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

- Environmental sustainability
- Social engagement and responsibility
- Sound governance

OUR STAKEHOLDERS

- Employees
- Customers
- Communities
- Suppliers
- Authorities
- Investors

OUR SDGS

- 2 Zero hunger
- 3 Good health and well-being
- 5 Gender equality
- 8 Decent work and economic growth
- 9 Industry, innovation and infrastructure
- 10 Reduced inequalities
- 12 Responsible consumption and production
- 13 Climate action

2021 Annual reporting suite

We are committed to transparent reporting to our stakeholders. The following reporting frameworks were applied in preparing this report:	AIR	AFS	Notice of AGM	Remuneration 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

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

Cross-reference content within this report

Click here for more information on the company's website

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.

Bidcorp

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.

Building a brighter future

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

Revenue
R114,8bn

Trading profit
R4,8bn

Employees
22 552

Carbon emissions
287 982 tCO_2

Corporate Services

Corporate cost
R106m

Employees
61

A lean head office team, supporting financial consolidation, meeting governance and reporting requirements. With a team developing market-leading IT solutions, and offering supply chain support.

Further details, see pages 70 – 71.

Bidfood United Kingdom

Revenue
R25,0bn

Trading profit
R0,4bn

Employees
5 753

Carbon emissions
62 500 tCO_2

For more than 20 years as a leading foodservice wholesaler, Bidfood has supplied fresh, frozen, ambient food, beers, wines, spirits, catering essentials, and catering equipment to customers in a wide range of sectors. Working behind the scenes to supply over 60 000 products to nearly 45 000 customers. With a depot network spanning the country, a truly local presence is experienced. The multi-temperature supply chain ensures the full consolidation experience of frozen, ambient, and chilled products on the same delivery truck. Recently doors have been opened to the public, offering home delivery and "click and collect" solutions direct from the depots.

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 tCO_2

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

Netherlands | Czech/Slovakia | Poland | Belgium | Baltics | Italy | Spain | Portugal | Germany

Further details, see pages 58 – 63.

Bidfood Local offering

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.

Bidfood Emerging Markets

Revenue
R21,1bn

Trading profit
R0,9bn

Employees
5 920

Carbon emissions
76 832 tCO_2

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

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 tCO_2

Operating in Australia and New Zealand for over 20 years, these businesses offer a full end-to-end national distribution service. Bidfood is a one-stop wholesale solution distributing products to the foodservice and catering industry, offering a comprehensive product and services range as the customer determines. The division leads the group in ecommerce innovation, developing and driving the globally available online "myBidfood" customer engagement solution, setting us apart from our competitors.

Australia | New Zealand

Further details, see pages 46 – 51.

Building a brighter future

Bidfood Belgium

As we move towards a net-zero goal, alternate environmentally efficient transport methods need to be investigated and employed. The use of electric vehicles by Bidfood is one such option. Bidfood currently uses 24 electric vehicles, in most instances still on a trial basis, with a view to expand. Alternate fuels are also being explored such as hydrotreated vegetable oil (HVO) (bio-fuel), compressed natural gas (CNG), and battery powered refrigeration solutions.

We won't stop until we have found the right solution to reduce our emissions.

Fuel efficiencies gained in using electric trucks

Bidfood Australia

Gruppo DAC, Italy

Angliss, China

Bidfood Netherlands

NEXT UP:

Leadership

Chairman's message

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.

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.

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...

1 Our markets have significant runway for growth

- Fundamentals of the foodservice industry are **positive** in every reporting geography
- We continue to focus on the right customer mix of growing **high margin** independent business
- Fragmented **competitive landscape** with few players operating at scale
- **Market-leading positions** with a growing footprint in Europe, Asia Pacific, and Latin America

2 Innovative digitisation strategy

- **Online real-time** responsive platform bespoke to the foodservice industry
- Using **AI tools and analysis** to track trends and behaviours

3 Stable empowered management team

- **Decentralised**, stand-alone business environment holding each management team responsible and accountable for their performance
- **Entrepreneurial culture**, responding to change, embracing opportunities with agility to meet challenges as they are presented
- **Experienced** senior management team, foundation for a tight knit team in each region

