



## CORPORATE CITIZENSHIP

Bidvest has been listed as a component of the Dow Jones Sustainability World Index for its achievements in, and ongoing commitment to, good corporate citizenship and sustainability. Bidvest is one of three South African businesses selected for the Index.

Bidvest is committed to conforming to good corporate governance principles and fulfils the appropriate requirements laid down in the King II Report.

### CORPORATE VALUES

Bidvest's corporate value system includes:

- accountability
- acquisitiveness
- decentralisation
- entrepreneurship
- equal opportunity
- fairness
- honesty
- innovative business practices
- respect for human dignity, human rights and social justice
- responsibility
- service excellence
- transparency

### STAKEHOLDER RELATIONS

The Group's stakeholders include:

- business partners
- civil society in general
- customers
- employees

- local communities
- non-government organisations
- previously disadvantaged individuals
- shareholders
- stakeholders in the countries in which the Group operates
- sub-contractors
- suppliers
- the environment
- the investment community
- the media
- unions

The Group identifies stakeholders having a legitimate and relevant interest in the Group and is committed to proactively managing its relations with all stakeholders. The Board ensures that the appropriate balance is maintained between the individual interests of stakeholder groups and the collective good of the company in which their interests converge.

Bidvest is committed to reporting on stakeholder issues through the most appropriate medium and in the most appropriate manner.

### CODE OF ETHICS

The Board has adopted a code of ethics for the Group in order to:

- clearly state what is an acceptable, and unacceptable, practice
- guide policy by providing a set of ethical corporate standards
- encourage ethical behaviour of the Board, managers and employees at all levels
- guide ethical decision-making
- make ethical infringements easy to identify
- promote awareness of, and sensitivity to, ethical issues
- help resolve conflicts
- specify the enterprise's social responsibility
- cover relations between stakeholders
- enhance the reputation of the Group

The Board has proactively commenced a process in each division 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 (whistleblowing) channels
- alignment of the Group's disciplinary code with its code of ethical practice
- development of performance measurement and remuneration systems that reward ethical behaviour and punish unethical behaviour
- integrity assessment 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
- independent verification of conformance to established principles and ethical behaviour



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## Corporate governance

The Board subscribes to the values of and accepts the inclusive approach to good corporate governance espoused in the King II Report. The directors have long recognised that good corporate governance is essentially about leadership and that there exists the need to conduct the enterprise with integrity and in compliance with best international practices, whilst taking cognisance of the value systems of the countries in which it operates. The Board and individual directors accept their duty and responsibility to ensure that the principles set out in the code of corporate practices and conduct, as defined in the King II Report, are observed.

### CORPORATE CODE OF CONDUCT

Bidvest is committed to:

- the highest standards of integrity and behaviour in all its dealings with its stakeholders and society at large;
- carrying on of 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 development of their skills; and
- being proactive toward environmental, social and sustainability issues.

### BOARD OF DIRECTORS

The Board comprises seven independent, three non-executive and nineteen executive directors. Bidvest is a unique company, which is reflected in the composition and size of its Board. Bidvest consists of decentralised business units, run by successful entrepreneurial individuals whose recognition and ongoing participation in Bidvest is vital. In addition to the divisional chairmen, key South African operating executives, who are responsible for significant operations, are included on the Board. Notwithstanding the effectiveness of this structure, the composition and size of the Board and its committees are being reviewed in light of the major empowerment initiative announced in July 2003.

The following Board changes took place on October 27 2003. Messrs IA Berman, FEA Robarts and CE Watt resigned as directors of Bidvest.

Ms MBN Dube and Messrs FJ Barnes, BL Berson and L Jacobs were appointed as executive directors, with Mr DDB Band and Adv N Cassim appointed as independent non-executive directors.

Mr BR Chipkin has become an alternate director to Mr M Chipkin.

Further Board changes will be made following the successful implementation of the Black Economic Empowerment initiative with Dinatla.

The executive directors have responsibility for implementing strategies and operational decisions on running the Group's businesses. Non-executive directors, who are viewed as independent by the Board, support the skills and experience of the executive directors and bring judgement to bear, independent of management, on issues of strategy, budgets, performance, resources, transformation, diversity, employment equity, standards of conduct and evaluation of performance, contributing to the formulation of policy and decision-making through, inter alia, their knowledge and experience. The Board gives strategic direction to the Group, appoints the executive chairman and ensures that succession is planned.

The Board has considered the merits of splitting the roles of the chairman of the Board and the chief executive officer, but concluded that this may be perceived by stakeholders as an exit in some form by B Joffe, which is not the case, and that the downside risk outweighs any possible benefits. The Board believes that it is in the Group's best interests that the chief

executive officer also be chairman of the Board given the completely decentralised decision-making structure, the independence and character of the individual Board members and the fact that there are no controlling shareholders. This independence is further enhanced by the appointment of Mr F Titi as an independent, non-executive deputy chairman. As all shareholders are minority shareholders, all have the opportunity to appoint representatives to the Board or remove members, as required.

The non-executive directors take responsibility for ensuring that the chair encourages proper deliberation of all matters requiring the Board's attention. The Board ensures that there is an appropriate balance of power and authority on the Board so that no one individual or block of individuals can dominate the Board's decision-making process.

The Board, independently, has the right to do annual appraisals of the executive chairman. Under chairmanship of B Joffe, the Board meets regularly and has a formal schedule of matters reserved to it as recorded in its board charter. The Board retains full and effective control over the Group and monitors executive management in implementing plans and strategies through a structured approach to reporting and accountability under the auspices of an executive committee.

The Board has a comprehensive system of controls ensuring that risks are mitigated and the Group's objectives are attained. This control environment sets the tone of the Group and covers ethical values, management's philosophy and the competence of employees.

The Board ensures that the Group complies with all relevant laws, regulations and codes of business practice and that it communicates with its shareholders and relevant internal and external stakeholders openly, promptly and with substance prevailing over form.

The Board has developed a formal corporate governance manual which, *inter alia*, includes a corporate code of conduct addressing conflicts of interest, particularly relating to directors and management. This governance manual has also been adopted by the divisional boards and will be regularly reviewed and updated, as necessary.

Through the Audit Committee, the Board regularly reviews processes and procedures to ensure the effectiveness of internal systems of control so that its decision-making capability and the accuracy of its reporting are maintained at a high level at all times. The Board, furthermore, identifies and monitors the non-financial aspects relevant to the business of the Group and reviews appropriate non-financial information that goes beyond assessing the financial and quantitative performance of the Group. It also looks at other qualitative performance factors, which take into account broader stakeholder issues. The Board is committed to conforming with good corporate governance, without impacting on Bidvest's entrepreneurial flair. The process to entrench the corporate governance manual and the principles of good corporate practice and governance throughout the Group has been commenced under the auspices of the Audit Committee.

The Board and its committees are supplied with full and timely information, which enables them to discharge their responsibilities and have unrestricted access to all Company information, records, documents and property. Non-executive directors have access to management and may even meet separately with management, without the attendance of executive directors. The information needs of the Board are well defined and regularly monitored. All directors have access to the advice and services of the Group secretariat and there is an agreed procedure by which directors may obtain independent professional advice at the Group's expense, should they deem this necessary.



## CORPORATE CITIZENSHIP (CONTINUED)

The Group has a formal policy, established by the Board and implemented by the Company secretary, prohibiting dealing in securities by directors, officers and other selected employees for a designated period preceding the announcement of its financial results or in any other period considered sensitive.

The Board defines levels of materiality, reserving specific power to itself and delegating other matters with the necessary written authority to management. These matters are monitored and evaluated on a regular basis. The Board has developed a formal delegation of authority matrix guidelines, which will be utilised by all Group companies.

The Board identifies the key risk areas and key performance indicators for the Group, which are regularly updated.

