



Bidfood South Africa

Value creation

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Leadership reviews

VALUE CREATION

Operational reviews

Sustainability

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VALUE CREATION

Leadership reviews

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Operational reviews

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Our business activities

What we do

Operating as a foodservice business around the world means the basics are the same, with local entrepreneurial flair being our key differentiator. On page 20 we describe a little more of what we do, every day, around the world.

Our stakeholders

Who we do it for

Our stakeholders are the driving force behind what we do, to varying degrees throughout each stage of our business model. We acknowledge that each stakeholder is essential to us, and we are committed to delivering value to them. In the business activities described on pages 20 to 38 we focus on each stakeholder group; there we unpack how we engage, the concerns raised in the year, and how we have responded.

-  **Authorities**  page 35
-  **Communities**  page 36
-  **Customers**  page 31
-  **Employees**  page 25
-  **Investors**  page 29
-  **Suppliers**  page 22

Our material issues

What we navigate

Every day our operations, led by empowered local management, navigate the opportunities and challenges our key material issues pose. These material issues are addressed directly, sometimes collaboratively, sometimes producing opportunities, and sometimes producing learnings. On page 19 our key material issues are reviewed, highlighting our response in F2024, and the outcomes achieved.

The Bidcorp board recognises that the implementation of the strategy, the identification of material issues, the effectiveness of risk management, a commitment to social and environmental responsibility, and the group's financial performance are all inseparable elements of long-term value creation.

Materiality and risk appetite assessment

During the year, our board engaged in several discussions related to key issues and topics that could impact our ability to continue to create value for our stakeholders. In addition, this year the board reviewed and updated the group's risk appetite statement and applied this in the process of determining our double materiality impact.

Our approach to was aligned with the guidance outlined in IFRS S1 and IFRS S2, as well as considering the European Sustainability Reporting Standards (ESRS) standards, which require us to go beyond our 'financial materiality' and identify those matters that will impact our ability to deliver on our business activities but also the impact our activities have on the world in which we operate, our 'impact materiality'.

During the assessment, insights were sought from stakeholders across our value chain, including our suppliers, customers, our employees, and also our investment community. Each stakeholder was requested to highlight the most significant issues they felt was material to us, and we asked that they rank these issues. Focus was on the larger group entities and the output gathered from these assessments was shared with the rest of the group, to each assess and align their unique circumstances. In brief the process followed included:

Defining stakeholders and material issues	Identification of material topics	Stakeholder engagement	Determining double materiality
» Determining those stakeholders that influence and are influenced by us. » Conduct a stakeholder prioritisation workshop. » Completed stakeholder mapping based on degree of influence	» Determined a list of sustainability topics to be used as a starting point for our assessment » This list was supplemented with information from our current ESG work, SASB Food Industry standards and reporting standards » Final list of potentially material impacts developed and peer reviewed prior to engagement with stakeholders	» Assigned sustainability topics to each stakeholder group and tailored the questions to assess the impact of each sustainability issue » Both positive and negative impacts identified presented to stakeholders » Gathered insights from suppliers, customers, investors, and other key stakeholders	» Developed a quantitative approach and scoring criteria, aligned to the group risk assessment process, to assess materiality » Impact and financial materiality assessed according to two factors: Magnitude and Likelihood » Double materiality designed in a disaggregated way to allow for the variances that would impact each unique market or geography

The double materiality assessment confirmed that Bidcorp's top material issues, as identified through this process, remain the key issues to our stakeholders.

Our materiality determination process:

1

Identify

- » Each business reports its material issues to the quarterly DARC, setting out either the mitigation or implementation strategies to capture the risk and/or opportunity presented
- » Research to identify a wide range of material topics, considering:
 - Issues identified in our 2023 reporting suite
 - Issues raised by stakeholders
 - Global and industry-specific sustainability issues identified by SASB, GRI, and the JSE
 - Internal documentation, including board packs and risk registers
 - Significant issues disclosed in peers' reporting
 - Emerging matters identified in the media

2

Impact evaluation

- » Evaluate the extent to which good or bad management affects outcomes
- » Internal stakeholders assess and score each potential material issue
- » Prioritise matters based on the likelihood of occurrence and magnitude of impact
- » Senior management discuss and agree on the material issues to be addressed

3

Materiality assessment

- » The inherent impact of each material issue is determined based on considering a number of factors including both historical experience and forecast projections
- » Assess the effectiveness of the interventions in place to mitigate those matters with potential to disrupt value creation
- » Consider management actions to capitalise on factors that offer opportunities for greater value creation
- » Overlay these actions taken by management in addressing these material issues, as well as the internal control environment, internal incentivisation methods, governance processes entrenched, and the overall organisational culture to assess and determine the residual impact of the material issues on the group's ability to create and deliver real value

4

Approval

- » Board and GARC challenge, review, and approve the material issues and impact ranking, both inherent and residual
- » Ensure alignment and integration with strategic priorities
- » The outcome of this process guides the content of our integrated, sustainability, and financial reporting

We plot each material issue on an **INHERENT IMPACT** graph that takes into account both the potential magnitude and the likelihood of the material issue impacting our potential to create value, both positively and negatively. This graph is the inherent impact of these material issues, should we do nothing in response to these issues. This depiction does not take into account the efforts of our group management team in addressing these material issues, but is the starting point from which we act.

We then plot each material issue on the **RESIDUAL IMPACT** graph, again assessing the magnitude and likelihood of each material issue, but in this instance, we plot the outcome of each material impact as assessed by the group. This depiction shows the results of our management's efforts and the group-wide interventions to mitigate each material issue's potential risk and/or opportunity to realise the value creation we seek to achieve.

We view all material issues as important to both the group and all our stakeholders: the positioning on the tables does not reflect priority; nor have these material issues been quantified in terms of a direct financial loss or gain.

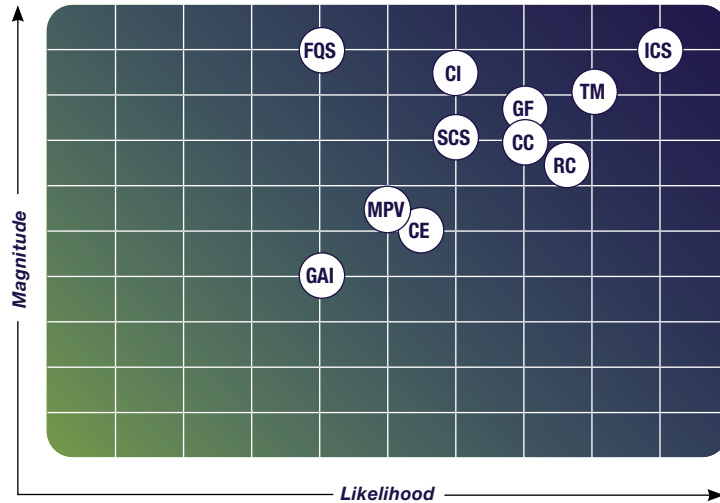


On the following page we provide a summary of the material issues identified in F2024, a brief description of the issue and how we have addressed this over the year. The inherent and residual graphic depictions of our materiality assessment are included to show how we have mitigated and embraced each issue to realise real value.

The **Bidcorp business model** is detailed on pages 20 to 38 where we describe each business activity within our business model. We have aligned each of the **material issues** and the significant **stakeholders** impacted within each activity of the business model. However, specific material issues and stakeholders are not exclusive to the particular activity within which they are presented, but all have the potential to impact the business model as a whole. In this way we intend unpacking the implications for value creation that each material issue poses with input from our stakeholders, our strategic response, and the overall outlook and opportunity we have identified for the group.

