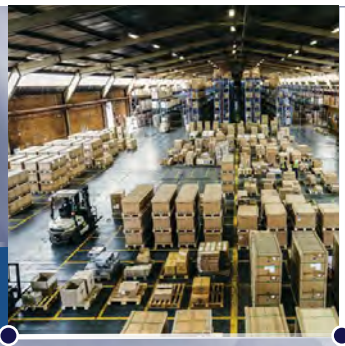
Bidvest

Environmental, Social and Governance Report

for the year ended 30 June

2022



People and products behind a brighter future

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About this report

This Environmental, Social and Governance Report (ESG Report) details our environment, social and governance processes and performance for the year 1 July 2021 to 30 June 2022. The scope of this report includes The Bidvest Group and our operating subsidiaries excluding Adcock Ingram. The report forms part of the Bidvest annual report suite and is published in October 2022.

Our reporting process has been guided by the principles and requirements contained in the International Financial Reporting Standards (IFRS), the IIRC's International Framework, the Global Reporting Index Sustainability Reporting Standards (GRI), the King Code on Corporate Governance 2016™ (King IV), the JSE Listings Requirements (Listing Requirements), the requirements of the remit assigned to social and ethics committees in terms of the South African Companies Act of 2008, as amended (the Companies Act), United Nation's 17 Sustainability Development Goals (SDGs), recommendations from the Task Force on Climate-related Financial Disclosures (TCFD) and the principals of stakeholder capitalism as championed by the World Economic Forum.

Various policies, standards and charters are reviewed periodically and are available on the Bidvest website. Supplementary sustainability information is also available on the website.

The information and data included in this report have not been externally assured with the exception of the financial information and that related to skills development, and procurement as part of the B-BBEE verification process. The key sustainability indicators were robustly reported through the management structure that is in place within the Bidvest business environment.

Statement of compliance

Bidvest is committed to the highest standards of business integrity, ethics and professionalism. King IV was released on 1 November 2016. King IV advocates an outcome-based approach and defines corporate governance as the exercise of ethical and effective leadership towards the achievement of the following governance outcomes:

- Ethical culture;
- Good performance;
- Effective control; and
- Legitimacy.

The practices underpinning the principles in King IV are entrenched in many of the Group's internal controls, policies and procedures governing corporate conduct. From a materiality point of view, the Bidvest Group Limited board (board) is satisfied that in the main, Bidvest has applied the principles set out in King IV, the detail of which is more fully described in this report.

The full King IV application register and GRI content index are available on the Group website, www.bidvest.co.za

Approval of the ESG Report

The board has applied its collective mind to the preparation and presentation of the information in this report. The board believes that this report addressed all material issues and presents a balanced and fair account of the Group's sustainability performance.

Bonang Mohale
Chairman

Mpumi Madisa
Group chief executive

18 October 2022

Introduction

"In FY2021, Bidvest established an ESG Framework which is a culmination of our sustainability ambitions, focused on the areas that we can make the biggest difference, with specific targets and metrics to measure our performance on this journey. These absolute medium-term targets were used to determine hurdles relating to the environmental, social and governance elements in the incentive scorecards, which was cascaded down from executive directors to operational managers throughout the organisation. The consistent, focused attention on six key metrics yielded great momentum and results during FY2022, particularly as it relates to diversity and environmental footprint. At the same time, new environmentally friendly products and services were introduced by several businesses.

Whilst we are proud of our achievements in such a short period of time, we recoginse that there is to be done. As one of the largest employees in SA we have a responsibility to eradicating poverty and unemployment – a unfortunate reality that is still lived by many South Africans today. As such, a greater focus and waiting on the socio-economic components of the incentive scorecards are planned from FY2024 onwards."

Mpumi Madisa

Integrated thinking and planning are deeply embedded in Bidvest, enabling the reconciliation of our purpose with our long-term commercial objectives. Our purpose of 'People and products behind a brighter future' guide our efforts to create value for each stakeholder group which in turn drives our focus on optimising the value of our products and services, at a sustainable cost to society.

Bidvest supports the UN Global Compact

WE SUPPORT UN GLOBAL COMPACT

About Bidvest

The Bidvest Group (Bidvest or the Group or the Company) is a leading business-to-business services, trading and distribution group operating through two broad categories of operations and six operating divisions, namely the business services operations, which comprise the Services International, Services South Africa, Freight and Financial Services divisions, and the trading and distribution operations, which comprise the Branded Products, Commercial Products and Automotive divisions.

The Group has an entrepreneurial and decentralised operating philosophy with management teams incentivised and empowered to grow their respective operations within a Group-wide governance framework and well-defined expectations around key performance metrics. The Bidvest corporate office function ensures consistency of strategic direction, culture, monitors operational and financial performance, and allocates and manages capital in order to drive performance and ensure an optimised approach to resource allocation.

The Group, which comprises approximately 250 trading companies and employs more than 125 000 people as of 30 June 2022, operates primarily in South Africa (SA), but with an international footprint in Europe, including the United Kingdom (UK), and more recently Australia. The Group is a key contributor to the SA economy, providing essential services and products to a wide range of businesses.

The Group operates a blended portfolio of defensive, cyclical, and growth assets and has a highly diversified portfolio of asset light businesses that are cash generative. The investment in core sectors and a focus on efficiency has resulted in the growth of Group revenues and profitability that regularly outperforms SA's nominal GDP. Innovation is also key and management focuses on deploying product and services that represent innovative solutions to customer needs and on leveraging technologies to add value to customers. The Group has leading market positions in most of the key markets in which it operates.

Stakeholders

This report is prepared for our broad base of stakeholders who remain critical to the ongoing success of Bidvest. We believe that it is only with robust partnerships formed and developed over years that we can continue delivering growth. This report outlines those key stakeholders that play a part in our strategic planning process and that have an impact on our decision making. The value created for stakeholders is discussed in more detail on page 18 of the Integrated Report.

Functional Governance

Operational management is organised in a decentralised manner, conducting activities within a framework of a Group-wide governance structure, which entails significant reliance on the ethical behaviour of all employees, and well-defined expectations around key performance metrics. These structures generally govern oversight, capital allocation and management, strategic integrity, reporting, and consistency of cultural values across the Group (and includes alignment with the Bidvest Code of Ethics).

Management teams within the individual businesses, who often have a specialised focus and concentration in specific sectors and services, are given significant autonomy to run their businesses and achieve the results expected of them. The decentralised structure of the Group allows for agile decision making and execution.

An authority matrix forms the backbone of day-to-day governance, and formal reporting structures complement independent business-level processes that result in dynamic and iterative risk assessment and mitigation actions.

Group management and reporting is organised via an Executive management committee ("Exco") and board at the Bidvest Company level, which oversees the operations and governance of the Group as a whole, sets the framework of key performance metrics and related goals and receives and evaluates divisional reports and results. This oversight is supported by active, quarterly divisional boards and subcommittees that provide guidance, oversight and track results of business progress within the divisions. Monthly meetings between the Group's chief executive and divisional chief executives, which focuses on uniform and simple key performance indicators, as well as monthly timeous and granular financial reporting from the underlying businesses (with flash financial results from the underlying businesses typically available on the fifth business day of every month), allow for active management of the diverse offerings of the Group. The key performance indicators are trading profit growth, cash conversion, Return on Funds Employed ("ROFE"), sustainability and transformation and are linked to short-term and long-term incentives. The Group also places significant emphasis on the quality of existing management teams within businesses when considering potential acquisitions, and typically retains the management teams to continue to operate the acquired businesses.

Sustainable strategy

The notion of stakeholder capitalism and sustainable enterprise value creation resonates with the Group. As the impact of climate change and inequality have become more and more evident, the Group has sharpened its focus in this area, recognising the need for all stakeholders to collaborate and work towards greater sustainability. This is particularly pertinent as focus on dealing with the aftermath of the pandemic and Russia's invasion of Ukraine, globally diluted climate action change and exacerbated inequality. But the recent example of the COVAX alliance has also showed us what is possible when government, private sector, public organisations and civil society work together.

ESG Framework

The impact of climate change and social inequality has become more and more evident, highlighting the need for common cause, understanding and purpose.

We recognise that people are the enabler of our business and a critical resource that needs to be empowered. As a Group that serves virtually all industry sectors, it is our responsibility to ensure that we contribute to the success of our host nations. We use the United Nation's 17 SDGs, which provide a comprehensive definition of sustainability, as a guideline. We identified the SDGs that are most relevant to us: Good health and wellbeing; Gender equality; Decent work and economic growth; Industry, innovation and infrastructure; and Responsible consumption and production. Using these SDGs as guidelines, we are able to assess the impact we are making, through our basket of services and goods as well as our operations and corporate citizenship activities.

In FY2021, Bidvest established an ESG Framework which is a culmination of our sustainability ambitions, focused on the areas where we can make the biggest difference with specified targets and metrics. These medium-term targets were used to determine specific ESG performance hurdles in the incentive scorecards. The consistent, focused attention on six key metrics yielded great momentum and results during FY2022.

Commitments	Objectives
To conduct profitable business in a responsible and accountable manner	**Preserve empowering decentralised governance model**
To care for the Bidvest family and the Group's connected societies	**Nurture people and business diversity**
	Unlock value through innovation and efficiencies
To drive positive change through partnerships and social dialogue	**Represent responsibly made products**
	Maintain financial strength through growth, focus and discipline

People, planet, purpose

Targets

Inclusive employer with **females** at all levels making up **45%,** and **African** people representing **50%** of the SA businesses' **management** by 2025

Reduce carbon, water and waste **footprint** by a further **20%** by 2025

Become SA's leader in supply chain transformation by targeting more than **90%** of **local sourcing** from suppliers that have a Level 4 or better B-BBEE rating

Ensure that **100%** of our **tier 1 suppliers** are compliant and responsible in their dealings, that we contribute to the **circular economy** while protecting and enhancing livelihoods

Actively **manage cybersecurity** risk to a global benchmark **25%** IT hygiene score, continuously assessed by ALICE (Bidvest's AI 'employee')

Performance

People

Excellent progress on diversity and inclusion:

- **Board:** **75%** female; **83%** black
- **Exco:** **42%** female; **50%** black

1 041 employees with disabilities

R545m spend on **skills development** & bursaries

406 learners permanently **employed**

729 bursary beneficiaries

Planet

Reduced emission **(30%)** and water **(26%)** intensity

Launched **environmentally-friendly products and services** (cobotic cleaning, water efficient taps, handbags that include recycled material and wheat grass, etc)

Phased plan to retrofit **Bidvest properties** with **solar solutions**

Purpose

R149m spent on **employee & community support** programs, including during riots and floods in FY2022

Increased local procurement spend from 68% to **74%** with **suppliers B-BBEE Level 4 or better** ranked

Group **supplier diversity programme** launched

Material focus areas, risks and responses

There are certain material matters that might disrupt Bidvest's ability to continue creating value for its stakeholders. Bidvest has long acknowledged its duty to share the value created, fulfilling a responsibility to contribute to economic and social development among its group of stakeholders, including investing in the Bidvest team of people, and the environment. Our decentralised, asset-light and everyday essential products and service business model is, in itself, an effective risk management tool.

As external factors emerge and evolve, the key matters that may interrupt the operations of the Group's business are carefully assessed through a controlled process, which includes the board's Risk committee, divisional Risk committee and Internal Audit (IA). The meaning of material is defined and clarified across the Group. Those matters that may have an impact on the effective and successful future operations are assessed and the risk management thereof, including mitigating action, integrated into day-to-day activities. On an enterprise–wide level the key material matters are shown below, and discussed in more detail on page 30 of the Integrated Report and highlighted in varying detail throughout this report:

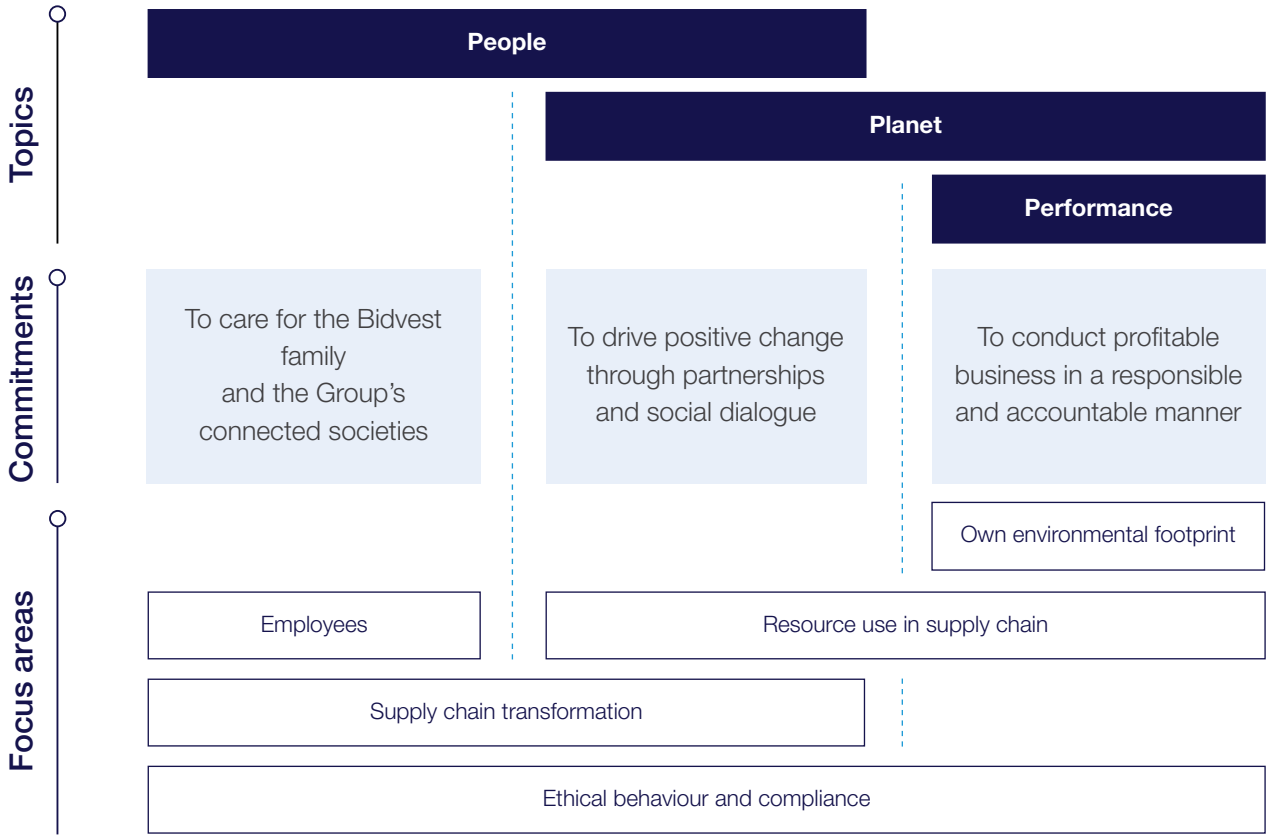
- Rapidly rising inflation;
- Challenging economic outlook;
- Supply chain constraints;
- Cyber assaults;
- Climate change; and
- Impaired SA infrastructure.

In addition to climate risk which is included as a global risk for the Group, Bidvest as a large employer, is focused on treating its diverse and inclusive employee base fairly and provide a safe and healthy workplace. All of the below was taken into consideration when designing our ESG Framework.

In addition to the above common focus areas, regulatory risk management, professional integrity as well as financial inclusion and capacity building are key matters that require active management in the Financial Services division. Data security is also a matter that receives continuous attention in Financial Services and Automotive divisions, where vast amounts of personal data reside.

Climate change

The common denominator between water wars, climate change, social unrest and other direct and indirect consequences of environmental damage is economic risk. In other words, it means recognising that a drought isn't just an environmental issue, but rather a fundamental business risk involving processes such as raw material and product procurement or people in impacted markets.



Own environmental footprint

Risks – Energy, waste and water management

The World Economic Forum's Global Risk Report 2022 identified climate inaction as the biggest threat to humanity in the next decade. Inaction could lead to a global GDP loss of 4-18%. Climate change is global, but climate impact is local. As an international services, trading and distribution group, unchecked energy intensity and sourcing as well as water scarcity can expose the operations to materially higher operating costs, expenses stemming from regulatory shifts and compliance as well as reputational damage. It also poses serious threats to human lives, livelihoods and business stability.

In SA, the electricity crisis became part of everyday life, negatively impacting sentiment and impeding growth, as supply was severely impeded. In Europe and the UK, the Russia/Ukraine war resulted in a significant reduction in gas supply. With winter looming, this could become a full-blown crisis for the region.

SA is classified by the World Resources Institute as having medium-high baseline water stress. Water stress is measured as the differential between water withdrawn by irrigated agriculture, industries and municipalities and the available water supply. A narrow gap, i.e. high stress, leaves a country vulnerable to fluctuations like droughts and increased water withdrawals. Aging and unmaintained infrastructure could further exacerbate the situation. After Cape Town faced Day Zero in 2019, Gqeberha in the Eastern Cape is now in the same position.

The impact of inclement weather is the greatest in Bidvest Freight. Reliable energy is essential in most of the trading and distribution activities of the Group while water availability is a key in Bidvest Services South Africa's allied cluster's offerings and Adcock Ingram's manufacturing facilities.

Mitigating actions – clear measurements and targets

In December 2021, Bidvest became a signatory to and a participant in the United Nation's Global Compact. Bidvest Group chief executive, Mpumi Madisa, was appointed chair of the board of the Global Compact Network South Africa. Bidvest nominees are also participating in the Climate Acceleration and Women Empowerment initiatives. Both Noonan and PHS have committed to net zero by 2045 and 2040, respectively. Konica Minolta has been carbon neutral since 2013 using natural offsets. Learnings are being shared across the Group.

The Group has set targets to reduce emission intensity, water intensity and waste footprint by 20% by 2025. Incremental annual targets are set and included in both short- and long-term incentive scorecards, cascaded down from executive director to operational management levels. During FY2022, the initiatives to reduce our operational footprint and ensure operational continuity, as far as commercially viable, included solar installations at Bidvest properties, water saving and recycling processes as well as the introduction of electric vehicles in certain fleets internationally and route optimisation.

Opportunities identified – environmentally friendly products and lower-emission products and services

Opportunities include the sale and distribution of solar energy equipment, disposal of hygiene waste to energy recovery facilities, chemical-free cleaning and janitorial products, installation and wholesale of water efficient washroom and plumbing products, distribution of energy-saving household appliances, investing in a world-class terminal to handle significantly more volumes of lower-emission LPG as an alternative energy source in the southern Africa region, among other activities. The revenue generated from these amounts to an estimated R1 billion.

The Voltex partnerships with two commercial banks to offer solar solutions to home loan clients yielded almost 2 000 leads. Interact, a Noonan company, are in discussions with a large ICT company in Ireland with regards to a pilot solar project while Bidvest Bank is strategically intent on direct financing and insurance of renewable energy assets. Croxley also launched its eco counter books, which does not require plastic book covers and Interbrand launched branded handbag models that include recycled plastic and wheat grass. Noonan introduced cobotic cleaning and mobile water recycling systems and PHS designed a digital water FLOWSAVER that measures water used and saved compared to pre-installation levels and displays this.

Supply chain

Risks – environmental and social sustainability of a supply chain that spans hundreds of thousands of products from thousands of local and international suppliers

Bidvest sources globally and locally. Throughout Group supply chains, scarce natural resources are used as inputs in logistics and factories operated by employees whose human rights need to be upheld. Product and packaging lifecycles also have environmental consequences and regulations need to be adhered to.

This is particularly pertinent to the Commercial Products, Branded Products as well as Automotive divisions as distributors and traders of product. Reputation, brand equity and product quality are critical demand drivers for end consumers.

Mitigating actions – clear measurements and targets

Since FY2021, Bidvest purposefully increased its local supplier support. The first step was to actively shift local procurement away from poorly rated, or even non-compliant B-BBEE suppliers. Secondly, the Group adopted a Code of Ethical Purchasing. The focus in FY2022 was to ensure that offshore suppliers acknowledge and commit to the principles of human rights and responsible environmental behaviour, as set out in the mentioned code.

The Group has set itself the target to become SA's leader in supply chain transformation and is targeting more than 90% local sourcing from suppliers that have a Level 4 or better B-BBEE rating by 2025. In addition, relevant businesses have introduced and want to expand recovery/take-back product programmes at the end of life as well as increase recycle material content in products and packaging.

Opportunities identified – supply chain transformation, circular economy

The Bidvest Group Integrated Supplier Diversity Programme, a comprehensive SA supplier development programme, was initiated and well underway. Forty-seven participants have been onboarded, partnered with coaches, business mentors as well as executive sponsors from within Bidvest. This programme should enable our and other SA businesses to source closer to end demand, contributing to broader economic prosperity and reducing the environmental footprint of the supply chain. Our international businesses identified key suppliers and are working with them to reduce the environmental footprint of the entire supply chain.

Various ongoing initiatives that derive value for all across various supply chains include, for example, security guard uniforms, manufactured by G Fox and used by Noonan employees when delivering a service to a customer, now contains a recycled material component; Kolok introduced the take-back of empty print cartridges; a 'paper wrapped in paper' approach to PHS' consumable product range resulted in eliminating plastic use and utilising bamboo or sugar cane materials, to name but a few.

Inclusive, healthy and safe employee base

Risks – employee diversity, labour practices; health and safety

Bidvest has a large employee base, with many deployed at customer premises, assembly/light manufacturing operations and warehouses/distribution centres. Worker safety is highly regulated and workplace incidents may lead to perceptions that employee well-being is not prioritised and can also result in reduced productivity. Failure to fairly treat and enhance employees' livelihoods may lead to legal action, protests and detrimentally affect hiring.

Inequality and unemployment in SA are amongst the highest in the world. This poses additional broad social risk.

As 79% of our employee base is in Services South Africa and Services International, decent work, labour practices as well as diversity and inclusion are particularly relevant. Employee health and safety is paramount in our manufacturing operations in Branded Products and Commercial Products, terminal operations in Freight as well as at customer sites where most of our service employees report for daily duty.

Mitigating actions – clear measurements and targets

Embedded in the Bidvest Purpose are the elements of creating social value and empowerment entrepreneurship. This can only be achieved by empowered people. Living this principal, means we provide opportunities that exceed personal ambitions, and we encourage teamwork.

Diversity is one key enabler and Bidvest set itself the target of its SA management comprising 45% females and 50% African by 2025. Country-appropriate targets are set in our offshore operations. Bidvest also committed to a 5% reduction in workplace injuries per annum.

Bidvest is committed to a sustainable, fair and responsible remuneration and is explicit in its commitment to income parity. Both Noonan and PHS reported negative gender pay gaps. In SA a project is on the go to gather data from hundreds of payrolls across the operations to work towards meaningful disclosure and appropriate interventions.

Opportunities identified – safe and healthy occupational environments

The Group continues to promote and offer out-of-home hygiene services and integrated facilities management services in order to support safe and healthy occupational environments. Products innovation is continuous. For example, PHS launched air purifiers which are both proven to eliminate germs, allergens and particulates from the air indoors.

Efforts to tackle period equality was also stepped up. PHS purpose-designed a free-vend dispenser in response to the growing challenges surrounding period inequity. There is a particular programme on the go with the Department of Education in the UK in this regard.

The Carbon Disclosure Project (CDP) is a non-profit organisation that evaluates the world's largest companies for their response to its official request to disclose their environmental data. In line with the increasing demand from stakeholders, Bidvest disclosed its climate change response. Refer to www.Bidvest.co.za

The Bidvest Group is committed to this independent tip-off facility designed to allow anyone to report concerns 24 hours a day, any day of the year. All reports are treated as confidential.