Procedures for appointment to the Board are formal and transparent and are a matter for the Board, assisted, where appropriate, by the Nomination Committee.

Periodically directors visit the Group's businesses and have meetings with senior management, as appropriate, to facilitate their understanding of the Group and their fiduciary responsibilities.

The Board is cognisant of the duties imposed on the Company secretary who is accordingly empowered to properly fulfil those duties. In addition to the extensive statutory duties, the Company secretariat provides the Board and directors individually with detailed guidance as to how their responsibilities should be properly discharged in the best interests of the Group. The Company secretariat is the central source of information relative to guidance and advice to the Board, and within the Group, on matters of ethics and good governance.

### BOARD COMMITTEES

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Specific responsibilities have been formally delegated to Board committees with defined terms of reference, duration and function, clearly agreed upon reporting procedures and written scope of authority documented in a formal charter. There is transparency and full disclosure from the Board committees to the Board, except where mandated otherwise by the Board. Board committees are free to take independent outside professional advice, as and when necessary, and are subject to regular evaluation by the Board to ascertain their performance and effectiveness. The principal Board committees are as follows:

#### Executive Committee and divisional boards

The Executive Committee consists of the executive chairman, the Group financial director and the divisional chairmen. The Executive Committee considers and refers major decisions, which have their sanction, to the Board for approval. Each divisional chairman chairs a board consisting of the key operating executives and financial director of the division, to which the executive chairman and the other non-executive directors are invited.

#### Remuneration Committee

The Remuneration Committee is chaired by JL Pamensky and its other members are DDB Band, D Masson and P Nyman. The committee is responsible for the assessment and approval of remuneration strategy for the Board directors and Group executives, in consultation with the executive chairman.

The executive director that is a member of the Remuneration Committee is excluded from the review of his own remuneration.

The Remuneration Committee's overall strategy is to ensure that employees are rewarded for their contribution to the Group's operating and financial performance at levels which take account of industry, market and country benchmarks. In order to promote an identity of interests with shareholders, share incentives are considered to be critical elements of executive incentive pay.

A schedule setting out directors' remuneration and equity interest appears in the Directors' Report.

### **Audit Committee**

An Audit Committee was established in 1995 and is an important element of the Board's system of monitoring internal controls. The members of the committee are JL Pamensky (Chairman), DDB Band, N Cassim, D Masson, P Nyman and DK Rosevear. The Group internal audit manager and external auditors are invited to attend every meeting. Other members of the management team attend, as required. The committee meets not less than three times a year. The committee is responsible for reviewing the interim and final financial statements, internal financial control procedures, accounting policies, compliance and regulatory matters, recommending the appointment of external auditors and other related issues. The audit committee also reviews divisional Audit Committee reports.

The Audit Committee has written terms of reference that deal adequately with its membership, authority and duties. The Audit Committee considers whether adequate and appropriate internal financial controls are in place and appropriate to meet the current and future needs; that significant business, statutory and financial risks have been identified and are being monitored and managed; and that appropriate standards of governance, reporting and compliance are in operation. The Audit Committee advises the Board on issues ranging from the application of accounting standards to published financial information.

The Audit Committee has a responsibility to recommend to the Board, for its consideration and acceptance by shareholders, the appointment of external auditors. The Audit Committee also sets out the principles for recommending using the accounting firm of the external auditors for non-audit services.

Each division has its own audit committee which subscribes to the same Group audit philosophies and reports to the Group Audit Committee.

It is the intention for each divisional audit committee to have a non-executive member.

### **Acquisition Committee**

Acquisitions with perceived potential conflicts are referred to the Acquisition Committee for an in-principle decision as to whether the acquisition should be investigated and pursued. This committee consists of DDB Band, B Joffe, D Masson, JL Pamensky and DK Rosevear. Acquisitions are, depending on their magnitude, sanctioned by the Executive Committee and submitted to the Board for approval.

### **Nomination Committee**

The Nomination Committee comprises: D Masson, JL Pamensky and B Joffe. The committee considers the composition of the Board, retirements and appointments of additional and replacement directors and makes appropriate recommendations to the Board.

Executive directors are appointed to the Board on the basis of skill, experience and level of contribution to the Group and are responsible for the running of their businesses. Non-executive directors are selected on the basis of industry knowledge, professional skills and experience.

The committee is responsible for ensuring that nominees are not disqualified from being directors and prior to their appointment investigate their backgrounds along the lines of the approach required for listed companies by the JSE.



## CORPORATE CITIZENSHIP (CONTINUED)

All directors are subject to election by shareholders, retire by staggered rotation and stand for re-election at least every three years in accordance with the Articles of Association. The names of directors submitted for election or re-election will be accompanied by sufficient biographical information to enable shareholders to make an informed decision in respect of their election.

Non-executive directors are appointed for specified terms subject to re-election and Companies Act provisions relating to the removal of directors. The re-appointment of non-executive directors is not automatic.

The committee annually reviews the Board's required mix of skills and experience and other qualities such as its demographics and diversity in order to assess the effectiveness of the Board, its committees and the contribution of each director.

### *Subsidiary listings*

Bidvest plc, listed on the Luxembourg and Australian Stock Exchanges, and Bidcorp plc, listed on the London Stock Exchange, are separate legal entities with their own corporate governance standards.

### **BEE Transformation Committee**

Following the successful implementation of the Dinatla initiative, a BEE Transformation Committee will be formed to develop an enterprise-based charter, The Bidvest Charter, and will be responsible for the application of Bidvest's BEE transformation strategy.

## **ACCOUNTABILITY AND AUDIT**

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### **Going concern**

The directors confirm that they are satisfied that the Group has adequate resources to continue the business for the foreseeable future. For this reason they continue to adopt the going concern basis for preparing the financial statements.

The Board minutes the facts and assumptions used in the assessment of the going concern status of the Group at the financial year-end.

At the interim reporting stage, the directors consider their assessment at the previous year-end of the Group's ability to continue as a going concern and determine whether or not any of the significant factors in the assessment have changed to such an extent that the appropriateness of the going concern assumption at the interim reporting stage has been affected.

### **Auditing and accounting**

The Board is of the opinion that their auditors observe the highest level of business and professional ethics and that their independence is not in any way impaired.

The Group aims for efficient audit processes using its external auditors in combination with the internal audit function and management encourages unrestricted consultation between external and internal auditors. The co-ordination of efforts involves periodic meetings to discuss matters of mutual interest, the exchange of working papers and management letters and reports, and a common understanding of audit techniques, methods and terminology.

### **Internal financial controls**

The directors are responsible for ensuring internal control systems exist that provide reasonable assurance regarding the safeguarding of assets and the prevention of their unauthorised use or disposition, the maintenance of proper accounting records and the reliability of financial and operational information used in the businesses.

The system of internal control is designed to manage, rather than eliminate, the risk of failure to achieve business objectives and can provide reasonable, not absolute, assurance against material

misstatement or loss. There is an ongoing process for identifying, evaluating, managing, monitoring and reporting on significant risks faced by the Group.

The Group's system of internal financial control includes policies and procedures, clearly defined lines of accountability and delegation of authority, and make provision for comprehensive reporting and analysis against approved standards and budgets.

Compliance is tested by way of management review, internal audit check and external audit. The Group's various divisional audit committees consider the results of these reviews on a regular basis and confirm the appropriateness and satisfactory nature of these systems, while ensuring that breakdowns involving material loss, if any, together with remedial actions, have been reported to the respective boards of directors.

#### **Internal audit function**

The internal audit departments are an independent appraisal function, whose primary mandate is to examine and evaluate the effectiveness of the applicable operational activities, the attendant business risks, including those that arise subsequent to the year-end, and the systems of internal financial control, so as to bring material deficiencies, instances of non-compliance and development needs to the attention of the Audit Committee, external auditors and operational management for resolution.

