.

While the pandemic has moved from critical to chronic stage, conditions remain unpredictable with sudden lockdowns, differing in severity, across different geographies. Many of our businesses continue to operate in volatile environments characterised by escalating geopolitical tensions, trade protectionism, staff shortages, supply chain disruptions, and various environmental, social and governance challenges.

It is against this backdrop that I am proud that Bidcorp has returned a solid performance for the 2021 financial year. Bidcorp CEO Bernard Berson and his small head office team have distinguished themselves by providing a clear and robust roadmap for navigating the unpredictable global environment. They have dealt decisively with a limited number of under-performing businesses, as well as fraud only recently discovered in Hong Kong, which fortunately is not material to the group's performance.

Despite these headwinds, I am privileged to have witnessed the strength of Bidcorp's culture: people coming together to swap war stories and learn from each other's experiences.

Under the most testing conditions, instead of being weakened, our businesses became stronger, all of which speaks to the diversified but disciplined group of highly effective teams.

Performance

Bidcorp supplies food and related services to restaurants, airlines, hotels, hospitals, and other institutions across more than 35 countries. Many have suffered devastating impacts due to COVID lockdown restrictions. Yet Bidcorp has been able to report a strong recovery for 2021, with the board declaring a final cash dividend to shareholders of 400 cents per ordinary share.

The group benefitted from people ordering from restaurants to eat-at-home while institutional customers remained resilient. Many of our businesses have bounced back strongly as demand rapidly returned when economies opened up. Enhanced by excellent working capital management, cash generation and debt reduction, coupled with good asset management, cost cuts and nimble trading, Bidcorp has shown strengthened resilience to macro shocks.

Management has continued to future-proof the group by deploying value-adding technology, ecommerce and analytics, much of it developed in-house. Understanding that the highest standards of food safety and responsible sourcing are critical to our licence to operate, we have also kept investing to ensure the safest, most ethical and transparent food-handling standards.

Safety and wellbeing

The safety and wellbeing of employees remains a top priority. With most of our people required to be physically present at work through all levels of the national lockdowns, it is reassuring to see the seriousness with which management teams are approaching the mental-health effects of COVID on their staff.

Tragically seven employees succumbed to the pandemic over the past year. Mrs Dolly Mokgatle, who had served on the board since October 2016 as a member of the Social & Ethics and Nominations committee's sadly passed away. She will be sorely missed for her dignified and wise counsel to the board. I also deeply regret the onsite fatality of an employee in Durban, South Africa. On behalf of the board, I extend our deepest condolences to our colleagues' loved ones during these most difficult times.

ESG and sustainability

The sustainability agenda, fuelled by commitments to be made at the 26th UN Climate Change Conference (COP26) in Glasgow, continues to accelerate, and is increasingly central to the way we do business. Two years ago, we had committed to cutting our carbon emissions by a quarter by 2025. We have made significant progress in achieving this objective. The board is now engaging management on adding additional emissions categories to our 2030 environmental targets.

Our investments into energy efficiency and self-generated electricity illustrate the positive financial impacts of integrating sustainable practices, while diminishing our environmental impacts. As we strive for greater transparency, we have increased and developed our reporting on our climate-related risks and opportunities and overall performance as detailed in the natural capital content and sustainability report. See pages 25 – 29.

Furthermore, across the world we are involved in local community and sustainability projects, including providing food and care packages to the most vulnerable. We partner with specialists in various areas to ensure optimum impact and minimal duplication. Alignment ensures focus on national and international priorities. Many interventions dovetail with the UN's sustainable development goals.

We aspire to the highest governance standards in all our markets. Heightened vigilance is crucial to Bidcorp's ongoing sustainability with the continual enhancement of measures and internal risk controls to alert management to emerging issues. Investments into product quality and compliance with safety standards, cyber security, ethical sourcing, and increasing transparency and good practices through the supply chain, remain a priority.

Appreciation

I would like to recognise the Bidcorp board, to which we welcomed Mrs Keneilwe Moloko as an independent non-executive director in July 2021. A sincere thank you to my fellow directors, Bernard and his executives, and the global Bidcorp team for their unwavering commitment during the most extenuating of circumstances.

I also thank our many customers and suppliers for their ongoing support and assure them that we remain committed to the highest levels of quality and service.

Outlook

For at least the foreseeable future our fortunes will remain tied to how fast and how effectively vaccines are rolled out, as well as the effects of possible further COVID variants.

Encouragingly, we have seen how many of our more developed, larger markets have recovered in recent months, despite mixed lockdown experiences.

We are grateful for the support packages provided by governments in many of the countries we operate, enabling us to keep as many of our people as possible in employment. How and at what pace national leaders unwind the fiscal and monetary support measures they put in place will be key to our customers' short- and medium-term prospects. However, given authorities' response to the pandemic, I am optimistic that appropriate levels of support will be maintained until such time as the wheels of business start spinning on their own.

We ended the year well capitalised and well placed to take advantage of market opportunities when they arise. In the interim, we continue to practise prudent balance sheet management, a strategy that has enabled us to resume dividend declarations consistent with our dividend policy.

After passing so many very severe tests in the last year, we face an uncertain future with renewed confidence. We remain optimistic and hope to return to the pre-COVID levels of activity this year, assuming the absence of large disruptions.

Stephen Koseff
Chairman



Bidfood investment case

Why invest in Bidcorp...



Strategy in action

Bidfood strategy

Bidcorp is a foodservice business largely focused on growing the independent sector, protecting margins through value-add services, and market-leading, customer-inspired technology solutions.



Outlook

"To complicate is simple, to simplify is complicated... Everybody is able to complicate. Only a few can simplify."
– Bruno Munari

To survive and thrive, we simply simplify what we do, we just keep selling baked beans – but there is a story behind this simplicity. We are technology-reliant and technology-centric, we are able to provide a superior customer service, better and more efficiently, through the application of technology. It's embedded in our DNA. It's embedded in our customers DNA too.

We remain open to acquisition opportunities, but at the same time we are responsible in our approach. The correct opportunities will present themselves, but we will not be reckless even though we have the fire power. The short-term investments will be into organic growth into our existing markets – rolling out new facilities, building capacity, and bolt-on acquisitions.

We committed to reducing our carbon emissions by 25% by 2025, we remain on track and committed to this target, adjusting for scale and activity level. Reducing our carbon footprint just makes good business sense – solar installations generally have a four-year payback period, when considering the cost of grid-electricity and that we get 20 years of renewable power generation through a solar installation.

We recognise the stewardship role Bidfood has to play in the food supply chain. Seafood and meat products are sourced from certified sustainable suppliers, our supply chain is held to the highest ethical standards, and we ensure our packaging is recyclable and waste responsibly addressed.

The uncertainty we face at this time, is really COVID uncertainty, and we can't make any predictions about what the next few months have in store. We remain true to our nimble and adaptable business model, implemented independently around the world, fit for the local market's needs. We remain cautiously optimistic about the year ahead.

Chief executive officer's report



The strength of our local teams showed just how resilient our decentralised model of empowered, entrepreneurial local management structures really was.

At Bidcorp we have never pretended to know how COVID would impact our businesses and our results.

After all we endured in 2020, when many thought things could not possibly get any worse, this year they promptly did. And outbreaks, restrictions, and lockdowns became even more unpredictable, sudden, and sporadic.

In 2021 we had very limited ability to predict when, where, and to what extent the pandemic would hit our markets but we always knew that wherever we operate, we had the right men and women, with the right attitude and skills. We knew the people of Bidcorp had what it took to get the job done, to constantly adapt, and to keep delivering for their customers and to look after their teams.

 Bidcorp's customers were among the worst affected businesses anywhere in the world. Hotels, restaurants, caterers, events airlines and the cruise industry all saw their activities either severely and repeatedly interrupted or brought to a complete standstill. And there were very few people gathering for leisure and sports events. But our people kept sourcing, kept delivering and, when things improved (often suddenly and dramatically), they were there to immediately help their customers take full advantage of every upturn.

 The performance of all our people across 35 countries was nothing short of phenomenal. The stories of their achievements are so numerous and so varied that I simply couldn't do justice to even a minority of these in the divisional overviews I traditionally include in this message. So I leave just some of that detail to other parts of this report (see Divisional reviews pages 46 – 71).

More than in any other year, in 2021 when COVID was a daunting fact of life in every one of the 12 months, the strength of our local teams showed just how resilient our decentralised model of empowered, entrepreneurial local management structures really was. It might be a cliché given the nature of our business but it's true that they all, more than ever, really delivered the goods.

Make no mistake, soldiering on under these circumstances was not easy – especially as only a small minority of employees could work remotely. But, day after day, they all kept treading the same straightforward path we have always followed.

It was thanks to our global team that we ended the year in remarkably good shape with an exceptionally strong balance sheet, our powder dry and our systems, supply chains, our reputation and relationships all in great shape.

Whilst saluting everyone who works for Bidcorp, wherever they are, I must also acknowledge the consistent, inspirational leadership provided by our executives in-country and at head office. Most of these individuals have many years of service in our group and so, when they told their teams that we were slowly but surely moving towards the light at the end of the tunnel, their teams believed them.

 It was vitally important to keep our people believing because it is literally the people element that sets us apart – as we saw so vividly this year. And it is our people who will take us to the next level. We don't want our staff being distracted by new buzzwords and paradigm shifts and having to adjust to more complex ways of doing what they've always done extremely well. So we are determined to keep simplifying our business. We know what works. We will keep embedding technology into our business's DNA – to make what our people do simpler and better. And to make our customers' experience simpler and better. Which means efficiencies and savings for us and for them. Despite all that we underwent in the recent past, we keep advancing and enriching our tech agenda.

Our chairman, Stephen Koseff, in his report, has mentioned how keeping our people safe from COVID was our top priority. As we deeply mourn the seven employees we lost this year to the virus, I'm satisfied that we did everything we possibly could to keep our workplaces and our people safe. It is one of my greatest hopes as CEO to be able to report zero COVID-related deaths among our workforce.

One measure of the value we put on our human capital is that we ended the 2021 financial year with a head count only 4% below that of 12 months earlier – while sales volumes fell by 5%. Once again, we trimmed the fat but not the muscle.

 One illustration of our teams' resilience which I would like to mention concerns the disturbing July 2021 civil unrest in South Africa. During the turmoil, our Cornubia site outside Durban was looted and badly damaged while two Crown Food Group retail factory marts were also vandalised. However, thanks to the concerted action of our teams in KwaZulu-Natal and the heartening support received from local communities, all three affected operations were up and running after only a week.

 Just part of our success this year was derived from our deliberate shift in focus to the correct customer segments and continued towards our "sweet spot" in the middle of the market. In doing so, we played the pandemic to our advantage by getting closer to both our customers and our suppliers. In time this will mean more sustainable, mutually beneficial business relationships for us all. We also managed to maintain gross margins at the same time that we effectively kept a lid on expenses – which declined by 13,4% – by no means out of kilter with our revenue decline. And we consistently generated strong cash flows.

 Another area of good progress was the growth in our value-add light manufactured offering. This is an area which allows us to achieve more predictable revenues at acceptable margins and with fairly limited investment. On the subject of investments, in the year we did not execute any significant acquisitions but we remain alert to opportunities. Likewise, capital expenditure was below historical levels.

The single biggest disappointment of the year was the fraud we uncovered at the Miumi division of our Angliss Greater China business. We were doubly disappointed that trust had been betrayed in such a cynical and protracted fashion and that we had not uncovered this criminal activity sooner. We took decisive action though, and are confident that many valuable lessons have been learnt, controls tightened, and all the downside accounted for.

Appreciation

 I need to express my heartfelt thanks and congratulations to each and every one of our nearly 23 000 employees for their exceptional sacrifices and hard work in the past year.

I am sure that their more than 320 000 customers appreciate their commitment as much as I do.

My thanks also go to our chairman, Stephen Koseff, and the board for their unwavering support in a very difficult year.

Outlook

I have no doubt that 2022 will be another abnormal year although I have no intention of attempting to forecast when, where, or how that will transpire.

 From what we've repeatedly seen this past year, consumers' appetite for out-of-home dining, socialising, and leisure travel remains as strong as ever – quite possibly even stronger. Inevitably, our customers' fortunes will rebound (as I said, often sharply and rapidly) and so will ours. In September, constant currency group sales were 98% of September 2019 levels and 117% of September 2020 sales with the UK and Europe gathering momentum.

 We hope that relaxed travel restrictions will make it possible for us to better investigate opportunities for meaningful acquisitions – of which there is likely to be a growing number, particularly in developing markets. Although we have almost zero debt and significant headroom, our investment practices will likely be limited to smaller, bolt-on acquisitions and investing in organic growth such as property, plant and equipment.

 Somewhat clouding our outlook are emerging signs of food and cost inflation, growing labour scarcities in our developed markets, and continuing uncertainty about the strength of global supply chains. But whatever happens in the uncertain months ahead, our group will be well equipped to deal with the upside and any new or continuing headwinds.



Bernard Berson
Chief executive officer



Creating value for our stakeholders

Capital inputs

→ Capital inputs discussed in our value creation response pages 38 – 43.



The Bidcorp business model sets out the five key processes we implement around the world, in our decentralised, autonomous manner, which creates the long-term sustainable value for our stakeholders – through the effective and efficient use of our capital inputs, keeping customer service at the heart of our approach.

Responsible procurement

Our suppliers are specialists in their product, as well as ethical and sustainably minded, located as close to the source of the food as possible. We source both quality foods and a large range of catering equipment and non-food essentials.

We are proud to say we take a sustainability-based approach to product sourcing, minimising the impact of our carbon footprint, whilst ensuring fair labour practices are at the forefront of all stages of our supply chain.



Value-add processing

Through listening to our customers, Bidfood has identified opportunities for value-add light processing and bespoke manufacture to make our customers' lives easier.

Around the world we have our own purpose-built facilities offering additional value-add services, as directed by customer needs and identified market trends.



Warehousing and distribution efficiencies

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. Coupled with anti-error systems, we commit to reduced preparation error rates and overall improved working conditions for our workforce.

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.



Market-leading innovation

Our in-house developed ecommerce solution is a market-leading customer communication, transaction and information portal connecting us directly. Customers have online touch access to products offered by Bidfood divisions such as real-time availability and pricing, product and sourcing information, planning and costing facilities, as well as intuitive complementary product suggestions.

By using technology to deliver operational efficiency, implementing smart solutions faster through sharing of learning and ideas across our businesses, Bidfood is ahead of the pack. Continual upgrading, modernisation, and simplification of our global IT infrastructure, from farm to fork.



Customer service excellence

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



→ Capital inputs discussed in our value creation response pages 38 – 43.

Creating value for our stakeholders continued



Capital outputs ensuring we deliver the right products, at the right price, to the right customer. Making our customers' lives easier with our value-add, light manufacturing and ecommerce engagement. We are positioned locally, source locally and deliver regularly to our customers.

Capital outputs	HC Human capital <p>R14 billion paid in salaries, wages and benefits (2020: R15 billion). Nearly 200 000 hours of staff training recorded. R37 million spent on training, a 3% increase from 2020. Number of work-related fatalities: 1 (2020: 0). 4% reduction in headcount in 2021. 30% female workforce.</p>	FC Financial capital <p>44 369 (2020: 45 388) public shareholders, holding 99,96% of the 335,4 million shares in issue. We distributed a final cash dividend of 400,0 cents to shareholders. R1,2 billion (2020: R1,4 billion) paid in taxes to tax authorities in more than 35 countries around the world. An effective tax rate of 27,1% (2020: 26,7%). Cash and cash equivalents of R8,1 billion (2020: R7,0 billion).</p>	SC Social and relationship capital <p>R14,0 million donated to charities and community projects. 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. Food recycling and donation projects throughout group, food donated to global food banks. Operations group-wide identified food support programmes to assist and help the most vulnerable through the pandemic.</p>		IC Intellectual capital <p>Bidcorp served 321 653 customers, 7% more than last year. 50% of all revenue was generated by ecommerce platforms in 2021. BidOne's myBidfood accounts for 32% of the ecommerce group sales. Of total revenue: <ul style="list-style-type: none"> Independent customers make up 56%; national accounts 31%. Own Brand products make up 20%. 32 596 suppliers; 1% increase on last year. Offering 369 726 product SKUs made up of 36% Frozen; 28% Chilled; 30% Ambient; and 6% Non-food. </p>	MC Manufactured capital <p>Capex investment in the year of R2,0 billion includes PPE and intangibles (2020: R2,9 billion) invested into:</p> <ul style="list-style-type: none"> 81% into depots 14% into vehicles 5% into IT <p>Focused balance sheet management. Bidcorp owns 73% of our properties and 85% of our vehicles. Gross capex % of revenue is 1,7%. 44% of PPE capex was expansionary (2020: 49%).</p>	NC Natural capital <p>15% decrease in total carbon emissions reported.</p> <ul style="list-style-type: none"> Scope 1 emissions down 10% Scope 1+ aircon emissions down 33% Scope 2 emissions down 16% Scope 3 emissions down 14% <p>Municipal water used down 13% Refer to Environmental Sustainability pages 28 and 29.</p>
Outcomes	<p>Workforce of 30% women, providing and promoting gender diversity (2020: 30%). Improved technical capability and capacity through our skills development programmes. Progress towards creating a more diverse and inclusive workforce and culture. Improved top talent retention and engagement levels. Improved leadership capability and succession strength. Improved overall employee performance as evidenced by staff workplace survey results.</p>	<p>Throughout COVID, a strong balance sheet and focused working capital management ensured the group weathered the crisis and survived. Non-IFRS 16 EBITDA interest cover at a healthy 19,3x (2020: 15,5x). Free cash inflow of R4,7 billion (2020: free cash inflow of R2,7 billion). Compound annual growth in revenue of 10% since 2011. Bidcorp remains well capitalised and retains adequate headroom for further organic and acquisitive growth.</p>	<p>Bidcorp is recognised as a valued responsible contributing member of the local communities, participating in feeding schemes, food bank recycling and other such charitable projects around the world. In South Africa, YES candidates are upskilled and employed. Successfully operating and protecting our staff while navigating the political upheavals and societal demonstrations that take place across our jurisdictions from time to time.</p>		<p>Global lockdowns reduced eating-out-of-home market activity. Our teams classified as essential services, were able to work and provided care packages, home delivery and retail support using our bespoke platforms to enable this. Digital strategies have enhanced employee and customer satisfaction levels; ecommerce platforms have been developed into a customer AI experience, anticipating orders, offering recipe suggestions and product substitutes, and tracking global and local eating trends for customer insight. Strengthening of our locally sourced, value-add products such as sous vide meals to develop the premium local independent customer, protecting our environment through minimising the supply chain journey.</p>	<p>New modern, energy-efficient depots opened in New Zealand (Christchurch), Germany (Bergkirchen), and Australia (Cairns and Dandenong). Investments into PPE, positioning the group for anticipated organic growth, to ease in the short term as the businesses navigate the COVID recovery. Automated picking and warehousing is changing the way warehouse management is done.</p>	<p>Group target set of 25% reduction in group carbon emissions by 2025 (based on 2018 reported emissions). Enhanced operational resilience, reduced related costs and environmental footprint. 10% decrease in fuel emissions, investigating alternate fuel options. 16% decrease in scope 2 emissions using solar in many of our depots. Our product and service offerings assist our customers to achieve their own sustainability related objectives.</p>
Capital trade-offs	<p>Our investment in training and development impacts on financial capital, but has significant benefit in terms of human, social and relationship capital and enables us to have the people capabilities required to deliver the business strategy.</p> <p>HC ↑ SC ↑ FC ↓</p> <p>We remain committed to providing our employees with fair remuneration and incentivisation. Top priority during the COVID pandemic was job protection and the safety of our stakeholders.</p> <p>HC ↑ SC ↑</p>	<p>We leverage financial capital to maintain our competitive market position, supported by our decentralised, entrepreneurial structure, innovating and delivering bespoke locally relevant solutions.</p> <p>FC ↓ MC ↑ IC ↑</p> <p>COVID lockdowns resulted in economic devastation globally, with significant volatility in debt and equity markets. Bidcorp elected to preserve cash until year end providing some room to recover before paying out full year dividends.</p> <p>SC ↑ FC ↓ (Long term)</p>	<p>Cash donations impact financial capital in the short term, but in supporting reputable charities and government initiatives for job creation, the value created far outweighs the immediate cost.</p> <p>FC ↓ (Short term) SC ↑ HC ↑ (Long term)</p> <p>We are committed to sourcing from local suppliers, however stringent health and safety standards often means the smaller supplier is unable to meet our rigorous standards consistently, and therefore some product lines are not always available.</p> <p>SC ↓ SC ↑ (Long term)</p>	<p>Investment in our digital capabilities to engage, inform and equip our customers ahead of the curve has required financial investment to deliver long-term returns and customer retention.</p> <p>IC ↑ SC ↑ FC ↓</p> <p>We continue to grow and focus on the independent customer that appreciates the value-add, premium service provided by our local team and Own Brand range.</p> <p>IC ↑ FC ↓ NC ↑</p>	<p>Positioning ourselves close to the customer allows us to deliver unrivalled service levels, sourcing local products and offering the value-add processing options that customers are willing to pay for, may mean changing product suppliers and terminating substandard sources.</p> <p>MC ↑ SC ↓</p> <p>There is a possibility that our investment in manufactured capital could negatively impact our investment in human, social and relationship capital.</p> <p>MC ↑ FC ↓</p>	<p>Our global foodservice and light value add processing utilises and impacts natural capital however, these activities positively impact on human, manufactured, intellectual, and financial capitals, through employment, transport and infrastructure development, identifying new ways of doing business, and financial investment for long-term returns.</p> <p>FC ↓ (Short term) HC ↑ MC ↑ FC ↑ (Long term) NC ↑</p> <p>We are mindful of our global reach and our real impact.</p>	

Strengthening Bidcorp's stakeholder relationships

Stakeholders

Open and constructive engagement with our stakeholders drives our ability to create long-term sustainable value



Each stakeholder is essential to us and we are committed to continue delivering value to all groups of people that have an impact on our business.

The group identifies key stakeholders through ongoing engagement with each of our independently run businesses, listening, understanding, and learning from the interactions each of our operations has with the individuals, groups, and organisations that they connect with on a day-to-day basis. We focus our engagement efforts on those stakeholders that have a significant influence on the operations of the group and apply these engagements to share best practice and significant influence over the way we do business and create value.

Whatever the future holds we have the people and financial strength to weather unpredictable and challenging times.

This process enables us to

- ✓ gain insight into the nature and quality of the relationships with our key stakeholders in each region, jurisdiction and market
- ✓ identify and develop responses appropriate to the issues affecting our stakeholders and our operations
- ✓ improve our understanding of stakeholders' legitimate expectations, aspirations, and interests
- ✓ consider the needs and interests of stakeholders when determining our material risks and opportunities (pages 37 – 43)
- ✓ continue to grow and develop these vital stakeholder relationships, strengthening the transparency and accountability that we have established.

Blowing the whistle

– Have you seen behaviour that is not in line with the Bidcorp Code of Ethics?

The whistleblower line is available to all Bidcorp stakeholders to report any unethical behaviour or wrongdoing, anonymously and confidentially.

Deloitte provides an independent, globally available, whistleblower facility, the "Bidcorp Tip-offs Line".

This line operates 24/7, in a language of your choice.

Reports can also be emailed, reported online, or posted.

Whistleblowers are protected when they report in good faith.

Make the right choice and report unethical behaviour

To report an incident: Email: Bidcorp@tip-offs.com

Call: Each region has a country specific telephone number

Website: www.tip-offs.com



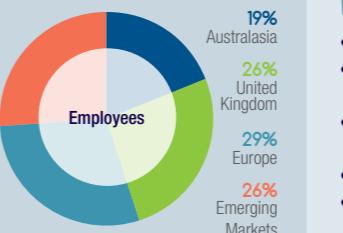
Employees – Bidcorp heroes – we salute each one of you



Bidcorp people are entrepreneurial and incentivised to be so. We operate autonomously in pursuit of the same end goal. We engage with our team to communicate strategy, identify needs, recognise and reward good performance.

22 552 employees
2020: 23 427
30% Female
70% Male
1 Fatality
2020: 0

Employee function split



R13,7 billion payroll spend
2020: R14,8 billion
R37 million training spend
2020: R36 million

We salute this team and thank them all, from the warehouse pickers and the drivers to the admin and finance teams, everyone has really gone out of their way to do whatever was necessary to get us through this difficult year.

Workplace fatalities

Sadly we had one workplace fatality this year, from our Bidfood South African Durban branch.

We have completed a full investigation into the circumstances which surrounded this fatal incident. Measures were taken to reinforce the highest standards of safety within the warehouse, and was communicated to our whole global team. We ensured that support was made available to his colleagues and family. Our people's safety is our top priority.

Bidcorp pays tribute to the seven team members that lost their lives to COVID this year. The pandemic has impacted everyone of us, but we remain a team, supporting and caring for each other through this difficult time.

