Bidcorp's risks and opportunities

As introduced in the group's value creation model on page 19, Bidcorp's ability to create and preserve sustainable value is shaped by the activities it performs, the stakeholders it serves, the capitals it applies, and the risks and opportunities it navigates. Pages 20 to 46 have traced this through the business model activities, providing a view of how **We procure**, **We process**, **We warehouse and distribute**, and **We serve** across its decentralised operations, and how these activities connect to stakeholder expectations, strategic priorities and value outcomes.

The group's summary of material risks and opportunities, as plotted on the heat maps below, reflects the outcome of the board's consideration of the matters most relevant to Bidcorp's ability to create, preserve or erode value in F2026. In applying its mind to the group's risk appetite and tolerance, the board considered the risks and opportunities faced during the year, the value created or enhanced through opportunities, and the extent to which key risks were mitigated through management actions, controls and strategic responses. The table over the page provides a more detailed summary of these risks and opportunities and how they were managed through the year.

This is a concise overview of the matters that most influence Bidcorp's capacity to create, preserve or erode value, reflecting the operating context, stakeholder inputs, and management priorities identified through the value creation process.

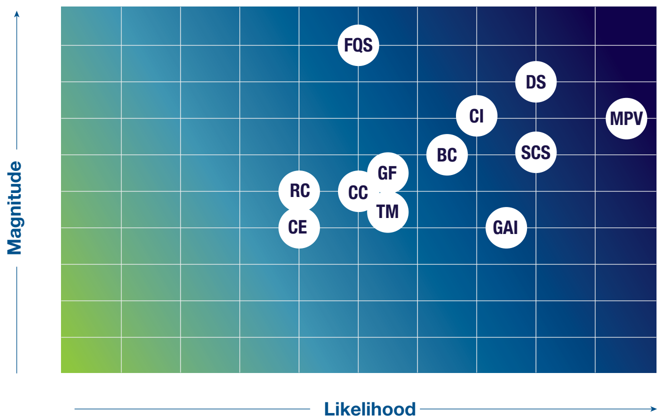
The risk heat map below distinguishes between INHERENT IMPACT and RESIDUAL IMPACT to show the extent of the mitigation measures implemented by management to the inherent risk exposure, and the residual risk exposure after mitigation.

Inherent impact reflects the potential magnitude and likelihood of each material risk or opportunity before considering management actions or group-wide interventions. It represents the starting position and illustrates the extent to which the matter could affect value creation if left unmanaged.

Residual impact reflects the reassessed magnitude and likelihood after management actions, controls and strategic responses have been applied. This shows how the group's interventions reduce risk exposure, strengthen resilience or enhance the opportunity available to the business.

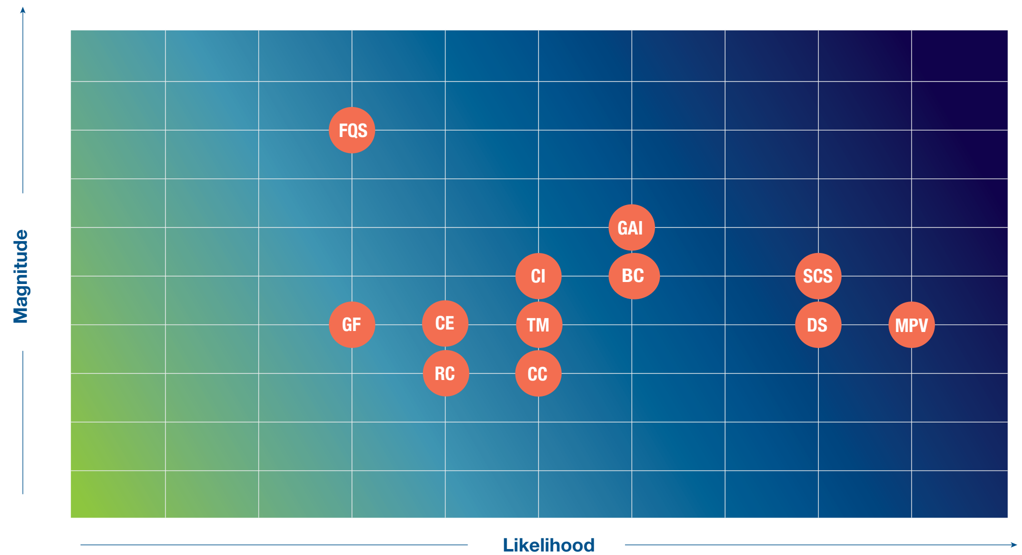
The **inherent** and **residual** impact graphics here illustrate how management interventions reduced risk exposure and created value.