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

- **Conservative gearing**, cash-generative business model
- Bidcorp has ample **balance sheet capacity** to accelerate consolidation in what remains a fragmented market globally
- Ready to engage and embrace **new acquisition opportunities** in new territories and bolt-on opportunities

5 Good investment returns since creation in 1989

- **Proven track record** with a history of achieving superior returns
- **Growth** success stories in every division of the group
- **Compound annual growth** in revenue of 10% since 2011
- Pandemic-era (from March 2020 to June 2021) **free cash flow generation** of £291 million

6 Demonstrable commitment to ESG

- Highest standards of **corporate governance** has contributed to Bidcorp's sustainable value creation over 32 years
- **Ethical and effective leadership**, committed to a group-wide code of conduct, based on principles of trust, transparency, accountability, integrity, and honesty

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.

Our Customers

Focus on higher margin freetrade/independent business

How we measure our success
- Growing customer base
- Mix of customers
- Supporting our customers
- Ecommerce uptake

Our Services

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

How we measure our success
- Margin management
- Annual sales growth
- Free Cash Flow generation
- Trading profit results

Our suppliers

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

How we measure our success
- Sustainably sourced supply chain
- Locally sourced
- Own Brand range development
- Supply chain disruptions proactively managed

Our people

Decentralised, empowered, entrepreneurially led businesses that are locally accessible and locally relevant

How we measure our success
- Employee turnover
- Gender diversity monitoring
- Transformation
- Job retention statistics
- Investing in training

Our environment

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

How we measure our success
- Carbon emissions tracking
- Carbon efficiency ratio translating each business into a comparable unit
- Ensuring energy efficiency in each investment decision
- Waste management a top priority

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

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.

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

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 discussed in our value creation response pages 38 – 43.

Capital inputs

HC Human capital

* Value creation response: "Talent management", "Competitor landscape", "Customer environment", "Hospitality sector lockdown" and "Macro political volatility".

We are committed to creating value for our people through providing exciting employment opportunities across all functions of our business.

Promoting from within and developing the team to ensure strong succession plans are in place.

Continuous investment in training to build a high-performance culture, both within functional roles and with regards to health and safety in the workplace.

Actively driving transparent and meaningful engagement with employees and with their representative forums and unions.

IC Intellectual capital

* Value creation response: "Supply chain security", "Customer environment", "Competitor landscape" and "Information security".

We strive to create value for our customers by listening to them – understanding what their needs are and responding with products, solutions, tools and service levels to make their lives easier.

Our online ecommerce tools enable our customers to engage in real-time, to place orders on a tablet, mobile phone, or laptop, with a delivery time as quick as within the operating day.

Bidfood is providing and growing a portfolio of leading Own Brand products, to meet our customers' needs and availability demands.

Many of our customers are finding resources are scarce, we are able to offer processed value-add products such as sous vide meals and pre-prepared fruit and veg, at locally situated depots to ease this burden.

FC Financial capital

* Value creation response: "Hospitality sector lockdown" "Funding growth", "Supply chain security", "Information security", "Climate change", "Talent management" and "Regulatory landscape".

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

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

Pandemic-era (from March 2020 to June 2021) free cash flow generation of £291 million (excluding sale and leaseback transactions and dividends)

World class trading margin of 4,2%. All months profitable in 2021 despite lockdowns

MC Manufactured capital

* Value creation response: "Supply chain security", "Customer environment", "Food safety" and "Climate change".

Bidcorp invests in owned-assets, strategic to our operational growth strategy.

We use physical infrastructure within our operations that includes our depot footprint, our distribution capacity and information technology platforms. We rely on this manufactured capital to procure, transport, store and distribute our products – enabling us to serve customers quickly, efficiently and reliably.

Continuing to invest in modern energy-efficient vehicles and depots is key to responsibly catering for future growth.

Bidcorp owns 73% of our properties and 85% of our vehicles (2020: 70% of properties and 82% of vehicles).