Engaging with our global team through:

- decentralised operational structure keeps management in close contact with our employees
- regular communications and opportunities to have real dialogue
- employee job satisfaction surveys
- whistleblower line, available in all countries where we operate
- each operation manages an effective engaged human resources team, with direct access to the team and the real issues they are facing on the ground
- social media pages celebrating achievements and occasions together
- constructive, proactive engagement with labour unions
- performance reviews and incentivisation

Material issues raised

- protecting jobs through COVID-imposed lockdowns
- maintaining the highest standards of health and safety in workplace, especially in light of COVID
- lost-time injuries, ill-health, and fatalities responses and support to our teams
- retention of a well-trained and equipped motivated workforce
- motivating and supporting staff through remote working and stressful working conditions

Management's response to the concerns raised:

- roll out of wellness programmes across the operations to ensure staff are supported, physically and mentally through the pandemic
- adapted training modules for online / virtual roll out to grow skill sets, both tangible and soft skills
- stepped-up health and safety protocols and training to ensure the teams were safe at work
- focused on career pathing and succession programmes to retain and incentivise teams
- made effective use of mobile communication tools to keep the team connected
- numerous social media online and moral support initiatives to keep spirits high

Zero-tolerance to modern slavery – Our commitment

Modern slavery is an unquestionable and indefensible violation of an individual's basic human rights. Bidcorp recognises that modern slavery is a crime that can take many forms and as a commercial organisation, we have a moral and social responsibility to take a zero-tolerance approach to modern slavery in any form. We are committed to preventing slavery and human trafficking in all of our activities and to putting effective systems and controls in place to safeguard against any form of modern slavery within our business or supply chain. Bidcorp is committed to ensuring there is transparency in our own business and in our approach to tackling modern slavery and human trafficking throughout our supply chain.

Communities – real engagement to support inclusive economic growth for all

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

R14,0 million in cash paid as donations to charities and community projects

2020: R16,2 million

Countless local projects and community outreach programmes run by each of our operating entities across our four divisions in the more than 35 countries in which we operate.

Extensive food recycling and food donation projects supporting global food banks organisations growing our reach and impact each year

More than a project, it is a daily attitude, a fundamental value.

Bidfood – A responsible company

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

Becoming a responsible company is a purely voluntary process. Bidfood has embarked on a vast sustainable development programme. More than a project, it is a daily attitude, a fundamental value.

We continue our focus on COVID-driven emergency food aid projects in all our geographies around the world, funding food aid distribution, as well as serving the supply needs of food aid projects, funded in some instances by ourselves and in others funded by other benefactors, including local governments.

The impact of the COVID lockdowns were particularly harsh, both economically and knocking consumer confidence. The

Engaging with our global team through:

- engagement with the local food bank teams around the world
- participate in local community forums
- identify local schools and other education facilities to partner with
- each business, branch and depot identifies a variety of community-specific social development programmes
- small-business development initiatives, particularly in the supply chain
- participation in nation building initiatives such as the YES programme in SA

Material issues raised:

- economic crisis in communities through COVID lockdown
- healthy eating campaigns
- small business development sustainability challenges
- environmental consciousness
- alignment of businesses and their support programmes with the needs of the communities they exist within

Management's response to the concerns raised:

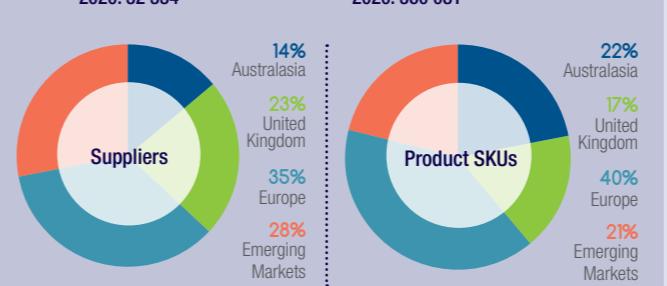
- reinforcement and implementation of a two-tier CSI strategy, to deliver maximum real benefit to the recipients:
 - 1. Group support of a number of overarching worthy causes
 - 2. Individual businesses support locally identified projects
- COVID care package and food parcels support programmes a priority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



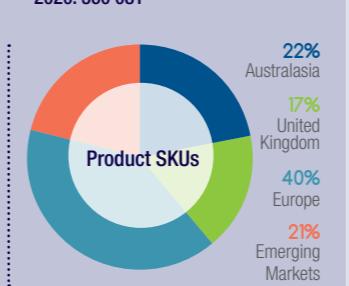
Suppliers – top quality supply chain, from the local farm to the individuals fork

We adopt a decentralised model where local purchasing decisions are based on the quality and price of the local product, and according to customers' ever-changing needs. We are supported by a broad network of suppliers and service providers.

32 596
suppliers
2020: 32 334*



369 726
product SKU's
2020: 360 081*



Foreign suppliers make up 21% of purchases

36% frozen
28% chilled
30% ambient
6% non-food

Own Brand 20%

2020: 18%

We source high-quality products at the best price and ensure food safety, sustainable and ethical business practices are implemented throughout our supply chain.

* Comparatives restated – UK, NZ, SA.

Engaging with our global team through:

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

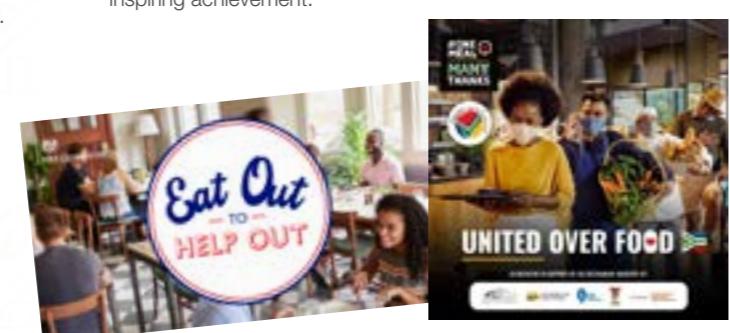
Material issues raised:

- Need for clear communication channels providing accurate, timely information to all parties
- Joint pursuit of efficiencies
- Support local sourcing, especially in ongoing development of Own Brand range
- COVID-imposed lockdowns threatening supply chains

Management's response to the concerns raised:

- growing the pool of top quality, sustainably responsible local producers
- continued efforts to streamline logistics chain
- ensured suppliers were paid timely through COVID crisis
- driving supplier vetting processes, ensuring compliance and commitment to modern slavery and ethical labour practices
- ensuring product traceability is available and transparent
- sourcing an environmentally responsible product range

Our suppliers meet the highest of global standards and certifications



Customers – navigating our way to normality together

Bidcorp serves multiple customer segments, using proprietary technology to enhance customer relationships and efficiencies. We vigilantly watch market trends, and our agility means we implement timely interventions, meeting our customers changing expectations and needs, in order to strengthen our offering and drive long-term sustainable growth.

321 653 customers
2020: 301 133*

50% revenue ecommerce generated
2020: 44%

We are committed to standing alongside our customers, supporting them as we navigate this difficult COVID landscape together.

* Comparative restated

Bidfood aims to help our customers by bringing the world of food closer together.

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 are of primary importance in the marketing and distribution of foodservice products to our customers. Daily deliveries to local customer locations and the capability to deliver special orders on short notice. Through committed personal relationships between our sales and marketing team and support staff, we are informed of our customers' needs and we respond and meet those needs with new 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, assistance in inventory control, and more, developing this insight and knowledge through our bespoke, market differentiating online tools and programmes.

We aim to help our customers serve their customers with memorable food experiences.

Authorities – proactive adoption and compliance in 35 different jurisdictions

Strengthening positive and constructive relationships with governments and other regulatory bodies is vital for us to proactively respond to regulatory and policy developments.

R1,2 billion paid in taxes
2020: R1,4 billion
(excluding associate income and capital items)

Effective tax rate of 27,1%
2020: 26,1%

Effective tax rate higher due to the change in the group's profit mix, dominated by Australasia, expected to return to an approximate 25% post-COVID

Publicly listed on JSE, meeting listing requirements
IFRS reporting standards upheld

Transformation:
– Bidcorp group Level 5 B-BBEE
– Achieved Bahrainisation Standard

Operating in more than 35 countries means different priorities apply to each region; B-BBEE imperative is unique to South Africa; local sourcing, food traceability and healthy eating, are regulatory issues in Australasia, UK, and much of Europe.

The government wage-related support programmes in many of the geographies in which we operate have been a significant enabler to our ability to retain and protect jobs across our foodservice operations.

Bidcorp is committed to the implementation of sustainable long-term transformation programmes:

Bidcorp Food Africa continues to invest significantly in its transformation journey. The impact of the preferential procurement requirements is a challenge, but we are investing in the development and transformation of our supply chain. People development is supported by training investment and support of programmes such as YES to identify employee candidates.

Bidcorp group is Level 5

- ✓ Bidfood South Africa: Level 3
- ✓ Crown Food Group: Level 8
- ✓ Chipkins-Puratos: Level 4

Click here for more info on the group website.

BME Saudi took a positive step towards gender equality by recruiting the first two women into the team. Bahrain achieved the "Bahrainisation Standard" by employing 50% locals within their team.

We launched a second successful year of the YES programme – bringing a new team of young candidates into the South African business. Bidfood South Africa annually takes on YES candidates, presenting each candidate with an opportunity to immerse themselves in the business and various aspects of its operations. Socio-economic development remains an area within which the Bidcorp Food Africa businesses excel, recognised for their efforts by far exceeding the expectations of the B-BBEE scorecard.

Strengthening Bidcorp's stakeholder relationships continued

Investors – confidently and sustainably growing long-term shareholder value

Through timeous relevant communications we keep our investors informed of our operational and financial performance, approach to capital allocation, sustainability, and how we maintain and grow shareholder value.

44 369 public shareholders Holding 99,96% of the 335,4 million shares in issue

Analysis of shareholding		Beneficial shareholders	
>1k shares	85%	South Africa	52%
>10k shares	13%	USA and Canada	21%
>100k shares	2%	United Kingdom	4%
>1m shares	0,7%	Europe	9%
Only 1 beneficial shareholder holding 3% or more		Rest of the world	14%

Geographical split

Dividend distribution of 400,0 cents
In line with the group dividend policy of 2,5 times headline earnings
Bidcorp has paid out R9,5 billion in dividends over the past six years

We build investor confidence by demonstrating our commitment to the highest standards of corporate governance.

Successful execution of Bidcorp's simple, stable strategy delivers
Bidcorp has followed a solid, stable long-term plan and has consistently communicated its progress to investors against clear objectives.
Bidcorp's headline earnings per share (HEPS) from continuing operations increased by 21,8% to 868,4 cents per share (2020 restated: 712,7 cents), with basic earnings per share (EPS) from continuing operations increasing by 112,6% to 924,6 cents per share (2020 restated: 434,9 cents).

Bidcorp has delivered a solid trading performance for the past financial year. This is impressive, considering the devastating economic and social impacts of the continuing COVID pandemic on the hospitality, tourism, and leisure industries globally. The excellent free cash flow has been driven by good asset management, some asset realisations, while exceptionally nimble trading has underpinned the pandemic-affected results."

Bernard Berson, Chief Executive Officer
June 30 2021

Engaging with our global team through:

- at least five formal engagements every year: two financial results presentations at half-year and year-end, two capital market strategic updates in Q1 and Q3, and one AGM
- participated in a number of international investor conferences
- regular meetings with investors, analysts, and fund managers through open periods
- direct engagement on proposed resolutions prior to and after the AGM
- engaged and accessible corporate office management team
- investor relations site facilitating ease of communications

Material issues raised:

- access to timely, accurate, transparent, and relevant information
- remuneration policy, tabled at 2020 AGM
- managements' response to the COVID pandemic
- long-term sustainability of the global hospitality sector
- competitor activity, market share spread, and opportunity for acquisitions
- understanding our business model, strategic direction, and profit drivers
- expanded disclosure on key environmental and social issues

Management's response to the concerns raised:

- no changes to the dividend policy, paid a cash dividend
- strong balance sheet to protect and position the group not only through potential economic downturn, but also to take advantage of the right opportunity when presented
- transparent and expanded disclosures in respect of material issues raised, such as tracking weekly sales, against pre-COVID levels
- responsible, practical, and implementable ESG practices in place
- ever improving non-financial disclosures
- robust shareholder engagement programme embarked on through December and January to understand and address concerns raised with regards to remuneration policy changes
- timeous relevant communications issued through JSE SENS to keep investors informed direct, transparent, regular engagement with investors, analysts and interested parties

Environmental sustainability



Committed to building a brighter future for a better tomorrow

Bidcorp is environmentally conscious and responsibly committed to doing our part in building a brighter future.



To remain ahead of the demand curve, we invest in assets with state-of-the-art sustainable capabilities, all designed to lessen our environmental impact and improve our operating efficiencies. Running our business in an environmentally sensible and waste-minimising manner is financially beneficial, as our returns demonstrate.

The Bidcorp board and global team acknowledges that we are a user of energy, we operate warehouses with refrigeration, and we operate fleets of vehicles delivering our products to our customers. Accordingly, investments of time and money, are focused on long-term sustainability and are getting the focus and attention of each of our management teams. Our initiatives in low emission, energy-efficient refrigeration, trucks, and particularly in warehousing, is significant and ongoing.

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



* 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.

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

Our governance of environmental sustainability

The Bidcorp board is responsible for ensuring the sustainable development of the group, championing the environmental sustainability drive across the group. The board approved 2025 target has ignited the management teams throughout the group to step up and make that target our reality.

Targets are achieved through the transparent, timeous, and robust reporting and monitoring processes in place. As such, the social and ethics committee has been delegated the board responsibility of oversight of all aspects of the group-wide sustainability initiatives, including the health and safety, food safety, ethical, social, and environmental impacts of our business. The audit and risk committee have a role to play as well, in the reporting of and engagement with management through the quarterly divisional audit and risk committee meetings, where this information is gathered and presented for review. Management provides insight and qualitative updates to the progress as reported, which includes plans in place to meet these targets. The oversight provided by these committees

enables risks and opportunities to be identified proactively and in an integrated way, for group consideration and decision making.

The board acknowledges that the strength of the group's strategy, the accurate and timely identification of material risks and opportunities, the effectiveness of the role of governance and risk management, its commitment to social and environmental sustainability, and its financial performance are all inseparable elements of long-term value creation.

During the year, the Bidcorp board undertook several discussions related to the environmental sustainability initiatives that could impact our ability to create and protect value for our stakeholders and debated the group's approach to effectively mitigating and embracing the opportunities presented. These discussions are reflected in the identified material risks and opportunities, the mitigation thereof, and where possible the growth opportunities for the group through the long-term strategy implementation, as unpacked in more detail on pages 37 to 42 .

Environmental sustainability



Best practice stories that set Bidfood apart

Bidfood NZ, Auckland South – Waste minimisation and recycling programme

Auckland South Branch believe that if they do their part within their business and in their community, they can contribute to a reduction in emissions and help protect the environment that we all live in.

Goal:

The ultimate end goal is to heavily reduce the Waste to Landfill through better utilisation of recycling. Prior to this project, the branch was generating approximately 6.5 tonnes of Waste to Landfill every month – the aim was to halve this by August 2021.

Implementation:

- EnviroWaste (waste supplier) conducted full waste management audit
- Rubbish stations and signage in warehouse, with colour coded lids on rubbish bins
- Continuous staff communications – driving awareness and education
- Reusable cups and drink bottles for staff – encourage & reward



- Maximising usage of the shrink wrap rolls, and reduced printing, less paper waste
- Reduced weekly skip bin collections

Championing this project was the general manager, assistant manager and shared services manager which raised the importance of this project.

Immediate Outcomes:

- ✓ In July 2021 we reported only 1.5 tonnes of Waste to Landfill
- ✓ Down to two skip bin collections per week

A transparent chain in a digital world

"Sustainable entrepreneurship has been an integral part of our business operations for many years. As Bidfood, we also commit ourselves to sustainability topics in which we as an organisation can make a difference. We do not do this alone, but together with our customers, our suppliers, and our sister companies."

Dick Slootweg, Chief Executive Bidfood Netherlands

The starting point of our sustainability policy is transparency. In the digital world, information is a given – people want to know what's on their plate and the food professional wants to know where it came from. The story behind a product, from origin to preparation method, says something about the quality. As an online marketplace for food professionals, our goal is to connect the chef, cook, and entrepreneur directly to the source of the best products. We provide our customers with insight into the product composition and origin of our entire range, because knowledge is necessary to be able to make a conscious choice.



Bidfood Netherlands has entered into a partnership with The Sustainability Consortium (TSC), with the aim of promoting transparency and sustainability among its suppliers. This helps us in our quest to achieve a fully transparent food chain. This is not an easy process, but through a process of interactive committed engagement with all stakeholders, this vision will become a reality.

Bidfood has committed to:

✓ Cage free eggs

We have committed to eliminating caged eggs from our supply chain by 2025 – commencing with the removal of caged eggs from our Own Brand label by 2023. Bidfood's cage-free policy sets a new standard for the foodservice industry.



✓ Responsible meat sourcing

We follow strict animal welfare guidelines when it comes to our range of meat. Suppliers are accredited by all major meat and livestock programs, ensuring best practice during transport and processing. Protein products that are ethically raised, treated and processed.



✓ Sustainable seafood sourcing

Bidfood has a sustainability-based approach when procuring seafood products, working in partnership with Global Aquaculture Alliance, Marine Stewardship Council and the Aquaculture Stewardship Council. We've been recipients of multiple MSC Sustainable Seafood Awards.



Celebrating our achievements

The decentralised approach extends to the 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 the group entities have even started to report their achievements within their own environments and details of these achievements are available on their websites:

Bidfood UK

Winner of the 2020 Planet Mark Award – Kindness is Contagious; Winner Chef's Choice Award – Vegan Plant-based Sausage; and many other awards recognising the achievements and progress made by the team in achieving the group's mission to build a brighter future.

For a full list of awards and the other significant projects and achievements by our UK team in their environmental sustainability programmes click here for the [Bidfood UK Environmental Report](#)

Bidfood Australia

Bidfood Australia has more than tripled the number of sites that utilise solar power from three sites in 2018 to 11 sites in 2021. The generation capacity of the solar systems ranges from 90 kWh at smaller sites up to 290 kWh at larger sites.

Proud to hold accreditation under the ISO: 14001 Environmental Management Standard.

Click here for the [Bidfood Australia Environmental Report](#)

Bidfood Belgium

Becoming a responsible company is a purely voluntary process. Since 2009, Bidfood Belgium has embarked on a vast sustainable development programme. More than a project, it is a daily attitude, a fundamental value.

Click here for the [Bidfood Belgium Environmental Report](#)

Bidfood Netherlands

Bidfood Netherlands' ambition is to achieve a CO₂ reduction of 30% by 2025 compared to 2015. We believe it is important to take our responsibility in achieving the climate goals that were signed in Paris at the end of 2015. Embracing alternative bio-fuel solutions for the fleet, Bidfood Netherlands is reducing the fuel related emissions produced.

Click here for the [Bidfood Netherlands Sustainability Update](#)

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



Next steps in our environmental sustainability journey

Climate change poses considerable challenges to developing a sustainable food system. We are working on a broad set of solutions and targets to reduce our impact, with a particular focus on energy, refrigerants, water, waste, and packaging. Through investment in our people, technology, the community, and environmental management, we aim to make a positive contribution to real sustainability.

Continuing to invest in modern and energy-efficient infrastructure is fundamental as Bidcorp continues to drive the minimisation of our environmental footprint as well as creating capacity to cater for future growth. Our decentralised structure helps mitigate risk through our geographical spread and economic diversification. Significant responsibility and accountability has been devolved to local management teams who are driven by sustainable ESG business practices and has integrated these functions into their business-as-usual deliverable, often setting them apart within their respective markets.

Bidcorp, as a diverse and geographically spread entity, recognises that group-wide environmental sustainability is a big challenge, although we are doing work individually in each business, the group focuses on these key priorities:

✓ Impact – Taking action to minimise our impact on climate change through reducing greenhouse gas emissions and food waste

✓ Responsibility – Demonstrating responsible consumption and production, especially in the areas of sustainable sourcing and minimising our plastics footprint

✓ Health and well-being – Supporting good health and well-being, in terms of both our employees and healthier food choices for our customers

✓ Partnerships – Working in partnership with other foodservice and industry organisations to support the outcomes of the UN's Sustainable Development Goals.

Environmental sustainability

Bidcorp is proud to report a 15% decrease in total carbon emissions this year.

Group's total carbon emissions reduced to 287 982 tCO₂e in 2021 (2020: 340 730 tCO₂e).

Every Division reported a total carbon emissions reduction:

- Australasia down 17%; contributing 24% of the group's total emissions
- UK down 15%; contributing 22% of the group's total emissions
- Europe down 14%; contributing 27% of the group's total emissions
- Emerging Markets down 16%; contributing 27% of the group's total emissions

Every Scope reported a carbon emissions reduction:

- Scope 1 down 10% – fuel and gas contributed 43% of the group's total emissions
- Scope 1+ down 33% – refrigeration contributed 10% of the group's total emissions
- Scope 2 down 16% – electricity contributed 43% of the group's total emissions
- Scope 3 down 14% – waste contributed 4% of the group's total emissions

Reduced activity levels across all regions as a result of COVID lockdowns did provide some respite in the emissions produced, but the reductions achieved this year were largely due to the concerted efforts, responsible investment, and focussed determination of each of our teams to address the climate change risks. Making a difference to building a brighter future.

SCOPE 1 EMISSIONS (tCO₂e)
(excl refrigerants and aircon gases)
125 444 10%
2020: 138 881

SCOPE 1+ EMISSIONS (tCO₂e)
(only refrigerants and aircon gases)
27 565 33%
2020: 41 268*

- Fuel consumption has decreased by 5% in 2021, a 7% decrease in the number of delivery vehicles in the fleet contributed, new vehicles acquired tend to be smaller, and all are more fuel-efficient contributing to this improvement
- COVID lockdowns, particularly the harsh lockdowns in the UK and Europe for a significant portion of the year, meant that there was a drop in the diesel and petrol consumption recorded
- Operations have begun to investigate ways to improve fuel efficiencies, including service levels adjustments, alternative fuels, and investing in electric trucks

SCOPE 2 EMISSIONS (tCO₂e)
124 307 16%
2020: 148 164



Significant investment in the solar panel installations will continue as we build energy-efficient sites around the world.

Scope 1: Fuel and gas	2021 Group	AUS %Δ	UK %Δ	EUROPE %Δ	EM %Δ
Fuel (kilolitres) 2020: 49 569	> 44 673	(5%)	(14%)	(14%)	0%
Gas (tonnes) 2020: 2 573	> 2 370	1%	(33%)	(7%)	6%
%Δ Scope 1	(10%)	(5%)	(14%)	(12%)	0%
Aircon gas (tonnes) 2020: 19*	> 14	(39%)	6%	13%	(42%)
%Δ Scope 1+	(33%)	(53%)	(11%)	21%	(50%)

Scope 2: Electricity – non-renewable grid supplied	2021 Group	AUS %Δ	UK %Δ	EUROPE %Δ	EM %Δ
Grid electricity (kWh) 2020: 295 147 908	> 277 092 525	(8%)	(9%)	(5%)	(3%)
%Δ Scope 2	(16%)	(22%)	(17%)	(20%)	(6%)
Non-grid electricity (kWh) 2020: 5 245 226	< 6 779 896	49%	(6%)	25%	–

- Grid electricity emissions in 2021 reduced by 16%
- Non-grid electricity generated by solar panels on site produced nearly 30% more power in 2021
- Reduced non-renewable electricity would have been influenced by the COVID lockdowns; however even during lockdown warehouses and cooling systems are required to continue to operate
- Australia, Belgium, and the Netherlands generated 77% of the group's total renewable energy
- New installations in the year on sites in New Zealand, Australia, and the Netherlands
- South Africa and Spain are planning their first solar installations, due to commence in 2022
- In Australia, solar installations were operational for the full year in Darwin, Colmslie, Cairns, and Bendigo, improving renewable power generated on site by nearly 50%
- All new builds are equipped with energy efficient, smart solutions, such as solar installations, LED lighting, natural light, and other green measures in the building design; many operations are also beginning to retro-fit existing sites with these energy saving solutions

* 2020 comparatives have been adjusted:

- Scope 1+: Poland identified an error in the way usage of aircon gas was calculated, disclosing the amount of gas on site as opposed to usage. This has been corrected in the current year and prior year comparative
- Scope 3: Spain identified a misallocation of waste between Waste recycled and Waste to landfill. This has been corrected in the current year and prior year comparative

TOTAL

CARBON EMISSIONS (tCO₂e)

287,982 15%

2020: 340 730*

AUS

69 543

17%

Refer page 50

UK

62 500

15%

Refer page 56

EUR

79 107

14%

Refer page 62

EM

76 832

16%

Refer page 68

For more information see divisional reviews.

Fuel and gas

Power

SCOPE 3 EMISSIONS (tCO₂e)
(excl refrigerants and aircon gases)

10 666 14%

2020: 12 417*



Cost control, recycling and reuse remains a priority, minimising packaging consumption and choosing biodegradable organically based materials where possible.

Scope 3: Waste

2021 Group

AUS %Δ

UK %Δ

EUROPE %Δ

EM %Δ

Waste recycled (tonnes)

2020: 19 965*

>

18 000

1%

(20%)

(6%)

(7%)

Waste to landfill (tonnes)

2020: 20 444*

>

17 511

(9%)

(39%)

(50%)

(17%)

%Δ Scope 3

(14%)

(9%)

(32%)

(47%)

(17%)

Food waste (tonnes)

2020: 3 689*

>

2 047

0%

(57%)

25%

(28%)

- Waste emissions, generated by Waste-to-Landfill and Waste recycling, reduced by 14% in the year
- Bidfresh UK was a significant contributor to the waste recorded by the group due to the nature of the fresh produce stocked; however with the combined impact of COVID lockdowns and the businesses right-sizing restructure during the year, activity levels were severely impacted and therefore directly impacted the amount of waste produced by operations in the year
- Similarly in Europe, the Spanish Guzman operations, also predominantly focused on fresh produce, was subject to a restructuring, and many branch closures; this combined with the COVID impact also meant less activity, less produce, and therefore less waste
- Emerging Markets, CFG implemented improved manufacturing processes, longer production runs, and better management of lot expiry; all of which improved upon the waste reported in the prior year

MUNICIPAL WATER

(kilolitres)

829 907 13%

2020: 957 270



Water towers, rain water tanks and recycling water for sanitary and cleaning purposes to reduce our consumption of water.

