

Governance





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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 Exco, which is comprised of Group directors and functional executives (covering strategy, finance, transformation, investor relations, ESG, business development) as well as the seven divisional CEOs. 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, 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
Governance	Ethics	To conduct business with uncompromising integrity
	G1	
	Governance structures	To provide assurance to all stakeholders through independent oversight
	G2	
	Risk management	To identify material risks, qualitative and quantitative, and mitigate them
	G3	
	Data privacy	To comply with legislation and reduce IT security risks
	G4	

We will	Measurement	FY2019 base	FY2025 target	FY2023 actual
Be honest, respectful and accountable at all times to all stakeholders	Cases reported via the Ethics Line and the resolution thereof			208
Transparently and actively monitor and manage product and service safety as well as regulatory compliance	# of product recalls			7
	# regulatory violations/fines			0
Uphold the established governance structures and have a B-BBEE Level 2 rating by 2025	B-BBEE audited rating	L3	L2	L2
	% board independent			73%
Formulate mitigating actions for all identified material risks	Risk register			Refer to pg 30 of Integrated report
Deploy ALICE™ across all businesses to continuously assess data governance and basic IT hygiene. We target a score of 25% or lower by 2023	ALICE™ IT score		<25%	29%
	# of reported cyber/information breaches			3
Implement a data privacy framework and raise internal awareness	% of employees trained			71% externally trained; balance internal awareness

Ethics

The Group subscribes to a philosophy of transparency, accountability and integrity in all our business dealings with all stakeholders, while always upholding human rights, as captured in the Bidvest Code of Ethics.

There are established grievance and whistle-blower processes at individual business level, 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 independently operated by Deloitte. Coverage of the Ethics facility includes all our international 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 action 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 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 CEO reviews calls and responses and initiates the necessary further investigation with a focus on calls relating to racism, discrimination and harassment. The Group executive director, together with the Head of IA, also reviews quarterly calls and progress in detail.

During FY2023, a total of 208 calls were logged through the Ethics facility. Of these, 22 remain open with thirteen human resource related, five fraud, two governance, and one each for corruption and other crimes. No calls from previous periods remain open.

Category	Closed	Waiting	Grand total
Corruption	12	1	13
Enquiry	11		11
Fleet Management irregularities	4		4
Fraud	28	5	33
Governance	18	2	20
Human Resources	100	13	113
Other Crime	6	1	7
Theft	6		6
Violent Crime	1		1
Grand total	186	22	208

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

88%
internal control
enhancements
were implemented

9
disciplinary actions
were taken

2
employees were
dismissed

one
civil case was
opened

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

Policies

During the year, the Bidvest Code of Ethics as well as the Environmental Policy were revisited and updated. The Group also established a Human Rights and Diversity Policy. These policies and code embed the principles that guide our daily behaviour across all Group businesses.

The documents can be found on the corporate website.

Brand

The Bidvest brand moved up to the 17th most valuable brand in SA

The Group has a comprehensive intellectual property and trademark portfolio that consists of more than 3 000 registered trademarks and 1 200 internet domains.

Product and service safety

Most products distributed and retailed are backed by manufacturer guarantees and South Africa Bureau of Standards (SABS) approval. 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 recycles sanitary bin waste in line with regulations.

A total of seven product recalls were recorded across the Group during the year:

- Two related to OEM components at Bidvest McCarthy;
- Three product recalls in G Fox's garment factory
- One instance of product contamination and/or loss in Freight; and
- One product recall in PHS relating to the wall-mounting of a dispenser.

There were four 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 has been in place across the Group since May 2022. This policy and plan inform 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 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. Effective 18 December 2022, McCarthy dealerships become Accountable Institutions in terms of FIC and the reportable cash transaction limit increased from R25 000 to R50 000. The businesses have 18 months to comply and work is advanced on the required processes, procedures and training.

Voltex has contracted a waste collection company to meet its obligation under the Extended Producer Responsibility legislation.