SC Social and relationship capital

* Value creation response: "Information security", "Climate change", "Food safety", "Regulatory landscape" and "Macro political volatility".

We strive to create value for our communities through continued investment of time, money and support into local social development initiatives to improve the lives of people and their families in the communities around our businesses.

Empowering our community to support themselves, in doing so contributing to our value chain, through learnership programmes and subsequent employment opportunities. We invest in social and education initiatives, focusing on programmes such as healthy eating.

We have developed relationships with our stakeholders, governed by our values and the enduring principle that doing good is good business.

NC Natural capital

* Value creation response: "Climate change", "Food safety", "Supply chain security" and "Funding growth".

Group target of 25% reduction in group reported emissions by 2025 based on the 2018 reported carbon emissions on a like-for-like basis.

Each of our operations implementing real, relevant, impactful solutions to contribute to group target and to make a meaningful difference.

Recycling initiatives and identification of unique industry specific environmental and sustainability initiatives are reported in each business and are shared practices among group companies.

Bidcorp is committed to 'Building a brighter future' – this is a top priority for the group.

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.

Bidcorp Business model

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.

NC FC HC

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.

MC NC SC IC

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.

MC SC HC NC

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.

HC SC IC

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.

MC IC FC

Creating value for **our stakeholders** continued

HC Human capital

Capital outputs

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.

Outcomes

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.

Capital trade-offs

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.

HC ↑ SC ↑ FC ↓

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.

HC ↑ SC ↑

FC Financial capital

Capital outputs

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).

Outcomes

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.

Capital trade-offs

We leverage financial capital to maintain our competitive market position, supported by our decentralised, entrepreneurial structure, innovating and delivering bespoke locally relevant solutions.

FC ↓ MC ↑ IC ↑

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.

SC ↑ FC ↓ (Long term)

SC Social and relationship capital

Capital outputs

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.

Outcomes

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.

Capital trade-offs

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.

FC ↓ (Short term)
SC ↑ HC ↑ (Long term)

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.

SC ↓
SC ↑ (Long term)

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.

IC Intellectual capital

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:

- 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.

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.

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.

IC ↑ SC ↑ FC ↓

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.

IC ↑ FC ↓ NC ↑

MC Manufactured capital

Capex investment in the year of R2,0 billion includes PPE and intangibles (2020: R2,9 billion) invested into:

- 81% into depots
- 14% into vehicles
- 5% into IT

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%).

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.

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.

MC ↑ SC ↓

There is a possibility that our investment in manufactured capital could negatively impact our investment in human, social and relationship capital.

MC ↑ FC ↓

NC Natural capital

15% decrease in total carbon emissions reported.

- Scope 1 emissions down 10%
- Scope 1+ aircon emissions down 33%
- Scope 2 emissions down 16%
- Scope 3 emissions down 14%

Municipal water used down 13%

Refer to Environmental Sustainability pages 28 and 29.

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.

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.

FC ↓ (Short term) HC ↑ MC ↑
FC ↑ (Long term) NC ↑

We are mindful of our global reach and our real impact.

Strengthening Bidcorp's **stakeholder relationships**

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

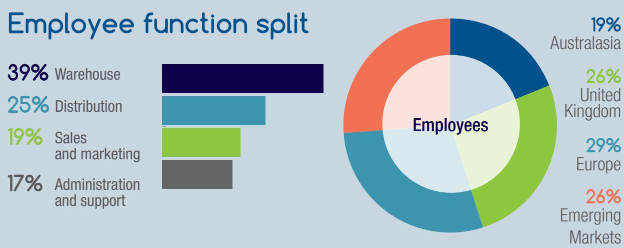
Bidcorp people are entrepreneurial and incentivised to be so. We operate autonomously in pursuit of the same end goal. We engage with our team to communicate strategy, identify needs, recognise and reward good performance.

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.

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

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.

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.

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

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 UK government ran a programme called **"Eat-Out-To-Help-Out"** encouraging people back into restaurants and out of their homes. In South Africa 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. Some incredible experiences were recorded over this time and are available on our social media accounts – a truly inspiring achievement.

