





Introduction.

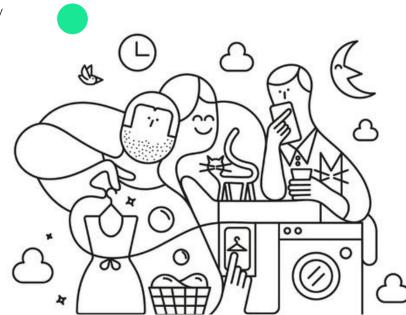
Leading change

2021/22 was another year of ups, downs and uncertainties for our business, our customers and the wider industry, with challenges on many fronts. Supply chain difficulties and skills shortages dominated the start of the year, swiftly followed by steep food inflation and energy price rises. This was further compounded in 2022 by the devastating war in Ukraine, all of which continue to pose significant challenges for food businesses.

The 12-month period was also shaped by COP26 in autumn 2021, which further catalysed climate action and focused the world's attention on the biggest challenges of our time. Awareness of the impacts of global food production has grown, particularly in terms of land conversion and deforestation.

The release of the National Food Strategy White Paper also shaped discussions, both in terms of action needed, and the muchdebated government response to it.

In 2022, the Better Business Act continued to gain momentum. It is a coalition of organisations, including Bidfood, calling for an amendment to Section 172 of the Companies' Act. This is so companies are legally obligated to operate in a manner that benefits their stakeholders, including workers, customers, communities and the environment, while seeking to deliver profits for shareholders. Suffice to say, it has been another eventful year, and we've got plenty of news to share about what we've been doing whilst navigating this ever-changing landscape.



vision

To be the best foodservice provider and a positive force for change, because we care about...



Our people





Our customers





Our principles

Relaunch of sustainability strategy

This past year, we relaunched our new sustainability strategy, to bring greater definition and clarity to our priorities, meeting the needs of diverse stakeholders: employees, customers, NGOs, investors, government and wider society.

From 2018 through to 2021 we'd aligned ourselves to eleven of the UN Sustainable Development Goals (SDGs), which was undeniably ambitious. However, stakeholder feedback was that it was unclear what we actually stood for, and that we needed to prioritise areas for action based on our key impacts.

We took this feedback on board and have created visuals which highlight our five key areas of focus for 2022 onwards. The UN SDGs have shaped our approach and there is commonality with many goals (climate action, zero hunger, good health and wellbeing, life on land, gender equality,

to name just a few), but we hope you agree that our messaging is simpler, clearer and easier to articulate for our employees and to our customers.

This year's report is structured around these five areas and expands on our work in each of our priority areas, and more.

We pride ourselves on our report being externally and independently checked; with emissions data verified against the ISO14064-3 verification standard.



Positive force for change

Our vision

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Our ESG plan.

Our Vision

To be the best foodservice provider and a positive force for change because we care about...



Interview

with Andrew Selley, CEO

You've got a new strategic vision, about being a positive force for change in the industry. Can you tell us more about this?

Well, the vision statement is just articulating what we were trying to do already. We've been talking for a few years about leading change in foodservice, but we're now more explicit in terms of that aspiration, applying it across the spectrum of people, planet, communities, customers and our principles. We're all increasingly aware of the role that businesses have to play in terms of addressing environmental and social challenges, so this vision statement reflects that.

Can you highlight some of the ways in which you feel you've been a positive force for change throughout 2021/22?

People: Our employee survey result for overall employee engagement was 83%, which I think is great evidence of how we look after our people. It's six points higher than it was pre-pandemic, which reflects how well I think we've done in terms of supporting our people during these difficult times.

Planet: We're progressing with our science-based net zero ambition. This issue gets far more focus and budget now; it's a marathon, not a sprint, and I'm proud that we're doing this properly, aligned to the global standard for net zero. We just need far more momentum across the industry – us doing this alone will achieve very little – it's all about collaboration.

