



The Bidvest Group Limited

Sustainability Report 2004

The Bigger Picture

This sustainability report is available as a pdf download off our website www.bidvest.com

Copies of The Bidvest Group Limited Annual Report 2004, "Our businesses and products" brochure and other corporate documentation can be obtained by contacting us, or can be downloaded from our website.

 This symbol indicates that further detailed information is available.



We're an international services, trading and distribution company,
listed on the JSE Securities Exchange South Africa
and operating on three continents.

We employ 82 000 people worldwide,
but our roots will always be South African.

In a big business environment we run our company
with the determination and commitment evident in a small business heart.

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

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

And, we strive to deliver strong and consistent shareholder returns.

But most importantly, we understand that people create wealth,
and that companies only report it.

We are proudly Bidvest – a company that creates value
and builds strength from diversity.

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This report should be read in conjunction with our annual report.

Chairman's Message



Cyril Ramaphosa

Non-executive Chairman

Cyril is the past chairman of the Black Economic Empowerment Commission and vice-chairman of the Global Business Coalition on HIV/Aids. He has received honorary doctorates from the University of Natal, the University of Port Elizabeth, the University of Cape Town, and the University of the North, the University of Lesotho and the University of Massachusetts (USA).



Our approach . . .

It is an honour for me to present to you our 2004 sustainability report. The report, *The Bigger Picture*, not only emphasises our approach to sustainability, but also underlines some of the opportunities and challenges we face in years to come.

For us, sustainability is about increasing opportunities and managing the social, economic and environmental risks against a backdrop of ethical governance. We firmly believe that by adopting the principles and implementing the practices of sustainability, we will be well equipped to deal with the challenges of good corporate citizenship, sustainable economic value-add and responsible environmental care.

Discounting sustainability will have detrimental consequences for our business viability and will ultimately affect our reputation. Conversely, we realise and look forward to the numerous opportunities that will cascade when we proactively address these issues. The result will inevitably be a company valued by investors, regulators, employees and communities, supporting our goal to be successful in growing our business.

As non-executive chairman, I will be instrumental in highlighting the importance of accountable corporate citizenship and providing ethical, open and accountable leadership that ensures transparent disclosure of our progress in terms of economic, environmental and social performance. I will also lead and encourage the sustainability debate at board level to ensure a balance between social responsibility and commercial competitiveness.

In our business environment, characterised by a decentralised entrepreneurial culture and a diverse range of products and services, accountable corporate citizenship can only be achieved by integrating our values and policies into our business strategies, in a way which complements the larger societal agenda. True performance will only be realised when all team members in the Bidvest family view the material issues around sustainability as integral to the way we conduct our business. This implies measuring performance against short-term targets and the consideration of longer-term objectives which cover all our social, environmental and economic risks.

In the short term our focus will be to engage with our stakeholders; to develop and communicate our values and policies to all our businesses; to create a culture of knowledge-sharing and transparency and to set and monitor key performance indicators material to the impacts of our business.

Bidvest will continue on this challenging path of building on current performance to become a company distinguished by outstanding performance in the sustainability arena.

Chief Executive's Statement



Brian Joffe

Chief Executive

Since founding Bid Corporation in 1988, Brian served as executive chairman until his appointment as chief executive in 2004. He has over thirty years of local and international commercial experience. He was one of the Sunday Times' top five businessmen in 1992 and is a past recipient of the Jewish Business Achiever of the Year award. Brian was voted South Africa's Top Manager of the Year in 2002 in the Corporate Research Foundation's publication "South Africa's Leading Managers" and was selected as South Africa's candidate for the coveted "Ernst & Young Entrepreneur of the Year" award 2003.

Towards a sustainable business . . .

It is with great pride that we publish our first sustainability report and reflect on the enthusiasm and commitment of Bidvest's people in working towards a truly sustainable business.

The Bigger Picture strongly reflects our sustainability performance and the empowerment initiatives required to sustain long-term growth in South Africa. In drafting the report, we were guided by the Global Reporting Initiative's framework for sustainability, complemented by a risk-based approach that focuses on relevance and materiality. The significance of black economic empowerment to our stakeholders, both in the micro and macro business arena, has resulted in a report skewed in favour of the social performance component.

Environmental risks are managed and reviewed through our internal control systems on a decentralised basis. Our operations are predominantly in the services industry and we realise that we have not fully quantified our environmental impacts on the physical environment. The report discloses qualitative information on those businesses where environmental impacts could pose a risk and these are presented in the form of case studies. The current lack of sufficient

quantitative data on resource consumption (materials, water and energy) and waste emissions (emissions, effluent and waste disposal) at a Group level will be addressed and relevant statistics will be collated and communicated in future reports.

The groundbreaking partnership with Dinatla Investment Holdings, our national consortium of empowerment partners, announced in July 2003, continues to be instrumental in facilitating and delivering sustainable empowerment opportunities. A broad-based and representative empowerment grouping now shares and influences the future of Bidvest, both in South Africa and abroad.

An enterprise-based charter, *The Bidvest Charter*, was drafted in consultation with Dinatla and the South African government, to set the direction and strategy for further development of sustainable socio-economic opportunities within the life cycle of our divisions and business units.



We will continue with energy, enthusiasm, encouragement, support and commitment towards a sustainable and empowered business.





As an international corporation with diversification across a broad spectrum of industries, we have initiated and developed a balanced scorecard that builds on the foundations of the South African Broad-Based Black Economic Empowerment Act. The scorecard will guide our internal business activities and our performance against a predetermined set of targets. The raw data is confirmed by third-party assurance providers and the scores determined and verified by an independent empowerment rating agency.

From a corporate citizenship perspective, the founding of The Bidvest Dinatla Trust to serve the educational and social needs of Bidvest employees, their dependants and communities was a focal point. The Bidvest Academy, launched in 2003, continues to support the development of leadership skills in our future management generation.

Sustainability is about creating value and wealth for our stakeholders through the creation of equitable economic opportunities whilst being socially and environmentally responsible.

We will continue with energy, enthusiasm, encouragement, support and commitment towards a sustainable and empowered business – the necessary elements for the bigger picture . . .

Our Group in Brief

	Description of business	Businesses	Contribution to Group trading income
The Services Division			
 Bidfreight	Bidfreight is the leading freight management group in sub-Saharan Africa, with international representation and operations in the United Kingdom and continental Europe	• Bidfreight Terminals, International Forwarding, Marine Services, Manica Africa, Dartline, Ontime Automotive	16,9%
 Bidserv	Bidserv operates in the outsourcing market by supplying cleaning, laundry, hygiene, security and staff facilitation services	• Prestige Group, Specialised Property Solutions, TMS Group, Boston Launderers, First Garment Rental, Montana Laundries, Steiner Hygiene, Puréau, Commercial Sundries, G Fox & Company, Top Turf Group, Executlora, My Express Company, Airport Handling Services, Express Air Services, Magnum Shield, Vericon Outsourcing, Proicom Electronics, International Payment Systems	8,0%
 Rennies Financial Services	Rennies Financial Services is southern Africa's leading travel-related financial services group	• Travel Services, Rennies Bank	5,0%
The Foodservice Products Division			
 Bidvest United Kingdom	3663 First for Foodservice is one of the United Kingdom's leading foodservice companies	• 3663 First for Foodservice	18,0%
 Bidvest Australasia	Bidvest Australasia includes Bidvest First for Foodservice in Australia and Crean First for Foodservice in New Zealand	• Bidvest First for Foodservice, Crean First for Foodservice	5,4%
 Caterplus	Caterplus is a leading, broadline foodservice distributor of a comprehensive range of products to the catering, hospitality and leisure industry	• Catering Supplies, Frozen Foods, Speciality, Catering Equipment	6,7%
 Combined Foods	Combined Foods manufactures and distributes a comprehensive range of products to the bakery, meat and food processing industries	• NCP Yeast, Chipkins Bakery Supplies, Crown National	4,7%
The Commercial Products Division			
 Bidoffice	Bidoffice is engaged in the supply, distribution and manufacture of commercial office products	• Stationery, printing and related, office automation, office furniture	15,0%
 Bidpac	Bidpac is the market and technology leader of nailing, stapling, packaging closures, strapping, adhesive tape, stretchfilm, marking and coding, construction fasteners, labels and stationery products	• Packaging Closures, Paper Conversion	4,3%
 Voltex	Voltex is the pre-eminent distributor and wholesaler in South Africa of electric cable, electrical accessories and all related electrical products	• The Voltex Electrical Distribution Division, The Berzack Division	5,6%
The Automotive Products Division			
 McCarthy Limited	McCarthy is South Africa's second largest motor retailer boasting a proud history dating back to 1936, and an even more exciting future. Its network comprises 90 wholly owned dealerships representing the top franchises in all the major centres	• McCarthy motor franchises: Alfa Romeo, Audi, BMW, Chrysler, Fiat, Hino, Isuzu, Iveco, Land Rover, Lexus, Mercedes-Benz, Mitsubishi, Nissan, Opel, Peugeot, Renault Trucks, Toyota, Volkswagen • Budget Rent a Car, McCarthy Call-a-Car, Burchmore's Car Auctions, Yamaha Distributors, McCarthy Fleet Services, McCarthy Financial Services, McCarthy On-Line, McCarthy Pre-owned	8,5%
Corporate Services			
 Corporate Services	Strategic direction, financial management and corporate finance services		1,9%
 mymarket.com	Bidvest's business-to-business e-procurement marketplace is an electronic exchange using the world's best technology		
 Bidvest Network Solutions	Bidvest Network Solutions develops network solutions both as an internal service provider to Bidvest and to external clients		
 Bid Property Holdings	Bidprop manages the Group property portfolio, provides property management and property development services		
 The Bidvest Group Limited			100,0%

Operational highlights	Number of employees	Revenue R'000	Trading income R'000	Funds employed R'000	Employee benefits and remuneration R'000
Exchange rate influences trading patterns • Terminals lift Bidfreight to a strong increase in margin • Safcor Panalpina adversely affected by its exchange rate sensitivity	7 934	13 851 635	430 641	700 765	1 222 921
Soft services produce 6% real growth • Expansion at the expense of competitors • Expense control and annuity income preserve margin	43 795	2 165 517	205 600	519 509	1 079 062
Travel edges forward whilst banking retreats • Intensified competition and structural changes in the travel industry • Sharp fall in banking income due to direct and indirect exchange rate impacts	2 258	658 216	127 444	30 311	284 836
Sterling foodservice performance • Market share gains and efficiencies increase 3663 profits by 25% to £40m • Capital expenditure continues at a high level	5 647	14 161 750	459 948	263 024	1 508 936
Expanding the foodservice offering • Double digit growth in revenue and income as geographic spread is enhanced • Quick Service Restaurant and Hospitality Supplies divisions launched	1 904	5 176 737	137 954	417 939	446 689
Defeating deflation • Adaption to a deflationary environment creates strong base for the future • Multi-temperature concept; quietly leading the market in a new direction	1 934	1 967 570	170 343	146 516	151 692
Spiced results • Strong profit and margin growth assisted investment new spice factory • Competitive challenges met across all operations	971	960 684	121 336	174 306	119 603
Pricing and margin pressures • Currency effect on imported product and pressure on paper prices • Océ acquisition benefits automation; Konica Minolta leads its market segment	8 403	4 766 335	383 910	1 098 393	962 506
Protecting profitability • Margins enhanced despite challenging conditions for customers • Selected product extensions – Esselte production partnership	1 813	748 224	110 878	281 489	162 308
Stronger voltage comes through • Commercial work yielding substantial successes • Overall margin improves in spite of copper price gyrations	2 120	2 263 097	142 156	384 118	226 098
Motoring buoyancy • Increased customer affordability powers Yamaha profits • Volume growth and financing are counters to vehicle margin pressure	4 945	5 904 843	217 606	856 112	283 440
Adding value from the centre • State-of-the-art networking capabilities within Bidvest Network Solutions complements the electronic commerce capability of mymarketcom	207	58 207	47 836	590 045	64 307
Bidvest businesses produced real growth • South African deflationary environment • Translation of offshore results at a 16% stronger rand sterling exchange rate • McCarthy has excelled in its first six months of Bidvest ownership	81 931	52 682 815	2 555 652	5 462 527	6 512 398

Sustainability – A Business Imperative

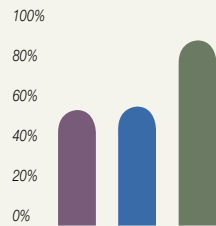
“Corporate sustainability is a business approach to create long-term shareholder value by embracing opportunities and managing risks deriving from economic, environmental and social developments.”

*SAM Research Inc
(Dow Jones)*

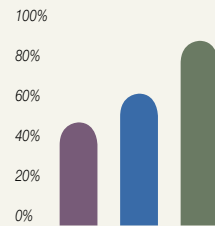
Creating value and building strength from diversity

Comparative ranking from the Dow Jones Sustainability Index 2005

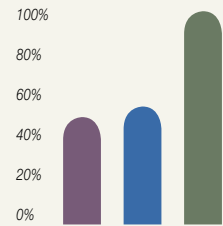
Economic dimension



Social dimension



Environmental dimension



■ Industry average
■ Bidvest
■ Best company in industry





Muriel Dube

Group Commercial Director

Muriel has senior strategic management and operational experience in the public sector and with multinationals in the private sector. Recently, Muriel was appointed as a representative on the United Nations Expert Group on Technology Transfer and has acted as chief negotiator on behalf of the South African government in major international negotiations in respect of the Kyoto Protocol. Muriel has published several articles on sustainable development.

Sustainability challenges companies to consider more than just the financial aspects of a business and to respond proactively to social, environmental and economic risks and opportunities.

As companies progress on the sustainability path, they obtain a clearer understanding of the bigger picture, characterised by processes that improve the status of disadvantaged people, conserve natural resources, prevent pollution, promote cooperation, improve efficiency and develop local assets to revitalise economies.

Sustainability is not an end-product, but rather a process that continues and uses common sense and intuition as a baseline, while considering the complexity of systems within the framework of change management.

SUSTAINABILITY AND EMPOWERMENT

In the South African context, socio-economic transformation and consequently black economic empowerment (BEE), are an integral part of creating sustainable businesses, communities and ultimately economies. Economic and social sustainability are inconceivable unless organisations within South Africa work towards redressing the economic and social injustices of the past by increasingly involving historically disadvantaged groups in the economic mainstream. This will address the gap between the wealthy and the poor, a primary objective of the global sustainability drive and will contribute to a stable economic environment.

Our responsibility for adopting and integrating practical measures to advance empowerment is part of our core business strategy. We will enhance skills development of historically disadvantaged individuals (HDIs) entering the workplace by promoting greater diversity and improving gender and ethnic representation. Relationships with small and medium-sized black companies need to be nurtured to ensure that their capacities as suppliers are adequately developed to survive the competitive market arena.

BEE is a strategic business imperative and is embodied in *The Bidvest Charter*, our BEE partnerships and our day-to-day business activities.