Do the right thing

Report your concerns

Toll-Free Number

Australia: 1 800 633 293

(Toll-free access from fixed line, accessible from most mobile networks - mobile rates may apply)

Email: bidvest@tip-offs.com

Measuring our performance

		Topic	Our aim	We will
Environmental	E1	**Own carbon footprint**	To **reduce** the emission intensity of our operations by **20%** by 2025 from the 2019 base	Continue to improve energy efficiency, shift our energy consumption to lower emission sources, invest in renewable sources and configure our properties to be environmentally-smart
Environmental	E2	**Resource use**	To reduce the waste generated and water intensity in our operations by 20% by 2025 from the 2019 base	Step up waste recycling efforts Increase recycled raw material content in products and packaging whilst also making it more environmentally friendly Reduce the net quantum of water used taking into account recycling
Environmental	E2		Source product from supply chain partners that are responsible in their dealings and achieve **100% compliance** by 2025 and contribute to the circular economy	Engage with these tier 1 suppliers to ensure that they have adopted the commitments described in our Ethical Purchasing Code (industry standard or equivalent environmental assessment) Introduce the recovery/take-back of product at the end of life
Social	S1	**Diversity**	To be an inclusive employer where everyone is treated equally with **females** at all levels making up **45%** and **African** people **50%** in SA operations by 2025	We will actively manage appointments at top, senior and middle-management to achieve race and gender diversity
Social	S2	**Occupational hygiene and safety**	Provide safe working environment by **reducing** workplace injuries by **5% per annum**	Reduce workplace injuries, both serious and non-serious Implement learnings from particular incidents and regular training
Social	S3	**Wellbeing**	Protect and enhance livelihoods and wellbeing of our employees	Support employees through enterprise wide employee wellness programme and initiatives Continuously develop the skills of our employees and in industries in which we operate

Measurement	FY2019 base	FY2025 target	FY2022 actual
Scope 1 and 2 emissions intensity	4.33	3.46	3.07
% electricity sourced from renewables	1%		2%
Quantum of recycled waste (ton)	511 413		2 117 298
% of waste generated recycled	3%		96%
% product and packaging content from recycled material			Refer commentary
Net water intensity	24.91	19.93	18.41
% offshore suppliers being compliant as measured by self disclosure		100%	66%
Quantum of items recovered			Refer commentary
Total employees:			
Female	45%	45%	43%
African		50%	67%
Gender and race split at top, senior and middle-management; % appointments:			
Female	36%	45%	37%
Appointments – female			29%
African	34%	50%	35%
Appointments – African			11%
LTIFR (major injuries)	1.92	5% annual reduction	2.68
Fatalities	4		11
# of employees trained on Health and Safety			90 181
# employees that participated			79 993
# learnerships, internships and apprenticeships			5 596 participants; 406 absorbed

Measuring our performance continued

		Topic	Our aim	We will
Social continued	S4	**Labour practices and human rights in our own operations and supply chain**	To protect and advance livelihoods	Protect and treat our own people fairly Engage with tier 1 suppliers to ensure that they have adopted the commitments described in our Code of Ethical Purchasing (industry standard or equivalent labour assessment)
	S5	**Supply chain transformation**	To support local businesses in their growth aspirations	Source locally from B-BBEE compliant suppliers. Goal is **>90%** sourcing from local suppliers with a **Level 4, or better rating,** by 2025
Governance	G1	**Ethics**	To conduct business with uncompromising integrity	Be honest, respectful and accountable at all times to all stakeholders Transparently and actively monitor and manage product and service safety as well as regulatory compliance
	G2	**Governance structures**	To provide assurance to all stakeholders through independent oversight	Uphold the established governance structures and have a **B-BBEE Level 2** rating by 2025
	G3	**Risk management**	Identify material risks, qualitative and quantitative, and mitigating them	Formulate mitigating actions for all identified material risks
	G4	**Data privacy**	To comply with legislation and reduce IT-security risks	Deploy ALICE across all businesses to continuously assess data governance and basic **IT hygiene.** We target a **score of 25% or lower** by 2023 Implement a data privacy framework and raise internal awareness

** Awarded Level 2 contributors status effective 13 October 2022.*

Focus SDGs

Measurement	FY2019 base	FY2025 target	FY2022 actual
# lost CCMA cases			77
% offshore suppliers being compliant as measured by self disclosure		100%	66%
% local procurement from compliant suppliers	50%	>90%	74%
Cases reported via the Ethics Line and the resolution thereof			146
# of product recalls			10
# regulatory violations/fines			0
B-BBEE audited rating	L3	L2	L3*
% board independent			75%
Risk register			Refer pg 6
ALICE IT score		<25%	33%
# of reported cyber/information breaches			6
# of employees trained			35% externally trained; balance internal awareness

Our people

Caring for the Bidvest 'family'

and driving positive change through partnerships and social dialogue

In line with SDGs aimed at good health and wellbeing and gender equality, the Group is committed to providing a safe and healthy workplace with equal opportunities conducive to learning and personal development. The social element of ESG is of particular importance to Bidvest as it is one of the largest private sector employers and touches multiple sectors and communities. Furthermore, through its operations, the Group continues to promote and offer out-of-home hygiene services and integrated facilities management services in order to support safe and healthy occupational environments.

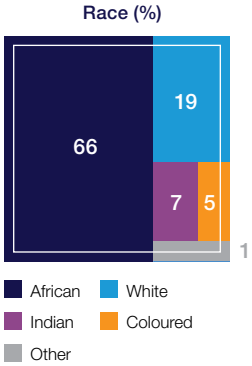
The Group is proud to be a deep-rooted corporate citizen in SA, as it is highly engaged in community development activities, with a particular focus on enhancing education, health, economic advancement and diversity. Investing in communities and human capital and supporting local suppliers, affords us the opportunity to operate, do business in and draw skills from the communities in which we operate. The Group's operations are focused on gender diversity with considerable initiatives directed towards individual development.

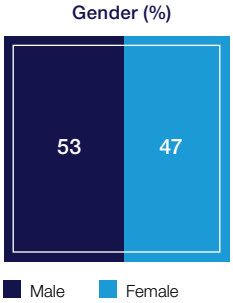
		Topic	Our aim	We will
Social	S1	**Diversity**	To be an inclusive employer where everyone is treated equally with females at all levels making up 45% and African people 50% in SA operations by 2025	We will actively manage appointments at top, senior and middle-management to achieve race and gender diversity
	S2	**Occupational hygiene and safety**	Provide safe working environment by reducing workplace injuries by 5% per annum	Reduce workplace injuries, both serious and non-serious Implement learnings from particular incidents and regular training
	S3	**Wellbeing**	Protect and enhance livelihoods and wellbeing of our employees	Support employees through enterprise wide employee wellness programme and initiatives Continuously develop the skills of our employees and in industries in which we operate
	S4	**Labour practices and human rights in our own operations and supply chain**	To protect and advance livelihoods	Protect and treat our own people fairly Engage with tier 1 suppliers to ensure that they have adopted the commitments described in our Code of Ethical Purchasing (industry standard or equivalent labour assessment)
	S5	**Supply chain transformation**	To support local businesses in their growth aspirations	Source locally from B-BBEE compliant suppliers. Goal is >90% sourcing from local suppliers with a Level 4, or better rating, by 2025

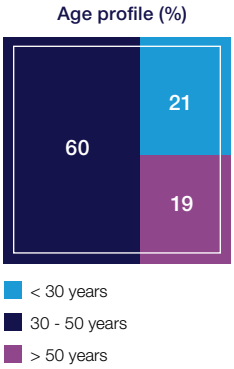
Measurement	FY2019 base	FY2025 target	FY2022 actual	%ch 19
Total employees:				
Female	45%	45%	43%	
African		50%	67%	
Gender and race split at top, senior and middle-management; % appointments:				
Female	36%	45%	37%	
Appointments – female			29%	
African	34%	50%	35%	
Appointments – African			11%	
LTIFR (major injuries)	1.92	5% annual reduction	2.68	139%
Fatalities	4		11	
# of employees trained on Health and Safety			90 181	
# employees that participated			79 993	
# learnerships, internships and apprenticeships			5 596 participants; 406 absorbed	
# lost CCMA cases			77	
% offshore suppliers being compliant as measured by self disclosure		100%	66%	
% local procurement from compliant suppliers	50%	>90%	74%	47%

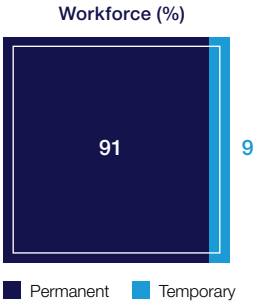
Transformation, diversity and employment equity

Our people form the backbone of Bidvest. The diversity of people's background, age, race, gender, religion, skills and experience undoubtedly contributes to a Bidvest that is relevant, innovative and future-fit. Our focus remains on advancing inclusion, diversity and equality.









1 041 employees have disabilities

PHS and Htf partnered on Project SEARCH to **support young people with learning disabilities** into paid full-time employment

36% of employees belong to **unions/bargaining council**

19% staff turnover, slightly higher than the previous year

In our offshore businesses, gender diversity is high on the agenda and specific targets to reach at least 50% female representation have been set. Current gender profile:

Noonan: 34% of top, senior management female

PHS: 29% of top, senior management female

The Group is committed to a sustainable, fair and responsible remuneration policy, from both an external competitiveness perspective as well as an internal equity perspective, which satisfies the requirements of all stakeholders. Bidvest is explicit in its commitment to income parity and recognise the growing call for disclosure in this regard. We are not currently able to report on this in a meaningful manner at an aggregated level, but we remain committed to transparency and will be implementing systems to report on this.

Refer to Remuneration Report page 64

No material **strike** activity

Across the Group, **77 cases** were awarded in support of employee grievances at the CCMA, labour court or equivalent processes

All the businesses that form part of the Group **complies** with **local laws governing labour and minimum wages**

Management control

Diversity of our leadership team and employee base remains key and fundamental to our long-term success and sustainability. In SA the focus is on race and gender diversity whilst in the UK and Ireland gender diversity is key to addressing the low levels of females in the workplace, especially in leadership roles.

In SA, at middle, senior and top management levels 18%, 21% and 38% are African, respectively. Women represent 29%, 36% and 38%, respectively, at the three management levels. The increase in the representation of African people and females across all three levels of management is very pleasing. The focus on increasing the number of African females followed by African males in management positions is yielding results.

SA management demographics by race and gender (top, senior and middle management)

Level	AM	AF	CM	CF	IM	IF	Total	WM	WF	Total
EAP %[1]	43.6%	35.8%	5.0%	4.1%	1.8%	0.9%	**91.2%**	4.9%	3.9%	**8.8%**
Top										
June 22	8.4%	9.6%	2.0%	3.2%	12.0%	4.0%	**39.2%**	48.4%	12.4%	**60.8%**
June 21	5.8%	5.2%	5.9%	4.9%	10.1%	9.7%	**41.6%**	45.1%	13.3%	**58.4%**
June 20	5.1%	6.6%	3.0%	4.5%	11.1%	6.3%	**36.6%**	53.9%	9.6%	**63.5%**
Senior										
June 22	10.3%	10.4%	4.4%	2.9%	14.0%	4.7%	**46.9%**	35.5%	17.6%	**53.1%**
June 21	9.3%	6.3%	8.3%	3.0%	13.4%	5.1%	**45.4%**	38.4%	16.2%	**54.6%**
June 20	9.3%	6.9%	6.8%	2.9%	11.3%	5.4%	**42.6%**	38.9%	18.5%	**57.4%**
Middle										
June 22	25.6%	12.7%	6.9%	4.0%	8.0%	5.0%	**62.3%**	21.6%	16.1%	**37.7%**
June 21	24.2%	11.7%	6.6%	4.2%	8.0%	4.7%	**59.4%**	23.6%	17.0%	**40.6%**
June 20	24.6%	10.3%	6.8%	4.4%	8.3%	4.3%	**58.7%**	25.8%	15.4%	**41.2%**

[1] *Economically active occupation.*

The overall appointment of Black people across all three levels is 82% of the total appointments made over the year. Black appointments in Financial Services, Freight, Services International and Services South Africa have all exceeded 80%.

We recognize that not only is the appointment but also the retention of black women in leadership very important. This year the Group partnered with the Black Management Forum and rolled out the Women's Empowerment Desk. The programme focuses on the ongoing development and progression of women in leadership. It will provide opportunities, platforms, and networks for our own executives to access and participate in. Both Noonan and PHS have also established and introduced platforms and programmes that will develop and empower women in the business and ensure the retention of women across different levels of leadership.

In Noonan, 34% of the top and senior management team are female whilst in PHS 29% of the team are female. Both businesses have specific targets and initiatives to close the gender gaps and are tracking well against same.

SA management appointments (FY2022)

Level	Total Appointments	African male	African female	Coloured male	Coloured female	Indian male	Indian female	Total	White male	White female
Top	**21**	8	9	0	1	2	0	**20**	1	0
Senior	**105**	22	34	7	3	14	4	**84**	17	4
Middle	**941**	448	157	51	24	60	32	**772**	121	48
Total	**1067**	478	200	58	28	76	36	**876**	139	52
% of total appointments		45%	19%	5%	3%	7%	3%	**82%**	13%	5%
EAP Target %		43.6%	35.8%	5.0%	4.1%	1.8%	0.9%	**91.2%**	4.9%	3.9%

Health, safety and wellness

This past year has once again highlighted the value and resilience of our people. Despite a grave start to the year with the KwaZulu-Natal riots followed by the floods, the Bidvest family continued to create value for all stakeholders.

The pandemic and resultant protocols remained part of our lives for most of the financial year. As at 30 June 2022, 83% of employees are fully vaccinated, with 82% across our SA employee base which is much higher than the 32% for the population as a whole.

The employee wellness programme that was rolled out in July 2020 has gained momentum and we are seeing an increase in utilisation. Employees and their families are using the services offered by the programme and the divisional chief executives continue to monitor reports for any prevalent issues that may need attention. The top issues dealt with via the programme are relationship issues, mental health issues and stress related cases.

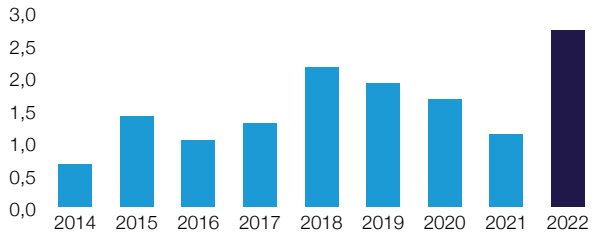
The total engagement rate was up to 2 354, comprising 1 650 individual cases and 704 group intervention participants. This engagement rate is almost double the previous year.

An Executive Care Programme through ICAS also ensures and encourages executives to become more vigilant about undergoing their annual medicals and to become more conscious of the importance of health and lifestyle in general.

LTIFR and fatalities

The Group's aim is to provide a safe and healthy workplace. At an aggregated level, the loss time injury frequency rate (LTIFR) deteriorated to 2.72. Automotive, Services International, Services South Africa and Freight divisions reported improved LTIFR. Financial Services had zero major injuries. The major injuries reported in the Branded Products and Commercial Products divisions mainly related to slip/trip injuries, vehicle accidents and injuries sustained while operating machinery.

LTIFR



Regrettably there were 11 fatalities: two security officers were killed in the line of duty, five employees in vehicle accidents, two due to workplace incidents and two personal circumstances. Our sincere condolences are extended to their families.

There was a detailed investigation following every incident. The appropriate remedial action, which might include additional measures to further strengthen processes, was taken.

Toolbox talks also address behaviour and preventative measures.

90 181 employees and
51 308 contractors were trained
on **health and safety standards**

Learning and development

The Group endeavours to continuously develop the skills of its employees, specifically in the industries in which he or she operates. Established training academies not only meets internal needs but also those of the industries in which the Group operate.

Skills development spend amounted to
R546m

Bidvest offered **5 596 learnerships, internships and apprenticeships**. 406 of these beneficiaries were **absorbed** into the Group workforce post completion

PHS launched the **Women in Leadership programme** which is designed to develop and empower **10** high potential female managers

Protea Coin hosted, trained, and provided work experience for **619 unemployed youth,** of which 234 were disabled

Noonan rolled out an **ESOL** (English to Speakers of Other languages) programme in Ireland to **support employees** who can speak English well but could do with support for their written skills

As a corporate, we fully embrace our role and responsibility in addressing the unacceptably high youth unemployment in SA. We therefore invest in government and industry lead skills programmes in addition to our own. An increasing number of Bidvest businesses are participating in the YES programme which was launched by the Presidency a few years ago and at Group level, we are involved in several programmes detailed alongside.

Executive programme

Bidvest also has an executive programme that is available to the Group Exco as well as the divisional CFOs. The purpose of the programme is to provide support and guidance to the Exco members on a very holistic basis that covers both personal and professional aspects of their lives. The programme is by no means academic but completely customised to suit the specific needs of the individual.

Group projects

Umthombo Tertiary Bursaries

The foundation supports students from rural areas who are studying toward a medical qualification specializing in, among other, medicine, optometry, pharmacy and speech therapy. Bidvest is currently funding 10 students and have committed to taking on an additional five students in the new financial year. The objective of the programme is to provide the necessary support to students during their tertiary education years with the aim to return to the communities from which they come and where there is a shortage of skills in this field. These students are predominantly from rural areas across the country.

WOZA Matrics Bursary Programme

The programme, borne out of the COVID-19 period, supports 15 students with fully paid bursaries as well as the ancillary costs associated with university education. The students are performing well and have excelled with five achieving distinctions in their first year. The students have chosen various fields of study, including among other Economics and Statistics, Engineering, Medicine, Accounting, Maths and Science, Governance and Political Transformation.

Bidvest/SAICA Internship Programme

This programme, initiated in March 2022, will be rolled out formally in the new financial year. Bidvest has partnered with the SA Institute of Chartered Accountants (SAICA) on this initiative and will deploy 12 interns across the Group where they will gain work and practical experience in the workplace. The programme runs over 12 months and is aligned to a structured programme jointly designed by both the business and SAICA.

Bidvest ALICE Technology Internship Programme

This programme was initially launched in partnership with Microsoft and subsequently continued with BDO. The second phase of the programme is currently underway. Permanent employment was secured by the majority of the students who were on this internship programme. The ALICE team absorbed three interns into their business, eight interns enrolled on a six-month contract with Bidvest Bank and six have been offered permanent positions at the end of the contract. Ten interns were taken on by the Microsoft App Factory program, one intern was offered a permanent position at an auditing firm and two interns took up permanent employment with other companies outside of Bidvest. This programme has benefited our businesses well especially with the shortage and loss of skills in this sector.

Bidvest and Black Management Forum (BMF) Women's Empowerment Desk

During the year we partnered with BMF in a sponsorship agreement for three years to support and roll-out the newly established Women's Empowerment Desk. The objective of this programme is to provide its female members with a platform to build a community of informed and empowered leaders and to make a meaningful contribution in transforming corporate SA.

In addition, Bidvest gains access to the BMF's database of female members from which to source and access talent.

Bidvest Education Trust

The Bidvest Education Trust (BET) was established in 2003. It is aimed at children of Bidvest employees that fall within a certain income bracket. The scope was expanded in 2019 to also include tertiary bursaries. Whilst the programme has run very successfully for many years, we have slightly adapted the rules of the Trust to be more inclusive and to serve as educational assistance for employees.

715 beneficiaries from the bursary programme across the various grades and **4 tertiary education students**

In 2019 we extended the Trust to incorporate the funding of bursaries for top performing students. This year, we opened this category to all students who qualify for university or similar entrance. We currently have 41 students in matric and are hopeful that at least half of them meet university/similar entrance requirements.

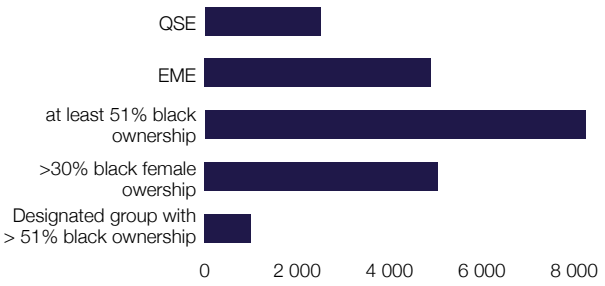
The plan is to also increase and expand the support given to children on the programme in an effort to assist them in improving their academic results. The approach is holistic and covers all aspects related to and impacting the child's academic performance. The need to work more closely and inclusively with the parents has become very evident.

Procuring local

The Group is increasing its support of local businesses in their growth aspirations. Excellent progress was made in directing spend to black-owned suppliers, across all categories.

74% of Bidvest's **local procurement** spend was with suppliers holding a **B-BBEE Level 4 and better** rating

Preferential procurement by supplier classification (R000s)



Focus during the year was on engaging with non-compliant suppliers to assess their plans to achieve acceptable levels of compliance. Alternative suppliers with stronger B-BBEE credential, as far as possible, are sourced if there is no commitment made by current suppliers. Most supplier onboarding processes across our businesses now require suppliers to be BEE compliant before being registered.

Invested R100m in 285 beneficiaries through **Enterprise Development programmes.** Some beneficiaries were able to graduate to suppliers

Bidvest Supplier Diversity Programme

We are very pleased to report that this exciting initiative has started and, based on positive feedback from some of the programme participants, we are accelerating the roll-out of all planned initiatives, for each of the 47 participants.

All participants have embarked on their development journey and have development plans in place that have been customised to provide the necessary support and development required to help them scale and be ready to access opportunities beyond the businesses that nominated them. Ten participants, based on their size and ability to scale into large businesses, have started their training with Wits Business School, on a customized Entrepreneurial Masterclass Certificate programme, which will continue over the next nine months.

Demographics

47 Total participating businesses
47 Black owned
25 Black women owned

Size by Annual Turnover

36 **< R10m**
8 **R10m – R50m**
3 **> R50m**

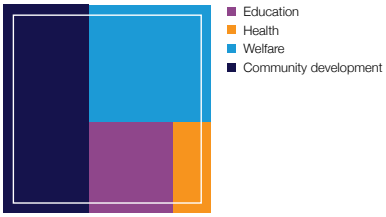
R244m
annual procurement value with participating businesses

Sectors/Industries: automotive, waste, manufacturing, electrical, transport, food, facilities management, tourism

Socio-economic spend

In the financial year ended 30 June 2022, the Group spent R70 million on socio-economic development projects.

Socio-economic spend



In line with our decentralised model, businesses invest in projects at business unit level which often centre around the local communities within which they operate.

In addition, at Group level, we invest in larger, more strategic projects which are aligned to the broader needs of the country.

In the aftermath of the disastrous **KwaZulu-Natal floods** during April 2022, the Group established a **R10m** fund to provide assistance:

- Distributed **60 000 litres of drinking water** to our people in the region;
- Assisted employees with **daily essentials,** including food hampers; and
- R10 000 to each employee who suffered **structural damage** to their homes.

Protea Coin is involved throughout the country at more than **45 disadvantaged communities,** using sports as a tool to create social cohesion, supporting approximately 456 soccer teams, 143 netball teams, 6 cricket teams, 2 rugby teams and more than 19 art groups

UDS's pioneering drones

UAV and Drone Solutions (UDS) is a leader in intelligent surveillance solutions. The company's teams are deployed in environments where safety and security are paramount and specialise in providing aerial security surveillance. UDS also provides survey and inspection services for various industries.

The UDS-trained flight crew detect and deter criminal activity by communicating with and guiding ground security to ensure accurate information gathering and effective arrests. Improved situational awareness, through drone surveillance, assists in apprehending criminals and also serves to protect the security teams on the ground.

UDS has soared to new heights this year, both financially and operationally. Measured by flight time, distances covered by air, number of pilots employed, and the registered aircraft operated by the division, UDS has exceeded all drone operations internationally, both civil and military.

The drones and technology are complex with licenced pilots employed to operate them in the field. On the recruitment front, UDS is leading the way on employing female pilots. More than 30 women were among the 150+ pilots recruited over the past seven months into the sponsored cadet training programme. Most of the female cadets have excelled with some already promoted into leadership positions. The cadet programme was launched in January 2020 to provide young B-BBEE candidates the opportunity to obtain their Remote Pilot License and enter the aviation industry.

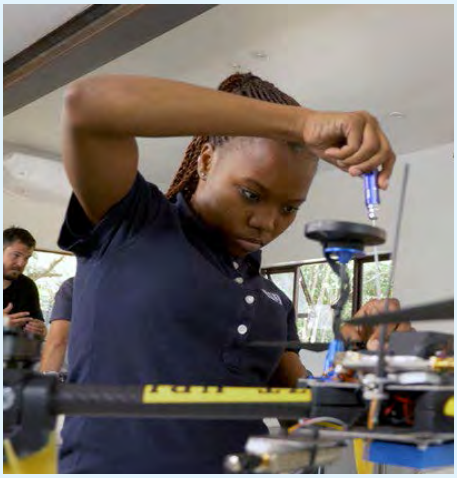
The company offers a UDS bursary programme and, last year, six candidates were selected and their 2021 tertiary education fees were paid in full.

USD boasts an excellent safety record with fewer than 0.3 incidents/accidents per 100 flying hours. It averages 8 500 flying hours per month, the majority of its rivals have not reached this figure in total.

Drones and drone-related technology are increasingly important tools used to improve security and provide client peace of mind. One interesting UDS project is the monitoring of the Richards Bay Coal Terminal ("RBCT") rail link between mines and the port. The purpose is to, in real time, monitor and deter pilferage and damage to the approximately 500km rail line to improve utilisation and efficiency that will ultimately drive greater commodity export volumes.

Monitoring vessels awaiting harbour clearance is another important part of the portfolio of UDS operations. The drones' aerial view enables the UDS team to identify any weak areas that could potentially result in fuel or chemical spillages, thus proactively preventing environmentally damaging incidents.

