Bidcorp

Passionate about foodservice

Carbon footprint: Greenhouse gas report 2016

FY July 2015 to June 2016

Introduction

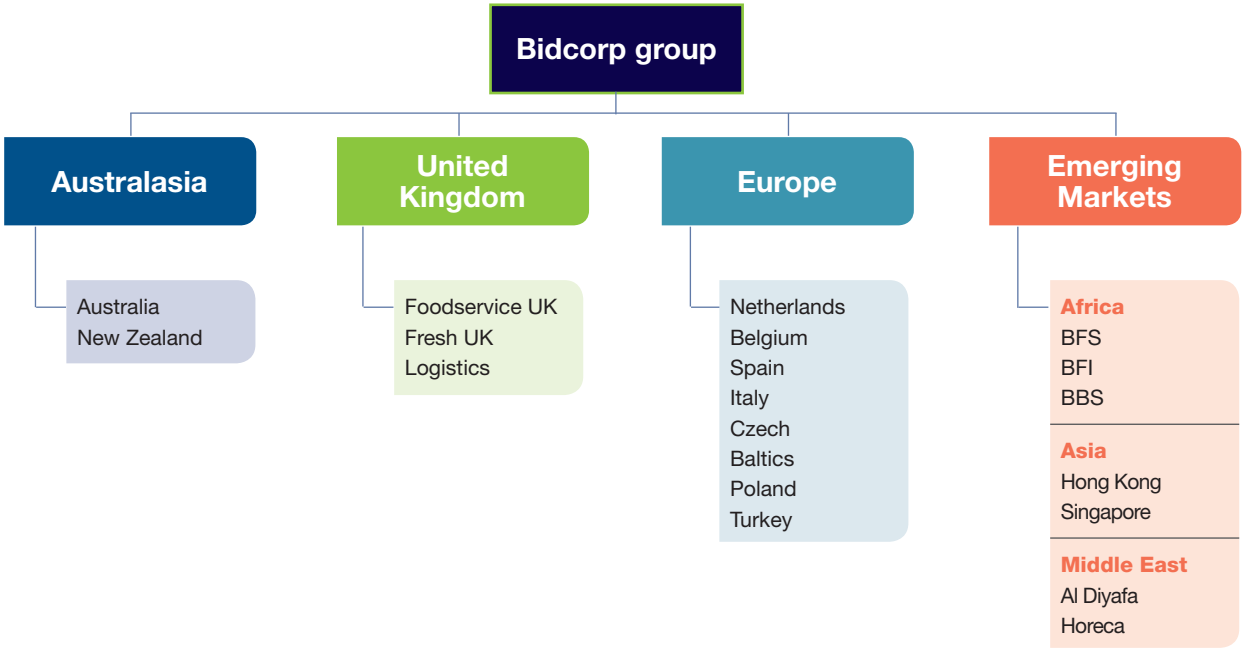
Bidcorp is a group of businesses operating in five continents providing a global foodservice presence “Passionate about foodservice” and “It’s all about the food” are just some of the words we use to describe our business.

Our core focus is foodservice, as this is an area in which we can add the most value. Thanks to our experience, expertise, infrastructure and people.

Leading the foodservice industry in our chosen geographies and operating through strategically located independent business units, we are proud of our global reach and the broad appeal of our unique product and service offering.

Providing a one-stop supply solution we distribute wholesale ambient, chilled and frozen food, fresh produce, meat and related non-food products to operators in the foodservice and catering industries.

With a product range that is current and diverse, we continue to meet the needs of our customers worldwide. Our innovations in product and menu development, allows us to live up to our reputation of delivering *smart solutions from a responsive foodservice partner*, thereby creating opportunities to add value for both customer and supplier.



Our approach

The greenhouse gas (GHG) inventory has been produced in compliance with the greenhouse gas reporting regulation, a requirement from the Climate Change Act 2008.

This report has used the guiding principles of GHG Protocol Corporate Standard and adhered to the guidelines provided by the following sources:

- Department of environment and rural affairs (DEFRA)
- Government emission conversion factors for greenhouse gas company reporting
- Emission factors 2016 – Conversion factors 2016 – Full set (for advanced users)
- The data used in the report was submitted by each of the businesses units; subdivision or divisionally as per the group’s structure.

Organisational boundary

In total 100% owned businesses within the Bidcorp group have been included in this report.