EXTERNAL APPRAISAL

Social Responsibility Investment Index

The JSE Securities Exchange South Africa (JSE) has included Bidvest as a founding constituent of the Social

Responsibility Investment Index, based on an assessment of the Group's policies, performance and reporting on economic, social and environmental sustainability.

Dow Jones Sustainability World Index (2005)

Bidvest is one of only four South African companies listed in the Dow Jones Sustainability World Index, a grouping of global organisations which meet stringent criteria for strategic strength, innovation, financial performance and stakeholder relations.

Sustainable growth awards

Sustainable growth awards ranked Bidvest first in 2003 and second in 2004 in the five-year listed category. The awards are presented to companies that are making a significant contribution to growing South Africa's economy over a five-year period. All listed companies are automatically entered and judged by a panel which uses a number of financial criteria, including consistent growth in revenue, earnings before interest, taxation, depreciation and amortisation, earnings per share and return on assets managed. Data was supplied by Reuters and was ranked and assessed both quantitatively and qualitatively.

Forbes 2000 – the world's leading companies

Forbes 2000 is a comprehensive list of the world's largest and most influential companies, as measured in US dollars by a composite ranking for sales, profits, assets and market value. Bidvest is ranked 1 296th.

Forbes Global

In September 2004, Bidvest was included in the Forbes Global Roster of the world's most attractive big companies for investors. The 400 companies listed represent fewer than 1% of the world's publicly quoted companies.

Fitch ratings

Fitch rating reaffirmed Bidvest's credit rating as an AA- (zaf). AA (zaf) ratings denote a very strong credit risk relative to other issuers in the same country.

2004 Businessmap BEE Awards

Bidvest was placed second in the most progressive established company and third in the business leadership categories.

Empowerment rating

Bidvest, a black influenced company and a good broad-based BEE contributor with unrestricted operational capacity has an "A" empowerment rating from Empowerdex.

Accountability

“Corporate governance is a way of life and not merely a set of rules.”

Brian Joffe,
Chief Executive



BIDvoice:
The quarterly Group magazine aimed at communicating with employees



We are committed to transparency, accountability, integrity and ethical behaviour

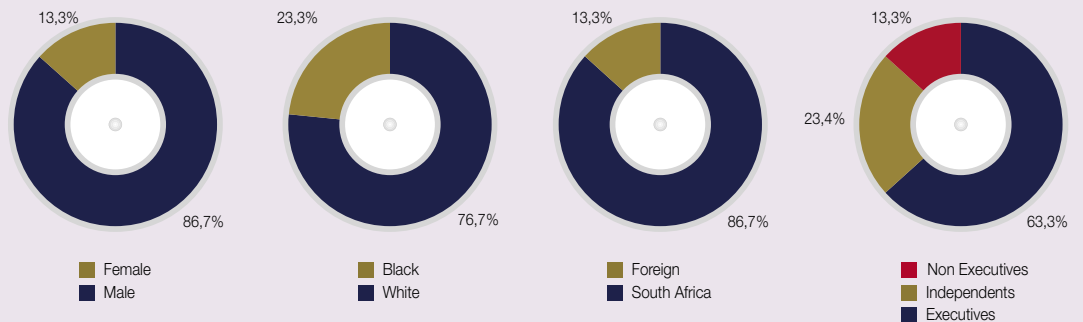
Role of chairman and chief executive have been separated



Ethical behaviour:
Bidvest has adopted a code of ethics that applies throughout the Group to ensure business is conducted in a manner beyond reproach

Global reporting:
Bidvest uses the GRI sustainability reporting guidelines on economic, social and environmental performance as a framework for non-financial disclosure

Board composition





Bidvest is committed to an open governance process, based on the principles of transparency, accountability, integrity and ethical behaviour. Corporate governance is essentially about leadership and ensuring responsible and accountable business conduct towards all stakeholders. This section on accountability and corporate governance practices details the controls implemented by Bidvest to assure stakeholders that business and operational risks are adequately managed.

PRINCIPLES AND POLICIES

The Board is firmly committed to the principles of transparency, accountability, integrity and ethical behaviour. These principles are captured in the Group's corporate values, corporate code of conduct and code of ethics. The Bidvest corporate governance policy endorses and promotes these standards and accepts the inclusive approach to good corporate governance as advocated in the King II Report.

Code of conduct

Bidvest, through its corporate code of conduct, is committed to:

- the highest standards of integrity and behaviour in all interactions with its stakeholders and society at large;
- conducting business through fair commercial competitive practices;
- trading with customers and suppliers who subscribe to ethical business practices;
- non-discriminatory employment practices and the promotion of employees to realise their potential through training and the development of their skills; and
- proactively addressing environmental, social and sustainability issues.

Code of ethics

Bidvest has adopted a code of ethics that applies throughout the Group to ensure that business practices are conducted in a manner that is beyond reproach. The code of ethics provides a clearly stated set of honourable corporate standards and business practices that will encourage ethical behaviour and decision-making by the Board, management and employees. The code will enable easy identification and sensitising of ethical infringements, while specifying the enterprise's corporate responsibility towards all stakeholders.

The Board has been proactive in identifying aspects related to ethical behaviour and has begun a process for the:

- regular and formal identification of ethical risk areas;
- development and strengthening of monitoring and compliance policies, procedures and systems;
- establishment of easily accessible safe reporting channels (whistle blowing);
- alignment of the Group's disciplinary code with its code of ethical practice;
- assessment of integrity as part of selection and promotion procedures;
- induction of new appointees;
- training on ethical principles, standards and decision-making;
- regular monitoring of compliance with ethical principles and standards using the internal audit function;
- reporting to stakeholders on compliance; and
- independent verification of conformance to established principles and ethical behaviour.

CORPORATE GOVERNANCE STRUCTURES

The Bidvest Board comprises four (4) non-executive independent directors, seven (7) non-executive, and nineteen (19) executive directors. The Board constitutes 23,3% black and 13,3% female directors.

Accountability *(continued)*

B Joffe was executive chairman and F Titi was the independent non-executive deputy chairman. In July 2004, MC Ramaphosa was appointed non-executive chairman and B Joffe continues the role of chief executive, with unchanged executive responsibilities. F Titi, who had agreed to remain as deputy chairman until the new leadership structure had been finalised, subsequently resigned. The position of deputy chairman has been discontinued.

The Board is committed to conforming to good corporate governance without impacting on Bidvest's entrepreneurial spirit. The principles of good corporate governance are considered, implemented and embedded into the Group structure to ensure that the Group's business is managed ethically and within prudently assessed risk parameters. Specific responsibilities have been formally delegated to Board committees.

The Board of directors

The completely decentralised decision-making structure and the independence and characters of the individual Board members provide for open and transparent governance. In addition to the divisional chairmen, key operational executives serve on the Board.

The Board has identified the following responsibilities:

- approving the strategic plan and rolling forecasts of the Group;
- setting objectives and reviewing key risks and performance areas;
- appointing the chief executive and maintaining a succession plan;
- determining overall policies and processes to ensure the integrity of the company's management of risk and internal controls;
- monitoring the implementation of Board plans and strategies, as well as the mitigation of risks by management against a background of economic, environmental and social issues relevant to the company; and
- monitoring the process of transformation with regards to economic empowerment.

The Board is committed to establishing and maintaining an appropriate balance of power and authority so that no one individual or group of individuals can dominate the Board's decision-making process.



Functions of the Board

The Board Charter sets out the mission, roles, duties and responsibilities of the directors to ensure that they fulfil their duty with the necessary diligence. The nomination committee annually appraises the performance of individual directors, the Board and the chief executive.

The Board has a comprehensive system of controls ensuring that risks are mitigated and the Group's objectives are attained. The board ensures that the Group complies with all relevant legislation, regulations and codes of business practice and that it communicates with its shareholders and relevant stakeholders openly and promptly on issues

of materiality. A formal corporate governance manual has been adopted by the divisional boards and addresses a corporate code of conduct. The governance manual will serve to entrench the principles of good corporate governance practices across the division.

The non-executive directors ensure that the chair encourages proper deliberation on all matters requiring the Board's attention.

The Board met seven times.

Board committees

While retaining overall accountability and subject to matters reserved to it, the Board has delegated certain powers to standing committees, to enable it to properly

Name	Directors' meetings attended
DDB Band	7(7)
FJ Barnes	6(7)
BL Berson	3(7)
MC Berzack	7(7)
LG Boyle	7(7)
N Cassim	4(7)
LI Chimes	6(7)
M Chipkin	3(7)
AA da Costa	2(4)
MBN Dube	7(7)
RW Graham	6(7)
AM Griffith	6(7)
LI Jacobs	7(7)
B Joffe	7(7)
LJ Mokoena (alternate)	2(4)
S Koseff	4(7)
CH Kretzmann	6(7)

Name	Directors' meetings attended
RM Kunene	3(4)
D Masson	6(7)
BE Moffat	2(4)
T Slabbert (alternate)	2(4)
P Nyman	6(7)
JL Pamensky	7(7)
SG Pretorius	4(4)
LP Ralphs	5(7)
MC Ramaphosa	1(1)
TH Reitman	6(7)
DK Rosevear	5(7)
AC Salomon	6(7)
HL Greenstein (alternate)	6(7)
CE Singer	5(7)
PC Steyn	6(7)
PD Womersley	4(7)

Accountability *(continued)*

discharge its duties and responsibilities and to effectively fulfil its decision-making process. These are:

- The Executive Committee;
- The Audit Committee;
- The Acquisition Committee;
- The Remuneration Committee;
- The Nomination Committee;
- The Transformation Committee.

Each committee acts within written terms of reference, whereby certain functions of the Board are delegated with clearly defined purposes, membership requirements, duties and reporting procedures. Board committees may take independent professional advice at the company's expense when necessary. The committees are subject to regular evaluation by the Board with regard to performance and effectiveness. The functions of the Board committees are detailed in the annual report.

➔ See *The Bidvest Group Limited Annual Report 2004*, Corporate Governance page 103.

Transformation Committee

Following the successful implementation of the Dinatla initiative, a BEE Transformation Committee was formed to facilitate the socio-economic transformation process within the Group. Key functional resources were designated within each business unit to continue the transformation drive at business unit level. The Transformation Committee has developed an enterprise-based charter, *The Bidvest Charter*, that will guide the Bidvest BEE transformation strategy. The Transformation Committee comprises MBN Dube (Chairman), LG Boyle, L Jacobs and T Slabbert.

MANAGING RISKS

Ultimate responsibility for ensuring good corporate governance and sound sustainability practices rest with the Audit Committee which meets at least four times per year and comprises JL Pamensky (Chairman), DDB Band, N Cassim, D Masson, B Moffat, P Nyman and AC Salomon. In addition, each division has its own audit committee, which subscribes to the same audit philosophies as the Group and reports both divisionally and to the Group Audit Committee.



The Audit Committee has been mandated by the Board to supplement the Group-wide system of internal controls, whilst safeguarding the interests of stakeholders. Group risk management is achieved through the identification and control of the main business and operational risks, which could adversely affect the accomplishment of the Group's business objectives. The control processes for these risks are managed at an operational level and reported to the Audit Committee on a regular basis.

The Board conducts an annual review of the effectiveness of the Board committees and considers the key findings from the ongoing monitoring and reporting processes.

SUSTAINABILITY REPORTING

Bidvest accepts the responsibility to report relevant and material information to stakeholders, including disclosure on non-financial aspects of our business. The Global Reporting Initiative's Sustainability Reporting Guidelines on economic, environmental and social performance are used as a framework for non-financial disclosure. We have considered and included our stakeholders' requirements by reporting on issues that are relevant to the future sustainability of our business and the environment in which we operate.

STAKEHOLDERS

The Group identifies stakeholders as those individuals or groups that have a legitimate and relevant interest in the Group. Bidvest is committed to proactive stakeholder relations, management and reporting through the most appropriate medium and in the most appropriate manner.

Our most important stakeholders are our shareholders and we continuously seek to maximise shareholder profits through sustainable business strategies. Formal

financial disclosures form the basis for communication with financial analysts and fund managers through preliminary and interim results, the annual report, media coverage and our website.

Internal stakeholder engagement involves our employees and their respective representative groups and this occurs on a daily basis within the diverse business operations. External stakeholder engagement is a more stratified and complex communication process, varying from business partners to local communities, non-governmental organisations, suppliers, contractors and customers. Our communication approach utilises the following communication mediums:

- the Group website www.bidvest.com
- internal communications via mymarket.com
- external communications via a "Keep me informed" database
- local newspapers
- corporate reports and publications
- public relations and marketing channels
- meetings through formal committees and forums with specific interest groups

CASE STUDY

BIDvoice

Bidvest publishes a quarterly magazine, BIDvoice. The mission of this publication is to communicate to employees the news and growth of the Group, their services and products and to encourage mutual understanding and cohesion. The magazine contains articles on various companies and aspects within each division, a message from the chairman, long service awards, sports news, competitions, letters and contributions.

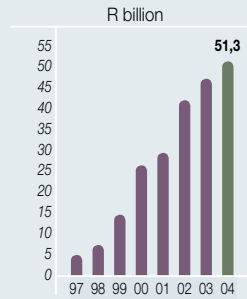
Economic Vitality

Annual compound growth rate in headline earnings per share of **26,6%** per annum over the last 13 years

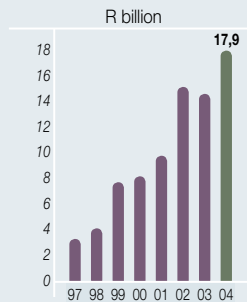
We have spent **R8,0 billion** on BEE procurement being **49,3%** of discretionary South African spend

Market capitalisation of Bidvest as at June 30 2004 was **R16,6 billion**

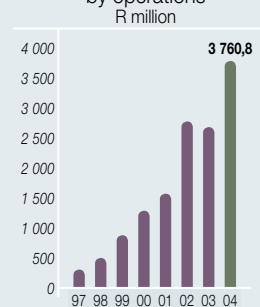
Revenue



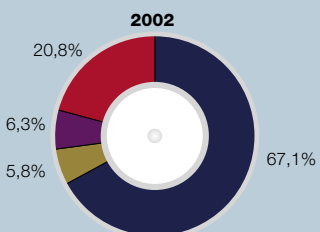
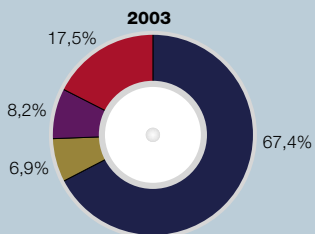
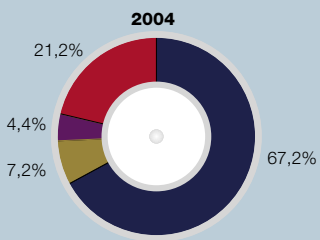
Total assets



Cash generated by operations



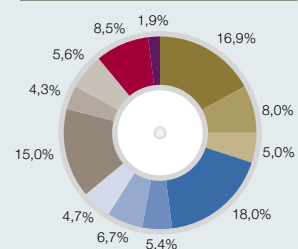
Wealth distribution



- Benefits and remuneration
- Taxation
- Providers of capital
- Retained for growth

- Bidfreight
- Bidserv
- Renfin
- Bidvest UK
- Bidvest Australasia
- Caterplus
- Combined Foods
- Bidoffice
- Bidpac
- Voltex
- McCarthy
- Corporate Services

Divisional contribution to Group trading income





ADDING VALUE

Bidvest is one of South Africa's largest industrial groups, producing consistent returns for shareholders. The contributions to operating income by the various divisions are presented in the graph. The Group's financial statements are fully disclosed in The Bidvest Annual Report 2004.