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

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

No
regulatory fines

71%
of Group
employees underwent
externally accredited
cybersecurity
awareness training

15
cyber incidents
investigated

3
POPIA breaches
were reported to
the Regulator

85%
of the Group's
businesses have a
Level 1-4 rating

76%
of the Group's
businesses have a
Level 1-3 rating

**Bidvest
Group
Level 2 rating**



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: Bidvest House, 18 Crescent Drive, Melrose Arch, 2196

LEVEL TWO CONTRIBUTOR

Scorecard Information	Actual Score	Target Score	Analysis	Results
Ownership	23.45	25.00	Black Ownership Voting Rights Percentage	*47.97%
Management Control	14.91	19.00	Black Ownership Economic Interest Percentage	*36.87%
Skills Development	17.09	20.00	Black Women Ownership Voting Rights Percentage	22.27%
Enterprise and Supplier Development	38.03	42.00	Black Women Ownership Economic Interest Percentage	20.18%
Socio-Economic Development	5.00	5.00	51% Black Owned Designated Group Supplier	No
Total Score	98.48	111.00	Black Disabled Percentage	0.00%
			Black Youth Percentage	1.45%
Participated in Y.E.S Initiative	No		Black Unemployed Percentage	0.00%
			Black People Living in Rural Areas	0.00%
			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 Principle Applied	No
Achieved 2 x Y.E.S Target & 5% Absorption	No		VAT Number	4240291122
Empowering Supplier	Yes		Financial Year End	30 June 2023
Procurement Recognition Level	125.00%		Effective Date Used	28 September 2023
Discounting Principle Applicable	No		Expiry Date	27 September 2024
Recorded Procurement Recognition Level	125.00%		Re-Issue Date	N/A

*Ownership includes Mandated Investments and Sale of Assets

Technical Signatory - P Dozwa

Date 28 September 2023

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 06 May 2015.

EMPOWERDEX (PTY) LTD REG. 2001/017963/07
DIRECTORS: J BREBNOR, V JACK, L RATSOMA, C WU



G23J06820



BVA 030

Championing Hygiene: Bidvest's supports the national school sanitation initiative

The dangers of pit toilets are well-known in SA schools. It is an ongoing concern as children continue to face the nightmare risk of falling into the pits. Despite efforts by the authorities to change this situation, progress is slow and incidents continue to be reported.

With Bidvest's committed intention and purpose to create meaningful change, improve lives, and contribute positively to society, it made a decision that it cannot stand on the sidelines and watch this unfolding tragedy. Social transformation through economic upliftment of communities and businesses, and investment in education and health, are prerequisites at Bidvest. Strategic partnerships have been established with key stakeholders to gain scale, add value and entrench long-term relationships through common purpose. One of the examples of this is the work being done, alongside government, to implement a national initiative to support change in the current flawed schools' sanitation situation.

Bidvest has completed two pilot projects, with the handover to beneficiaries successfully achieved over the past year. AM Lembede Primary School in Parys, Free State, and Ethembeni Primary School in Daggakraal, Mpumalanga, were recipients of new and upgraded sanitation facilities, greatly enhancing the overall hygiene and convenience for learners and staff.

The innovative system used at the AM Lembede school connects to existing ablution facilities, treating and recycling water for reuse. It is not only an efficient and cost-saving measure, but also a step towards sustainability and dignity. The school leadership has expressed significant gratitude, saying that the upgrades had brought about an enormous change for the learners. With modern upgrades comes the necessity for training relating to cleaning and maintaining the new facilities, and cleaning staff are now equipped to upkeep these enhanced amenities properly. The new system uses as little as two litres of water, as opposed to the conventional nine litres usually required to flush a toilet. This translates into a significant saving and a dual benefit to not only the end user, but also the municipality

and water service authorities. The system is designed to be compatible with a conventional sewer system and places far less strain on the sewage treatment plants because of the great reduction in the volume of water required for flushing.

The Ethembeni school needed a treatment plant to enable the school to make use of the existing waterborne ablution facilities originally constructed in 2021. Bidvest provided a next generation 'off the Water Grid' recirculation wastewater and sanitation treatment system. The installed system treats wastewater and kills harmful pathogens without the need for connections to sewers, treatment plants or water supply. Bidvest also arranged for the installation of the Backend Treatment Plant as well as solar PV panels, an inverter and lithium-ion battery. The solar energy will not only be used for the wastewater treatment plant, but will enable the school to benefit from excess energy generated by the solar PV panel during the day when the grid is available, making a significant contribution in reducing the school's energy costs.