UDS has an established support infrastructure and can deploy numerous teams at short notice. Its infrastructure extends to 24-7 flight support, spare aircraft and crew, as well as a nationwide footprint, all of which ensures UDS is ready to adapt to the constantly changing security environment.



Berzacks helps re-energise South Africa's textile sector

Berzacks, which forms part of the Bidvest Commercial Products division, is a supply partner to The Foschini Group (TFG), one of the leading retail groups in SA. More recently it has become the country's largest clothing manufacturer with more than 4 000 employees. Berzacks is the supplier of choice and provided core equipment, infrastructure and technical expertise through its collaboration with Turkish and Japanese based brand principals in an effort to kick-start the country's garment manufacturing sector.

The partnership started with Berzacks equipping TFG factories with sewing and cutting machines. Their Prestige Clothing Factories are located in Caledon, Epping and Maitland in the Western Cape, Durban, KwaZulu-Natal, with the most recently commissioned plant now operating in Johannesburg.

Over the years, Berzacks has become more than a supplier and is fully supporting TFG's vision to transform, grow and localise the manufacturing sector. With the sector decimated over recent years, it is encouraging to see companies committed to breathing new life into the sector.

What has made the latest Prestige Clothing Factory of particular interest is the fact that it has a 98% hearing-impaired workforce at the Johannesburg facility, which has been built on a Berzacks' property. Four admin staff are the only hearing employees.

The Berzacks team says it has been very humbling to be a part of the project, where they are interacting daily with the hearing-impaired employees. The factory is fascinating in its implementation and operation, as it is equipped with more than the usual amount of visual monitors and aids that guide the hearing-impaired employees as they work.

Plumblink empowers emerging plumbers

Demonstrating its commitment to the transformation of the South African plumbing industry, Plumblink's Enterprise Development Programme is helping empower more than 40 emerging plumbers.

The programme is in its first year and is facilitated by the Tshwane University of Technology's ("TuT") Centre for Entrepreneurship Development. Partnering with TuT made perfect sense, as TUT has an impressive track record for incubating successful Black owned small, medium, and micro enterprises ("SMMEs ").

It is through this initiative that Plumblink is illustrating its dedication to transformation and equipping entrepreneurs with essential business management skills.

The programme includes a mixture of plumbing entrepreneurs from both established businesses and start-ups. Some business have been trading for Plumblink for a few years, while others are just starting up. The age group is mixed and includes both male and female plumbers. Notably, many of the SMMEs are owned by women who are determined to succeed and make their mark in the plumbing industry.

With help of skilled and experienced business coaches the group of emerging plumbers have access to a team of financial, legal and compliance experts. These services will be available to the entrepreneurs during their training and after they have completed the course.

The 40 plus entrepreneurs are talented, passionate, and keen to make a difference, not only in their areas of work, but in their larger communities.

Communities have played a key role in the success of these entrepreneurs and allowed their business to grow rapidly over the years. The plumbers play a significant role by facilitating access to reliable and safe drinking water, as well as sanitation services in disadvantaged areas.

As these businesses grow, they will also create more employment, and offer upcoming plumbers with training and skills development opportunities. This is especially so for young unemployed South Africans.

Environment

Conduct profitable business in a responsible and accountable manner

In line with SDGs aimed at affordable and clean energy and climate action, the Group is focused on energy and water efficiency, responsible waste management, and innovative solutions to aid customer sustainability.

Bidvest's environmental footprint is largely concentrated in its Freight operations, Bidair Cargo, laundries and the businesses with extensive operational networks, which collectively represent the vast majority of Group emissions and water usage.

Bidvest became a signatory to and participant in the United Nation's Global Compact. Bidvest's Group chief executive was appointed to the board of the UN Global Compact Network SA and elected the chairman. Nominated employees are participating in the UN's Climate Ambition and Gender Diversity Accelerator programs.

		Topic	Our aim	We will
Environmental	E1	**Own carbon footprint**	To reduce the emission intensity of our operations by 20% by 2025 from the 2019 base	Continue to improve energy efficiency, shift our energy consumption to lower emission sources, invest in renewable sources and configure our properties to be environmentally-smart
	E2	**Resource use**	To reduce the waste generated and water intensity in our operations by 20% by 2025 from the 2019 base	Step up waste recycling efforts
				Increase recycled raw material content in products and packaging whilst also making it more environmentally friendly
				Reduce the net quantum of water used taking into account recycling
			Source product from supply chain partners that are responsible in their dealings and achieve 100% compliance by 2025 and contribute to the circular economy	Engage with these tier 1 suppliers to ensure that they have adopted the commitments described in our Ethical Purchasing Code (industry standard or equivalent environmental assessment)
				Introduce the recovery/take-back of product at the end of life

Bidvest's carbon footprint assessment was conducted using the operational control approach.

Measurement	FY2019 base	FY2025 target	FY2022 actual	%ch '19	Like-for-Like	%ch '19	% ch 's21
Scope 1 and 2 emissions intensity	4.33	3.46	3.07	(29%)	3.05	(30%)	(14%)
% electricity sourced from renewables	1%		2%	100%			
Quantum of recycled waste (ton)	511 413		2 117 298	314%			
% of waste generated recycled	3%		96%				
% product and packaging content from recycled material			Refer to commentary				
Net water intensity	24.91	19.93	18.41	(26%)	18.53	(26%)	(13%)
% offshore suppliers being compliant as measured by self disclosure		100%	66%				
Quantum of items recovered			Refer commentary				

Emissions

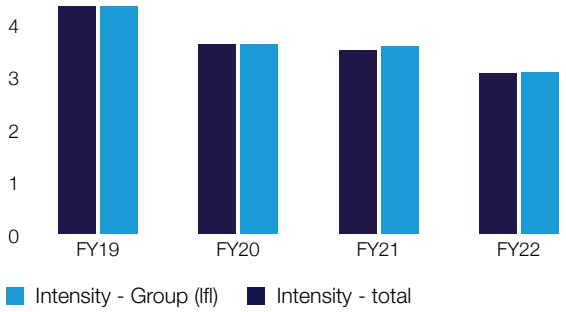
The Group generated Scope 1 and 2 emissions of 295 414 tons in the financial year ended 30 June 2022, 3% less when compared to the financial year ended 30 June 2021. Group emission intensity decreased by 13% year on year. In reference to targets embedded in our ESG Framework, emissions reduced by 15% between FY2019 and FY2022. Emission intensity declined from 4.33kg/R000s revenue to 3.05kg/R000s revenue, on a like-for-like basis.

2 038MWh, or 2%, of electricity used was **drawn from renewable sources**

Konica Minolta retained its carbon neutral status, which it has held since 2013

Both **Noonan** and **PHS** have **started new zero journeys**

Emission intensity (kg/R000s)



Group scope 1, 2 emissions (ton CO_2)*

	FY14	FY15	FY16	FY17	FY18	FY19	FY20	FY21	FY22
Scope 1	285 431	250 441	217 085	212 910	170 365	197 687	133 618	179 520	**176 592**
Scope 2			5 357	9 471	157 704	148 661	132 675	123 318	**118 822**
Total	**285 431**	**250 441**	**222 442**	**222 381**	**328 070**	**346 349**	**266 396**	**302 838**	**295 414**
Like-for-like								275 512	**275 002**

* *Ton of CO_2e are reported using government and international GHG conversion factors.*

Bidvest made a climate change submission to the CDP. Please refer to www.bidvest.co.za.

During the past year, **solar systems were installed at McCarthy Toyota Ballito and Academy Brushware's Bredell facility.**

BTT started its downstream LPG **enterprise development programme to encourage disadvantaged communities to use safer LPG products** instead of unsafe and inefficient sources of heat energy, such as firewood and coal.

PHS Besafe's **award-winning infrared drying process, Drysafe,** is setting new benchmarks for drying time, **cutting energy use by 50%** and protect the life of the garment. Water recovery tanks were also installed and the final rinse water from each cycle is re-used in the prewash for the next cycle. This means a **saving of 192 000 litres of water.** A new heat exchanging washing machines were installed in the Wickford branch, **reducing energy bills by 40%.** This will be rolled out across all sites.

Several Bidvest businesses work with **Food and Trees for Africa** by **pledging thousands of trees** as part of natural offset initiatives.

Bidvest International Logistics are **reducing emissions through dynamic fleet management system that determines the most appropriate and efficient vehicle type to use for cargo movement.** The system allocated the right vehicle once the bill of lading has been loaded. There is also a driver incentive scheme in place to manage fuel consumption lower through better driving behaviour. Since FY2019, there has been a **10% reduction** in fuel used per 100km travelled.

Home of Living Brands and Burncrete installed polycarb and fibre-glass sheeting in its warehouse roofs, which improved insulation and increased internal visibility, resulting in a **20% reduction in lighting costs.**

Home of Living Brands **redesigned hotplate packaging to increase sturdiness and eliminate the need for non-recyclable polystyrene supports,** while the size of packaging for several products was also reduced to increase loading capacity and its carbon footprint as it lowered transportation needs.

Water

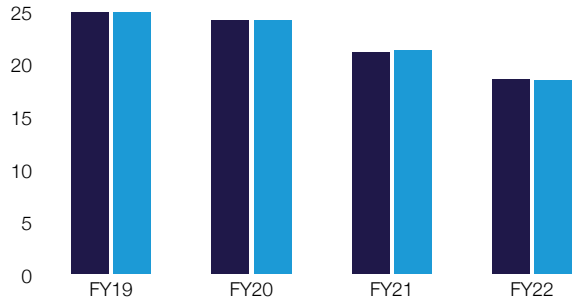
The Group used 1.8 million kilolitres of water, a decrease of 2% year on year. Also, 0.2 million cubic meters of industrial wastewater was treated and discharged. Water intensity decreased by 13% during the year to 30 June 2022.

In reference to targets embedded in our ESG Framework, 11% less water was used in FY2022 compared to FY2019. Water intensity declined from 24.91litre/R000s revenue to 18.53litre/R000s revenue, on a like-for-like basis, a 26% decrease.

Group water used and waste water treated (kilolitres)

	FY14	FY15	FY16	FY17	FY18	FY19	FY20	FY21	**FY22**
Total water	2 935 642	2 391 110	2 367 121	2 423 291	2 048 674	1 994 158	1 778 043	1 802 576	**1 771 759**
Like-for-like								1 639 454	**1 671 474**
Waste water treated					402 149	518 614	285 180	574 628	**166 449**

Water intensity (litres/R000s)



Intensity - Group (lfl) ■ Intensity - total

The Group has a handful operations in water stressed municipalities, notably in the Eastern Cape, SA. Business continuity plans have been put in place.

Water recycling plants were operational in two dealerships in conjunction with McCarthy's outsourced wash bay service providers. This biological treatment system is used to clean washbay water and fed back into the washbay hoses. Since installation, **almost 4m litres of water was recycled,** translating into about 90% of water used.

PHS Greenleaf's **plant containers are now made of fibre-glass,** a less energy intensive material when compared to plastic. They also work with a innovative hanging basket supplier that **creates biomass fuel from the remains of used baskets** including waste soil and dead plants.

Yamaha introduced waterless washing of boats and motorcycles, using a solvent that is sprayed on and wiped off with a microfiber cloth.

Protea Coin started a hydroponic farm at its training center, where wastewater is also converted into grey water used for irrigation.

Academy Brushware's use of toxic chemicals for plating has been **replaced with a non-toxic solution** that achieves the same outcome in a far **more environmentally friendly manner and 44% saving in water.**

Circular economy

The Group recycled 2 117 298 tons of waste. 96% of waste generated was recycled.

SABT, in collaboration with **Food and Trees for Africa,** invested in an enterprise development initiative called Market Gardens, which teaches small landholders about ecologically sustainable farming methods and related technical skills. The landholders are also given assistance with infrastructure and routes-to-market for their products. **SABT donated 1 000 trees to Food and Trees for Africa to plant** in local communities, schools, nursing homes, parks and other locations to offset carbon emissions. Recycling initiatives were also stepped up and, for the first time, dust that was previously destined for landfill is being repurposed as covering for compost and animal feed filler.

In **Noonan's recent UK uniform tender,** it procured a **more sustainable solution in relation to fabrics** used in the security uniforms.

Silveray has changed **Croxley's packaging** in an effort **to eliminate, or reduce, the use of plastic.** To date, 311kgs less plastic was used. Over a three-year period, the **aim is to reduce** plastic packaging across the entire Croxley range by **30%.**

To improve the sustainability of its working environment, **SABT has started a clean-up project around its terminal in Maydon Wharf, Durban** to clean the immediate area, plant shrubs, trim hedges and erect eight concrete bins that are constantly emptied.

PHS uses floormats made from a **durable nylon yarn sourced from discarded fishing nets** recovered by volunteer divers.

Protea Coin is recycling second-hand uniforms into bags, masks, and various other apparel, and in so doing, eradicating pollution caused by incineration of old uniforms as was past practice.

Through **PHS' LifeCycle Strategy, it improved energy production from waste** from 60% to 72% in 2021, and 80% in 2022.

Konica Minolta has also launched its own toner recycling programme where each component (toner bottle and cartridge, image unit, left-over toner) **is 100% recycled.**

Product/service innovation examples:

PHS purpose designed a **plastic-free biodegradable bag** for users to dispose of their sanitary waste

PHS's range of **AERAMAX and BIOZONE air purifiers remove harmful germs,** allergens and particulates out of the air

PHS introduced 'paper wrapped in paper' and utilise bamboo or sugar cane in the packaging of paper products

PHS launched an "on foot" washroom service in high density areas, aimed at a new employment market of those that only wanting 20 hours work per week, and which has significantly reduced the carbon footprint in these areas

Patented, water-efficient washroom water products, branded FLOWSAVER, **save customers 3m³ water annually**

Recycled material content, such as wheat grass, was introduced in several Interbrand branded handbag products

Croxley's **popular counter book** was redesigned and **no longer requires plastic covering**

Konica Minolta is elevating remote servicing through **digital device log-in,** which also improves technician efficiencies and customer satisfaction

Environmental management

During the year, two environmental grievances were received. One was a hexene leak at BTT which was contained to the bunded area and remedial action taken. The incident was reported to the Department of Environmental Affairs. No fine was issued and they requested an investigation report instead. At Manica Group Namibia, an external complaint was received from a neighbour relating to copper concentrate dust emissions. An inspection from the Municipal Health department took place, recommendations were received, implemented and closed out. Two social grievances related to general dust was received, one each at Bulk Connections and Manica.

No environmental fines or incidents occurred

During the year, **Lufill received its FSSC supplier accreditation**

Environmental management systems are in place at businesses, as listed below, representing 46% of Group revenue.

Entity	Certifications				
Noonan	ISO 9001	ISO 14001	ISO45001	ISO 22301	ISO 27001
First Garment Rental	ISO 9001	ISO 14001	ISO 45001	SANS 10146	
Masterpack	FSSC 22000	IOS 22002	FSC-C031324	FSSI IBL	
Bidvest Tank Terminals	ISO 9001	ISO 14001	ISO 45001	SANS 3000	
Bidvest Facilities Management	ISO 9001	ISO 45001	ISO 14001	ESCo Tier 1	
PHS	ISO 9001	ISO 14000	ISO 45001		
Bidvest Steiner	ISO 9001	ISO 45001	ISO 14001		
Bidvest Prestige	ISO 9001	ISO 45001	ISO 14001		
Bidvest Catering Services	ISO 9001	SANS 10049	SANS 10156		
Renttech	IOS 9001	ISO 45001			
Rotolabel	ISO 9001	FSSC 22000			
Lithotech	ISO 9001	FSSC 22000			
S&N Labels	ISO 9001	FSSC 22000			
Konica Minolta	ISO 9001	FSC			
Manica Namibia Group	ISO 9001	ISO 45001			
G Fox	NRCS accredited	SEDEX accredited			
Bidvest Protea Coin	ISO 9001				
P& I Associates	ISO 9001				
Bidfreight Port Operations	ISO 9001				
Rennies Ships Agency	ISO 9001				
Bidvest International Logistics	ISO 9001				
Academy Brushware	ISO 9001				
Buffalo Tapes	ISO 9001				
Burncrete	ISO 9001				
Nu-Quip	ISO 9001				
Cabstrut	ISO 9001				
Electech	ISO 9001				
Technilamp	ISO 9001				
Home of Living Brands	ISO 9001				
Silveray	ISO 9001				
Cecil Nurse	ISO 9001				
Hotel Amenities Supplies	ISO 9001				
Vulcan	ISO 9001				
Aluminium Foil Converters	ISO 22000				
Bidair Cargo	ISAGO				
Lufil	FSSC 22000				
King Pie	FSSC 22000				

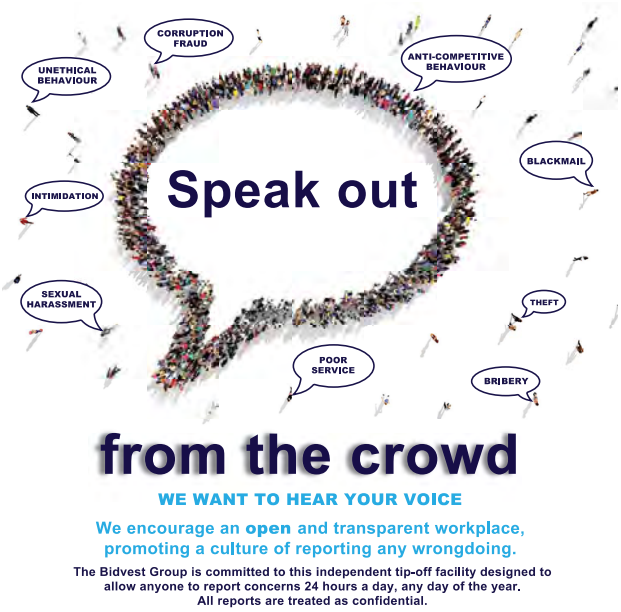
Responsible supply chain

At the beginning of FY2022, a Group Code of Ethical Purchasing (Code) was published. This Code is intended to promote safe and fair working conditions, ethical business practices and the responsible management of environmental and social issues within the Group's supply chain.
The principles are to uphold human rights, behave ethically and environmentally sustainable.

As a first step, all offshore suppliers were approached to sign the Code (or equivalent) as confirmation of adherence and commitment. Many of our businesses have already started to engage with the rest of their supplier base around the same. As included in the FY2023 short term incentive scorecard, we are widening the net to include multinational suppliers as well. We are also investigating further tools to strengthen oversight.

To date, **66%**
of Bidvest's offshore suppliers
signed the Code (or equivalent)

Noonan and PHS are engaging with select suppliers to better **understand the complete supply chain footprint**



Task Force on Climate-related Financial Disclosures

The TCFD published recommendations to encourage companies to increase their disclosure of climate-related information, with a focus on governance, strategy, risk management and metrics and targets.

Bidvest is aware of the importance of addressing issues related to climate change as the impacts are far reaching. As a targeted first step towards contributing to restricting the increase in the global mean temperature in accordance with the Paris Agreement, we have set a target of reducing emission intensity by 20% by 2025.

To date, we have taken the following steps towards these recommendations:

- **Governance –** Bidvest reiterated its commitment to conduct profitable business in an accountable manner and set objectives, which include representing responsibly made products. Management included an explicit Group emission reduction target of 20% by 2025 in the board approved ESG Framework which has been cascaded into the identified focus businesses as part of management's KPIs. Data gathered quarterly is presented to the Social, ethics and transformation committee;
- **Strategy –** offering a continuously broadening basket of services and products that adds value to customers, means that we represent products and services that are responsibly made and delivered whilst preserving the environment for future generations. This is an ongoing process, incorporating innovation and investment;
- **Risk management –** Climate risk is one of the key risks elevated at Group level. This is discussed in more detail on page 6. Operationally, climate risks translate into, for example, damage to facilities at coastal level and disruptions to supply chains due to extreme weather conditions, escalating cost of service delivery, products and compliance as well as reputational damage; and
- **Metrics and targets –** Bidvest has reported on its environmental footprint for several years. The need for specific measurement metrics and targets culminated in an ESG Framework released in FY2021. A 20% reduction in emission and water intensity between 2019 and 2025 has been committed to, together with measures to contribute to a sustainable supply chain and the circular economy.

Refer to www.bidvest.co.za for the Group's climate change response submitted to the CDP.

PHS innovations improve safety, reduce costs and decrease emissions

PHS is one of the largest hygiene services providers in Great Britain, Scotland, Wales and Ireland. Showing its commitment to ongoing innovation, it recently overhauled its transportation fleet, purchasing 44 new waste collection trucks and 260 vehicles in its washroom fleet.

The new trucks are fitted with state-of-the-art technology. This includes automatic braking (to help prevent low-speed collisions), proximity sensors (to detect cyclists and pedestrians in vehicle blind spots) and cameras with recording systems (to monitor, understand and improve driver performance). The trucks are fitted with on-board bin weighing equipment to accurately record individual collection weight. The safety features reduce insurance and repair costs and deliver extra protection for the fleet of drivers.

The PHS team says the overhauled washroom fleet will lead to a 30% reduction in fuel costs, a two-ton decrease in CO_2 emissions, and the smaller, more nimble vans will also reduce accidents saving replacement and repair costs. PHS has a fleet of 2 000 vehicles, 700 in the washroom unit and 1 300 in waste collection. At this stage, only the City of London operations have instituted similar technologies in waste collection trucks. However, given the project's positive impact, fleet modernisation may roll out to other areas.

The company has also placed an order for electric vehicles, the first of which was delivered in Hayes, West London at the end of May 2022. The electric vehicles will initially operate in four areas in the UK. PHS believes this pilot project will ultimately lead to most of its vehicles being electric, which will save fuel costs and significantly reduce the fleet's carbon imprint.

Noonan introduces “cobots” to enhance its services

Noonan has introduced cleaning robots in its operations. The collaborative robots, referred to as cobots, enhance the services the company provides to its customers.

“Leoscrub” and “The Rex” are two of the cobots which have helped the cleaning services company free up its staff to enable them to concentrate on value-adding tasks. The company is a pioneer in implementing the latest technologies to improve its performance, ensuring it provides the best solutions possible to its growing list of clients.

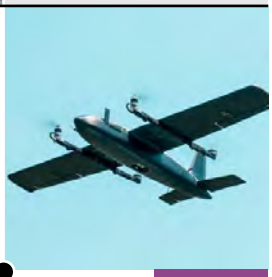
The robotic cleaning machines were introduced for the first time, four years ago, at the company’s pharmaceutical client. Since then, the technology has improved, leading Noonan to invest in a new range of machines. The Rex, a larger machine, was put on trial in May 2022 and is expected to be deployed at the company’s shopping centre clients in the coming months.

The cobots perform repetitive cleaning tasks over large areas. Since their introduction, Noonan has saved up to 80% in water usage. The cobots are also energy efficient as their mapping technology ensures efficient cleaning and they can work in darkness. For instance, The Rex is a powerfully built yet nimble machine, which uses the class-leading lidar mapping system, a depth camera mesh and sonar sensors to help it navigate and avoid collisions. The app technology attached to the machine provides intelligent data on square metres cleaned and energy consumption.

Leoscrub and The Rex have ensured that Noonan can realise cost savings and deliver a favourable return on its investment in the form of reduced labour hours. The company has managed to save between 16 to 20 man hours a week, making the introduction of the Leoscrub financially viable. An added benefit is the increase in staff motivation — unburdened from performing mundane and monotonous cleaning tasks, they can now focus on other critical functions.

By using energy efficient robots, Noonan is also able to make progress in achieving its net zero targets. The cobots have enabled Noonan to move closer to its vision of being a partner of choice, modernise its operations and reduce its carbon footprint.

TEA TIME
TEA TIME
Bidvest
Bidvest Staff
Food Parcel



Governance

Bidvest
PROTEA COIN

Doing the right thing even when no one else is looking

Bidvest has a deeply entrenched functional governance structure that places significant reliance on the ethical behaviour of all employees. This places a very high hurdle of responsibility and accountability on everyone. Rather than having many policies and manuals, we have a Bidvest Code of Ethics that sets out our behaviour. When someone missteps, decisive action is taken, and communicated back into the business. An authority matrix forms the backbone of day-to-day governance.

Formal reporting structures complement business-level processes that result in dynamic and iterative risk assessments and mitigation actions as well as operational agility. Relevant management and executive committees have been structured into each of the seven divisions and report into divisional boards. Matters from these divisional board meetings are escalated further to the Group Exco, which is comprised of Group directors and functional executives (covering strategy, finance, transformation, ESG, business development) as well as the seven divisional chief executives. The three executive directors in turn report into the main Group board of directors, directly or through the established committees.