➔ See *The Bidvest Group Limited Annual Report 2004, financial statements pages 105 to 165*

The two major South African contributors to Group trading income remain Bidfreight and Bidoffice, but McCarthy made a substantial contribution of 8,5% in the six months since acquisition. Foreign operations contributed 21,9% to Group trading income which is also significant. The Group has added value to stakeholders in various sectors of the South African economy. The value-added statement summarises the wealth created and categorises the wealth distributed to the various stakeholder groups.

SUPPLIERS

Our business units are committed to pursuing policies utilising black-owned and empowered enterprises where feasible. As such, we have commenced an audit of current levels of procurement from BEE companies to identify areas where we can accelerate the process. A unique feature of the Dinatla BEE partnership is that the Group has committed to channelling BEE procurement spend through the Dinatla consortium and its constituency base, wherever there is a match between supply and demand for services.

Bidvest has spent 39,7% of total procurement on external BEE suppliers of goods and services, (49,3% including intergroup purchases). In calculating the percentage of products and services procured from BEE suppliers, we exclude purchases from monopolistic suppliers, such as Telkom and government, and non-discretionary foreign spend. In both cases we do not have the option of purchasing the product from a BEE rated supplier.

CUSTOMERS

Bidvest endeavours to supply customers with products and services that are safe and of consistent superior quality and value.

CASE STUDIES

FIRST FOR SERVICE

driving continual improvement through involvement

"First for Service" is 3663's total quality management programme that was introduced in 1994. The programme has subsequently been reviewed and introduced in all the divisions of 3663 and is directed at business excellence by engaging employees in the quest for continual improvement. The programme enables 3663 to achieve their company mission to:

- *meet customer expectation;*
- *value and develop people; and*
- *increase profit.*

Training programmes ensure that all employees are involved in creating a business culture, where the needs of the customer are the core driving force. This culture encourages creative ideas, innovation and involvement from employees to ensure that we constantly improve our processes and services.

Valuable feedback is received through regular customer surveys, formal discussion forums and through the close relationship nurtured by all levels of our staff. Through "First for Service", measurement, assessment and review of both customers and employees are established as crucial drivers to deliver business results. Our membership with the British Quality Foundation and Quality Scotland provides us with opportunities to benchmark, share best practice and establish 3663 as an organisation driven by a commitment to excellence.



Supporting small-scale local suppliers

One of our business units, D&R Lowe, agreed to buy pecan nuts from female entrepreneurs, who collected nuts at the start of the harvest season in the Mpumalanga region in South Africa. The nuts are packed and supplied to some of the sister companies in the Group and to customers. The supplier agreement is still in place and a high premium is paid for the produce early in the season when stocks are low. The average annual turnover equates to R120 000 (approximately 3 tonnes of pecans) – a good income to these entrepreneurs who are often the sole providers for their families.

Economic Vitality *(continued)*

VALUE-ADDED STATEMENT

“Value added” is the value which the Group has added to purchased materials and goods by process of manufacture and conversion and the sale of its products and services. This statement shows how the value so added has been distributed.

	2004			%	2003 R'000
	Total R'000	South African operations R'000	Foreign operations R'000		
Revenue	51 262 212	28 623 486	22 638 726		47 073 375
Net cost of raw materials, goods and services	(41 676 595)	(22 833 821)	(18 842 774)		(38 199 113)
Wealth created by trading operations	9 585 617	5 789 665	3 795 952		8 874 262
Finance income	104 521	61 853	42 668		158 532
Total wealth created	9 690 138	5 851 518	3 838 620	100,0	9 032 794
<i>Distributed as follows:</i>					
Employees					
Benefits and remuneration	6 512 398	3 586 527	2 925 871	67,2	6 091 130
Government					
Taxation	694 383	517 874	176 509	7,2	627 496
Providers of capital	425 498	241 830	183 668	4,4	735 330
Finance charges	256 890	178 372	78 518	2,7	260 046
Dividends and capitalisation awards	168 608	63 458	105 150	1,7	475 284
Retained for growth	2 057 859	1 505 287	552 572	21,2	1 578 838
Depreciation	685 643	358 387	327 256	7,1	716 449
Retained income	1 372 216	1 146 900	225 316	14,1	862 389
	9 690 138	5 851 518	3 838 620	100,0	9 032 794
Trading income	2 555 652	1 918 538	637 114	13,9	2 244 121
Income before tax	2 268 971	1 667 696	601 275	13,1	2 006 704
Funds employed	5 462 527	3 757 357	1 705 170	17,9	4 633 263

PAYMENTS TO GOVERNMENT

including amounts collected on their behalf

	2004			2003 R'000
	Total R'000	South African operations R'000	Foreign operations R'000	
Employee taxes	1 191 605	492 455	699 150	1 211 013
Company taxes	694 383	517 874	176 509	627 496
Value added tax and sales tax	3 220 521	2 941 420	279 101	3 099 153
Customs and excise duty	5 724 795	5 508 266	216 529	5 970 208
Other	246 011	159 103	86 908	183 265
	11 077 315	9 619 117	1 458 198	11 091 135



Socio-Economic Empowerment Highlights

Bidvest has an "A" BEE rating from Empowerdex.

Bidvest is a constituent of both the Dow Jones Sustainability Index and the JSE Socially Responsible Investment Index.

43,3%

of employees in South Africa are women
(national average 35,7%)

(2003: 44,7%)

Effective empowerment holdings

The Dinatla BEE consortium effectively owns 14,9%, other empowerment institutions and the Public Investment Commissioners 20,9% with a further 15,0% being controlled by BEE asset managers. The Dinatla transaction was at the holding company level, including both local and offshore operations of Bidvest. If the Dinatla BEE consortium had bought into the South African operations only, at the same transaction value, the total percentage BEE direct and indirect ownership would be in excess of 50%. As a listed company it is not possible to identify the gender of shareholders other than the direct women's ownership of 8,7% via Dinatla.

29,7%

blacks in top management in South Africa.
This is a significant improvement and is well in excess of the national average (18,0%)

(2003: 16,4%)

82,7%

of Bidvest employees in South Africa are black,
significantly above the national average (75,3%)

(2003: 81,1%)

R8,0 billion

BEE procurement
(49,3% of discretionary South African spend)

R73,3 million

(R58,3 million in South Africa) skills development spend

(2003: R36,2 million in South Africa)

R13,0 million

(R11,7 million in South Africa) Corporate Social Investment spend

(2003: R11,4 million in South Africa)

R1 659

Training spend per employee in South Africa. The training focused particularly on middle management

(2003: R557)

Board composition	%
Female	13,4
Black	23,4
Foreign	13,3
Independent and non-executive	36,7

Socio-Economic Empowerment

Socio-economic transformation is key to South African sustainable business practices

Bidvest has an "A" rating from Empowerdex

29,7% blacks in top management in South Africa

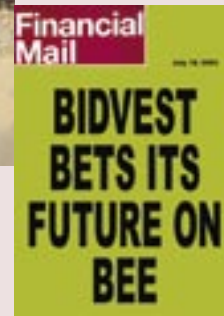
43,3% of employees in South Africa are women

R73,3 million spent on skills development



Ground-breaking agreement:

Significant equity ownership and economic benefits arise from the Dinatla partnership for HDIs small businesses and communities



Public knowledge:

The Financial Mail headline of July 18 2003 spells out Bidvest's future

SOUTH AFRICAN PROCUREMENT

Suppliers	2004		2003	
	Value of purchases (Rand billion)	% of discretionary procurement	Value of purchases (Rand billion)	% of discretionary procurement
BEE suppliers	6,5	39,7	1,4	22,3
Black woman suppliers	0,0 ¹	—	0,0 ¹	—
Non-BEE suppliers	8,2	50,7	7,0	71,0
Inter-Group suppliers	1,5	9,6	1,5	6,7
Discretionary procurement	16,3	100,0	9,9	100,0
Monopolistic suppliers	10,8		11,1	
Non-discretionary foreign spend	4,1		1,3	
Total procurement	31,2²		22,3²	

¹R4,7 million (2003: 4,8 million)

²For the purposes of the procurement information, sales and not revenue are used to determine the total procurement figures.



Bidvest is contributing to social and economic transformation in South Africa and facilitates the entry of emerging black businesses into the mainstream economy.

The Bidvest Charter was drafted in November 2003 and states the approach and commitment of the company's BEE strategy. *The Bidvest Charter* was drafted in consultation with government and will be reviewed regularly to align the commitments with requirements from government as they evolve.

THE BIDVEST CHARTER

Introduction

BEE at Bidvest is about sustainable transformation and genuine BEE influence. By broadening the economic wealth base of South Africa, through job creation, skills development, and the increased participation of black people, both within the economy of the country and internationally, a more stable economic environment and a larger market within which to do business, will be created.

We are committed to working in consultation with government, the private and public sectors and civil society to achieve these broad socio-economic objectives.

Bidvest believes that:

- BEE is a national, social, economic and business imperative;
- all stakeholders in South Africa should voluntarily adopt BEE processes in order to ensure social and economic transformation in South Africa and, consequently, greater economic growth and stability for all; and
- empowerment should not be determined by percentages alone. Rather it should be measured on the rand value of projects and wealth created, educational initiatives and skills development.

The current charter and scorecard initiatives occur within the formal sectors of the South African economy. Ultimately, BEE and economic transformation cannot be confined to the formal sector only. Sustainable economic transformation needs to ensure that policies are developed that also address the needs of the informal sector.

This charter is a dynamic guiding document to implement transformational activities at Bidvest. We will continue

to update and review our position as dynamics on the regulatory front and external environment dictate.

Framework

In November 2003, Bidvest, together with its BEE partner, Dinatla Investment Holdings (Dinatla), began a process towards the development of *The Bidvest Charter* and the BEE Implementation strategy for the Group. "The Group" within the context of the charter refers to the South African operations only.

The Bidvest Charter reflects Bidvest's vision for BEE over the next five to ten years, as well as the signatories' undertakings and commitments to the seven key indicators of government's broad-based BEE strategy as contained in the Broad-Based Black Economic Empowerment Act and the Balanced Scorecard. The signatories to *The Bidvest Charter* represent the members of the Bidvest board of directors, the executives of Bidvest, and the management of Bidvest subsidiaries.

The Bidvest Charter constitutes an enterprise-based charter, which Bidvest has defined and adopted voluntarily because of a commitment to BEE and to sustainable economic and social transformation. Whilst certain Bidvest subsidiaries fall within sectors for which BEE charters are currently being defined, the Group represents a significant number of business units that operate within many different industrial and economic sectors.

Bidvest wishes to define a vision and an overall commitment to BEE and economic transformation to which all of its subsidiaries and internal stakeholders could commit, in addition to their adherence to sector specific BEE charters.

The Bidvest Charter was formulated after consultation with government.

Commitment to BEE

Bidvest is committed to achieving the following transformation objectives:

Direct empowerment

Bidvest is committed to achieving meaningful BEE equity ownership that will result in significant and genuine BEE influence and participation, and will strive to increase black representation at board level, within senior management and throughout the Group.

Equity ownership

The broad-based Dinatla consortium holds a 15%¹ equity ownership in Bidvest, constituting significant

Socio-Economic Empowerment *(continued)*

influence and value for BEE. Dinatla is the single largest² shareholder. At the time of the transaction the shareholding had a value of approximately R2,1 billion³.

Given the size of Bidvest and the number of sectors in which Bidvest operates, both locally and internationally and over which the BEE partners would have influence, we believe that the 15% equity ownership, both in terms of value and influence, has significantly more reach than would be the case in many smaller BEE transactions, where percentage equity ownership may be greater.

The BEE transaction is at the holding company level, including both the local and offshore operations of Bidvest. If the Dinatla BEE consortium had bought into the South African operations only, at the same transaction value, the total percentage BEE direct and indirect ownership would be in excess of 50%.

Regional BEE companies whose activities cover South Africa, form part of the Dinatla consortium. All engage operationally on the ground with Bidvest subsidiaries to pursue business opportunities.

Due to the broad-based nature of Dinatla's shareholders, the equity ownership in Bidvest and the economic benefits that arise out of the partnership will realise value for a large number of HDIs, small businesses and communities.

Boards and management

Bidvest believes that black representation at both board level and within senior management is vital to ensure that HDI executives form part of both the strategic and operational decision-making processes within the Group. The Bidvest Dinatla BEE partnership is structured in such a way that Dinatla has immediate voting rights and corresponding board representation. As part of the partnership with Dinatla, eight key HDI executive positions have been identified⁴. These positions involve operational and strategic decision-making functions, which further extend BEE operational involvement and influence.

Bidvest commits to increasing the number of black individuals on our boards, board committees and top management.

Human resources development and employment equity Employment equity

Bidvest commits to increase the representation of black people across the management, technical and professional categories. We have a strong commitment to ensuring that the Group becomes demographically representative of South Africa at all levels within the organisation. In order to achieve this, we are committed to the effective rollout of successful and integrated employment equity and skills development programmes that will result in greater participation by black staff throughout the Group.

We are committed to continuing to recruit black candidates throughout the organisational structures in compliance with our statutory employment equity plans.

We commit to increasing the representation of black people and women across the management, technical and professional categories within the Group, as separate from the top management targets.

Skills development

As part of the partnership with the Dinatla consortium, The Bidvest Dinatla Trust has been established to benefit Bidvest employees, particularly black staff and their dependants.

In addition, Bidvest will:

- continue to comply with the targets outlined in our statutory skills development plans;
- identify black talent and develop fast-tracking programmes for their benefit;
- implement succession planning strategies to ensure the movement of black candidates into management positions;
- implement retention strategies for black employees;
- develop mentorship programmes for the benefit of black employees;

¹ The percentage shareholding is based on the net number of shares in issue. As the capital base and the number of shares in issue increase the targeted percentage will reduce, should Dinatla not participate in the issue.

² The Public Investment Commission (SA) has increased its shareholding in the Group and is now the single largest shareholder.

³ See The Bidvest Group Limited Annual Report 2004, Shareholders page 162

³ The current value is approximately R3,0 billion.

⁴ Currently seven of the eight positions have been filled.



- set targets for black representation at all levels within the Group; and
- ensure that sufficient funds are invested in skills development within the next five years

Indirect empowerment

Preferential procurement

We are committed to ensuring that our business units pursue policies to utilise black-owned and black-empowered enterprises, wherever practicable. As such we commit to increase procurement from BEE companies (with Dinatla constituents as first choice, wherever feasible).