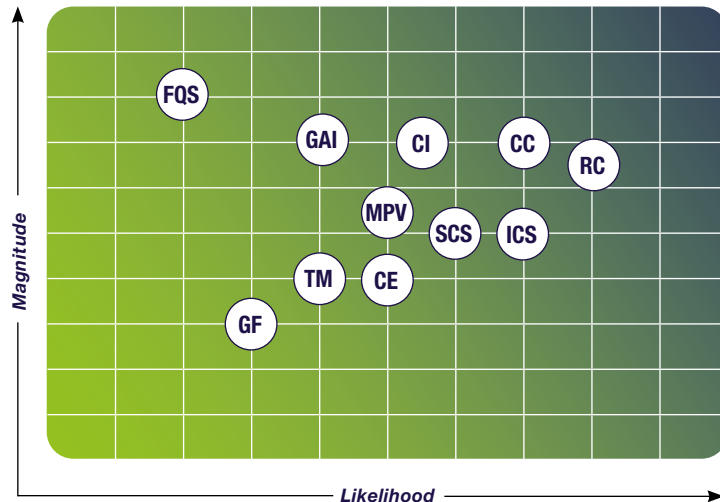
VALUE CREATION continued

2024 material issues – INHERENT IMPACT



Through effective and robust implementation of our controls, we have mitigated the impact of our material issues during F2024 from **INHERENT IMPACT** depicted above to the **RESIDUAL IMPACT** as shown below.

2024 material issues – RESIDUAL IMPACT



OUR TOP MATERIAL ISSUES

How we mitigate from
INHERENT to **RESIDUAL** impact

TM Talent Management	Volatility in resource availability, inflationary pressure as high wage increases become embedded while warehouse and driver attrition demands management's time and attention	Inherently this is high impact, but through induction, training, and employee wellness we ensure that our team's stability is improved. We have strong, stable senior teams incentivised for the long term	page 26
ICS Information and Cybersecurity	Significant improvements in controls and testing of these controls have been invested to mitigate these risks	The impact and magnitude are high, but we mitigate this impact through a decentralised structure and robust assurance processes	page 33
RC Regulatory Complexity	Our markets have complex and ever-evolving legislative and regulatory obligations	Failure to comply is not an option, therefore cannot be mitigated. However, the increasing regulatory burden places pressure on our entrepreneurial culture	page 35
CC Climate Change	Climate-related impacts are increasingly affecting our industry, putting the security of food production at risk	Inherent impact is high as climate change is a material issue that cannot be mitigated but rather needs to be monitored and addressed responsibly	page 30
SCS Supply Chain Stability	Supply chain backlogs are experienced from time-to-time as global events impact, we remain alert and agile to respond	Likelihood is mid-range as there are many factors which impact this; magnitude is mitigated through the breadth and spread of the global suppliers we have access to	page 22
CE Consumer Environment	Ever-changing trends drive consumer demands, we have to be agile to respond	Change is driven by social media and social engagement trends, we adapt to local trends or shifts as required – impact cannot be mitigated	page 32
FQS Food Quality and Safety	Ever present issue in our industry; risk increases as we transition to more value-add manufacture	Likelihood is inherently high – adopting zero tolerance towards any form of harm caused by food-borne illnesses to the end-consumer	page 24
GAI Generative Artificial Intelligence	Closely monitoring developments in this area; we are developing policies and controls to manage the risk exposure responsibly; and we are embracing the opportunity presented	Added in F2024 as the global focus and attention turns to the impact GAI has on operations and resourcing – this is a key area of opportunity and our approach is to be ahead of the pack, embracing this potential	page 34
MPV Macro-Political Volatility	Our diverse global footprint, with a significant presence in emerging and developing markets, means we navigate a wide spectrum of political instability and economic challenges, which impact our performance	Bidcorp's decentralised structure limits impact, ringfencing it to a specific region. Locally empowered management teams have the on-the-ground knowledge and experience to anticipate and respond; however impact cannot always be mitigated	page 23
CI Cost Inflation	Food inflation is easing. However, this is country dependent; cost pressures continue, in particular as they impact the capital investments required	Likelihood is high inherently and residually, but the magnitude diminishes as we manage our expenses throughout the group	page 29
GF Growth and Funding	Well managed, investing ahead of the curve, and well positioned for growth	Inherently the cost of funding is a significant threat to most, but Bidcorp has a strong balance sheet mitigating the risk exposure and impact down	page 28

BIDCORP'S VALUE CREATION MODEL .



The **Bidcorp business model** captures the key business activities we engage in, around the world on a day-to-day basis. It is a tried and tested model that has delivered on our strategy in each of our geographies over many years.

We create value through the effective and efficient use of our capital inputs to optimise our outputs, and in so doing, to deliver sustainable, impactful outcomes for our stakeholders. Our business model sets out how we go about creating and preserving long-term sustainable value for our stakeholders.

Through balanced application of our six capitals and management focusing on the material issues encountered as well as the trade-offs we make, we set out how we mitigate value erosion through our successful, proven business model.

This value creation process is underpinned by a robust governance foundation and active stakeholder engagement, impacted by the material issues our teams strategically navigate to keep the orders coming in, the food going out, our customers happy, and the end-consumer satisfied.



Business model: WE PROCURE .



Our product range

Bidfood stocks a full requirement for a restaurant kitchen or foodservice operation. Protein and fresh produce are complemented by a full range of dry goods and pantry staples. Cheese, small goods and dips are just some of our chilled category range. Cakes, desserts and ice cream are a small selection of our sweets. Alcoholic and non-alcoholic beverages, hot and cold, are also available. We have the full menu requirements met.

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

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

We are proud of our ability to provide a complete one-stop-shop solution that encompasses a wide range of products and services tailored to add value to our customers.

Our decentralised model means that each business makes local procurement choices and decisions based on the quality and price of the local product, and according to the local customers' changing needs.

We work with suppliers that are specialists in their products, that are ethically and sustainably focused. We support local producers and, where possible, procure as close to the source of the food production as possible. We strive to create value for our suppliers by engaging with them on market trends and requirements, alerting them to trending changes in customer needs and product developments ahead of the curve.

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



Code of conduct for suppliers

We are committed to working with our suppliers to operate ethically and to build greater transparency within our supply chains. We aim to act dutifully and always within the law and regulations. We expect all suppliers to comply with food safety and quality standards, as well as all national and international laws.

Setting the supply chain standard

Prior to trading, all suppliers undergo a supplier approval process and are expected to provide documented evidence of compliance with Bidcorp's food safety and legal requirements. 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.

Zero tolerance to modern slavery

Modern slavery is an unquestionable and indefensible violation of basic human rights.

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

Bidcorp is committed to responsible procurement:

1. Sustainable **seafood** sourcing
2. **Cage-free** eggs
3. **Responsible** meat sourcing
4. **Zero-tolerance** to modern slavery
5. Health and food **safety**



Business model: WE PROCURE continued

In performing our **PROCURE** activities, our **SUPPLIERS** are a **key stakeholder** we engage with. A summary of our engagement with our suppliers, the concerns brought to our attention in the year, how we responded, and the outcomes we have achieved are highlighted below:



STAKEHOLDER:

SUPPLIERS



» **33 721 global suppliers**, sourcing **391 768 products**; **foreign suppliers** make up **19%** of purchases

How did we do?

7/10

» **2024 revenue** generated from the sale of **37% frozen products**, **28% chilled products**, **31% ambient products** and **4% non-food products**

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

How we engage

- » Decentralised operational structure requires each business to manage its own supplier network, sourcing locally, negotiating independently
- » Supplier assessment and approval processes are in place, engaging with international standards organisations
- » Regular, value-adding engagement, building relationships
- » Networking and building new relationships through trade shows, visits, demonstrations etc
- » Food quality, and safety audits at suppliers production facilities
- » Innovative enterprise development programmes implemented

Concerns raised

- » Joint pursuit of logistics efficiencies
- » Need for clear communication channels to provide accurate, timely information to all
- » Support local sourcing, especially in Own Brand range
- » Impacts of global political events and severe climate disasters
- » ESG supply chain challenge to measure and report carbon footprint per product, and deforestation and biodiversity impacts of food production

How we responded

- » Grow the environmentally responsible product range, disclosing product traceability and supply chain transparency
- » Focused efforts to streamline supply chain logistics
- » Preemptive inventory stocking when global supply chain disruptions could impact product availability
- » Growing the pool of top quality, sustainably-responsible local producers
- » Embedding supplier vetting processes, including compliance and commitment to modern slavery and ethical labour practices
- » Proactively engaging with our suppliers to work together to address the challenge of data measurement and reporting required within the supply chain



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

MATERIAL ISSUE:

SUPPLY CHAIN STABILITY

SCS

Bidfood has worked closely with our supplier base to ensure steady supply and availability of products for distribution.

