

## **BID CORPORATION LIMITED**

Registration Number: 1995/008615/06

### **ENVIRONMENTAL, SOCIAL AND ETHICS COMMITTEE CHARTER**

In terms of section 72 of the Companies Act 71 of 2008 as amended ('the Act') and regulation 43 of the Companies Regulations, 2011 (the 'Regulations'), all listed companies are required to appoint a social and ethics committee to perform the functions as set out in the Regulations.

As such Bid Corporation Limited ('Bidcorp', 'the group' or 'the company') has constituted this Environmental, Social and Ethics Committee ('the ESEC' or 'committee') as a statutory committee of the Bidcorp Board of directors ('board') to discharge its duties and responsibilities in this regard.

The duties and responsibilities of the members of the committee are in addition to those as members of the board. The deliberations of the committee do not reduce the individual and collective responsibilities of board members in regard to their fiduciary duties and responsibilities, and they must continue to exercise due care and judgement in accordance with their statutory obligations.

This charter serves as the terms of reference which are subject to the provisions of the Act, the Regulations, Bidcorp's Memorandum of Incorporation and any other applicable laws or regulatory provisions.

#### **1. PURPOSE OF THE CHARTER**

- 1.1. The purpose of this document is to set out the ESEC's role and responsibilities as well as the requirements for its composition and meeting procedures.

#### **2. COMPOSITION**

- 2.1. Members of the ESEC and its chairman are recommended by the Nominations Committee and appointed by the board.
- 2.2. The committee shall comprise of at least three members including executive and non-executives, the majority of whom must be non-executive directors of the board.
- 2.3. Members of the committee must have sufficient skills and experience to fulfil their duties.
- 2.4. The members of the ESEC will be annually reviewed and recommended by the Nominations Committee for shareholders' approval at the AGM.

#### **3. ROLE**

- 3.1. The ESEC has an independent role, operating as an overseer and a maker of recommendations to the board for its consideration and final approval. The ESEC does not assume the functions of management, which remain the responsibility of the executive directors and other members of senior management.
- 3.2. The role of the ESEC is to assist the board by:
  - 3.2.1. Monitoring the company's activities in respect of any relevant legislation and prevailing codes of best practice, with regards to matters relating to:
    - 3.2.1.1. social and economic development in respect of the ten (10) UN Global Compact Principles and the OECD recommendations regarding corruption;
    - 3.2.1.2. the South African Employment Equity Act; and

- 3.2.1.3. the South African Broad Based Black Economic Empowerment Act.
- 3.2.2. Monitoring the company's activities in respect of good corporate citizenship including:
  - 3.2.2.1. promotion of equality, prevention of unfair discrimination and reduction of corruption;
  - 3.2.2.2. contribution to the development of the communities in which Bidcorp is involved; and
  - 3.2.2.3. records of sponsorships, donations and other charitable giving (both monetary and non-financial).
- 3.2.3. Monitoring the company's activities in respect of:
  - 3.2.3.1. the environment, health and public safety;
  - 3.2.3.2. consumer relationships, including advertising, public relations work and compliance with consumer protection laws; and
  - 3.2.3.3. labour and employment including Bidcorp's standing in terms of the International Labour Organisation Protocol on decent work and working conditions; Bidcorp's employment relationships; and its contribution towards employee's educational development.
- 3.2.4. Monitoring the non-financial key performance indicators as defined for a food service company, with specific focus on food quality, safety and security.
- 3.2.5. Monitoring of all material stakeholder engagement matters across global operations.
- 3.2.6. Drawing matters within its mandate to the attention of the board as necessary and reporting on its mandate to the group's stakeholders, specifically shareholders, at the AGM.

#### 4. STATUTORY AND DELEGATED DUTIES OF THE ESEC

- 4.1. The responsibilities and duties of the ESEC shall focus primarily on –
  - 4.1.1. the monitoring, compliance and reporting of the group's sustainability and transformation responsibilities;
  - 4.1.2. maintaining Bidcorp's Code of Ethics and ensuring compliance with these standards throughout the group; and
  - 4.1.3. ensuring compliance with regulatory requirements, relevant to the social and ethics committee role, as stated in section 3 above.
- 4.2. The committee must perform all the functions necessary to fulfil its role as stated above, including the following:
  - 4.2.1. Establish the quarterly ESEC reporting framework which is determined through the identification of non-financial operational high-risk areas.
  - 4.2.2. Review the group's ethics management framework and consider, with management –
    - 4.2.2.1. any feedback from external providers, as relevant;
    - 4.2.2.2. any contraventions of the Code of Ethics;