Enterprise development

Bidvest is committed to encouraging enterprise development for BEE entities. Progress on enterprise development will be measured by calculating the value of the enterprises as a percentage of funds employed.

As part of Bidvest's commitment to promoting enterprise development, we subscribe to:

- engaging with financial institutions to negotiate favourable financing terms for our small BEE suppliers;
- providing BEE suppliers with favourable credit and payment terms;
- where feasible, offering mentorship and advice to small BEE suppliers to ensure effective skills transfer and sustainability;
- developing BEE supplier databases to assist with the marketing of their goods and services; and
- jointly contracting, where applicable, with BEE enterprises for certain projects.

Enterprise specific initiatives

Corporate social investment (CSI)

Our aim is to support the communities in which we operate and to assist in the upliftment of black individuals and/or groups in those communities. The allocation of CSI will be closely aligned to business strategy and, in addition to our annual spend target, the success of our CSI projects will be measured in terms of their sustainability and their mutually beneficial impact for both the Group and the communities within which we operate.

The Bidvest Dinatla Trust

The Bidvest Dinatla Trust has been founded to serve the educational and social needs of Bidvest employees, their dependants and their communities. The Trust will have a strong black focus. Initiatives may include, but will not

be limited to: skills development, educational support, family support, health interventions and community development. Bidvest will provide initial funding of R1 million per annum to facilitate Trust initiatives until the Trust itself produces income. Progress will be measured on the number of accredited learnerships achieved by beneficiaries in any given year. The Bidvest Dinatla Trust forms part of our CSI programme where our targeted investment is 1% of pre-tax profits.

Implementation, monitoring and evaluation

In order to monitor and measure progress in terms of *The Bidvest Charter*, the Board, the executives and management of Bidvest have committed to:

- using the scorecard approach to monitor the performance of all Bidvest subsidiaries;
- making BEE targets defined by subsidiaries an integral part of performance evaluation for all line managers;
- conducting a survey of the BEE profiles of our client and supplier networks using the scorecard approach;
- developing a common format for reporting on BEE progress for all line management within Bidvest. These reports from management will be submitted semi-annually, providing a retrospective assessment against targets together with detailed implementation strategies to achieve targets for the following period;
- ensuring that the transformation committee consisting of both executive and non-executive board members monitor and report on progress of BEE within the Group;
- ensuring that the management working committee, consisting of senior management representatives from all key Bidvest divisions, ensures effective communication of and execution of BEE policies within the Group to the Board;
- commissioning an external BEE ratings agency to conduct BEE ratings of all major Bidvest business units to ensure transparency, consistency and conformity;
- commissioning an external impact assessment survey on the sustainability of SMEs benefiting from enterprise development;
- devising an effective communications strategy for the benefit of both internal and external stakeholders to inform them of *The Bidvest Charter* and BEE policies as well as progress in the implementation of these policies;
- producing and distributing documentation for use by Bidvest staff that outlines *The Bidvest Charter* and Bidvest BEE policies; and
- identifying and acquiring appropriate technology to streamline the tracking and measurement of BEE progress across the organisation.

Notwithstanding the targets set for the Group as a whole, each business unit will use its existing BEE position as a base from which to monitor improvements.

Socio-Economic Empowerment *(continued)*

THE BIDVEST BALANCED SCORECARD AND TARGETS

Core components	Indicators	Targets	Timeframes	Weighting
DIRECT EMPOWERMENT				
Equity ownership	% equity ownership	15% ¹ (direct)	Present	20
Management (executive)	% blacks on the board	25% ² 40% ²	5 years 10 years	10
HUMAN RESOURCE DEVELOPMENT				
Employment equity	% of blacks as per skills levels 1, 2 & 3 of EEA report ³	40% ²	5 years	10
Skills development	Skills development expenditure ³ on black employees as a proportion of total payroll	4%	5 years	20
INDIRECT EMPOWERMENT				
Preferential procurement	Procurement from black-owned, black-empowered enterprises or good contributors to broad-based BEE as a proportion of total discretionary procurement ⁴	25% ⁵ 40% ⁵	5 years 10 years	20
Enterprise development ⁶	Total funds employed in black-owned or black-empowered enterprises as a % of net asset value	5%	5 years	10
OTHER				
Corporate social investment ⁷	% of pre-tax profits	1%	5 years	10

The scorecard will measure progress on BEE using a total score with:

- 65% and above – good contributor to broad-based BEE
- 40% to 64% – satisfactory contributor
- below 40% – limited contributor

¹The percentage shareholding is based on the net number of shares in issue in November 2003

²40% of the target to be female

³Including Bidvest Dinatla Trust initiatives

⁴South African discretionary procurement (excluding monopolistic, foreign and intergroup spend), from companies which are black-owned, black-empowered, or good broad-based contributors to BEE.

⁵10% of the target shall be SMME procurement

⁶Assistance to BEE suppliers, specifically financial support, grants and capacity (mentorship, advice, skills transfer, etc)

⁷Upliftment of HDI communities through socio-economic projects

These targets are subject to review as circumstances and regulatory dynamics dictate.

DINATLA

The Dinatla consortium of BEE partners is broad-based and represents a countrywide spectrum of empowerment parties who collectively contribute to a wide range of skills. The core shareholders are WDB Investment Holdings and Bassap Investments. By agreement, Shanduka Group will become a shareholder in Dinatla.

Core shareholders

WDB Investment Holdings (WDBIH)

WDBIH is the wholly-owned investment arm of the WDB Trust which promotes the economic empowerment and social upliftment of women in South Africa. The mandate is to build a strong portfolio of businesses in order to provide a capital base to fund WDB's development programmes, which focus on linking rural women to resources such as finances, information, training and entrepreneurship. Strategic investments are held in leisure, energy, information technology and services.

The key WDB executives are Bernadette Moffat, Tania Slabbert, Sonja Sebotsa and Tandi Nzimande. Bernadette is a Bidvest director and Tania her alternate.

Bassap Investments

Bassap is a Western Cape-based company which is 100% owned and managed by shareholders from HDI groups. These shareholders include a number of experienced, skilled professionals and entrepreneurs, as well as community groups and women organisations from the Cape. Bassap's investment focus is in support services, food production and food processing.

Bassap is committed to achievement of BEE through their extensive skills base and commercial expertise.

The key executives of Bassap Investments are Lionel Jacobs (CEO), Reyburn Hendricks and Scott Moahloli. Lionel is an executive director of Bidvest and commercial director of Bidserv.

Shanduka Group

Shanduka was established in November 2000 and is a black owned and managed investment company formed with the objective of investing in growing and profitable sectors of the economy, including resources, property, financial services and investments. Shanduka is owned by the Ramaphosa Family Trust (30%), The Standard Bank Group Limited and Investec Limited (30%), management (25%), J Motlatsi and others (10%) and community trusts (5%).

Regional shareholders

Jalang Investment

Jalang has interests in the travel and tourism, property facilities management and agriculture sectors and supports five community-based organisations. Jalang is based in Gauteng.

Jalang is wholly owned by seven professional black women entrepreneurs.

Phathiwe Phalatsi and Nondima Nkuhlu are both founding members and key executives. The other key executives are Refilwe Phalatsi and Unathi Nkuhlu.

Nandi Heritage House

Nandi is a diversified investment business focusing on opportunities in KwaZulu-Natal. Nandi supports a rural outreach business aimed at assisting crafters to establish international markets, and assists rural women in dealing with HIV/Aids issues. Current operations and interests encompass facilities management, logistics and energy.

Mathabo Kunene is managing director. Joyce Khumalo is operations director and the other key executives are Thudiso Glabashe and Gugu Majazi.

Culca Investments

Culca is a Free State-based organisation with investments in resources, industrial services and financial services. The entity represents the interests of four black principals, a social trust and private investors.

Lebogang Mokoena is manager of Culca.

Socio-Economic Empowerment *(continued)*



Tania Slabbert
WDB Investment Holdings



Lionel Jacobs
Bassap Investments



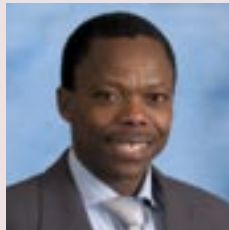
Alfred da Costa
Ukuvula Investments



Sechaba Kies
Silverknight Properties 50



Mathabo Kunene
Nandi Heritage House



Lebogang Mokoena
Culca Investments



Jeanette Ngwane
Tilware Trading



Phathiwe Phalatsi
Jalang Investment



Ikaneng 'Oupa' Pilane
Izazi Zasempumalanga



Peter Rabali
New Heights 269



Dinatla
Brian Joffe and the Bidvest team with the Dinatla consortium on the finalisation of the partnership



Silverknight Properties 50

Silverknight is based in the Northern Cape and has operations involved in property and project management as well as interests in the mining sector. Silverknight represents the interests of eight black shareholders and has nominated Tsantsabane Trust, a wide-based community to participate as a beneficiary in their investment in Dinatla.

Sechaba Kies and Phindile Mpatha are key executives.

Thlware Trading

Thlware is a Northwest-based empowerment company comprising two regional empowerment mining businesses, a women's grouping and tribal and community youth groups. The company's investment focus is the mining and financial services sectors.

Thapelo Tshepe and Constance Mashaba are directors and Jeanette Ngwane and Mike Gcabo are key executives.

Ukuvula Investments

Ukuvula comprises several Eastern Cape-based consortia, together with black businesses and individuals, with an investment focus which includes the financial services, tourism and transport sectors.

Alfred da Costa is chairman and Bulelwa Qupe and George Yerolemo are directors.

New Heights 269

New Heights in Limpopo is an investment holding company with a focus on agriculture and transportation.

Key executives are Peter Rabali, Peter Mphephu, Mackson Tlakula and Toni Ramabulana.

Izazi Zasempumalanga

Izazi in Mpumalanga is an investment holding company focussing on the service industry and aim to be represented in the operations in which they invest.


Directors are Dudu Mahlalela, Victor Malaza, Paul Nkuna, Ikaneng "Oupa" Pilane and Ethel Shongwe.

CSI shareholder

The Bidvest Dinatla Trust

The Bidvest Dinatla Trust was created to serve the educational and social needs of Bidvest employees, their dependants and their communities.

Socio-Economic Empowerment *(continued)*



October 2004 Final Rating Report

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THE BIDVEST GROUP LIMITED

EmpowerDEX BEE Rating

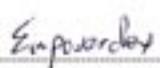
A

Black Influenced Entity
(Legal Ownership: 35.8%, Effective Ownership: 28.4%,
Weighted Control: 23.8%)
Good Broad-based BEE Contributors
Unrestricted Operational Capacity

Issue Date: October 2004
Validity Date: October 2005

Final Rating Report

This rating report is based on information provided to EmpowerDEX as of June 30 2004. The rating is an independent opinion based on verification, validation and analysis audit performed by EmpowerDEX during October 2004.


 EmpowerDEX (Pty) Ltd

2004-10-14

Date

EMPOWERDEX RATING DEFINITIONS

General

BEE	Black economic empowerment.
Black people	A generic term which means African, Coloured and Indian South African Citizens.

Status (direct empowerment)

Black-owned	Effective BEE ownership, control and management exceeds 50,01%.
Black-empowered	Effective BEE ownership, control and management exceeds 25,01%.
Black-influenced	Effective BEE ownership, control and management exceeds 5,01%.
Non-BEE	Effective BEE ownership, control and management below 5,00%.

Status (indirect empowerment)

Premium broad-based contributors	The entity has shown exceptional contributions to all areas of BEE including employment equity, skills development, affirmative procurement, enterprise development and social development in its specific environment.
Good broad-based contributors	The entity has shown exceptional contribution in some areas of BEE, and average contribution in other areas.
Satisfactory broad-based contributors	The entity has shown an average overall contribution towards BEE.
Unsatisfactory broad-based contributors	The entity has shown below average overall contribution towards BEE.

Status (operational capacity)

Unrestricted operational capacity	The entity has full capacity to conduct its entire operations and has insignificant operational reliance on any third party entities.
Constrained operational capacity	The entity relies on related or independent third party entities to conduct its administrative, procurement, logistics, financing or other non-core operations. The reliance does not significantly impact on the entity's capacity to perform its core operations.
Limited operational capacity	The entity relies extensively on related or independent third party entities to conduct its core operation. The entity does not have sufficient capacity to deliver its services without external support.



EXECUTIVE SUMMARY

BEE factors	Factor status	Component status	Empowerdex rating
BEE ownership	B	Black-influenced entity	A
BEE management	C		
Employment equity	B	Good broad-based BEE contributors	
Skills development	B		
Affirmative procurement	B		
Enterprise development	A	Unrestricted	
Social development	A		
Operational capacity	A		

1. BEE ownership **B**

1.1	Economic BEE ownership	28,4%
1.2	Legal BEE ownership	35,8%
1.3	Confirmed plans to increase BEE economic ownership	Yes, via the Dinatla transaction

2. BEE management **C**

2.1	BEE control	23%
2.2	Women control	13%
2.3	Confirmed plans to increase BEE control	Yes, via the Bidvest Academy

3. Employment equity **B**

3.1	Total South African permanent workforce	68 338
3.2	Black representation	82,6%
3.3	Employment equity plan	Yes
3.4	Employment equity committees	Yes
3.5	Affirmative action plan	Yes

4. Skills development **B**

4.1	Skills development spend	R58,3 million
4.2	Skills development plan	Yes
4.3	Skills spend as a percentage of South African payroll	1,6%
4.4	Total delegates trained	35 144
4.5	Delegates trained as a percentage of total workforce	51,4%
4.6	Black delegates trained as a percentage of total delegates trained	86,6%

5. Affirmative procurement **B**

5.1	Affirmative procurement spend	R7,1 billion
5.2	Affirmative procurement spend (excluding inter-group spend)	R5,5 billion
5.3	Total South African procurement	R31,2 billion
5.4	Total South African procurement (excluding monopolistic, foreign and inter-group spend)	R14,7 billion
5.5	Affirmative procurement plan	Yes
5.6	Affirmative procurement target	In the process of establishing targets and strategies
5.7	Affirmative procurement spend as a percentage of total procurement	22,7%
5.8	Affirmative procurement spend (excluding inter-group spend) as a percentage of total procurement (excluding monopolistic, foreign and inter-group spend)	37,5%
5.9	Robust verification mechanism	None

6. Enterprise development **A**

6.1	Enterprise development initiatives	Yes
6.2	Total number of BEE entities developed	51
6.3	Total enterprise value of BEE entities developed as at June 2004	R666,7 million
6.4	Enterprise value of BEE entities developed during June 2004 financial year	R166,7 million

7. Social development **A**

7.1	Social development initiatives	Yes
7.2	Total social development spend	R11,7 million
7.3	Percentage contribution to education, health, poverty alleviation and community development	100%
7.4	Percentage of social expenditure to after tax profit	0,7%

8. Operational capacity **A**

8.1	The operation of the entity include: investment holding company	
8.2	The risk of economic benefits flowing out of the Company as a result of the lack of operational capacity is:	Very low

 A full copy of the EmpowerDEX report is available on our website www.bidvest.com

Social Impacts

Bidvest is firmly committed to transformation in the workplace

Bidvest employs 81 931 people

R1 659 per employee spent on training in South Africa

R13,0 million spent on corporate social investment



CSI spend:
A more co-ordinated approach to CSI is planned, with greater alignment between business strategy and CSI spend



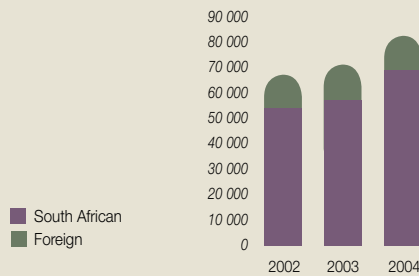
Chairman's award 2004:
Chairman's award winners – Anthony Dawe, managing director of Bidfreight Terminals and Myron Berzack, chairman of Voltex



Safety challenge:

Bidvest is committed to pursuing best safety practices in all work-related activities

Employment growth
Number of employees



Bidvest sponsors Wits:

The aim of the project, apart from sponsoring the football club, is to uplift the surrounding communities through sport and education



Hygiene awareness:
HyGienie, Steiner Hygiene's brand character, helps educate young children in Gauteng on the importance of hygiene



OUR WORKPLACE

Bidvest is firmly committed to diversity and, in the South African context, transformation in the workplace. The board is responsible for and directs the progress, whilst monitoring the performance against clearly defined targets. Although our figures may reflect a fairly good performance when measured against industry benchmarks, we realise that the journey has just begun. We will continue to identify weak areas, create opportunities and pursue strategies and partnerships that will enhance the social transformation process within the workplace and the communities in which we operate.