ALICE, the Group's autonomous, intelligent capability robot (see page 60), has become embedded in the operations of each of the environments across the Group as our governance mindset has shifted from annual audit, risk and compliance reviews to continuous monitoring of their control environments.

		Topic	Our aim	We will
Governance	G1	**Ethics**	To conduct business with uncompromising integrity	Be honest, respectful and accountable at all times to all stakeholders Transparently and actively monitor and manage product and service safety as well as regulatory compliance
	G2	**Governance structures**	To provide assurance to all stakeholders through independent oversight	Uphold the established governance structures and have a B-BBEE Level 2 rating by 2025
	G3	**Risk management**	Identify material risks, qualitative and quantitative, and mitigating them	Formulate mitigating actions for all identified material risks.
	G4	**Data privacy**	To comply with legislation and reduced IT-security risks	Deploy ALICE across all businesses to continuously assess data governance and basic IT hygiene. We target a score of 25% or lower by 2023 Implement a data privacy framework and raise internal awareness

Measurement	FY2019 base	FY2025 target	FY2022 actual
Cases reported via the Ethics Line and the resolution thereof			146
# of product recalls			10
# regulatory violations/fines			0
B-BBEE audited rating	L3	L2	L3
% board independent			75%
Risk register			Refer pg 6
ALICE IT score		<25%	33%
# of reported cyber/information breaches			6
# of employees trained			35% externally trained; balance internal awareness

Ethics

The Group subscribes to a philosophy of transparency, accountability and integrity in all our business dealings, as captured in the Bidvest Code of Ethics.

There are established grievance and whistle-blower processes at individual businesses, in addition to an independently administered Ethics facility. This free-to-use facility is administered by Deloitte and is available to all stakeholders. The Tip-Offs Anonymous system provides whistle-blowers with three channels to raise their concerns, namely telephonic, email and a website form. These communication channels are monitored 24 hours, seven days a week and Deloitte offer correspondence in all 11 South Africa official languages as well as Oshiwambo and Otjiherero for Namibians, together with Portuguese and German.

Coverage of the Ethics facility has in the period under review, been extended to our European operations in augmentation of the existing in-country processes of these businesses. Concerns received outside of the Ethics facility, for example via social media, the Bidvest website or emails, are also logged by IA.

All logged complaints are investigated by divisional management and, where appropriate, criminal civil and/or disciplinary actions is instituted, and control improvements introduced to remedy the identified weakness.

Awareness campaigns are run across the Group, using mechanisms such as SMS and posters being prominently displayed in high traffic areas to encourage employees to "not support it, but rather report it".

The oversight process was enhanced in FY2021. The Group chief executive reviews calls and responses and initiate the necessary further investigation with focus on calls relating to racism, discrimination and harassment. The Group executive director responsible for transformation and sustainability, together with the Head of Internal Audit, also reviews quarterly calls and progress in detail.

During FY2022, a total of 146 calls were logged through the Ethics facility. Of these, 16 remain open with ten human resource related, two each to corruption and general enquiries, and one each to fraud and theft. No calls from previous periods remain open.

Category	Closed	Waiting	Total
Corruption	6	2	8
Enquiry	5	2	7
Fleet Management irregularities	4	–	4
Fraud	21	1	22
Governance	14	–	14
Human Resources	75	10	85
Other Crime	2	–	2
Theft	2	1	3
Violent Crime	1	–	1
Total	130	16	146

As a consequence of calls received via the Bidvest Ethics facility:

53 internal control enhancements were implemented;

17 disciplinary actions were taken;

four employees were dismissed; and

no civil or criminal cases were opened

Toll-free telephone number 0800 506 090 or bidvest@tip-offs.com

Code of Ethics

We are committed to conducting healthy business practices which support our Company values of respect, honesty, integrity and accountability, ensuring a stable employment environment and the ongoing success of Bidvest.

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

We subscribe to a philosophy of transparency, accountability, integrity, excellence and innovation in all our business dealings.

What does this mean:

Respect	To hold in esteem, in honour of others and oneself
Honesty	Respectability, trustworthiness, truthfulness, sincerity, freedom from deceit and fraud
Integrity	Uncompromising adherence to moral and ethical principles
Accountability	The state of being responsible, liable and answerable
Transparency	The quality of being clear, honest and understood
Excellence	The quality of distinction; possessing good qualities in high degree
Innovation	Introduction of new, creative products, methods and ideas

Compliance with the Bidvest Code of Ethics (Code) is mandatory at all levels of the organisation. Directors and senior management are committed to being role models of this Code for the Group. All employees should always measure their behaviour in terms of the spirit of the Code, as well as against the practical guidelines.

Guidelines on ethical behaviour:

Conflicts of interest	Employees have different responsibilities towards their employer, families and communities. Without negating other responsibilities, employees are expected to look after the interests of the Group and conflicts (real or perceived) should therefore be avoided or managed properly and adequately disclosed.
Having a second job	It is not acceptable to have a second job that would have a negative impact on the ability of the employee to serve the interests of the Group.
Interests in suppliers or customers	Any substantial interest (direct or indirect) in a supplier or customer of the Group would constitute an unacceptable conflict of interest and should be avoided altogether.
Affected parties	Immediate family members (spouse, sibling, children) are also affected by the policy and are not allowed to work for, or to have a substantial interest in a customer or supplier without proper disclosure.
Disclosure	All existing, potential or perceived conflicts of interests should be disclosed to management. Based upon full disclosure, a decision will be made how to manage the situation – this will be done on a case-by-case basis.
Business courtesies	Giving or accepting business courtesies is accepted within a common business environment, provided that such courtesies are not excessive and are not given or received in order to unduly influence a business decision. Management must maintain a gift register, and all courtesies (offered or received) above a certain value must be recorded.
Kickbacks and bribes	No kickbacks or bribes may be accepted or given. If they are offered to a Group employee, it should be reported immediately to management, who will decide what further action might be required.
Cyber liabilities	Access to facilities such as e-mail and internet should not be abused. As far as possible, employees should avoid using e-mail for sending or receiving personal messages (especially if they contain large attachments) or junk mail. Sending or receiving chain mail is prohibited. No employee should access or distribute any material that could offend others (e.g. pornographic material or material that could incite racial hatred). Any involvement in activities such as computer hacking and wilful virus transmission is prohibited.
Collusion	Any agreement between employees, competitors, suppliers or customers, to limit open competition by deceiving, misleading, or defrauding others to obtain an objective by defrauding or gaining an unfair advantage, for example an agreement to divide the market, set prices, limit production, wage fixing, kickbacks, etc will not be tolerated, or acceptable.
Expense accounts	All expense accounts being an accurate reflection of actual expenses incurred on behalf of the Group should be supported by the original documentation, submitted regularly and approved by a designated manager.
Insider trading	The Group adheres to the Insider Trading Act making it illegal for any person to trade in any shares/securities when in possession of non-public material information.
Divulging trade secrets	All Group proprietary information should be protected and may not be disclosed to third parties.
Competitor relations	Within the competitive environment of a market economy, the Group appreciates the opportunity to compete fairly and responsibly. The Group will not attempt to access any confidential competitor information, nor will it engage in any activities that would constitute – or could be perceived as – collusion or price-fixing.

Guidelines on ethical behaviour continued

Privacy	The Group respects the rights of individuals to privacy. Any activities that could be perceived as an invasion of privacy (e.g. monitoring of e-mails, telephone calls, internet usage) will be fully disclosed by the Group, and will include a sound business motivation for such actions.
Private use of Group assets	Although limited and occasional private use of Group assets is not prohibited, all employees should be aware that such assets should be used, first and foremost, to achieve the Group's objectives.
Copyright infringement	The infringement of copyright is illegal, and will not be tolerated. In particular, any software that is used on the Group's computer equipment must be properly licensed.
Discrimination	Discrimination based on any of the following: race, religion, age, pregnancy, marital status, sex, gender, sexual orientation, ethnic or social origin, disability, colour, conscience, belief, culture, language and birth – is illegal and will not be tolerated. Any employee that experiences any kind of discrimination should report this immediately.
Sexual harassment	Any unwanted conduct of a sexual nature is totally unacceptable and will not be tolerated. Any employee who experiences sexual harassment should report this immediately.
Work/life balance	The Group acknowledges the needs of employees to fulfil responsibilities and commitments other than those to the Group, and encourages all employees to maintain a healthy balance between their personal and professional lives.
Sustainability	The Group is committed to the natural environment and also to be a responsible corporate citizen. The Group will report annually on the nature and extent of its social, transformation, ethical, safety, health and environmental management policies and practices.
Political contributions	No political contributions (either monetary or in-kind) will be made by the Group, unless prior authorisation is obtained from the Bidvest board and disclosed in the annual report.
Whistle-blowing	The Protected Disclosures Act ensures that those individuals who speak up against unethical or illegal behaviour will be protected. The Group encourages employees to make such disclosures, and for this purpose has created a confidential toll-free telephone number.

Product and service safety

Most products distributed and retailed are backed by manufacturer guarantees and South Africa Bureau of Standards (SABS) approved. Vehicles sold by McCarthy generally have maintenance or service plans, backed by Original Equipment Manufacturer (OEM) warranties. Included in the post purchase support provided by McCarthy is a complementary one-year roadside assistance programme. BidAir Cargo has safety processes in place in line with aviation requirements while Bidvest Lounges and King Pie have food safety programmes in place. PHS recycle sanitary bin waste in line with regulations.

A total of **ten product recalls** across the Group during the year:

- 2 related to **OEM components** at Bidvest McCarthy;
- 5 instances of **product contamination** and/or loss in Freight;
- 2 in Bidvest Lounges relating to **product recalls** by brand owners; and
- 1 **product recall** in King Pie

There were three professional indemnity claims against Compendium's professional indemnity policy relating to inadequate insurance cover recommended following the riots and floods.

Regulatory compliance

While users act as a human "firewall" and can be critical in preventing and/or detecting cybersecurity attacks, the deployment and use of Cybersecurity Awareness Training programmes are well underway across the Group, augmenting the assurance achieved from the ALICE monitoring.

A formal Cybersecurity Incident Response Policy and Plan was rolled out across the Group in May 2022. This policy and plan informs the Group of the steps to be followed in the event of a cybersecurity incident, from protocols to be followed for containment and eradication of the breach, recovery of the environment, communication to internal and external stakeholders and reporting to the Regulator in terms of the exposure of personal information. As part of this policy and plan, the Group contracted an Incident Response Team to supplement the Group and company resources in responding to a cybersecurity incident.

POPIA compliance in the form of policies, procedures and training will be an ongoing process in the Group to ensure legal compliance with data privacy.

Voltex, Waco, Lithotech, Rotolabel, Masterpack, Aluminium Foil Converters and Lufil registered in terms of the Extended Producer Responsibility legislation.

No regulatory **fines**

35% of Group employees underwent externally accredited **Cybersecurity Awareness Training** and the remainder underwent internal training

4 cybersecurity and 3 POPIA breaches were reported to the Regulator

Every subsidiary is expected to transform in its own right, fully integrating **B-BBEE** as part of their operations:

98% of the Group's businesses have a **Level 1-4 rating**; and
73% of the Group's businesses have a **Level 1-3 rating**

Level 2 Group rating

The Group B-BBEE certificate and annexures are available on www.bidvest.co.za.

EMPOWERDEX

Economic Empowerment Rating Agency

Generic B-BBEE Verification Certificate

The Bidvest Group Limited

Consolidated rating including subsidiaries listed on Annexure "A" of the certificate

Registration Number: 1946/021180/06
Address: 18 Crescent Drive, Melrose Arch, Melrose, 2146

Level Two Contributor

Scorecard Information	Actual Score	Target Score	Analysis	Results
Ownership	23.43	25.00	Black Ownership Voting Rights Percentage	*39.32%
			Black Ownership Economic Interest Percentage	*30.42%
Management Control	14.27	19.00	Black Woman Ownership Voting Rights Percentage	16.71%
			Black Woman Ownership Economic Interest Percentage	17.26%
Skills Development	16.06	20.00	51% Black Owned Designated Group Supplier	No
Enterprise and Supplier Development	36.38	42.00	Black Disabled Percentage	0.00%
Socio-Economic Development	5.00	5.00	Black Youth Percentage	1.43%
Total Score	95.14	111.00	Black Unemployed Percentage	0.00%
			Black People Living in Rural Areas	0.00%
Participated in Y.E.S Initiative	No		Black Military Veterans	0.00%
Achieved Y.E.S Target & 2.5% Absorption	No		Modified Flow Through Applied	No
Achieved 1.5 x Y.E.S Target & 5% Absorption	No		Exclusion Principal Applied	No
Achieved 2 x Y.E.S Target & 5% Absorption	No		VAT Number	4240291122
Empowering Supplier	Yes		Financial Year End	30 June 2022
Procurement Recognition Level	125.00%		Effective Date Used	26 September 2022
Discounting Principle Applicable	No		Expiry Date	25 September 2023
Recorded Procurement Recognition Level	125.00%		Re-Issue Date	13 October 2022

***Ownership includes Mandated Investments and Sales of Assets**

Technical Signatory - P Dozwa

13 October 2022
Date

This verification certificate and the verification report are based on information provided to Empowerdex and represent an independent opinion based on the verification and analysis completed by Empowerdex. The calculation of the scores has been determined in accordance with the Department of Trade and Industry's Codes of Good Practice on Broad Based Black Economic Empowerment as Gazetted on 31 May 2019.

Empowerdex (Pty) Ltd Reg. 2001/027963/07
Directors: J Bramhor, V Black, L Nsoma, C Wu

sanas
BBBEE Verification Agency

BVA 030

G22J06408(B)

A08470

Certificate

Governance structure

The board remains committed to upholding sound governance processes and high ethical leadership through providing strategic direction, approving policies for the effective implementation of formulated strategies, maintaining informed oversight on strategy implementation processes and disclosing pertinent issues to stakeholders. As the focal point and custodian of corporate governance, the board discharges its responsibility through policies and frameworks supported by six standing board committees and executive management. To further strengthen oversight of the Group's governance processes and internal control, the board has a reporting structure comprising seven divisional boards and Audit committees chaired by independent non-executive individuals.

The board has a unitary structure, comprising of nine independent non-executive directors and three executive directors functioning within the ambits of an approved charter. The board charter is subject to the provisions of the Companies Act, the Listings Requirements and the Group's Memorandum of Incorporation (MoI). The board consists of an appropriate balance of knowledge, skills, experience, diversity and independence required to objectively and effectively discharge its governance role and responsibilities. The board takes due consideration of race, gender, age, ethnicity, tenure, educational background and skills in determination of its diversity profile. The board is comfortable that Bidvest complies with the Companies Act, its MoI and the Listings Requirements. The board accepts that it is ultimately accountable and responsible for the affairs of the Group.

Key matters reserved for the board include:

- Overseeing the Group's strategic direction and satisfying itself that the strategy and business plans do not give rise to risks that have not been thoroughly assessed by management;
- Exercising objective judgement on the Group's business affairs, independently from management;
- Approving major capital projects, acquisitions or divestments;
- Providing effective leadership on an ethical foundation;
- Ensuring appropriate governance structures, policies and procedures are in place;
- Ensuring the effectiveness of the Group's internal controls;
- Ensuring that the Group is and is seen to be a responsible corporate citizen by having regard to not only the financial aspects of the business but also the impact that business operations have on the environment and the society within which it operates;
- Assuming responsibility for information and technology governance, including cybersecurity; and
- Approving the annual and interim financial results and shareholder communications.

Leadership

Board of directors

The board has six standing committees (Audit; Social, ethics and transformation; Risk; Remuneration; Nominations and Acquisition committees) with delegated authority from the board. Each board committee is chaired by an independent non-executive director.

Diversity, in its broadest sense, is the hallmark of the Bidvest board, something we are very proud of. The non-executive directors are all independent and represent 75% of the board.

Executive directors

Mpumi Madisa (43)
Group chief executive

Mark Steyn (52)
Chief financial officer

Gillian McMahon (50)
Executive director

Independent non-executive directors

Bonang Mohale (60)
Chairman

Renosi Mokate (64)
Lead independent director

Bongi Masinga (55)

Norman Thomson (71)

Zukie Siyotula (38)

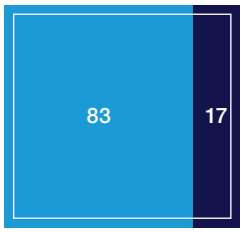
Lulama Boyce (43)

Sindi Mabaso-Koyana (53)

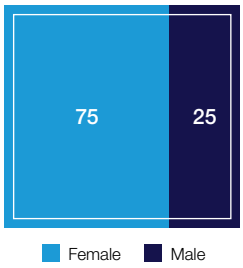
Faith Khanyile (55)

Koko Khumalo (55)

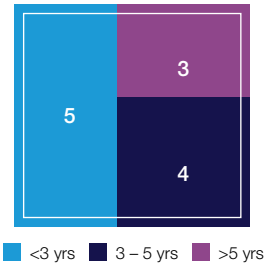
Race (%)



Gender (%)



Tenure (number of directors)



KEY TO COMMITTEES

- Acquisitions committee
- Audit committee
- Nominations committee
- Risk committee
- Remuneration committee
- Social, ethics and transformation committee
- C Chairman

Executive committee

The Group Exco consists of twelve members, including the Group executive directors and functional executives covering strategy, finance, transformation, ESG, business development, as well as the seven divisional CEOs. The Group believes that its decentralised governance structure supported by experienced management, many of whom are specialised in particular sectors or industries, leading the day-to-day operations of the businesses, positions the Group well for the continued focus and execution of its key strategic initiatives. As a result, most of the members of the Group's senior management team (whether focused on individual businesses, divisions or the Group as a whole) are heavily rooted, not just in the relevant industry or industries from decades of prior experience, but also in the Group's journey to the diversified business that it is today.

Ilze Roux (48)
Corporate Affairs executive

Phathu Tshivhengwa (40)
Corporate Finance executive

Akona Ngcuka (42)
Services South Africa
chief executive

Alan Fainman (59)
Services international
chief executive

Wiseman Madinane (54)
Freight
chief executive

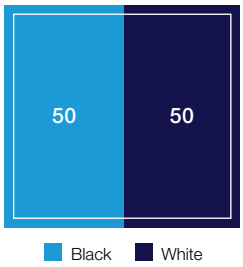
Hannah Sadiki (57)
Financial Services
chief executive

Howard Greenstein (59)
Commercial Products
chief executive

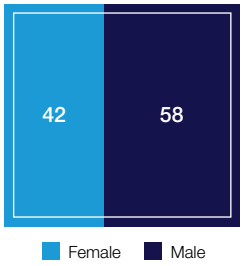
Steve Keys (61)
Automotive
chief executive

Kevin Wakeford (62)
Branded Products
chief executive

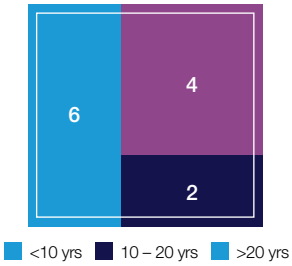
Race (%)



Gender (%)



Tenure (number of members)



How the functional Bidvest governance structure works

Bidvest is a decentralised group whose success is, in part, attributable to allowing managers to run the businesses as if they are their own. Cluster, divisional and corporate office layers provide oversight, guidance, strategic direction and consolidated reporting. Living our core values of accountability and integrity everyday, in everything we do, is critical in successfully upholding our functional governance structure. The ethical onus on the Bidvest family is higher than in a more structured environment. We understand our responsibility.

Material business processes, controls and risks are monitored and assessed through a combined assurance model. Management, Internal Audit (IA) and external audit, ALICE as well as non-executive directors all play a role.

ALICE, an autonomous artificially intelligent capability/robot, runs on a scheduled frequency (continuously, daily, weekly, monthly or quarterly) as deemed fit for purpose based on the maturity, complexity and posture of the IT environment of each company within the Group. The IT findings are available to management on a continuous, remote and near real-time basis. Remediated IT findings are re-audited by ALICE upon receipt of updated audit evidence. The IA team follows up on unresolved findings on a monthly basis. The scope of assurance provided by ALICE is tailored per company based on integration and accessibility of data and can include User Administration Digital Audit Procedures, Cybersecurity Digital Audit Procedures, Microsoft Baseline Network Configuration, Password Configuration, Patch Management, Website & Certificate Management, etc.

Combined assurance receives deliberate and focused attention at Bidvest. Continually optimising our combined assurance model avoids duplication, rationalises collaboration efforts upstream amongst assurance providers, coupled with effectively managing assurance costs. The activities are coordinated to maximise the depth and reach of assurance achieved by each of the assurance providers. This enables an effective control environment and ensures the integrity of information used for reporting and decision making. The Audit committee ensures that our combined assurance model adequately addresses Bidvest's risks and material matters through the aggregated efforts of assurance providers. An independent review of the combined assurance model was conducted in the year under review through which the robustness and reliability of the same was confirmed.

The IA function is an independent, value-adding, progressive and responsive service to Bidvest shareholders. It fulfils a role of objectively evaluating the business processes and controls so as to appropriately manage the risk and support management's commitment to a strong control environment and operational excellence. The IA function is well-constituted with a professional audit staff (in excess of 25 Chartered Accountants in managerial positions) with sufficient knowledge, skill set and experience to execute on the board approved IA Charter that is consistent with the Institute of International Auditors' definition of IA as well as the principles of King IV.

Bidvest currently has approximately 250 operating entities, some of which have an extensive branch network. Each branch and entity are responsible for its own P&L, balance sheet and cash flow statement. On a monthly basis, financial flash results are rolled up from branch, through the business, cluster and divisions to group level by the fifth business day of the next month, followed by a detailed aggregation by the third week. Cluster management review the results in granular detail with operational management ahead of meeting with the divisional chief executives to discuss the results, operational matters and any other matters. The divisional chief executives then meet with the Group chief executive on a one-on-one basis to scrutinise performance and discuss pertinent matters.

Financial processes and controls

Quarterly, divisional Audit committee meetings are chaired by an independent non-executive attended by operational management, divisional CFO and chief executive, Group CFO, IA as well as external audit. These meetings consider and review the following:

- Report back from IA on the design and operating effectiveness of controls tested during the quarter in accordance with the board-approved, risk-based internal audit plan;
- IA's divisional assurance overview and conclusions on the control environment;
- IA Findings Tracker monitoring of all identified control weaknesses to resolution. Systemic and recurring control weaknesses are elevated, and root cause analysis presented. Fit-for-purpose remedial action is suggested to management;
- External audit report on work conducted during the quarter, any control deficiencies identified and potential risk areas that require specific scrutiny;
- Results, observations and remedial action taken on the back of security hygiene controls monitored by ALICE;
- Signed management representation letters attesting to the soundness of financial controls and proper governance in place;
- Schedules of losses incurred as a result of fraud, material exposures, and conflicts of interest;
- Status updates on current IT projects; and
- Divisional risk registers and /or risk meeting minutes.

The Group Audit committee, chaired by an independent non-executive director and attended by the Group CFO, Head of IA, external audit and the divisional Audit committee chairs, meets quarterly to deliver on its mandate of oversight and fulfil specific requirements as set out by the Listings Requirements. The committee has a rolling annual agenda with particular focus on the IA plan in Q1, interim results in Q2, goodwill impairment and the external audit plan in Q3 followed by the year end results in Q4. The last quarters' work is stretched over two days to allow the committee to consider:

- Reports from the Group CFO on the consolidated financial results, performance against the budget, the liquidity and solvency position of the Group, top 50 debtors and

inventory analysis across the Group, a going concern assessment as well as an update on corporate action(s);

- Divisional Audit committee chairman reports on key matters raised in the divisional Audit committee meetings as well as any legal cases;
- The consolidated IA report dealing with the progress of reviews against the approved IA plan, recalibration of the approved IA plan based on ongoing risk assessment per company, particular areas of concern, remediation of findings as tracked in the Findings Tracker and overall conclusions on the control environment at both divisional and Group levels;
- Results, observations and remedial action taken on the back of security hygiene controls monitored by ALICE;
- The external audit report on the results of audit testing against the approved plan, particular areas of concern and/or risk, purchase price allocation assessments and other regulatory requirements;
- Post-acquisition reviews, if any;
- Schedules of losses incurred as a result of fraud and theft, material financial exposures and contingent liabilities, conflicts of interest and related party transactions, and foreign exchange contracts and other financial instruments as well as facilitation agreements;
- A register of management representation letters received for the quarter, guarantees and letter of comfort, and gifts (received and given);
- The status of Annual Financial Statements and tax returns;
- IT project reviews; and
- Confirmation of a risk management process in place at divisional level.