Dispose with Dignity

In the UK, one in eight men (one in four black men) will get prostate cancer and many men experience urinary problems as a side effect of their treatment. Men, both young and old, need a sustainable solution to enable them to live their lives to the full.

The PHS Dispose with Dignity male incontinence campaign was launched earlier this year, after a survey of 2 750 incontinent men to understand the impact the issue has on their lives.

PHS launched its male incontinence bins, in partnership with Prostate Cancer UK. These were trialled and tested to ensure the incontinence products that men wear, fitted into our new bins. It was found that a normal sanitary bin didn't work as the opening is not big enough to deal with the size of the incontinence waste.

So far, there are 3 500 bins installed across our customers sites in the UK. Although there remains a lot of work to do around education and driving awareness to remove the stigma the campaign has opened the door to get men talking.

PHS is currently working on a three-year partnership with Prostate Cancer UK, which supports PHS' purpose of putting people at the hearts of its products and services. Since launched the Dispose with Dignity campaign, PHS has raised £94 000 for Prostate Cancer UK.

Part of the partnership sees PHS lobbying Government and since March 2023, they have been working in partnership with Prostate Cancer UK to identify key stakeholders in Government. This has involved writing an open letter to Government and policy makers, to encourage them to review the current HSE (Health and Safety Executive) policy, to bring about change. All that we are asking is that the existing HSE guidance is changed from 'sanitary provision should be made available to women' to 'men and women', so that men can dispose of their incontinence waste with dignity. At the moment, there is a provision for men to use disabled toilets to dispose of their incontinence waste.

Between 3-6 million people in the UK suffer from urinary incontinence, and while leaks have traditionally been

seen as a female issue, the campaign recognises that it is time for a conversation about the men who suffer in silence.

The response to the campaign has been positive. People are shocked when they realise the number of men that deal with incontinence issues – and even more shocked when they hear the Prostate Cancer statistics. This issue really resonates with people. PHS and Prostate Cancer UK are here for these men. As the leading hygiene services provider in the UK, Ireland, and Spain, PHS is doing its best to build awareness, but a big challenge is that men don't like to talk. Slowly, through the PHS video and the case study volunteers, that is changing. The campaign would like to see a world where men's lives are not limited by urinary incontinence.

The campaign has been shortlisted for the Global Purpose Awards and for the Chartered Institute of Public Relations Awards 2023.

MALE INCONTINENCE DISPOSE WITH DIGNITY

Research into male urinary incontinence (UI) in the UK

Commissioned by

PROSTATE CANCER UK | phs Group

HELPING MEN LIVE WELL

Excel-lence on display at the South African Excel championships

Bidvest ALICE™ recently joined forces with Excel Academy and with the Financial Modeling World Cup (FMWC) to bring the SA Excel championship to home ground, giving this international competition a 'local is lekker' flavour.

The big idea behind bringing these championships to SA is to build awareness of financial modelling as a lucrative career for those who thrive on problem solving. Renier Wessels, Head of Automation and Digital Consulting, Bidvest Advisory Services is the founder and co-ordinator of the SA Excel championships. Being a competitor too, he was placed 15th in the international competition in 2021, first in SA, and in Africa. A huge accomplishment for him, and the ALICE™ team.

The competition is open to anyone with basic Excel skills and a knack for problem-solving. At the end of the day it is the competitor who can

master simplicity when working under pressure, that will be in the lead.

Each session of the competition was only 30 minutes and included South African themed problem-solving cases that competitors had to solve using any functionality in Excel. Themes included the Springboks' performance in the Rugby World Cup, Snakes and Ladders, and Clock Solitaire, loadshedding as well as hotel occupancy automation in the finals of the competition. What set the winning players apart was their ability to simplify complex information quickly and efficiently and structure the information accurately under time pressure.

Currently SA and Madagascar are the only two countries that have founded local chapters for the FMWC, but E-sports is gaining traction. Not only do competitors enjoy the fun, they also get to learn about the power and versatility of Excel. Renier is passionate about teaching and educating people and says this competition offers a platform to share practical skills while

encouraging an environment of friendly competition, networking opportunities and knowledge-sharing.

Dan Stillerman at the Excel Academy says they have trained hundreds of Bidvest employees, so supporting the competition was something they were excited to do. They would like to see the event grow and develop the country's emerging Excel talent into the future.