An inability to obtain adequate product supply and/or to timeously service our customers could have an adverse impact on our business, and our financial and operational results, as our customers may turn to other suppliers.

Bidcorp is mindful of the global pressures across our supply chain but we mitigate this by identifying substitute products and procuring locally for much of our product range. We purchase from a wide variety of domestic and international suppliers, from large corporates selling branded products, to small local manufacturers which may produce and supply Bidfood's Own Brand range.

Impact mitigation

Likelihood is mid-range as there are many factors which impact this; magnitude is mitigated through the breadth and spread of the global suppliers we have access to

Stakeholders:



Capitals:



How this impacts us

- » Product pricing increases
- » Lack of in-house manufacturing capacity
- » Own Brand pressure on product supply
- » Certain high-volume products could see immediate and long-term shifts in cost that we may not immediately be able to pass onto our customers, causing margin pressure or forcing us to eliminate the item from our product range

Our response

- » Food inflation is moderating but cost inflation remains sticky; however, customers acknowledge the impact and have been accepting of price increases
- » We encourage product substitution, where possible, with Own Brand and/or locally sourced products
- » We protect margins through engaged communication and real-time active price management
- » Customers are evolving their menu offerings to the end-consumers, focusing on value ingredients
- » We proactively manage our inventory levels as circumstances change

Please see the heatmap on page 19 of this report.

Business model: **WE PROCURE** continued

MATERIAL ISSUE:

MACRO-POLITICAL VOLATILITY

MPV

Bidcorp is a geographically diverse business exposed to global economic instabilities.

Political instability is unpredictable and can present suddenly, with significant impact. These unforeseeable upheavals can potentially disrupt normal business operations. Global economic uncertainty, combined with political volatility in many jurisdictions, are expected to continue to adversely affect some businesses and results of operations. These events have and may further affect consumer confidence, behaviour, and spending patterns. This could adversely affect the economies and financial markets of many countries, resulting in an economic downturn. We remain alert to these macro developments.

Impact mitigation

Bidcorp's decentralised structure limits impact, ringfencing it to a specific region. Locally empowered management teams have the on-the-ground knowledge and experience to anticipate and respond; however impact cannot always be mitigated

Stakeholders:



Capitals:

HC SRC

How this impacts us

- » Increasing cost inflation around the world driven by wage rates and skills availability, as well as services, fuel, and energy cost inflation
- » Exposure to political, economic, and social conditions uniquely impacting activity levels in each local market
- » Potential business slowdown due to lower economic activity, financial instability, trade restrictions, imposition of tariffs, and volatility in exchange rates

Our response

- » We continue to monitor macro-economic pressures, managing the current impacts and mitigating where possible through hedges of costs and proactive investment in working capital
- » Political changes, erratic power supply, and the risk of civil unrest in South Africa have impacts on our local operation's ability to operate. However, our teams are prepared and resilient, with business continuity processes in place and working

Please see the heatmap on page 19 of this report.



Bidfood UK: Supporting Hope4, a charity based in Moldova, who have supported Ukrainian refugees and have provided supplies and food into Ukraine.

"Click here"

Bidfood story

Bidfood New Zealand has created online content to engage with our customers.

Every day we work hard, despite the tough weather, staff challenges, and supply conditions, to ensure quality ingredients can be provided to our customers. We love working closely with the growers and suppliers, sourcing the right products for our customers.



"Click here"



"Click here"

Bidfood – We're all about moving forward

Business model: **WE PROCESS.**



Value-add light processing and bespoke manufacturing opportunities create the valuable “stickiness” factor with our customers and directly support our strategic efforts to preserve margins to create long-term sustainable growth.

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

We monitor the changing operating requirements our customers contend with, looking for opportunities to ease this burden. We ensure proactive engagement with our customers to provide the right solutions they need to operate successfully within the hospitality sector. Some of these solutions include detailing the nutritional values, presence of allergens and GMOs (genetically modified organisms), instructions for use, and carbon footprint impact, to mention a few.

Our product range

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

We engage experienced production teams with the knowledge and expertise to implement best practice food processing standards. Contract manufacturing quality assurance teams certify the manufacturing and processing plants, meeting global quality control standards and our rigorous requirements.

Our value-add offering

We transform quality ingredients into innovative food products, capturing the margin to support our strategy but ensuring we keep these products and offerings small and simple:

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

MATERIAL ISSUE:

FOOD QUALITY AND SAFETY

FQS

Food safety is of critical importance. It is our policy to exceed the legal requirements to ensure the highest safety standards.

Inherent to the food industry, and even more so as we embrace more production and light-manufacture opportunities, is the risk of food contamination, such as a potential listeriosis outbreak. Our quality assurance teams in all geographies are responsible for assuring the quality of our product range.

Robust quality assurance processes are vital to provide product traceability and reporting through a sustainable, reliable, and trustworthy supply chain. Bidcorp has embraced this challenge and ensures a proactive engagement process with our suppliers and other stakeholders to work together to identify opportunities to develop tools and support services, developing the transparency of product sourcing, ingredients and detailing product and allergen information. This is now being extended to starting to gather carbon footprint data by product, and in some cases the biodiversity and deforestation information. However, this is still in the very early stages and there is a long way to go.

Impact mitigation

Likelihood is inherently high – adopting a zero tolerance towards any form of harm caused by food-borne illnesses to the end-consumer

Stakeholders:



Capitals:



How this impacts us

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

Our response

- » Maintain highest quality standards and processes
- » IT processes to facilitate product quality control and transparent and informative labelling
- » Ensure that robust product recall processes and adequate insurance cover are in place
- » Developing tools and systems to improve transparency and traceability of supply chain

Please see the heatmap on page 19 of this report.

Business model: **WE PROCESS** continued

In performing our **PROCESS** activities, a **key stakeholder** group we engage with are our **EMPLOYEES**. Our engagement with our employees, the concerns they raise, how we respond, and the outcomes we achieved are highlighted below:

STAKEHOLDER:

EMPLOYEES



- » **29 112 employees**, 3,9% increase on prior year
- » **29% staff attrition** in F2024, better than 2023's rate of 34%

How did we do?

7/10

- » **R88,3 million** invested in more than **350 000 training hours** completed
- » Workforce of **27% women** driving equal opportunities in the foodservice industry

How we engage

- » Decentralised operational structures keep management close to, and engaged with, their teams
- » Regular communications to engage in real meaningful dialogue with our teams
- » Performance reviews and incentivisation
- » Employee satisfaction surveys
- » Whistleblower line, available in all countries where we operate
- » Constructive engagement with labour unions
- » Celebrating achievements
- » Social media platforms to recognise and celebrate our people

Concerns raised

- » Recruitment and onboarding of a world-class team ready to service our customers
- » Retention and incentivisation of a strong team
- » Maintaining the highest standards of health and safety in the workplace
- » Lost-time injuries, ill-health, and mental-wellness support for our teams
- » Flexibility to facilitate, where possible, remote, hybrid, and on-site working environments

How we responded

- » Increased focus on career pathing and succession programmes to retain and incentivise
- » Rollout of wellness programmes to ensure staff are supported physically and mentally
- » Training to grow a wide range of hard and soft skills
- » Ensuring world-class health and safety protocols to ensure safety at work
- » Equipping our team to meet their ever-changing work environment requirements
- » Social media, online, and moral support initiatives to promote teams engagement

Bidcorp team – it's all about our people

Bidcorp people are entrepreneurial and incentivised to be so. Our people are experts in their field with a common goal to produce the finest quality product and be market leaders. We select our team not only for their experience and knowledge of the industry but also their ability to think and make decisions. We encourage this attitude at every level, from drivers and warehouse staff to customer service and management.