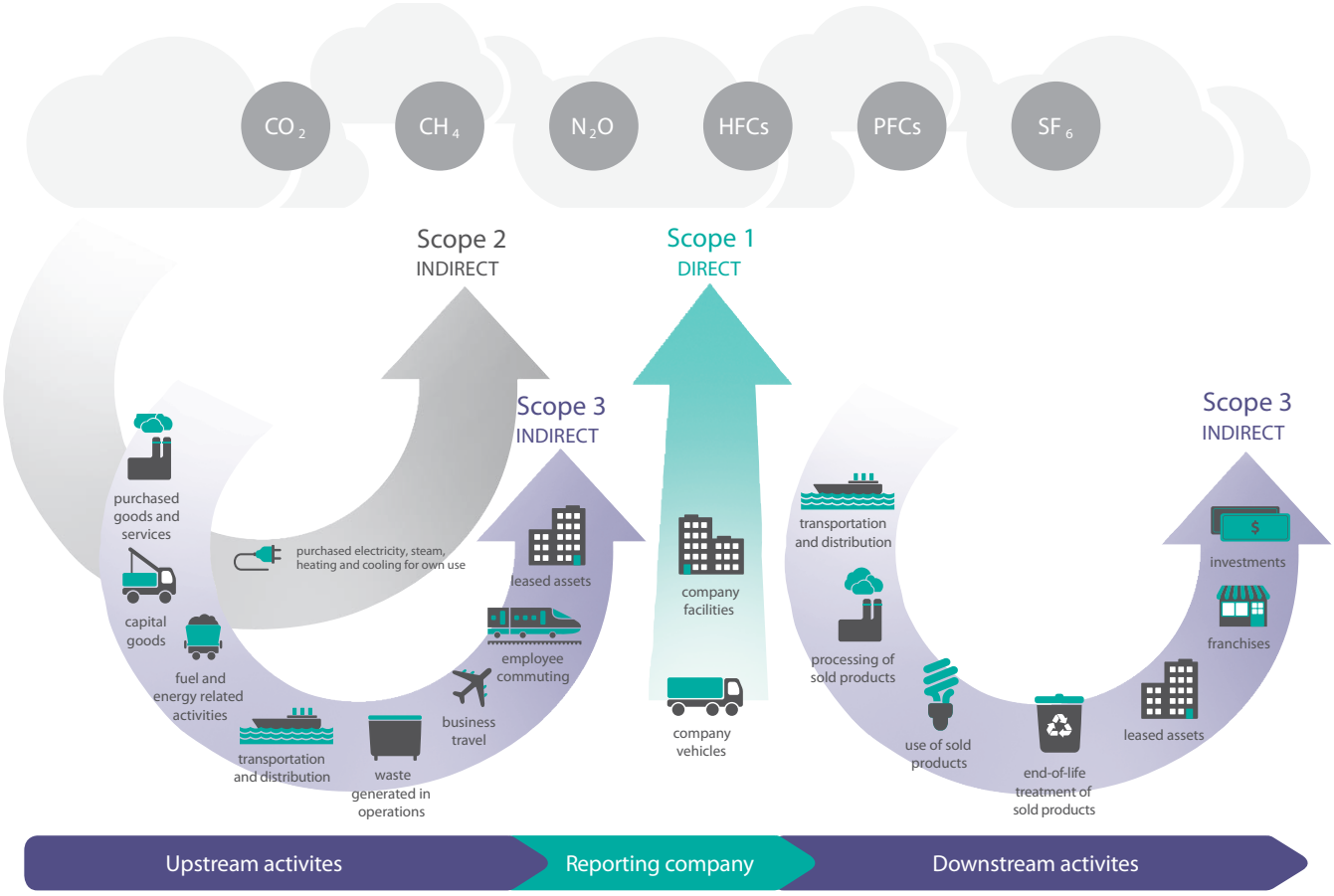
In response to the proposed carbon tax in South Africa the group has used the opportunity to calculate the greenhouse gas emissions in order to understand the carbon tax implications for the Bidcorp Africa division. The report details the GHG inventory analysis for the financial period, July 1 2015 to June 30 2016.

Reporting boundary

GHG emissions are made up of:

Scope 1 direct emissions from burning fuels used in manufacturing and vehicles. Scope 2 indirect emissions from the use of electricity. Scope 3 indirect emissions from the use of paper; car hire; flights and other related items.