Customers: We are in the process of creating a responsible soya sourcing policy which will source soya from deforestation and habitat conversion free sources. We're also looking to strengthen our animal welfare policy, so we have started a project which is reviewing the animal welfare and soya standards in our supply chain. This will provide us with the data we need to put in place targets and commitments to improve the sustainability of our products.

Communities: We're incredibly proud to be a founding partner of The Natasha's Allergy Research Foundation's clinical trial. The trial aims to plug the current Oral Immunotherapy (OIT) research gap, by proving that everyday foods instead of expensive pharmaceutical drugs can be used as a practical treatment. If successful, it will provide a potentially life-changing experience for those allergy sufferers when eating out of home, eliminating the fear of suffering from severe or fatal allergic reactions when eating out of home.

Principles: As explained, we want to be a positive force for change, so articulating this ambition naturally causes us to think of wider changes that are needed. Personally, I've been quite vocal this year about the National Food Strategy and what changes needed to take place in both the sourcing and provision of healthy food, and I will continue to speak out about this and other



Sustainability team.

Many people within Bidfood have sustainability objectives incorporated into their 'day job' but our two dedicated specialists are Julie Owst and Shelley Morris.

Julie Owst Head of Sustainability



Each priority area within our sustainability programme is sponsored by a member of our Senior Leadership Team.



People Heather Angus HR Director

Principles

Alison Brogan Chief Financial Officer



Sales and Marketing Director



Shelley Morris

Sustainability Projects Manager Our people.

Our mission

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We invest in and care for our people, attract future talent and continue to be recognised as a great place to work.

Employee engagement

The past couple of years in the UK have been generally labelled the 'Great Resignation', with huge numbers of people leaving their pre-pandemic jobs and searching for greater reward, purpose and motivation elsewhere. The hospitality sector is no exception, and for many businesses it has been a huge challenge to retain existing employees and attract new talent. The preference for flexible or hybrid working arrangements is a challenge for any foodservice wholesaler, given that the majority of roles are operational and necessitate being at depots, with volume and timings driven by peaks and troughs of customer demand. Given the challenge of this changing context, understanding and improving the engagement of our people is more important than ever.

To measure engagement and gather employee feedback, we run an annual employee survey which explores many facets of our employees' experience with us. This year, we had an 85% response rate and scored 83% employee engagement, which given the extreme challenges we have been through as a business and industry, is a huge credit to everyone that contributes towards making Bidfood a great place to work, no matter what challenges they are faced with.

To help our managers, we launched our Values in Practice, bringing to life the behaviours that support our corporate values. We also designed business-wide engagement competitions and have created accessible resources to help managers create the best possible environment for their teams. But most importantly, we are listening to our employees and taking action on what they tell us will make a difference to their working lives. One area where we have seen the greatest improvement is with our managers helping people to develop, having identified that personal development is such a key driver of engagement. We now have 70% of people responding positively to that question.

One of our key drivers of engagement from the last two employee surveys has been health and wellbeing. As a result, the Senior Leadership Team have committed to focusing on improving health and wellbeing provision across the business. This report outlines some of the initiatives we've implemented as part of that strategy.

Looking after our employees



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Menopause wellbeing group

Introduction

In late 2021, we set up a menopause wellbeing group for anyone impacted by the effects of the menopause. We've made the sessions open to everyone, not just women, but for partners or wider family of anyone going through this life phase. The meetings serve as a forum to share tips, articles and external support groups, as well as working on ways Bidfood can continue to support anyone affected by the menopause.

The number of people joining the group continues to grow, with the intention being to provide a menopause support network for the business. Following feedback from the group, we have prioritised:

- Upskilling line managers on the menopause and how they can support, including menopause as part of wider wellbeing training for managers
- Raising awareness of the menopause, breaking the taboo and opening up the conversation
- Expanding our existing health and wellbeing guidance including creating manager and employee menopause toolkits

Our planet

Our customers



Our people

Men's Health Week

The 13th – 19th June 2022 was Men's Health Week, so we shared blogs and interviews with senior male leaders in our business opening up about their own physical and mental health and the importance of regular health checks on our employee intranet. It's well documented that men are significantly less likely to seek advice from their GP than women, so it was great to see these stories shared so openly. They will hopefully encourage more of our male employees to be proactive about their wellbeing.