Diversity and inclusion

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

Health and wellbeing

We recognise that the only way to achieve our vision is to have great people who are healthy, happy and motivated to be their best and thrive in what they do. Our culture promotes health and wellbeing, underscoring the importance of taking care of ourselves.

Rewarding responsibly

In recognition of our commitment to a triple-bottom-line approach to business, balancing the need for profit with the wider needs of people and the planet, we align remuneration with real, measurable outcomes, especially as they relate to our environmental impact.

Performance and talent

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



View our video
Bidfood – a drivers day



Business model: **WE PROCESS** continued

In performing our **PROCESS** activities, a **key material issue** our teams face is that of **TALENT MANAGEMENT**. We shed some light on this material issue, its impact on our ability to operate, and our response to embracing the potential opportunity this could present:

MATERIAL ISSUE:

TALENT MANAGEMENT

TM

Labour retention, recruitment of the right skillsets and wage pressures are key drivers of our operating costs. The global changing dynamics of labour ensures managements' focus on attraction, retention, and motivation of the Bidcorp workforce.

Fluctuating cost and scarcity of, especially, warehouse and driver resource persists in most of our businesses. It is vital to recognise the importance of these roles and therefore we invest to ensure our drivers and warehouse teams are equipped with the best-in-market tools, and training and development initiatives to retain and equip them with the best possible performance environment.

Safety remains our top priority – ensuring a safe workplace for our staff. We do this through maintaining the highest hygiene standards and providing an exceptional operational environment, complying at a minimum to health and safety guidance as well as local jurisdictional requirements.

Impact mitigation

Inherently this is high impact, but through induction, training, and employee wellness we ensure that our team's stability is improved. We have strong, stable senior teams incentivised for the long term

Stakeholders:



Capitals:



How this impacts us

- » Labour costs remain heightened due to persistent labour shortages and inflation pressures
- » Ongoing onboarding and familiarising new team members with our processes
- » New talent is introduced bringing a fresh approach, new ideas, and potential improvements
- » Impact on the relationship with customers and suppliers' following a change in key team members
- » Interruptions, planned and unplanned, to delivering the required level of customer service

Our response

- » We focus on labour retention and efficiency – embracing the benefits of a skilled and experienced team
- » Proactively review wage rates to remain competitive
- » Investment into best-in-market tools and systems to provide optimal working conditions
- » Increased investment into training and support in core and non-core skills
- » Management teams are committed to grow and mentor within to ensure strong succession

Please see the heatmap on page 19 of this report.

Foodservice attrition

It's always been a bit of an anomaly that we have a relatively high staff turnover and a large number of long serving employees – this is particularly prevalent in our larger businesses, operating in the more developed markets.

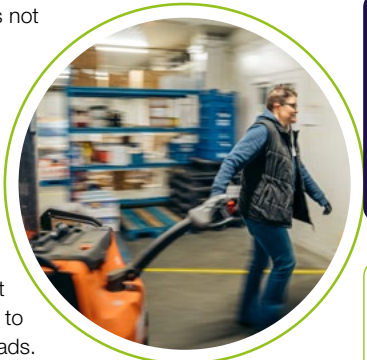
Analysis done shows that if a new joiner stays on for six months, they are likely to stay on for the next three to five years, or even longer. In the foodservice industry there is a high turnover of new employees, particularly in operational roles, but those who can make it through their first six months tend to stay. Some roles can turn over three to four times in a year (particularly in roles such as the night shift freezer pickers).

We have done a lot of work to understand this. Working in our freezers is not for everyone and employees quickly realise whether they can handle the environment. The pace of work required from our team in the warehouse is normally pretty frantic and does not suit everyone. We have been improving our induction and training of both new and existing employees, with a focus on leadership. Although this process is still in its infancy, we are seeing positive impacts.

Workplace fatalities

We are pleased to report that there were no recorded fatalities over the past two years. We continue to ensure that the highest standards are in place to ensure the safety of our team, both in our warehouses and out on the roads.

Our people's safety remains our top priority.



Leading the way

New Zealand recently launched a leadership programme focused on building self-awareness so that our people can bring their unique style to bear in leading their teams.

The programme was also designed to build better connections between branches and different regions for teams to share their knowledge and experiences.

As of July 2024:

- » 187 leaders, including 13 general managers and seven assistant general managers, had completed the leadership programme
- » 96% of attendees still work for us
- » 78 leaders are on the programme waiting list
- » 29 leaders have been promoted, with growth in their confidence being noted as a key reason for advancement



Business model: WE WAREHOUSE AND DISTRIBUTE .



WE WAREHOUSE AND DISTRIBUTE

Our multi-temp broadband warehouse facilities are purposefully and strategically positioned to be as close to our customers as possible. Supported by an extensive, multipurpose logistics network, we can deliver the right product at the right time. This footprint ensures our service is as good as we promise, enabling us to meet our customers' varied needs quickly and efficiently, minimising the impact on the environment around us.

Our multi-temp warehouse and distribution capability provides our customers with a one-stop shop for all their catering needs. Our fleet is equipped to simultaneously distribute frozen, chilled, and ambient products, with modular compartments equipping us to deliver to specific customer and product requirements.

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 accuracy.



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

The Bidfood difference

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

» Branches

We understand what it means to be local. Our branches are manned by teams of foodservice experts.

» Fleet

We are exploring investment into electric trucks and alternative low-emissions fleet options. Our fleet is monitored by tracking systems, improving driving habits and routes taken.

» Energy

We install solar panel systems in new builds and retrofit current sites where possible, as well as installing energy-efficient lighting and carbon-neutral refrigeration.

» Waste

Waste produced is mostly packaging and food waste. Each year we improve our waste monitoring and reporting, minimising our waste production and ensuring we reduce and reuse where possible.



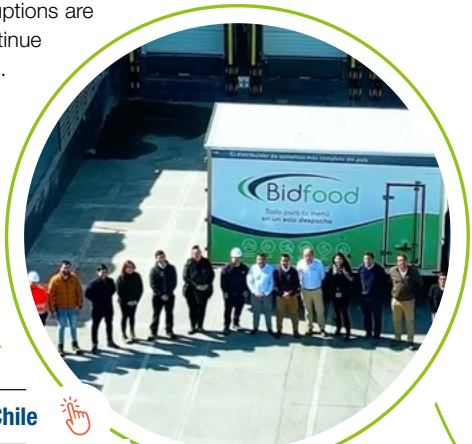
Investing for growth

Infrastructure investments are long term by nature as distribution centres are generally used for 20 to 40 years (and beyond). This means that each decision to grow our depot footprint is a significant commitment, one that needs to be aligned with our stakeholders' priorities. Therefore we prioritise the following for each of our new builds:

- » Custom built to be close to our customer
- » Integrated with leading ESG trends (solar, water-saving measures, LED lighting, state-of-the-art refrigeration etc)
- » Provide a strategic advantage to our local operations.

Recent supply chain disruptions were not restricted to the supply of food products but also applied across the supply of equipment such as refrigeration equipment, delivery vehicles and forklifts, all adding to the longer lead times experienced.

Although these disruptions are moderating, we continue to address backlogs.



A tour of Bidfood Chile

"Click here"

Business model: WE WAREHOUSE AND DISTRIBUTE continued

In performing our **WAREHOUSE AND DISTRIBUTE** activities, a **key material issue** that we are required to address is **GROWTH AND FUNDING**. We describe this key material issue, as well as the impact on our ability to operate, and how we respond to address and embrace the potential impact it may have.

MATERIAL ISSUE:

GROWTH AND FUNDING

GF

Bidcorp continues to actively select and pursue opportunities to supplement organic growth with strategic acquisitions, both bolt-on and new geography investments.

Growth requires that depots be large enough to be economically viable, yet small enough to ensure we remain agile and customer focused. Growth is funded through a combination of internal cash resources, incremental cash flow from operations, and short-term and long-term borrowings.