Audit committee members, attendance, mandate, focus

The committee's main objective is to assist the board in fulfilling its oversight responsibilities, particularly, evaluation of the adequacy and efficiency of accounting policies, internal controls and financial and corporate reporting processes. The committee also assesses the effectiveness of the IA as well as the independence and effectiveness of the external auditors. In FY2022, the committee reported that: PwC and the individual audit partner, the designated external auditor, are accredited and independent; it considered all key audit matters and is comfortable that these have been adequately addressed and disclosed; there were no reportable irregularities; is of the view that the arrangements in place for combined assurance are adequate and are achieving the objective of an effective, integrated approach across the disciplines of risk management, compliance and audit; the IA function is robust and the CFO and finance team are competent; and recommended the AFS to the board. The committee has reflected on the outcomes of its prior-year performance self-assessment and concluded that it had fulfilled its responsibilities in accordance with its charter for the year review.

For the complete Audit committee report, please refer to the AFS.

During the year under review, five meetings were held:

Committee members	21 Nov 2021	24 Feb 2022	30 May 2022	29 Aug 2022	01 Sept 2022
SN Mabaso-Koyana (Chairperson)	✓	✓	✓	✓	✓
RD Mokate	✓	✓	✓	✓	✓
L Boyce	✓	✓	✓	✓	✓
N Siyotula	✓	✓	✓	✓	✓
NW Thomson	✓	✓	✓	✓	✓
MG Khumalo[1]		✓	✓	✓	✓
Invitees					
NT Madisa	✓	✓	✓	✓	✓
MJ Steyn	✓	✓	✓		✓
A Cunningham	✓	✓	✓	✓	✓
RW Graham	✓	✓	✓	✓	✓
HP Meijer	✓	✓	✓	✓	✓

[1] *Appointed 3 January 2022.*

Risk processes and controls

The risk management process at business level rolling up to divisional level varies but is considered fit-for-purpose. The regulated entities (Bidvest Bank, Bidvest Insurance, Bidvest Life) have in place risk management processes as guided by the relevant regulator. Irrespective of the business processes, divisional management considers key risks quarterly across the operations and report on the top five risks, the potential impact and mitigating actions at the divisional board meeting. These divisional risk registers are considered by the Group Risk committee at its quarterly meetings. The Group chief executive takes account of these divisional risk registers while considering the macro backdrop as well as the current and expected operating environment to elevate key Group risks for discussion at the Group Risk committee. IT governance, which covers IT resources, IT dependency, management of IT risk exposure, business resilience, cybersecurity, vendor management, technology investment, project assurance and data governance, are reported on by the Head of IA with the assistance of ALICE.

In FY2019, the Group introduced a third-party due diligence process pre-onboarding. This process was designed in conjunction with an external service provider who provides an independent, external assessment of the information and documents submitted by the potential supplier/partner, together with a public records review. This has proven a valuable tool.

Risk members, attendance, mandate, focus

The committee identifies material risks to which the Group is exposed and ensures that the requisite risk management culture, policies, and systems are implemented and functioning effectively. The committee is also responsible for the governance of IT. Cyber security, IT infrastructure and system availability, business continuity as well as the health

and safety of employees, the deterioration in SA infrastructure and response plans to supply chain disruptions were focus areas for FY2022. These as well as the ESG risks identified will continue to be focus areas in FY2023.

A performance self-assessment was conducted by the committee for the period under review in which it was concluded that the committee had been effective in rendering its oversight service to the board. The committee is thus satisfied that it fulfilled its responsibilities in accordance with its charter for the year under review.

The names of the members who were in office for the period under review and the number of committee meetings attended by each member are:

Committee members	25 Nov 2021	21 Feb 2022	25 May 2022	26 Aug 2022
RD Mokate (Chairperson)	✓	✓	✓	✓
N Siyotula	✓	✓	✓	✓
S Masinga	✓	✓	✓	✓
BF Mohale	✓	✓	✓	✓
NW Thomson	✓	✓	✓	
MG Khumalo[1]		✓	✓	✓
Invitees				
NT Madisa	✓	✓	✓	✓
GC McMahon	✓	✓	✓	✓
MJ Steyn	✓	✓	✓	✓

[1] *Appointed 3 January 2022.*

Sustainability processes and controls

The Group Social, ethics & transformation committee assists the board with its oversight of social, ethical and transformation matters by ensuring that the Group is and remains a committed socially responsible corporate citizen. The scope includes matters relating to ethical management, human resource development, employment equity and transformation, environmental impact and climate change, corporate social investment, safety and occupational hygiene, health and employee wellness and stakeholder engagement.

In terms of the Company Act, its oversight covers all Bidvest companies, of which there are 41, with a public interest score above 500. Practically, all operations are covered by the oversight.

Under the transformation collective, diversity, skills development, preferential procurement, enterprise and supplier development and black ownership are measured, monitored and managed. Each business is responsible for its own scorecard, comprising of all the aforementioned elements. External verification of each scorecard happens every year. Each division has an executive charged with transformation. The executive provides guidance and support to the individual businesses, measures and manages the outcomes using a Group-wide toolkit and reports on an aggregated transformation position to the divisional board and the responsible Group executive director on a quarterly basis. The responsible Group executive director consolidates the divisional transformation reports and toolkit data to report on progress, challenges and plans to address identified gaps to the Group Social, ethics & transformation committee. As a listed SA company, black ownership is a complex matter, particularly in a diversified multinational group, but the requirement and our responsibility are not disputed. In the period under review, the Group Social, ethics & transformation committee has considered and approved the Bidvest Group Integrated Supplier Diversity Programme which is targeted at enhancing the transformation profile of the Group's supply chain and increase procurement spend to compliant suppliers.

Each business manages its own employees and is responsible for its occupational health and safety. Wage negotiations with unions and other bargaining councils happen at business or sector level, as appropriate. Guidance on salary increases is cascaded down from the corporate office as part of the annual budget process. Businesses report annually to the Department of Labour on demographics, income parity, training, etc in terms of the Employment Equity Act. Some of this information is also aggregated at Group level and forms part of the consolidated reported information. A comprehensive, employee wellness programme is in place in all South African operations. Enhancements made to the programme following the pandemic, have assisted the KwaZulu-Natal based businesses of the Group during the devastating floods in April 2022. The Group executive director responsible receives a comprehensive report from the service provider on a quarterly basis, detailing the usage and most common areas of concern and assistance required. The information is disseminated to divisional chief executives to use as input in human capital management across the businesses. Key observations are also reported to the board committee.

Group sponsored corporate social investment initiatives and programmes are championed by the Group executive director and shared with the board committee.

The Group is governed by its Code which articulates Bidvest's commitment to doing business the right way, guided by a philosophy of transparency, accountability, integrity and respect. The Code requires the board of directors, management and employees to obey the law, respect others, be fair and honest, and protect the environment. The reporting, management and resolution of ethical matters is handled through several channels, operational and independent. Bidvest's Code of Ethics can be found on page 42.

From a bottom-up perspective, individual businesses have their unique established grievance and whistle-blower processes. This is our first line of defence and management is empowered to deal with reported matters decisively. Historically, most reported matters have been routine, human resource related and resolved quickly. Complex and serious matters are escalated, as appropriate, to the corporate office. Quarterly, the divisional chief executives sign off a schedule, detailing fraud, theft, conflicts of interest, related party transactions and gifts, which is tabled at the divisional and Group Audit committee meetings, as set-out earlier. A consolidated gift register is tabled at the quarterly Group Social, ethics and transformation committee meeting.

Bidvest also has an independently administered Ethics facility which provides whistle-blowers with three channels to raise their concerns, namely telephonic, email and a website form. Coverage of the Ethics facility has in the period under review, been extended to the Group's European operations. Concerns received outside of the Ethics facility, for example via social media, the Bidvest website or emails, are also logged by IA. All logged complaints are investigated by divisional management and, where appropriate, criminal civil and/or disciplinary actions is instituted, and control improvements introduced to remedy the identified weakness. All concerns raised through the Ethics facility are properly investigated and tracked to resolution with sign-off from divisional management. Oversight of this resolution process is provided at a Group level. All concerns relating to discrimination and harassment, as well as those judged to require escalation are required to be signed off by a Group executive director. Quarterly reports are given to the Group Social, ethics and transformation committee on the Ethics facility.

Ethics Line 0800 50 60 90 or bidvest@tip-offs.com

Conducting business in a sustainable manner is integrated in our day-to-day activities and managed at a business level as Bidvest businesses have different environmental footprints. For some businesses, mainly in Freight and selected other services businesses, the adherence to environmental standards is directly linked to licences, regulations and/or franchise rights. These businesses monitor, manage and report as regularly as required. Any environmental breaches are reported into the divisional Risk and/or Audit committees and escalated further, where necessary. Towards the end of FY2021, the Bidvest Code of Ethical Purchasing was implemented. This document sets out the principles: uphold human rights; behave ethically; and environmentally sustainable. We expect our suppliers to commit to these principles and engagement in this regard is happening in a phased approach.

From a Group perspective, common material issues were identified in our commitment to do business in an environmentally friendly and responsible manner. Initially reporting was guided by GRI standards. In FY2016, sustainability, transformation, innovation and business enhancement were included as inputs (15-20% weightings) into the performance metrics linked to Bidvest's short- and long-term incentives schemes. In FY2018 we identified the SDGs that were most relevant to us and the impact of our basket of services and products as well as corporate citizen activities. In FY2021 the Group adopted and implemented its ESG Framework with specific annual performance metrics linked to said schemes for the current year.

On a quarterly basis, ESG data is gathered from all businesses. This and other data are aggregated, together with qualitative evidence of sustainability, and reported to the Group Social, ethics and transformation committee to assess progress and derive a performance score that feeds into the incentive scorecard calculations.

Social, ethics & transformation committee members, attendance, mandate, focus

The committee's responsibilities are in line with legislated requirements and codes of best practice. It monitors the Group's compliance in relation to sustainable development, transformation, good corporate citizenship, environment, occupational health and public safety, labour and employment as well as the Group's Code and sustainable business practices. During the fiscal year ended 30 June 2022, the committee was focused on transformation, employment equity, ethics, sustainability, support of the Group's employees as well as particular focus on implementation and reporting on performance against the ESG Framework. The focus for FY2023 will continue to be on transformation, employment equity and sustainability. The committee has reflected on the outcomes of the performance self-assessment and concluded that it had discharged all its responsibilities and fulfilled its mandate as contained in its charter, the Companies Act, the Listings Requirements, King IV and all other applicable statutory requirements.

The names of the members who were in office during the period under review and the number of committee meetings attended by each member are:

Committee members	25 Nov 2021	21 Feb 2022	25 May 2022	26 Aug 2022
S Masinga (Chairperson)	✓	✓	✓	✓
BF Mohale	✓	✓	✓	✓
L Boyce	✓	✓	✓	✓
MG Khumalo[1]		✓	✓	✓
FN Khanyile[1]		✓	✓	✓
NT Madisa	✓	✓	✓	✓
GC McMahon	A	✓	✓	✓
MJ Steyn	✓	✓	✓	✓

A Apologies tendered.

[1] Appointed 3 January 2022.

Remuneration processes and controls

The Group Remuneration committee plays a key role in ensuring that executive remuneration is aligned to the interest of all stakeholders. This is best reflected by the variety and balance of the performance measures incorporated in the Bidvest short- and long-term incentive schemes as well as the overall remuneration mix. The principals of the Group remuneration policy are cascaded down into the divisions and businesses, with clear targets set for short-term incentives, excluding those determined in accordance with sectoral agreements. The committee determines annual salary increases for executive directors and recommends non-executive director fee increases taking account of the budget guidelines. The standing external advisor provides independent input to the process, and comprehensive benchmarking insights.

Remuneration committee members, attendance, mandate, focus

The committee is empowered by the board to assess and approve the broad remuneration strategy for the Group, the operation of the short-term and long-term incentives for executives across the Group as well as set short-term and long-term remuneration for the executive directors and members of the Exco. During the fiscal year ended 30 June 2022, the Remuneration committee was focused on continuing to promote the Group's strategic objectives through fair and transparent remuneration, a comprehensive remuneration benchmark exercise for the Group executive committee and incorporated specific targets for non-financial metrics in incentive schemes. Ahead of the 2021 AGM, the chairman and executive management engaged with shareholders on our remuneration policy and the implementation thereof. The company received sufficient support for both policy and implementation advisory votes at the 2021 AGM. In the year under review, DG Capital, the standing external advisor, informed the Group of changes in its business operations which the committee deemed material. The committee has thus undertaken a comprehensive exercise of identifying a suitable professional service provider for appointment as independent remuneration advisor on expiration of the DG Capital contract. Accordingly, the committee identified and recommended the appointment of Deloitte with effect from October 2022. The committee reflected on its performance for the year and confirmed satisfaction with the execution and fulfilment of its responsibilities in accordance with its charter for the period. In FY2023 the committee will continue to promote the Group's strategic objectives through fair and transparent remuneration. Please refer to the detailed Remuneration Report on page 64.

The names of the members who were in office for the reporting period and the number of committee meetings attended by each member are:

Committee members	06 Oct 2021	21 Feb 2022	25 May 2022	28 Jul 2022	30 Aug 2022
NW Thomson (Chairperson)	✓	✓	✓	✓	✓
S Masinga	✓	✓	✓	✓	✓
BF Mohale	✓	✓	✓	✓	✓
L Boyce	✓	✓	✓	✓	✓
FN Khanyile[1]		✓	✓	✓	✓
Invitees					
NT Madisa	✓	✓	✓	✓	✓
MJ Steyn	✓	✓	✓	✓	✓

[1] *Appointed 3 January 2022.*

Leadership processes and controls

Succession and diversity at executive management and board level are key governance areas for the Group Nomination committee. Diversity entails gender, race, experience, qualifications and knowledge as well as tenure. We firmly believe that tone is set at the top and believe in the benefits that diversity brings.

Nomination committee members, attendance, mandate, focus

The committee is responsible for assessing the independence of non-executive directors. It identifies and evaluates suitable candidates for appointment to the board to ensure that the board is balanced and able to fulfil its function as recommended by King IV. The committee also recommends to the board the re-appointment of directors and succession planning for directors including the Group chief executive and senior management. In FY2022, it included appointing non-executive directors, with particular focus on augmenting support to the Group executive team. The committee has recommended that shareholders at the 2022 AGM appoint Faith Khanyile and Koko Khumalo as non-executive directors; with Koko to serve on the Audit and Risk committees.
The Nomination committee is of the view that the board and its committees are currently of an appropriate size, composition and balance, taking into account diversity to appropriately fulfil their respective obligations. The focus for FY2023 will continue to be on amassing and maintaining the Group's pipeline of non-executive director candidates, amongst others. The committee has reflected on the outcomes of its performance self-assessment and concluded that it had satisfactorily fulfilled its responsibilities in accordance with its charter and related statutory requirements for the period.

The names of the members who were in office for the current period and the number of committee meetings attended by each member are:

Committee members	22 Nov 2021	25 Feb 2022	26 May 2022	02 Sept 2022
BF Mohale (Chairperson)	✓	✓	✓	✓
RD Mokate	✓	✓	✓	✓
L Boyce	✓	✓	✓	✓
Invitees				
NT Madisa	✓	✓	✓	✓
GC McMahon	✓	✓	✓	✓

Corporate action processes and control

Corporate strategy is set by executive management and approved and monitored by the board. The strategy can be summarised as:

- Maximising the current diverse portfolio through organic growth, innovation and bolt-on acquisitions;
- International expansion in the chosen niches of hygiene services, facilities management and plumbing wholesaling; and
- The efficient allocation of capital.

All bolt-on acquisitions are discussed with and approved by the Group chief executive and largely funded from operational cash flow. Material capital allocation projects are tabled at divisional board meetings for approval. The Group Acquisition committee meets as and when required to consider corporate activity involving capital in excess of R500 million.

Acquisition committee members, attendance, mandate, focus

The role of the committee is to review potential mergers, acquisitions, investment and other corporate transactions in line with the Group's levels of authority. During FY2022, the Acquisition committee was focused on driving delivery of the Group's long-term growth strategy through expansion and access to new markets. Such activity has resulted in the approval of the acquisition of 100% shareholding in B.I.C. Services Pty Limited ("BIC"), a facilities management business based in Australia, as well as capital expenditure in the Freight division. The FY2023 the focus will continue to be on the Group's long-term growth strategy and creating the platform to access new markets. The committee has reflected on the outcomes of its performance self-assessment and concluded that it had satisfactorily fulfilled its responsibilities in accordance with its charter for the period under review.

The names of the members who were in office for the period and the number of committee meetings attended by each member are:

Committee members	22 Nov 2021	23 Mar 2022	5 May 2022	21 Jun 2022	26 Aug 2022
BF Mohale (Chairperson)	✓	✓	✓	✓	✓
SN Mabaso-Koyana	✓	✓	✓	✓	✓
FN Khanyile[1]		✓	✓	✓	A
NT Madisa	✓	✓	✓	✓	✓
MJ Steyn	✓	✓	✓	✓	✓

A Apologies tendered.

[1] Appointed 3 January 2022.

Executive management processes and controls

At a minimum, the Exco meets on a quarterly basis. Apart from the Group chief executives top-down observations on the macro and trading environments and the CFO's report on the consolidated financial position of the Group, the following matters are standing agenda items for discussion:

- Confirmation of no anti-competitive behaviour, conflicts of interest and/or third-party agency arrangements;
- Updated operational financial projection;
- Corporate activity, including acquisitions and disposals;
- Human capital and transformation report aggregated from divisional submissions;
- Business development report detailing business pipeline, engagement with commercial stakeholders and media feedback;
- Top Group risks; and
- Sustainability performance and initiatives.

Feedback from investor meetings post interim and final result releases are shared with the executives, as is the quarterly shareholder register. Strategy and budget sessions per division are held annually after divisional management has engaged with and rolled up the budget and strategies from individual businesses. The aggregate outcome is then discussed at the Exco and board meeting.

Board of Directors

The Bidvest board meets on a scheduled quarterly basis. As a standard, the three executive directors provide detailed feedback to the board with regards to operational, strategic, financial, human capital, transformation and sustainability matters. Board committee chairpersons deliver feedback on pertinent matters and summarise the deliberations at the recent committee meeting. Committee packs are digitally available to all board members. Resolutions passed during the quarter are confirmed and other administrative matters dealt with. Each board meeting closes with a session during which members reflect on the meeting. In the year under review, the board has noted and placed Health, Safety, Security and Environment (HSSE) and Competition Commission Compliance as priority matters for consideration at the start of each meeting.

Changes in Directorship

Board Appointments

The appointment of directors to the board is conducted through a formalised procedure under the ambit of the Nominations committee. The process takes several factors into account, including the prevailing legislative requirements, best practice recommendations as well as the qualifications and skills of the prospective candidate. The recommendations of the Nominations committee are presented to the board for consideration and approval. In the period under review and on recommendation of the Nominations committee, the board approved the appointment of Koko Khumalo and Faith Khanyile as independent non-executive directors effective 3 January 2022. Both members are in terms of the company's MoI, subject to confirmation by shareholders at the forthcoming annual general meeting.

Induction

An induction programme was conducted for the newly appointed non-executive directors on 11 May 2022. This entailed a comprehensive process of presentations by executive and senior management on their respective areas of responsibility and accounting for strategy execution, amongst other things. The non-executive directors were also informed of the structure, policies and procedures representing the governance framework of the Group. The programme shall be concluded with site visits of the various business operations scheduled for the remainder of the year.

Retirements

Having served as an independent non-executive director for nine years, Bongi Masinga retires from the board on conclusion of forthcoming annual general meeting, in accordance with the Group director tenure policy. In addition, Zukie Siyotula retires as non-executive director and member of the Audit committee by the rotation provisions of the Company's MoI on conclusion of forthcoming annual general meeting. Both members leave the board on 25 November 2022.

The board wishes to express its sincere gratitude to Bongi and Zukie for their invaluable contribution and support to Bidvest during their tenure of service.

Board members, attendance, mandate, focus

The board functions in accordance with the requirements of King IV and within the context of the Companies Act, the Listings Requirements, rules and codes of governance and other applicable laws. The board confirmed that the principals of King IV were satisfied with the updated full King IV application register available on the Group website: www.bidvest.com.

For its mandate, philosophy and structure, refer to page 50. A summary of each committee's key focus areas for FY2022 and the year ahead can be found on pages 50 to 55.

The Group Audit committee fulfils the statutory responsibilities of an audit committee for the Group as a whole, except for the banking and insurance businesses, both of which have their own statutory Audit committees. A similar principle applies in respect of the Group Social, ethics and transformation committee, with responsibility for monitoring and reporting on social and ethics issues for entities with a public interest score of 500 or above, with the exception of the banking and insurance businesses, both of which have their own Social and ethics committees. Majority-owned subsidiary, Adcock Ingram, has its own board with additional oversight by the Group to provide assurance.

Key focus areas during FY2022 were:

Effective risk and oversight – reviewed quarterly feedback from Risk and Audit committee chairpersons, including solvency, liquidity and going concern status reports as well as financial performance against budget and the prior year, information and technology governance and specific focus on operating during the pandemic. Interim and final results announcements and results were approved as was the annual report suite, including the financial statements;

Uncompromised governance – reviewed quarterly feedback from the Social, ethics and transformation, Risk and Audit committee chairpersons with regards to governance of ethics, effectiveness of the functional governance framework, as well as compliance with applicable laws, the Listings Requirements and non-binding rules, codes and standards. It also included specific focus on the health and safety of employees and support to both employees and society at large as the effects of the pandemic and aftermath of the KwaZulu Natal floods continued to cause turmoil. Charters and performance reviews are concluded on a rolling basis;

Meaningful stakeholder engagement – the importance of broad and meaningful stakeholder engagement was emphasised by the pandemic and demonstrated through the focus on service, relationships and the Group's reconfirmed commitment to building an inclusive society. Actions and decisions were considered through this lens. The feedback from shareholders provided by the Remuneration committee chair was reviewed and the convening of the 2022 AGM and notice to shareholders were approved; and

Enduring sustainability – the need for the Group to sharpen its focus on sustainability, inclusive of environmental, social and governance matters, resulted in a focused and targeted ESG Framework approved during FY2021. The roll-out, integration of this Framework into day-to-day activities and performance against set targets was monitored and evaluated. Conducting business in a responsible and accountable manner has been part of Bidvest's DNA since inception and management recognises this as a journey with more to do.

In terms of Bidvest's MoI, the non-executive directors who retire by rotation at the forthcoming AGM are Zuki Siyotula and Bonang Mohale. Zukie will be stepping down as non-executive director at the end of the AGM and Bonang being eligible, offers himself for re-election.

The directors' academic and professional qualifications are presented on pages 57 and 58.

There were four Group board meetings held during the period under review.

The names of the directors who were in office for the reporting period and the details of board meetings attended, either in person or by video conference by each director are as follows:

Board	26 Nov 2021	25 Feb 2022	30 May 2022	02 Sept 2022
Independent non-executive directors				
BF Mohale (Chairperson)	✓	✓	✓	✓
S Masinga	✓	✓	✓	✓
RD Mokate	✓	✓	✓	✓
N Siyotula	✓	✓	✓	✓
NW Thomson	✓	✓	✓	✓
L Boyce	✓	✓	✓	✓
SN Mabaso-Koyana	✓	✓	✓	✓
MG Khumalo[1]		✓	✓	✓
FN Khanyile[1]		✓	✓	✓
Executive directors				
NT Madisa	✓	✓	✓	✓
GC McMahon	✓	✓	✓	✓
MJ Steyn	✓	✓	✓	✓

[1] *Appointed 3 January 2022.*

For the complete Directors report, please refer to the AFS.

Directors' curricula vitae

Independent non-executive chairman

Bonang Francis Mohale [61]

Qualification: Post graduate Chartered Marketer (CMSA)

Appointed: 1 July 2019

Bonang is the President of Business Unity South Africa (BUSA), Chancellor of the University of the Free State, Professor of Practice in the Johannesburg Business School (JBS) College of Business and Economics and Chairman of The Bidvest Group Limited, SBV Services and ArcelorMittal South Africa. He is a member of the Community of Chairpersons of the World Economic Forum and author of the best-selling books, "Lift As You Rise" and "Behold The Turtle".

Lead independent director

Renosi Denise Mokate [65]

Qualification: PhD

Appointed: 1 May 2018

Renosi has held several leadership positions in the public sector and academia. She was the Deputy Governor of the South African Reserve Bank from August 2005 to July 2010 and Executive Director of the World Bank from 2010 to 2012. She has also served as the Executive Dean of the Graduate School of Business Leadership, UNISA, and as a senior policy analyst at the Development Bank of Southern Africa. She is currently the Executive Chairperson of Concentric Alliance. She holds non-executive directorships at Vukile Property Fund amongst others. Her committee membership includes remuneration, governance, audit, risk and social & ethics.