Internal audit is an independent, objective assurance and consulting activity to add value and improve the Group's operations. It helps the Group accomplish its objectives by bringing a systematic, disciplined approach to evaluate and improve the effectiveness of risk management, control and governance processes. It provides:

- assurance that the management processes are adequate to identify and monitor significant risks;
- confirmation of the adequacy and effective operation of the established internal control systems;
- credible processes for feedback on risk management and assurance; and
- objective confirmation that the Board receives the right quality of assurance and information from management and that this information is reliable.

The purpose, authority and responsibility of the internal audit activity is formally defined in an internal audit charter, which is approved by the Board, and which is consistent with the Institute of Internal Auditors' definition of internal auditing.

The activities of the divisional internal auditors are co-ordinated by the internal audit manager based at the corporate office, who has unrestricted access to the Audit Committee and its chairman. The Group internal audit manager reports at all Audit Committee meetings and attends divisional audit committee meetings.

The internal audit function co-ordinates with other internal and external auditors to ensure proper coverage and to minimise duplication of effort. The external auditors also review reports issued by internal audit.

The Audit Committee is satisfied that adequate, objective internal audit assurance standards and procedures exist within the Group. At committee meetings internal audit reports on the major business units, together with proposals for the ongoing internal assurance processes. Reports on these issues are made to the Board. The adequacy and capability of the Group's internal audit structures are subject to review annually.





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Audit plans for each business segment are tabled annually to take account of changing business needs. Follow-up audits are conducted in areas where weaknesses are identified.

The internal audit plan, approved by the Audit Committee, is based on risk assessments, which is of a continuous nature so as to identify not only existing and residual risks, but also emerging risks, as well as issues highlighted by the Audit Committee and senior management. Internal audits are conducted formally at each business unit at least once in a two-year cycle. This risk assessment is co-ordinated with the Board's own assessment of risk.

Where the internal audit function is conducted by the same firm as performs the external audit, due care is taken to ensure that there is adequate segregation between the two functions in order to ensure that their independence is not impaired.

#### **Risk management**

The Board is responsible for the total process of risk management and sets the risk strategy, which is based on the need to identify, assess, manage and monitor all known forms of risk across the Group, in liaison with the executive directors and senior management.

Management is accountable to the Board for designing, implementing and monitoring the processes of risk management and integrating them into the day-to-day activities of the Group. The risk aversion philosophy is communicated to all managers and employees in an endeavour to incorporate this philosophy into the language and culture of the Group. Risk management and internal

control are practiced throughout the Group and are embedded in day-to-day activities.

The Audit Committee attests that there are adequate systems of internal control in place to mitigate the significant risks faced by the Group to an acceptable level. The systems are designed to manage, rather than eliminate, the risk of failure or to maximise opportunities to achieve business objectives.

Risk is not only viewed from a negative perspective. The review process also identifies areas of opportunity, such as where effective risk management can be turned to competitive advantage.

The management of risk and loss control is decentralised, but in compliance with Group policies on risk financing, including self-insurance. Compliance measurement is through periodic risk activity reports and measurement of the loss control, supported by independent consultants.

The decentralised structure consists of many business units and therefore the overall Group risk is spread and minimised.

At operational level, senior management identifies critical, major business risks, promotes awareness, introduces applicable control environments and procedures and applies risk-monitoring techniques. The divisional audit committees, identifying the manner in which and the extent to which risk is controlled and/or reduced, monitor the process.

Bidvest's decentralised structure forms the basis of the Group's business continuity plan with each of the operations being self-sufficient with disaster recovery and management succession plans. The individual business units are sufficiently small and independent of each other to eliminate a Group-wide disaster risk.

In addition to the Group's other compliance and enforcement activities, the Board recognises the need for a confidential reporting process ("whistleblowing") covering fraud and other risks. This "whistleblowing hotline" continues to function.

#### **Operating controls**

Whilst operating risk can never be fully eliminated, the Group endeavours to minimise it by ensuring that the appropriate infrastructure, controls, systems and people are in place throughout the

businesses. Key policies employed in managing operating risk involve the segregation of duties, transaction authorisation, monitoring and financial and managerial reporting.

#### **Monitoring process**

The effectiveness of the internal control systems, including the potential impact of changes in the operating and business environments, is monitored through regular management reviews, (with representation letters on compliance signed annually by the chief executive and chief financial officer of each major business unit), testing by internal auditors and testing of certain aspects of internal financial control systems by the external auditors during the course of their statutory examinations. Directors make annual written declarations of interests and are obliged to report any potential or actual conflicts.

#### **Relations with shareholders**

Taking due regard of statutory, regulatory and other directives regulating the dissemination of information by companies and their directors, the Group pursues dialogue with institutional investors based on constructive engagement and the mutual understanding of objectives. To achieve this dialogue there have been a number of presentations to and meetings with investors and analysts to communicate the strategy and performance of the Group. The quality of this information is based on the standards of promptness, relevance and transparency.

The Group makes every effort to ensure that information is distributed via a broad range of communication channels, including the Internet, having regard for security and integrity while bearing in mind the need that critical financial information reaches all shareholders simultaneously.

The Board accepts its duty to present a balanced and understandable assessment of the Group's position in reporting to stakeholders, taking into account the circumstances of the communities in which it operates and the greater demands for transparency and accountability regarding non-financial matters. The quality of the information is based on the principles of openness and substance over form. Reports address material matters of significant interest and concern to all stakeholders and presents a comprehensive and objective assessment of the Group so that all stakeholders with a legitimate interest in the Group's affairs can obtain a full, fair and honest account of its performance.

Bidvest has a 100% free float and the highest liquidity rating on the JSE Securities Exchange South Africa. There is no one controlling party, but the shares are held largely by institutional investors on behalf of the retirement and life fund industries.

#### **INTEGRATED SUSTAINABILITY REPORTING**

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Bidvest has undertaken to adopt an incremental approach on sustainable development reporting and the first such report will be available at the end of November 2003.

Bidvest acknowledges the concept of sustainability defined as "development that meets the needs of the present without compromising the ability of future generations to meet their own needs." Furthermore, Bidvest subscribes to the concept of creative co-operation, empathetic communication and teamwork.



## CORPORATE CITIZENSHIP (CONTINUED)

Sustainability is the essence of Bidvest's corporate citizenship and Bidvest is committed to the implementation of triple-bottom-line reporting as it accepts that good governance and social and environmental issues can no longer be regarded as secondary to more conventional business imperatives and that the non-financial issues may have financial implications for the Group in that they are one of the factors that drive future value creation.

Bidvest has been included as a component in the Dow Jones Sustainability World Index. This achievement positions Bidvest as one of the world's leading companies in terms of the five corporate sustainability principles on which index members are judged: strategy, innovation, governance, financial performance and stakeholder relations.

### Human capital

The Board recognises that the development of human capital serves not only the economic interests of the Group, but also the broader requirements of the society within which Bidvest operates. It means ensuring not only that staff have skills to deliver on strategy, but also that statutory and social obligations in relation to issues such as racial, gender and disability demographics, are met.

### Safety, Health and the Environment (SHE)

The divisional boards are responsible for dealing with SHE issues and provide the necessary guidance in developing and approving the policy, strategy and structure to manage SHE issues.

There are effective and adequate systems of internal control in place to manage SHE risks, including:

- risk identification and assessment (including legally required environmental impact assessments and major hazard installation risk assessments);
- risk management strategies, such as avoidance, elimination, transfer to the extent possible and treatment (tolerance, mitigation), including training and emergency response plans;
- risk financing; and
- being informed of the relevant legal SHE requirements and ensuring compliance with them.