The group has actively engaged with the funding partners to ensure sufficient capital is available and accessible as the working capital and investment needs demand.

The group continues to deliver strong cash flow results, protecting the group's liquidity through tightly managed operating costs, aggressive working capital management, and maintaining a returns culture.

Impact mitigation

Inherently the cost of funding is a significant threat to most, but Bidcorp has a strong balance sheet mitigating the risk exposure and impact down

Stakeholders:



Capitals:



How this impacts us

- » Opportunity costs due to capacity constraints
- » Risk of higher borrowing costs due to macro-economic cycles
- » Have scope to explore expansion into new, allied business models, mitigating the risk that new channels with limited expertise may incur startup losses
- » A downgrade in credit ratings or adverse conditions in the capital markets may increase our cost of borrowing

Our response

- » Ensuring good businesses with strong management are acquired, with a disciplined approach to valuation metrics
- » Bidfood executive maintains detailed oversight of new businesses for an initial period to assist new management teams to onboard
- » Working capital exposure managed through forward-exchange contracts to mitigate risk
- » Monitoring potential acquisition opportunities for solutions and tools that may impact and improve our process
- » Sufficient funding facilities are available to the group to enable organic and inorganic growth

Please see the heatmap on page 19 of this report.

Investing for the future

In almost all countries, in the year reviewed, we invested heavily in growing our footprint, getting closer to our customers, and enhancing our service offering. In this way, we improve our competitive market position and ensure our sustainability going forward.

New builds incorporate environmental enhancements including:

- ✓ Extensive new solar power builds
- ✓ High-efficiency refrigeration
- ✓ Rainwater harvesting
- ✓ Improved insulation and enhanced dock sealing
- ✓ Energy efficient lighting.

Gross capital investment into new depots during the year amounted to R3,1 billion, while expansion and refurbishment of existing sites cost R2,9 million. The investment increased our global depot footprint by nearly 70 000m² in the year, summarised by division below.



An increase of
21 556m² ↑ **6,3%**

Additions include:

- » Australia completed three new depots Darwin (NT), Malaga (WA), and Canberra (ACT)
- » New Zealand's distribution centre in Taupo, North Island



An increase of
14 139m² ↑ **5,6%**

Additions include:

- » A multi-temp storage facility in Glasgow
- » A distribution centre in Bedford



An increase of
2 502m² ↑ **0,4%**

Additions include:

- » DAC (Italy) opened a distribution centre in Rome
- » A depot in The Hague, Netherlands, is scheduled to open in March 2025



An increase of
31 435m² ↑ **8,4%**

Additions include:

- » South Africa opened a new multi-temp facility in the south of Johannesburg and a smaller depot in Pretoria
- » Chile completed a new depot in Santiago

Business model: WE WAREHOUSE AND DISTRIBUTE continued

In performing our **WAREHOUSE AND DISTRIBUTE** activities, another **key material issue** that our teams are required to address is navigating the **COST INFLATION** environment. We describe this key material issue and the impact it has on our ability to operate, as well as how we respond to mitigate this impact.

MATERIAL ISSUE:

COST INFLATION

CI

Operating conditions are difficult with our businesses having to contend with moderating food and high-cost inflationary impacts, staff shortages and churn, and erratic supply chain disruptions, all of which contributed to rising operating costs.

Despite the difficulties our businesses have faced, our teams have done a tremendous job of converting the opportunities that presented.

Inflationary cost pressures especially in non-inventory goods and services add pressure to the rate of investment and development. Given the unpredictability of possible further regulatory changes, policy interventions to control inflation, and the potential interdependency, it is very difficult to predict the cumulative effect on the group's operational results.

Impact mitigation

Likelihood is high inherently and residually, but the magnitude diminishes as we manage our expenses throughout the group

Stakeholders:



Capitals:

FC MC SRC

How this impacts us

- » Product cost increases that we may not immediately be able to pass onto our customers, causing margin pressure particularly with certain customer contracts that restrict our ability to flex pricing
- » Inflationary pressures continue to impact a wide range of our products with an increased need to maintain margins where possible
- » The erratic nature of the South African grid-supplied power is a significant risk to our South African operations, requiring costly investment in backup power supply solutions

Our response

- » Reduce exposure to large national-type customer contracts that require fixed product pricing; where fixed prices are agreed, ensure the term is as short as possible
- » Hedge fuel and energy costs where possible
- » New sites are being constructed with permanent on-site power backup; and in existing sites investing in mobile and/or solar generator capacity
- » Most (if not all) new sites constructed have solar installed. Existing sites are gradually being retrofitted with solar panels if commercially sensible

Please see the heatmap on page 19 of this report.

In performing our **WAREHOUSE AND DISTRIBUTE** activities, a **key stakeholder** we engage with are our **INVESTORS**. How we engage with our investors, the concerns raised in the year, our response, and the outcomes we achieved are summarised below.

STAKEHOLDER:

INVESTORS



- » We distributed a total of **R3,4 billion** in **dividends** to our shareholders

- » **Shareholder base** stable at around **54,5%** held by **South African** investors
- » **44 221** public **shareholders**, holding **99,95%** of the **335,4** million shares in issue
- » Investments in PPE reflecting **maintenance capital investments** of **R2,6 billion**, and **R3,1 billion** into **new capacity**
- » Our strategy remains to **own our facilities** with **73%** of property portfolio owned

How did we do?

8/10

How we engage

- » At least five formal shareholder engagements annually: two financial results presentations at half year and year end, two capital market trading updates in Q1 and Q3, and the AGM in Q2
- » Participated in a number of international investor conferences
- » Regular meetings with investors, analysts and fund managers through open periods
- » Direct engagement on proposed resolutions before and after the AGM

Concerns raised

- » Competitor activity, market share spread and opportunity for acquisitions
- » Understanding our business model, strategic direction and profit drivers
- » Potential changes to the incentivisation policy
- » Liquidity and interest rate risks
- » Expanded disclosure on key environmental and social issues

How we responded

- » Strong balance sheet to take advantage of the right opportunities
- » A significant refinancing exercise completed, accessing additional liquidity ahead of global interest rate hikes
- » Robust, proactive shareholder engagement
- » Dividend cover of 2,2x normalised HEPS, in line with group policy
- » Responsible and implementable ESG practices shared across the group with improving non-financial disclosures

Business model: WE WAREHOUSE AND DISTRIBUTE continued

In performing our **WAREHOUSE AND DISTRIBUTE** activities, a **key material issue** we face is the overall impact and the elusive quantification of the impact of **CLIMATE CHANGE**. Here we describe this and the impact climate change may have on our ability to operate.

MATERIAL ISSUE:

CLIMATE CHANGE

CC

Extreme weather patterns and environmental degradation have the potential to significantly impact the food value chain, from production through to distribution and sales.

To help mitigate those risks that threaten food systems, we explore opportunities to contribute positively to biodiversity, source environmentally sustainable products, and strive to reduce our carbon emissions impact across our business value chain.

Our businesses have engaged with stakeholders and developed programmes designed to minimise their carbon emission footprint. Best practice is shared among our businesses, as each operation strives to make a positive contribution. Capital investment is focused on improving energy efficiencies, embracing sustainable solutions, and contributing to a positive carbon footprint outcome.

Robust disaster recovery and business continuity plans (BCP) are established in all businesses. In the event of business interruption, our decentralised network of smaller depots allows us to support those in trouble until normal operations resume. We have global insurance policies in place to protect our assets and address business interruption risk.

Impact mitigation

Inherent impact is high as climate change is a material issue that cannot be mitigated but rather needs to be monitored and addressed responsibly

Harvesting rainwater in water-stressed Gqeberha

Rainwater harvesting at Bidfood South Africa's newly opened Gqeberha site is in full swing with water being collected into four 10 000-litre holding tanks; this is used for irrigating the facility's gardens. We also harvest rainwater from the roof into two 10 000-litre holding tanks that feed the evaporative condensers of the refrigeration plant. At the same time, condensate from the defrosting cycles of the pods and evaporators inside the warehouse's refrigerated areas is captured – some 600 litres per day.