Water

2021 Group

AUS %Δ

UK %Δ

EUROPE %Δ

EM %Δ

Municipal water (kilolitres)

2020: 952 865

>

825 609

(32%)

(32%)

(13%)

16%

Other water (kilolitres)

2020: 4 405

>

4 298

0%

0%

(2%)

- Municipal water used has decreased by 13% in 2021, with Australasia and the UK both using 32% less water this year
- Reduced on site activity, fewer trucks on the road, and preparation of fresh produce diminished due to COVID restrictions, all contributed to the reduced water consumption recorded
- In Australia the closure of several branches has contributed to the lower usage
- Operations across the group are implementing water-wise practices and water saving devices to improve behaviour and personal awareness of water consumption
- Rainwater, borehole, and other non-municipal sources of water are being implemented for on-site non-consumable water usage, eg washing of trucks and pallets; measurement of this water used is unreliable and in some instances has not been measured

Low-carbon decision making across all activities of the Bidcorp business model is non-negotiable.

Through robust quarterly reporting, sharing best practices, and celebrating the successes, we are embedding environmental sustainability as a foundation stone within our culture.

Despite our achievements to date, we are not easing off. More than ever the determination to ensure we are delivering a demonstrable difference to our environment remains the focus of every Bidfood business around the world. The sustainability of our environment is a top priority.

Managing the impact of our global operations, our diverse supply chain, the many communities we engage with, and our natural environment in a sustainable way is essential to our success today and going forward. This is the reason that prioritising our sustainability programme across our whole business is a key group-wide mission – **Building a brighter future together**.

Building a brighter future



*Building
a brighter
future*



In Bidfood Netherlands, Groningen depot



**Renewable energy generation
using our solar panels**

NEXT UP:

Financial review and value creation response

Chief financial officer's review **32 – 35**

Bidcorp's value creation response **37 – 43**

Chief financial officer's report

Overview

More than at any other time in its relatively short history, Bidcorp's financial performance in 2021 proved the intrinsic strength of its structures and controls. Most importantly, our performance this year confirmed the resilience of our business model and our people.

In the previous year, severe COVID impacts affected our operations for three months; in 2021 we bore the brunt of such negative effects for the full 12 months.

Inevitably, our ability to trade again suffered under lockdowns and the restrictions on movement and eating away from home which our customers were forced to endure. In the face of lower activity, Bidcorp's performance on generating cash and managing its asset base was outstanding. And while we grappled with extreme volatility and uncertainty, the group moved to being, by year end, essentially ungeared, a salutary achievement which will stand us in great good stead as our markets begin to normalise and grow.

A particular disappointment was uncovering, in June 2021, a significant and sophisticated fraud that was being perpetrated in the Miumi division of our Angliss Greater China business. This fraud had been going on since about 2016 and involved the manipulation of accounts receivables and prepayments and the misappropriation of inventories. The result was that these balances had been progressively overstated over the past six years. Notwithstanding the ongoing forensic investigation, the group has taken a prudent view by impairing the full overstated amounts – although we remain confident of some future

recoveries from insurance, the perpetrators and other third parties involved – none of which has been accounted for. Unearthing this fraud led us to restate previous years' results.

Financial and operational performance

Net revenue of R114,8 billion (2020 restated: R120,6 billion) declined by 4,8% (9,2% in constant currency terms). Our financial strength during this period was key to us faring well and, in fact, gaining market share in most markets (although these gains are difficult to quantify accurately).

For most of the year our Australasian and Asian markets were less affected by the worst of the pandemic. In Europe and the UK, earlier optimism evaporated shortly after the 2020 northern-hemisphere summer, those markets only recovering in Q2 of calendar 2021.

On the back of lower revenue, headline earnings per share (HEPS) nevertheless increased by 21,8% to 868,4 cents per share (2020 restated: 712,7 cents), with basic earnings per share (EPS) from continuing operations growing by 112,6% to 924,6 cents per share (2020 restated: 434,9 cents). Currency volatility positively impacted the rand-translated HEPS by 8,2%.

Gross profit margins held up well throughout the year, benefiting from our greater mix of mostly higher-margin independent customers but diminished by heightened liquidation of stock – necessitated by sudden lockdowns – and a measure of margin being sacrificed to win new business.

Across our worldwide footprint, performance on managing costs under trying circumstances was encouraging. The group achieved some cost efficiencies, registering a 13,4% decline in constant currency operating costs against a decline in constant currency revenues of 9,2%. The overall cost of doing business decreased to 19,8% (2020 restated: 20,8%). No further significant COVID-related costs were incurred in the year.

Group EBITDA (earnings before interest, tax, depreciation and amortisation excluding IFRS 16) was R5,9 billion, a 11,6% improvement over restated 2020.

A key measure of the health of our underlying businesses, EBITDA, was positively impacted this year by the fact that we incurred minimal abnormal costs (in the previous years these amounted to some R1,5 billion). As a percentage of revenue, at 5,1% the EBITDA margin for the year was higher than that of 4,4% of restated 2020 but lower than the 6,1% of 2019.

In respect of the aforementioned Miumi fraud, the quantum of the impairments effected as a result of this six-year fraud were HK\$374 million (R694 million) with losses attributable to the 2021 financial year of HK\$60,9 million (R121 million) and HK\$47,5 million (R95 million) to 2020, the balance being attributed to the financial years prior to this. Accordingly, the 2020 financial results have been restated.

Standout achievements in a difficult year were our businesses' performance on generating cash and managing working capital.

Free cash flow from continuing operations was once again admirable, at R4,7 billion (2020: R2,7 billion – in itself nearly double that of the previous year). Cash generated from operations was R7,0 billion, similar to that generated in 2020.

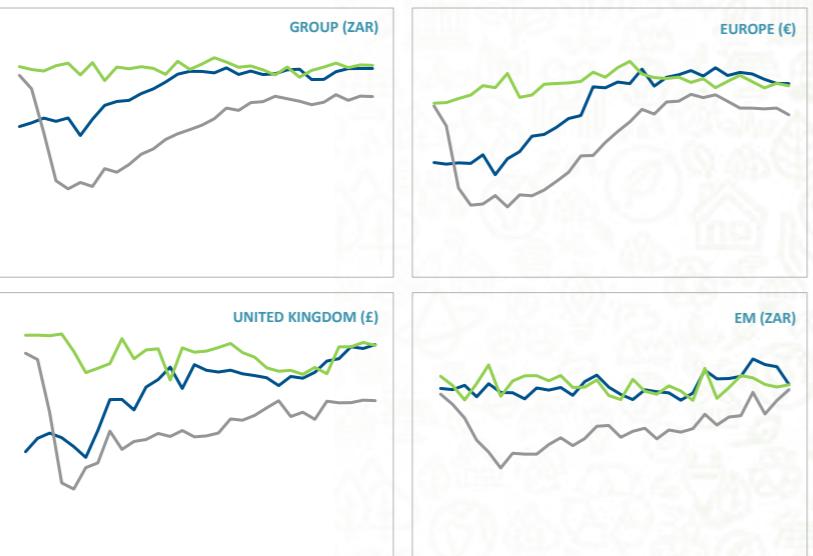
For the full year, average working capital days decreased from 14 to 7 days through excellent management of inventories, receivables and payables. The reduction in working capital days was achieved despite the considerable difficulties many customers experienced in 2021.

In 2021 gross investment in property, plant and equipment was R1,8 billion, down 33 % on 2020's R2,7 billion, the bulk of which had been committed before the scale of the pandemic became apparent. Capital expenditure this year was mostly stay-in-business maintenance capex.



These illustrations reflect the group's weekly sales in constant currency from March to September

— 2021 — 2020 — 2019



Bidcorp's balance sheet strength positions us to exploit multiple (mostly unforeseen) opportunities arising from COVID, to build our customer offerings and grow our market reach.

Chief financial officer's report

continued

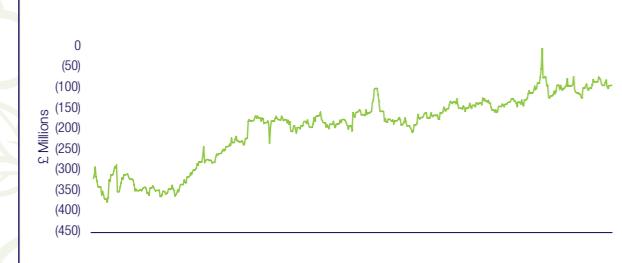
 Solid working capital management, coupled with the benefits of lower capital expenditure, supported a 2,4% drop in finance charges to R693,4 million. Pleasingly, non-IFRS 16 interest charges dropped by 12,1% demonstrating the real effects of our good cash flow management.

Debt and cash management

By June 30 2021 group non-IFRS 16 net debt had declined from R5,6 billion to R0,5 billion. In hard currencies, the movement was from £262 million to £25 million. This was achieved through concerted management actions.

Group cash flow evolution:

March 2020 – September 2021



 At year end the weighted average interest rate on foreign borrowings stood at 2,1%, the same as 2020 but below the 2,6% of 2019. This improvement buttressed our financial performance in the year and augurs well for our future ability to raise capital at competitive rates. While Bidcorp is not formally rated from a credit perspective, our internal assessment shows us to be well within the investment grade bucket, driven by our geographically diverse revenue streams and conservative leverage. Notably, our policy of borrowing in currencies denominated against the underlying assets in each jurisdiction continues to derisk our currency exposure, further strengthening our balance sheet.

 As is by now well known, Bidcorp has traditionally maintained conservative leverage levels of between 0,5 and one times net debt to EBITDA. We are by no means opposed to gearing but strongly believe that our conservative approach towards borrowing will underpin our ability to generate value for shareholders and to keep investing in our assets – manufactured, human and intellectual as well as in acquisitions, both organic and new territories – at a consistently sustainable and value-enhancing rate and quantum.

 We applied appropriate financial discipline to all business units and aspects of our operations throughout the year. This included managing the liquidity headroom that various managers were given – which enabled them to respond quickly to often unpredictable developments on the ground. The consequences of the COVID pandemic have made financial risk management within Bidcorp (and almost all companies) increasingly challenging. However, the robustness of our systems and financial management structures mitigated the heightened risk created by “being together yet apart” over the past 18 months. This situation may have contributed to the delayed detection of the Miumi fraud, albeit that deliberate collusive behaviour and management override in any environment make detection inherently difficult despite effective internal controls.

 Our extremely positive cash performance was also derived from a number of sale-and-leaseback transactions executed in the year. While the once-off positive headline capital profit booked in the year amounted to R740,5 million, these transactions were essentially about maximising our exit from end of useful life properties at a time of extremely low industrial property yields.

At year end, cash and cash equivalents amounted to R8,1 billion (June 2020: R7,0 billion). Bidcorp’s balance sheet strength positions us to exploit multiple (mostly unforeseen) opportunities arising from COVID, to build our customer offerings and grow our market reach.

Governance, audit and regulatory

The group and divisional audit and risk committees, chaired by independent non-executive director Mrs Helen Wiseman, perform an invaluable role in independently scrutinising our operations and their activities.

 When faced with issues of fraud, as was the case in the Miumi case, the instinctive reaction is often to overburden the business with additional governance requirements. We are engaged in a process of introspection over our internal controls and governance frameworks. However, an appropriate balance needs to be maintained between our entrepreneurial and decentralised model – and central control. For the most part, we believe that our balance is correct and the governance framework appropriate. The lack of face-to-face interaction due to difficulties of international travel requires heightened vigilance.

Our year-end audit was again largely conducted remotely, a difficult but workable solution driven by the consequences of the COVID pandemic and a solution which might provide a glimpse of how future audits will be conducted. Unfortunately, as a result of the Miumi fraud and the ongoing forensic work which had not been completed by the due date for reporting, we released our results a month later than usual and our external auditor, PwC issued a qualified audit opinion on the group due to their inability to obtain sufficient and appropriate evidence on both the quantity of the recorded Miumi loss and the allocation of this loss to the correct periods. While the basis for the opinion reached is understood, the reality is that the Miumi business is a small part of our Angliss Greater China activities and very small in the context of Bidcorp. More importantly, the vast majority of the group were subject to audits for the past financial year and recorded clean financial bills of health.

Appreciation

I salute the men and women of Bidcorp in all our teams across the world who once again, individually and collectively, delivered remarkable results. It is thanks to all these exceptional people, plus many other stakeholders including customers, suppliers, investors and lenders, that we ended a fraught year in a financially enviable position.

Outlook

We are by no means out of the COVID woods and our fortunes will continue to be tied to this terrible virus and its variants for some time to come. However, it is worth noting that trading volumes in most of our key markets showed encouraging signs of returning to more normal, pre-pandemic levels in the last weeks of our reporting period and into our first quarter of 2022. Inflation is reappearing in many of our markets, driven not only through the cost push of wage and utility cost increases, but also from food price inflation caused by supply chain dislocations. We are confident in our ability to manage our margins as we deal with the current environment.

We are enthusiastic about the growing international momentum towards decarbonising our planet. In our sector and our market segments, we are in a uniquely strong position to invest meaningfully in modern and technologically advanced infrastructure, equipment and processes that will not only let us create social and environmental value but also lower our costs and enhance shareholder value.

Across the world, unprecedented emergency government support and stimulus measures will soon begin to unwind – although the timing remains unclear. For a financially robust group such as ours, the opportunities to benefit in a post-COVID world are substantial.

 We embarked on our new financial year with headroom in uncommitted facilities and cash and cash equivalents of R15,5 billion. In addition, we raised a further revolving credit facility of €300 million in September. This “war chest” will allow us to act decisively to exploit new opportunities, in new markets, new products and solutions and to serve new customers.



David Cleasby
Chief financial officer



Bidfood truck delivers to hotel in Queenstown, New Zealand.

Highlights and summary of financials for 2021

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

	2021 Audited	Restated 2020 Audited	% change
R'000			
Revenue	114 803 442	120 574 182	(4,8)
Cost of revenue	(87 296 234)	(91 455 371)	4,5
Gross profit	27 507 208	29 118 811	(5,5)
Operating expenses	(22 719 556)	(25 051 650)	9,3
Trading profit	4 787 652	4 067 161	17,7
Share-based payment expense	(107 452)	(100 774)	
Acquisition costs	(6 151)	(1 968)	
Capital items	242 750	(923 687)	
Operating profit	4 916 799	3 040 732	61,7
Net finance costs	(693 400)	(710 263)	
Share of profit of associates and jointly controlled entities	29 904	6 448	
Profit before taxation	4 253 303	2 336 917	82,0
Taxation	(1 134 694)	(868 614)	(30,6)
Profit for the year from continuing operations	3 118 609	1 468 303	112,4
DISCONTINUED OPERATIONS			
Loss after taxation from discontinued operations		(331 578)	
Profit for the year	3 118 609	1 136 725	
Attributable to			
Shareholders of the company	3 088 860	1 121 428	
Non-controlling interests from continuing operations	29 749	15 297	
Continuing operations	3 118 609	1 136 725	174,4
Basic earnings per share (cents)	924,6	439,9	112,6
Headline earnings per share (cents)	868,4	712,7	21,8
Dividends per share (cents)	400,0	330,0	21,2

Salient features of the consolidated statement of cash flows for the year ended June 30

	2021 Audited	Restated 2020 Audited
R'000		
Cash flows from operating activities	5 823 001	3 928 340
Cash generated by operations before changes in working capital	7 027 875	7 094 325
Changes in working capital	632 312	1 279 812
Cash generated by operations	7 660 187	8 374 137
Finance charges paid	(654 585)	(677 897)
Taxation paid	(1 230 619)	(1 354 174)
Dividends paid	-	(2 213 668)
Net operating cash flows from discontinued operations	-	(280 741)
Cash effects of investment activities	(307 870)	(3 153 212)
Cash effects from financing activities	(3 761 408)	(912 235)
Net increase (decrease) in cash and cash equivalents	1 753 723	(137 107)
Cash and cash equivalents at beginning of the year	7 024 426	6 058 269
Exchange rate adjustment	(657 510)	1 103 264
Cash and cash equivalents at end of the year	8 120 639	7 024 426

Salient features of the consolidated statement of financial position as at June 30

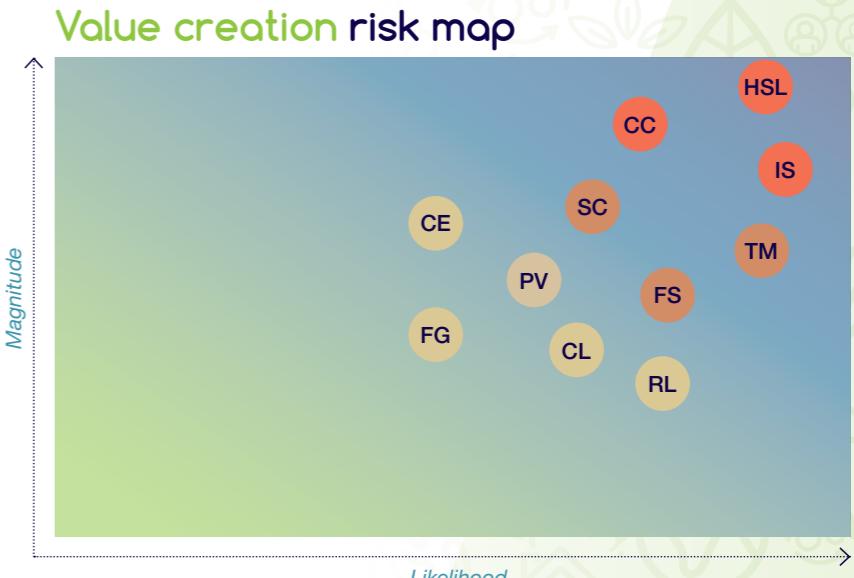
	2021 Audited	Restated 2020 Audited
R'000		
ASSETS		
Non-current assets	37 513 404	42 088 766
Current assets	31 696 619	28 841 167
Total assets	69 210 023	70 929 933
EQUITY AND LIABILITIES		
Capital and reserves	28 088 174	27 241 767
Non-current liabilities	11 512 934	16 000 901
Current liabilities	29 608 915	27 687 265
Total equity and liabilities	69 210 023	70 929 933
Net asset value per share (cents)	8 305	8 043



Bidcorp's value creation response

Unpacking the risks and embracing the opportunities

The Bidcorp board recognises that the strength of the Bidcorp strategy, the identification of material issues, the effectiveness of the risk management, its commitment to social and environmental sustainability and its financial performance are all inseparable elements of long-term value creation.



An outcome of the group's annual materiality review was the board agreed the material issues identified previously remain our key material issues. They are specifically related to our group strategy and are considered the significant inherent risks within the foodservice industry.

COVID has turned a human health crisis into an unprecedented economic disaster as a result of the ever-evolving government lockdown measures, restricting economic activity. The pandemic and all related consequences, has had, and will continue to have, a significant impact on the global economy, and as such on each of our operations, our suppliers, customers, and the communities that we serve.

The crisis has heightened a number of the group's existing material issues, which the group has responded to quickly and effectively, and will continue to do so.

Protecting the long-term sustainability of our customers, suppliers, employees, and our own operations remains key.

Bidcorp's material risks:

HSL Hospitality sector lockdown – page 38	SC Supply chain security and stability – page 39	CC Climate change – page 38	PV Macro political volatility – page 43
IS Information security – page 40	FS Food safety – page 39	CE Customer environment – page 41	CL Competitor landscape – page 40
TM Talent management – page 41	RL Regulatory landscape – page 42	FG Funding growth – page 42	

The board discussed these (and other) key issues and topics that could impact our ability to create value for our stakeholders. The material matters are unpacked over the next few pages, setting out Bidcorp's response to each in our value creation journey.

» Please turn to the next page.

Bidcorp's value creation response continued

Hospitality sector lockdown

What it may mean to us:

- Downturn in revenue as customers are closed or restricted from regular trade
- Inventory write offs due to sudden lockdown
- Customer closures and bad debts

2021 IMPACT
Unpredictable and significant impact

RISK TO VALUE CREATION
Significant Unpredictable

STAKEHOLDERS

CAPITALS

Risk to value creation
Unexpected, quickly implemented, market wide shut down of the hospitality industry is a phenomenon few could have anticipated. The impact of these shutdowns on the industry and all players within it has been a key area of management focus, developing responses and action plans necessary to keep activity levels continuing.

In response to the COVID pandemic authorities in the countries in which we operate have imposed mandatory closures with respect to travel, business operations, and public gatherings. These actions have severely impacted the entire economy, but especially the businesses and service providers within the hospitality sector including restaurants, hotels, airlines and cruise liners, and large-scale entertainment events.

In addition, some consumers are choosing to stay home due to the perceived risk of infection and health risk associated, which is adversely affecting demand in the office catering industry, including demand for our products and services.

Value creation opportunity

Lockdowns within the hospitality sector impacts the full supply chain and so we have used this time to strengthen relationships with our customers by ensuring those classified as essential services through lockdown receive the highest standards of service from us (such as the aged care, prisons, healthcare, education centres etc), we support those that are unable to trade with payment plans and guidance on reopening procedures, sanitising products and processes and creating a safe environment for all to trade, and further develop new opportunities that have been presented to us by the lockdown (such as home deliveries, QSR market and retail opportunities).

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

The lockdown enforced period has presented the opportunity for us to engage with our supply chain, sharing learnings and guidance on how best to return to service delivery, within the lockdown guidance. Providing information about hygiene practices and social distancing protocols, promoting vaccine programmes internally and externally, and the necessary products and tools to implement these protocols, within our own operation and for our suppliers and customers. We have also used the lockdown time to review internal processes, cutting the 'fat' and ensuring that we are ready, and lean to embrace the full market opportunity as restrictions are relaxed. We have upgraded our IT environments to be able to facilitate secure and efficient remote working environments, which has enabled us to protect jobs and equip our team to deliver the high customer service level standards we are known for.

Climate change

What it may mean to us:

- Lack of product availability
- Product pricing increases
- Losses incurred due to disaster
- Regulatory risks associated with environmental legislation compliance

2021 IMPACT
Increased focus on targets and reporting

RISK TO VALUE CREATION
Increasing, focus area

STAKEHOLDERS

CAPITALS

Risk to value creation
Extreme weather patterns and environmental degradation have the potential to significantly impact the entire food value chain, from production through to distribution and sales. Climate change and the related impacts may disrupt the availability of raw materials and food products, and pricing thereof, within our supply chain. To help mitigate those risks that threaten food systems in the long term, we explore opportunities to contribute to a circular economy, source environmentally sustainable commodities, and strive to reduce our climate impact across our business and food value chain.

Bidcorp, in the normal course of business, operates and maintains a significant fleet of vehicles (mostly used for delivery of product), we operate refrigeration systems both on site and within our vehicles, and manage the inherent risk of responsible disposal of food waste. Substantial costs may be incurred as a result of any violations of environmental laws or regulations, including fines or penalties and third-party claims for property damage and/or personal injury on the loss of revenue from consumers who chose not to trade with us.

Value creation opportunity

Bidcorp is committed to being a responsible corporate citizen, to reducing our impact on the environment, and to building the environmental sustainability of our operations. Bidcorp has committed to a target of a 25% reduction in group reported carbon emissions by 2025 (based on 2018 reported emissions on a like-for-like basis).

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

Robust disaster recovery plans are established in all businesses. In the event of business interruption, our in country decentralised network of smaller depots allows us to support our customers where our local operations have been impacted by adverse weather conditions, or other natural disasters, until normal operations resume. We have the appropriate global insurance policies in place to protect our assets and address business interruption risk. We are serious about the role we have to play in reducing our impact on climate change.

Unpacking the risks and embracing the opportunities

Food safety

What it may mean to us:

- Consumer illness
- Product recall
- Reputational damage
- Heightened regulatory scrutiny

2021 IMPACT
Ongoing focus but no significant change

RISK TO VALUE CREATION
Closely monitored

STAKEHOLDERS

CAPITALS

Risk to value creation
Inherent to the food industry is the risk of listeriosis and contaminations experienced from time-to-time. Food safety is of paramount importance to Bidfood and to our customers. It is our policy to exceed the minimum legal requirements to ensure our food products are always safe to consume. The quality assurance teams in all geographies are responsible for sourcing safe, legal, and quality food products, be they the brands found in every kitchen or the Bidfood brands specifically for the hospitality sector.

Own Brand products have either been contract manufactured and packaged in line with the highest standards of according to our highest specifications or processed in-house and packed in line with our customers' needs.

Product liability relating to defective products could materially adversely affect our results of operations and financial condition. Damage to our reputation and loss of brand equity could reduce demand for our products and services. Adverse publicity or legal action against us could damage our reputation, undermine our customers' confidence in us and reduce demand. Maintaining a good reputation and public confidence in the safety of the products we distribute is critical to our business.

Value creation opportunity

Our constant interaction with both suppliers and customers confirms the importance of having robust quality assurance processes in place and to offer traceability through a sustainable supply chain. Food safety is maintained by robust health and safety standards throughout our supply chain to mitigate the significant risks associated with unsafe food. Bidcorp has embraced this difficult environment to engage with our suppliers and customers, identifying opportunities to support consumers with the development of tools and support services to assist in understanding product source, ingredients, and detailing product and allergen information. The UK team has developed a "myRecipes and Menu Planning" tool, allowing customers to create and plan menus, providing clear and easy to understand allergen icons and nutritional data which is easily downloadable to create info compliant labels.

We are committed to transparent and prompt communications with stakeholders along the full supply chain, engaging food safety specialists to ensure the highest standards are implemented. We engage experienced production teams, with the knowledge and expertise to implement best practice food processing standards. Contract manufacturing quality assurance teams certify the manufacturing and processing plants where these products are packaged, meeting global quality control standards and our rigorous requirements.

Product recall processes are in place ensuring stricter protocols around customer contact and control of distributed stock, using internal IT systems to facilitate tracking and impact of product reach. We seek supplier contractual indemnification and have insurance coverage in place for Own Brand products supplied.