### Safety

The Board is committed to preventing workplace accidents and fatalities and ensures the Group's compliance with the Occupational Health and Safety Act (No 85 of 1993) in South Africa.

Individual companies within the Group are required to identify hazards and risks in the workplace, and to take steps to eliminate or mitigate the risks by implementing the necessary controls.

### Health

The divisional boards are committed to preventing occupational diseases and take cognisance of all threats to the health of employees. In addition, the Board pays attention to the primary health issues of the communities in which it operates and part of the Group's corporate social responsibility initiatives are aimed at improving primary healthcare.

The HIV/AIDS pandemic is a growing threat in South Africa and the Group pays particular attention to this disease, without disregarding other diseases that could pose a significant risk. Bidvest's philosophy of decentralisation applies equally to the handling of HIV/AIDS and each business unit monitors the magnitude of the problem. The Group encourages training and education programmes, voluntary, anonymous testing and crisis planning. The Group supports the government's initiative to provide free anti-retrovirals.

### The environment

The Board acknowledges its legal duties to take reasonable measures to prevent significant pollution or degradation to the environment from occurring, continuing or recurring, and to minimise and rectify pollution or degradation that has already been caused.

These reasonable measures include:

- all applicable, reasonable environmental risks are identified and prioritised;
- environmental legal compliance requirements are determined, together with a strategy to ensure that compliance is attained and maintained;
- environmental emergency response plans are in place and have been distributed to all affected parties;
- environmental training and development programmes have been implemented based on identified needs, and
- as far as is reasonably practicable, that persons other than just those in the Group's employ who may be directly affected by their activities, are not exposed to health and safety hazards.

Environmental issues are addressed at Board level and the directors ensure that environmental issues are dealt with promptly. The Board is committed to making open and transparent disclosure on environmental issues to shareholders and relevant stakeholders and recognises that enterprises should disclose the nature of their environmental policies, ethos and values.

Management's responsibility is to recognise, measure and disclose environmental issues in the financial statements. Where environmental issues are significant and there may be a risk of material misstatement or inadequate disclosure, the external auditor gives consideration to environmental matters during the audit.

The Board subscribes to international best practice and complies with the highest legislative standard of the countries in which it operates.

All relevant Bidvest companies have accreditation, or are in the process of becoming certificated, with the required international safety and environmental standards.

### **Social and transformation issues**

All Bidvest's subsidiaries have submitted their Employment Equity and Skills Development plans to the relevant authorities.

#### **Employment equity**

The Board is committed to the principles of employment equity and ensures the Group's compliance with the Employment Equity Act. The empowerment and advancement of previously disadvantaged individuals is based on the premise that they are equal partners in the corporate sphere and their contribution is a valuable one.

Bidvest's strategy regarding affirmative action is aimed at the development of its employees.

The Board recognises the importance of diversity management and is developing mechanisms to positively reinforce the richness of diversity.

#### **Training and skills development**

Training and career development are important elements of Bidvest's business philosophy and success. As the marketplace becomes more challenging, it takes great leadership to guide a successful business. The Group puts a high priority on developing the next generation of business leaders and continues to explore new ways to foster a progressive workplace that attracts and inspires bright and passionate people. The Bidvest Academy was launched in May 2003 to provide a practical and effective platform for developing young executive talent within the Group.



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*Following the  
successful  
implementation of the  
Dinatla BEE initiative,  
empowerment  
institutions will  
own an effective  
35,0% of Bidvest*

## *Black Economic Empowerment*

Bidvest has always been fully supportive and committed to the concept of BEE, which is a South African national and business imperative.

The national imperative for social and economic transformation is essential to create jobs, stimulate growth in the economy, expand market access to all South Africans and, in the long term, promote South African competitiveness.

In order for BEE to be sustainable, the objectives of BEE companies must be aligned with those of the organisation and its stakeholders. Accordingly, Bidvest has facilitated BEE participation at Group level, thereby avoiding any potential conflicts of interest at an operational level. Bidvest remains committed to its proven business model, whereby cash flows are harnessed to create the engine for growth, both locally and internationally.

Bidvest believes that true empowerment is embodied in “BEE influence”, which would enable the creation of wealth, employment equity and skills development and has therefore facilitated Dinatla becoming a significant shareholder at Group level.

Post year-end, Bidvest initiated the introduction of a 15% BEE shareholding, currently valued in excess of R2,1 billion, enabling Dinatla to participate in Bidvest at Group level, which includes both its South African and foreign operations. This transaction is significant, especially if compared to the R10 billion committed by government to empowerment over the next five years.

Dinatla is a broad-based empowerment entity owned by a consortium of prominent entrepreneurial black-owned businesses with national representation and a trust for the benefit of Bidvest HDI employees, being fully representative of the operational diversity of the Group across all provinces in South Africa.

Bidvest, together with Dinatla, is developing an enterprise-based charter (the Bidvest Charter) that will embody the Group’s empowerment aspirations.

The transaction is unique and innovative and solves the current funding restraints preventing wide spread empowerment. With this 'package deal' all employment equity, skills development and affirmative procurement requirements are addressed on a "one time, all time" basis, although delivery will take place over time.

This initiative will significantly raise Bidvest's BEE ownership profile and, combined with the Bidvest Charter, should enable Bidvest to achieve favourable empowerment status in terms of the balanced scorecard of the Department of Trade and Industry (DTI) Strategy for Broad-based BEE.

The spirit and principles of the DTI BEE strategy have been adopted in developing the Bidvest Charter. The DTI and the Department of Public Enterprises have been and continue to be consulted for guidance and advice.

The Bidvest Charter will provide an overall framework for the Group's continuing BEE transformation. In addition to the BEE ownership at Group level, the Bidvest Charter will provide goals for active BEE participation through employment equity at executive, divisional and operational levels, skills development and affirmative procurement.

The form of participation envisaged will not result in any encumbrance on the Bidvest balance sheet and leaves Bidvest free to build the Group together with BEE participation.

Dinatla and Bidvest management are committed to adding meaningful value to the activities of Bidvest.

**DINATLA**

The proposed BEE consortium members are broad-based and representative of a countrywide spectrum of empowerment parties who collectively contribute a wide range of skills. The core shareholders, or principals of the core shareholders, have long-standing relationships with Bidvest, ranging from three to seven years and have all already made meaningful contributions to the Group.

**WDB Investment Holdings (WDBIH)**

WDBIH, the wholly owned investment arm of the Women's Development Businesses Trust (WDBT), was established in 1997 to promote the economic empowerment and social upliftment of women in South Africa. Its mandate is to build a strong portfolio of businesses in order to provide a capital





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base to fund the WDBT's development programmes, which focus on linking women to resources such as finance, information, training and entrepreneurship. Strategic investments are held in leisure, energy, information technology and services. WDBIH's key executives are Sonja Sebotsa, Tania Slabbert and Tandi Nzimande. WDBIH has been instrumental in assisting Bidvest in developing the framework for the Bidvest Charter.

**Bassap Investments (Bassap)**

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's organisations from the Western, North-western and Southern Cape. Bassap's investment focus is in support services, food production and food processing. Key executives are Lionel Jacobs and Scott Moahloli.

**The Bidvest Dinatla Trust**

The Bidvest Dinatla Trust is a trust to be formed for the purpose of uplifting predominantly HDI Bidvest employees and their dependants. Until such time as the Bidvest Dinatla Trust is income producing, Bidvest has undertaken to provide an initial injection of R1 million per annum to the Bidvest Dinatla Trust.

**Regional Participation**

An additional feature of Dinatla is that HDI entities from all nine provinces have been invited to participate. A screening and selection process has been employed to

identify and qualify each participating regional party with regard to its capacity to deliver and contribute to Bidvest.