The local competition has enjoyed significant growth since its inception, and each passing year sees numbers rising. In 2023, this trend continued as 35 contestants entered, further solidifying the competition's status as a growing platform for talent and innovation in our community. The organisers believe it is just the beginning as future competitions are bound to attract new and exciting talent and will hopefully draw more sponsorships too. With this will come a motivated pool of new contestants.



Bidvest gets behind Team South Africa

In May, Bidvest proudly joined the African Sports Confederation and Olympic Committee (SASCOC) as the official partner for Team South Africa. With the announcement came the relaunch of its Operation Excellence programme, now called the Bidvest Operation Excellence (Bidvest OPEX) programme.

The programme is aimed at supporting athletes with the potential to qualify for world events at the highest level in multi-sporting codes. Bidvest's investment of R66 million will be directed toward the multi-faceted support needed by SA athletes in their Olympic and Paralympic Games preparation for both Paris 2024 and Los Angeles 2028, as well as other leading international sporting events.

Speaking at the launch event, Bidvest CEO, Mpumi Madisa, emphasised how deeply the partnership has resonated across the Group as excellence is a principle that we live every day at Bidvest. Our view is not to look 'next door' but it's more about how we compete against ourselves, and setting out to beat our last achievement. It is also about doing our best and doing better today than we did yesterday.

The Bidvest OPEX programme consists of three tier parallel phases, which will receive funding support:

- One is a focus on funding elite athletes (who are the podium-potential medallists where performance success, specifically for next year's Olympic Games in Paris, is anticipated)
- Two is developing up-and-coming athletes (supporting our nation's developing sports people, specifically those getting ready for the Olympic Games in Los Angeles in 2028)
- And three is finding new talent at grassroots levels. This third tier is particularly exciting for Bidvest, as it goes down to grassroot levels across the country and is where Bidvest, working with SASCOC and other partners, will support and develop young sports people who are unaware of their talent, at this early stage, to become future Olympians.

Athletes will benefit from Bidvest's contribution by assistance with their living expenses, medical aid costs, transportation, access to training facilities, coaching and training fees, among many other important support services that sportsmen and women need when performing at an international level.

Mpumi explained that the ultimate decision to participate in this sponsorship was made because we recognise that sport is an amazing unifier. It cuts across all races, genders, geography, ethnicity and in SA, specifically, sport catalyses social cohesion, and breaks boundaries.

Bidvest was also attracted by the opportunity to participate in a programme that is not focused on only one sporting code. This partnership afforded Bidvest with a unique and rare chance to put the Bidvest brand behind not only soccer, rugby, cricket, but also netball, hockey, swimming, gymnastics, and many other codes.

The third appeal for us as a Group was the ability to take inclusion in sport to a higher level and provide equal opportunity to athletes with disabilities. Our energy, financial resources and excitement are equally spread among the athletes' preparations for both the Olympic and Paralympic events.



Governance structure

The Bidvest 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. The Board has a unitary structure, comprising eight non-executive directors and three executive directors being the Group CEO, the Group CFO and the Group executive director functioning within the ambit of an approved charter. The Board charter is subject to the provisions of the Companies Act, the Listings Requirements of the Johannesburg Stock Exchange Limited (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 determining its diversity profile. The Board is comfortable that Bidvest complies with the Companies Act, its Moi and the Listing 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.

Changes in Directorship

Board appointments

The Nominations committee remained the primary custodian of the Board's succession planning. Accordingly, appointment of directors to the Board is conducted through a formalised procedure

within the remit 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 Mr. Khumo L. Shuenyane as an independent non-executive director effective 4 September 2023 as well as a member of the Audit and Acquisitions committees. Mr. Shuenyane's appointment is, in terms of the company's Moi, subject to confirmation by shareholders at the forthcoming annual general meeting (AGM).

Induction

Mr. Shuenyane will be taken through an induction programme as soon as practically possible. Such programme entails 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 programme will be concluded with site visits of the various business operations scheduled for the remainder of the year.

External assurance

PwC, the Group's external auditor issued their opinion on the FY2023 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 2023, and its consolidated financial performance and cash flows for the year then ended.

Key audit matters 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.