Employee profile

Bidvest employs 81 931 people, 68 338 in South Africa and 13 593 offshore. The number of employees has increased by 11 177 (15,8%), with the McCarthy acquisition contributing 43,9% of the increase.

The Group's philosophy on employment goes beyond that of statutory requirements and includes ensuring that the workforce receives above average remuneration and is well cared for in terms of health care, disability, skills development and retirement.

As a multi-faceted and diverse international organisation Bidvest has proved to be an employer of choice. The Group provides incentives tailored to attract and retain the right people and combine this with investments focused on skills development and training.

Energy, passion and performance

Bidvest's entrepreneurial culture reflects the values of energy and passion in our day-to-day business performance. Leadership energy is infectious and drives transparency, accountability, integrity, excellence and innovation in all our business activities. Employees are committed to delivering high levels of quality service to the Group's customers.

The Bidvest DNA, an analysis and assessment of the Bidvest Academy students, has shown an extremely high level of

consistency and similarity in leadership profiles throughout the Group. Highest scores were achieved in delivering good service to customers, energy and passion for the job, and delivering good financial performance – all consistent with the entrepreneurial, task focused diagnosis. This represents significant system strengths – the platform upon which Bidvest's success has been built.

Workplace ethics

The Bidvest code of ethics provides the framework for ethical behaviour in the Group and ownership of this code of ethics is dependent on the active participation and adoption of the practical guidelines and principles by all employees within the organisation. We have optimised our whistle-blowing procedures and substituted the "hotline" with a 24-hour call centre that records and reports all calls. This will enable quicker response time and enhance feedback.

The Group complies with the International Labour Organisation Conventions and no person under the age of 18 years old is employed. Human rights form the basis of our human resources practices and discrimination and sexual harassment of any form or nature are not tolerated.

Fair treatment of our employees is fundamental to our business philosophy and we recognise the right to freedom of association and participation by our workforce in employee representative forums.

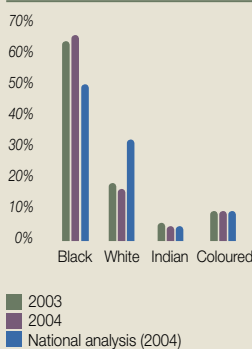
Unions are one of our key stakeholder groups, although the unionised employees in South Africa are relatively small (25,6%). Engagement with unions takes place at divisional level on a decentralised basis. During the 2004 financial year, 1 694 man-days were lost to strike action.

Recruitment and who we employ is a critical area of our business strategy. The recruitment and selection process ensures that a long-term relationship can be built that will be beneficial to both the company and the individual.

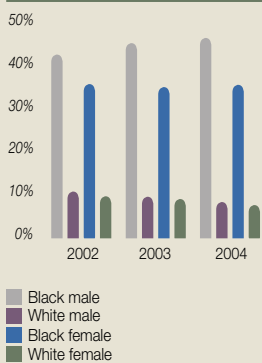
Bidvest acknowledges the needs of employees to fulfil responsibilities and commitments outside of their working environment and encourages its employees to maintain a healthy balance between their personal and professional lives.

Social Impacts *(continued)*

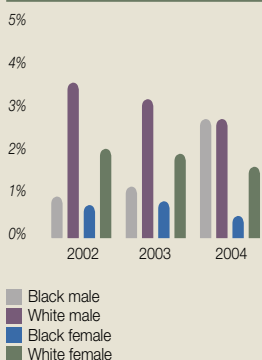
Employment equity profile by race



Employment equity by race and gender



Management profile



The figures depicted in all the employment equity graphs and related commentary represent only South African operations.

Annually, each division nominates employees who have made a special effort or whose performance has been exceptional for the Divisional Awards. Nominees are issued with certificates, and winners are announced at the annual chairman's awards ceremony. An overall winner is chosen for the chairman's award. This year the chairman's award was awarded jointly to Anthony Dawe, managing director of Bidfreight Terminals, and Myron Berzack, divisional chairman of Voltex. The awards are highly prestigious and give both personal and team recognition. Most of the divisional chairmen are previous winners of the chairman's award. In addition each division and business unit have internal award recognition programmes.

DIVERSITY

Demographic representation is an important characteristic of Bidvest's workforce profile in South Africa and the Group is committed to diversification. This entails the effective implementation of employment equity and skills development programmes beyond compliance with statutory requirements to ensure enhanced participation by HDIs throughout the Group. Employment equity targets have been determined to improve equity as required by the South African Department of Labour and are reported annually to the authorities.

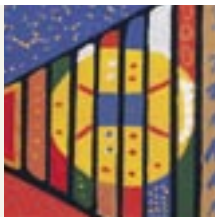
Based on the number of employees from black groups, we are perceived by independent assessors as performing well in terms of employment equity. This is partially as a result of the nature of our businesses – most of our businesses rely on large numbers of semi-skilled and unskilled employees, most of whom are black. At higher levels, there are clear signs of improved employment equity and the Group's commitment to empowerment will accelerate this trend. The transformation committee has been instrumental in the Group's overall employment equity performance.

Diversity in management

Bidvest's management, comprising 6,3% of the total workforce, is still largely white although the increased trend in black top management reflects a concerted effort by the Group to find and appoint suitable candidates, a strategy emphasised in *The Bidvest Charter*.

Significant progress has been made in improving the equity profile of the divisional board representation.

While Bidvest is ahead of the national average for blacks in senior management, improving from 5,9% to 8,6%, the figure represents an overall summary and masks weak areas that exist at divisional and



operational levels. Weak areas will be addressed to ensure true demographic representation. The training provided by the Bidvest Academy should yield meaningful results.

Bidvest's middle management employment equity is skewed by the dominance of white females in Rennie's Financial Services. The junior management and skilled employees profile has improved significantly as a result of successful training and skills development initiatives within the Group.

Females in management

The advancement of women within the Group is a high priority in the overarching employment equity philosophy. Even though the percentage of women employed decreased slightly, the number of female employees increased from 24 608 to 29 460. The service nature of Bidvest business means that more females are employed than the national average. Females comprise 36,0% of the total management profile in the Group and 15,0% in the divisional director profile. The employment equity targets within the businesses will enhance these statistics.

Bidvest's approach to diversity encompasses creating an enabling environment that includes facilities for the disabled and women with family responsibilities.

INVESTING IN SKILLS DEVELOPMENT AND TALENT MANAGEMENT

Investing in skills development, education and training are fundamental commitments that guarantee the individual growth of our employees, the building of competence and the long-term sustainability of our business. The growth of skills and knowledge is crucial in maintaining our competitive edge as an international corporation.

Training is offered throughout the organisation at various levels and employees are encouraged to participate in training and development courses. We believe that improving employee skills will inevitably lead to increased job competence and promotion and consequently, an improved employment equity profile and better business performance. Education and training encompass:

- adult basic education and training (ABET);
- learnership programmes;
- specific technical and industry-related skills;
- soft skills; and
- leadership and management exposure.

The South African Skills Development Act of 1998 provides the framework for encouraging employers to invest in the education and training of their staff. Bidvest's skills spend was R73,2 million (1,1% of the total payroll) of which 48,3% was external and 51,7% internal. Total training spend of R58,3 million in South Africa increased by 61,0% and amounted to R1 659 per employee. Bidvest spent 0,8 (2003: 1,7) days on training per employee in South Africa. The main reason for the reduction in training days can be attributed to more focused training, resulting in the number of training days reducing. The rapid increase in the number of employees also resulted in a change in the trend of the previous years. HDI candidates constituted 86,6% of the total training allocation.

HEALTH AND SAFETY

Bidvest is concerned about the well-being and safety of employees in the working environment and ensures that all employee health and safety aspects are aligned with the Group's risk management process. Strategies are in place to ascertain that risks are appropriately managed and accountability for a safe and healthy working environment is promoted.

The Group is committed to operating well within the bounds of applicable and relevant occupational health and safety legislation and regulations within our diversified business. The health and safety of our employees is managed according to sound global best practices and training and awareness is paramount to ensuring a safer and healthier working environment.

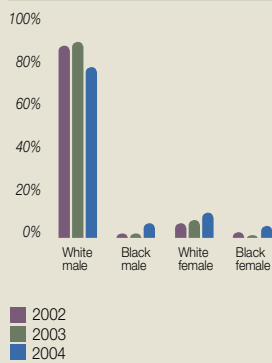
Health

Bidvest's divisional boards are committed to preventing occupational disease and identifying and managing, to the extent possible, threats to the health of employees and local communities that might be affected by the Group's operations.

A life threatening disease policy has recently been drafted to guide and control the risk of life threatening diseases

Social Impacts *(continued)*

Bidvest – divisional board representation



Female profile



to Bidvest's employees, their families and communities. Bidvest continues to support employees with a life threatening disease. The Group will take reasonable measures to combat the spread of these diseases through ongoing employee education and awareness programmes. Confidentiality with regard to any health issue is highly respected.

Bidvest's approach to health extends beyond our employees into the communities in which we operate. A number of our CSI initiatives are dedicated to improving primary health care. The Bidvest Dinatla Trust is further committed to supporting health care interventions amongst the dependants of Bidvest's employees.

HIV/Aids

Bidvest recognises the socio-economic implications of HIV/Aids to the Group, its employees and the communities from where its employees live and within which it operates. An HIV/Aids policy has been drafted for the Group that protects the legal right of HIV/Aids-diagnosed employees to work and provides guidelines for situations where infection with HIV/Aids is suspected. The Group promotes voluntary counselling and testing and HIV/Aids training and awareness programmes are offered to all employees.

In alignment with the Group's decentralisation philosophy, HIV/Aids is monitored and managed at business unit level. Several business units have initiated comprehensive awareness and counselling programmes and have formulated their own HIV/Aids policies.

As a responsible corporate citizen, Bidvest is committed to supporting projects that address the various aspects of HIV/Aids in the communities within which we operate, and in particular, has supported the Topsy Foundation, which cares for HIV/Aids orphans from Soweto.

Safety

Safety is a challenge for any organisation and Bidvest is committed to pursuing best safety practices in all work-related activities. Individual business units are responsible for identifying safety hazards and risks in their specific workplaces and incorporating these into risk management controls and procedures to ensure that safety risks and accidents are eliminated or reduced.

Safety performance

During 2004, 205 accidents were reported across the Group. The definition of accidents has been broadened in 2004 to include all accidents resulting in time lost beyond 0,5 of a shift.

Appropriate plans and measures have been put in place to deal with these incidents and to prevent any future recurrence. There were no fatalities.



Accidents reported

	2004
Bidfreight	79
Bidoffice	24
Bidpac	17
Bidserv	57
Caterplus	13
Combined Foods	11
Rennies Financial Service	0
Voltex	4
Bidvest Corporate Services	0
BidIT	0
McCarthy	0
Property	0
Total	205
Rate per 1 000 employees	2,5

Accountability for safety

High safety and hygiene standards are also inherent in our products and safety is a highly regarded element in our approach to product stewardship and the long-term sustainability of our business and its products. Hygiene standards in our foods division for example are critical to our long-term supply of food and food ingredients to customers.

CORPORATE SOCIAL INVESTMENT

Bidvest views the business environment as seamlessly linked to the broader social environment and realises that business conduct has a direct social, economic and environmental impact on society. Conditions in the external economic and social environment impact on the way we do business. Investing responsibly as a corporate citizen means that the impact of such investment can be clearly measured in terms of the mutual benefit to the Group and the communities within which we operate.

Bidvest's CSI programme aims to support the communities in which we operate. We have spent R13,0 million, representing 0,5% of pre-tax profits on CSI initiatives.

Corporate social investment (R'000)

	2004	%
Payment of employees' children's education	187	1,6
Provision of interest free study loans	1 284	11,0
Charity spend	4 454	38,1
Social spend	5 763	49,3
South Africa	11 688	100,0
Foreign operations	1 301	
Total	12 989	

Bidvest's CSI spend covers:

- education and training
- health and HIV/Aids
- community development
- sports
- arts and culture
- environment
- economic empowerment and job creation
- safety and security
- welfare

There has been a substantial increase in all categories of social spend with interest free study loans representing the biggest growth in monetary value. This further emphasises Bidvest's commitment to development.

A more co-ordinated approach to CSI within Bidvest is planned, characterised by greater alignment between business strategy and CSI spend, with a number of flagship programmes that will take into account broader national social transformation objectives. Themes such as entrepreneurship development and the 2010 Soccer World Cup will be considered in allocating overall spend.

The Chairman's Trust Fund

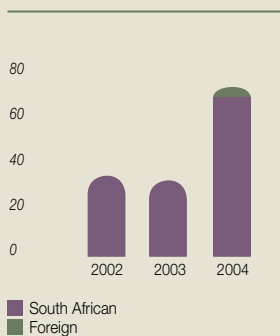
Bidvest's CSI initiatives are executed at corporate, divisional and business unit levels.