**EMPOWERMENT SHAREHOLDING**

Institutions currently hold approximately 90% of Bidvest's shares. Empowerment institutions own an effective 23,5% of Bidvest, with a further 6,6% being controlled by black empowerment asset managers.

Following the successful implementation of the Dinatla BEE initiative, empowerment institutions will own an effective 35,0% of Bidvest, with a further 5,6% being controlled by empowerment asset managers.

**EMPOWERMENT VENTURES**

An estimation of the value of the black economic empowerment business created by Bidvest is approximately R500 million, which, if grouped together, would create a substantial organisation.

In line with the proposed BEE initiative, Group companies will, in due course and, where possible, buy out the minority shareholders in their current joint ventures.

**AA Agencies**

The distribution of NCP's products throughout KwaZulu-Natal is handled by AA Agencies, which is wholly owned and managed by people from the historically disadvantaged groups.

**Artistic**

Cecil Nurse has formed a venture with one of its suppliers, Artistic, which is 100% black-owned, for the sale of business furniture in the KwaZulu-Natal region. Commission on sales is payable to Cecil Nurse on a profit share arrangement.

**BTI Connex Travel**

Renfin acquired 49% of BTI Connex Travel in 1999 as a result of the Transnet privatisation programme. The transfer of skills, sharing of expertise, access to training, unique products and membership of the business travel international network have contributed to the

tremendous growth of this company, creating additional job opportunities and significant earnings growth for the empowerment shareholders.

**Bukani Travel**

Rennies Travel holds 49% of this joint venture, the balance being held by Dr Wandile Yako. The travel agency was opened on March 1 2003. The business employs one senior travel consultant and is managed through the management committee on which Rennies Travel is represented. The administration is currently handled by the Port Elizabeth branch and staff are being trained to run this operation independently.

**Cecil Nurse**

Cecil Nurse has established an empowerment business by outsourcing some portions of its assembly plants in Gauteng. This business has grown from producing 15 chairs per day a year ago to 96 chairs a day today.

**Corporate Concepts**

Corporate Concepts is a 50/50 partnership established in 1996 between Peter Mbolekwa and Cecil Nurse Business Furniture. This company, which is doing particularly well, was promoted by a joint vision of the parties to create, what we believe to be, one of the first empowerment initiatives in the industry.

**Daliso Office Supplies**

Daliso Office Supplies is 100% black-owned with a distribution agreement with Waltons. The company supplies office stationery, office furniture and computer consumables in the KwaZulu-Natal region.

**Damajelo Logistics**

Cecil Nurse outsourced its Gauteng distribution and business furniture installation to Damajelo, which is 100% HDI owned and staffed. Cecil Nurse has given this business a loan to buy its fleet of eight trucks.

**Dinatla Property Services**

A joint venture, Dinatla Property Services, has been formed between Bidvest (50%) and Women’s Development Bank Investments Holdings (20%), TisoCapital (20%) and BASSAP Services Investments (10%).

The following companies represent Dinatla Property Services regionally, in some cases with their own local shareholders. Each of the operating companies is managed by an HDI entrepreneur, who has at his disposal the resources of Bidvest and Dinatla Property Services to ensure the successful transfer of knowledge and skills.

***Airport Handling Services***

Airport Handling Services, which is 20% held by Bassap and 80% by Dinatla Property Services, offers a full range of services to aviation, including cleaning, crew transportation, hygiene, disabled persons handling, aircraft laundry and airport terminals services such as cleaning and passenger handling. Airport Handling Services operates in Johannesburg, Cape Town and Durban.





CORPORATE  
**CITIZENSHIP**  
(CONTINUED)

***Melisizwa Property Services***

Melisizwa Property Services offers property cleaning and related services. Dinatla's Property Services partner in this joint venture is Khangela Hygiene and Industrial Services (49%). Melisizwa Property Services operates in the Eastern Cape.

***Phephile Electronics***

Phephile Electronics is wholly owned by Dinatla Property Services and based in Johannesburg. Phephile is involved in the supply and installation of electronic security equipment.

***Thaba Strategic Services***

Thaba Strategic Services is 90% held by Dinatla Property Services, with the balance being held by William Mathebulo. Thaba Strategic Services offers security services and is based in Johannesburg and Cape Town.

***Uzizo Supplies***

Uzizo Supplies is 100% owned by Dinatla Property Services and trades in janitorial products. Uzizo Supplies is based in Johannesburg and Cape Town.

The following joint ventures all offer commercial and industrial cleaning services:

***Eyethu Property Cleaning Services – Mossgas***

Matthew Bobelo, who has assumed the function of contract manager at Mossgas (Petro SA), holds 20% of the shares in the joint venture, with the balance being held by Dinatla Property Services. Eyethu is based in George.

***Hlwekisa Property Services***

Hlwekisa is 80% held by Dinatla Property Services, with the balance being held by

Kgotso Holdings, an investment company made up of a group of subsidiaries within the black communities – Ditcoserve, Palollo Temo and Set Pace. Hlwekisa operates in the Free State.

***Ibhayi Property Services***

The Masincendane Community Development Trust (MCDT) owns 10% of this joint venture, with the balance being held by Dinatla Property Services. MCDT is a Port Elizabeth-based trust with the view of promoting black empowerment in that region. Ibhayi operates in the Eastern Cape region.

***Ingulule Property Services***

Ingulule is wholly owned by Dinatla Property Services and operates in KwaZulu-Natal.

***Langa Status Property Services***

Langa is wholly owned by Dinatla Property Services, which operates in Mpumalanga.

***Nomtsalane Property Services***

Dinatla Property Services' partners in this joint venture are the Western Cape Women's Investment Forum (WECWIF) (14%) and Kishane Properties (6%). WECWIF represents and aims to uplift the women in the Western Cape community. Nomtsalane operates in the Western Cape.

***Setsebi Cleaning Services***

Dinatla Property Services' partner in this joint venture is Frank Twana (5%), a long-serving, former Prestige employee, who holds the position of operations manager and is therefore directly involved in the operations of Setsebi on a daily basis. Setsebi operates in Gauteng.

***Thubelihle Property Services***

Dinatla Property Services' partner in this joint venture is Dumisani Xulu (5%). Thubelihle operates in KwaZulu-Natal.

***Ditulo***

Ditulo is 40% held by Seating, with the balance being held by Ikwezi. Ditulo is a large successful black empowerment company involved in the transport and automotive industry, that tenders on large contracts requiring office supplies, principally seating and desking.

**Empowerdex**

Bidvest has a 12,5% shareholding in Empowerdex, 12,5% is held by a trust, formed by KPMG for the benefit of HDIs, and the balance is held by management. Mr Vuyo Jack is the chief executive. Empowerdex is an empowerment-rating company based in Johannesburg.

**Hi-Tech Cleaning Services**

Hi-Tech's shareholders are Bidvest (50%), PEO Holdings (30%) and Meshack Moremong (20%).

PEO is a joint venture between De Beers and Debswana and performs a primary function of assisting minorities obtaining shares in companies and assisting new companies in their business development. Once the company has a steady growth pattern the shares are then sold at a profit, normally to the minority shareholders.

Meshack, a Botswana citizen, is currently the general manager for Hi-Tech Cleaning Services in Botswana. He is part of an empowerment initiative to grow the local community in order to achieve sales growth in Botswana.

**Ilanga Minolta**

Ilanga Minolta is a distributor of Minolta and Océ photocopiers, facsimile machines and laser printers under a joint venture agreement with the principal importers and distributors, Minolta South Africa, who holds 49% of the business.

**Indlovu Property Services**

Bidvest holds 70% of the shares in Indlovu, the balance is held by Mandla Mnqayi, who was instrumental in securing the Tusk Casino contract in Richard's Bay.