Supply chain security and stability

What it may mean to us:

- COVID-related ongoing / increased global supply chain disruptions
- Product pricing increases
- Lack of in-house manufacturing capacity
- Own Brand pressure on supply of product

2021 IMPACT
Significantly heightened due to COVID-related cross-border restrictions

RISK TO VALUE CREATION
Increasing, monitored

STAKEHOLDERS

CAPITALS

Risk to value creation
COVID has had a profound impact on the global economy with many businesses and consumers experiencing a material loss of earnings, alongside the significant cost of heightened health and safety standards and personal protection requirements. Many businesses have also experienced disruption to their operations due to increased staff absences and the need to follow robust sanitisation and employee isolation protocols.

Bidfood has worked closely with our supplier base to ensure steady production and distribution of products. Our inability to obtain adequate supplies of food and allied products and/or to timely provide our products and services to our customers, could have an adverse effect on our business, results of operations and financial condition, as our customers may turn to other distributors. Profit may be negatively affected by product cost volatility. Foodservice distribution is characterised by high inventory turnover at relatively low profit margins, product availability at the right quality, right quantity, and right price is our priority, but can't always be guaranteed.

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

We only engage with suppliers who meet our rigorous standards, respect our values and provide the transparency required of their offering. No single source of supply individually accounts as a significant supplier to any one Bidfood operation. We adopt a decentralised model where local purchasing decisions are based on the quality and price of the local product, and according to that business' customers needs. To meet the growing demand for locally sourced products, we focus efforts to source products from small to mid-sized local producers, within reach of our operations.

Our suppliers are required to meet globally recognised and certified best food and safety standards. Bidcorp conducts rigorous ad hoc supplier assessments to ensure compliance with food quality standards, as well as importantly, ensuring ethical workplace practices. We take responsibility for transparency and efficiency in our supply chain. Bidcorp Procurement Community (BPC) sources a diverse, high quality product range, which would serve as a disaster recovery plan should supply chain disruptions require alternate product supply, a key advantage of being a part of a global team.

Bidcorp's value creation response continued

IS Information security

What it may mean to us:

- Critical system downtime
- Financial loss from fraud, manipulation of data
- Cybersecurity attack, system disruption, ransomware Data privacy breach
- Third party liability exposure

2021 IMPACT
Significant efforts have been invested in the year to mitigate this risk

RISK TO VALUE CREATION
Increased but managed

STAKEHOLDERS

CAPITALS

Risk to value creation
Safe and secure online platforms, and group-wide secure IT environments are key to our success. We are heavily reliant on technology, embracing the efficiencies, insights, and improved service levels IT provides to effectively meet and exceed our customers' needs. We use software and other technology systems to generate orders, create depot efficiencies, load and route trucks, procure, and monitor and manage our business on a day-to-day basis. We use our ecommerce platform, CRM tools, social networking, and other online interactions to connect with each of our stakeholders. These systems and our use thereof are vulnerable to disruption from circumstances beyond our control.

COVID has introduced additional cybersecurity risks with our employees, contractors, and other corporate partners working remotely, and so we must increasingly rely on IT systems that are outside our direct control. These systems and our own are vulnerable to cyber-based attacks and security breaches. An increase in cyber-criminal activity was noted, with attacks on individual employees utilising interest in pandemic-related information in email scams designed to trick staff into transferring sensitive data or funds. To date, these cybersecurity attacks have not had a material impact on our systems, however, the potential consequences of a future cyber-attack remain.

Value creation opportunity
We continue to invest in and develop our proprietary ecommerce technology, CRM functionality and other technology all the while ensuring the implementation of best of breed cybersecurity, business continuity and disaster recovery planning. Our decentralised model ensures that we do not have global dependency on a single IT system but are locally independent. Business information security controls implemented include but are not limited to: malware protection; network security; penetration testing; incident management; disaster recovery planning and back-up strategies; IT general control audits; and periodic information security reviews. Insurance cover is in place to offset potential losses from certain cyber risks.

Global data privacy legislation developments have motivated increased security investment and measures to provide comfort and security to our stakeholders regarding the handling of personal data, the non-compliance of which could result in substantial fines, penalties or legal liability, and substantially tarnish our reputation.

Continuous vigilance in the face of potential exposure is at the heart of our cyber risk management programme. Ongoing training and awareness campaigns are implemented across the group to equip our teams with the information and tools to recognise and respond to a potential exposure.

CL Competitor landscape

What it may mean to us:

- Loss of supply chain buying power
- Margin erosion from competition
- Loss of market share resulting in lower revenues

2021 IMPACT
No significant impact to date but anticipating 'change' as the full economic impact of the pandemic plays out

RISK TO VALUE CREATION
Alert to economic opportunity

STAKEHOLDERS

CAPITALS

Risk to value creation
The foodservice industry is characterised by the many participants engaged in the supply of food and non-food products into the hospitality sector. Our customers have access to purchase products directly from wholesale or retail outlets, including cash & carry and grocery stores, online retailers, or negotiate prices directly with our suppliers. While we compete primarily with local and regional distributors, some distributors have created purchasing cooperatives and marketing groups to enhance their competitive advantage. Increasingly tech-focused delivery companies are targeting the foodservice market, initially in the business-to-consumer (B2C) space but potentially with an eye on the foodservice wholesale delivery model. Competition from these disruptive market entrants may threaten market share, however, the biggest threat is economic model, which allows continuous losses yet attracting large investment.

We believe that our principal competitive advantage in the foodservice industry is our ability to engage with our customers on locally relevant issues, meeting their ever-changing needs and our ability to deliver a wide range of quality products and related services on a timely and dependable basis at competitive prices.

Value creation opportunity
Bidcorp's current focus is to remain agile and responsive to the ever-developing "new normal" that is defining itself as we all progress through the COVID crisis. Not all players in the foodservice industry entered this crisis in the strong market position that Bidcorp did. Embracing market share gains as we identify and capture new market participants is ongoing. Market share gain potential may also be presented as competitors exit the market, not having the financial strength of Bidcorp.

Fundamental to our success is the strength of the real personal human connection we strive to develop with our customers which generates loyalty and appreciation for the personalised service excellence which sets us apart. We are focused on what we are good at, namely ensuring a shared passion among our stakeholders about food, service through product and pricing and easy-to-use, intuitive technological solutions to develop a mutually beneficial relationship.

We offer innovative, real-time engagement with our customers through our bespoke industry-leading ecommerce solutions. We are small enough to be agile and meet the most demanding requirements, but global enough to source even the most hard-to-find products. Each local Bidfood operation also has access to a global IP platform, enabling teams to present new culinary trends, unique product ranges and introduces a variety of cuisines, very cost efficiently.

Unpacking the risks and embracing the opportunities

CE Customer environment

What it may mean to us:

- Responsive and agile service
- Product range flexibility
- Fit-for-purpose infrastructure

2021 IMPACT
Heightened due to changing consumer trends during lockdowns

RISK TO VALUE CREATION
Changing; remain agile

STAKEHOLDERS

CAPITALS

Risk to value creation
Customer confidence remains low with many grappling with debt and escalating transport, energy, and other unforeseen costs. Consumer pressure has eased as global economies reopen; however, we expect customers to be under greater financial pressure over the short to medium term. Mandatory and voluntary containment measures in response to COVID have had a significant impact on the food-away-from-home market. Despite the quick rebound on economies reopening, many restaurants have closed, patron numbers still restricted, and many businesses, including theatres, sports events and other businesses to whom we provide products and services, have yet to rebound fully.

Bidfood internally has shared and applied these global learnings to engage, support, and assist our customers to navigate their way back to full operation. We typically do not enter into long-term customer agreements; therefore, our businesses have to be able to react quickly to changes in product pricing, customers changing product requirements, often anticipating them before our customers are aware themselves.

Value creation opportunity
Differentiation in the foodservice industry is achieved through ongoing close contact with customers, competitive pricing, with the ability to provide a broad basket of products and consistently delivering promptly and accurately. We are seeing excellent growth in our key, centre-of-plate protein product range, with which we have developed the concept of a core range of products, where supply and quality are consistent, and price variability is limited. This has introduced stability around a key portion of customers' food cost, and we have seen an excellent uptake of this offer and will continue to develop this. The same is true of the fresh produce category, where we have emphasised the balance between margin and sales growth. Manufacturing or processing remains the biggest opportunity for growth, providing products that are part-prepared, simplifying our customers food preparation processes.

Our market-leading ecommerce platform provides a comprehensive database, tracking trends in the overall foodservice environment and in particular changes in consumer preferences. This bespoke data insight has enabled Bidfood to provide customers with substitute product suggestions, product usage reports, menu-planning advice and food safety training, to proactively deal with the changing consumer landscape. Development and effective use of our ecommerce solution to track and anticipate customer orders, offering regular and quick deliveries, on a broad range of high-quality competitively priced products, positions us to be agile enough to proactively meet to our customers' needs.

Through intentionally, conveniently located warehousing, specifically enabling a faster, better last-mile response to customer orders, we differentiate ourselves on our last-mile service excellence offered.

Product recall processes are in place ensuring strict protocols around customer contact and control of distributed stock, using internal IT systems to facilitate tracking and impact of product reach. We seek supplier contractual indemnification and have in place insurance coverage for own products supplied.

TM Talent management

What it may mean to us:

- Shortage of labour resources due to border closures
- Interruptions, planned and unplanned, impacting service delivery
- Customer and supplier activity levels hampered due to resource constraints

2021 IMPACT
Significant due to travel restrictions, a key focus

RISK TO VALUE CREATION
Increased – significant

STAKEHOLDERS

CAPITALS

Risk to value creation
Labour retention, recruitment of the right skillsets and wage pressures are key drivers of our operating costs. Increased and pronounced scarcity of warehouse and driver shortages across Europe, the UK and Australasia persist and increase as the border restrictions remain and travel is severely limited. While cost management and efficiencies play a critical role, suitable and relevant incentivisation to retain and motivate our workforce remains a vital area of focus. The global changing dynamics of labour ensures management focus in attraction, retention, and motivation of the Bidcorp workforce. Any significant local labour disputes or work stoppages could have a material adverse effect on a particular business.

Bidfood operations could further be disrupted should our employees be diagnosed with COVID. If a significant percentage of our workforce is unable to work, due to illness, quarantine, limitations on travel or other government restrictions, our operations could be negatively impacted.

Bidcorp's model to operate sustainably depends largely on the experience and skills of its management team and their succession plan. Senior management departures or unavailability (due to death, injury, illness or other reasons) could adversely affect the local operations' ability to perform.

Value creation opportunity
Warehouse and driver availability and retention is a global issue but a local challenge. It is vital to recognise the importance of these roles and support them with tools and incentives to retain and enable the best possible performance. We continue to invest in innovative staff training programmes while providing incentives and positive work environments. With onboard tracking and monitoring systems we improve driver safety. Each management team is encouraged to grow and mentor high-potential individuals within their team to ensure strong succession plans exist.

Our priority remains ensuring a safe workplace for our staff through maintaining exceptional hygiene standards in line with local environment and jurisdiction guidance. Social distancing in the workplace remains an effective measure to contain the risk of infection spread. Operations are operating flexible shifts/small teams, under strict sanitisation protocols to prevent any potential risk of cross-contamination. Working remotely for most employees is not possible.

The hospitality sector, in particular the foodservice industry, has been hardest hit by lockdowns and we are committed to supporting and driving awareness programmes and campaigns to encourage everyone to be vaccinated. In many cases, our employees are at the front line of hospitality and have needed to be vaccinated.

Bidcorp's value creation response continued

FG **Funding growth**

What it may mean to us:

- Business slowdown due to financial instability
- Opportunity cost lost due to capacity constraints
- Limited access to funding at higher borrowing costs

2021 IMPACT
Well managed, ahead of the curve, positioned for growth

RISK TO VALUE CREATION
Effectively managed

STAKEHOLDERS

CAPITALS

FC NC

Risk to value creation

Bidcorp continues to operate a strong balance sheet, as was the case going into the COVID crisis, a strong position to be in as the group navigates the unpredictable and turbulent economic conditions aggravated by the COVID restrictions. The economic and trade restrictions on both local trade and internationally means that COVID has had and will continue to have an earnings impact on the group, placing the group's liquidity management as a top priority. A significant downgrade in our credit ratings or adverse conditions in the capital markets may increase the cost of borrowing for us or limit our access to capital.

Growth requires the successful integration of the acquisitions to fully realise the anticipated economic, operational, and other benefits and synergies in a timely manner. Integration of an acquired business may be more difficult in new geographies. A significant expansion of our business and operations, in terms of geography or magnitude, could strain our administrative and operational resources. Ineffective financial reporting and implemented within the newly acquired business could result in control weaknesses and/or failure in the internal control environment, heightening the threat and quantum of fraud risk.

Value creation opportunity

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.

Bidcorp continues to actively select and pursue opportunities to supplement organic growth with strategic acquisitions, both bolt-on and new country investments. These acquisitions present opportunities for growth and increases the scale of Bidcorp's operations. In line with the decentralised Bidcorp model, bolt-on acquisitions are managed and monitored by local management who are close to and understand their local markets. A global executive management team provides oversight of all transactions. We ensure full and proper due diligence is completed before any acquisition is finalised. We anticipate additional acquisitions and capital expansion in the future. Our finance team ensure that facilities are available ahead of the curve, in order to provide the liquidity required as opportunities or crises present themselves.

Growth requires that depots be large enough to be economically viable, yet small enough to ensure we remain agile and customer focused. Through timely strategic investment we are equipped and able to facilitate growth and capitalise on market opportunities as they arise.

RL Regulatory landscape

What it may mean to us:

- Reputational damage
- Loss of investor confidence
- Fines and penalties for non-compliance

Risk to value creation

Compliance is non-negotiable. We face a broad range of ever-changing legislative and regulatory requirements that are managed by each of our local teams, being positioned close to the specific and relevant authorities. However, the cost of compliance remains significant, and is ever increasing. Given the unpredictability of possible further regulatory changes, tax laws, compliance reporting requirements, and their potential interdependency, it is very difficult to predict the cumulative effect of these regulations on the results of our operations and the respective cash flow. Impacts are likely to be localised as opposed to groupwide.

The scale of the COVID pandemic meant that the regulatory environment was thrown into an unprecedented and unpredictable storm as regulators and governments across the world looked to introduce emergency regulations and policies to manage the impact of the pandemic on lives and livelihoods.

Governments around the world have guided that restrictive measures will be adjusted as appropriate, in response to any acceleration or concentration in the spread of the disease.

Bidcorp believes that the worst of the COVID crisis is behind the group, however, significant uncertainty persists as to the speed and depth of the economic recovery in the jurisdictions in which the group operates.

2021 IMPACT
Cost of compliance continues to increase

RISK TO VALUE CREATION
Ever increasing

STAKEHOLDERS

CAPITALS

FC SC

Value creation opportunity

We invest in assurance teams, compliance tools, and engage outsourced professionals to guide and direct us in our efforts to promote the highest levels of ethical compliance and independent assurance with regards to our food quality and health and safety standards in the market.

Entity level appropriate policies, systems, procedures, and reporting is in place. Appointment of skilled technical resources and consultation with subject matter experts where required ensures that Bidcorp is operating within the legal and regulatory boundaries in each geography globally.

A group-wide code of ethics is in place, quarterly assurance processes to confirm awareness and compliance to the non-negotiable standards set. An independently managed, globally accessible whistleblower facility is in place, with communication plans in place to ensure all stakeholders are aware of and guided on use thereof. Reports are addressed at the highest level of management and closed out. Quarterly reporting of all material non-compliances in the internal financial and operating controls environment is mandated, including signed management representations by each business' chief executive and finance director is monitored by the divisional audit and risk committees.

Unpacking the risks and embracing the opportunities

PV **Macro political volatility**

What it may mean to us:

- Some exposure to political, economic, social conditions
- Potential business slowdown due to financial instability, trade restrictions, imposition of tariffs, and volatility in exchange rates
- Limited adverse impact on financial performance

2021 IMPACT
Ongoing, but heightened by the additional economic strains due to pandemic

RISK TO VALUE CREATION
Closely monitored

STAKEHOLDERS

CAPITALS

HC SC

Risk to value creation

Bidcorp is a geographically diverse business exposed to the global economic environment instabilities. Political instability is unpredictable and can present suddenly, with significant impact. These unforeseeable upheavals can potentially disrupt normal business operations materially. Global economic uncertainty resulting from the COVID-related restrictions, 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 alter consumer confidence, behaviour, and spending patterns, this could adversely affect the economies and financial markets of many countries, resulting in an economic downturn. We remain alert to and aware of these developments.

Business sentiment to political upheavals such as Brexit generally appears to be more cautious than the average consumer sentiment. Through our globally diverse, decentralised footprint, although exposed to high-risk macro environments, local teams continue to manage their local environments and drive growth in each of their markets. We continue to keep a close watch on political volatility, within the ambit of what we can control, we remain agile in our response, mitigating this risk through our decentralised independent operational structure.

Value creation opportunity

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

Brexit was managed, and the impact mitigated to minimise any service level risk to our customers. The process so far has been well managed, and although some supply and employee challenges have presented, each has been addressed and a process to effectively resolve these teething issues is in place.

Political strife in South Africa has had an impact on our local operations, aggravated by the extensive and long standing COVID restrictions bringing trade activity and the local economy to a halt. The devastation following the civil unrest in July 2021 incidents will be recovered through insurance claims, but the long-term impact of these unrest incidents is yet to be fully understood or quantified. Political upheavals in other emerging market jurisdictions are evident and our teams are well equipped to respond calmly and sagely, implementing practical solutions to operate within the confines of their respective challenges.

We are saddened by the death of our employees succumbing to coronavirus.

Our sympathies go out to their families, friends and colleagues.

Shaun Naidoo
Bidfood SA

Carolyn Sharples
Bidfood UK

William Petersen
Crown Food

Ahmed Essakage
Bidcorp Food Africa

Rajpaul Haripaul
Bidfood SA

Rajinder Singh
Bidfood UK

Denzyl Petersen
Crown Food

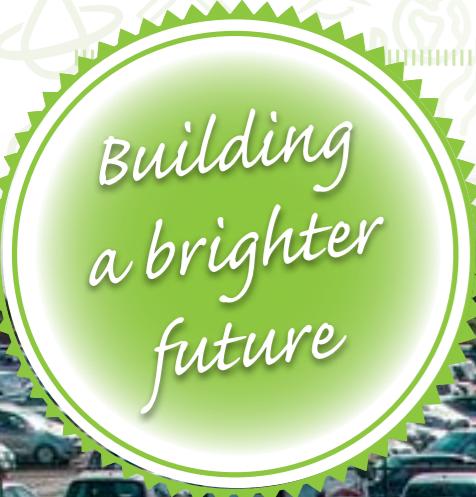
Bidfood pays tribute

42

Bid Corporation Limited | Annual integrated report 2021

43

Bid Corporation Limited | Annual integrated report 2021



*Building
a brighter
future*



In New Zealand, Bidfood South Auckland

Bidfood facilitates global waste improvement by supplying packaging ranges that can easily be composted commercially or recycled. Improving waste initiatives such as biomethanation of solid waste, driving internal waste recycling targets, or even adjusting processes to gain efficiencies have delivered positive steps towards reaching our goal. Teams have engaged with external waste management third parties to maximise efficiencies in the pursuit of effective waste management; and great progress has been made within the first year. Rollout of these programmes across the group is now underway.

Waste reduction is a non-negotiable in the net-zero arsenal

In New Zealand, Bidfood South Auckland



In South Africa, CFG Okram recycling



In United Kingdom, Bidfresh

NEXT UP:

Operational reviews

Bidfood Australasia	46 – 51
Bidfood United Kingdom	52 – 57
Bidfood Europe	58 – 63
Bidfood Emerging Markets	64 – 69
Bidcorp Corporate	70 – 71

Bidfood Australasia

Bidfood Australia and Bidfood New Zealand make up the Bidfood Australasia division, acquired into the group over 20 years ago, in 1995 and 2000 respectively, offering a full end-to-end national foodservice.

Australia's corporate offices are located in Sydney, Brisbane and Adelaide and we operate 40 foodservice distribution facilities and four processing facilities, as well as an imports division that sources product from around the world. Bidfood offers the most comprehensive range of products and services to the Australian foodservice market. Australia employs more than 2 203 people, providing a wealth of experience which, when combined with their passion and commitment, truly set Bidfood apart from its competitors.

New Zealand's national reach stretches from Whangarei to Invercargill, with over 2 010 staff operating from distribution centres and processing facilities in 17 regional locations. Once you know who NZ is, it can be hard to avoid seeing us wherever you are around the country, with our trucks on the road every day delivering some of our range of different products to customers across both islands.

Our vision is to provide everything our customers need to produce culinary magic and realise their vision on the plate.

Bidfood's strategy remains to create value by focusing on supplying the right product to the customer, at the right price and on time. The management and staff are all passionate about service and entrenching Bidfood's position as the leading foodservice distributor across Australasia.

Our chief executives

Rachel Ruggiero
Bidfood Australia

Phil Struckmann
Bidfood New Zealand

66

While it is a difficult time to run a business and focus on much else but COVID and its effect on the economy we should all take comfort in the fact that we have a great business that seems to be able to bounce back quickly when restrictions ease. It is frustrating as many projects and opportunities are being put on hold while we sit out more lockdowns. However, the vaccination rollout is ramping up and there is a road map to recovery, and we need to focus on that.

99

Rachel Ruggiero
CEO, Bidfood Australia

Bidfood aims to:

- Empower our employees with the training, the authority and the responsibility to enable them to achieve their targets
- Enable employees to realise their potential through training and development of their skills
- Create a culture on non-discriminatory employment practices and the promotion of employees
- To create a safe and productive work environment

Employee conduct and ethics

We have strict HR policies and standards in place to ensure compliance with legislation and fundamental rights at work including: freedom of association; dignity at work; and prevention of discrimination throughout employment.

We have in place a comprehensive code of conduct which includes fairness; non-discriminatory reporting; respect for human dignity and human rights; social justice; health and safety; and ethics.



New Zealand are proud to announce that our driver, Howie Clare, has won EROAD's Driver Award for 2021. Howie, who is based in the Hawke's Bay region, maintained a constant score throughout the 1st Quarter of the year, as well as driving the furthest distance.



HC

Human capital

Total employees

4 213 ↑ 3%

2020: 4 095

Male employees

3 031 ↑ 1%

2020: 2 991

Fatalities

Zero

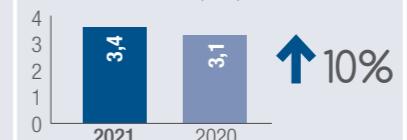
for the past five years

Female employees

1 182 ↑ 7%

2020: 1 104

PAYROLL SPEND (Rbn)



Employee training spend

R3.7m

2020: R2.1m

66

We believe in empowering people, building relationships and improving lives. Entrepreneurship, incentivisation, decentralised management and communication are the keys.

99

BIDFOOD SUPPORTS COVID-19 VACCINATION

Getting vaccinated protects our team, customers, community.



New Zealand vaccine rollout

Efforts to support the COVID vaccination rollout nationally are a priority, and an internal rewards programme has been established, incentivising our teams to get vaccinated in Australia.

66

It certainly has been another unusual year, with every good result tempered by the lingering risk of another lockdown. But as was the case last year, the staff of Bidfood have been outstanding in their response – quick to adapt to challenges, and even quicker to respond to the opportunities that presented themselves. I would like to thank each and every one of the 2,200 people who made this year's result possible who provided the good humour and clarity of vision required to not only steer the business through some difficult times, but also to recognise and grab the opportunities that emerged along the way.

99
Phil Struckmann
CEO, Bidfood New Zealand

FC Financial capital

Revenue	Trading profit
R33,0bn ↑ 14%	R2,5bn ↑ 29%
2020: R29,0bn	2020: R1,9bn

Revenue growth of 13,9% to R33,0 billion (2020: R29,0 billion) and trading profit increase of 29,4% to R2,5 billion (2020: R1,9 billion) were extremely pleasing. Both businesses were able to trade through most of 2021, with COVID restrictions mostly impacting international travel and intermittent regional shutdowns. Management's commitment to supporting customers and ensuring ongoing high service levels were rewarded with market share gains.

Australia has performed well despite the numerous regional lockdowns. Revenue for 2021 is approximately 102% of prior year levels and 90% of 2019 levels, with trading margins much in line with the prior year. Focused management of gross margin and overhead expenses, contributed to a great 2021 finish. July has seen Australia plunged into strict lockdowns in many regions and a bumpy time is expected into the start of 2022.

New Zealand recorded excellent results with full year sales near 2019 levels, despite regional lockdowns impacting activity levels. Trading margins surpassed those of 2019, which resulted in a great result.

Expense management has been challenging with utility cost and food inflation increases and global supply chain disruptions restricting key commodity imports. Difficulties in staff resourcing, especially in warehouse and driver roles, have significantly driven up our wage bill. Customers are placing increased pressure on product pricing with food input cost containment a focus area across all areas of the business.

Many sales categories did not return to pre-COVID days, like shipping, major sporting events and festivals. There has also been no international tourism and domestic travel has been limited due to border closures.

It must be stated that in those parts of the country that were free of COVID, those branches performed extremely well. It is hard to quantify but the general feel is that we are gaining market share. We continue to see various lockdowns and border closures as the authorities respond to COVID outbreaks. This will be the 'new normal' until the vaccine programme has been rolled out.