The Chairman's Fund was established in 1994 and facilitates donations to a number of religious, charitable and educational institutions such as Hospice, the disabled, the Red Cross, the World Wildlife Fund, various schools, READ, the SPCA and children's feeding schemes and sanctuaries. Bidvest is a long-standing contributor to the Nelson Mandela Children's

Social Impacts *(continued)*

Investment in training*

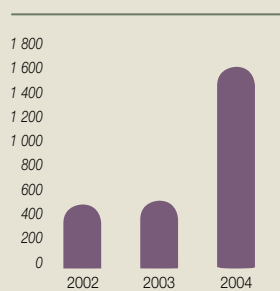
Rand (million)



*2002 and 2003 figures exclude foreign spend.

South African training investment per employee

Rand



South African training days per employee



Fund and The Business Trust, which in partnership with other companies and the South African government, undertakes targeted job creation and capacity building programmes.

Empowering communities

Empowerment is the key focus of our spend as we continually seek to empower people to help themselves – be this through direct skills transfer, sports, medical interventions or education. Empowerment, we believe, will make our investment in communities sustainable.

Bidvest's empowerment of women also extends into its social responsibility programmes and community investment initiatives. Skills development and mentorship are seen as key ingredients in developing a talent pool and empowering HDIs in our local communities.

CASE STUDIES

Waltons Empowering African women: The Khanya Project

Empowering women is the principle behind Waltons' KZN branch's involvement and support of the Khanya Project. The project, aimed at empowering rural African women with literacy, numeracy, life, sewing and business skills has, as its ultimate aim, the training of women in dress design. Khanya is the brainchild of the Institute of Black Research, based at the University of Natal. Waltons KZN fund the project facilitators, stationery and the management expenditure of the project.

Annually, a class of at least 120 women participate in a six-month training course where they are taught to design, sew and sell clothing. Each woman receives a hand sewing machine at the outset of the course with the objective to pay for it by the end of the course with money earned from her designs. These women are then encouraged to return to their respective communities and train other women or establish small businesses in clothing design and sewing. This small empowerment project has provided an income for hundreds of local families in the region.



First for service excellence

Caterplus initiated the First for Service Excellence Programme, an internal quality management process that facilitates the development of an



environment in which quality excels and exceeds the expectations of customers, both internally and externally.

The process encourages people to:

- be accountable and take responsibility;
- make good decisions and deliver quality;
- build a culture of continual improvement; and
- develop a level of awareness for further improvement opportunities.

Over 70% of employees across Caterplus and Combined Foods have participated in training to date. The intention is for employees in all divisions to attend the training module, which covers communication and leadership skills, problem solving techniques and dealing with both internal and external customers.



The Bidvest Academy

The Bidvest Academy, launched in 2003, provides a platform for developing young executive talent within the Group. The Academy's six-month programme provides exposure for young managers to Bidvest's executive management, Group operating methodologies and divisional business strategies. The course aims to equip participants with business, team and leadership skills that can be applied in their respective organisations. Course assignments include developing a strategy for their divisions and completing an in-depth business project involving analysis, innovation and adding financial value to the company.

Rfs The voice of the people: Rennies' workplace forums

Rennies has established Workplace forums with the vision of contributing to the building of a healthy and happy working environment where everyone is motivated and encouraged to perform to the highest possible standard.

The objectives of the national workplace forum include promoting effective communication and employee participation in the workplace through joint decision making, problem-solving and consultation; enhancing efficiency within the workplace and a governing role of ensuring

that company policies and procedures are adhered to by both employees and management in accordance with the provisions and stipulations of the South African Labour Relations Act of 1995.

Formal disciplinary and grievance codes and procedures exist at all our operations to ensure fair and safe labour practices and an environment that is conducive to positive, content and constructive working relationships.

Re-engineering at Bidvest Network Solutions

Bidvest Network Solutions, previously known as I-Fusion, recently weathered tumultuous change and has transformed to a business focusing on networking and outsourced services. All non-profit, non-core businesses were closed, significant management changes were made and an injection of new managers has borne fruit. The re-engineering strategy has established the building blocks for becoming a truly world-class business that will attract blue chip customers and talented staff, thereby creating long-term returns to all its stakeholders. The effort by employees, commitment from management and support of our clients attributed to the enhanced business performance and improvement in employee trust and morale.

A recent culture audit undertaken at Bidvest Network Solutions confirmed the need for continued proactive management, responsive to the needs and concerns of its employees. In response, a people forum was established to facilitate communication between management and staff and to focus on improvement in the culture and values of Bidvest Network Solutions.

PRESTIGE Fast-tracking HDIs in Prestige

The Prestige Group initiated a formal one-year mentorship programme specifically aimed at fast-tracking HDIs from middle management level and equipping them with the knowledge and skills to be competent at senior levels. Fifteen people have attended the programme and results became apparent when Ronnie Ramazan was appointed to run the Polokwane region of Prestige.

Rfs Rennies invests in ABET

Adult basic education and training (ABET) was revived within Renfin in 2002 to include all employees. The aim is to upgrade educational qualifications by increasing English language abilities in the functional areas of listening,

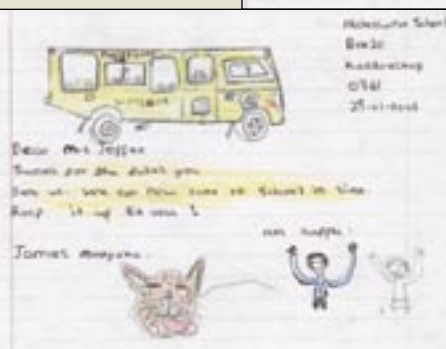
Social Impacts *(continued)*



The Bidvest Academy:
Brian Joffe lecturing to students

Thank you:

Letters from pupils of the Naletsana School, who received buses sponsored by Bidvest and Waitons



CASE STUDIES *(continued)*

speaking and writing. The ABET programme is directly related to the learner's job and work environment. The resultant contents are practical, applicable and able to be reinforced into the workplace by seniors and peers. Rennie's Travel and Rennie's Bank have eight learners participating in the programme and are looking forward to more learners receiving accreditation in the future.

Personal financial awareness

Rennie's ran a voluntary three-hour workshop during office hours at their head office dealing with effective personal financial management.

The workshop addressed fundamental financial concepts and issues such as budgeting, the power of compound interest, how to get out of debt, garnishee orders, the problems and pitfalls of loan sharks, wills and estates, the Credit Bureau and the Micro Finance Regulatory Council.

Crown National's adult basic education and training programme

In line with its commitment to black empowerment, Crown National introduced a mentoring programme in 1992 to combat illiteracy. This programme was so successful that it was expanded into a social responsibility programme registered with the South African Department of Social Development and sponsored by Crown National.

Many learners who started the course in 1992 have progressed and are now being successfully mentored in a Bachelor of Commerce Bridging Course that deals with human resources, credit management, accounting, self-management, general management and information technology. The syllabus has been designed to prepare managers and to ensure Crown National employees have been given the cutting edge in terms of more competitive training. Computer skills and literacy classes are ongoing.

Career plans are drawn up to assist workers with a career vision and to implement the necessary training to achieve the final results. Many of the participants are aiming at supervisory and management positions and this is being well catered for by the mentoring system.



The Skills Development Act: A win-win scenario

McCarthy has embraced employment opportunities arising out of the recent Skills Development Act. The company has used the benefits of the Act in



the automotive technician area to affect, simultaneously, employment and productivity gains and progress in the employment equity arena.

Prior to the implementation of the new skills development legislation, McCarthy employed apprentices and provided in-house training at an annual cost of approximately R3 million. With the new legislation McCarthy ceased apprenticeship programmes and signed up shorter learnership contracts at lower costs. The learners are given allowances well above the recommended and prescribed minimum rates, but below those of the traditional apprentice rates. This means that 40% more learners than apprentices can be trained at no additional cost.

Even though learners spend more time in off-the-job training than apprentices, the positive result of increased learnerships has meant that 40% more youngsters than before can be offered specialised, highly practical training, while more hours of workshop labour is available. From an employment perspective, many better qualified technicians will be put into a sector which has seen a decline in the apprentice pool over the last decade, whilst McCarthy enjoy greater service sales capacity at no added cost. In addition, due to the applicable financial incentives provided in the Act (discretionary grants and tax breaks), McCarthy's net cost of technical training has reduced by a third with a significant increase in the number of people that were trained.



McCarthy's mentorship programme

The primary objective of the McCarthy mentorship programme is to facilitate improved progress in respect of employment equity appointments over the medium term at skilled and managerial levels. In addition, it aims to assist with the recognition, development and retention of staff with high potential for advancement; to assist with succession depth and to link mentoring with other development opportunities. The implementation of this programme followed a successful pilot mentorship exercise involving senior executives and will, in time, be extended to all business divisions.

The one year programme builds on the foundations of experienced managers, providing guidance and support to protégés who are outside of their own areas of responsibility. Protégés for this programme are carefully selected and most are HDIs. The programme aims to supplement and enhance all McCarthy's manufacturer training and development interventions.

A mentoring tool kit has been developed that assists both the protégés and mentors with the process. A team has been established to monitor the effectiveness of the programme and to assist, advise and guide both the mentors and protégés on an ongoing basis.

STEINER HYGIENE Steiner's HyGienie educational road show

HyGienie, Steiner Hygiene's fully-fledged brand character, was initially developed as an internal marketing tool but has been evolved to head up a fun and multilingual educational road show in Gauteng to educate young children on the importance of hygiene. The hygiene educational programme will be extended into other South African provinces in the near future. The road show visits primary schools and addresses various health themes including oral and personal hygiene in a way that is accessible to young children whilst continuously reinforcing the importance of a clean environment. HyGienie also appears at special events, welfare institutions, hospitals, sports events and charity functions. The initiative hopes to encourage good hygiene practices as a life-long habit for the learners and in turn that the message will extend to the learner's friends and families.

As an extension of its mobile road show "Project Deep Clean" was established to conduct a thorough cleansing of school bathrooms along with a donation of chemicals and toilet paper to maintain the new hygienic state of its bathrooms.

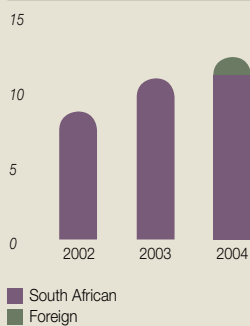
LITHOTECH HIV/Aids in the workplace

Lithotech utilises the work environment to educate and sensitise employees on the health and social impacts associated with HIV and Aids. Optimising on employees' time at work, volunteers within the business units have been trained to be peer educators, who will convey the message of prevention and awareness. HIV/Aids awareness programmes were developed and conducted within certain business units and to date 792 employees have attended the education programme. HIV/Aids

Social Impacts *(continued)*

Corporate social investment*

Rand (million)



*2002 and 2003 figures exclude foreign spend.

CASE STUDIES *(continued)*

posters, information leaflets and booklets have been displayed and circulated to all employees.

Voluntary and anonymous testing is provided to employees and to date 87 employees have been tested. Pre- and post-test counselling is provided and results are treated according to high ethical standards. Some of the operating units also provide for diabetes and TB testing.



HIV awareness and education

Voltex support the principle that HIV/Aids education and awareness is the most effective way of reducing infection amongst employees and managing HIV/Aids in the workplace. An HIV/Aids awareness programme was implemented to achieve:

- quality of life for employees infected;
- increased productivity;
- awareness and knowledge of HIV/Aids and sexually transmitted diseases;
- awareness of the policy regarding the treatment of the epidemic; and
- community awareness through the dispersion of information learnt at the workplace to the community at large.

To date a total of 1 215 employees have participated in the Voltex HIV/Aids awareness programme. The ongoing programme will be constantly evaluated to ensure its effectiveness in encouraging attitude and behaviour change. A Voltex specific, post-training, survey has been designed and sent to all employees to determine the value of the current programme.

Voltex recognises the need for pre- and post-test counselling for employees wishing to be tested for HIV. This applies to the counselling of employees who are diagnosed with HIV infection. The consultant nurse retained by Voltex is qualified to conduct counselling and will engage the participation of local specialist community agencies to ensure that support is given to the affected employee and his/her family.



Protecting employees' rights

Cecil Nurse endorses a non-discriminatory work environment and stipulates that employees with HIV or Aids may not be unfairly discriminated against in the allocation of employee benefits. The HIV/Aids policy is based on the protection of human rights and dignity of people living with HIV or Aids. This is essential to the prevention and control of HIV/Aids and a supportive working environment needs to be created to enable HIV affected employees



to continue working under normal conditions in their current employment for as long as they are medically fit.

The Company provides and maintains, as far as reasonably practical, a workplace that is safe and without risk to the health of its employees. Although the risk of HIV transmission in the workplace is minimal, appropriate equipment, materials, training and awareness are provided to deal with any accidents and to minimise any potential risks.

New safety system for Seaworld

Customer demand and the growing awareness of food safety programmes urged Seaworld Cape Town to consider the implementation of a management system to control aspects such as pest control, product protection, sanitation, distribution protocol, administration and temperature control. The programme was commenced and an internal management system was developed and implemented. However, problems in auditing moved us to implement our own hazard analysis of critical control points system and conform to international standards. Standard operating procedures were developed at national level and adopted for all our operations, ensuring a common approach to training and procedures.

Our first step toward accreditation was to provide suppliers with a supplier standard that disclosed product information. The percentage compliance by our suppliers was recorded at 80%.

Our staff training will include:

- Personal hygiene
- Skills
- Product handling
- Safety
- Equipment handling
- Sanitary operations
- Warehousing

The process is promising dividends as the staff are realising that by following procedures the job becomes second nature and less stressful.

Quality and food safety programme

Crown National has become a holistic food ingredient supplier of complete solutions to companies. International trends, recent regulations in the food industry and consumer awareness have led food manufacturers to meet rigorous food safety and quality requirements. The range of customers that buy our products is diverse and products are Kosher and Halaal certified.

The hazard analysis of critical control points programme for food manufacturing facilities, promulgated in 2002, identifies hazards which can be harmful to humans and may be present in food ingredients or processes and require the implementation of controls to prevent the transfer of these hazards from food products to the consumer. Crown National has been running this SABS certified programme for more than three years. Crown Food Ingredients, a division of Crown National, has recently introduced automated processes to improve efficiencies and controls.

A number of our customers also conduct their own quality and food safety audits on our factory to ensure that their own standards are met. This combined with stringent quality controls to ensure consistent quality and to identify microbiological contamination of products, has led to a successful food safety programme.

Uplifting community bakeries through skills training

Chipkins Bakery Supplies in Limpopo is committed to empowering local communities at grass roots level. A small test bakery was established at the Polokwane branch in partnership with the Department of Health and Welfare to assist remote regional rural bakeries in skills development. Over a three-month period, small groups of people from numerous community bakeries have attended the test bakery to be trained and to gain knowledge about the versatility and ease of use of various available baking products.

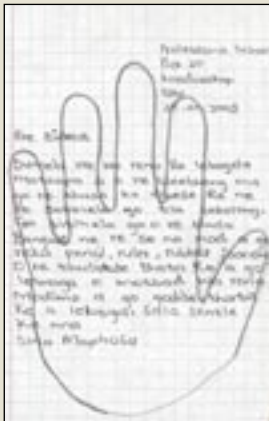
The project improves relations with local communities by providing people with new skills and in turn, fostered client loyalty.