Illustration of the different sources of emissions (the Greenhouse Gas Protocol: Corporate Value Chain Accounting and Reporting Standard).



In this report The Bidcorp group has accounted for direct GHG emissions:

- Scope 1 direct emissions from fuels owned by the organisation
- The emissions related to the combustion of the following fuels:
  - Diesel
  - Biodiesel
  - Heavy fuel oil (HFO)
  - Liquefied natural gas (LNG)
  - Petrol
  - Coal
  - Intermediate fuel oils (IFO)
  - Liquefied petroleum gas (LPG)

The change in the reporting approach is based on:

Scope 2 indirect emissions from the use of electricity. Many of the Bidcorp group companies lease the premises their businesses operate in.

Scope 3 indirect emissions from travel, car hire and flights, and paper usage.

- In previous reporting years the total of scope 3 emissions has remained low and considered immaterial.
- Data on these activities is difficult to report on and therefore the data becomes unreliable.

Methodology

Methodology used in this report to calculate the total scope 1 (direct) GHG emissions – total amount of fuel used x emission factor = total tonnes of CO_2e.

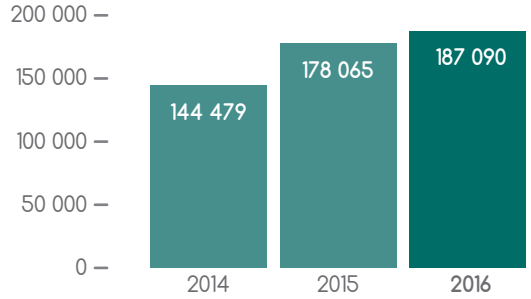
Fuel used*	Emission factor**
Diesel (litre)	2 611
Gasoline (litre)	2 197
LNG (kg)	2 715
LPG (kg)	2 941
Coal (kg)	2 417
HFO (litre)	3,18
IFO (litre)	2,91
Biodiesel (hydro-treated vegetable oil) (litre)	0,019
Biodiesel (methyl ester) (litre)	0,019
Other such as butane, propane*** (kg)	3,3
Out of scope	

* *Accounts for fuels used in owned equipment/vehicles.*
** *Emission factors taken from GHG protocol website. Emission factors are applicable until 2017 but may differ slightly to the emission factors to be used in the proposed SA carbon tax.*
*** *Gas used assumed to be butane or propane.*

GHG emissions tables

Scope 1 emissions and GHG by fuel

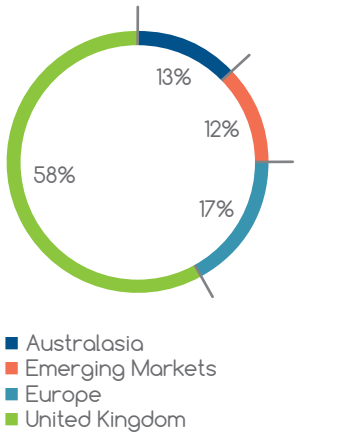
Scope 1 GHG emissions



Scope 1 emissions by division

	2014 Tonnes CO_2	2015 Tonnes CO_2	**2016 Tonnes CO_2**
Bidcorp group total	144 479	178 065	**187 090**
Australasia	23 153	23 917	**24 622**
Emerging Markets	24 780	23 071	**21 806**
Europe	30 879	31 642	**32 482**
United Kingdom	65 666	99 436	**108 180**

Scope 1 emissions by division



Top five Bidcorp group companies contributing to GHG emissions

	Tonnes CO_2	Litres of diesel	Litres of gasoline
3663 First for foodservice	101 085	38 701 438	250
Deli XL Netherlands	15 457	4 865 855	146 757
Bidvest Australia	13 916	5 035 143	348 489
Bidvest Foodservice (Africa)	10 875	5 200 196	1 299 110
Bidvest New Zealand	10 706	3 698 024	394 045

Bidcorp group

Emissions per fuel type

	2014 Tonnes CO_2	2015 Tonnes CO_2	**2016 Tonnes CO_2**
Total scope 1 GHG emissions	144 479	178 065	**194 823**
Biodiesel (hydro-treated vegetable oil)	–	–	**0,71477**
Biodiesel (methyle ester)	64	54	**n/a**
Butane	3 349	977	**762**
Coal	0	0	**n/a**
Diesel	127 229	165 166	**174 213**
Gasoline	9 083	7 047	**7 899**
HFO	n/a	n/a	**n/a**
IFO fuel	n/a	n/a	**n/a**
LNG	4 327	4 344	**3 951**
LPG	426	478	**264**
Methane	n/a	n/a	**n/a**
Nitrous oxide	n/a	n/a	**n/a**