Chief executive

Nompumelelo (Mpumi) Thembekile Madisa [43]

Qualification: Masters in Finance and Investment, BCom Honours in Economics and BSc in Economics and Mathematics

Appointed: 4 December 2013

Mpumi was previously chief director in the Gauteng provincial government. During her time at Bidvest, she has held various senior management and executive board director positions such as general manager business development, divisional director business development, corporate affairs director and sales and marketing director. She is a director of numerous Bidvest subsidiaries, board member of Business Leadership South Africa, the chairman of Adcock Ingram and the UN Global compact Networks SA.

Executive directors

Mark John Steyn [53]

Chief financial officer

Qualification: CA(SA)

Appointed: 1 March 2018

Mark joined Bidvest in May 1997 and has held various financial positions within Bidvest Freight. Effective 2012, Mark held the position of chief financial officer of Bidvest Freight. Mark was appointed to the Bidvest board as CFO, effective 1 March 2018. He serves on all South African divisional boards, divisional Audit committees and served as a trustee on the various Group retirement funds.

Gillian Claire McMahon [50]

Qualification: BCom Honours Business Economics and Industrial Psychology, MCom Industrial Psychology

Appointed: 27 May 2015

Gillian previously held various operational roles in customer service, operations, training and human resources. During her time at Bidvest, Gillian has held various senior management roles including commercial director of Bidtravel and is the current Group transformation executive. Gillian is a director of numerous Bidvest subsidiaries.

Independent non-executive directors

Sibongile (Bongi) Masinga [56]

Qualification: BCom, USA-SA Leadership and Entrepreneurship Programme (Wharton School of Business)

Appointed: 4 December 2013

Bongi is one of the founding members of Afropulse Group. Prior to this, she was the chief operating officer and head of Corporate Advisory at Quartile Capital. She has held various positions in financial services including at DBSA and Gensec. She also gained merchant banking experience with Hill Samuel in London. Bongi currently serves on the following boards: Delta Property Fund, Libstar, Petro SA and is a member of the Council at the Durban University of Technology, amongst others.

Norman William Thomson [71]

Qualification: BCom, CA(SA)

Appointed: 1 May 2018

Norman has gained broad business experience over many years and was the Finance Director of Woolworths Holdings Ltd from 2001 to 2013. Norman is currently a non-executive director of Real People Investment Holdings Ltd. Norman's committee membership on these include the remuneration, audit and risk.

Nonzukiso (Zukie) Siyotula [39]

Qualification: CA (SA), ACMA UK, MBA and Executive Programmes from Harvard, INSEAD and Oxford

Appointed: 25 October 2019

Zukie was previously the Chief Executive Officer of Thebe Capital. Prior to that, she held various senior positions at the Barclays Africa Group, Old Mutual, Royal Bafokeng Holdings and South African Breweries. Zukie currently serves as a non-executive director at African Bank, Wescoal Mining, Conduit Group, York Timbers, Toyota Financial Services and Ogilvy Mathers South Africa.

Lulama Boyce [44]

Qualification: CA (SA)

Appointed: 12 March 2021

Lulama is the Department Head of Commercial Accounting at the University of Johannesburg and is currently a non-executive director of Adcock Ingram. She serves on the Audit, committee and Remuneration as well as the Social, ethics and transformation committees of the Company.

Sindisiwe (Sindi) Ntombenhle Mabaso-Koyana [53]

Qualification: CA (SA)

Appointed: 12 March 2021

Sindi is the founder and chairman of the African Women Chartered Accountants Investment company. She currently serves on the following boards: MTN Limited, Phembani Group, Sun International Limited, Zenex Foundation Educational Trust, Advanced Group and Toyota SA. Sindi's committee membership on these includes remuneration, audit, investment and risk.

Motlanalo (Koko) Glory Khumalo [55]

Qualification: CA (SA); B.Com (Acc); University of Limpopo; B. Compt (Hons) Acc), UNISA; CTA, UNISA; Executive Leadership programmes (GIBS and Harvard); Train the Trainer Programme – Foresight, Leadership; and Innovation, America University

Appointed: 3 January 2022

Koko is a Chartered Accountant, Founding Partner and Chief Executive Officer of Motlanalo Chartered Accountants and Auditors Incorporated. Koko has served as a Partner at Ernst & Young (EY) holding varying executive portfolios in EY Sub Saharan Africa.

Faith Nondumiso Khanyile [55]

Qualification: BA (Hons) in Economics, MBA and HDIP Tax diploma

Appointed: 3 January 2022

Faith is a businesswoman and a director of public and private companies. From October 2013 to April 2022, she was the CEO and director of WDB Investment Holdings (Pty) Ltd, a women-owned and led investment company formed in 1996 to promote the meaningful participation of women in the SA economy. Faith also worked for Standard Bank's Corporate and Investment Bank division for 12 years in senior and executive roles. She is a non-executive director of Discovery Limited, the JSE Limited, Transcend Residential Property Fund, the WDB Growth Fund and the GBVF Response Fund. In May 2016 she received an Honorary Doctorate in Laws from Wheaton College.

Company secretary

During the year under review, and in compliance with paragraph 3.84(h) of the Listings Requirements, the board evaluated Nonqaba Katamzi, the Company Secretary, and was satisfied that she was competent, suitably qualified and experienced. Furthermore, since she was not a director, nor was she related to or connected to any of the directors, thereby negating a potential conflict of interest, it was agreed that she maintained an arm's length relationship with the board.

IT governance and security

The IA function is an independent, value-adding, progressive and responsive service to Bidvest shareholders. Given the ever-increasing dependencies of the business on IT, specialised IT audit and consulting skills remain a necessity in the function. Intelligent automation and data analytics are well-entrenched into the mechanisms of the IA functions with further disruptive digital transformation initiatives fast becoming the reality of the IA function.

An example of such an initiative is ALICE, Bidvest's digital auditor (see pages 60 and 61). She combines intelligent automation and cognitive services to provide audit-as-a-service to the Group companies. Much effort has been afforded to the digital assurance roadmap for Bidvest using the ALICE platform. The appetite for ALICE to connect remotely into data sources across the Group coupled with the uptake to build remote monitoring and continuous testing capabilities on ALICE continues to significantly increase.

Governance over the Group's IT landscape receives focused attention by management, with emphasis over the last 12 months:

Technology investment

As increasing business demands and technology dependencies continue to evolve across the Group, and as cybersecurity threats become more sophisticated, the need for ongoing investment into and governance over digital transformation of the Bidvest IT environment has become a standing agenda item around Group company boardroom tables.

Legacy, unsupported systems (and by implication outdated software) impede futuristic business strategies that require technology enablement and significantly decrease the resilience to adverse cybersecurity incidents. Consequently, modernisation of the Group's IT landscape continues to be high on management's agenda.

Governance over these modernisation efforts receives deliberate consideration to ensure that the investment aligns to the business strategies and expected value derived from the investment. Accompanied with such modernisation is different skill set requisites, operational models and risk management plans. At the centre of these modernisation efforts is the protection of the Group's data as this is considered a corporate asset and should be secured as such.

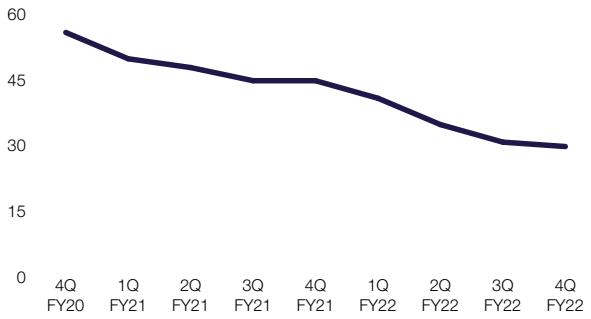
ALICE is the digital overseer of IT governance across the Group and equips those charged with governance and management responsibilities with visibility into the IT risks and associated remediations strategies through continuous and near real-time monitoring efforts.

Cybersecurity

For the past few years, the scope of ALICE's monitoring efforts has been focused on ensuring that basic security hygiene disciplines are embedded and operating effectively within the IT environments across Bidvest. The Group achieved a risk score of 29% (target: 25%) in the fourth quarter of this year for basic security hygiene, the lowest risk score achieved to-date.

Indicated by the graph below, with the downward trajectory of the Group ALICE score reducing from 90% in November 2019 to 29% in this last quarter, it is clear that the purpose of ALICE in de-risking the Group from cybersecurity attacks because of control breakdowns in basic security hygiene disciplines, has been achieved. This does not mean the Group is immune to cybersecurity attacks, it does mean that cyber criminals will need to work harder to compromise our IT environments.

IT risk score



As the adoption of ALICE has matured, so too has her scope of monitoring of the IT environments. Development of control tests over more sophisticated security disciplines is underway coupled with control tests beyond the realms of the IT environment. Such control tests are extending into the financial, operational and regulatory environments across Bidvest.

Users act as a human "firewall" and can be critical in preventing and/or detecting cybersecurity attacks. Deployment and use of Cybersecurity Awareness Training programmes are well underway across the Group augmenting the assurance achieved from the ALICE monitoring.

A formal Cybersecurity Incident Response Policy & Plan was rolled out across the Group in May 2022.

IT resources

An ever-increasing demand and dependency on technology exists to enable business expansion through alternative market channels, optimisation of operational and logistical processes, cost efficiencies and competitor differentiation. To meet these demands and dependencies by business, requires different skill set requisites. The global shortage of these IT skill sets is mitigated through aggressive retention strategies, strong and robust vendor management and actively growing our own pipeline of talent through technology internships.

Our second Bidvest Technology Internship started on 1 February 2022 and operated for a period of ten months. The Technology Internship kick started with a Data Bootcamp (online training program) developed by the ALICE team to assess the skillset and capability of the interns. The two-fold purpose – to create a pipeline of talent for the Group but also to facilitate an upliftment of skills across SA – of the Bidvest technology Internship is being achieved with resounding success.

The Bidvest IT Forum continues to shape facilitated discussions around knowledge-sharing and research across the Group which has proved invaluable during the global shortage of IT skill sets and capacity. The Bidvest IT Forum also plays a pivotal role in leveraging the Group's purchasing power with key IT vendors.

Data governance

Protection of data remains a focus area for the Group, from architecture to security, particularly considering the new privacy laws and regulations in place. For emphasis, it is repeated that information and/or data is acknowledged as a corporate asset by the Group and must be appropriately secured and protected – a challenge considering the global skill set deficit and capacity constraints.

External assurance

PwC, the Group's external auditor issued their opinion on the FY2022 AFS. In their opinion, the AFS fairly represents, in all material respects, the consolidated financial position of Bidvest and its subsidiaries as at 30 June 2022, and its consolidated financial performance and cash flows for the year then ended.

Key audit matter raised referred to impairment assessment of indefinite useful life intangible assets and goodwill. Please refer to page 5 of the AFS for the full opinion.

ALICE

Born from a dual need of 1) providing continuous and near real-time visibility to various stakeholders into the cybersecurity risks and remediation strategies across the Group; and 2) equipping a talented and high-performing team with the skills and opportunities to pioneer the future of the assurance space rather than being disrupted by it, the first piece if ALICE code was written in November 2016.

Fast forward to 2022, ALICE has become embedded in the operations of each of the environments across the Group. The Group's governance mindset has shifted from annual audit, risk and compliance reviews to continuous monitoring of their control environments.

Growth

The scope of ALICE has extended beyond basic security hygiene disciplines to testing of more sophisticated cybersecurity-related controls ranging from multifactor authentication to external threat monitoring. Given the evolving IT landscapes, the need to extend ALICE's scope to auditing cloud environments became necessary. Given that cloud-related skill sets in the assurance space are a rare commodity, ALICE's cloud audit has augmented the skill sets of assurance functions, allowing them to mitigate the associated risk exposures.

ALICE now has reach beyond testing IT controls. Her scope has extended into financial, operational, risk, compliance and regulatory control testing too. Given Bidvest's employee base, payroll monitoring was introduced as a Group-wide initiative this quarter, the deployment and roll-out of which will continue over several quarters to follow.

Partnerships

Trading as Bidvest Advisory Services (Pty) Ltd, ALICE has commercial agreements in place with both local and global partners. ALICE is a technology enabler, and the purpose of these partnerships was to accelerate the distribution of both the ALICE technology and associated services into different markets.

- One of the ALICE audit firm partners has successfully built products on ALICE to allow them to audit certain financial statement line items at scale and within minutes, with little to no human intervention.
- Another ALICE partner, this time in the technology space, digitalised their offering around digital transformation assessments that used to be performed using manual and human effort. ALICE now performs these assessments in an intelligent and automated way, allowing them to scale this offering globally.

Follow ALICE on LinkedIn to see her recent trip to India.

Clients

The ALICE client base, beyond that of the Bidvest companies, has also extended. Recent client engagements involved digitalising the Sarbanes-Oxley 404 control testing at a very large mining client; and a client requiring assistance on their digital journey in the risk-monitoring space. Uncertain of where to start and which monitoring procedures and/or control tests to intelligently automate, ALICE's automatability assessment prioritised which ones were eligible to digitalise.

Democratisation

The demand for ALICE development exceeding the ALICE Team's capacity and ability to deliver in the required timeframes led to the development of the ALICE Lab – initiated over one year ago. We are pleased to announce the recent launch of the ALICE Lab to the Group, our partners and clients.

The ALICE Lab expedites processes around planning, functional specifications, development, testing and production releases by democratising these processes – allowing the different audit, risk and compliance functions the opportunity to get involved at their own pace and as their skill, capacity and digital demands allow. In turn, the dependency on ALICE Team's capacity and ability to deliver in the required timeframes lessens.

Team

The ALICE Team continues to growth and attracts resources that want to be relevant and successful in a disrupted future. The second Bidvest Technology Internship started on 1 February 2022 and will run for a period of ten months, with 12 interns. The aim of the internship continues to be around improving and increasing the pool of technology skills across the Group as well uplifting such skill sets of the country.

The internship kicked started with a Data Bootcamp (online training programme) developed by the ALICE Team to assess the skillset and capability of the interns. Much time and skills investment are made by the ALICE Team into the interns throughout the internship.

"We have a business culture that has readily adapted ALICE and now relies heavily on her abilities in unexpected directions. In our highly entrepreneurial and performance-driven environment it is exciting to have been an early pioneer of AI in the governance space. Many companies speak about 4IR technology and innovation, but have yet to see it. And here we are, ALICE is deployed across multiple businesses in the Group and also externally. We're really excited about the future and how AI can shape our business for the better."

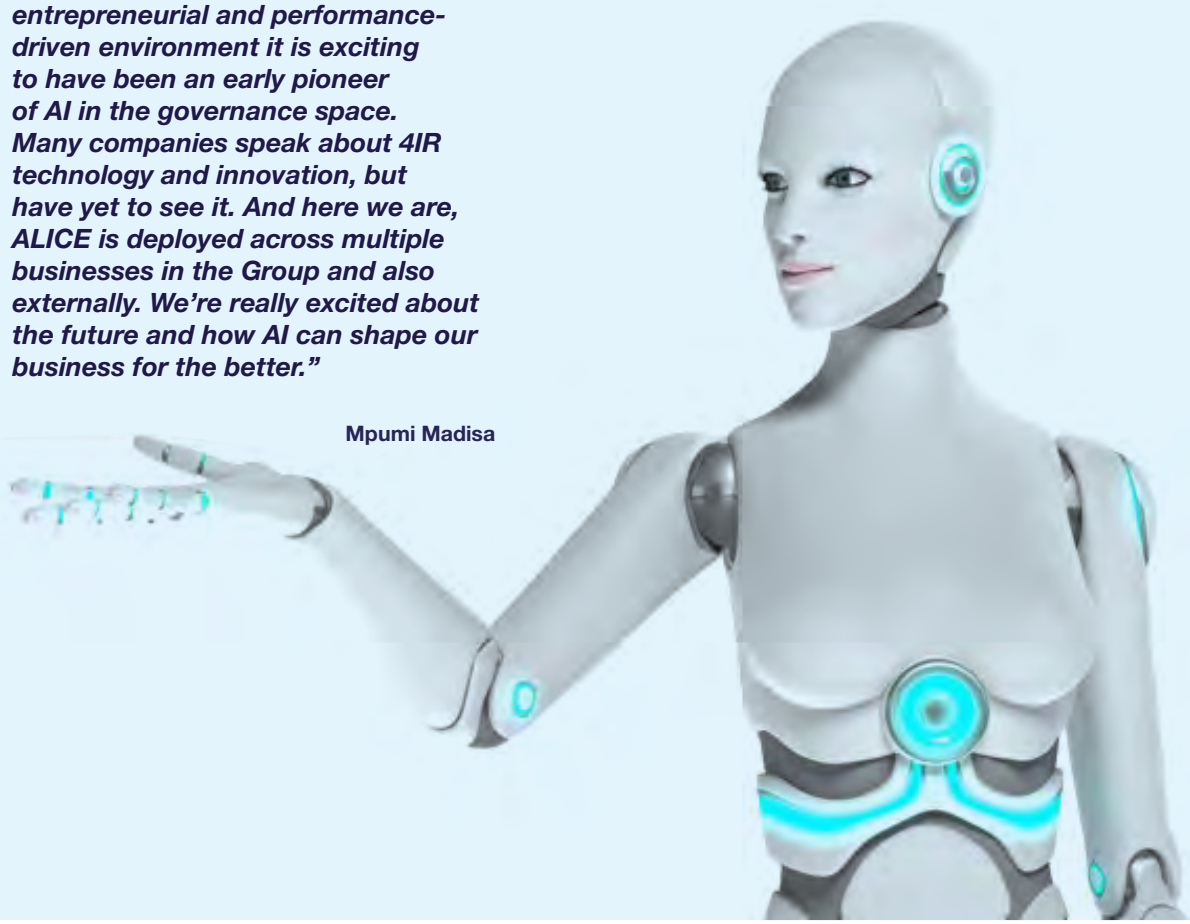
Mpumi Madisa

The journey continues

ALICE means something different to her differing audiences. ALICE herself ascribes to the Open Data Initiative and values the power of sharing both within the organisation and beyond.

To those charged with governance, she provides aggregated visibility into the risks and remediation strategies across environments. To management, she provides continuous monitoring on their environments and alerts them to risks in a near real-time way. To the audit community, she augments skill sets and capacity to deliver on the ever-increasing demands of assurance functions. To our partners, she allows them to scale and have global reach in delivering the services they used to perform manually in an intelligent and automated manner. To the intern, she represents an opportunity to upskill and position themselves for a successful future. And, finally to the ALICE Team, she has allowed them to innovate beyond the realms of a textbook in the assurance space.

To find out what ALICE can mean to you or to partner with the ALICE Team to create shared value, please email: alice@bidvestalice.com



Remuneration

Bidvest
INTERNATIONAL
LOGISTICS

Remuneration report

"I would like to thank the committee for their support during the year in discharging our duties and look forward to shareholder support and feedback on our remuneration policy and implementation report. Part 1 (Policy) and Part 2 (Implementation Report) are set out below, providing full details regarding the above introductory commentary."

Norman Thomson
Remuneration committee Chairman

Dear shareholder,

"I write to you this year summarising our performance, our remuneration outcomes, changes in our policy and the progress we have made on our ESG journey. Last year we published our first ESG Framework and I am pleased to report that the Group has made significant progress towards the targets set.

The overall performance resulted in a weighted outcome of 97% on the short-term incentive ("STI") scorecard over a one-year period and a 87% vesting outcome on the long-term incentive ("LTI") performance over a three-year period. In terms of our STI hurdles for HEPS growth and ROFE, stretch performance was achieved on both metrics at 24% growth and 37.6%, respectively. Sustainability target hurdles were exceeded and strategic execution greatly exceeded expectations.

I am of the view that we have one of the best remuneration policies and implementation reports as set out in this document in terms of both financial and non-financial metrics and targets. This view is endorsed by shareholders who have overwhelmingly supported both votes at the 2021 AGM (higher than 90%), in a period where shareholder voting has been extremely low in favour of both policy and implementation. I personally am very pleased with this result and hope to receive similar outcomes for the FY2022 vote.

It has been the Remuneration committee's intention to close the gap between the basic remuneration of the executive directors and that of the upper quartile of the peer group over the medium-term, performance permitting. This multi-year phased-approach, started in 2019. This year a comprehensive benchmarking exercise on executive remuneration was performed again. We concluded that the instruments used and the mix of remuneration are competitive, but the guaranteed portion remained well short of the benchmark. In recognition of the outstanding personal and business performance we agreed to close the remaining gap effective 1 July 2022.

As we have a solid foundation from which to work, our focus has been on making minor refinements to our policy, principally around sustainability metrics, pushing the hurdles higher based on the progress we have already made. We have also revisited our target hurdles for the financial metrics based on the current and expected economic environment, what was achieved last year and considering performance prospects. We have made no adjustments to the metrics and weightings for both STI and LTI.

Lastly, we acknowledged that pay parity reporting is becoming an area of increasing importance and are working towards a reporting framework and data collection strategy that will result in meaningful reporting to stakeholders."

Introduction

Bidvest's remuneration philosophy is to drive exceptional and sustainable long-term performance for all stakeholders, in support of the well-entrenched entrepreneurial culture of the Group.

"Bidvest delivered an exceptional performance, the result of good revenue growth, unrelenting margin focus and excellent cost management. Cash generation was strong and investment was made in inventory and the expansion of operations. Our M&A pipeline, mainly organically built, supports our continued growth focus and culminated in the acquisition of BIC in Australia post year end. Innovation, increased focus on diversity as well as socio-economic and environmental impact initiatives stepped up notably," Mpumi Madisa

The FY2022 results are even more remarkable if one considers the significant adverse riot and flood events that occurred during the year. Bidvest's scale, diversification, financial strength, commitment to add value to all stakeholders and essential everyday product and service offering stood the Group in good stead.

Revenue growth of 13% to R99.9 billion translated into a trading profit 23% higher at R9.7 billion, backed up by R11.5 billion cash generated from operations and a strong improvement in returns to a ROFE of 37.6% and ROIC of 14.1%. The achieved spread was higher over a higher WACC.

At the end of FY2021, Bidvest introduced its ESG Framework, setting out specific goals and measurements to evaluate progress against. Progress has been very pleasing with the entire organisation working towards these common sustainability goals. At top and senior management levels in SA, Black people represented 83% of the appointments made and females 44%. Internationally, the businesses have set specific targets and embarked on initiatives to close the gender gaps at top and senior management levels, and are tracking well against these. In SA our operations spent an additional R3.0 billion with black-owned and black women-owned SME companies, bringing the total to R8.0 billion. Locally we procured 74% of goods and services from companies that have a B-BBEE rating of at least a Level 4, edging closer to our target of 90%. Group emission and water intensity decreased at a pleasing rate with several divisions close to or exceeding the FY2025 target. Engagement with offshore suppliers with regards to ethical and sustainable behaviour was stepped up. Excellent progress was made to strengthen and continuously monitor basic IT hygiene disciplines across all the businesses. Equally important, is the innovation that drove more environmentally sustainable products and services introduced in our offering to customers.

The Group recognises that ESG is a journey and is committed to continuous improvement. Given Bidvest's considerable employee base and impact on the domestic economy, management is considering upweighting the social component of the sustainability metric in incentive scorecards from FY2024. The Group also acknowledge the growing call for disclosure of pay parity. While Bidvest is explicit in its commitment to income parity, we are not yet able to report on this in a meaningful manner at an aggregated level. Significant groundwork is being done to enable meaningful reporting on this important metric in the future.

The global economy is precarious with fiscal policy tightening and inflation rising. This macro backdrop is exacerbated by an energy crisis in SA and Europe. The Group is, however, confident in its ability to navigate this environment and reaffirms its duty and commitment to building inclusive societies, particularly in South Africa, and to conduct business in a responsible manner. As a consequence, the Remuneration committee has proposed measurements for both short- and long-term incentives that balances the needs of all stakeholders while staying true to the performance culture of Bidvest.

The committee has also considered the impact of the King IV on the remuneration policy as well as the amended Listings Requirements. This report is, therefore, presented in two parts: The remuneration policy and the implementation of the policy during the year.

At the annual general meeting (AGM) on 26 November 2021, our FY2021 remuneration report was presented and voted on in sections, namely:

Part 1: Remuneration policy – endorsed by 90% of shareholders that voted; and

Part 2: Implementation of policy – endorsed by 94% of shareholders that voted.

As a matter of good governance, Bidvest engaged shareholders with regards to remuneration policy and implementation matters. Key focus areas included appreciation for the clear measurements and targets of the sustainability metrics incorporated in the incentive scorecards, the vesting period of long-term incentive instruments and gender pay parity.