Social Impacts *(continued)*



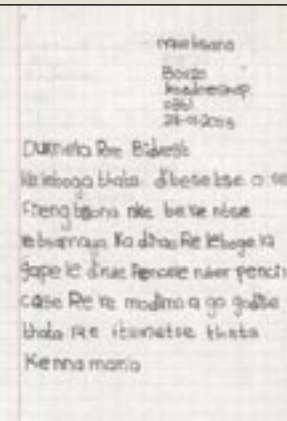
Rally to READ:

Since 1998 the programme has invested nearly R12,6 million in improving the quality of education in 271 remote, rural school of South Africa



A big thanks:

More letters from the Naletsana School from very grateful pupils who can now get to school on time



CASE STUDIES *(continued)*



McCarthy's Rally to Read

The seventh annual Rally to Read took place in May 2004 and an enormous supply of books and other educational material were delivered to schools in rural areas in eight South African provinces. Since 1998, this programme has invested nearly R12,6 million in improving the quality of education, with a focus on literacy, in 271 remote, rural schools of South Africa. An additional R1 million's worth of educational toys, science kits, school clocks and water bottles were also delivered on behalf of individual sponsors.

Rally to Read is a joint project of the South African business community and rural schools, organised annually by the READ Educational Trust, McCarthy, the Financial Mail and the Financial Times. Bidvest, through Waltons, contributed R150 000 for the purchase of stationery for 123 schools. Rennies Financial Services and Safcor Panalpina also participated.

The 2004 rally kick-started a teacher development programme, worth R1,2 million, for 1 120 teachers to improve the reading and writing skills of over 36 000 learners. Science equipment was delivered to schools entering their first year of partnership with the project and a separate programme – *The Business of Running a School* – aimed at capacitating the principals of certain schools, was launched.



The School Computer Centre Project

The School Computer Centre Project is a joint effort by a number of similarly concerned companies to upgrade the quality of learning in well-managed schools in disadvantaged communities in and around Durban. We have established 17 centres in primary schools and aim to establish between two and four centres annually.

The centre's three primary aims are to provide supplementary mathematics and English education to pupils by means of a computer-based mathematics and English software program, to promote computer literacy skills amongst teachers and learners and to provide support for the schools' administration.

McCarthy Limited is one of the key sponsors in the School Computer Centre Project, coordinating the project and providing in the region of R50 000 per centre to finance maintenance costs, the purchasing of furniture, the teaching software and the training and technical support.



Waltons Ignite your Potential:
Waltons' Human Empowerment Academy

Waltons' Human Empowerment Academy is aimed at empowering the children of Waltons' staff.

Employees' children who remain unemployed due to a lack of basic work and life skills are invited to participate in a 12-day workshop that provides life skills training including topics such as conflict management and resolution, communication, computer literacy, customer care, technology, entrepreneurship and HIV/Aids.

The unique aspect of this programme is that learners who are part of the Waltons learnership designed the curriculum. Shameema Siddique, Waltons' intern industrial psychologist, who managed the process, stated that the passion and enthusiasm of the learners was inspiring and fitted well into the theme of the programme – Ignite Your Potential – akin to the red ball in the Waltons logo.

Black empowerment recruitment agencies that serve Waltons assisted as partners in the project by providing tips on job interviews and curriculum vitae design. These agencies have also agreed to place these children on the priority candidate placement database.



MINOLTA Sports development

Minolta, a Bidoffice company, is strongly committed to sports development in South Africa and one of the key funding recipients is a professional cycling team.

Minolta's professional cycling team has made an impression on the South African cycling circuit this year with an under-23 championship win and strong positions in several other races. Members of the Minolta team – Potgieter, Prince, Berg and Du Randt – have been selected to represent South Africa in Germany where they will spend five weeks racing in various one-day races and two cycling tours. Team manager, Graeme Cronje, hopes to see riders from the team produce good enough results to make the national squad to represent South Africa at the world championships in Italy.

Environmental Responsibility

3663 obtains ISO 14001 certification

Three out of four sites at IVS obtained ISO 14001 and ISO 9001:2000 certification

The diverse nature of our products and services provide us with a challenge to realise the full scope of our environmental risks

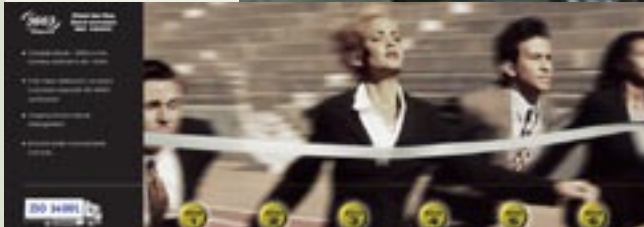
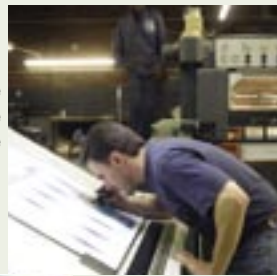


Air emissions:

Air quality monitoring was completed at the nine Durban sites at Island View Storage, confirming no significant emission impact

Waste programme:

Lithotech takes due care of product life cycle and responsible waste disposal



Commitment:

Pollution prevention forms an integral part of the TMS Group's operations and services

Accreditation awarded:

3663 was awarded ISO 14001 accreditation in August 2003, after a two-year development and implementation process



The Group is committed to the responsible care of the natural environment in which we operate. Due to the diversified and decentralised nature and geographic spread of our businesses, we have not yet identified the full extent of our environmental risks. This poses an enormous challenge – one that we are committed to address as a responsible corporate citizen.

Managing the risks

Environmental management within the Group is risk-based due to the diversity of products and services. This is in line with the decentralised approach and subsequently accountability for the management of environmental risks has been delegated to front-line management of the business units in the Group. This includes compliance with legislative and regulatory requirements and benchmarking against international best practices.

Where our operations have significant environmental risks, adequate controls are in place to ensure that risks are properly managed and monitored to minimise the environmental impacts. We have made use of case studies to illustrate how environmental management is conducted at operations where environmental impacts are considered as a potential risk. Due to the relatively low environmental risk profile of most of our operations, meaningful data on environmental performance indicators such as resource consumption and waste loads in emissions and effluents have not been collated. In order to present a fair account of our aggregate Group environmental impact and performance, relevant information and data will be collected and reported in future sustainability reports.

CASE STUDIES



SHEQ performance 2004

Island View Storage is the leading independent storage provider for gases, chemicals, oils and lubes oil additives in southern Africa. With over 600 000 m³ of tankage, IVS owns and operates one terminal near Johannesburg, two terminals in KwaZulu-Natal and one in the Western Cape. Although the products are not owned, the responsibility for safe handling remains with IVS. The environmental

management system provides the framework for risk control and impact management, effectively backed by personnel committed to continual improvement.

The Durban Terminal is situated in the harbour, with eight operating sites that store products ranging from vegetable oils and waxes to alcohols and solvents. A ninth site comprises a vegetable oil tank farm. Tanks are designed and built in accordance with national standards. Maintenance of infrastructure and the site improvement programme dealing with the upgrade of older sites remains a high priority.

IVS is committed to supplying a safe, professional, quality service in our customers' logistic chain. Risk assessments and expert studies provide an understanding of safety, health, environmental and quality priorities and potential impacts on personnel, surrounding communities and the environment.

Risk management

Formal risk assessments are conducted internally and by specialists in health risk assessments, medical surveillance, groundwater studies, air emission inventories, legal compliance audits and environmental impact assessments. Risks are quantified and managed systematically in accordance with our strategic risk management process. Directors and the executive management team have embarked upon a detailed process of business risk identification and mitigation.

Management systems

All installations are ISO 9001: 2000 certified and ISO 14001 has been implemented at three of our four terminals. The Durban terminal will be audited for accreditation in 2005. NOSA 5 Star (Richards Bay and Cape Town) and NOSCAR ratings were achieved.

Compliance

The IVS business environment is a highly legislated and regulated environment. Dedicated, qualified staff and a legal consultant ensure compliance through legal and system compliance audits.

Necessary regulatory permits are in place for scheduled processes with regard to emissions to air, effluent discharge and hazardous storage facilities. An environmental impact assessment process was recently initiated to install new berth lines and a new vapour return line to reduce emissions and effluent generation.

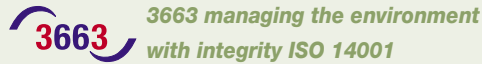
Environmental Responsibility *(continued)*

CASE STUDIES *(continued)*

Continual improvement

A waste segregation system was implemented to enable waste recycling and an effluent management study and energy efficiency study was initiated to improve efficiencies and to minimise our impact on natural resources.

Compliance to systems and relevant legislation is regarded as a minimum standard and a computerised non-conformance and preventative action system to enhance monitoring and reviewing procedures is in place. Air quality monitoring was completed at the nine Durban sites, and will be performed at the other three terminals in the near future. Results from these studies have indicated that there are no significant emission impacts on the receiving environment. The incident and complaint reporting system recorded no significant environmental incidents.



Following a two-year programme to develop and implement an internationally recognised environmental management system, 3663 was awarded ISO 14001 accreditation in August 2003. The system is operated on a corporate scope of some 37 separate locations, 34 operational depots and three central support functions.

A number of corporate objectives have been set as part of the continual improvement programme within the management system. These are related to the significant environmental aspects that were identified:

- Reducing the environmental impact of resource consumption;
- Reducing the quantity of waste sent to landfill;
- Reducing the packaging obligation; and
- Reducing pollution risks at all sites.

Improvement targets have been set under each of the objectives and comprise of two levels. The first level deals with corporate improvement targets focusing on legal compliance, whilst the second level deals with site-specific targets that are set in line with corporate objectives.

Supply chain management

A supply chain manager will address the following areas over the next two years:

- Strategic activity and environmental improvement programmes related to 3663's products and supply/value chains;
- Improved supply/value chain environmental performance;



- Improved performance of supplier/customer and product which 3663 may influence; and
- Development of a green procurement policy to implement existing best practice in areas such as 3663's ethical trading policy.

LITHOTECH Recycling and disposal of waste material

Lithotech takes due care of product life cycle and responsible waste disposal. Operating in the printing manufacturing industry, processes involve converting raw materials to finished goods. A strong focus is placed on environmental best practice and specifically on waste recycling. The following measures are implemented to optimise recycling opportunities:

- Avoiding hazardous substances during production;
- Avoiding the use of inks containing heavy metals, for example lead or chromium, and carcinogenic pigments;
- Using recycled packaging material wherever possible;
- Repeatedly re-using aluminium contained in the plates used on printing presses;
- Recycling roller washing fluid and other chemicals used in the printing process; and
- Ensuring that waste disposal and recovery companies professionally handle all chemical and waste paper.

Paper is obtained from reputable international and domestic mills. The domestic mills are Sappi and Mondi, each of which source most of their pulp from their own specially grown plantations. The acid free paper that is used is derived from an environmentally friendly manufacturing process and lends itself to greater recyclability.



Namsov Fishing Enterprises Group – Proactive risk management

Namsov owns the single biggest concession in the Namibian fishing industry. Regular assessments of environmental impacts and relevant legislation are conducted to ensure compliance and best practice. Responsible management of the Namibian fishing industry is crucial to the business and sustainability of Namsov. The

precautionary principle is applied in all business decisions to minimise negative impacts. Namsov contributes towards and actively participates in environmental-related projects and initiatives. The Namibian Ministry of Fisheries and Marine Resources apply levies paid on fish caught for marine resource research. Namsov is committed to proactive risk management and development of adequate measures to control and manage potential environmental impacts.



Managing our risks

NCP Yeast works closely with all relevant government departments to ensure good manufacturing practice, including the responsible disposal of waste products, in line with the requirements of the relevant local and national authorities. The most significant environmental impacts from the fermentation processes are effluent disposal and air emissions. Full compliance with all the relevant local bylaws and permit conditions for wastewater disposal and air emissions from our fermentation vat vents are reported. Air quality measurements are well below the environmental chronic and acute health guidelines recommended by the California Air Resources Board. Wastewater is monitored quarterly and the results, with the exception of the sulphate level from the molasses, comply with the bylaws specifications. Mitigation measures will be implemented to ensure that the levels are within the levels stated in the permit conditions.



TMS Group – Safety, health, environment and quality policy

Commitment to the implementation and maintenance of a quality management system that satisfies the requirements of ISO 9001:2000 is a focal point for all our employees. This includes the identification of and compliance to relevant environmental legislation, regulations and client requirements. Pollution prevention forms an integral part of our operations and services and we have set the following objectives:

- proper disposal of waste products;
- the use of non-toxic cleaning chemicals;
- the use of cleaning chemicals that have the least impact on the environment;
- the return of chemicals to the relevant manufacturers once they have reached their expiry date; and
- the use of chemicals that have been formulated according to the minimum SABS or international codes.

KPMG Independent Assurance Report

INDEPENDENT ASSURANCE REPORT TO THE DIRECTORS OF THE BIDVEST GROUP LIMITED (“BIDVEST”) ON THE BIDVEST SUSTAINABILITY REPORT 2004

Introduction

We were engaged by Bidvest to provide assurance on selected sustainability performance indicators at selected sites for the year ended 30 June 2004, as reported in the Bidvest Sustainability Report 2004 (the Report). This assurance report is made solely to Bidvest in accordance with the terms of our assurance engagement. Our work has been undertaken so that we might conclude on those matters we have been engaged to provide assurance on and for no other purpose. To the fullest extent permitted by law, we do not accept or assume responsibility to anyone other than the company, for our work, for this report, or for the conclusions we have formed.

Respective responsibilities of directors and assurance provider

The directors of Bidvest are responsible for the preparation of the Report and the information and assessments contained within it, for determining the company's objectives in respect of sustainability performance and for establishing and maintaining appropriate performance management and internal control systems from which the reported information is derived. Our responsibility is to express our conclusions based on our engagement of providing assurance on the selected 2004 sustainability performance indicators and associated statements, at the selected sites. We will comment in our conclusion if any disclosures in the Report relating to the selected 2004 sustainability performance indicators and the associated statements, at the selected sites, are inconsistent with our engagement, if we have not received all the information and explanations we required to conduct our work, or if we became aware of additional information, the omission of which may result in the selected 2004 sustainability performance indicators together with the associated statements being materially misstated or misleading.

Basis of our work

There are no generally accepted South African standards for expressing assurance on sustainability performance information. We conducted our examination with regard to emerging best practice and principles within international assurance engagements and in particular our approach draws from International Standard on Assurance Engagements 3000: Assurance Engagements other than Audits or Reviews of Historical Information issued by the International Auditing and Assurance Standards Board. This standard is to be formally approved by the South African Auditing and Assurance Board and will become effective from 1 January 2005.



Our work did not constitute a financial statement audit and was designed to provide assurance on the reliability of the selected 2004 sustainability performance indicators and associated statements at the selected sites. The scope of the assurance engagement, the work performed and the associated considerations and conclusions are outlined below.