**Jalang Investment Holdings Limited**

A relationship has been developed with a women's empowerment group, Jalang Investment Holdings Limited, which will assist Concorde Travel in meeting future empowerment challenges. Jalang, which is a participant in the Dinatla consortium, will actively participate in management and two directors have been appointed to the board of Concorde.

**Masithuthuke Cables**

Voltex holds 30% of the issued share capital of Masithuthuke Cables, an electrical wholesaling business based in Durban. The balance of the shares is held by Mrs Tembi Shirley Nthaka.

**Master Currency**

Master Currency has been an extremely successful joint venture partnership between Renfin (45%) and Combi Investments (47%), established in October 1995, operating from eighteen well-located bureaux de change. The remaining 8% is held by executive management.

**Modiri Developments**

Modiri Developments is a 50/50 joint venture between Bidvest and the Mankwe Development Foundation, which manages the Mankwe Development Trust, established for the benefit of the Bagatla Tribe, represented by Kgosi Pilane. The tribe owns the land rights upon which three mines operate in the greater Rustenberg area.



CORPORATE  
**CITIZENSHIP**  
(CONTINUED)

**MyExpressCo (Licensee of Federal Express Corporation)**

The majority of the couriers in South Africa are independent contractors, this gives people from historically disadvantaged groups the opportunity to start their own businesses.

**Namsov Fishing Enterprises**

Manica Namibia owns 50,1% of Namsov Fishing Enterprises, the balance is held by Namibian citizens. Namsov is active in the midwater trawling industry and owns and operates five midwater trawlers. The company is an industry leader and contributes significantly to the development of the Namibian fishing industry.

**Phakama**

The previous activities of Katuliiba Southern Trading, Phakama and Zinhle Printers have been combined with the activities of Caribonum CopyReel, the small roll conversion business, and the sheet-fed printing operations from Lithotech, to form an enlarged Phakama group. The new group has facilities in Cape Town and Johannesburg. The shareholding is 40% held by Lithotech, and 60% by an employees empowerment trust.

This new venture is substantially larger than the sum of the previous empowerment ventures and the potential to grow with the support of the Lithotech sales force is substantial.

**Rennies Travel**

25% of the equity in Rennies Travel is owned by the WDB Investment Holdings, which is part of the WDBT. WDBT is a non-profit organisation founded by Mrs Zanele Mbeki

in 1991 to provide small business loans and business training to rural women.

**Sebenza Forwarding and Shipping Consultancy**

Sebenza is the largest and most well-established black-owned forwarding company in South Africa, having fully staffed branches in Johannesburg, Cape Town and Durban. The Makana Trust, via Makana Investments, holds the majority shareholding in Sebenza. The Makana Trust, which provides for the needs of the ex-Robben Island prisoners and their dependants, was founded at the urging of former President Nelson Mandela, who is a patron of the Trust.

**SheNxisa Travel**

SheNxisa Travel is a joint venture retail travel business in East London in which Rennies Travel holds 49%, the other 51% being owned by Rudolph and Nadia Baker. The business, started in August 2002, employs four people and is managed by the management committee, on which Rennies Travel is represented.

**Silapha Office Products**

This company is 100% black-owned with a distribution agreement with Waltons operating in the Western, Northern and Eastern Cape regions. The company is involved in the sale of office stationery, office furniture and computer consumables.

**South African Container Stevedores**

South African Container Stevedores is a joint venture between South African Stevedores (70%) and TISO Capital (30%), which commenced operations on April 1 2003. The business has 61 employees and handles stevedoring of containers in Durban, Port Elizabeth and Cape Town.

**Taemane Property Services**

This joint venture between Bidvest (70%) and Maurisha Nell (30%) was primarily established for the Flamingo Casino contract. Taemane offers cleaning and other related services and operates in Kimberley and KwaZulu-Natal.

**TMS Shezi**

TMS Shezi is 51% held by Sipho Shezi and 49% by Bidvest. This joint venture is involved in labour broking and specialised industrial cleaning.

**Tuka Travel**

Tuka Travel was formed in Namibia. Rennies Travel holds 50% and the balance is held by a black empowerment group, Thikama Investment.

**Twafika Fishing Enterprises**

The empowerment joint venture company of the Namsov group, Twafika Fishing Enterprises, operates in the white fish market in Namibia.

**Ubuhle be Dauphin**

Ubuhle be Dauphin, 60% owned by Dauphin's partners in Mpumalanga and 40% held by Dauphin SA, has a number of large contracts to supply Dauphin chairs to government organisations and large corporates.

**Umoja Property Services**

The Umoja joint venture runs the Albert Lethuli hospital contract in KwaZulu-Natal. Bidvest holds 51% of the shares in Umoja. The balance is held by Oname Investments, which is a joint venture between Impilo Consortium and Drake & Skull. Umoja operates in KwaZulu-Natal.

**Voltex**

Voltex is currently active in ensuring the success of certain start-up empowerment initiatives by providing financial and management services.

**Voltsing Electrical**

Voltex has a 49% stake in Voltsing Electrical, which is an electrical wholesale business based in Roodepoort. The balance of the shares are held by Mrs Geeta Singh.

**Vuka Catering Suppliers**

Victor Matoane holds 51% of Vuka Catering Suppliers and the balance is held by the Orlando Children's Home (24%) and Bidvest (25%). This joint venture is a marketing business selling a full range of grocery products to the catering, leisure and hospitality industries.

Vulcan-Caars initiated the creation of a black empowerment partner to form the equipment division of the existing Vuka Catering Suppliers. Key employees were transferred from Vulcan-Caars to Vuka Catering Suppliers and specialist skills were employed to make its equipment division the success that it is.

Vuka, in association with Vulcan-Caars, is actively involved in various provinces' continuous education programmes for kitchen maintenance and catering and has interactive and co-operative relationships with most of the state's training institutions. The division also donated kitchen equipment to Technikon SA and provides ongoing assistance in respect of loan equipment as required. The joint venture, in addition, sponsors an annual award to the best final-year student at Technikon SA Hotel School.



CORPORATE  
**CITIZENSHIP**  
(CONTINUED)

*Bidvest subscribes  
to the concept of  
creative co-operation,  
empathetic  
communication  
and teamwork*

## *Social responsibility*

### **Avril Elizabeth Home**

Kolok supports the Avril Elizabeth Home, which cares for children and adults with cerebral palsy.

### **BTI World Travel Projects**

BTI World Travel supports the Estee Lauder annual breast cancer campaign. Involvement includes time and monetary support as well as the sourcing of travel prizes for the annual fundraising events.

### **Business Trust**

The Business Trust is an initiative of companies in South Africa existing in partnership with government. It undertakes targeted job creation and capacity building programmes while the economy is put on a growth path that will provide sustained improvements in the lives of the majority of South Africans. Bidvest has committed to support the Trust for six years, starting in 2001, and Rennies Travel contributes to the work of the Trust through annual internship programmes run through HDI schools.

### **Caterplus – Catering Supplies Projects**

The Catering Supplies division make donations of stock and cash to a wide range of charities and churches across the country including the Cameo Senior Centre, Reach for a Dream, Port Elizabeth Children's Home and the Echo Foundation.

### **Cotac Bridging Programme**

Rennies Travel have funded, and subsequently, employed a number of black students on the Cotac Bridging Programme, which helps black school leavers compete more effectively for positions in travel and tourism.

### **Centre for the Rehabilitation of Wildlife (CROW)**

Island View Storage has provided considerable support to CROW over the past years, which has been instrumental in releasing wildlife such as

buffaloes, various species of monkeys and birds back into their natural habitat after recovery.

**CIDA City Campus**

Safcor Panalpina supports the CIDA City Campus, a facility geared to provide high quality, affordable tertiary education to individuals from disadvantaged backgrounds.

In the past year this support was largely in the form of technical expertise and the subsidy of the movement of books donated to CIDA from the USA.