2026 risks and opportunities – INHERENT RISK



* **Inherent impact** *represents the potential magnitude and likelihood of an issue – both positive and negative – if left unaddressed.*

2026 risks and opportunities – RESIDUAL RISK



* **Residual impact** *reflects the outcome after management's mitigation actions and interventions to capture opportunities.*

Bidcorp's risks and opportunities continued

Bidcorp's risks and opportunities		2026 Impact	How we reduce risk impact and capture opportunity	
SCS	**Supply chain stability**	Freight disruption, customs delays, geopolitical volatility and supplier constraints can affect product availability, pricing and service. These challenges also create opportunities to strengthen supplier partnerships, diversify sourcing, expand private-label ranges and differentiate through product availability.	The risk is mitigated through a broad global supplier base, local sourcing flexibility, category expertise, procurement discipline and stock planning tools. Supplier diversification and proprietary product development support both resilience and margin enhancement.	page 26
MPV	**Macro-political volatility**	Bidcorp's global footprint exposes the group to regional conflict, political uncertainty, currency volatility, inflation, customs disruption and trade restrictions. Diversity of geography and category also creates resilience and enables the group to respond locally to shifting demand and supply conditions.	Geographic spread, local management autonomy and decentralised decision-making help ringfence regional impacts. Management teams remain close to customers, suppliers and regulators, enabling rapid local response.	page 27
GAI	**Generative artificial intelligence**	AI presents both risk and opportunity. Poorly governed adoption may expose the group to data, control and operational risks, while responsible use can improve sales effectiveness, customer service, forecasting, order processing and productivity.	Policies, controls and governance are being developed to enable responsible use. Businesses are progressing AI-enabled sales reporting, order automation, customer interaction tools and forecasting enhancements to capture productivity and service benefits.	page 46
DS	**Data security and stability**	Cyber threats, data loss or IT disruption could interrupt trading, customer activity and business processes. At the same time, secure and stable digital platforms are increasingly central to growth, customer engagement, automated ordering and operational efficiency.	Controls, testing and assurance processes continue to be strengthened. IT investments, ERP upgrades, cyber reviews and digital platforms are being implemented in a controlled manner to improve system resilience, data quality and scalability.	page 46
BC	**Business continuity**	Disruption to key people, facilities, utilities, IT systems or strategic suppliers could affect product availability, service levels and customer confidence. However, market disruption also creates opportunity for Bidcorp to demonstrate reliability, gain market share and strengthen customer relationships where competitors are less resilient.	Site-level business continuity plans, IT disaster recovery processes, decentralised operations and the ability to redirect activity across nearby sites support continuity. Ongoing investment in infrastructure, warehouse capability and technology further strengthens operational resilience.	page 38
CI	**Cost inflation**	While food inflation is easing in some markets fuel, energy, wages, freight and operating cost pressures remain. Margin pressure also creates opportunity to improve pricing discipline, procurement effectiveness, operating efficiency and product mix.	Expenses, pricing, margin management and working capital are closely monitored. Pricing governance, procurement initiatives, route and warehouse efficiencies, private-label expansion and cost discipline reduce impact and support margin resilience.	page 26
FQS	**Food quality and safety**	Food contamination, allergen failure or product quality issues could affect consumer safety and reputation. As Bidcorp expands value-added manufacturing and proprietary products, the risk increases, but so does the opportunity to differentiate through quality, innovation and trusted product assurance.	Dedicated food safety and quality teams, allergen controls, supplier assurance, labelling disciplines and site-level food safety processes reduce likelihood. Investment in systems and manufacturing capability supports consistent standards as value-added activity grows.	page 32
TM	**Talent management**	Labour scarcity, wage inflation and high-demand operational roles continue to pressure costs and service levels. These challenges also accelerate productivity improvements, automation, leadership development and more scalable operating models.	Management remains focused on recruitment, retention, training, incentives and leadership capability. Technology, warehouse systems and process redesign are being used to reduce manual effort, improve productivity and support employee engagement.	page 32
CE	**Consumer environment**	Consumer confidence remains fragile in many markets, with pressure on discretionary spending, eating-out frequency and customer pricing behaviour. These conditions create opportunities to gain market share, expand value-added categories, grow digital engagement and deepen customer relationships.	Bidcorp responds through local market intelligence, product innovation, cross-selling, specialist sales resources, digital platforms, Own Brand development and sharing of best practice across the global network.	page 45
CC	**Climate change**	Increased impact of climate change on product availability heightens this risk; ESG demands and expectations are increasingly influencing access to customers, contracts, tenders, and investors requirements.	The impact cannot be fully mitigated, but is monitored and managed through supply chain diversification, local management response, operational efficiency initiatives and alignment with evolving ESG expectations.	page 36
GF	**Growth and funding**	Higher funding costs and uncertain markets can constrain investment and acquisition activity. However, Bidcorp's strong balance sheet and operating cash generation position the group to invest selectively, pursue acquisitions and capture opportunities where competitors are under pressure.	Investment discipline, strong cash generation and prudent balance sheet management reduce exposure. Growth is pursued through infrastructure, technology, category development, manufacturing, digital platforms and selective acquisitions.	page 38
RC	**Regulatory complexity**	Increasing regulatory, reporting and approval requirements add cost, complexity and potential delays, particularly for expansion, food safety, ESG and technology-related initiatives. Strong compliance capability can, however, support access to tenders, customers, capital and responsible growth opportunities.	Compliance remains non-negotiable. Local management teams, specialist support functions and assurance processes monitor obligations and respond to evolving requirements, while maintaining focus on protecting Bidcorp's entrepreneurial culture.	page 45