Recently, Gqeberha commissioned a borehole and reverse osmosis (RO) system to further reduce the distribution centre's reliance on municipal water supplies. (The RO system has a capacity of some 2 000 litres per hour.) The new installations are particularly significant as Gqeberha suffers from regular water shortages.

The new Alberton distribution centre will, once fully operational, pipe water off a 1 450m² section of the roof into a central greywater tank with a capacity of 239 000 litres. Alberton will also recycle evaporator condensate as well as run a borehole purification system.

Stakeholders:



Capitals:



How this impacts us

- » Lack of product availability which may result in product pricing increases
- » Potential constraints in product supply may be incurred, driving the demand for substitute product
- » Regulatory risks associated with environmental legislation
- » BCP continues to be given focus due to natural disasters and cyber incidents
- » Refrigeration gas leaks may be hazardous, causing major disruption and resulting in fines being imposed

Our response

- » Property risk assessments are conducted to better understand our exposure
- » New sites are equipped with the latest innovative solutions, ensuring efficiencies are embraced
- » Investment into fleet upgrades and ongoing maintenance reduces the environmental impact
- » BCP's have been developed, actively communicated, and successfully tested
- » Investment into our strategy to have an increased number of local branches, positioned close to our customer, strengthening our BCP
- » Identification of opportunities to improve efficiencies and reduce emissions – and sharing these initiatives across the group

Please see the heatmap on page 19 of this report.



Our business model: **WE SERVE.**

**WE
SERVE**



We strive to create value for our customers by listening to them – understanding what their needs are and responding in a way that makes their job easier. And then doing it again and again as their needs change.

We are a leading foodservice distributor and supply partner to thousands of customers. We are passionate about foodservice and believe that we add value to our customers by offering a wide range of top-quality products, made accessible through a simplified easy-to-access ordering process, timeously delivered by our efficient logistics team.

Our mission is to

- ✓ “Contribute to the success of our customers.”
- ✓ Deliver service excellence. Everything we do has the customer at heart and is led by research and insights, be it into food trends to keep a step ahead of the curve, or the latest technological advances allowing us to continuously develop our service offering. Chefs, cooks, owners, buyers – these are all our customers.
- ✓ Empower our foodservice businesses to invent and create. With a team of passionate foodies that know and love the industry, we are familiar with what it takes to run successful eating-away-from-home establishments.

In performing our **SERVE** activities, a **key stakeholder group** we engage with is our **CUSTOMERS**.

A summary of how we engage with our customers, their concerns, how we respond, and the outcomes achieved are highlighted below:



STAKEHOLDER:

CUSTOMERS



» Bidcorp served **413 095 customers** around the world

» Independent customers now make up **55% of total revenue**, **national accounts** make up **34%** and **logistics, retail and other**, the remaining **11%**

» **59%** of all revenue is generated from our **ecommerce** platforms

How did we do?

8/10

How we engage

- » Decentralised structure keeps customers local and management within reach
- » Online training programmes, sales demos, and product launches
- » In-person attendance at trade shows and on-site gastro studio kitchen demonstrations
- » Online tools to facilitate ordering, delivery tracking, promoting new product ranges, even connecting chefs and restaurateurs
- » Social media pages communicating changing trends and new innovations

Concerns raised

- » Navigating the economic challenges, labour constraints and cost inflation pressures
- » The changing needs of the consumer in products, menu, and delivery requirements
- » Sustainable and transparent product traceability
- » Compliance with consumer protection legislation

How we responded

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

Business model: **WE SERVE** continued

To create value, we SERVE... “It’s all about the technology”

Catering wholesaler for food professionals

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

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

We offer daily deliveries to local customer locations and the capability to deliver special orders on short notice. Through committed personal relationships between our team and support staff, we are informed of our customers’ needs and we respond and meet those needs with innovative products and services. We also go the extra mile, providing additional value-add services such as customers’ product-usage reports, menu-planning advice, food safety training, support in inventory management and more, developing this insight and knowledge through our bespoke, market-differentiating online tools and solutions.

As a wholesaler for the catering industry, we connect our customers with a diverse food and non-food product range, available on our ecommerce platform. In a transparent and sustainable way, we are improving our ability to disclose accurate information about each of our products – “We make sustainable purchasing easy for our customers”.



In performing our **SERVE** activities, a **key material issue** that we have to navigate is the changing **CONSUMER ENVIRONMENT**. We describe how we mitigate this and the impact this has on our ability to operate below.

MATERIAL ISSUE:

CONSUMER ENVIRONMENT

CE

Differentiation in the foodservice industry is achieved through relationships with customers, competitive pricing, with the ability to provide a broad basket of products, and consistently delivering accurately and timeously.

We typically do not enter into long-term customer agreements; therefore, our businesses must be able to react quickly to changes in pricing, and customers’ requirements, often anticipating them before our customers are aware themselves.

Through strategically located warehousing, specifically enabling a faster, better last-mile response to customer requirements, we differentiate ourselves.

Impact mitigation

Change is driven by social media and social engagement trends, we adapt to local trends or shifts as required – impact cannot be mitigated

Stakeholders:



Capitals:



How this impacts us

- » Resistance to customer demands could result in loss of market share
- » Growth focus is on the independent, street trade customer, in order to reduce our exposure to national account pressures
- » Fit-for-purpose infrastructure availability
- » Responsive and agile last-mile delivery capability
- » Product range availability

Our response

- » Make use of data analytics to improve our service offering to customers
- » We maintain a very frank and open relationship with customers, ensuring a mutual understanding exists that we charge a margin that reflects the level of service required and that we are prepared to forego business when the mutually beneficial relationship gets out of balance
- » Track and monitor internal KPIs at a branch level, monitoring sales growth, customer mix, ecommerce sales, Own Brand sales etc, ensuring reward and incentivisation initiatives are appropriately aligned

Please see the heatmap on page 19 of this report.

Business model: **WE SERVE** continued

It's all about the technology



Embracing technology – making our customers' lives easier

We use technology to deliver operational efficiency, implementing smart solutions faster through the sharing of learning and ideas across our businesses. Our ecommerce and digital strategy remains a key enabler of competitive advantage and is designed to facilitate digital customer interaction in a low-cost but high-impact way.

myBidfood – PICK IT, CLICK IT, TRACK IT

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

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

In performing our **SERVE** activities, a **key material issue** our teams face is navigating the world's fast-evolving digital environment and the management of **INFORMATION AND CYBERSECURITY**. We summarise how we mitigate and manage this dynamic issue below.

MATERIAL ISSUE: **INFORMATION AND CYBERSECURITY** **IC**

Our market-leading ecommerce platform is usually the first point-of-contact for our customer presenting a comprehensive database of information, tracking trends in the overall foodservice environment, in particular, changes in consumer preferences.

The data insights we gather through our *myBidfood* platform enable us to provide customers with value-add services to proactively adapt with the changing end-consumer landscape. Development and effective use of our ecommerce solution makes us agile enough to proactively meet customers' needs. Enterprise-wide IT supports and facilitates critical functions within each of our individual businesses and our cloud-based solutions.

Risks to system stability and security are increasing due to the frequency of global cyber and ransomware attacks, the acceleration in digitisation across our business, and the increase in online transactions.

Impact mitigation

The impact and magnitude are high, but we mitigate this impact through a decentralised structure and robust assurance processes

Stakeholders:



Capitals:



How this impacts us

- » Direct financial loss from fraudulent input or manipulation by an employee or an external source
- » Risk of a security breach or hack into our network, disrupting our customers' experience
- » Data privacy breach
- » Cyberattacks and the potential impact on the security of confidential and personal information
- » Critical system downtime
- » A lack of accuracy or delays to critical information which could have a negative impact on decision making

Our response

- » Group cybersecurity standards implemented, embedding best practice across all operations
- » Annual peer review process established to support all businesses to meet cybersecurity standards, and internal audit assurance to bolster best practice
- » Engage reputable vendors and recognised software
- » Internal cyber awareness campaign and programmes are implemented in all operations
- » Regular testing of contingency and disaster recovery plans
- » *myBidfood* has world-class security measures implemented protecting users

Please see the heatmap on page 19 of this report.