In addition, Safcor sponsored ten students on a tuition and board basis. These students were selected by CIDA.

**Concorde Travel Projects**

Concorde Travel supports numerous charities including Nkosi’s Haven, World Wide Fund for Nature, The Salvation Army, Nazareth House, The Cancer Association for Children, The Deaf Association Natal, Highway Hospice and Community Chest.

**Dauphin Office Seating Projects**

Dauphin supports the Roodepoort Home for the Aged, Basket-R-Us, Boys Town and the AIDS Foundation.

**Education Bursaries**

Safcor Panalpina provides bursaries for the children of staff members. These bursaries are awarded on a points system, which takes cognisance of both the staff members’ economic circumstances and historically disadvantaged history. Lithotech also provides bursaries for employee’s children.

Rennies Cargo Terminals provides financial assistance for study purposes to employees.

**Give Kids the World**

Minolco organised a spinnathon at the Computer Faire to raise funds for the ‘Give Kids The World’ charity, which provides the funding to send terminally ill children and their families to Disney World.





CORPORATE  
**CITIZENSHIP**  
(CONTINUED)

### **Hill High School**

Crown National runs an adult education programme through an institution called Leadership Through Creative Education, which was initiated through the Hill High School but has since split and is headed by a Hill High School teacher, Mrs Walters, in her private capacity.

The programme has been running in Johannesburg since 1993 and is fully subsidised by Crown National. Classes include tuition to matric and various Basic Adult Education Programmes.

Twenty-five students are currently participating in the programme. A number of employees have matriculated and, in fact, some are presently studying through UNISA towards BCom and various other degrees.

The programme does not only concentrate on the structured school subjects, but also does courses on business appreciation, motivation and corrective counselling.

### **Hospice**

Travel Connections arranged the sponsorship of a car, through a car rental company, for their charity of choice – Hospice.

### **Internship Programme**

Rennies Travel runs an internship programme at NBI Davey High School and George Khoza High School. The programme creates awareness about the travel industry among students from historically disadvantaged backgrounds and exposes them to the work environment. The programme runs for five working days.

### **Island View Storage Projects**

Island View Storage supports the Ubuntu Community Chest, CROW and Highway Hospice.

### **Lithotech Projects**

Lithotech supports numerous charities including Tradefoms/Topform Athletics Club, Deaf SA, Institute for the Deaf, SA National Council for the Blind, Vista Nova School, Boys Town, Catholic Welfare, Good Hope Foundation, Salesian Mission, The City Mission, St Luke's Hospice, Western Cape Firefighters Association, Athlone Athletics, SA Wrestling Federation, Life Line SA, Red Cross, Nedbank Green Trust, Animal Anti-Cruelty League, SA Guide Dogs Sea Point and Stellenbosch Hospice.

### **Masithwalisani Methodist Outreach Project**

Master Currency supports the Masithwalisani Methodist Outreach Project, which looks after single mothers living with HIV/AIDS. They provide home-based care for the infected and affected.

### **Namsof Community Trust**

Namsof continues to realise its social responsibility towards the upliftment and development of all Namibians. The contributions made by the group since inception in 1990 has now exceeded N\$7 million. The majority of this was channeled through the Namsof Community Trust, who owns 10% of the issued share capital of the company. The Trust receives 10% of all dividends declared by Namsof Fishing Enterprises. The Trust is independently managed and all funds are distributed in an orderly fashion to worthy projects.

### **Nelson Mandela Children's Fund**

Bidvest has been a long-standing contributing member of the Nelson Mandela Children's Fund.

### **Nurturing Orphans of Aids for Humanity (NOAH)**

TMS-SHEZI assists NOAH by providing soft skills training for volunteers at the Arks. Bidvest also donates funds to NOAH. TMS-Shezi is, in addition, working with the Services SETA to find ways to put teenagers through learnerships.

**POP Upliftment Project (POPUP)**

Provicom Electronics is sponsoring POPUP's soccer team, providing them with full kits for the season. Further involvement opportunities are currently being investigated.

The huge demand to change the destiny of the people of Tshwane resulted in the POP Upliftment Project. POPUP is playing an important role through involvement in community upliftment, life skills training and skills development.

**Queen Noti Clinic, Tsolo**

At the request of Dr Nelson Mandela, Bidvest developed and built a natal clinic in the Tsolo area of the eastern Cape, using local labour and contractors. It also equipped the clinic, which comprises delivery rooms, recovery rooms, a dispensary, nurses' quarters and ample facilities for visitors.

Bidvest installed electricity, water, sewerage, waste disposal and a laundry. The standards and requirements, which were laid down by the Department of Health in the Eastern Cape, were exceeded.

Dr Nelson Mandela and Mr Brian Joffe opened the clinic on December 4 2000.

**Rally to Read**

Rennies Travel contributes funds to the Rally to Read programme, which aims to encourage a culture of reading in previously disadvantaged schools by providing reading books and text books.

**Reach and Teach**

Rennies Travel is a full partner and cash sponsor of the Reach and Teach projects, which introduces travel and tourism as career options to students in disadvantaged schools.

**Reach for the Hand Foundation**

Rennies Travel supports the Reach for the Hand Foundation, a non-profit organisation that builds home for HIV/AIDS infected and affected orphans and supplies food parcels.

**Rennies Financial Services Community Projects**

Each region and branch of Renfin is encouraged to become involved in community projects in the areas of education, children, conservation and crime prevention. Current projects include work with AIDS babies and abused children, fundraising programmes for the Red Cross, the Salvation Army and work with the blind. The division is also an active member of Business Against Crime and are contributors to READ, the Endangered Wildlife Trust and Child Welfare.

**Rennies Bank Projects**

Rennies Bank supports a number of charitable organisations including the National Sea Rescue Institute, Karel du Toit School for the Deaf, Rotary Polio drive, Fikilela AIDS project, Ebenhauser Retreat, Family Welfare, Aurora Special Care Centre, Baby Therapy Centre, Hillbrow Top Cop Awards, Hillbrow Victim Support Centre, Hillbrow SAPS, Business





CORPORATE  
**CITIZENSHIP**  
(CONTINUED)

Against Crime, the Endangered Wildlife Fund, World Wildlife Fund, WIZO, SA Children’s Trust and the Seychelles and South Africa Orphans Exchange Programme.

**Rotary**

Rennies Travel donates to Rotary to support three children’s homes. The funds are donated to improve the lives of the affected children.

**SAPS Hillbrow Street Children Project**

Bidvest supports the SAPS Hillbrow Street Children Project, which was started in 1997 and has had great success over the years. The number of car break-ins in Hillbrow has been significantly reduced and over two hundred children have been reunited with their families.

**Sasko Sally Thola Baking Training Centre**

During the year NCP Yeast sponsored 480 black students at the Sasko Sally Thola Baking Training Centre.

Rennies Travel supports the Seal Special Education and Learning for the Mentally Handicapped in the Western Cape.

**Seating Projects**

Seating donates funds to the communities adjacent to the Queenstown factory in the Eastern Cape to upgrade schools and clinics. An old dump site has been transformed into a playground/soccer field by Seating to benefit the local community.

**Siyagabisa Children, Youth and Community Organisation**

The staff of Rennies Travel and Rennies Bank donated food items and their time to the Siyagabisa Children, Youth and Community Organisation, a non-profit haven for abused and abandoned children of all ages in Thembisa.

**South African Association of the Physically Disabled**

FedEx is an official sponsor of the South African Association of the Physically Disabled.