The Remuneration committee considered the feedback, current operating environment as well as the performance achieved and responded as follows:

- The sustainability measurements introduced in FY2022 aligned efforts across the Group and will be maintained for FY2023. Hurdles will however be increased to drive ongoing progress;
- The Remuneration committee reviewed the vesting period of the LTI schemes in place and view them as appropriate in achieving the objective of incentivising management to create long-term sustainable value for stakeholders while at the same time serving as an effective retention tool. The vesting period Bidvest uses also aligns with current best practice; and
- The Group acknowledges the growing call for disclosure of pay parity. While Bidvest is explicit in its commitment to income parity, we are not yet able to report on this in a meaningful manner at an aggregated level. Significant groundwork is being done to put us in a position to do this. Work has also commenced on assessing affordable healthcare insurance for entry-level employees. Noonan and PHS disclose their gender pay analysis annually.

Given the diversified nature of the Group, the remuneration report intends to provide an overview and understanding of Bidvest's remuneration philosophy and focuses on executive and non-executive director remuneration and further provides an overview of the share plans used across the Group.

Part 1 – Remuneration Policy

In this part of the report, Bidvest sets out the driving forces behind the Group remuneration policy and how the impact on all stakeholders is considered and taken account of to strike an appropriate and sustainable balance.

Key principles of our philosophy

The key principles that shape our policy are:

- A critical success factor of the Group is its ability to attract, retain and motivate the entrepreneurial talent required to achieve positive operational outcomes and strategic objectives while adhering to an ethical culture and good corporate citizenship. Both STI and LTI are used to promote this;
- A delivery-specific STI is viewed as a strong driver of performance and a significant portion of senior management's through-the-cycle reward and is designed to be variable and aligned with stakeholder interests. This is prescribed by the achievement of realistic financial and non-financial targets together with, where applicable, the individual's contribution to the growth and development of their immediate business, their division or the wider Group. Only when warranted by exceptional circumstances are special bonuses considered as additional awards;
- Allowing appropriate flexibility due to the Group's dynamic and fast-moving nature. Management is often redeployed to take on new challenges and address poor performing divisions and in such cases, subjective criteria may need to be applied when evaluating performance;
- A LTI that aligns the objectives of management, shareholders and other stakeholders for a sustainable period; and
- The Group is committed to a sustainable, fair and responsible remuneration policy, from both an external competitiveness perspective as well as an internal equity perspective, which satisfies the requirements of all our stakeholders. Total remuneration is benchmarked to the upper quartile of the comparator group.

Policy principles

The Remuneration committee functions as a subcommittee of the board in terms of an agreed mandate. It evaluates and monitors the Group's remuneration philosophy and practices to ensure consistency with governance principles and corporate strategy. The Remuneration committee further implements the board-approved remuneration policy to ensure that:

- Salary structures and policies, cash as well as share-based incentives, motivate superior performance and are linked to realistic performance objectives that support sustainable long-term business growth;
- Stakeholders can make an informed assessment of reward practices and governance processes; and
- All applicable laws and regulations are being complied with.

The Remuneration committee has discretion, when warranted by exceptional circumstances and where considerable value has been created for shareholders and stakeholders of Bidvest by specific key employees, to award special bonuses or other ex gratia payments to individuals. In exercising this discretion, the Remuneration committee must satisfy itself that such payments are fair and reasonable and are disclosed to shareholders as required by remuneration governance principles.

Both long-term share-based incentive schemes have 'bad leaver' clauses. If, while an award remains unvested and employment is terminated by reason of dismissal on grounds of misconduct, poor performance or proven dishonest or fraudulent conduct, all unvested awards will lapse unless the Remuneration committee in its absolute discretion determine otherwise.

A claw-back policy is also applicable to both STI and LTI. If a trigger event arises after variable remuneration has been paid or settled, the Remuneration committee can demand the repayment of an amount equal to the pre-tax value of any STI or pre-tax amount equal to the market value of any LTI received. Trigger events include, amongst others, gross misconduct and proven dishonest or fraudulent conduct.

Governance and the Remuneration committee

Board responsibility

The board carries ultimate responsibility for the remuneration policy. The remuneration committee operates in terms of a board-approved mandate. The board will, when required, refer matters for shareholder approval, for example:

- New and amended share-based incentive schemes and their design;
- Non-executive board and committee fees; and
- Endorsement of the annual remuneration policy and implementation report.

The remuneration policy (Part 1) and remuneration implementation report (Part 2) will be put to separate non-binding shareholders' votes at the AGM of shareholders.

Composition, mandate and attendance for remuneration committee

The members of the Remuneration committee are independent non-executive directors as defined by King IV. The Remuneration committee is scheduled to hold four meetings per year but also meets on an ad hoc basis when required.

The attendance for these meetings is contained on page 54.

The Group chief executive and chief financial officer attend meetings by invitation, to assist the Remuneration committee with the execution of its mandate. Other members of executive management are invited when appropriate. No executive participates in the vote process or is present at meetings of the Remuneration committee when his/her own remuneration is discussed or considered. DG Capital will continue as the Remuneration committee's standing independent adviser until the publication of the FY2022 remuneration report. Due to the relocation of the key advisor, the committee embarked on a comprehensive process to elect a new advisor. Deloitte will be appointed as our new advisor following the AGM.

The chairman of the Remuneration committee or, in his absence, another member of the Remuneration committee, is required to attend the AGM to answer questions on remuneration.

The terms of reference as set out in the mandate of the Remuneration committee include:

- Reviewing the Group remuneration philosophy and policy and assisting the board in establishing a remuneration policy for directors and senior executives that will promote the achievement of strategic objectives and encourage individual performance;
- Ensuring that the mix of fixed and variable pay in cash, shares and other elements meet the Group's needs and strategic objectives;
- Reviewing incentive schemes to ensure continued contribution to stakeholder value;
- Reviewing the recommendations of management on fee proposals for the Group chairman and non-executive directors and determining, in conjunction with the board, the final proposals to be submitted to shareholders for approval;
- Determining all the remuneration parameters for the Group chief executive and executive directors;
- Reviewing and recommending to the board the relevant criteria necessary to measure the performance of executives in determining their remuneration;
- Agreeing to the principles for senior management salary increases and cash incentives;
- Determining LTI allocations (Conditional Share Plan) and awards for executive directors and reviewing all allocations for senior management;
- Overseeing the preparation of the remuneration report (as contained in this Annual ESG report) to ensure that it is clear, concise and transparent;
- Ensuring that the remuneration policy and remuneration policy implementation be put to two non-binding advisory votes by shareholders and engaging with shareholders and other stakeholders on the Group's remuneration philosophy; and
- Annually evaluate the committee's performance against its charter and any formal shareholder feedback received.

Role of benchmarking

To ensure that the Group remains competitive in the markets in which it operates, all elements of remuneration are subject to regular reviews against relevant market and peer data. Reviews are performed when required to benchmark the Group's remuneration against the services, trading and distribution industry and the general South African market.

The peer company selection criteria are based on a weighted basket of metrics including market capitalisation, revenue, total assets, operating profit, employee cost and number of employees. Based on these criteria, the resultant group comprises the following peers: Nedbank, Shoprite, Old Mutual, Vodacom, Pepkor, Bidcorp, Woolworths, Capitec, Aspen, Spar, Motus, Barloworld, Life Healthcare, Clicks, Mr Price, Tiger Brands, Netcare and KAP.

The policy aims at positioning the Group as a preferred employer within the services, trading and distribution industry. This means benchmarking to the upper quartile of the peer group. To retain flexibility and ensure fairness when directing human capital to those areas of the Group requiring focused attention, subjective performance assessments may sometimes be necessary when evaluating employee contributions.

The Group believes that its remuneration policy plays a vital role in realising business strategy and must be competitive in the markets in which it operates.

Executive directors

Terms of service

The minimum terms and conditions applied to South African executive directors are governed by legislation. The notice period for these directors is one month. In the exceptional situation of the termination of executive directors' services, the Remuneration committee (assisted by independent labour law legal advisers) oversees the settlement of terms.

In terms of Schedule 10.16 (g) of the JSE Listings Requirements and the revised Bidvest Memorandum of Incorporation, executive directors are no longer required to offer themselves for re-election. The board, through the Nominations committee, assess their appropriateness to hold office.

Executive directors are permitted to serve as non-executive directors on one other public company board with the express permission of the chief executive and the Nominations committee. This excludes directorships where the Group holds a strategic investment in that public company (i.e., nominee directorship). Fees paid to nominee directors accrue to the Group and not to the individual directors concerned.

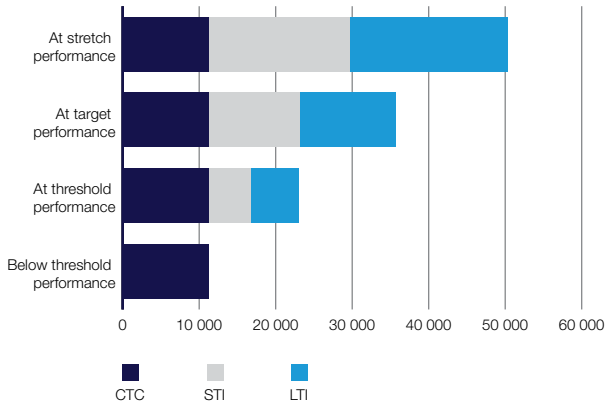
Elements of remuneration and package design

The Group operates a total cost-to-company (CTC) philosophy whereby cash remuneration and benefits (including a defined contribution retirement fund, medical aid and other insured benefits) form part of employees fixed total CTC remuneration. Senior management and executive directors also participate in STI in the form of a performance bonus plan. Two LTI plans are in operation. The Bidvest Share Appreciation Right Plan (SAR) is for senior management and Group executive committee members who are not Group executive directors. The Bidvest

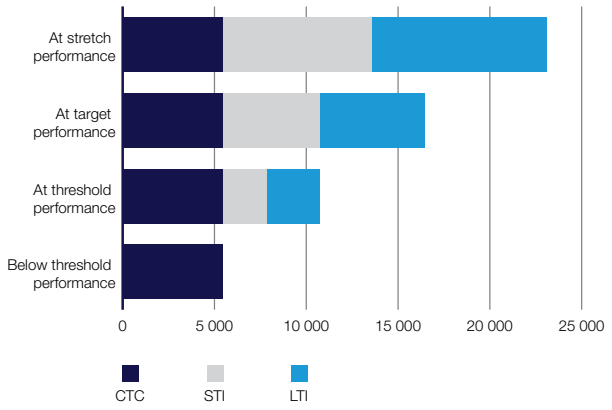
Conditional Share Plan (CSP) is for Group executive directors, Executive committee members and other senior executives.

The remuneration policy leads to executive directors' remuneration received being dependent on Group performance. This is achieved in two ways, through an annual cash bonus and long-term share plan. In Part 2 of the report the actual total pay outcomes for the 12 months ending 30 June 2022 are depicted, whilst the total pay opportunities for the Group chief executive and the other executive directors (on average) under four different performance scenarios are illustrated in the following graphs:

CEO (R000s)



Other executive directors (R000s)



The different components of remuneration, their objectives, the policy which governs it and their link to the business strategy are summarised below. Where changes to the policy are envisaged for the following financial year, these are highlighted.

The Group views the executive directors who are members of the Group Exco as the current "prescribed officers" as defined in the Companies Act and therefore no separate remuneration policy disclosure for prescribed officers is necessary.

Effective 1 July 2021, the Group Exco participates in LTI through a combination of CSP and SAR to better align with Group executive directors.

Proposed changes for FY2023

Seeking out growth sectors and maintaining margins against a backdrop of a precarious global macroeconomic outlook, rampant inflation and intensifying energy crises are the focus areas in the coming year, in addition to the normal focus on prudent cash conversion and capital allocation. The Group remains confident in its ability to successfully navigate these and reaffirms its duty and commitment to building inclusive societies, particularly in SA, and to conduct business responsibly. Consequently, the Remuneration committee has proposed measurements for both short- and long-term incentives that balance profit and purpose.

In relation to financial metrics, the target HEPS hurdle remains unchanged at 1% better than geographically weighted real economic growth despite the envisaged trading environment being more difficult. Stretch HEPS hurdles were lowered by 100bps, but still reflect 3% and 4% real growth, respectively, for STI and LTI. ROFE hurdles have been increased to reflect the changed asset composition of Bidvest post recent acquisitions.

The specific, clear measurements and targets comprising the sustainability metrics are now well-understood and embedded in business behaviour, achieving the desired focus on the medium-term targets set in the ESG Framework. Considering the performance to date hurdles were increased.

Table 1: Measurement elements incorporated into the sustainability metric

STI, LTI metrics		Threshold was	Threshold proposed	Target was	Target proposed	Stretch was	Stretch proposed
Environmental	5%						
Reduction in Scope 1&2 emissions and water intensity (FY19 base)		–	**15%**	0 – 5%	**20%**	5%+	**25%**
Code of Ethical Purchasing (or equivalent) declarations (based on # of offshore & multinational suppliers)*		50%	**50%**	70%	**70%**	80%	**80%**
Social	5%						
African appointments (top & senior management)		40%	**45%**	45%	**50%**	50%	**55%**
Local procurement with B-BBEE L1-4 suppliers		55%	**70%**	60%	**75%**	65%	**80%**
Governance	5%						
B-BBEE rating for 80% of all operating businesses		min L5	**min L4**	min L4	**min L3**	min L3	**min L2**
ALICE score (quarterly aver) **		50%	**45%**	40%	**40%**	30%	**35%**

* *Broadened the scope to include multinational suppliers.*

** *More controls will be tested by ALICE.*

The strategic metric, which includes specific aspects that are critical to building a business that creates value and will endure the test of time, remains unchanged. The Acquisition committee will assess the performance of these elements against a portfolio of evidence, using a scoring table.

Table 2: Summary of remuneration components for executive directors

	Component, objective and link to strategy	Policy	Future changes	Resultant 2023 policy
Guaranteed pay (CTC)	**Base package** To help attract and retain the best talent. It aligns with business strategy as it takes into account internal and external equity, thereby ensuring competitiveness and rewarding individuals fairly based on similar jobs in the market. Reviewed annually and set on 1 July.	Level of skill and experience, scope of responsibilities and competitiveness of the total remuneration package is taken into account when determining CTC.	No changes are proposed for 2022.	**Unchanged** Level of skill and experience, scope of responsibilities and competitiveness of the total remuneration package is taken into account when determining CTC.
Guaranteed pay (CTC)	**Benefits** Provides employees with contractually agreed basic benefits such as retirement fund benefits (defined contribution), medical aid, risk benefits and life and disability insurance. Benefits recognise the need for a holistic approach to guaranteed package.	The Company contributes towards retirement benefits as per the rules of its retirement funds. Medical aid contributions depend upon each individual's needs and package selection. Risk and insurance benefits are Company contributions, all of which form part of total cost of employment.	No changes to standard employment benefits.	**Unchanged** The Company contributes towards retirement benefits as per the rules of its retirement funds. Medical aid contributions depend upon each individual's needs and package selection. Risk and insurance benefits are Company contributions, all of which form part of total cost of employment.

	Component, objective and link to strategy	Policy	Future changes	Resultant 2023 policy
Short-term incentives (STIs)	To motivate and incentivise delivery of performance, financial and non-financial, consistent with the Group's strategy over the one-year operating cycle. Encourages sustainable growth in headline earnings per share and return on funds employed for shareholders whilst maintaining a strong financial position, combined with strategic and sustainability metrics, to ensure well-balanced KPIs. It rewards executive directors for their measurable contribution. Bonus levels and the appropriateness of measures and weightings are reviewed annually to ensure that these continue to support Bidvest's strategy. The annual bonus is paid in cash in August/ September each year.	Threshold, target and stretch performance targets are set for the following metrics: **Financial performance:** • Headline earnings per share (HEPS) growth • ROFE achieved **Non-financial performance:** • Sustainability • Strategic actions. The vesting of the hurdles is 30%, 65% and 100%, respectively, for threshold, target and stretch. The weighted outcome derives a STI which is capped at a maximum of 165% of the CEO's CTC and 150% of CTC for the other executive directors. Linear vesting will occur between the performance hurdles set.	There are no changes to the metrics and weightings. Hurdles have been adjusted as follows: Increased HEPS growth threshold, target and stretch hurdles at GDP + CPI, GDP + CPI +1% and GDP + CPI + 3%, respectively. Increased ROFE threshold, target and stretch hurdles at 27%, 28% and 33%, respectively. Retain specific sustainability measurement elements but increase hurdles, as set out on page 69, against which the Social, ethics and transformation committee will assess performance.	Post proposed changes **Financial performance:** • HEPS growth (40% weighting) with threshold, target and stretch hurdles as set out alongside; and • ROFE (30% weighting) with threshold, target and stretch hurdles as set out alongside. **Non-financial performance:** • Sustainability (15% weighting) which incorporates specific measurements relating to environmental, social and governance elements with threshold, target and stretch hurdles as set out in Table 1; and • Strategic (15% weighting) which incorporates specific elements – execution of strategy; innovation and deployment of technology; and return uplift on major acquisitions – subjectively assessed by the Acquisition committee using a scoring table. The weighted outcome derives a STI which is capped at a maximum of 165% of the CEO's CTC and 150% of CTC for the other executive directors. Linear vesting will occur between the performance hurdles set.

	Component, objective and link to strategy	Policy	Future changes	Resultant 2023 policy
Long-term incentives (LTIs)	**Conditional Share Plan (CSP)** To motivate and incentivise delivery of long-term, sustainable performance. This aligns executives' interests with shareholders through conditional rights to future delivery of equity. Vesting of conditional rights to shares is subject to performance targets, thereby supporting the performance culture of the Group.	Award levels are set according to best practice benchmarks, to ensure support of Group business strategy. Awards consist of conditional rights to shares, subject to performance conditions over a three-year performance period and continued employment period for the duration of the vesting periods of three years (75% of the award) and four years (25% of the award), respectively. The Group performance metrics comprise the following: • HEPS growth • ROFE • Sustainability • Strategic. The vesting of the hurdles is 30%, 60% and 100%, respectively, for threshold, target and stretch.	There are no changes to the metrics and weightings. Hurdles have been adjusted as follows: Increased HEPS growth threshold, target and stretch hurdles at compound GDP + CPI, GDP + CPI + 1.5% and GDP + CPI + 4%, respectively. Increased ROFE hurdles to be 28%, 29% and 32%, respectively, for threshold, target and stretch.	Post proposed changes Objective performance targets set for the following metrics: • Three-year compound HEPS growth (30% weighting) with threshold, target and stretch hurdles as set out alongside; • Three-year average ROFE (30% weighting) with threshold, target and stretch hurdles as set out alongside; and • Three-year average Sustainability score (20% weighting) which incorporates specific measurements relating to environmental, social and governance elements with threshold, target and stretch hurdles as set out in Table 1. The three-year average subjective strategic metric score (20% weighting) which include specific measurement elements of execution of strategy, innovation and deployment of technology and return uplift on major acquisitions. Awards consist of conditional rights to shares, subject to performance conditions over a three-year performance period and continued employment period for the duration of the vesting periods of three years (75% of the award) and four years (25% of the award), respectively.

Further details on long-term incentive plans.

Conditional Share Plan

At the 2008 AGM, shareholders approved a CSP for executive directors and senior employees with significant managerial or other responsibilities. Under the CSP, participants are awarded a right to future delivery of equity (i.e. a conditional right to receive shares). Vesting of shares is subject to the achievement of performance conditions. Group performance conditions, each with different weightings, have been imposed. The performance period is three years, coinciding with the Group's financial year. 75% of awards vest after three years and the remaining 25% after four years.

Further details on the award levels, performance period and measure can be found in Part 2 of this report.

Share Appreciation Rights Plan

Upon the unbundling of Bid Corporation Limited (Bidcorp) from Bidvest during May 2016, shareholders approved a new Share Appreciation Rights Plan (SAR Plan). It is the intention that senior management (excluding executive directors) will participate in the SAR Plan. SARs vest after three, four and five years and lapse after seven years.

Share dilution

An aggregate limit applies to the CSP and SAR Plan and no more than 5% of the issued share capital of Bidvest can be issued in settlement of both the CSP and the SAR Plan. If shares are purchased in the open market for settlement of allocations in terms of the CSP and the SAR Plan, the limits will not be impacted.

Non-executive directors

Terms of service

Non-executive directors are appointed by the shareholders at the AGM. Interim board appointments are permitted between AGMs. Appointments are made as per Group policy. Interim appointees retire at the next AGM, which is when they may make themselves available for re-election.

As appropriate, the board, through the nominations committee, proposes their re-election to shareholders. Each year, one third of the non-executive directors retire by rotation. A nine-year tenure limit is in place for non-executive directors.

Fees

Group policy is to pay competitive fees for the role while recognising the required time commitment. Fees are benchmarked against a comparator group of JSE-listed companies. The fees comprise an annual retainer component and attendance fee for scheduled meetings, as tabulated in Part 2 of this report. The chairman of the board receives an annual fee in lieu of retainer and attendance fees. In addition, non-executive directors are compensated for travel and subsistence expenses incurred on official business where necessary and to attend meetings. No contractual arrangements are entered into to compensate non-executive directors for the loss of office.

Non-executive directors do not receive a STI, nor do they participate in any LTI schemes, except where non-executive directors previously held executive office, and they remain entitled to unvested benefits arising from their period of employment. The Group does not provide retirement contributions to non-executive directors.

Management proposes non-executive directors' fees (based on independent advice) to shareholders annually for a shareholder vote.

Shareholder engagement

The Group's remuneration policy and its implementation are placed before shareholders for consideration and approval under the terms of an advisory non-binding vote at the 2021 AGM as provided in the Listings Requirements and recommended by King IV.

If 25% or more of the votes cast are recorded against either the remuneration policy resolution or the implementation resolution, then:

- Executive management and the Remuneration committee chairperson will engage shareholders to ascertain the reasons for dissenting vote. Where considered appropriate, other members of the Remuneration committee may participate in these engagements with selected shareholders; and
- Executive management will make specific recommendations to the Remuneration committee on how shareholders' legitimate and reasonable objections might be addressed, either in the Group's remuneration policy or through changes in how the remuneration policy is implemented.

Directors' interests in contracts

During the financial year, none of the current directors had a material interest in any contract of significance to which the Company or any of its subsidiaries were parties.

Non-binding advisory vote

Shareholders are requested to evaluate whether or not the tabled remuneration policy to be implemented in FY2023 strikes the appropriate balance between rewarding outcomes, financial and non-financial, considering the impact on all stakeholders by casting an advisory vote on the remuneration policy as contained in Part 1 of this report.

Part 2 – implementation of remuneration policy

In this part of the report, the implementation of Bidvest's remuneration policy voted on last year, is discussed. Achieved performance in FY2022 was measured against the agreed metrics in deriving incentive outcomes and personal performance considered in awarding salary increases.

Executive director remuneration

Guaranteed pay – base pay and benefits (FY2022)

It has been the Remuneration committee's intention to close the gap between the basic remuneration of the executive directors and that of the upper quartile of the peer group over the medium-term, in keeping with the policy, performance permitting. This multi-year phased-approach, which started in 2019, was interrupted by the pandemic and the Group-wide freeze of annual salary increases in July 2020.

As discussed in the FY2021 Remuneration report, the increases in basic remuneration in FY2022 effectively reflects adjustments spanning two years, and the annualisation impact of the CEO's promotion and commensurate remuneration, on 1 October 2020.

Based on an updated benchmarking, conducted by the independent advisor during 2022, the Remuneration committee approved an adjustment greater than inflation to the basic remuneration of the executive directors to close the differential to the upper quartile of the peer group, to reflect exceptional performance, tenure, race and gender. The respective increases, effective 1 July 2022, are 14%, 17% and 24%, for the CEO Mpumi Madisa, Mark Steyn the CFO and Gillian McMahon, an executive director. After these adjustments, the alignment of the executives' basic remuneration is now complete.

Short-term incentives (FY2022)

The performance measures and targets generating the awards were:

- HEPS growth (40% weighting) measured on a linear basis between the threshold (real growth), target (1% real growth) and stretch (4% real growth) hurdles. GDP and inflation are weighted based on the geographic mix of trading profit;
- ROFE (30% weighting) measured on a linear basis between the threshold 24%, target 25% and stretch 30% hurdles;
- Sustainability (15% weighting) metrics which include social, environmental and governance elements, measured on a linear basis between pre-set threshold, target and stretch hurdles evaluated by the Group Social, ethics and transformation committee; and
- Strategic (15% weighting) metrics which include strategic decision making, innovation and return uplift on major acquisitions over a three year period to be evaluated by the Group Acquisitions committee.