Business model: **WE SERVE** continued

In performing our **SERVE** activities, a further **key material issue** is how we mitigate the impact of **GENERATIVE AI**, while we embrace the opportunity this solution presents. We have only recently embarked on exploring these opportunities but we are doing so with resolution; our approach and actions are summarised below.

MATERIAL ISSUE: **GENERATIVE ARTIFICIAL INTELLIGENCE** **GAI**

Data and processing tools and solutions evolve rapidly in today's online world. In order to remain competitive we must remain abreast of these new technologies and solutions to understand the risk and to implement the necessary controls to mitigate effectively. We also need to recognise the opportunity presented, to embrace and implement these solutions where appropriate in a timely and efficient manner.

We monitor emerging AI solutions and test the effectiveness of these solutions within our environment, such as on our online ecommerce platform, within our product offering, customer service enhancements, and even delivery engagements. These solutions may impact our operations over time and in fact may even reinvent the way we engage with our stakeholders. Failure to implement timely and/or successful new technologies, may adversely affect our competitiveness and, consequently, our results.

Impact mitigation

Added in F2024 as the global focus and attention turns to the impact GAI has on operations and resourcing – this is a key area of opportunity and our approach is to be ahead of the pack embracing this potential

Stakeholders:



Capitals:



How this impacts us

- » Increased efficiencies in repetitive tasks
- » Increased insights and analytics into our customers and their customers' buying and eating habits
- » Potential risk of misinformation and disinformation
- » Increases the risk of data privacy leaks

Our response

- » Policies guiding responsible and appropriate usage of the solutions available are being rolled out
- » Educating our teams on the potential risks and opportunities in embracing new solutions such as GAI tools
- » Increased cybersecurity monitoring and protocols in place

Please see the heatmap on page 19 of this report.



Bidfood Australia

"Click here"



Bidfood Netherlands

"Click here"



Bidfood Middle East

"Click here"

Bidfood blogs and social media

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

Business model: **WE SERVE** continued

In performing our **SERVE** activities, another **key stakeholder group** we engage with are the **AUTHORITIES** in the jurisdictions in which we operate. The concerns raised in the year, our response, and the outcomes we achieved are summarised below.

STAKEHOLDER:

AUTHORITIES

- » The group engages with more than **35 governments** around the world
- » Tax contributions to **authorities** of **R2,9 billion** – the group contributes **10 cents** for every **R1** sales to tax authorities
- » Average **tax rate** of **27%**, stable on prior year
- » **B-BBEE** group rating maintained at a “**Level 4 contributor**”

How did we do?

8/10

How we engage

- » Remaining abreast of requirements of national authorities and regulators
- » Proactive engagement with authorities and regulators on trending and developing issues
- » Engaged employment equity plans to meet transformation standards
- » Participating in industry-wide initiatives designed to promote and improve economic activity

Concerns raised

- » Meeting changing requirements of national authorities and regulators
- » Taxation obligations and reporting requirements
- » Modern anti-slavery standards implementations
- » Transformation progression requirements (eg in South Africa and Middle East)

How we responded

- » Modern anti-slavery policies enforced, a zero-tolerance standard to any unethical labour practices identified
- » Group-wide data privacy and security measures assured
- » Identify, train and hire candidates in meeting local transformation targets
- » Taxes and other authorities' dues paid timeously
- » Proactive consultations with regulators on the development of rules and standards

As we deliver on our promise to **SERVE**, we are faced with new compliance requirements and regulations being rolled out, the pace of which means this is a **key material issue** facing our teams. We respond as follow:

MATERIAL ISSUE:

REGULATORY COMPLEXITY

RC

An increase in regulatory reporting requirements related to international reporting standards, global and local tax regimes, ESG, corporate responsibility etc, is placing pressure on our data gathering, internal reporting processes, and corporate structures necessary to meet these requirements.

Our businesses are expected to report timeously and throughout the year, producing accurate, complete, consistent, and comparable data through robust internal control and assurance processes. The increasing burden on management's time and resource investment is significant.

Failure to comply is not an option, and as such, cannot be mitigated.

Impact mitigation

Failure to comply is not an option, therefore cannot be mitigated. However, the increasing regulatory burden places pressure on our entrepreneurial culture

Stakeholders:



Capitals:



How this impacts us

- » Compliance is non-negotiable. Non-compliance results in potential lawsuits, investigations and reputational risk. We have a broad range of international, national, and local laws and regulations governing our licence to operate
- » We are required to navigate an increasingly complex global business environment across a broad compliance landscape, notably the stringent tax compliance obligations with tax authorities targeting corporates to ensure strict adherence
- » We need proactive, collaborative working engagement with government and regulatory standard setters

Our response

- » The cost burden of compliance is significant, and while we are committed to ensuring we remain compliant, the risk is growing. We invest in skilled assurance teams, robust compliance tools, and engage professional guidance to meet the regulatory requirements
- » We continue to invest in and develop processes to meet the proliferation of regulations across the foodservice industry and our territories, adding to costs and consuming a significant amount of management time
- » We prioritise our tax obligations in each country in line with requirements of group tax policy
- » Investing in our relationships with regulatory bodies to provide input and comment as new legislation and regulations are introduced

Please see the heatmap on page 19 of this report.

Business model: **WE SERVE** continued

Serving our local communities – “It’s all about the people”

Positively impacting all the people that we engage with – our employees, our customers, our suppliers, the people who eat in the restaurants we serve, those who drive past our trucks on the road, those that meet us in the street – Bidfood strives to make a positive impact.

In each of our businesses we are committed to being a responsible corporate participant, to step up and lead by example to give back to the communities where we are. We invest in social and education initiatives, focusing on programmes such as healthy eating.

Senior citizen programmes, community projects, sponsorships, donations, and education programmes are just some of the many initiatives owned by each of our businesses in an effort to make a positive difference. We are actively engaged in a variety of local initiatives, supporting aged-care facilities, funding school projects, and feeding communities left destitute after natural disasters – where you find Bidfood, you will find a foodservice provider that cares.



In performing our **SERVE** activities, a **key stakeholder group** we have the privilege to engage with are our **COMMUNITIES**. A summary of how we engage with our communities, the concerns brought to our attention, and the outcomes achieved are highlighted below:



STAKEHOLDER:

COMMUNITIES



» **R30,5 million cash donations** to charities and community projects

» Countless **local projects** supporting the needy and engaging with the **communities** we impact

» **Food recycling** and donation projects encouraged and celebrated around the world

» **1 843 tonnes** of food donated, 16% more than in the prior year

How did we do?

7/10

How we engage

- » Each business identifies a variety of local community-specific social development programmes
- » Engagement with local food bank and community forums
- » Identify local schools and other education facilities to support small-business development initiatives, particularly in the supply chain, participation in nation building initiatives
- » Globally available anonymous whistleblower service is available to all where anyone can raise a concern identified, positively or negatively

Concerns raised

- » Economic crisis concerns due to heightened cost inflation pressures
- » Small business development sustainability challenges
- » Environmental impact awareness
- » Alignment of businesses and their support programmes with the needs of their communities

How we responded

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



Refer to the **2024 sustainability report** for more detail on the Graeme Dingle, I am Hope and Prague Zoo.

BIDCORP'S VALUE CREATION MODEL continued

FC

Financial capital

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

HC

Human capital

We are committed to creating value for our people through providing exciting employment opportunities across our business. We promote from within and develop 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. We actively drive transparent and meaningful engagement with employees and with their representative forums and unions.

SRC

Social and relationship capital

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

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

MC

Manufactured capital

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

IC

Intellectual capital

We strive to create value for our customers by listening to them – understanding what their needs are and responding with the right products, the right tools, and the best service to make their lives easier. Bidfood is growing a portfolio of leading, competitively priced Own Brand products.