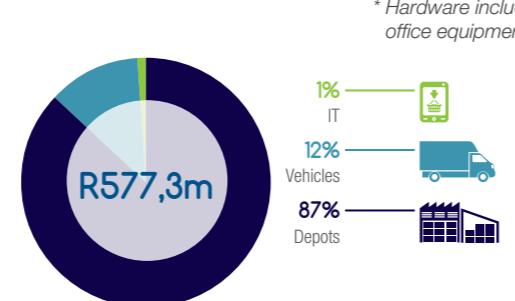


MC Manufactured capital

Depots (m ²)	Vehicles (#)
297 961 ↓ 6%	1 106 ↓ 8%
2020: 317 066	2020: 1 200

Investment in IT
R19,0m ↓ 63%
2020: R51,0m

* Hardware includes IT and office equipment



Bidfood Australia has invested in significant future capex projects to position the business well once markets are fully reopened. With circa 12 properties under substantial development in the next few years, management have ensured that the business is adequately equipped to meet its current growth forecast.

The Australian property portfolio recorded profit for the full year, booking abnormal gains of more than A\$58 million from the strategic exit of the end-of-useful life properties through sale and leaseback disposals.

New Zealand's entry into processing and light manufacturing operations started with the 2011 acquisition of Raeward Fresh in Christchurch, since expanded through acquisition and greenfields investment to four specialist processing operations in Auckland and Christchurch.

The growth of the **New Zealand** business over the past few years has seen a number of our branches move out of older, leased sites, into new purpose-built distribution centres (DC), which are owned by Bidfood. Rents on owned properties are set at market rates, with a full market valuation done every 5 years, and CPI increases applied in every other year.

Investment in fixed assets was just more than NZ\$30 million for the year, with more than half of this relating to land purchases – in Wellington for the new Foodservice DC (purchased June 2018), and a new Imports DC in Auckland. The Christchurch Foodservice business has moved into the new site, allowing us to clean and

renovate the existing site, before moving Logistics into that building. This has freed up the Logistics building to be used by Imports, creating extra capacity and reducing our reliance on 3PL providers.

An initial assessment of the Imports site has been completed. This focused on the varying types of warehouse automation technology available and assessed the value of these relative to the cost for our planned operation. As attractive as these projects look in theory, the assessment showed quite clearly that even our more optimistic volume forecasts simply do not warrant the investment required, although we will be looking to design the warehouse layout in a manner which will allow us to retrofit some of this automation at a later stage, should the metrics change sufficiently.

In May **Australia** acquired the Craven in Bunbury WA foodservice giving us additional regional capability.

As part of the Auckland-based inner-city initiative project to create a zero emissions area, **New Zealand** have invested in a new EV truck for the fleet at Auckland South.

IC Intellectual capital

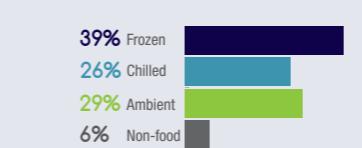
CUSTOMERS (#)
46 609 ↑ 14%
2020: 40 820

Customer mix 2021



Product SKUs (#)
82 119 ↓ 5%
2020: 86 141

Product mix 2021



Own Brand

18%
2020: 17%



Suppliers (#)

4 293 ↓ 9%
2020: 4 692*

Foreign suppliers

make up
11% of purchases
2020: 11%

Innovative solutions launched in Australia such as: Gulp – liquor range magazine, New Choice Cut meat range, Annual festive campaign, New look and format Loyalty Rewards programme, New company brand style, Gluten Free Foodservice guide



Bidfood exhibits at **New Zealand's** largest industry food event – Fine Foods, held every two years, with over 6000 attendees across three days.

Australia is the preferred supply partner for over 30 000 customers operating across sectors such as education, healthcare, hotels, pubs, restaurants, contract catering, and leisure sites. The comprehensive product range includes the best of Own Brand and leading foodservice brands, everything from store-cupboard ingredients to ready-to-serve solutions, frozen and chilled food. Also on offer is a comprehensive range of carefully selected wines, beers, ciders and spirits, as well as quality catering equipment and supplies, including cutlery, cookware, cleaning and disposables.

New Zealand embraced the brief opening of the trans-Tasman bubble and experienced the speed and significance of the potential activity levels to come once markets reopen. Core market growth is evident in all areas including our centre-of-plate-protein offering, where consistent supply and product quality at minimal price variability, has been very well received by our customers. Light manufacturing of value-add product is being actively pursued across the region.

Foodservice finished the year ahead of 2019 results, a fantastic achievement benefiting from converting customers to our imported Own Brand range. Significant service and labour efficiencies were implemented to offset the increased employment costs. Inter-branch management of sales was a key cost management technique that delivered good results across the business. Navigating the staff shortages remain top of mind.

We're committed to working with our suppliers to operate ethically and to build greater transparency within our supply chains.

Launch of the Customer Portal – self service options for customer to drill down into the details of their purchase history.

Bidfood Home is here to support all those who need to #stayhome and #staysafe. We can get all your essential food, beverages & kitchen supplies delivered directly to you.

Australasia

NC Natural capital

Fuel and gas

SCOPE 1 EMISSIONS (tCO₂e)
(excl refrigerants and aircon gases)

25 229  5%
2020: 26 543

Fuel: The impact of the COVID shutdowns is still reflected in the decreased vehicle use, moreover the price of fuel has decreased. The resulting negative impact on sales activity lead to a reduction in fuel usage as delivery

Power

SCOPE 2 EMISSIONS (tCO₂e)

32 948  22%
2020: 42 480

Australia solar production has increased in megawatt hours by nearly 50% year-on-year to June 2021, with Darwin, Colmslie, Cairns, and Bendigo solar systems operational from Q1 2021 compared to last year. New, more efficient, warehouses have been opened at Cairns and Dandenong during the year, with the closure of several previously inefficient branches has reduced overall non-renewable energy consumption. This growth rate is expected to continue in 2022 with the installation of the solar array at John Lewis Foodservice in Adelaide and the

Waste

SCOPE 3 EMISSIONS (tCO₂e)

8 823  9%
2020: 9 644

The closure of several sites across Australia, and the subsequent clean-up over the past year lead to positive decreases in wastage recorded. Waste produced by the Australian distribution

**DIVISIONS TOTAL
CARBON EMISSIONS (tCO₂e)**
69 543  17%
2020: 84 090

SCOPE 1+ EMISSIONS (tCO₂e) (only refrigerants and aircon gases)

2 543  53%
2020: 5 423

volumes fell. Since then, branches have reviewed their service levels (including removal of Sunday deliveries) in an ongoing effort to reduce costs as a result of reduced sales levels.

Gas: Closure of several branches has also contributed to lower usage. LPG usage is much lower due to the disposal

of the fresh division that used primarily LPG forklifts.

Aircon gas: New sites are built with more efficient refrigeration systems and with low-charge ammonia replacing older refrigeration systems. Coupled with the closure of several branches, this has reduced our overall gas usage.

Overall use of refrigerant gases in current year was consistent but to note the current year includes ~100kg of Ammonia used in the new Christchurch Foodservice site, while prior year includes a similar volume of R404a at the Christchurch Butchery site due to an unplanned leak.



Newcastle warehouse planned for use by December 2021.

Energy availability continues to be a key risk that has management's full attention. To address this we have invested in four mobile generators, placed strategically to ensure rapid deployment in Queensland, Victoria, New South Wales, and South Australia. New sites are being constructed with permanent on-site backup generators and nearly all new sites have solar power generation installations. Where possible excess energy production is fed back to the grid to help alleviate costs. We have even commenced the retrofitting of existing sites with solar panels.

For all new sites, Australia has committed to solar panel installations, and efficient refrigeration and lighting solutions.

New Zealand did see an increase in electricity consumption due to the additional sites opened during the year. Onsite electricity is being generated at the Hobsonville site, opened in the prior year, reporting energy generation since January 2020. We are now able to monitor the benefits over full annual cycle with generation significantly higher in the summer months.



centres is mostly packaging waste and food waste.

Since 2018, Bidfood has produced 3% less waste due to the encouragement of operations to reduce and reuse.

Water

MUNICIPAL WATER (kilolitres)

207 602  32%
2020: 303 753

Australia has reduced their water consumption following the closure of several branches.

New Zealand installed microwave thawing solutions in Christchurch reducing the water used for thawing previously.



SC

Social and relationship capital



Bidfood fully accepts the responsibility that comes with being a leading business within your operating territory. With a focus on both the foodservice industry and the wider community, we aim to make a meaningful contribution.

Daniel Morcombe Foundation

Australia participated in the 'Day for Daniel' fundraiser, as has now become an annual highlight for the team, and together we raised another A\$50 000 for the Morcombe Foundation.



This is our 10th year involved with this foundation and so far we have raised over A\$600 000 for this charity.

Bidfood has gone the extra mile to ensure essential service customers have everything they need during the challenging COVID pandemic lockdowns.

Bidfood recognises that it is an integral part of the communities and environment in which it operates. We aim to:

- Fulfil our obligations to the environment and communities within which we operate
- Be a respected member of those communities
- Be an employer of choice

New Zealand is very proud to have contributed over NZ\$1 million to date, which helps support 127 schools in 8 regions across New Zealand (Marlborough, Bay of Plenty, Far North, Wellington, Canterbury, Southland, Auckland, Hawkes Bay), impacting over 23,641 students.

Wellington branch sent trucks of food in March 2021 to feed more than 300 school children seeking safety on a Whangarei hilltop, easing the hunger pains of Morningside Primary School and Renew School Whangarei pupils who evacuated to Anzac Park in Raumanga after the tsunami alert sounded.



Great to see the Auckland South team coming together to support Auckland University of Technology (AUT) during these challenging times. We've been working closely with the team at AUT's student accommodation this lockdown, as they were faced with the challenge of providing contactless catering to over 300 of their residents.

Our Own Brand team in Christchurch are proud to support Bishop Julius in their effort to reduce waste and promote sustainability by supplying these reusable lunch bags. Each student will receive a bag in their Bishop Julius welcome package – keeping their lunches fresh and tasty throughout the year



 Click here for the **Bidfood Australia Environmental Report**

Graeme Dingle Foundation

For over 12 years, **New Zealand** has partnered with the Graeme Dingle Foundation – an organisation dedicated to helping kiwi kids build resilience, self-belief and life skills that empower them to succeed and overcome life's obstacles. The Graeme Dingle Foundation has a vision for 'New Zealand to be the best place in the world for children to grow up', an aspirational goal which we are committed to supporting as a long-term partner.



Kaivolution

Kaivolution rescues edible food from being needlessly thrown away and redistributes to charities, community centres and through the Kaivolution Freestore. New Zealand Hamilton has been involved with Kaivolution right from the start. In their first five years, more than 700 tonnes of food, destined for landfill yet still edible was rescued. Food that's good enough to eat, but not good enough to sell is picked up, sorted and redistributed to communities. The environmental impact is significant yet it's the social benefit that cannot be underestimated. Every month Kaivolution distributes to 80 charities and community organisations to provide access to free food for over 2 500 individuals.



"The food we divert from landfill each month reduces greenhouse gas emissions by 32 000 kg per month – the equivalent of 126 000 km travelled by car". – Kaivolution



Bidfood UK is one of the UK's leading foodservice providers, acquired into the group in 1999, and for more than 20 years has been at the forefront of foodservice in the UK. With a depot network of 24 sites spanning the country from Worthing on the south coast to Oban in Scotland we provide a truly local presence, both in terms of service, products, employment, and community engagement. Our multi-temperature supply chain gives our customers full consolidation of frozen, ambient, and chilled products on the same delivery, making their lives easier.

We share our customers' passion for great food.

Bidfresh, previously known as Seafood Holdings, was acquired in 2011 supplying fresh produce, fish, meat and dairy products to chefs throughout the UK, from specialist businesses local to the customer. Bidfresh has a national footprint made up of 11 specialist fish businesses, and a national brand "Direct Seafood" delivering across the UK; meat specialists are located in Scotland and Southern England and through our delivery network deliver nationally; greengrocers that are able to deliver each day, to caterers around England, Scotland and Wales; and dairy offering in Henson, Oliver Kay, and Noones positioned around the country, all supply dairy lines along with commodity cheeses to the whole of the UK.

The government furlough programme contributed to job retention across the Foodservice operations, however some rightsizing of the specialist businesses did mean that there was a reduction in headcount. Staff motivation levels and commitment remains high, as reflected in internal survey results.



Bidfood UK, driver recruitment.



Our chief executives

Andrew Selleys
Bidfood UK

Brian Hall
Bidfresh

66 We're proud to be joining the Better Business Act coalition alongside some iconic leaders across the UK who share our passion and determination to create a cleaner, greener and fairer future for all. We believe that it's crucial for every business to play its part in not only shaping our future but protecting it too. We plan to work closely with the coalition to help it grow, through putting our people, and the planet, at the heart of our plans to deliver sustainable profits.

Andrew Selleys
CEO, Bidfood UK

99

Bidfresh has invested in training of butchers and filletters in the meat and seafood divisions to overcome the acute staff shortages of these skillsets. The admin and back-office functions have now been fully integrated into the Foodservice operation, presenting significant cost reductions and efficiency gains, but has meant that job losses were recorded in the year.

In the UK, many industries have experienced a shortage of drivers. Industry sources estimate a shortage of more than 75 000 drivers, with the impact felt right across the supply chain, and in retail as well as wholesale and foodservice. As a result of these exceptional circumstances **Bidfood UK** have had to be agile, challenge our ways of working and adapt our operations rapidly to provide the best possible service to customers. We have run an extensive recruitment and retention programme, partly through advertising on social media channels in addition to using more traditional approaches. These initiatives have been successful, helping to close the gap for Bidfood.

HC

Human capital



Total employees

5 753 ↓ 15%

2020: 6 807

Male employees

4 445 ↓ 14%

2020: 5 172

Female employees

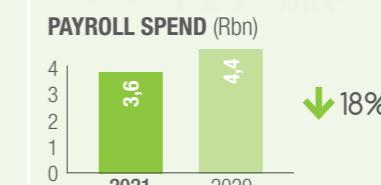
1 308 ↓ 20%

2020: 1 635

Fatalities

Zero

for the past five years



Employee training spend

R4.3m

2020: R4.0m

66

Having the best team is a key ingredient in our recipe for success

99

Bidfood UK have also launched Values in Practice in April. The Values in Practice will provide clarity and purpose behind each company value so that no matter where somebody works in the business, they understand exactly how they are expected to behave and have clear guidance on how to develop.



Members of the Order of the British Empire



Jim Gouldie.



Steve Clarke.

Bidfood duo recognised for going the extra mile during Covid in New Year Honours list 2021.

Jim Gouldie and Steve Clarke worked tirelessly to ensure continuity of supplies and service to customers whilst dealing with the unknown. Whether addressing availability challenges as manufacturers struggled to maintain production levels, (with social distancing or closed facilities), delayed food imports, contingency planning for Brexit, or juggling excess stocks when much of the hospitality sector had to close its doors, and mitigating the food waste that could have resulted."

Adhering to strict COVID workplace protocols, including using lateral flow tests for detecting asymptomatic staff within the workplace, allowed our staff and depots to operate throughout the year. Managing the impact that the pandemic has had on our depots appears to be working well, with new policies and procedures well communicated and implemented across all branches. We believe the biggest risk now is staff complacency and managing communal meeting points such as smoking areas and canteens. We are working on our approach to staff communications to ensure they remain regular and compelling.

Employee survey

Employee surveys have always been a hugely valuable process, but with the huge challenges faced in 2021, we questioned the timing of the survey. We are delighted that the survey took place, in November/December 2020, producing some exceptional results and extremely valuable insight into our people. The highlights of the survey are:

- 86% overall engagement score! A 5% increase on 2019
- 90% completion rate across the entire business
- 7% higher engagement than our industry benchmark
- People felt proud to work for Bidfood during the crisis and supporting the vulnerable
- When asked what the best thing is about working for Bidfood, 'the people' was overwhelmingly the most given response. This is what sets us apart from our competitors!

- Top 3 most improved questions from 2019 (6% increase):
 - ✓ Working in our company makes me want to do the best work I can
 - ✓ I care about the future of Bidfood
 - ✓ I am encouraged to speak up and suggest ways to get better results

A Health and Wellbeing (HAWB) working group has been set up to develop a HAWB strategy for the business; providing a one-stop shop resource guide and rolling out mental health awareness training within the operations.

FC Financial capital

Revenue	Trading profit
R25,0bn ↓ 21%	R0,4bn ↓ 41%
2020: R31,5bn	2020: R0,7bn

The 2021 year really has been a tale of four very different trading quarters. The UK hospitality market suffered with the COVID lockdown implemented by the government in our second financial quarter which lasted well into the third quarter. Recovery was immediate as restrictions were eased in the UK springtime and activity levels into schools and some dining resumed. By the onset of summer (largely post the financial year), most market segments were back at pre-COVID levels of activity, other than tourist and business travel activities and large-scale catering, mostly allied to inner-city activity. Revenue declined 20.7% to R25.0 billion (2020: R31.5 billion) pushing trading profit down to R394.3 million (2020: R666.8 million), a decline of 40.9%.

Bidfood UK achieved sales of near 2019 post-year end, an impressive achievement after a very difficult year that presented unique and significantly different challenges in each quarter. Specialist businesses Caterfood and Cimandis both finished well ahead of expectations, and South Lincs and Elite both bettered their prior year performance.

In June 2021, net sales were just 1% below 2019 levels, with most sectors trading above at least 70% of 2019 levels, the exceptions being workplace catering and travel industry. The speed of the recovery has challenged operations and reduced delivery runs. Working capital was a key area of focus and was overall very well managed throughout the year.

New business wins and strengthening of key account relationships have been positive, and substantial new business has been secured in the municipal, education, and health sectors. Contract extensions and growing existing accounts indicate that market share growth has been achieved.

Bidfresh UK, although buoyed by the positive summer activity, was drastically impacted by the severity of the government lockdown through quarters 2 and 3. Timorous restructuring and scaling back in late 2020 proved fortuitous. About 18% of the Bidfresh customer base have not made it through the pandemic. An aggressive programme has been put in place to win new customers. Our regional business is beginning to perform well, however, the inner cities have been slower to recover. This is especially evident in hotels where the cities are missing tourists, but the regional towns are benefiting from the staycation boom.

Foodservice focus

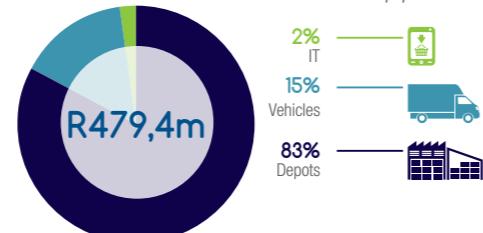
-  A market leading digital customer journey.
-  Organic growth by selling across the group, targeting new business across all areas.
-  Ensure our people and processes are fully focused on delivering service excellence
-  Delivering profit and purpose with a focus on sustainability, social impacts and strong governance

MC Manufactured capital

Depots (m ²)	Vehicles (#)
229 564 ↑ 3%	2 155 ↓ 10%
2020: 223 720	2020: 2 382

Investment in IT	Capex investment
R50,0m ↓ 52%	R479,4m ↓ 21%
2020: R103,2m	2020: R607,3m

* Hardware includes IT and office equipment.



Capital expenditure for the last year has been substantially lower than the prior periods as expenditure has been focused on committed and essential spend only.

To minimise costs **Bidfood UK** had to make some tough decisions in the year, such as the decision to close two sites temporarily. All the teams at the Liverpool depot were on furlough for a period and the volumes were transferred to the Manchester depot, providing important cost savings. In addition, the Warehouse, Stock and Administration teams from the Stowmarket depot went on furlough and the teams operated a cross-dock function with the volumes transferring to the Harlow depot.

The number of depots reported shows an increase on prior year due to the Elite acquisition, which introduced an additional seven depots. Despite the increase in the number of sites, our total sqm is down with the added Elite sites being relatively small, and the two Oliver Kay depots transferred to **Bidfresh** being larger.

The number of owned vehicles has also risen, again this is largely due to the inclusion of Elite vehicles (140). The business has handed back lease vehicles during the year where possible and capex for new vehicles has been reduced.



IC Intellectual capital

Customers (#)	Customer mix 2021
44 943 ↑ 7%	40% Independent
2020: 42 089*	60% Chain



Product SKUs (#)

61 104 ↑ 14%

2020: 53 740*



Suppliers (#)

7 602 ↓ 4%

2020: 7 940*

Product mix 2021

34% Frozen	
22% Chilled	
34% Ambient	
10% Non-food	

Own Brand

21%

2020: 21%

* Comparative restated.

Bidfood UK launched the new eLearning platform for the care sector, Caterers Campus. With 6 interactive online modules designed to support on areas like dementia, dysphagia, and menu costing, this is a market leading platform that gives us a competitive edge in the sector. It helps us support more customers in a cost and time efficient way. We have over 150 customers using the platform.

Our “Talking Food with Bidfood” podcast series proved a highly valuable resource for customers throughout lockdowns. We’ve had all sorts of experts on and even had support from our colleagues at Bidfood Australia and New Zealand involved. We’ve grown total listens by 1,050% and we average over 900 listens per episode.

At the start of the year we launched our communications plan on ‘Natasha’s Law’, a new piece of legislation coming into effect in October 2021 that will directly impact a significant number of our customers. The legislation changes mean a lot of work for those impacted so we devised a plan made up of webinars, a podcast, a ‘making sense of’ brochure and a series of customer communications to help support our customers and suppliers whilst the entire supply chain navigates the changes.

August 2020 saw the launch of the “Eat Out to Help Out” scheme, encouraging people to visit restaurants on certain days to benefit from a 50% discount, funded by the government. The scheme was in place for most of August and gave the hospitality sector a real welcome boost. The weather was good in the month and with foreign travel limited, the UK staycation market had a real boom.

‘Bidfood at home’ – our new B2C ecommerce platform launched in November 2020.

Welcome to Bidfood at home

Introducing restaurant quality products now available at home

[Shop now](#)

Online customer engagement

The Bidfood Kitchen live culinary webinars have been a huge success this year. Hosted by our Customer Marketing and Food Development teams, the live webinars take us into the heart of the kitchen – with close-up product and top-down camera shots, showcasing ingredients as our expert food development team present and cook the latest trends, innovative products and answer questions live from the audience. We have reached almost 1000 customers through this digital content.



In January, we launched a new dedicated vegan range, V Kitchen, to help our customers tap into this ever-growing trend. Recognising the growing need for easily available vegan products, the brand will be available to both trade via ‘Bidfood Direct’, and the general public via ‘Bidfood at Home’. Boasting a wide selection of both branded and Own Brand products, the range offers an array of pre-prepared dishes, protein alternatives, desserts, cupboard ingredients, bakery and snack products, and vegan wines, beers, and spirits.

Early in the year we completed the upgrade of our BidFood Direct online shop, providing additional functionality for customer menu planning and promotions

In March we launched our Relaunch Ready activity where we engaged with our customers to understand their developing product requirements to help guide our supply chain. We also provided them with a series of Relaunch support tools to aid them in driving footfall and profitability.

In April 2021 we held our first ever fully virtual conference where we hosted just under 500 customers online for three days, with a series of keynote speaker talks, cooking demonstrations, and a live supplier exhibition.

A typical Bidfresh customer is:

- ✓ Food focused
- ✓ Inspirational and willing to experiment with food
- ✓ Individually crafted and specialist
- ✓ Restaurants and caterers but can also exist in other sectors
- ✓ Driven by experts who demand expert suppliers

United Kingdom

NC Natural capital

Fuel and gas

SCOPE 1 EMISSIONS (tCO₂e)
(excl refrigerants and aircon gases)

42 313  14%

2020: 49 306

Fuel consumption is lower than last year linked to the downturn in trade. Our petrol usage has reduced more significantly than diesel given the level of car drivers on furlough, coupled with a general work from home instruction from the UK government. Diesel usage although down, does not compare to the sales decrease as smaller drop sizes

Power

SCOPE 2 EMISSIONS (tCO₂e)

13 464  17%

Electricity usage early in the year recorded an increase, following the inclusion of usage by Elite and Simply Food Solutions. However, as the year progressed reduction in electricity usage was as a result of the lesser presence of staff at sites and a small number of temporary site closures, although the bulk of costs continue with fridges and freezers switched on.

Waste

SCOPE 3 EMISSIONS (tCO₂e)

336  32%

Waste to landfill in **Bidfood UK** has reduced partly linked to the drop in volume, but also with Simply Food Solutions (our biggest waste to landfill producer) increasing their focus on recycling moving away from waste to landfill. Ongoing reductions and

DIVISIONS TOTAL CARBON EMISSIONS (tCO₂e)
62 500  15%

2020: 73 154



SCOPE 1+ EMISSIONS (tCO₂e) (only refrigerants and aircon gases)

6 387  11%

2020: 7 149

to customers who have remained open have impacted this.

Gas usage after 6 months of the year, is down quite significantly, partly due to the lack of active canteen operations within depots, either being closed or being used on a much-reduced basis.

It is also worth noting we have started to see a slow but steady increase in fuel and gas prices in recent months

Fleet decarbonisation challenge

Scientific studies and field trials have shown that Hydrotreated Vegetable Oil (HVO) produces 33% fewer particulates than fossil diesel, 30% lower hydrocarbon emissions, 24% less carbon monoxide, and 9% less NOx (nitrogen oxide). HVO is considered a medium-term, transition fuel for fleets that want to reduce carbon emissions.

Currently, HVO supply is limited, and use restricted, the fuel is also 10% to 15% more expensive than diesel. However, there are indications of cost savings in other areas such as maintenance and fuel economy.

The reduction in water usage reported reflects the reduced number of staff on site, along with the temporary depot closures, and the impact of the implementation of staggered operating days

SUPPLY CHAIN – Collective water stewardship activity in southern Spain

Bidfood is glad to join retailers and fresh produce businesses in club-funding a joint scoping study into water scarcity in Southern Spain, which is a critical production area for produce imported into the UK, and one that is forecast to be exposed to a high degree of water stress as a result of climate change.



improvements are noted, when compared with prior periods as we look to recycle wherever possible, coupled with reduced volume.