Scope

Sustainability performance indicators were selected to be the subject of the assurance engagement by considering Bidvest's key sustainability risks, identifying those sustainability indicators most relevant to management and stakeholder decision-making processes and our experience of the associated SHE reporting systems and processes.

The 2004 sustainability performance parameters and their corresponding indicators selected were: black economic empowerment (employment equity, skills development, preferential procurement); and social (number of corporate social investment projects and spend). These are collectively referred to as the selected 2004 sustainability performance indicators.

Our work did not constitute an audit and, accordingly, we do not express an audit opinion. No assurance is given in relation to the sustainability performance indicators not covered by our work, the validity of data relating to prior years or trend analysis and subjective text not related to the data reviewed.

Work performed

Our work performed with respect to the selected 2004 sustainability performance indicators consisted of:

- Visiting four Bidvest divisions – Bidfreight, Bidoffice, Bidserve and McCarthy – to conduct high-level reviews of business unit specific systems and controls for collating the selected 2004 sustainability performance indicators;
- Visiting two sites – Waltons (Bidoffice) and Prestige Cleaners (Bidserve) – to test the applications of reporting systems and controls at the business unit level;
- Reviewing the sustainability data management systems and controls, and the associated reliability (such as

completeness, accuracy and consistency) of the selected 2004 sustainability performance indicators at the selected sites;

- Reviewing the sustainability indicators via desk research using Bidvest databases, available reports, and at the central data collation centre; and
- Conducting meetings with key personnel at Bidvest's corporate office.

We believe that our work performed provides an appropriate basis for our conclusion.

Considerations

The reported 2004 sustainability performance indicators and associated statements should be read in the context of the report scope and report profile (page 53) in the Report. The reliability of the 2004 sustainability performance indicators is subject to inherent limitations given their nature and methods for determining, calculating or estimating such data.

Consideration should be given to improving the policies, procedures, and information management systems employed to report on black economic empowerment (BEE) procurement. Although sufficient evidence was available to determine that Bidvest is making progress on reporting on BEE procurement practices across the Group, additional controls are required by Bidvest to ensure that procurement calculations consider the differences between black-influenced, black-empowered and black-owned suppliers.

Conclusion

Based on the work performed, we have determined that the selected 2004 sustainability performance indicators and associated statements have not been materially misstated in the Bidvest Sustainability Report 2004.

KPMG Services (Pty) Limited

Johannesburg

October 18 2004

Global Reporting Indicators

We have followed the GRI framework for non-financial reporting

Contained in this report	✓	Not reported	✗
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GLOBAL REPORTING INDICATORS		
VISION AND STRATEGY		
1.1	Statement of organisation's vision and strategy regarding its contribution to sustainable development.	✓
1.2	Statement from the CEO (or equivalent senior management) describing key elements of the report.	✓
PROFILE		
2.1	Name of operating organisation.	✓
2.2	Major products and services.	✓
2.3	Operational structure of the organisation.	✓
2.4	Description of major divisions, operating companies, subsidiaries, and joint ventures.	✓
2.5	Countries in which the organisation's operations are located.	✓
2.6	Nature of ownership, legal form.	✓
2.7	Nature of markets served.	✓
2.8	Scale of reporting organisation.	✓
2.9	List of stakeholders, key attributes of each, and relationship to the reporting organisation.	✓
2.10	Contact person(s) for the report, including e-mail and web addresses.	✓
2.11	Reporting period (eg fiscal/calendar year) for information provided.	✓
2.12	Date of most recent previous report.	✓
2.13	Boundaries of report.	✓
2.14	Significant changes in size, structure, ownership, or products and services since previous report.	✓
2.15	Basis for reporting on joint ventures, partially owned subsidiaries, leased facilities, outsourced operations, and other situation that significantly affect comparability from period to period and/or between reporting organisations.	NA
2.16	Explanation of the nature and effect of any re-statements of information provided in earlier reports, and the reasons for such re-statements.	✓
2.17	Decisions not to apply GRI principles or protocols in the preparation of the report.	NA
2.18	Criteria/definitions used in any accounting for economic environmental and social costs and benefits.	✓
2.19	Significant changes from previous years in measurement methods applied to key economic, environmental and social information.	✓
2.20	Policies and internal practices to enhance and provide assurance about the accuracy, completeness and reliability that can be placed on the sustainability reporting.	✓
2.21	Policy and current practice with regard to providing independent assurance for the full report.	✓
2.22	Means by which report users can obtain additional information and reports about economic, environmental and social aspects of the organisation's activities, including facility-specific information.	✓
CORPORATE GOVERNANCE		
3.1	Governance structure of the organisation, including major committees under the board of directors that are responsible for setting strategy and for oversight of the organisation.	✓
3.2	Percentage of the board of directors that are independent, non-executive directors.	✓
3.3	Process for determining the expertise of the board members needed to guide the strategic direction of the organisation, including issues related to environmental, and social risks and opportunities.	✓
3.4	Board-level processes for overseeing the organisation's identification and management of economic, environmental and social risks and opportunities.	✓
3.5	Linkage between executive compensation and achievement of the organisation's financial and non-financial goals.	✗
3.6	Organisational structure and key individuals responsible for oversight, implementation and audit of economic, environmental and social and related policies.	✓
3.7	Mission and value statements, internally developed codes of conduct or principles, and policies relevant to economic, environmental and social performance and the status of implementation.	✓
3.8	Mechanisms for shareholders to provide recommendations or direction to the board of directors.	✗
3.9	Basis for identification and selection of major stakeholders.	✓
3.10	Approaches to stakeholder consultation reported in terms of frequency of consultation by type and by stakeholder group.	✓
3.11	Type of information generated by stakeholder consultation.	✗
3.12	Use of information resulting from stakeholder engagements.	✓

GLOBAL REPORTING INDICATORS		
3.13	Explanation of whether and how the precautionary approach or principle is addressed by the organisation.	✗
3.14	Externally developed voluntary economic, environmental and social charters, sets of principles, or other initiatives to which the organisation subscribes or which it endorses.	✓
3.15	Principal memberships in industry and business associations, and/or national/international advocacy organisation.	✓
3.16	Policies and/or systems for managing upstream and downstream impacts.	✗
3.17	Reporting organisation's approach to managing indirect economic, environment and social impacts resulting from its activities.	✗
3.18	Major decisions during the reporting period regarding the location of, or changes in operation.	✓
3.19	Programmes and procedures pertaining to economic, environmental and social performance.	✓
3.20	Status of certification pertaining to economic, environmental and social management systems.	✓
ECONOMIC PERFORMANCE		
EC1	Net sales.	✓
EC2	Geographic breakdown of markets.	✓
EC3	Cost of all goods, material and services purchased.	✓
EC4	Percentage of contracts that were paid in accordance with agreed terms, excluding agreed penalty agreements.	
EC5	Total payroll and benefits (including wages, pension, other benefits, and redundancy payments) broken down by country or region.	✓
EC6	Distributions to providers of capital broken down by interest on debt and borrowings and dividends on all classes of shares, with any arrears of preferred dividends to be disclosed.	✓
EC7	Increase/decrease in retained earnings at end of period.	✓
EC8	Total sum of taxes of all types paid broken down by country.	✓
EC9	Subsidies received broken down by country or region.	✓
EC10	Donations to community, civil society, and other groups broken down in terms of cash and in-kind donations per type of group.	✓
ENVIRONMENTAL PERFORMANCE		
EN1	Total materials use other than water, by type.	✗
EN2	Percentage of materials used that are waste (processed or unprocessed) from sources external to the reporting organisation.	✗
EN3	Direct energy use segmented by primary source.	✗
EN4	Indirect energy use. Report on all energy used to produce and deliver energy products purchased by the reporting organisation (eg electricity or heat).	✗
EN5	Total water use.	✗
EN6	Location and size of land owned, leased or managed in biodiversity-rich habitats.	✗
EN7	Description of the major impacts on biodiversity associated with activities and/or products and services in terrestrial, freshwater, and marine environments.	✗
EN8	Greenhouse gas emissions.	✗
EN9	Use and emissions of ozone-depleting substances.	✗
EN10	NO _x , SO _x , and other significant air emissions by type.	✗
EN11	Total amount of waste by type and destination.	✗
EN12	Significant discharges to water by type.	✗
EN13	Significant spills of chemicals, oils and fuels in terms of total number and total volume.	✗
EN14	Significant environmental impacts of principal products and services.	✗
EN15	Percentage of the weight of products sold that is reclaimable at the end of the product's useful life and percentage that is actually reclaimed.	✗
EN16	Incidents of and fines for non-compliance with all applicable international declarations. Conventions/treaties, and national, sub-national, regional and local regulations associated with environmental issues.	✗
EN23	Total amount of land owned, leased or managed for production activities or extractive use.	✗

Global Reporting Indicators *(continued)*

GLOBAL REPORTING INDICATORS		
SOCIAL PERFORMANCE INDICATORS		
LABOUR PRACTICES AND DECENT WORK		
LA1	Breakdown of workforce.	✓
LA2	Net employment creation and average turnover segmented by region/country.	✓
LA3	Percentage of employees represented by independent trade union organisations or other bona fide employee representatives.	✓
LA4	Policy and procedures involving information, consultation and negotiation with employees over changes in the reporting organisation's operations) eg restructuring.	✓
LA5	Practices on recording and notification of occupational accidents and diseases, and how they relate to the ILO Code of Practice on Recording and Notification of Occupational Accidents and Diseases.	✓
LA6	Description of formal joint health and safety committees comprising management and worker representation and proportion of workforce covered by such committees.	✓
LA7	Standard injury, lost day and absentee rates and number of work-related fatalities (including subcontracted workers).	✓
LA8	Description of policies or programmes (for the workplace and beyond) on HIV/Aids.	✓
LA9	Average hours of training per year per employee by category of employee.	✓
LA10	Description of equal opportunity policies or programmes, as well as monitoring systems to ensure compliance and results of monitoring.	✓
LA11	Composition of senior management and corporate governance bodies (including the board of directors), including female/male ratio and other indicators of diversity as culturally appropriate.	✓
HUMAN RIGHTS		
HR1	Description of policies, guidelines, corporate structure and procedures to deal with all aspects of human rights relevant to operations, including monitoring mechanisms and results.	✓
HR2	Evidence of consideration of human rights impacts as part of investment and procurement decisions, including selection of suppliers/contractors.	✓
HR3	Description of policies and procedures to evaluate and address human rights performance within the supply chain and contractors, including monitoring systems and results of monitoring.	✓
HR4	Description of global policy and procedure/programmes preventing all forms of discrimination in operations, including monitoring systems and results of monitoring.	✓
HR5	Description of freedom of association policy and extent to which this policy is universally applied independent of local laws, as well as description of procedures/programmes to address this issue.	✓
HR6	Description of policy excluding child labour as defined by the IOL Convention 138 and extent to which this policy is visibly stated and applied, as well as description of procedures/programmes to address this issue, including monitoring systems and results of monitoring.	✓
HR7	Description of policy to prevent forced and compulsory labour and extent to which this policy is visibly stated and applied as well as description of procedures/programmes to address this issue, including monitoring systems and results of monitoring.	✓
SOCIETY		
SO1	Description of policies to manage impacts on communities in areas affected by activities as well as description of procedures/programmes to address this issue, including monitoring systems and results of monitoring.	✗
SO2	Description of the policy, procedures/management systems, and compliance mechanisms for organisations and employees addressing bribery and corruption.	✗
SO3	Description of policy procedure/management system and compliance mechanisms for managing political lobbying and contributions.	✗
PRODUCT RESPONSIBILITY		
PR1	Description of policy for preserving customer health and safety during use of products and services and extent to which this policy is visibly stated and applied as well as description of procedures/programmes to address this issue, including monitoring systems and result of monitoring.	✓
PR2	Description of policy, procedure/management systems, and compliance mechanisms related to product information and labelling.	✓
PR3	Description of policy, procedure/management systems, and compliance mechanisms for consumer privacy.	✗



Executive committee



Brian Joffe
Chief Executive



Myron Cyril Berzack
Chairman of Voltex



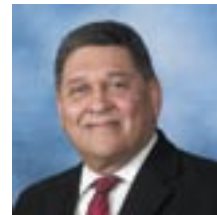
Lilian Garner Boyle
Chief Executive of
Rennie's Financial Services



Leonard Ivan Chimes
Chairman of Bidoffice



Muriel Betty Nicolle Dube
Group Commercial Director



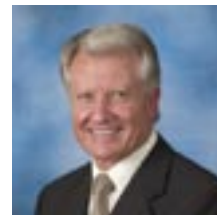
Lionel Isaac Jacobs
Commercial and
transformation director
in Bidserv



Colin Hugh Kretzmann
Chairman of Caterplus and
Combined Foods



Peter Nyman
Financial Director



**Sybrand Gerhardus
Pretorius**
Chief Executive of
McCarthy Limited



Lindsay Peter Ralphs
Chairman of Bidserv



David Keith Rosevear
Chairman of Bidfreight



Alan Charles Salomon
Chairman of Bidpac

Report Scope, Contact Details and Credits

Report scope

This report covers Bidvest's 2004 financial year. It is our first sustainability report and includes all our operations, both nationally and internationally. The report includes data from McCarthy, covering the six-month period since the acquisition.

The report follows the Global Reporting Initiative Guideline on non-financial reporting. A GRI index is provided on page 48.

The Group has internal control systems that capture, monitor and review the accuracy and completeness of the information disclosed in the report.

KPMG provided an independent, external verification statement on the accuracy of the data disclosed. The verification statement can be found on pages 46 and 47.

Empowerdex independently verified our empowerment targets and a report summary can be found on pages 26 to 27.

The following currency conversions apply for amounts from foreign operations:

GBP = R11,939

A\$ = R4,893

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Credits

Production

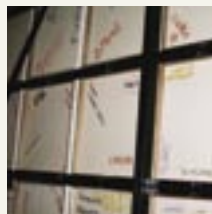
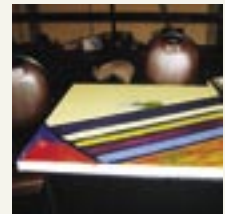
Data collation and analysis	Visual Information Systems (Pty) Limited
Content design and text	Enviroweb Consulting Network
Independent assurance providers	KMPG Services (Pty) Limited
BEE certification	Empowerdex (Pty) Limited

At a management conference in April 2004, three hundred senior Bidvest managers were challenged to create a painting measuring 16,5 m x 3 m and consisting of 88 canvases.

One hour and 17 minutes later palettes were laid down. The canvases were carefully arranged, and the big picture began to take shape. The completed image was mesmerising. Awash with vivid colour and captivating shapes the effect was breathtaking.

The painting has since become a visual metaphor for The Bidvest Group. Our philosophy of decentralised management, incentivisation and a sense of personal ownership has proved once again that empowered people achieve great things.

This is Bidvest – creating value and building strength from diversity.





www.bidvest.com