Our *myBidfood* ecommerce platform enables our customers to engage on-the-go, to place orders on devices of their choice, with delivery times as quick as later that same day.

NC

Natural capital

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

OUR INPUTS – what we invested

Financial capital		2024	2023
Equity	(Rm)	42 524	40 195
Debt (Non-IFRS 16)	(Rm)	14 773	14 476
Cash	(Rm)	11 722	12 397

Human capital		2024	2023
Employees	(#)	29 112	28 022
	Female	7 967	7 609
	Male	21 145	20 413
Payroll investment	(Rbn)	26,4	22,6
Training investment	(Rm)	88,3	67,0

Social and relationship capital		2024	2023
Suppliers	(#)	33 721	29 322
	Foreign suppliers	19%	22%
Customers*		413 095	376 910
	Independent	55%	57%
	Chain	34%	32%
	Logistics	4%	5%
	Retail and other	7%	6%

Manufactured capital		2024	2023
Depot size	(sqm)	1 629 432	1 559 800
Number of vehicles	(#)	7 584	7 693
	Delivery	5 679	5 782
	Passenger	1 905	1 911

Intellectual capital		2024	2023
Software investment	(Rm)	197	151
Product range (SKUs)	(#)	391 768	380 438
	Frozen	37%	36%
	Chilled	28%	28%
	Ambient	31%	31%
	Non-food	4%	5%

Natural capital		2024	2023
Grid supplied power	(kWh)	298 467 798	308 241 955
Fuel	(kilolitres)	58 674	55 555
Natural gas	(tonnes)	2 138	2 043
Refrigeration gas	(tonnes)	25,5	19,2
Waste**	(tonnes)	39 708	34 987
Water	(kilolitres)	1 131 343	1 028 480

OUR OUTPUTS – what we delivered

Financial capital		2024	2023
Profit attributable	(Rm)	8 011	6 886
Weighted average shares	('000)	334 786	333 999
Basic earnings per shares	(cents)	2 392,6	2 061,8
Headline earnings per share	(cents)	2 405,5	2 082,9
ROE		59,0%	61,5%
ROE		19,1%	19,7%

Human capital		2024	2023
Female		27%	27%
Staff attrition		29%	34%
Employees training hours completed	(#)	359 463	309 110
Fatalities	(#)	Zero	Zero

Social and relationship capital		2024	2023
Dividends paid	(cents)	1 090,0	940,0
Donations	(Rm)	30,5	34,0
Sponsorships	(Rm)	39,4	35,6

Manufactured capital		2024	2023
Capital investment	(Rm)	5 971	4 435
	Depots	69%	64%
	Vehicles	24%	27%
	IT	7%	9%

Intellectual capital		2024	2023
Ecommerce	(% of rev)	59%	56%
Own Brand	(% of rev)	23%	23%
Gross margins		24,1%	23,8%

Natural capital		2024	2023
Total carbon emissions***	(tCO ₂ e)	333 391	312 860
	Scope 1	151 963	143 637
	Scope 1+	51 059	42 526
	Scope 2	121 581	120 013
	Scope 4	8 788	6 684
Carbon efficiency ratio (CEE)			
2025 Target = 2,36	(#)	2,09	2,11
Tracking ahead of 2025 CEE target by		9%	8%

* Customers: prior year restatement 4 269 decrease

** Waste: prior year restatement 361 tonnes decrease

*** Carbon emissions: The comparative metrics used for diesel, petrol and grid electricity were updated, resulting in a decrease of 6 719 tCO₂e scope 1 and 11 266 tCO₂e of scope 2 emissions

BIDCORP'S VALUE CREATION MODEL continued

OUR OUTCOMES – where we made a difference

SDGs impacted

FC

Financial capital

- » Strong cash flow generation after working capital as 113% of the F2024 trading profit was converted into cash
- » Refinancing exercise was undertaken to access additional liquidity ahead of further global interest rate increases, at competitive fixed interest rates, reducing liquidity and interest rate risk
- » Balance sheet remains strong with reliable cash flows, which allows flexibility to achieve strategic growth objectives, both organic and acquisitive

SDG 8

SDG 9

SDG 10

HC

Human capital

- » Bidfood employs over 29 000 people, selected not only for their experience and knowledge of the industry but also their ability to make decisions. Our people are passionate about what they do, and they do whatever it takes to provide exceptional service
- » Our staff attrition rate eased as the labour scarcity risk began to normalise in most markets. We continue to proactively engage with our teams, incentivising and improving their work experience
- » We continue to proactively adjust our work environment to break down previous gender profile imbalances

SDG 3

SDG 5

SDG 8

SRC

Social and relationship capital

- » Good business is ethical business built on trust, goodwill, and confidence – this year over 413 095 foodservice operators chose Bidfood to supply their foodservice needs
- » Customer engagement to share healthy eating meal options, sustainable menu ideas, sourcing sustainable substitute product options, promoting healthier eating habits
- » We spent R70 million on a variety of sponsorships, charitable, and socio-economic development programmes, making a difference in thousands of lives

SDG 2

SDG 3

SDG 10

MC

Manufactured capital

- » A few bolt-on acquisitions concluded in the year, with more to come in F2025
- » Expansionary capital investments amounted to R3,1 billion relating to infrastructure upgrades or new distribution centres. Replacement capex of R2,6 billion was ahead of depreciation at R1,9 billion
- » Strategy remains to own our facilities – 73% of property portfolio owned in F2024

SDG 7

SDG 9

SDG 15

IC

Intellectual capital

- » Our ecommerce and digital strategy remain key enablers of our competitive advantage. Significant intellectual property has been developed through ecommerce development, embracing best-of-breed service-related insights.
- » Ecommerce adoption continues to increase, generating 59% of F2024 group revenue
- » We continue to identify value-add opportunities to expand our Own Brand range

SDG 8

SDG 9

SDG 12

NC

Natural capital

- » Through investment in solar installations, we have increased our renewable power generation in F2024 by 58% to 15 485 549 kWh. Despite lags in battery technology development, we continue to explore delivery alternatives, such as electric vehicles. We remain committed to finding a viable sustainable solution
- » The group's infrastructure capital investment is integrated with leading ESG trends (solar, water-saving measures, LED lighting, state-of-the-art refrigeration, etc.) which, although upfront are expensive, do provide a strategic long-term economic and social benefits
- » Concerted waste reuse, renew, and recycle practices have been embedded. Significant effort goes into sourcing and promoting a sustainable product supply chain for our customers, informing food choices and positively influencing eating habits

SDG 7

SDG 14

SDG 15

OUR CAPITAL TRADE-OFFS – tough choices we made

In our strategic decision-making process, sometimes we must make the tough decision to sacrifice value in one area in order to maximise value creation in another. These trade-off decisions are not taken lightly – due diligence and care is applied, within the context of the group's strategic priorities and in line with the board-approved delegation-of-authority framework. Some of the more material decisions made in F2024 include:

Capital investment

MC ↑ FC ↓ SRC ↑

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

Digitisation investment

IC ↑ SRC ↑ FC ↓

We invested R418 million in our IT infrastructure, enhancing our digital capabilities and customer service levels. Protection of the businesses is greatly enhanced through cybersecurity upgrades and robust assurance.

Supply chain management

FC ↓ MC ↑ IC ↑

Ensuring our ability to operate with adequate inventory in the face of supply-chain uncertainties and disruption, some of our operations invested into elevated inventory levels during the year.

Minimising our environmental impact

NC ↑ FC ↓ SRC ↑

Significant investment into solar, electric vehicles, enhanced refrigeration, and numerous recycling initiatives. We are committed to ensuring that investments are cost effective, and have the desired, positive impacts on the environment.

Human capital management

HC ↑ IC ↑ FC ↓

Investing in our people is non-negotiable to ensure retention, delivering the benefits of a team that is knowledgeable and experienced.