We are now better able to split our reporting by depot, so in June we have made an adjustment to reflect Oliver Kay depots under **Bidfresh**, which is why we see an increase in the recycling results. Food waste results reflects this improved, updated data provided. The meat segment generates the most food waste that can be reused. However, the overall reduction in sales and activity levels across the division, means a corresponding decrease in usable food waste is noted.

Water

MUNICIPAL WATER (kilolitres)

97 669  32%

2020: 142 972

SC

Social and relationship capital



Serving up sustainability – **Bidfood UK** has been actively involved in sustainability activities for more than a decade, so now it's part of their DNA. Today the issues are more urgent than ever, and the range of issues our strategy needs to address are wider.

Our hospitality voices – the climb



New single coming soon

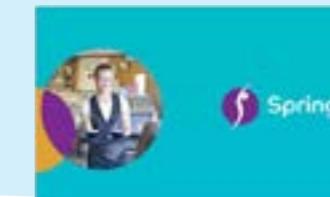
Sustainability served – Our mission

"In the UK, we will use our relationship with food to address hunger, improve nutrition, and reduce poverty by engaging with the most disadvantaged communities in the UK. In developing countries, we will contribute to improving the provision of clean water and sanitation. We will also support charitable causes at corporate and local level through both financial giving and volunteering."

Hospitality Action

Hospitality Action offers vital assistance to all who work, or have worked within hospitality in the UK including help, advice and support whenever times get tough, whatever the challenge from physical illness or mental health issues: from financial difficulty and family problems to addiction.

Hospitality Action



Springboard

The Springboard Charity helps young people achieve their potential and nurtures unemployed people of any age into work. It helps alleviate poverty by supporting disadvantaged and underprivileged people into sustainable employment within hospitality, leisure and tourism.

Our employees supported more than 200 different charities, volunteered nearly 2 500 hours and fundraised over £65 000 for these charities

FareShare We're proud to have supported FareShare, donating **91.6 tonnes** of surplus food which contributed towards **281 000 meals** for people in need.



"plate2planet.co.uk" home of Sustainable Foodservice

Bidfood UK is the driving force behind plate2planet.co.uk, our leading online initiative dedicated to creating positive change for sustainability in foodservice.



Supporting gender equality – Catalyse Change

Bidfood UK is a corporate supporter of www.catalysechange.com a Bristol-based social enterprise supporting girls and young women to develop sustainability skills and knowledge for 'healthy, happy and green' communities, careers and planet. Aligning their goals to support gender equality advancements, as they focus on advancing women to greater decision-making roles.

"Gender inequality remains a key challenge. Britain has one of the worst records on gender equality at work, and men continue to fill the majority of the highest paid and most senior roles. Women also continue to be under-represented in leadership roles, in particular, those that influence policy. Yet, as identified by the 2030 Agenda for Sustainable Development, gender equality is key to creating an inclusive and sustainable world."



Click here for the **Bidfood UK Environmental Report**

Bidfood Europe

Bidfood Europe is the consolidation of nine operations, spanning thirteen countries across western and eastern Europe. Through strategic acquisitions of catering wholesalers, food manufacturers and fresh producers since 2006, Bidfood Europe has grown into a significant foodservice player in this market.

Bidfood Europe benefits from being a part of an international foodservice group having access to a wide range of products and best practices to position each business ahead of their competition. Each business retains control of its day-to-day management and decision-making systems in order to be able to respond flexibly and independently to the specific needs of its customers.

"Contributing to the success of our clients is our main mission."



Our chief executives

Dick Slootweg Bidfood Netherlands	Pawel Swiechowicz Bidfood Poland
Thierry Legat Bidfood Belgium	Ramunas Makutenas Bidfood Baltics
Bohumil Volf Bidfood Czech/Slovakia	Mehrdad Seifi Frustock Portugal
Daniele Scuola DAC Italy	Grant Cox Bidfood Spain
Markus Erhart Pier 7 Germany	

To get good food onto the plate of your favourite restaurant, you need the work of many people: warehouse workers, drivers, traders, but also customer service specialists, buyers, and IT specialists.

That is why people are the pillar of our business. We employ a team who, thanks to their commitment, passion and competencies, together position Bidfood as a leader in foodservice.

Netherlands has seen activity levels restored and people back at work. Government support has been effective in limiting the negative effects on the labour market, securing the economy against permanent long-term damage. Warehouse activities were up by yearend and recruitment efforts in full swing to meet demand, on-site training (focused on our warehouse and transport employees) were accelerated. Staffing shortages and supply chain disruptions continue to impact service levels.

Belgium although impacted by the pandemic, was committed to working through this difficult time and to ensure that our customers, in particular our healthcare customers, received their deliveries as they had come to expect from us. Activity levels were reduced as a result of company canteens, schools, and the horeca market being closed for a significant portion of this year. Our staff were impacted and changes to our work environment was required to accommodate the COVID measures necessary to protect our team, measures such as distancing in the warehouse, imposed home working, protection measures in the workplace, not to mention the unavoidable unemployment due to force majeure.

HC Human capital

Total employees
6 605 ↑ 1%
2020: 6 567

Male employees
4 591 ↑ 2%
2020: 4 520

Fatalities
Zero
for the past five years

Female employees
2 014 ↓ 2%
2020: 2 047



Employee training spend
R20,6m
2020: R16,5m

66

Our people are the heartbeat of the organisation and represent the most valuable asset to our company. 99

In some operations it was necessary to reduce headcount, due to the impact of reduced activity levels and in an attempt to tighten the cost base, as was the case for our **DAC Italy** operation. These reductions were unavoidable and kept to an absolute minimum. For those team members onboard through the quieter months, we took advantage of this opportunity to increase training activities.



Baltics – Walking the Talk

A moment was captured on social media of a Bidfood truck driver, helping a woman reach her car over a pool of water, using a Bidfood truck lift.

It happened in the beginning of May. One of our truck drivers saw an elderly woman unable to reach her car after heavy rain. He stopped and helped her. It was caught on camera and posted on Instagram. Then the magic happened as the video went viral internationally. Even Hugh Jackman shared it on his Instagram account with his 30 million followers. The headlines were amazing, a very positive message for the Bidfood brand!

Watch the moment caught in action:
https://www.linkedin.com/posts/bidfooduk_bidfood-lithuania-ugcPost-6799007937135300608-Spjw

Poland was assisted by government support in job retention. Staff resourcing, especially drivers and warehouse staff, is particularly challenging due to the low unemployment levels. A robust, enthusiastic recruitment campaign has been launched, featuring the benefits and experience to be gained by joining the Farutex family!

In the **Baltics**, the management team reduced working hours in order to protect jobs during the peak of the pandemic, but as yearend approached, working hours returned to normal in line with activity levels.

Germany is experiencing a similar trend to the rest of the region, as markets reopen, the demand increase is resulting in labour and stock availability challenges.

The **Iberia** operations completed a restructuring during the year, which included the closure of some sites in order to right-size these operations. As a result, there was a reduction in headcount noted. Working hours recorded were further impacted by government implemented support and protection measures for parents of children under 12, during the COVID lockdown months.



Bidfood Czech – Gastrostudio.



FC Financial capital

Revenue	Trading profit
R35,7bn ↓11%	R1,1bn ↑13%
2020: R40,2bn	2020: R1,0bn

Europe was severely impacted by restrictive COVID lockdowns implemented by the respective governments during the autumn, winter, and into spring. Recovery in the hospitality markets materialised as restrictions were eased as the summer approached. Revenue for the year was down 11.2% to R35.7 billion (2020: R40.2 billion). Trading profit results were pleasing with a 13.4% increase to R1.1 billion (2020: R1.0 billion).

Netherlands saw a quick recovery in the market in quarter 4 as infection rates decreased and the vaccination coverage increased, resulting in the market reopening earlier than originally anticipated.

Belgium reported damped sales, other than logistics which responded well to the increased QSR activity throughout winter lockdown. Reopening from May meant that the year finished with good activity levels. Belgium's economy is forecast to return to pre-COVID levels by the end of the calendar year. Inflation and unemployment levels have remained largely static as a result of government support.

Czech Republic and **Slovakia** was impacted by harsh COVID lockdowns over the winter and into spring, which significantly subdued the full year trading results. As the vaccine rollout has gained momentum, activity levels have bounced back, boosting confidence for good summer results. May and June delivered excellent results, with manufacturing operations producing at full capacity.

DAC Italy was significantly impacted by the diminished service sector that was hardest hit by the impact of the pandemic and market shutdowns. However, as infection numbers declined and the vaccine programme took hold, the market has started to recover.

Poland achieved record trading profit results, despite it being an incredibly difficult year. New customers were onboarded in the QSR and takeaway market during the lockdown period, and when markets reopened and hospitality customers returned, resulted in an overall pleasing performance. Cost restructuring and embracing technology solutions improved overall expense management. Working capital was particularly well managed. The outlook for the summer months is very positive as the staycation trend takes hold.

Germany has been stabilised and has a solid platform from which to rebuild. Hospitality has been heavily impacted by the lack of international tourism, business travel, conferences, and trade fairs. Activity levels have shown an uptick with the vaccine rollout. Germany remains an important market for growth, both organic and acquisitive.

Baltics' sales were down as the impact of the pandemic was more severe and longer than anticipated. The hospitality market reopening, although delayed, does promise a quick and full bounce back. Foodservice continues to be an area of focus, and through tight management of margins, costs, and labour, customer numbers have increased, and growth is promising.

MC Manufactured capital

Depots (m ²)	Vehicles (#)
500 687 ↔ 0%	2 564 ↓ 7%
2020: 500 190	2020: 2 744

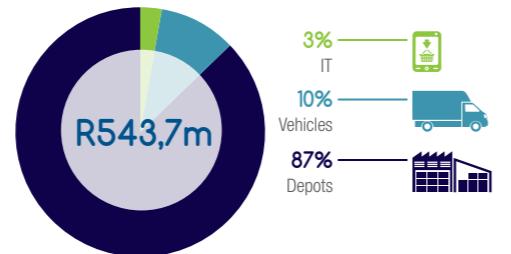
Investment in IT	
R48,6m	↓ 43%
2020: R85,3m	

HARDWARE*	SOFTWARE
R12,5m	R36,0m
2020: R24,7m	2020: R60,6m

* Hardware includes IT and office equipment.

Capex investment
R543,7m ↓ 40%

2020: R913,5m



Netherlands have postponed discretionary capex programmes until demand increases to pre-COVID levels. An end-of-useful-life property, located in Ede, was sold in February.

Belgium depots of Langens and Bestfood have been merged, which, have already provided efficiency gains. Freezer capacity was increased to 3 800m². The sites were switched to a new common ERP system. Working collaboratively with the unions, the Langens site was closed. Besides being a cultural merger, this merger involved important changes for the workforce on both sites. The merger was successfully completed in December 2020. The year ahead holds great prospects for this horeca site, the largest in the region.

Spain's performance continues to improve following the significant restructuring undertaken over the past year. Guzman traded better, despite significant staff changes including new management, creating a new culture of transparency and a hunger for success. Cost containment has contributed significantly to the improved performance. Focus is now on growing the customer base, improving service levels, and continuing stock management improvements. The small meat business has had a difficult year, but progress internally has been achieved in operations, stock, and debtors. Igartza has produced a great result, exceeding 2019 sales levels with improved service levels benefiting margins. Prospects are now much better for Spain and trading profits are budgeted for 2022.

Portugal's return to normal activity levels has been delayed by the government's cautious response to opening its economy. Activity levels are showing improvement and an improved summer result is expected.



Bidfood Czech invests in manufacturing automation.

The **Czech** operations invested in the rebuild of the fresh fish factory after the fire, the new Ceske Budejovice branch, the reconstruction of the Dysina (former MPD) depot was completed, and the upgrade of manufacturing machinery for the Opava factory. In addition, investment was made into the acquisition of a produce distributor and a new branch established in Budapest, Hungary.

Bidfood pays great attention to the renewal of specially adapted distribution vehicles so that they can deliver the goods on time and in good condition. Maintaining the temperature chain for storing fresh, chilled and frozen goods is essential to maintaining our high-quality standards.

Italy continued to invest into new capacity and equipment to position the business to meet anticipated growth demands. In March 2021, the group acquired the remaining 50% of associated Alborghetti SPA, bringing it fully into the group. Focus remains on the independent freetrade customers.

Large capex investment was suspended in **Poland** during COVID but is now getting management attention for 2022.

Development and marketing of the ecommerce offering remains a key focus area. Investment in route planning and product master data software should deliver further efficiencies, both in cost management and environmental impact in **Germany**.

Iberia launched the new corporate branding displayed on the sales team's hybrid cars.



Bidfood Belgium – Combining quality and competitive price negotiations, to delivering superior quality products and service, Bidfood is ready to meet your needs.



IC Intellectual capital

Customers (#)
141 353 ↑ 6% 2020: 133 324

Product SKUs (#)
147 455 ↑ 2% 2020: 144 826

Product mix 2021



Own Brand
23% 2020: 21%



Foreign suppliers make up
13% of purchases
2020: 14%

Bidfood sets itself apart across Europe with its online catering wholesale solution for chefs and restaurateurs. An interactive, easily accessible, webshop and online community provides a real-time and relationship building portal, an ideal environment for customers to place orders and be inspired about their catering business.

Bidfood aims to help our customers by bringing the world of food closer together.

Netherlands achieved some significant tender wins in the institution and national accounts sectors which have assisted results to near 2019 levels. Free-trade segment is showing strong signs of recovery, however, catering is still lagging

Our institutional business remains the biggest contributor in **Belgium**, which recovered once markets reopened. Focus in the year has been on debt collection and minimising stock write-offs due to sudden lockdowns.

The **Baltics** successfully launched a new range, with livestream video presentations to engage customers with the new products. Embracing the virtual medium, the gastro studio were able to do online demo's to customers, using the opportunity to share product catalogues.

In the now post-structured **Iberia** business, focus remains on growing the independent free-trade market, growth of Bidfood Italian Own Brand range, and ongoing improvement of service levels to existing customers. Introducing the new online engagement with customers provided a perfect opportunity to launch the new corporate image, and our slogan "Committed to the environment".

NC Natural capital

Fuel and gas

SCOPE 1 EMISSIONS (tCO₂e)
(excl refrigerants and aircon gases)

36 031  12%
2020: 41 113

Fuel consumption was impacted by the reduced activity levels during the COVID pandemic across the whole division. Fuel price increases were noted in many of the operations, although were mostly noted towards the end of the year. We expect this to have an impact on the 2022 results.

Improvements in fuel consumption were also achieved by reviewing routes and transport procedures, implementing rationalisation measures to reduce fuel consumption.

Power

SCOPE 2 EMISSIONS ()

35 263  20%
2020: 44 137

Electricity is used in the main by refrigeration units for the cold storage

Waste

SCOPE 3 EMISSIONS (tCO₂e)

675  47%
2020: 1 281*

With repeated impacts of COVID lockdowns, inventory clean-ups were required which impacted stock levels and the resultant waste produced. With lower activity, came lower stock levels and therefore reduced the waste output.

Cardboard, plastic, wood, steel, food waste, garden waste, waste for landfill, dangerous waste, maintenance packaging waste, etc are the kinds of waste that are

DIVISIONS TOTAL CARBON EMISSIONS (tCO₂e)
79 107  14%
2020: 92 438*

SCOPE 1+ EMISSIONS (tCO₂e)
(only refrigerants and aircon gases)

7 138  21%
2020: 5 907*

Many of the Bidfood operations are investing in new trucks powered by Compressed Natural Gas (CNG). CNG has many advantages over diesel, in that it emits 77% less particulate matter and 11% less CO₂ than a diesel truck. CNG is also cheaper than diesel. We expect to see more improvement in our consumption levels once activity levels resume to pre-COVID levels.

Natural gas is used for heating water, heating the administrative buildings, and principally for the heating of non-refrigerated storage spaces (especially during the winter period).

spaces. To a lesser extent, electricity is used for lighting and the operation of computer equipment and handling machines. Generally a dip in usage recorded over the last year was due to the impact of COVID lockdowns.

Non-grid electricity is produced through on-site installed solar panels at many of the sites, with new sites added this year such as the NL Groningen installation. Electricity production via solar panels has been stable noting only a slight decrease in usage of

Natural gas consumption remained stable as the warehouses are in constant operation. Natural gas consumption is not impacted by a slowdown in activity.

The reported increase in refrigerant gasses was after a lightning strike to our largest cooled facility in the Netherlands, which then required the system to be refilled. This was a one-off unfortunate incident, as refrigerant gasses usually only require small, intermittent top ups.

There were other smaller refills required in the year where new facilities were opened in Czech, Portugal, and Belgium. Bidfood operations are determined to source and implement low emission cooling systems as the opportunities for improvements and upgrades arise, which was evidenced this year when Portugal upgraded their cooling system from the previously high emission R404a gas to the much-improved R440a gas (Opteon XP40).

renewable energy in the past year. Solar panel production of electricity is dependent on weather conditions, but reduced usage could also be due to reduced activity levels.

Management is confident that the investment made by Bidfood is paying off. The objective is to continue to increase the use of energy from renewable sources.

Water

MUNICIPAL WATER (kilolitres)

201 709  13%
2020: 232 331

Water consumption primarily used in the cold production system in certain warehouses. Usage is also impacted by weather conditions. The higher the outside temperature, the greater the water consumption.



SC

Social and relationship capital

Bidfood strongly believes in cooperation with partners. We are involved in various partnerships to pursue our sustainable goals. Sometimes we act as a knowledge partner and in other cases we use our role as a chain partner. Always with the philosophy: 'alone you go faster, together you go further'.



Netherlands Smart Food Alliance

Bidfood is a participant and partner of the Smart Food Alliance platform, a joint initiative of medium-sized agri-food companies to research the implementation of a future food policy. The objective is to accelerate the food transition to produce and distribute sustainable, climate-neutral and healthy food by 2030.



Czech are the sponsoring partner of the Junior National Team of the AKC Czech Republic, a great opportunity to showcase our products, to learn from chefs in the market and to identify new talent to employ in the business.

Engagements with training organisations focused on the culinary industry is a key area of community investment, such as positioning the Bidfood Gastrostudio in the junior Czech National Culinary Team. Seminars such as the Worldchefs Online Renewal: Hot Kitchen & Culinary Arts was a huge success, with 88 Worldchefs Members participating and representing all continents. A great example of using the new online engagement opportunity to grow our footprint in our industry.

Sue Ryder is a non-governmental non-profit organisation that has been providing social services to seniors and their families since 1998. Sue Ryder strives to ensure that everyone in the Czech Republic can grow old with dignity. Bidfood supports specific projects financially, through material donations or other assistance.

In celebrating Earth Day this year, Poland reminded us of their "green actions" – they successfully introduced the following environmentally responsible solutions:

- modernised the fleet with CNG drive and electric forklifts
- upgraded to energy efficient building cooling systems
- installed energy-saving LED lighting throughout
- provided automatic soap and paper dispensers
- installed water treatment dispensers equipped with osmotic filters and UVC lamps
- non-negotiable wastepaper segregation

We continuously look for more opportunities where we can implement change and be more environmentally friendly.



Netherlands Agreement on Healthy Food in Schools (JOGG)

A healthy diet in schools can therefore provide an important basis for a healthy lifestyle for young people. In support of this, Bidfood is a signatory to the Agreement on Healthy Nutrition in Schools.

Bidfood Netherlands hosted an online livestream BINGO event for the foodservice industry, with entertainment, celebrities, and a game of Bingo that boasted prizes worth nearly €100k. The aim of the event was to lift the spirits of those in the foodservice industry struggling through lockdown. The results of the event were incredible: 45 000 viewers during the livestream!



Guzmán Gastronomia, embracing their community spirit engaged in projects such as the collection of toys, food, and clothes for local charities; as well as office-wide blood donation drives. Fresh produce is donated to "Banc de aliments", a Barcelonian programme to assist the homeless.

Bidfood Belgium continues with their collaboration with AVIQ, Agency for Quality Life for the integration of handicapped people, by employing extraordinary people in permanent contracts within our operations.

Food bank partnerships

Bidfood works closely with the food bBank organisations in all regions where we operate. The food surpluses from branches are donated to the regional food banks. These products are still good for consumption, so the food bank can use these items to provide food packages. In this way, Bidfood not only contributes to fighting poverty, but also to combating food waste.

* 2020 comparatives have been adjusted:
- Scope 1+: Poland identified an error in the way usage of aircon gas was calculated, disclosing the amount of gas on site as opposed to usage.
This has been corrected in the current year and prior year comparative
- Scope 3: Spain identified a misallocation of waste between Waste recycled and Waste to landfill. This has been corrected in the current year and prior year comparative

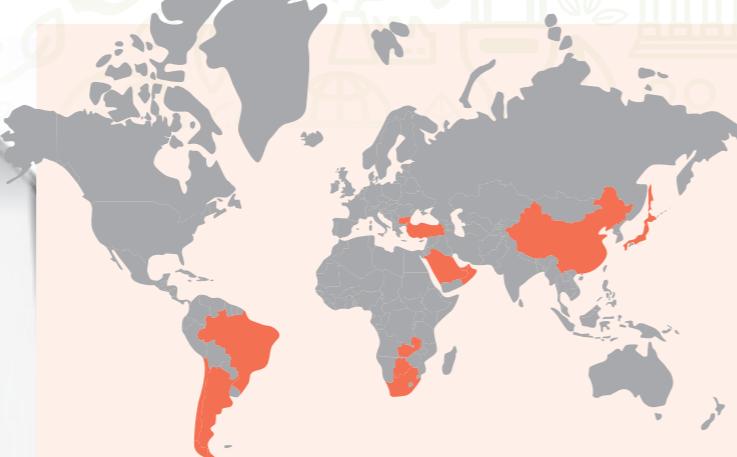
Bidfood Emerging Markets

Bidfood Emerging Markets is a leading foodservice distributor to the horeca sector across the four continents and nearly 20 different countries this division spans. Bidfood has the world-class service offering and a diverse product range that meets the needs of this vast and very diverse customer base.

Through keeping a decentralised structure and allowing each local management team the autonomy of identifying the latest local consumer trends, finding the right quality product from the closest to source supplier, at the right price, has positioned Bidfood in each geography as a market leader.

Our chief executives

Klaas Havenga Bidcorp Food Africa	Johnny Kang Angliss Asia
Brent Varcoe Bidfood South Africa	Antonio Celso Dias Avelino Bidfood Brazil
John Morris Crown Food	Gabriel Abramovicz Bidfood Chile
Nigel Phillips Chipkins Puratos (JV)	Gustavo Picciacuoco Blancaluna Argentina (Investment)
Nedim Makzume Bidfood Turkey	
Hisham al Jamil Bidfood Middle East (BME)	



Investing in human capital has always been integral part of **Angliss'** culture. Employees are granted autonomy to grow and strengthen their expertise and experiences, even taking up government funded schemes to develop the right skillsets for optimal productivity to meet and exceed industry standards. Despite the COVID pandemic limiting personal contact, Angliss adapted and accomplished desired training results through innovative application of technology such as hosting training via virtual calls. Practical workshops were conducted in small groups, enhancing food and beverage knowledge whilst adhering to strict and safe social distancing regulations.



Angliss invested in a continuous management and sales training programme rolled out throughout the past year, focusing on specific regional growth areas such as:

- Beijing focused on Delicacy Management; Leadership and Enabling execution; and Sales capability;
- Shanghai training themes were on Management capability; Problem Analysis; and Logical Presentation;
- Guangzhou focused on increasing creative sales and management skills; and AEO certification regulations;
- Shenzhen trained their managers on sales, marketing and management topics.

Product specific training is ongoing, where various brand principals present monthly update programmes to ensure the Angliss team is fully equipped to market the products available.



HC Human capital



Total employees

5 920 ↔ 0%

2020: 5 896

Male employees

3 799 ↑ 2%

2020: 3 722

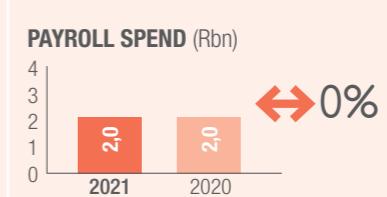
Regrettably 1 fatality

2020: 0

Female employees

2 121 ↓ 2%

2020: 2 174



Employee training spend

R8.0m

2020: R13.0m

Great service starts by employing great people, who take the time to learn about our customers' business, and are inspired by the great service they can offer to our customers.

99

Our purpose is to consistently engage with and empower our team members – we recognise many 'Bidfoodies' across our Middle East, who have been an integral part of the team and promoted them to new roles.

Bidcorp Food Africa businesses were impacted by the second and third waves of COVID infections, both in January and June 2021, resulting in stricter lockdown restrictions in the months thereafter. Sadly, five COVID fatalities were recorded in the period. The civil insurrection and looting that occurred in July 2021 did disrupt our KwaZulu-Natal operations' ability to trade, as well as impacting many of our customers. The losses will be claimed through the group insurance programme.

Tragically, the Bidfood SA Durban branch had a workplace fatality in March 2021. Immediate action was taken to reinforce the workplace practices to ensure the safety of all our employees.



BME welcomed Samer Abou Daher back, a returned employee, now appointed as Regional Director of People & Culture. This is the beginning of a journey that will focus on productivity, learning & development, and workplace experience. Already in place is the reinitiated annual performance reviews, evaluated team structure and efficiencies, and prioritised people recognition and success celebrations.

Supporting Bidfood's values of gender equality and in line with Saudi's Vision 2030, Bidfood Saudi recruited the first two women into the team. Bidfood Oman organised and conducted multiple training sessions to engage, educate and empower the internal team; focusing on deepening product knowledge and equipping the team with the tools to effectively fulfil their roles. Bidfood Bahrain achieved the "Bahrainisation Standard" meaning at least 50% of their team is local.