- 4.2.2.3. adherence to the Group Fraud Prevention, Anti-Bribery and Corruption Policy and other ethical standards; and
- 4.2.2.4. management's response and actions taken in light of such events.
- 4.2.3. Monitor whistleblower and tip-off calls received and ensure that independent investigations are completed, and appropriate actions are taken to address concerns raised.
- 4.2.4. Identify and monitor the non-financial aspects relevant to Bidcorp and review appropriate non-financial information that should be included in assessing the performance and sustainability of the group.
- 4.2.5. Review the effectiveness of the group's approach to an affirmative action strategy, and employment equity and transformation strategy, ensuring opportunities to enable previously disadvantaged employees to prepare themselves to occupy more skilled and responsible positions within the organisation.
- 4.2.6. Review the effectiveness of the group's dealing with Safety, Health and the Environment (SHE) issues and to provide the necessary guidance in developing and approving the policy, strategy and structure to manage SHE issues.
- 4.2.7. Assess and confirm the effectiveness of the businesses' response to a potential contagious disease outbreak as part of their business continuity and disaster recovery plans, including education programmes and managements' crisis response plans, when required.
- 4.2.8. Review the effectiveness of the group's activities with regards to protecting the environment, specifically:
  - 4.2.8.1. minimising and rectifying pollution or degradation that may have already been caused;
  - 4.2.8.2. disclosing the nature of the group-wide environmental policies, ethos and values; and
  - 4.2.8.3. ensuring a commitment by all Bidcorp entities to be compliant with the required international safety and environmental standards.
- 4.2.9. Annually assess the quality and strength of key stakeholder relationships.
- 4.2.10. Consider and communicate the results and evaluation reports relating to the quality and integrity of the content reported in the annual reporting suite.

## 5. AUTHORITY

- 5.1. The ESEC is governed by the Act, Regulations and delegated authority of the board, with the power to investigate any activity within the scope of these terms of reference.
- 5.2. The ESEC, in the fulfilment of its duties, may call upon the executive directors and/or the company secretary or its representatives (the '*company secretariat*') to provide information, as required.
- 5.3. The committee has unrestricted access to the company's records, facilities and any other resources necessary to discharge its duties and responsibilities.

- 5.4. The ESEC has the right to obtain independent external legal and other professional advice to assist with the execution of its duties, at Bidcorp's cost, subject to following a board approved process, as required.
- 5.5. The ESEC makes recommendations to the board that it deems appropriate on any area within the ambit of these terms of reference.

## 6. MEETING PROCEDURES

### Frequency

- 6.1. The ESEC shall meet at least quarterly.
- 6.2. Additional meetings may be held at the request of the chief executive officer, chief financial officer or other members of senior management or at the request of the board or the ESEC chairman.

### Quorum

- 6.3. A majority of members, of whom at least one must be a non-executive director, shall constitute a quorum for transaction of business by the committee.

### Meeting Attendance

- 6.4. Board members that are not members of the committee may attend committee meetings, but they may not vote.
- 6.5. As may be required, executive directors that are not members of the committee, members of senior management, assurance providers and/or professional advisors may be in attendance at ESEC meetings, but by invitation only and they may not vote.
- 6.6. The company secretariat is the secretary to this committee.
- 6.7. The chairman shall have the right to exclude from the meeting or from any item on the agenda, any invitee or member if a conflict of interest becomes evident.

### Agenda and minutes

- 6.8. The ESEC must establish an annual work plan to ensure that all relevant matters are covered.
- 6.9. The chairman of the committee may meet with the chief executive officer, chief financial officer and/or the company secretariat prior to a committee meeting to discuss important issues or matters for the committee's consideration and agree on the agenda.
- 6.10. The agenda, together with supporting documentation, must be distributed in advance, to enable committee members to prepare for meetings.
- 6.11. The minutes of meetings must be drafted as soon as possible after a meeting and circulated to the chairman and members of the ESEC for review and approval during the next meeting. The minutes will be signed by the chairman as a correct record of proceedings held once approved by the committee.

### Fees

- 6.12. The ESEC chairman and members that are non-executive directors shall be paid such fees for their committee work as approved by shareholders at the AGM.

## Reporting

- 6.13. The chairman of the ESEC is required to:
- 6.13.1. report all significant matters arising from the ESEC to the board timeously;
  - 6.13.2. approve the annual Sustainability Report, forming part of Bidcorp's annual reporting suite and published in accordance with regulatory and/or statutory requirements;
  - 6.13.3. annually prepare a written report to shareholders to be included in the annual financial statements; and
  - 6.13.4. attend the AGM to answer all question, through the chairman of the board, on the committee's activities and responsibilities.

## 7. EVALUATION

- 7.1. Annual evaluations of the board, its committees, its chairman and its members will be undertaken, with an independent board and committee evaluation being performed every third year.

## 8. REVIEW OF THE CHARTER

- 8.1. This charter is to be reviewed by the ESEC and recommended to the board for approval and adoption biennially, or sooner should new requirements come into place.

Mr S Koseff  
Chairman: Bidcorp Board  
Reviewed and approved: August 27<sup>th</sup> 2024

Mrs T Abdool-Samad  
Chairman: Bidcorp ESEC