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

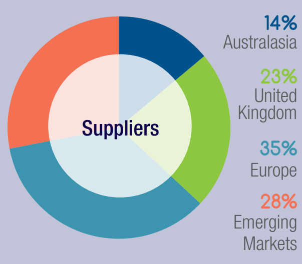
We adopt a decentralised model where local purchasing decisions are based on the quality and price of the local product, and according to customers' ever-changing needs. We are supported by a broad network of suppliers and service providers.

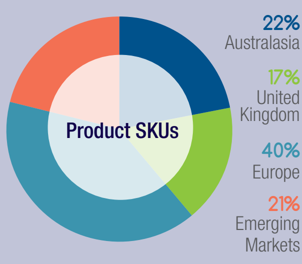
32 596
suppliers

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, timeous 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 timeously 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

Setting the supply chain standard

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

Prior to trading, all suppliers undergo a supplier approval process and are expected to provide documented evidence of compliance with Bidfood's food safety and legality standards. Suppliers of our Own Brand products are subject to further risk assessment checks. Failure by a supplier to meet our standards may jeopardise their ability to continue to do business with us and are addressed on a case-by-case basis. If, following an in-depth investigation, the supplier still refuses to cooperate with Bidfood's due diligence process, we will cease trading with that supplier.

If modern slavery or human trafficking is identified in our global supply chain, appropriate investigations will be conducted, and the relevant authorities would be contacted.

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.

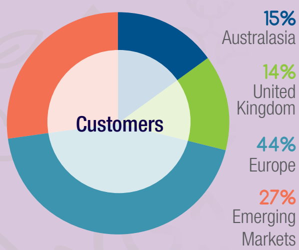
321 653 customers

2020: 301 133*

56% independent
31% chain
6% logistics
7% retail and other

50% revenue ecommerce generated

2020: 44%*



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

Engaging with our global team through:

- decentralised structure keeps customers local and management within reach
- online training programmes, sales demo's, product launches
- trade shows, visits, demo's
- online tools to facilitate ordering, delivery tracking, promoting new ranges, providing access to other chef's and restaurateurs in the industry
- social media pages celebrating achievements
- customer care lines

Material issues raised:

- navigating the COVID imposed lockdown environment
- keeping the doors open in the hospitality sector
- changing needs of the consumer, in products, menu, and delivery
- sustainable, transparent product traceability
- compliance with consumer protection legislation

Management's response to the concerns raised:

- using data intelligence to develop online digital solutions to meet customer needs
- proactive training and support materials delivered to inform and support through lockdowns
- innovative financial support programmes provided
- adjusting customer service in line with customer needs, turn around times on orders, type and frequency of delivers, value-add product range provided (prepared, sous-vide solutions etc)
- engagement in new electronic media initiatives
- digital solutions to label and provide food information required
- simplification of menu options during the uncertainty of lockdowns

* *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.

Operating in **more than 35 countries** means engaging with more than **35 different government and tax authorities**

R1,2 billion paid in taxes
2020: R1,4 billion

Effective tax rate of 27,1%
2020: 26,1%
(excluding associate income and capital items)

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.

Engaging with our global team through:

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

Material issues raised:

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

Management's response to the concerns raised:

- reporting fraud to authorities
- no material issues raised in the public listing of the group
- Modern Slavery policies in place, supporting the zero-tolerance standard to any form of unethical labour practices
- group-wide data privacy and security measures in place to meet the data privacy standards
- active engagement with industry specific bodies to identify, train, and hire qualified candidates in meeting local transformation targets set
- taxes and other governments/authority's dues paid timeously
- proactive consultations with regulators in the development of rules and authorities standards within our respective jurisdictions

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.

YES 4YOUTH .CO.ZA

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.

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.

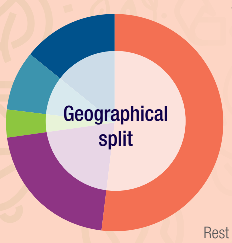
44 369 public shareholders Holding 99,96% of the 335,4 million shares in issue

Analysis of shareholding

>1k shares	85%
>10k shares	13%
>100k shares	2%
>1m shares	0,7%

Only 1 beneficial shareholder holding 3% or more

Beneficial shareholders



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.