Turkey grew their team over the past year with twenty new positions created across the branches, sustaining all current roles without the need for furlough. Training programmes were rolled out at the branches focusing on workplace safety. Towards the end of the year the management team implemented a companywide COVID prevention campaign, including offering vaccination incentives to the team.

In **South America**, the operations have been actively encouraging COVID vaccine programmes, recognising that the best way to getting back to "normal" is by being vaccinated. In **Brazil** the business ran a campaign that had staff vaccinated on site, with huge success.

Internal incentive programmes to encourage employees to get vaccinated included offering "vaccination leave", a great boost to our teams wellbeing.



Emerging Markets

In addition to this capitals-related overview, please link to individual country websites for more detail, using the buttons below.

FC Financial capital

Revenue	Trading profit
R21,1bn ↑ 6%	R0,9bn ↑ 57%
2020: R19,9bn	2020: R0,6bn

The Emerging Markets businesses were impacted by economic uncertainty, as each government struggled to find a balance, as they navigated through the COVID pandemic, between saving lives without destroying livelihoods. Notwithstanding this, our businesses delivered a positive result with revenue up 6.1% to R21,1 billion (2020: R19,9 billion), and trading profit up 56.7% to R923,6 million (2020: R589,4 million). Emerging Markets experienced a progressive recovery in the sales activity levels as comparative years' sales volumes were surpassed by year end. This upward trajectory could be tempered by future COVID waves and resultant government restrictions.

Bidcorp Food Africa (BFA) achieved excellent results despite the exceptionally difficult trading environment. Revenue was tracking at close to 2019 levels through the second half.

Bidfood South Africa reported pleasing market share gains in the independent/street-trade channels, a market severely disrupted by the lockdown restrictions, but one that has also shown a positive bounce back as markets are reopened. Initiatives were launched to support customers and suppliers in building consumer confidence in the eating-out-of-home market.

Crown Food Group (CFG) achieved excellent results in 2021, leveraging investment in Own Brand manufactured facilities, growing Own Brand offering and harnessing the internal skills developed.

Greater China delivered a strong result, despite ongoing COVID challenges and regional lockdowns. The food and beverage market throughout China showed a good recovery, and strong growth in the second-tier cities was experienced. Full recovery of the market is still some way off as cross-border travel is still very limited. The Miumi business has been scaled back following the fraud and is now focused only on the Hong Kong market.

Singapore's foodservice market struggled as the economy remained closed, however, optimism is renewed on the back of the vaccine rollout. Despite low international tourism, local tourist activity levels have been good, especially in restaurants and cafes. Malaysia and Vietnam have both experienced market contraction as lockdowns restrict tourism. Operations in this region have focused efforts on the retail sector, which continues to deliver good results while borders remain shuttered.

Brazil has had a difficult year due to the harsh COVID restrictions. Market activities had shown signs of recovery in H1 2021, but H2 2021 was severely impacted by the harsh restrictions from February to April.

Chilean government efforts buoyed the market in the first half, before strict lockdown measures in the second half impacted market activity levels. High vaccination levels boosted foodservice activity and overall consumer confidence. Positive results were recorded from the new protein sales project in Santiago, supplying the retail market.

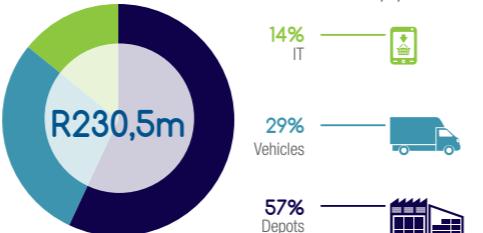
Argentina (46% equity accounted) has been negatively impacted by the ongoing COVID lockdowns, restricting consumer activity in the market. Significant efforts have been made in cost containment. As the hyper-inflationary environment takes its toll, management is actively redesigning the operational activities.

MC Manufactured capital

Depots (m ²)	Vehicles (#)
315 854 ↑ 4%	824 ↑ 6%
2020: 303 363	2020: 774

Capex investment	Investment in IT
R230,5m ↑ 9%	R40,2m ↑ 18%
2020: R211,8m	2020: R34,1m

* Hardware includes IT and office equipment.



While investment into capex and business expansion has been dampened by the COVID pandemic, and efforts to manage working capital and costs efficiently, there was maintenance investment made.

The **Angliss** team performed an analysis of the fleet, assessing performance and end of useful life assumptions. Significant efforts to refurbish and maintain the fleet, only replacing when absolutely necessary. Advancements in the development of a TMS (transport management system) has progressed and full implementation is anticipated.

In South Africa, **Bidfood Properties** has commenced construction on the Eastern Cape development (completion March 2022) and the new Pretoria-based Bidfood and CFG facility (completion in 18 to 24 months). The development to replace the existing Heriotdale facility is expected to begin during 2023.

BME achieved "Gold A" in their annual municipality audit. Bahrain successfully reduced distribution costs by 25% with the same fleet and same storage rates. Focus is on the sustainability of these efficiencies.

Bidfood Middle East (BME) delivered a good result for the year, particularly in the last quarter of the financial year. Saudi delivered a good result. Margin management improved the UAE results. All BME entities reported positive trading profits. Recently acquired Wet Fish struggled due to the lack of tourism, particularly in fine dining. Management is positive as new brands and products are launched.

Turkey experienced harsh lockdown restrictions for the better part of the year and, as a result, performance was dampened. Focus on institutional customers during lockdown kept the business operating throughout. Local staycations provided some relief to weak tourism. Management is on the lookout for bolt-on acquisition opportunities.

Saudi increased fleet efficiencies and reduced fuel and carbon emissions by changing the fleet mix. Jordan improved efficiencies by adding delivery trucks between three warehouses.

Blancaluna Argentina – Good opportunities anticipated with a new depot in Ushuaia. In **Brazil** an investment into a small bolt-on acquisition in Sao Paulo positions the business for growth once the markets reopen. Improved system solutions and the "myBidfood" rollout improved customers' real-time engagement to place orders. Innovative sales and marketing campaigns targeting chefs have delivered good market share gains.

BME successfully launched "myBidfood", a first for foodservice in the Middle East. "myBidfood" accounts for almost 30% of the total revenue, with more than 450 customer groups onboarded and over 1 300 different users. More than 8 000 orders have been processed to date.

Development and roll out of the **Angliss** owned "Gourmet Discovery" app was completed, enabling customers to search Angliss brands and products, identify and contact industry chefs, and even research recipes.

During COVID lockdowns hotels and catering were forced to cut operating costs, including reducing headcount in the kitchen. Hong Kong embraced the challenge and created the ready-to-cook "SmartMeal Solution" – products are prepared, pre-cooked, and then frozen for customers to simply heat and serve. "myBidfood" was released in **Turkey**, with quick uptake and success!



COVID accelerated the growing awareness of the plant-based products in the local food industry as concerns about food security increased. **Singapore** secured the distributorship for "The Vegetarian Butcher", a Dutch plant-based brand.



Angliss Singapore – Pleased to be partnering with the esteemed Michelin Guide as the Official Gourmet Partner 2021/2022.

CFG manufactured Own Brand product was a particularly strong contributor in the additives and spices condiments category, with the strength of the "Six Gun Grill" brand taking hold of the market across all channels.



CFG's Six Gun Grill brand has been a 2021 success story. We were able to secure benefits for both our butchery customers and ourselves. A sponsor to leading local sports teams. **CFG** sold 40% more Six Gun Grill this year, selling close to 8 000 tonnes for the year.

Bidfood UAE has succeeded in partnering exclusively with Impossible Foods to distribute leading, sustainable, plant-based meat solutions.

Emerging Markets

NC Natural capital

Fuel and gas

SCOPE 1 EMISSIONS (tCO₂e)
(excl refrigerants and aircon gases)

21 871 0%
2020: 21 919

SCOPE 1+ EMISSIONS (tCO₂e)
(only refrigerants and aircon gases)

11 497 50%
2020: 22 789

Power

SCOPE 2 EMISSIONS (tCO₂e)

42 632 6%
2020: 45 339

Waste

SCOPE 3 EMISSIONS (tCO₂e)

832 17%
2020: 1 001

Water

MUNICIPAL WATER
(kilolitres)

322 927 16%
2020: 278 214

Bidfood SA has committed to the Reduced Food Waste and Surplus initiative, as a signatory to the Consumer Goods Council of South Africa Voluntary Agreement

**DIVISIONS TOTAL
CARBON EMISSIONS (tCO₂e)**

76 832 16%
2020: 91 048



Angliss has taken the lead in the group with investment into electric trucks, largely due to the localised warehouses delivering to city centre restaurants, which suit the smaller bodied, nimble delivery vehicles. Beijing invested in four new electric delivery vehicles, Shenzhen has half of its full fleet already converted to electric trucks, and Chengdu has purchased their first electric vehicle. Government programmes restricting fossil fuel vehicles into city centres has motivated investment, but this is also indicative of Angliss' own social responsibility to protect the environment.

Angliss recorded 52% less refrigeration gases used, partly due to an increased maintenance programme on all facilities, reducing the risk of gas leaks. Maintenance checks require replenishment to maintain optimal cooling levels, annual usage can be skewed by the timing of refuels.

The South African operations continue to prioritise climate change initiatives. Key projects in **Bidfood SA** included research into a battery-operated fridge unit for the delivery trucks. Supplementing this programme, a nation-wide review on fleet usage, distances travelled and routes taken. The outcome of which was a 1% decrease in diesel used versus increase of 8% in turnover. Due to the reduced activity levels, and the strictly enforced work-from-home COVID restrictions, petrol usage for the managers and sales team was down nearly 30% in the year.

Turkey have invested in energy efficient vehicles, with all sales vehicles now improved hybrid models. Transforming the rest of the fleet to hybrid models is a work-in-progress, but good progress has been made.

Food waste efficiencies have been achieved through a partnership with Fazla Gida, an environmentally focused NGO, delivering a saving of over 25 tonnes of carbon emissions.

In South America, the businesses made steady progress, identifying opportunities to reduce usage and responsibly invest in energy efficient solutions. A specific climate change initiative launched by Brazil, was an exclusive supply arrangement with local mineral water supplier "Água na Caixa", a company which aims to replace all plastic with a renewable packing material solution for bottled water. Water preservation in this region is critical, and the businesses have taken significant measures to save, reuse, and recycle water. Rainwater harvesting and storage has been implemented at most branches and strict internal protocols informing all with regards to the responsible usage of water is in place to protect this limited resource.

Bidfood SA has appointed a sub-contracted waste management service provider to facilitate segregation of waste. Waste stream management has proved successful to date.

New legislation is anticipated regarding sustainable packaging solutions. Research and investment into strengthening our supply chain to meet these new requirements, ahead of the rules being enforced. Changes have already been implemented to move to recyclable, biodegradable, and compostable packaging.

CFG has installed solar panels which generate significant savings and benefits. Plans have been accelerated to roll out additional solar panels. CFG has successfully implemented the rain-water harvesting systems to wash pallets and vehicles, recycling at every opportunity from water wastage to packaging. Identifying food waste opportunities to redistribute food before end-of-use date has been very successful.

BME Saudi, as part of a programme to reduce waste, initiated a hygiene training programme to inform and influence the usage of environmentally friendly consumables and responsible water usage. In the UAE, the business partnered with a leading sustainable plant-based meat solution to the region, which uses 96% less land and 87% less water than standard meat products from animal agriculture. The team is now focused on developing and expanding the 'plant-based' portfolio. Newly acquired Wetfish operation is consciously shifting to an exclusive sustainably based supply chain offering.

Turkey have invested in energy efficient vehicles, with all sales vehicles now improved hybrid models. Transforming the rest of the fleet to hybrid models is a work-in-progress, but good progress has been made.

Food waste efficiencies have been achieved through a partnership with Fazla Gida, an environmentally focused NGO, delivering a saving of over 25 tonnes of carbon emissions.

In South America, the businesses made steady progress, identifying opportunities to reduce usage and responsibly invest in energy efficient solutions. A specific climate change initiative launched by Brazil, was an exclusive supply arrangement with local mineral water supplier "Água na Caixa", a company which aims to replace all plastic with a renewable packing material solution for bottled water. Water preservation in this region is critical, and the businesses have taken significant measures to save, reuse, and recycle water. Rainwater harvesting and storage has been implemented at most branches and strict internal protocols informing all with regards to the responsible usage of water is in place to protect this limited resource.

Bidfood SA has appointed a sub-contracted waste management service provider to facilitate segregation of waste. Waste stream management has proved successful to date.

New legislation is anticipated regarding sustainable packaging solutions. Research and investment into strengthening our supply chain to meet these new requirements, ahead of the rules being enforced. Changes have already been implemented to move to recyclable, biodegradable, and compostable packaging.

New legislation is anticipated regarding sustainable packaging solutions. Research and investment into strengthening our supply chain to meet these new requirements, ahead of the rules being enforced. Changes have already been implemented to move to recyclable, biodegradable, and compostable packaging.

SC Social and relationship capital

Committed to community and local charities.

China Charity Aid

Significant time and commitment has been donated over the difficult past year, some of which include the "China Charity Aid – Foundation for Children" event has Angliss Beijing's support annually at this significant charity market event where 50% of the revenues made are contributed to the children in need. Shenzhen local operations initiated a care package distribution to all anti-virus health workers. In Hong Kong, the local operations donated weekly cooked meals to the Foodlink charity, as well as other local charities involved in feeding schemes throughout the pandemic.



As the current pandemic has affected the livelihoods of many, Angliss **Singapore** embarked on a "Giving Back Project" with a non-profit organisation, Shan You. A collaboration with locally renowned chefs to do a quarterly food distribution that aims to raise prevention of youth suicide awareness.

SA engagement through the civil unrest

Community engagement and support is a key characteristic of the South African operations, never was this truer than just after the civil insurrections, which included looting of our KZN sites. **Bidfood SA** came together to not only clean and restore the sites, but also to pack food parcels to be distributed to our KZN team.

We are proud to have been able to leverage our expertise, relationships, and infrastructure to mobilise tens of thousands of food packages within days in order to meet the desperate need created by the civil unrest, for distribution to emergency food aid projects helping victims of the riots.



Turkey took active part in relief efforts following 7.0 strong Izmir earthquake that left thousands homeless and killed 117 people. The team was present on the scene supplying much needed material to Search and Rescue operators.

Turkey started working with local food banks providing them with materials and logistical support, reaching over 1 725 families in need.

"One Meal Many Thanks"

In South Africa, the COVID impact was harsh due to the poverty and unemployment, and limited government support. The horeca food industry players combined efforts and ran the "One Meal Many Thanks" initiative! Encouraging people to gain the courage to get #UnitedOverFood, and go out to eat, to help the restaurant industry. A truly inspiring achievement.



CP's Bakery School for young graduates is creating exciting new career opportunities.

In an effort to support and protect our staff, but also our communities, Bidfood SA made and distributed over 10 000 Bidfood branded cloth masks.



Bidfood UAE partnered with a local catering agency this Ramadan to provide for communities in need. The "Bidfoodies" in our team volunteered to cook, pack and distribute 1 000 Iftar meal kits to communities in need.



Bidfood UAE continued their partnership with local UAE food bank to support UAE individuals with donations of basic food items.

*Building
a brighter
future*



A key factor in Bidfood's emission improvements is the move towards 'greener' facilities.

Features of these facilities include modern refrigeration, solar panels, energy efficient lighting, heat recovery processes and insulation, and water wise solutions. These are evidenced in our new facilities in New Zealand, Germany, Netherlands and Australia; with more to come!

Energy efficient warehousing, promoting a green, healthier environment for all

In Netherlands, Bidfood Ede



*In Czech Republic,
Bidfood Ceske Budejovice*



In Australia, Bidfood Brisbane



In Germany, Pier 7 Bergkirchen depot

NEXT UP:

Good governance creating value

Board of directors	74 – 79
Governance	80 – 81



Good governance creating value

Bidcorp, operating as Bidfood in most geographies, has a decentralised model which encourages the entrepreneurial spirit contained in each of its businesses.

Each business is independently and directly responsible for the management of its operations – this is what decentralisation means to Bidcorp. Each operation owns its own supply chain, hunts, and targets its own customer portfolio, negotiates, and contracts independently, positioning a unique value proposition, within the group's overall strategy and business model.

The varied cultural nuances that you will find within our group is vital to differentiate and create that “stickiness for success” needed with stakeholders in each of our local operations. Customers should see each business as an autonomous, small, local business and yet be confident in the knowledge that Bidfood is able to deliver world-class quality.

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

Each of Bidcorp's businesses are grouped into a geographically defined division. Each division is quarterly convened, under the

66 Bidcorp's strength lies in its decentralised management teams, enhanced by an engaged board demanding robust governance and yet at our core, keeping it simple. **99**

lens of the independently chaired divisional audit and risk committee. These quarterly committees conduct a robust, in-depth financial and non-financial review of business-by-business results. In addition, governance updates, combined assurance reports, ESG information, and a risk review makes up the agenda.

Each management team, being the chief executive officer and chief financial director, sign a quarterly management representation letter, providing an additional layer of assurance and comfort that policies

are in place, are well understood, and implemented by all.

How we integrate Bidcorp recognises the value of an integrated governance approach combining the inputs of the business-owned risk management, assurance, and compliance functions. Bidcorp manages the challenge of good governance in a decentralised environment through the rigorous integration Bidcorp governance framework, being the four basic pillars of governance, assurance, compliance, and risk management. This governance framework ensures respect for legislated requirements and regulatory compliance yet is flexible enough to accommodate innovative and value creating solutions to meet these demands.

Our people are pragmatists with the knowledge and experience to recognise scope for improvement and implement necessary change – whether the concepts are independently developed or spring from shared experience. These practices apply to creating value through good governance and more so to creating value through business success.

What the board focused on during the year

Regular board agenda items include a comprehensive group-wide performance overview presented by the chief executive officer, a detailed analysis of the key financial indicators at both a group and divisional level from the chief financial officer and feedback from the chairs of board committees on the deliberations of those committees (including a group-wide risk review from the audit and committee and the non-financial ESG issues from the social and ethics committee). The board also had the following important discussions summarised as follows:

Throughout the year there was additional focus placed on operational updates, monitoring the impact of COVID on the group's stakeholders.

July to September 2020

- 2020 results announcement
- Approval of 2020 notice of AGM, remuneration report and annual integrated report
- Capital markets trading update

Q1

October to December 2020

- Shareholder engagement process following the remuneration policy vote at the 2020 AGM
- Deliberating on the approach to the JSE required financial controls attestation

Q2

January to March 2021

- Sad and untimely loss of board NED, Mrs Dolly Mokgatle
- Succession planning for the board vacancy
- Review and approval of the 2021 interim results announcement
- Preparing the draft 2021 remuneration policy, in light of shareholder feedback

Q3

April to June 2021

- Review and approval of the governance charters and policies
- Strategy review and 2022 budget approval
- Deliberated on ESG progress and non-financial targets
- Sign off of the CEO and CFO financial controls attestation process
- Appointment of NED Mrs Keneilwe Moloko

Q4

Beyond QUARTER 4 – July to October 2021:

- Response to the Miumi fraud, the decision to delay the 2021 year-end results announcement and the communication thereof to the market
- Review and approval of 2021 notice of AGM, remuneration report and annual integrated report

Board of directors



Stephen Koseff
Chairman



Brian Joffe
Independent Non-Executive Director

Executive directors



Bernard Berson
Chief Executive Officer



David Cleasby
Chief Financial Officer



Nigel Payne
Lead Independent Non-Executive Director



Tasneem Abdool-Samad
Independent Non-Executive Director



Paul Baloyi
Independent Non-Executive Director



Helen Wiseman
Independent Non-Executive Director



Clifford Rosenberg
Independent Non-Executive Director



Keneilwe Moloko
Independent Non-Executive Director
Joined: July 5 2021

Board composition

Board nationality



Board by gender and race



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



Board tenure



One third of the directors resign at each AGM. This enables shareholders to appoint directors to the board who they believe brings the appropriate skills to the board.

Board by age



See full CVs on page 84 – 85.

Good governance creating value

Good governance through COVID

Bidcorp's response during the COVID crisis has demonstrated the agility of the board and the resilience of management in responding to a crisis:

- board meetings convened on ZOOM, keeping communications current and meeting board calendar commitments
- group executives recognising the opportunity to share best practice responses to address the various government restrictions put in place through the COVID pandemic
- group chief executive officer updated the board as key material issues arose, highlighting the status and response implemented by teams around the group
- Bidcorp's decentralised, entrepreneurial model empowered each local management team to respond and make the tough decisions necessary as events unfolded, keeping the operations agile, and meeting immediate needs of the local team and community
- group finance team prioritised daily engagement with all group businesses to monitor and assist in cash management
- group-wide liquidity and cash management reporting, engaging with financial institutions to agree the potential provision of facilities as required

The board supports the executive management team and applauds the operations for their nimble, innovative, and market-leading response in seizing the opportunity presented in this "new normal".

Ethical culture

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

- Mandatory quarterly declarations from each business confirms entity-wide application and compliance to the Code of Ethics
- The group adopts a zero-tolerance approach to fraud, anti-bribery and corruption, as set out in the Fraud Policy and Code of Ethics, and will report all acts of criminality to the authorities
- The group adopted a malus and claw-back policy, entitling the stakeholders to request a claw back performance-based elements of executives' remuneration should that executive be found guilty of involvement in a material misstatement of the financial statements
- Annual related party declarations are completed by all senior members of the global team. Guidance requires that anyone in a decision making capacity is required to complete the annual declaration regarding related party relationships and transactions, as well as confirming familiarity with and compliance to the Code of Ethics, delegated levels of authority and the quarterly management representation letter. The group received declarations from 620 members of the group-wide management team at year end (2020: 656 declarations received).

King IV application summary

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

Leadership, ethics, and corporate citizenship

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

Performance and reporting

This annual integrated report demonstrates how performance is achieved through the strategic initiatives. Bidcorp sets and achieves its strategic initiatives with reference to its risks and opportunities. The board assesses the outcomes from its business model continuously and adapts it as required.

Governing structures and delegation

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

Governance functional areas

The board recognises the importance of risk management as it is linked to the strategy, performance, and sustainability of the group. Delegated by the board, the audit and risk committee delegates to management the implementation of processes to ensure that the risks are identified and mitigated. The board carries ultimate responsibility for the remuneration policy, seeking shareholder support, and delegating the remuneration policy rollout to the remuneration committee.

Stakeholder relationships

The board is responsible for and encourages positive stakeholder relationships; delegated to the management of each business to achieve effective stakeholder relationships with material stakeholders and to balance their legitimate and reasonable needs, interests and expectations.

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

 The detailed King IV register can be found on the Bidcorp group website.

Remuneration philosophy

The key principles that shape our policy are:

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

The board carries ultimate responsibility for the remuneration policy, delegating the execution of the mandate to the remuneration committee who operates in terms of a board approved mandate.

When the remuneration policy was presented to shareholders at the AGM in 2020, a majority of shareholders voted against the policy and implementation thereof, and consequently there was an extensive shareholder engagement process conducted. All discussions and meetings regarding this matter were considered by the board, to ensure all concerns raised by dissenting shareholders were appropriately addressed.

The actions taken as a consequence of these discussions are detailed in the 2021 remuneration report.

Bidcorp remuneration committee approved the 2021 remuneration report on October 28 2021.

The 2021 remuneration report, which includes the remuneration policy and implementation thereof, which will be put to a non-binding shareholders' vote at the 2021 AGM, on Thursday November 25 2021.

 Click here to access the full 2021 Remuneration Report.



Tribute to Dolly Mokgatle

Sadly, the board reports the untimely passing of Mrs Dolly Mokgatle, on Saturday, January 9 2021. Dolly joined the Bidcorp board as an independent non-executive director on October 4 2016 and was a member of the social and ethics, and nominations committees.

The board notes the value Dolly's dignified manner, wise counsel, and insightful contribution made; Dolly will be sorely missed.

Board performance assessment

The nominations committee carries out an annual board performance appraisal, and in line with charter requirements, engages the services of an external consultant to perform an independent board performance review. As part of the review, the performance of the board and its committees, as well as the performance of the chair of the board, are considered against their respective mandates in terms of the board charter and the charters of its committees.

In November 2019 a formal board performance assessment was completed by independent consultants Amrop Woodburn Mann. The results of the board evaluation indicated that board members, collectively and individually, effectively discharged their governance role, with some recommendations made for areas of improvement. The board set to actioning these recommendations, however some of the plans were delayed due to the COVID pandemic and the related travel restrictions put in place. Where action items were possible, these have been satisfactorily addressed.

At the June 2021 yearend, it was noted that in line with charter requirements, a board performance assessment is again due. The board has engaged the services of the same independent consultants, to conduct interviews with each of the directors, to assess the performance of the board and the board committees, and their satisfaction with the actions taken following the last review. The results of this review will be presented at the end of November 2021.

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

Induction and development

An induction programme is held for new members appointed to the board, tailored to the needs of individual appointee. An induction process was performed following the appointment of Mrs Keneilwe Moloko, appointed July 5 2021. This involves industry and company-specific orientation, such as meetings with senior management to facilitate an understanding of operations and on-site tours to have a first-hand experience with the workings of the warehouse, the logistics, and to meet some of the team. The company secretary assists the chair with the induction and orientation of directors and arranges specific training if required. The company will continue with directors' development and training to build on expertise and develop an understanding of the businesses and main markets in which the group operates.