Fuel usage

	2014	2015	**2016**
Biodiesel (hydro-treated vegetable oil) – usage (litre)	–	–	**36 063**
Diesel (excl biodiesel) – usage (litre)	48 716 212	63 242 359	**66 706 566**
Gasoline (petrol) – usage (litre)	4 134 477	3 207 763	**3 595 554**
LNG (liquefied natural gas) – usage (kg)	1 593 782	1 600 129	**1 455 271**
Other such as butane, propane, etc – usage (kg)	1 014 886	295 970	**230 776**
LPG (liquefied petroleum gas) – usage (kg)	144 880	162 428	**89 926**

GHG emissions by division

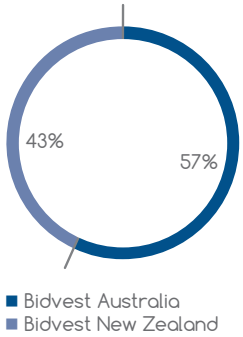
Australasia

Emissions per fuel type

	2014* Tonnes CO_2	2015* Tonnes CO_2	**2016 Tonnes CO_2**
Scope 1	23 153	23 917	**24 622**
Biodiesel (hydro-treated vegetable oil)	–	n/a	**n/a**
Biodiesel (methyle ester)	–	–	**n/a**
Butane	–	n/a	**n/a**
Coal	–	n/a	**n/a**
Diesel	21 074	21 819	**22 808**
Gasoline	1 791	1 779	**1 631**
HFO	n/a	n/a	**n/a**
IFO fuel	n/a	n/a	**n/a**
LNG	–	n/a	**n/a**
LPG	288	318	**182**
Methane	n/a	n/a	**n/a**
Nitrous oxide	n/a	n/a	**n/a**

** 2015 restructure of the Bidcorp group means the figures for scope 1 emissions will differ to previously published reports.*

Australiasia
top three contributors to GHG tCO_2e



Bidvest Australia
Bidvest New Zealand

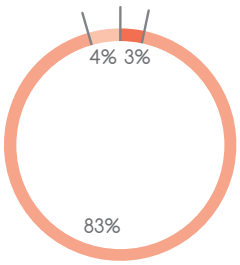
Emerging Markets

Emissions per fuel type

	2014* Tonnes CO_2	2015* Tonnes CO_2	**2016 Tonnes CO_2**
Scope 1	24 780	23 071	**21 806**
Biodiesel (hydro-treated vegetable oil)	–	–	**n/a**
Biodiesel (methyle ester)	–	–	**n/a**
Butane	–	–	**n/a**
Coal	–	–	**n/a**
Diesel	17 657	18 216	**15 725**
Gasoline	5 309	3 520	**4 494**
HFO	n/a	n/a	**n/a**
IFO fuel	n/a	n/a	**n/a**
LNG	1 677	1 175	**1 505**
LPG	138	159	**82**
Methane	n/a	n/a	**n/a**
Nitrous oxide	n/a	n/a	**n/a**

** 2015 restructure of the Bidcorp group means the figures for scope 1 emissions will differ to previously published reports.*

Emerging Markets
top three contributors to GHG tCO_2e



Angliss Hong Kong and China
Bidvest Foodservice Africa
Bidvest Middle East

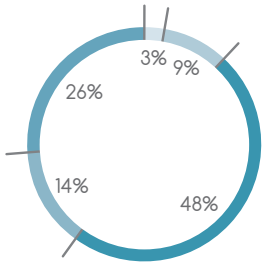
Europe

Emissions per fuel type

	2014* Tonnes CO_2	2015* Tonnes CO_2	**2016 Tonnes CO_2**
Scope 1	30 879	31 642	**32 482**
Biodiesel (hydro-treated vegetable oil)	–	–	**n/a**
Biodiesel (methyle ester)	–	–	**n/a**
Butane	3 321	977	**751**
Coal	–	–	**n/a**
Diesel	23 408	26 370	**27 512**
Gasoline	1 983	1 748	**1 774**
HFO	n/a	n/a	**n/a**
IFO fuel	n/a	n/a	**n/a**
LNG	2 168	2 547	**2 446**
LPG	–	–	**n/a**
Methane	n/a	n/a	**n/a**
Nitrous oxide	n/a	n/a	**n/a**