In the prior years, the Remuneration committee exercised its discretion in allowing the exclusion of the COVID-19 charges in calculating the headline earnings growth and ROFE. This adjusted FY2021 headline earnings formed the base from which growth was determined (i.e. a higher base was used than the actual reported). FY2022 headline earnings did not include any COVID-19 charge but the non-cash deferred taxation adjustment of R256 million due to a UK legislation change was excluded.

In its discretion, the Acquisition committee awarded a 95% score ("greatly exceeds expectations") for the strategic metric after considering the successful inaugural international bond placement at an extremely attractive interest rate which diversified the funding sources of the Group and extended the maturity profile into FY2027. This is a key enabler of Bidvest's international acquisitive growth ambitions. Strong organic growth and the bolt-on acquisitions by Noonan in the second half of FY2021 started to yield the scale and broader service offering benefits as demonstrated by the trebling of the ROIC generated by Noonan between FY2017 and FY2022. Several smaller bolt-on acquisitions were completed, investments made into increased capacity and operational restructuring executed. Innovation and technology efforts stepped up across all businesses. Particularly encouraging was the new sustainability-focused products and services launched which add value to both customers and the environment (for example cobots, water efficient taps, luggage comprising recycled material, no-cover counter books, etc.). The capabilities of ALICE were broadened and a virtual academy was launched to address the relevant IT skill shortage bottleneck.

The bonus outcomes were calculated as follows:

		Weighting	Threshold 30%	Target 65%	Stretch 100%	Actual	Outcome	Weighted outcome
HEPS growth		40%	8.78%	9.78%	12.78%	24%	100%	40.00%
ROFE		30%	24%	25%	30%	37%	100%	30.00%
Sustainability		15%					85%	12.81%
Environmental		5%						3.95%
	Reduction in Scope 1&2 emissions and water intensity (FY19 base; focus businesses)			0-5%	5%+	28%	100%	
	Code of Ethical Purchasing (or equivalent) declarations (based on # of offshore suppliers)		50%	70%	80%	66%	58%	
Social		5%						5.00%
	African appointments (top and senior management)		40%	45%	50%	58%	100%	
	Local procurement with B-BBEE L1-4 suppliers		55%	60%	65%	74%	100%	
Governance		5%						3.85%
	B-BBEE rating for 80% of all operating businesses		min L5	min L4	min L3	L4	65%	
	ALICE score (quarterly aver)		50%	40%	30%	33%	89%	
Strategic		15%					95%	14.25%
	Execution of strategy		Assess against portfolio of evidence. Scoring table					
	Return uplift on major acquisitions (3yrs)		Sequential improvement in return					
	Innovation & technology		Assess against portfolio of evidence. Scoring table					
		100%						**97.06%**
Maximum STI as a % of CTC (B)								**165% (CEO) and 150% (EDs)**
Overall score as % of CTC (A x B)								**160% (CEO) and 146% (EDs)**

Long term incentives

In line with the disclosure format recommended by King IV™, information relating to LTIs awarded, vested and settled during FY2022 as well as outstanding LTIs are disclosed.

No new shares were issued to fulfil obligations in terms of the Group's incentive plans.

Further details pertaining to the above are contained in the table titled *"Unvested long-term incentive awards and cash value of settled awards"* in the Annexure on page 80.

Long-term incentives awarded during 2022

All executive directors are awarded CSP awards. The following performance targets, weightings and performance periods apply to the CSPs awarded during 2022 and are to be tested over a three-year period that commenced on 1 July 2021. 75% of the awards will vest after three years while the remaining 25% will vest after four years.

Performance conditions and weighting	Detail of performance conditions	Vesting profile
• HEPS growth (30%) • ROFE (30%) • Sustainability metrics (20%), which include social, environmental and governance measures. • Strategic metrics (20%), which include specific aspects that are critical to building a business that creates value and will endure the test of time.	Three-year compound HEPS growth: • Threshold – real growth • Target – 1.5% real growth • Stretch – 5% real growth. Three-year average ROFE: • Threshold – 24% • Target – 25% • Stretch – 28%. Average annual calculated outcome over three years as it relates to sustainability metrics. Average annual calculated outcome over three years as it relates to strategic metrics as guided by the Acquisition committee.	HEPS, ROFE and Sustainability: • Below threshold – 0% vesting • At threshold – 30% vesting • Target – 60% vesting • Stretch – 100% vesting, where linear vesting will occur between the hurdles. The vesting of the strategic metrics awards will be determined by the Group Acquisition committee.

The CSPs awarded during FY2022 at a target using the 20-day VWAP price as at 30 June 2021, can be expressed as 111% and 105% of CEO and average executive director CTC, respectively. This award was based on a benchmarking exercise performed by the committee's standing advisors.

Nonqaba Katamzi, as Group company secretary during FY2022, was awarded 22 000 SAR in December 2021 at an award price of R168.61 per share.

Long-term incentives vesting during FY2022

The remaining 25% of the 2018 accrued awards vested in September 2022.

The 2019 CSP awards were tested against performance targets over a three-year period which commenced 1 July 2019. Based on the actual performance and assigned weightings, 87% of awards accrued to beneficiaries with 75% having vested in September 2022 and the remaining 25% vesting in September 2023.

2019 award

KPI	Weighting	Targets threshold 30% of Max	Target 60% of Max	Stretch 100% of Max	Actual performance	Outcome	Weighted outcome
HEPS	40%	12.84%	15.84%	18.84%	16.82%	73.09%	29.24%
ROFE	20%	20.00%	21.00%	24.00%	30.54%	100.00%	20.00%
Strategic actions	10%					91.67%	9.17%
Sustainability	10%					88.46%	8.85%
Overall score as a % of stretch [A]							**87.25%**

Long-term incentives settled during FY2022

Details relating to the settlement of long-term incentives are contained in the tables on page75.

Outstanding long-term incentives

As at 30 June 2022, the vesting of the CSP rights granted in 2020 and 2021, are estimated to be achieved as follows:

Performance conditions	Weighting	Vesting	2020 awards Weighted outcome
HEPS	20%	100.00%	20.00%
ROFE	20%	100.00%	20.00%
Relative TSR	20%	100.00%	20.00%
Strategic actions	20%	97.50%	19.50%
Sustainability	20%	87.69%	17.54%
Expected vesting			**97.04%**

Performance conditions	Weighting	Vesting	2021 awards Weighted outcome
HEPS	30%	100.00%	30.00%
ROFE	30%	100.00%	30.00%
Strategic actions	20%	95.00%	19.00%
Sustainability	20%	85.37%	17.07%
Expected vesting			**96.07%**

Total remuneration outcomes

Single figure of remuneration

The total remuneration outcomes are reflected below, comprising salary and benefits, cash incentives for FY2022 and long-term incentives where the performance period ended in FY2022. With reference to actual total pay during FY2022, Mpumi Madisa (R4.2 million), Mark Steyn (R3.4 million) and Gillian McMahon (R2.9 million) realised benefit from the exercise of CSPs which previously vested.

2022 R000s	Basic remuneration	Retirement/ medical benefits	Other benefits and costs	Cash incentives	LTIP reflected[1]	Single figure
Director						
NT Madisa	10 501	757	351	17 936	11 510	41 055
GC McMahon	4 447	345	256	7 097	7 774	19 920
MJ Steyn	5 640	273	308	8 735	9 961	24 917

1 LTIP reflected includes:

Type of award	*Note*	Award Date	Tranche/%	Bidvest 20 Day VWAP	Vesting date
Conditional shares	*2*	*3/12/2018*	*25%*	*213.50*	*3/12/2022*
Conditional shares	*2*	*28/11/2019*	*75%*	*213.50*	*28/11/2022*
SAR	*2*	*9/11/2017*	*3*	*213.50*	*9/11/2022*

2 The LTIP reflected is at the intrinsic value based on the 20-day VWAP as at 30 June 2022 for Bidvest and the actual number of shares that are going to vest.

With reference to actual total pay during FY2021, Mpumi Madisa (R2.2 million), Gillian McMahon (R1.2 million) and Lindsay Ralphs (R11.2 million) realised benefit from the exercise of CSPs which previously vested.

2021 R000s	Basic remuneration	Retirement/ medical benefits	Other benefits and costs	Cash incentives	LTIP reflected	Single figure
Director						
NT Madisa	8 099	589	183	13 935	3 996	26 802
GC McMahon	3 176	315	192	5 292	2 821	11 796
LP Ralphs[1]	6 207	522	459	–	12 505	19 693
MJ Steyn	4 174	266	222	6 626	4 046	15 334

1 Retired 30 September 2020.

LTIP reflected includes:

LTIP reflects early vesting on a proportional time-based basis and taking into account cumulative performance conditions for his outstanding CSPs in terms of the Bidvest Scheme Rules.

Type of award	*Note*	*Award date*	*Tranche/%*	*Bidvest 20 Day VWAP*	*Vesting date*
Conditional shares	*3*	*27/11/2017*	*25%*	*193.54*	*18/09/2021*
Conditional shares	*3*	*03/12/2018*	*75%*	*193.54*	*03/12/2021*
SAR	*3*	*07/11/2016*	*3*	*193.54*	*07/11/2021*
SAR	*3*	*09/11/2017*	*2*	*193.54*	*09/11/2021*

3 The LTIP reflected is at the intrinsic value based on the 20-day VWAP as at 30 June 2021 for Bidvest and the actual number of shares that are going to vest

Non-executive director remuneration

The remuneration paid to non-executive directors while in office of the Company during the year ended 30 June 2022 is analysed as follows:

Directors	Directors' fees R'000	As directors of subsidiary companies and other services R'000	2022 Total emoluments R'000	2021 Total emoluments R'000
L Boyce	984	328	1 311	232
EK Diack[3]	–	–	–	1 114
FN Khanyile[1]	366	–	366	–
MG Khumalo[1]	381	–	381	–
AK Maditse[2]	–	–	–	654
SN Mabaso-Konyana	1 176	–	1 176	272
S Masinga	832	–	832	745
BF Mohale	2 270	–	2 270	1 664
RK Mokate	1 261	–	1 261	956
NG Payne[3]	–	–	–	1 766
MD Ruck[4]	–	–	–	496
N Siyotula	715	–	715	692
NW Thomson	875	–	875	846
	8 861	328	9 189	9 437

1 Appointed 3 January 2022; 2 Retired 1 April 2021; 3 Retired from The Bidvest Group board with effect from 28 November 2019, disclosed remuneration is for the 12-months ended 30 June 2021; and 5 Resigned 30 June 2021.

It is proposed that a 7.5% increase in non-executive directors' fees for FY2023 be approved in line with the wage and salary increases approved across the Group.

	Basic per annum	Per meeting attended
Chairman[1]	1 875 731	
Lead independent	242 030	
Board members	125 197	50 284
Audit committee chairman	356 896	56 441
Audit committee member	94 283	41 048
Remuneration committee chairman	160 345	38 740
Remuneration committee member		44 255
Nominations committee member		40 791
Acquisitions committee chairman	107 367	45 666
Acquisitions committee member		47 975
Risk committee chairman	190 361	33 608
Risk committee member		35 661
Social, ethics and transformation committee chairman	114 165	33 608
Social, ethics and transformation member		22 858
Ad hoc meetings		24 372

[1] *Chairman's fees cover chairmanship and membership of all board committees.*

The above fees are proposed net of VAT which may become payable thereon to directors, depending on the status of the individual director's tax position.

Refer to special resolution 1 on page 6 of the notice of AGM for approval of the fees by shareholders in terms of section 66 of the Companies Act.

Non-binding advisory vote

Shareholders are requested to evaluate whether or not the remuneration policy adopted last year was effectively implemented in the year that ended 30 June 2022 by casting an advisory vote on the remuneration implementation report as contained in Part 2 of this report.

Approval

This remuneration report was approved by the board of directors of Bidvest. Signed on behalf of the board of directors.

Norman Thomson
Remuneration committee chairman

Annexure:

Unexercised and/or unvested long-term incentive awards and cash value of settled awards Valuation methodology applied

Names	Opening Number on 1 July 2020	Granted during 2021	Forfeited/ lapsed during 2021	Settled/ exercised during 2021	Closing Number on 30 June 2021	Cash value on settlement during 2021	Closing Fair Value at 30 June 2021
NT Madisa							
Conditional Share Plan							
24/10/2016	4 429	–	–	4 429	–	622 105	–
27/11/2017	30 000	–	15 197	11 102	3 701	1 559 054	704 839
03/12/2018	40 000	–	–	–	40 000	–	4 353 922
28/11/2019	75 000		–	–	75 000		7 960 769
27/11/2020	–	134 000	–	–	134 000		22 059 099
03/12/2021							
Replacement rights (Options)							
05/04/2013							
– Tranche 1							
– Tranche 2							
– Tranche 3							
13/03/2014	6 250	–	–	–	6 250	–	1 648 872
– Tranche 1	–	–	–	–	–	–	–
– Tranche 2	–	–	–	–	–	–	–
– Tranche 3	6 250	–	–	–	6 250	–	1 648 872
03/11/2014	–	–	–	–	–	–	–
– Tranche 1	–	–	–	–	–	–	–
– Tranche 2	–	–	–	–	–	–	–
–Tranche 3	–	–	–	–	–	–	–
11/12/2015	20 000	–	–	–	20 000	–	3 996 390
– Tranche 1	–	–	–	–	–	–	
– Tranche 2	10 000	–	–	–	10 000	–	1 998 195
– Tranche 3	10 000	–	–	–	10 000	–	1 998 195
Total	**175 679**	**134 000**	**15 197**	**15 531**	**278 951**	**2 181 159**	**40 723 889**

Strike price R	Granted during 2022	Forfeited/ lapsed during 2022	Settled/ exercised during 2022	Closing Number on 30 June 2022	Cash value on settlement during 2022	Closing Fair Value at 30 June 2022	Strike price R
	–	–	–	–		–	
	–	–	3 701	–	732 798	–	
	–	16 959	17 281	5 760	3 421 638	1 209 115	
	–	–	–	75 000		13 615 258	
	–	–	–	134 000		26 115 082	
	107 000	–	–	107 000		19 942 425	
238	–	–	–	6 250	–	1 814 665	
	–	–	–	–	–	–	
	–	–	–	–	–	–	
	–	–	–	6 250	–	1 814 665	
270	–	–	–	–	–	–	
	–	–	–	–	–	–	
	–	–	–	–	–	–	
	–	–	–	–	–	–	
302	–	–	–	20 000	–	4 526 927	
	–	–	–	–	–		
	–	–	–	10 000	–	2 263 464	
	–	–	–	10 000	–	2 263 464	
	107 000	**16 959**	**20 982**	**348 010**	**4 154 436**	**67 223 471**	

Names	Opening Number on 1 July 2020	Granted during 2021	Forfeited/ lapsed during 2021	Settled/ exercised during 2021	Closing Number on 30 June 2021	Cash value on settlement during 2021	Closing Fair Value at 30 June 2021
MJ Steyn							
Conditional Share Plan							
03/12/2018	40 000	–	–	–	40 000	–	4 353 922
28/11/2019	60 000	–	–	–	60 000	–	6 368 615
27/11/2020	–	57 000	–	–	57 000		9 383 348
03/12/2021							
SARS							
07/11/2016	40 000	–	–	–	40 000	–	1 846 070
– Tranche 1	20 000	–	–	–	20 000	–	938 535
– Tranche 2	10 000	–	–	–	10 000	–	469 268
– Tranche 3	10 000	–	–	–	10 000	–	438 268
09/11/2017	40 000	–	–	–	40 000	–	1 520 277
– Tranche 1	20 000	–	–	–	20 000	–	695 735
– Tranche 2	10 000	–	–	–	10 000	–	316 868
– Tranche 3	10 000	–		–	10 000		507 675
Replacement rights (Options)							
05/04/2013	–	–	–	–	–	–	–
– Tranche 1	–	–	–	–	–		–
– Tranche 2	–	–	–	–	–		–
– Tranche 3	–	–		–	–		–
13/03/2014	–	–	–	–	–	–	–
– Tranche 1	–	–	–	–	–		–
– Tranche 2	–	–	–	–	–		–
– Tranche 3	–	–	–	–	–		–
09/10/2014	3 750	–	–	–	3 750	–	939 861
– Tranche 1	–	–	–	–	–	–	–
– Tranche 2	1 875	–	–	–	1 875	–	469 930
– Tranche 3	1 875	–	–	–	1 875	–	469 930
11/12/2015	7 500	–	–	–	7 500	–	1 498 646
– Tranche 1	–	–	–	–	–	–	–
– Tranche 2	3 750	–	–	–	3 750	–	749 323
– Tranche 3	3 750	–	–	–	3 750	–	749 323
Total	**191 250**	**57 000**	**–**	**–**	**248 250**	**–**	**25 910 739**

Strike price R	Granted during 2022	Forfeited/ lapsed during 2022	Settled/ exercised during 2022	Closing Number on 30 June 2022	Cash value on settlement during 2022	Closing Fair Value at 30 June 2022	Strike price R
	–	16 959	17 281	5 760	3 421 638	1 209 115	
	–	–	–	60 000		10 892 207	
	–	–	–	57 000		11 108 654	
	54 000	–	–	54 000		10 064 401	
147	–	–	–	40 000	–	2 675 600	
	–	–	–	20 000	–	1 337 800	
	–	–	–	10 000	–	668 900	
	–	–	–	10 000	–	668 900	
159	–	–	–	40 000	–	2 153 600	
	–	–	–	20 000	–	1 095 000	
	–	–	–	10 000	–	547 500	
	–		–	10 000		511 100	
209	–	–	–	–	–	–	
	–	–	–	–		–	
	–	–	–	–		–	
	–		–	–		–	
238	–	–	–	–	–	–	
	–	–	–	–		–	
	–	–	–	–		–	
	–	–	–	–		–	
251	–	–	–	3 750	–	1 039 336	
	–	–	–	–	–	–	
	–	–	–	1 875	–	519 668	
	–	–	–	1 875	–	519 668	
302	–	–	–	7 500	–	1 697 598	
	–	–	–	–	–	–	
	–	–	–	3 750	–	848 799	
	–	–	–	3 750	–	848 799	
	54 000	**16 959**	**17 281**	**268 010**	**3 421 638**	**40 840 511**	

Names	Opening Number on 1 July 2020	Granted during 2021	Forfeited/ lapsed during 2021	Settled/ exercised during 2021	Closing Number on 30 June 2021	Cash value on settlement during 2021	Closing Fair Value at 30 June 2021
GC McMahon							
Conditional Share Plan							
24/10/2016	2 658	–	–	2 658	–	373 263	–
27/11/2017	15 000	–	7 600	5 550	1 850	779 387	352 419
03/12/2018	30 000	–	–	–	30 000	–	3 265 441
28/11/2019	50 000		–	–	50 000	–	5 307 179
27/11/2020	–	46 000	–	–	46 000		7 572 526
03/12/2021							
Replacement rights (Options)							
05/04/2013	–	–	–	–	–	–	–
– Tranche 1	–	–	–	–	–	–	–
– Tranche 2	–	–	–	–	–	–	–
– Tranche 3	–	–	–	–	–	–	–
13/03/2014	–	–	–	–	–	–	–
– Tranche 1	–	–	–	–	–	–	–
– Tranche 2	–	–	–	–	–		–
– Tranche 3	–	–	–	–	–		–
09/10/2014	5 000	–	–	–	5 000	–	1 253 147
– Tranche 1	–	–	–	–	–	–	–
– Tranche 2	–	–	–	–	–	–	–
– Tranche 3	5 000	–	–	–	5 000	–	1 253 147
11/12/2015	15 000	–	–	–	15 000	–	2 997 292
– Tranche 1	–	–	–	–	–		
– Tranche 2	7 500	–	–	–	7 500	–	1 498 646
– Tranche 3	7 500	–	–	–	7 500	–	1 498 646
Total	**117 658**	**46 000**	**7 600**	**8 208**	**147 850**	**1 152 649**	**– 20 748 006**

Names	Opening Number on 1 July 2020	Granted during 2021	Forfeited/ lapsed during 2021	Settled/ exercised during 2021	Closing Number on 30 June 2021	Cash value on settlement during 2021	Closing Fair Value at 30 June 2021
LP Ralphs							
Conditional Share Plan							
11/12/2015	20 879	–	–	20 879	–	2 932 038	–
24/10/2016	17 717	–	–	17 717	–	2 487 998	–
27/11/2017	112 000	–	56 736	41 448	13 816	5 820 543	2 631 399
03/12/2018	120 000	–	68 157	–	51 843	–	13 061 766
28/11/2019	150 000	–	150 000	–	–	–	–
Total	**420 596**	**–**	**274 893**	**80 044**	**65 659**	**11 240 579**	**15 693 164**

Strike price R	Granted during 2022	Forfeited/ lapsed during 2022	Settled/ exercised during 2022	Closing Number on 30 June 2022	Cash value on settlement during 2022	Closing Fair Value at 30 June 2022	Strike price R
	–	–	–	–		–	
	–	–	1 850	–	366 300	–	
	–	12 719	12 961	4 320	2 566 278	906 836	
	–	–	–	50 000		9 076 839	
	–	–	–	46 000		8 964 879	
	44 000	–	–	44 000		8 200 623	
209	–	–	–	–	–	–	209
	–	–	–	–	–	–	
	–	–	–	–	–	–	
	–	–	–	–	–	–	
238	–	–	–	–	–	–	238
	–	–	–	–	–	–	
	–	–	–	–		–	
	–	–	–	–		–	
251	–	–	–	5 000	–	1 385 782	251
	–	–	–	–	–	–	
	–	–	–	–	–	–	
	–	–	–	5 000	–	1 385 782	
302	–	–	–	15 000	–	3 395 195	302
	–	–	–	–			
	–	–	–	7 500	–	1 697 598	
	–	–	–	7 500	–	1 697 598	
	44 000	**12 719**	**14 811**	**164 320**	**2 932 578**	**31 930 154**	

Strike price R	Granted during 2022	Forfeited/ lapsed during 2022	Settled/ exercised during 2022	Closing Number on 30 June 2022	Cash value on settlement during 2022	Closing Fair Value at 30 June 2022	Strike price R
	–	–	–	–		–	
	–	–	–	–		–	
	–	–	13 816	–	2 735 568	–	
	–	–	51 843	–	10 264 914	–	
	–	–	–	–	–	–	
	–	**–**	**65 659**	**–**	**13 000 482**	**–**	

Valuation methodology applied

TYPE OF AWARD	AWARD DATE	TRANCHE*	VALUATION METHODOLOGY APPLIED: MARKET VALUE ESTIMATION USING	VALUATION METHODOLOGY APPLIED: INTRINSIC**	2022 Valuation: Bidvest 20 Day VWAP	2022 Valuation: Bidcorp 20 Day VWAP
Conditional share	03/12/2018	n/a		✓	213.50	n/a
Conditional share	28/11/2019	n/a	✓	✓	213.50	n/a
Conditional share	27/11/2020	n/a	✓		213.50	n/a
Conditional share	03/12/2021	n/a	✓		213.50	n/a
Replacement share	09/10/2014	n/a		✓	213.50	314.39
Replacement share	03/11/2014	n/a		✓	213.50	314.39
Replacement share	11/12/2015	n/a		✓	213.50	314.39
Replacement share	11/12/2015	n/a		✓	213.50	314.39
SARS	07/11/2016	n/a		✓	213.50	n/a
SARS	07/11/2016	n/a		✓	213.50	n/a
SARS	09/11/2017	n/a		✓	213.50	n/a
SARS	09/11/2017	n/a		✓	213.50	n/a

* *All Replacement Rights and SARS have vested but not all are exercised.*

** *Intrinsic value less present value of September 2022 dividend which the instrument is not entitled to in respect of awards not yet vested.*

	2021 Valuation					
	Bidvest 20 Day VWAP	Bidcorp 20 Day VWAP	Strike Price	Performance conditions Vesting %	Performance conditions	Vesting date
	193.54	n/a	n/a	58%	✓	25% – 30/09/2022
	193.54	n/a	n/a	87%	✓	75% – 30/09/2022 25% – 30/09/2023
	193.54	n/a	n/a	97%	✓	75% – 30/09/2023 25% – 30/09/2024
	193.54	n/a	n/a	96%	✓	75% – 30/09/2024 25% – 30/09/2025
	193.54	307.82	250.73	n/a	x	Fully Vested
	193.54	307.82	269.95	n/a	x	Fully Vested
	193.54	307.82	301.54	n/a	x	Fully Vested
	193.54	307.82	301.54	n/a	x	Fully Vested
	193.54	n/a	146.61	n/a	x	Fully Vested
	193.54	n/a	146.61	n/a	x	Fully Vested
	193.54	n/a	158.75	n/a	x	Fully Vested
	193.54	n/a	158.75	n/a	x	25% – 09/11/2022

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