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

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

Environmental sustainability

Building a brighter future

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.

Bidfood sustainability

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*

- **Running our businesses in an environmentally efficient and waste-minimising manner**
- **Demonstrating the financial benefits of being environmentally conscious and responsible**
- **Rolling out a sustainability strategy that contributes to a long-term industry drive towards the UN's SDGs**
- **Committed to accurate monitoring, creating efficiencies and reporting reductions in fuel consumption, electricity and water usage and impactful waste management**

6 CLEAN WATER AND SANITATION | 11 SUSTAINABLE CITIES AND COMMUNITIES | 12 RESPONSIBLE CONSUMPTION AND PRODUCTION | 13 CLIMATE ACTION

** 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

Building a brighter future

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 CO_2 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 tCO_2e in 2021 (2020: 340 730 tCO_2e).

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.

Fuel and gas

SCOPE 1 EMISSIONS (tCO_2e)
(excl refrigerants and aircon gases)

125 444 ↓ 10%

2020: 138 881

SCOPE 1+ EMISSIONS (tCO_2e)
(only refrigerants and aircon gases)

27 565 ↓ 33%

2020: 41 268*

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

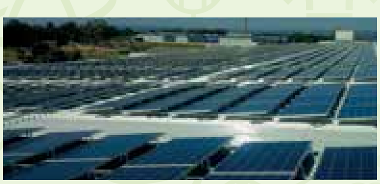
- Fuel consumption has decreased by 5% in 2021, a 7% decrease in the number of delivery vehicles in the fleet contributed, new vehicles acquired tend to be smaller, and all are more fuel-efficient contributing to this improvement
- COVID lockdowns, particularly the harsh lockdowns in the UK and Europe 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
- Bidfood UK reported nearly one third less emissions from natural gas usage as kitchens within branches operate on natural gas, but with lockdowns staff were working from home and on-site kitchens and canteens were on severely restricted hours
- Reporting aircon gas usage is difficult as the timing of refills is irregular, therefore annual usage reported has peaks and troughs depending on the timing of the maintenance programme
- Europe reported a 21% increase in aircon gas emissions (13% increase in usage), unfortunately the Netherlands suffered two refrigeration gas leaks following a lightning strike which required the facilities to be refilled; excluding these two incidents Europe would have reported a 10% decrease in aircon gas emissions in 2021
- EM reported a 50% decrease in aircon gas emissions (42% decrease in usage), however there were fewer maintenance refills in the year; emissions may increase in the new year
- Australasia reported a 53% reduction in aircon gas emissions (39% decrease in usage), this was due to two new sites opening in the prior year in Auckland north and Plymouth, both requiring a full gas refill; current year usage is considered normal usage

Power

SCOPE 2 EMISSIONS (tCO_2e)

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 2: Electricity – non-renewable grid supplied		2021 Group	AUS %∆	UK %∆	EUROPE %∆	EM %∆
Grid electricity (kWh) 2020: 295 147 908	>	277 092 525	(8%)	(9%)	(5%)	(3%)
%∆ 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 (tCO_2e)

287,982 ↓ 15%

2020: 340 730*

AUS	UK	EUR	EM
69 543	62 500	79 107	76 832
↓ 17%	↓ 15%	↓ 14%	↓ 16%
Refer page 50	Refer page 56	Refer page 62	Refer page 68

For more information see divisional reviews.

Waste

SCOPE 3 EMISSIONS (tCO_2e)
(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 %∆	UK %∆	EUROPE %∆	EM %∆
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%)
%∆ **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

Water

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 %∆	UK %∆	EUROPE %∆	EM %∆
Municipal water (kilolitres) 2020: 952 865 >	825 609	(32%)	(32%)	(13%)	16%
Other water (kilolitres) 2020: 4 405 >	4 298	0%	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 to reduce water usage
- 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