Conflicts of interest

Conflicts of interest are actively managed to ensure candidate and existing directors have no conflicting interests between their obligations to the group and their personal interests. All directors are required to declare personal interests on a quarterly basis with a full related party disclosure completed annually. Declaration of directors' interests is a standing agenda point at each meeting. Directors who believe there may be a conflict of interest on a matter, advise the chairman and are recused from the decision-making process. Directors also adhere to the policy on disclosure and trading in securities of the company.

Good governance creating value

Board of directors

The Bidcorp board has established a good balance between the experience of longstanding directors and the fresh insights from more recently appointed directors.

Acquisitions committee

Paul Baloyi
Bernard Berson
David Cleasby
Brian Joffe
Nigel Payne
Clifford Rosenberg

Mr Paul Baloyi chairs the acquisitions committee. This strategic, growth-focused committee will stand the group in good stead through this challenging time. This committee supports the board in reviewing material investment opportunities, a key growth driver in Bidcorp's long-term value creation strategy.

 Refer to the 2021 annual financial statements page 14, acquisitions committee report

Meetings convened: 2
August 24 2020, August 23 2021

Nominations committee

Stephen Koseff
Brian Joffe
Nigel Payne

Appointment effective November 2021
• Paul Baloyi – Member

Independent non-executive chairman of the board, Mr Stephen Koseff, continues to chair this committee, following his April 2019 appointment. This committee was responsible for identifying the suitable candidates for appointment to the board, to ensure a strong and balanced board driving sustainable value creation for all stakeholders.

When filling vacancies, the board seeks and appoints qualified individuals who represent the diversity of the communities we serve. The board continue to monitor the work being done by the group to achieve a diverse workforce at all levels.

 Refer to the 2021 annual financial statements page 15, nominations committee report

Meetings convened: 4
August 24 2020, February 16 2021, June 8 2021, August 23 2021

Remuneration committee

Nigel Payne
Paul Baloyi

Clifford Rosenberg

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

 Refer to the 2021 annual financial statements pages 16 - 17, remuneration committee report

 Click here for the 2021 Remuneration report, published on the Bidcorp group website www.bidcorpgroup.com

Meetings convened: 3
August 24 2020, August 23 2021, October 25 2021

Social and ethics committee

Nigel Payne
Tasneem Abdool-Samad
Bernard Berson
Helen Wiseman

Appointments effective November 2021
• Tasneem Abdool-Samad – Chairman
• Keneilwe Moloko – Member

Chaired by Mr Nigel Payne, comprising three independent non-executives and the group's chief executive officer, the committee is well represented. The commitment of the group CEO to the mandate of this committee strengthens the group-wide commitment to the non-financial reporting elements key to the group's long-term sustainability.

The committee ensures that group strategy execution is ethical and sustainable, in line with the long-term value creation objectives.

 Refer to the 2021 annual financial statements page 18, social and ethics committee report

Meetings convened: 5
August 25 2020, November 19 2020, February 22 2021, May 20 2021, August 24 2021

Robust committee structure

Providing the board with valuable insight and perspective across the local and global economic environments.

Audit and risk committee

Helen Wiseman
Tasneem Abdool-Samad
Paul Baloyi
Nigel Payne

Appointment effective November 2021
• Keneilwe Moloko – Member

Mrs Helen Wiseman chairs this committee since the group's listing in May 2016, as well as the chairmanship of the five divisional audit and risk committees, places the insight and depth of knowledge this committee presents in an irrefutably strong position.

The committee provides independent oversight and assessment of the group's financial reporting, business and financial controls, risk management, regulatory compliance, and internal and external audit processes.

 Refer to the 2021 annual financial statements pages 9 - 13, audit and risk report

 Click here for the year-end results, on the Bidcorp group website www.bidcorpgroup.com

Meetings convened: 7
August 20 2020, November 12 2020, February 18 2021, May 12 2021, August 19 2021, September 27 2021, October 27 2021

Divisional Audit and Risk Committees

Australasia

Australia, New Zealand

United Kingdom

Bidfood UK, Bidfresh

Europe

Netherlands, Belgium, Czech & Slovakia, Poland, Italy, Baltics, Spain, Portugal, Germany

Emerging Markets

Asia, Chile, Brazil, Argentina, Africa, Middle East, Turkey

Corporate

Corporate Services, BPC, BidOne

Strengthening the board

The board has a rigorous and transparent procedure for considering new director appointments. The selection process is 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. Following the loss of Mrs Mokgatle, Mrs Keneilwe Moloko was appointed effective July 5 2021, bringing new insights and skills to the board. The board welcomes Mrs Moloko and looks forward to her valuable insights and diverse skillset strengthening the Bidcorp board.

Clarity of role and authority

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

Bernard Berson is the group chief executive officer. 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.

Board independence

The board comprises a majority of independent non-executive directors. The board considered the issue of directorial independence in accordance with the rationale and meaning of King IV's independence recommendations. Assessments of each non-executive director considered salient factors and each individual's unique qualities and circumstances. The board is satisfied that in line with best practice governance recommendations the Bidcorp board presents a majority of independent non-executive directors.

Balance of power

Responsibility for running the board and executive responsibility for the business are differentiated, no individual has unfettered powers of decision making. Mr Stephen Koseff is the board's independent non-executive chairman and Mr Bernard Berson, an executive director, is chief executive officer. The roles are separate and clearly defined. In line with ongoing good governance practices, the board appointed a lead independent director, Mr Nigel Payne, effective November 2019.

Company secretary

The company secretarial function was restructured to appoint Bidcorp Corporate Services (Proprietary) Limited (Bidcorp Corporate Services), to be represented by Ms Ashley Kim Biggs, effective January 1 2021. The board is comfortable that an arm's length relationship between the board and the company secretary is in place. The board confirms that it has received the required guidance on governance and compliance matters, has received timely communications, and is satisfied with the qualifications, competence, and expertise of the company secretary.



Good governance creating value

Good governance framework – Building robust governance environment on our four basic pillars

1. Governance

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

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

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

The board delegates specific responsibilities to board committees which focus on the needs and strategies of the business while meeting the reporting requirements of a JSE listed entity.

Our executive directors are responsible for the successful implementation of group-wide, business specific strategies through the execution of the necessary operational decisions. Non-executive directors provide an independent perspective and complement the knowledge, skills and experience of our executive directors. Non-executive directors objectively assess Bidcorp's strategy, budget, performance, risk oversight, diversity, employment equity, and standards of conduct.

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

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



2. Assurance

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

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

The group and divisional internal audit managers' report to the independent chairman of the audit and risk committee* and have unrestricted access to the committee and group executives. Regular meetings take place between the internal audit managers and the chairman of the audit and risk committee. The internal audit (IA) function is well-constituted with professional audit staff, possessing sufficient knowledge, skillset and experience to execute their responsibilities.

A risk-based IA plan is annually approved by the divisional and group audit and risk committees and each quarter reviewed by the committee for progress and potential adjustments to meet the evolving risk environment.

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

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

Financial controls attestation

The JSE issued requirement for a positive attestation from the management team on the financial control environment triggered a robust review of the key financial controls in place throughout the group. Engaging with management, internal audit, and external audit a group-wide financial key controls principles document was distributed, requiring each environment to confirm compliance with this standard. This exercise was key in meeting the requirements for the financial controls attestation in June 2021; and to inform the assurance plan to be put in place for the year ahead.

Refer to the 2021 annual financial statements

3. Compliance

Bidcorp recognises that geographical diversity and decentralisation creates potential vulnerability to the risk of statutory and regulatory non-compliance. As the impacts differ in the various jurisdictions, each entity is required to identify the requirements which apply to its specific operating environment and the information that must be held in terms of this legislation.

The board annually confirms that Bidcorp complies with the JSE Listings Requirements and places strong emphasis on the highest standards of financial management, accounting and reporting. On economic, environmental and social issues, the company follows Global Reporting Initiatives Sustainability Reporting Guidelines. The board has a social and ethics committee* and ensures quarterly compliance reporting with social and ethics standards – group-wide, industry-wide and across our geographies.

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

Ensuring an ethical environment

Bidcorp's commitment to building and sustaining an ethical organisational culture is entrenched.

The board reviews the Bidcorp Code of Ethics* annually and ensures its continued application in each group entity.

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

The board ensures no director, manager, employee or members of their immediate family deals directly or indirectly in the securities of the company on the basis of unpublished, price-sensitive information nor during any embargo determined by the board. Dealings in the company's securities by directors and officers are listed and circulated at every board meeting for noting.

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

Bidcorp has engaged with Deloitte's whistleblower facility* to ensure that in all Bidcorp geographies, a local telephone number, answered in the local language is available to all stakeholders, as well as access to the email and online service to report any perceived unethical behaviour. This outsourced and independent "whistleblowing" service enables stakeholders to anonymously report suspect behaviour, including noncompliance with company policies. All reported incidents are investigated by management and, where appropriate, action is taken.

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

Refer to the Stakeholders: Employees on page 19



4. Risk management

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

The board has delegated the responsibility for risk management to the audit and risk committee*.

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

Refer to the Risk section of this report.

IT and data governance

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

Fit-for-purpose in-house operational IT skills, with the necessary strategic IT oversight, are in place. The IT functions are generally run lean, however, significant investment continues to be made in the IT innovation and ecommerce space.

Inhouse IT skills are complemented by outsourced vendors with specialist networking, telecommunications, and cyber security skillsets. Entity specific business resilience controls are in place and tested as part of internal audit scope.

Significant attention has been given to the identification and management of cyber-security risks across the group. Implementation and enhancement of this key control environment is monitored and managed by each business, in line with the group framework. The governance of data and management of data privacy, ensuring the necessary supporting IT architecture is appropriate and effective, ensures compliance with the applicable legislation.

Refer to the Divisional Reviews: Manufactured capital in this report

* Governance documentation, including the items listed below, can be found on the Bidcorp group website – board and Internal Audit Charters, Bidcorp Code of Ethics, Bidcorp Tip-offs

Building a brighter future



Global waste improvement facilitated through 'green packaging' range

Single use packaging, DAC Italy



Detpak, Bidfood New Zealand

Planet Over Plastic Campaign, Bidfood Australia



Sustainable supplies, Bidfood Poland

NEXT UP:

Ancillary information

Board of directors curricula vitae	84 – 85
Shareholders' information	86 – 87
Shareholders' diary	87
Glossary	88

Directors' curricula vitae

Stephen Koseff

Qualifications: BComm, CA(SA), MBA, H Dip BDP and Hon DCom (Wits)

Age: 70

CHAIRMAN

INDEPENDENT NON-EXECUTIVE DIRECTOR

Appointed: August 16 2017

Board committee: Nominations committee (chairman)

Experience and expertise: Stephen is the former chief executive officer of the Investec Group. Dual listed on the London Stock Exchange and the Johannesburg Stock Exchange. Stephen was with Investec for 39 years in various capacities and CEO from 1996 to 2018.

In 2017, Stephen was awarded an Honorary Doctor of Commerce Degree by the University of the Witwatersrand. He is a former non-executive director of the South African Banking Association, a former board member of Business Leadership South Africa, former non-executive director and chairman of the South African Banking Association, a former director of the JSE Limited, a former member of the Financial Markets Advisory Board, and former chairman of the Independent Bankers Association.

Stephen currently serves as a non-executive director of Investec Ltd, Investec Plc, and the Investec Australia Property Fund. Stephen is chairman of Bid Corporation Ltd, Bud Group (Pty) Ltd, IEP Group (Pty) Ltd, and co-chair of Youth Employment Service (YES).

Bernard Larry Berson*

Qualifications: BComm and BAcc

Age: 56

CHIEF EXECUTIVE OFFICER

Appointed: March 10 2016

Board committee: Acquisitions committee, social and ethics committee

Experience and expertise: Since 1996, Bernard has been involved in all aspects of the development of Bidcorp's foodservice business in Australia, New Zealand and Asia, and in 2010 assumed responsibility for Bidcorp's global foodservice businesses, including its operations in the UK and Europe.

Over the past 21 years Bernard has been involved in all material acquisitions and directing the strategic focus of the businesses. Bernard was appointed as chief executive officer of Bid Corporation Limited on April 14 2016.

David Edward Cleasby

Qualifications: CA(SA)

Age: 59

CHIEF FINANCIAL OFFICER

Appointed: September 12 2007

Board committee: Acquisitions committee

Experience and expertise: David was financial director of Rennies Terminals when Bidvest acquired Rennies group in 1998. In 2001, he joined the Bidvest corporate office where he was involved in both group corporate finance and investor relations. David was appointed as Bidvest financial director on July 9 2007. David managed Bidvest's interests in the investments made by the group over the years.

David was appointed as chief financial officer of Bid Corporation Limited on April 14 2016.

Nigel George Payne

Qualifications: BCom (Hons), CA(SA), MBL (Unisa)

Age: 61

LEAD INDEPENDENT NON-EXECUTIVE DIRECTOR

Appointed: March 10 2016

Board committee: Remuneration committee (chairman), social and ethics committee (chairman), acquisitions committee, audit and risk committee, nominations committee

Experience and expertise: Nigel is a professional non-executive director, with no executive responsibilities. Nigel is the chairman of the board of the Mr Price Group Limited. Nigel chairs the board at Strate (Pty) Ltd. Nigel is a member of the board of Alexander Forbes Holdings Limited, and Vukile Property Fund Limited.

Paul Cambo Baloyi

Qualifications: MBA (University of Manchester and Bangor University), SEP (Harvard), AMD: INSEAD (France), MDP (Stellenbosch University)

Age: 65

INDEPENDENT NON-EXECUTIVE DIRECTOR

Appointed: March 10 2016

Board committee: Acquisitions committee (chairman), audit and risk committee, remuneration committee

Experience and expertise: Paul is the managing director of CAP Leverage Proprietary Limited. He is a former chief executive officer and managing director of the Development Bank of Southern Africa. Paul also served as chief executive officer and managing director of DBSA Development Fund.

Paul has spent 30 years in the financial services sector, with both Standard Bank and the Nedbank group. His last position at Nedbank was as managing director of Nedbank Africa.

Paul has been an independent non-executive director on many boards locally and internationally, including African financial institutions. He was a council member of the Institute of Bankers and also served as chairman of the Ned Medical Aid. Other boards include Discovery Bank Limited and Discovery Bank Holdings Limited and CAP Leverage Proprietary Limited. Paul also serves on various board committees (audit, risk, remuneration and nominations) as member and chairman.

Brian Joffe

Qualifications: CA(SA)

Age: 74

INDEPENDENT NON-EXECUTIVE DIRECTOR

Appointed: August 17 1995

Board committee: Acquisitions committee, nominations committee

Experience and expertise: The founder of the Bidvest Group Limited and Bid Corporation Limited, Brian has over 50 years' commercial experience, both locally and internationally. Among his achievements, Brian has been recognised by Sunday Times as SA's businessman of the year, won the South African chapter of the Ernst & Young Entrepreneur Award and represented South Africa at the World Entrepreneur Awards. Profiled as one of South Africa's Greatest Entrepreneurs by MME Media in association with Gordon Institute of Business Science, Brian has been named by Wits Business School Journal as one of SA's top 25 business leaders with significant impact on South African business.

Brian is the recipient of an Honorary Doctorate in Commerce from the University of South Africa, an Honorary Doctorate in Commerce from the University of Witwatersrand and awarded the Sunday Times Lifetime Achiever Award. He has been included in the Forbes list of the 20 most influential people in Africa and awarded the CNBC All Africa Lifetime Achievers Award.

Brian currently serves as CEO of Long4Life Limited, a company he founded and listed on the JSE in 2017 and serves as a non-executive director of Bid Corporation Limited.

Helen Wiseman*

Qualifications: BSc (Hons) (University of Manchester), CA, GAICD, IDP-C INSEAD

Age: 55

INDEPENDENT NON-EXECUTIVE DIRECTOR

Appointed: March 10 2016

Board committee: Audit and risk committee (chairman), social and ethics committee

Experience and expertise: A non-executive director, Helen has extensive international business experience across a range of sectors including food, pharmaceutical, manufacturing, distribution, mining, energy, and financial services. Prior to embarking on her non-executive career, Helen was a partner at KPMG Australia. Helen chaired Bidvest's International foodservice business divisional audit committees from 2011 to 2016.

Helen has held various board and audit committee roles, including her current non-executive director and audit and risk committee chairman roles for Bid Corporation Limited.

Helen is chairman of Elixinol Wellness Limited, as well as a director of the Australian Indigenous Mentoring Experience Corporation (AIME), INSEAD International Directors Network, Elancial Group Pty Ltd and a non-executive director of Imalia Pty Ltd. She is also vice-patron of SHINE for Kids (Australia).

Tasneem Abdoel-Samad

Qualifications: CA(SA)

Age: 47

INDEPENDENT NON-EXECUTIVE DIRECTOR

Appointed: September 16 2019

Board committee: Audit and risk committee, social and ethics committee

Experience and expertise: In 2014 Tasneem was appointed to the board of Reunert Limited as non-executive director, where she chairs the investment committee and serves as a member of the audit committee, risk committee, and nominations and governance committee.

Tasneem sits on the board of Absa Group Limited and Absa Bank Limited as non-executive director. She chairs the Absa Group audit committee and is a member of the group audit and compliance committee, the board finance committee, and the group risk and capital committee. Appointed to the board of Absa Financial Services Limited as a non-executive director. Tasneem chairs the Absa Financial Services Board.

Tasneem was appointed to the board of Long4Life Limited as a non-executive director on March 22 2017, and chairs the audit and risk committee, as well as serving as a member of the social, ethics and transformation, and remuneration committees.

Clifford Johann Rosenberg*

Qualifications: BBusSci (Hons) (UCT), MScM (Hons) (Boston University)

Age: 57

INDEPENDENT NON-EXECUTIVE DIRECTOR

Appointed: September 16 2019

Board committee: Acquisitions committee, remuneration committee

Experience and expertise: Clifford has over 20 years of experience in the digital space as an entrepreneur and as an executive, with specific experience in disrupting businesses.

Clifford is a non-executive director of Nearmap Limited, Technology One Limited, and A2B Limited. His previous executive roles include Managing Director of LinkedIn (for southeast Asia, Australia and New Zealand), appointed in 2009 until 2017. Clifford was the managing director of Yahoo! Australia and New Zealand (from 2003 to 2006) and is the founder and managing director of iTouch Australia and New Zealand, one of the largest mobile content and application providers in Australia.

Keneilwe Rachel Moloko

Qualifications: NDip (Building Survey), BSc (QS), BCom, PGDA, CA(SA)

Age: 52

INDEPENDENT NON-EXECUTIVE DIRECTOR

Appointed: July 5 2021

Experience and expertise: Keneilwe started her career as a quantity surveyor and then qualified as a chartered accountant after nearly a decade in the construction industry.

Keneilwe serves as an independent non-executive director on the Brimstone Investment Corporation Limited board. Keneilwe was appointed to the board of Long4Life Limited on November 1 2017, where she chairs the remuneration committee and is a member of the audit and risk committee and social, ethics and transformation committee.

* Australian

* Australian

Shareholders' information

	Total shareholding	%
BENEFICIAL SHAREHOLDINGS		
Major shareholders holding 3% or more of the shares in issue		
Government Employees Pension Fund (PIC)	57 119 142	17,0
INVESTMENT MANAGEMENT SHAREHOLDINGS		
Fund managers holding 3% or more of the shares in issue		
Government Employees Pension Fund (PIC)	49 851 106	14,9
Coronation Asset Management (Pty) Ltd	26 621 940	7,9
J.P. Morgan Asset Management	24 842 699	7,4
Ninety One Plc	20 513 067	6,1
Genesis Investment Management LLP	16 421 480	4,9
BlackRock Inc	12 550 252	3,7
The Vanguard Group Inc	11 924 556	3,6
Old Mutual Ltd	11 127 508	3,3
	173 852 608	51,8
SHARES IN ISSUE		
Total number of shares in issue	335 404 212	
BTW Investments Proprietary Limited (treasury shares)	(1 332 073)	
	334 072 139	
BENEFICIAL SHAREHOLDER CATEGORIES		
Pension Funds	109 860 594	32,8
Unit Trusts	77 901 553	23,2
Mutual Funds	35 097 887	10,5
Private Investors	24 655 801	7,4
Sovereign Wealth Companies	17 384 212	5,2
Insurance Companies	11 004 422	3,3
Hedge Funds	8 817 932	2,6
Exchange-Traded Funds	6 595 774	2,0
Trading Positions	5 035 323	1,5
Custodians	4 145 597	1,2
Corporate Holdings	2 788 125	0,8
Investment Trusts	2 530 377	0,8
Charities	2 053 466	0,6
Black Economic Empowerment	1 537 455	0,5
Universities	1 031 923	0,3
Medical Aid Schemes	567 601	0,2
Local Authorities	463 217	0,1
Foreign Governments	284 248	0,1
ESG Funds	109 170	0,0
Other Managed Funds	10 236	0,0
Remainder	23 529 311	7,0
	335 404 224	100,0

	Total shareholding	%
GEOGRAPHICAL SPLIT OF BENEFICIAL SHAREHOLDERS		
Region		
South Africa	173 951 967	51,9
United States of America and Canada	69 625 062	20,8
United Kingdom	15 088 276	4,5
Europe	30 550 146	9,1
Rest of World ¹	46 188 773	13,8
	335 404 224	100,0

¹ Represents all shareholdings, except those in the above regions.

	Number of holders	% of total shareholders	Number of shares	% of issued capital
ANALYSIS OF SHAREHOLDING				
Shareholder spread				
1 – 1 000 shares	37 529	84,5	9 521 059	2,8
1 001 – 10 000 shares	5 578	12,6	14 711 072	4,5
10 001 – 100 000 shares	959	2,2	31 162 881	9,3
100 001 – 1 000 000 shares	271	0,6	81 283 794	24,2
1 000 001 shares and above	50	0,1	198 725 406	59,2
Total	44 387	100,0	335 404 212	100,0
Shareholder type				
Non-public shareholders	18	0,03	2 919 101	0,9
Directors	7	0,02	809 956	0,3
Bidvest Pension/Retirement Funds	10	0,01	777 072	0,2
BTW Investments Proprietary Limited	1	0,00	1 332 073	0,4
Public shareholders	44 369	99,96	332 485 111	99,1
Total	44 387	100,00	335 404 212	100,0

Shareholders' diary

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

Glossary

Ambient products	Food that can be stored at room temperature, generally about 20°C
Bidfood ecommerce platform	Developed by our NZ-based software development team, BidOne, these sites are globally rolled out to local platforms, accessible on all devices for online ordering, menu planning, invoicing, sales reports, and day-to-day customer engagement.
Catering sector	A broad service category that provides foodservices to businesses that prepare large-scale meals for events and functions
Chilled products	Food that is stored at refrigeration temperatures (between 2°C and 4°C)
DC	Distribution centre, also referred to as a depot
ESG	Environment, Social and Governance standards and reporting in line with recommendations of global guidance, TCFD requirements, King IV and GRI standards
Foodservice sector	The business of being a delivered wholesaler of a broad multi-temperature food and related product range to the catering and hospitality sectors
Free-trade	Also referred to as street trade or independent trade Standalone customers which are not part of a large conglomerate or holding entity, usually owner managed high-end restaurants
Fresh	Fresh produce (fruits and vegetables), as well as fresh meat, fish and/ or poultry
Frozen	Prepared fresh product, packaged and frozen at -18°C for distribution
Group	Bidcorp group, consolidating all subsidiaries (see 2021 AFS Note 12.3)
Horeca	A foodservice distribution channel that includes hotels, restaurants, caterers, cafés and the broader hospitality industry
Hospitality sector	A broad service category that provides foodservices to a hospitality business such as a restaurants, pubs and hotels
Industrial caterers	A provider of catering services within the industrial sector, the industrial caterer usually has a presence situated on site
Institutional channel	A foodservice distribution channel into canteens within hospitals, schools, care homes and prisons
JSE	Johannesburg Stock Exchange
Logistics segment	A segment of the foodservice sector that supplies logistics solutions to large scale food providers and the QSR trade
National accounts	Accounts which have a head office structure with one point of contact for overall account management
Non-food products	Collection of non-food items ranging from cleaning products, work clothing, kitchen equipment, serviettes, dining goods etc
Out-of-home eating	Restaurant and casual dining prepared outside of the home
Own Brands	Also known as home brands or private label products, owned by the group and TM registered
Processing segment	A segment of the foodservice sector which manufactures and distributes processed, semi-processed and prepackaged products
QSR	Quick service restaurant
Ready-meals or Ready-to-eat	Pre-packaged, pre-prepared deli foods and chilled or frozen meals
Re-pack products	Re-packing of bulk containers of whole produce into smaller quantities as part of the light manufacture value-add services offered by Bidfood
Retail segment	Business which supplies a full-range of products to supermarkets and hypermarkets
Sous Vide products	Quality cuts sealed in airtight plastic bags for slow cooking in water baths or in temperature-controlled steam environments
Voice picking	Accurate, efficient, and effective order picking system implemented in warehouses

Administration



BID CORPORATION LIMITED

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

DIRECTORS

Non-executive chairman: S Koseff
Lead independent director: NG Payne
Independent non-executive: 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

SECRETARY

Bidcorp Corporate Services Proprietary Limited
represented by Ms AK Biggs

INDEPENDENT AUDITOR

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

LEGAL ADVISERS

Baker & McKenzie
Edward Nathan Sonnenbergs

TRANSFER SECRETARIES

Computershare Investor Services (Pty) Ltd
Registration number: 2004/003647/07
Private Bag X9000, Saxonwold, 2132

SPONSOR

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

BANKERS

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

REGISTERED OFFICE

2nd Floor North Wing, 90 Rivonia Road, Sandton, 2196
Postnet Suite 136, Private Bag X9976, Sandton, 2146

WHISTLEBLOWING LINE

Freecall: +27 (0) 800 205 052
Email: bidcorp@tip-offs.com

Further information regarding our group can be found on the Bidcorp website: www.bidcorpgroup.com