**Steiner HyGienie Educational Road Show**

Steiner Hygiene is proud to play a part in educating the youth of South Africa through its hygiene awareness initiative – The Steiner HyGienie Educational Road Show to schools. Visiting LSM 6–10 schools in and around the Gauteng area, as well as attending special events and visiting charity organisations and provincial institutions, the multi-lingual team and the brand character, HyGienie, educates learners on the fundamental importance of hand washing and personal hygiene, highlighting issues such as water conservation and littering. The programme’s theme is: Hygiene – “It’s in YOUR Hands!”.

**The Bidvest Chairman’s Fund**

The Bidvest Chairman’s Fund supports numerous charitable organisations and other worthwhile causes.

**Topsy Foundation**

Bidvest donated a fully-equipped kitchen to the Topsy Foundation south of Heidelberg, which cares for AIDS orphans from Soweto and Dube.

**Voltex Projects**

Voltex has undertaken a number of social responsibility initiatives, including a HIV/AIDS awareness programme and counselling service for all employees. The division is also working towards full implementation of a proposed learnership programme, encompassing the basics of business.

Where possible, Voltex has ensured that the appropriate facilities are in place to ensure that disabled people have full access to all Voltex facilities.

**Vuyani Primary School**

Master Currency erected a fully equipped classroom in Guguletu in the Western Cape. This classroom will be used to cater for children with learning disabilities.

**Waltons Projects**

Waltons supported various charities, NGO's and schools by donating stationery and consumables. The 'Back to School' project, once again, resulted in the payment of substantial rebates to those schools whose pupils participated in the project.

**WITS Croxley Cricket Club**

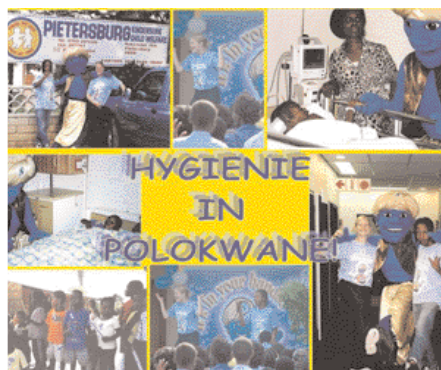
Croxley sponsors bursaries for talented and development cricketers to study at WITS.

**WITS Football Club**

The primary aim of the project is the upliftment of the communities surrounding WITS campus through sport and education. In terms of the project, Bidvest will sponsor the WITS Football Club, and contribute to the educational and social elevation of the community.

**Youth is Our Future**

Over a period of four years, Admiral Sportswear has committed to the Minister of Sport to donate 4 000 sets of soccer and netball sets to rural and underprivileged schools throughout the nine provinces of South Africa.





CORPORATE  
**CITIZENSHIP**  
(CONTINUED)

## *Environmental responsibility*

### **Bidcorp plc**

Bidcorp is committed to meeting the developing environmental standards required by legislation and its customers. Each operating division has established an “Environmental Management System” with the objective of reducing the environmental impact of operations, reducing energy usage and preventing pollution.

All business units have achieved BS EN ISO 9002:1994 certification and have also introduced the relevant “quality management systems” to comply progressively with developing BS EN ISO 9001:2000 (Shipping Services) and ISO 14001:1996 (Automotive Services) standards. The latter standard and certification has already been achieved within the automotive businesses and the former by Ontime Rescue & Recovery.

Bidcorp has also introduced an “awareness policy” which tasks each operating division with the continuous assessment of current best practice. These initiatives include the use of modern design vehicles to improve fuel efficiency and to reduce vehicle emissions, the use of the best practices for vehicle recovery and clean up, and an emphasis upon paperless administration systems.

### **Island View Storage**

SABS ISO 14000 has been obtained in all geographical locations of Island View Storage, with the exception of Durban, which

will be obtained within the next year. Environmental legislation in South Africa embraces international best practice and in the interests of transparency and accountability, IVS has engaged the government and local communities to address concerns. Regular “open days” have been well attended by the local community at Island View affording them the opportunity to examine the various facilities and understand the ongoing environmental responsibility programmes.

IVS has compiled Volatile Organic Emissions inventories for the Durban, Richards Bay, Isando and Cape Town terminals to assist in improving storage and handling of hazardous substances.

In addition to its ongoing environmental responsibility initiatives, IVS is actively engaged with the authorities in developing a multi-point plan for the Durban South area to deal with air emission standards.

Air emissions and ground water sampling is also regularly conducted and reports communicated to local authorities to ensure compliance.

### **RCT and SAS**

RCT and SAS’s SHEQ initiative (Safety, Health, Environment and Quality) takes cognizance of all environmental legislative requirements, which are integrated in all systems and procedures adopted.

### **Namsov**

Namsov has a clear record with the Namibian government with regards to environmental issues. Namsov recognises that its future is dependant on the sustainable use of the marine resources it has access to and is an active participant in conservation initiatives.

Namsov pays a levy, which is used to fund research activities in the Namibian fishing waters, to the Ministry of Fisheries and Marine Resources on every ton of fish it catches.

### **NCP Yeast**

NCP works closely with all the relevant government departments to ensure good manufacturing practice, which includes the responsible disposal of uncontaminated air emissions and waste in line with the stringent requirements of the Department of Water Affairs and the local Metropolitan Councils.

### Rennies Wetlands Project

The Rennies Wetlands Project was initiated in 1991 by the World Wide Fund for Nature (South Africa) and Renfreight, who were actively involved in the project for ten years.

The Rennies Wetlands Project (now Mondi Wetlands Project) is one of the few wetlands projects in South Africa that attempts to redress this problem, both at grassroots level and at the political decision-making level.

The project has been highly successful and has redefined the meaning of wetlands, both symbolically and physically, for the average South African. As a result of the Wetlands Project levels of awareness, and the understanding of the need to take care of them, has increased dramatically. It has created employment, generated skills, improved water access and people's living environments – at the same time restoring ecosystems.

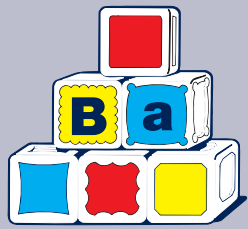
### 3663 First For Foodservice

3663 First for Foodservice is committed to continually improving the environmental performance of its activities and products through a process of pollution prevention and compliance with appropriate environmental legislation.

3663 First for Foodservice was awarded the ISO 14001 certificate by an independent body in July 2003. The certificate recognises adherence to environmental legislation and a commitment to reducing risk. 3663 First for Foodservice is the first company in the United Kingdom, falling under the Transport, Storage and Communications section of the Environmental Management System Standard, to obtain the certificate for all of its operational sites.

Environmental awareness representatives and the on-going support of employees and managers will ensure that local objectives and targets are set for the continued development of the Environmental Management System.





**BIDVest Academy**

THE BIDVEST GROUP LIMITED

CORPORATE  
**CITIZENSHIP**  
(CONTINUED)

*A practical and  
effective platform  
for developing  
young executive  
talent within  
the Group*

## *The Bidvest Academy*

The Bidvest Academy has been established to provide a practical and effective platform for developing young executive talent within the Group. The initial programme will be used to refine the scope and content of future courses. The Academy focuses on managers, younger than 40, who do not yet have exposure to the Bidvest executive structure, and incorporates the Group's empowerment aspirations.

The Academy was launched on Sunday, May 18 2003.

The six-month programme comprises four, three-day sessions and site visits to Group companies. Each session focuses on both the business and personal domains, utilising both internal and external speakers. Through a combination of workshops and projects the participants acquire additional business, team and leadership skills that can be applied within their respective organisations. Students also gain exposure to Bidvest and its executives and learn about the operating methods and business strategies of the divisions.

Students form mini-divisional executive committees, elect their own chairmen and interact with the other teams. Each team has to complete a six-month business project, which includes analysis, innovation, recommendations for possible implementation within the respective divisions and must have the potential to add real financial value. As part of the exercise the teams will also be required to develop a strategy for their divisions and Bidvest.