** 2015 restructure of the Bidcorp group means the figures for scope 1 emissions will differ to previously published reports.*

Europe
top three contributors to GHG tCO_2e



Bidvest Baltics
Deli XL Belgium
Deli XL Netherlands
Farutex
Nowaco

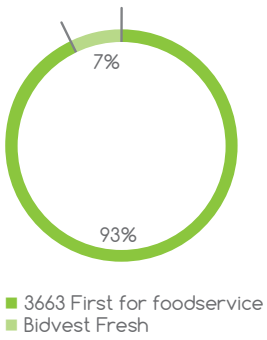
United Kingdom

Emissions per fuel type

	2014* Tonnes CO_2	2015* Tonnes CO_2	**2016 Tonnes CO_2**
Scope 1	65 666	99 436	**108 180**
Biodiesel (hydro-treated vegetable oil)	–	–	**0,71477**
Biodiesel (methyle ester)	64	53	**n/a**
Butane	28	0	**11**
Coal	0	n/a	**n/a**
Diesel	65 090	98 760	**108 168**
Gasoline	1	–	**1**
HFO	n/a	n/a	**n/a**
IFO fuel	n/a	n/a	**n/a**
LNG	482	623	**–**
LPG	–	–	**n/a**
Methane	n/a	n/a	**n/a**
Nitrous oxide	n/a	n/a	**n/a**

** 2015 restructure of the Bidcorp group means the figures for scope 1 emissions will differ to previously published reports.*

United Kingdom
top three contributors to GHG tCO_2e



Risk for carbon tax

Overview on the proposed carbon tax

National Treasury has announced that a carbon tax will be implemented by 2017. The essence of this tax is that each registered tax paying entity in South Africa will be liable to pay carbon tax on its direct (scope 1) greenhouse gas emissions. The tax rate has been set at R120 per tonne of CO_2 equivalent with the first 60% of emissions not being taxable. There are also some relief measures such as trade exposure, benchmarking and carbon offsets. In practice, companies will pay between R24 and R48 per tonne of CO_2 on their emissions from fossil fuel combustion. Companies with emissions from fuels (diesel and petrol) used for mobile combustion will see an impact through the fuel levy.

The key elements in the Draft Carbon Tax Bill include:

1. Only companies that own or control combustion installations (eg boilers, industrial furnaces, generators) with a capacity of 10 MW or higher will be eligible for the carbon tax on stationary combustion in the first phase (up to 2020).
2. Consumption of LPG or LNG by individual Bidvest companies seem to be under the 10MW threshold for stationary combustion and thus will not pay direct carbon tax. Cost for LPG and LNG may be increased under the fuel levy if used for mobile combustion.
3. Fuel (petrol or diesel) for mobile combustion will be taxed under the fuel tax regime. It is anticipated that levies will be increased in this regard by approximately R0,12/litre. Thus companies that consume diesel and petrol will experience increased costs through the proposed fuel levy.
4. The tax will be made mainly revenue neutral through the implementation of, among others, a reduction in the current electricity levy. It is estimated that the electricity price could increase between R0,01/kWh and R0,03/kWh and this would be passed through by Eskom.
5. An additional relief mechanism of 5% has been provided for companies that are subject to the carbon budgets process of the Department of Environmental Affairs.

Bidvest Foodservice Africa

Fuel usage and possible carbon tax implications

	2014	2015	**2016**	Fuel levy @ R0.12/ℓ
Biodiesel (hydro-treated vegetable oil) – usage (litre)	–	–	**n/a**	n/a
Diesel (excl biodiesel) – usage (litre)	5 909 411	5 726 055	**5 200 196**	624 023,5
Gasoline (petrol) – usage (litre)	1 660 394	1 488 846	**1 299 110**	155 893,2
LNG (liquefied natural gas) – usage (kg)	617 549	432 808	**554 410**	
Other such as butane, propane, etc – usage (kg)	–	–	**n/a**	n/a
LPG (liquefied petroleum gas) – usage (kg)	46 894	54 225	**27 896**	n/a