During this week, we also invited employees to join a men's health group, to help shape the future of men's health in the business. So far, the group has eight volunteers and with the huge amount of stigma around men's health, this is a great step forward in being open and honest about what improvements need to be made.

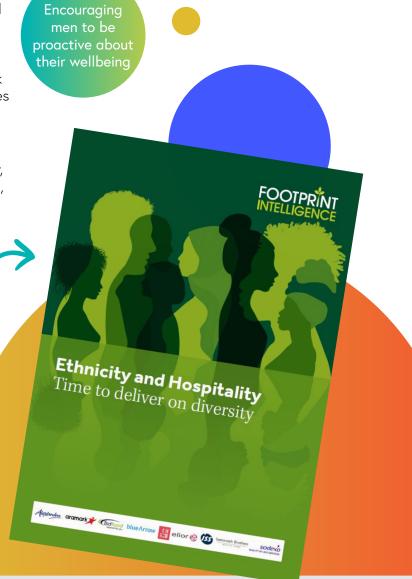
Finally, we linked with a charity fundraiser for Hospitality Action, where we encouraged everyone in the business to take part in physical activity and for every mile covered, the business would donate £1 to the charity. We raised £5,000 for the charity and with Men's Health Week coinciding with the event, we also provided a free private health check to the three men who took part in the most minutes of exercise.

Diversity, inclusion and belonging

In April 2022, we started work on our ED&I strategy, following the release of the report we'd helped fund, which acts as a roadmap for hospitality businesses wanting to improve their performance in this area. Click the link to find out more. Time to deliver on ethnic diversity - Foodservice Footprint

Founding partner of Plan B mentoring conference

<u>Plan B</u> was launched five years ago as a notfor-profit organisation that provides mentors for women who want to move into C-level and board roles. Their ultimate aim is to help create diverse boards which, in turn, foster more inclusive working environments. We're proud to be a founding partner of the first Plan B Conference on 23rd November 2022. The aims of Plan B directly address one of the main problems highlighted in Footprint's report on diversity in hospitality; ethnic representation is great at entry level in the industry but significantly drops at more senior levels. This is a **DICE certified** and recommended conference, and tickets include a free "plus one" to be shared with an up-and-coming talented colleague from any under-represented group, who may not typically be invited to attend such an event.



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Apprenticeships and job creation

We've finalised plans to recruit up to 30 new apprentices across our depot network, in support of job creation and utilising our levy. We're piloting the approach initially at our Liverpool depot with driver apprenticeships, and then looking to offer the scheme more widely across the UK.

In terms of employee learning and development, we've created an Apprenticeship Pathway to make it really easy for our employees to understand the range of opportunities available to them. As at the end of June 2021, we had 34 employees actively on apprenticeships and 21 waiting to start.

Learning and development

In addition to external training courses, studying for qualifications, on-the-job and self-quided learning, our employees benefit from in-house training and coaching sessions delivered by our learning and development team. In 2021/22, our L&D team delivered a total of 4,052 training hours, broken down as follows:

2021/22 Training delivery

delivered



delivered









Total training hours

Bord Bia Origin Green Ambassador

We were delighted to be selected as a placement organisation for an Origin **Green Ambassador** from the Irish Food Board (Bord Bia). Ailbhe McGowan worked with us for five months from January to May, supporting our environmental objectives and sharing the knowledge gained from her studies towards a Master's in sustainability. We wish Ailbhe all the best in her future career!

Click here to find out more





Living Wage - update

our website. The challenge for us has been that pay for certain roles has been driven largely by performance and productivity-related incentives, which don't count toward Living Wage calculations. We continue to measure on an annual basis. As at population paid below living wage is less than 13%.

In 2022, we started a project which aims to simplify the pay structures for a range and reducing the reliance on allowances and bonuses. This project is ongoing.



Rewarding in the right way

this insight we're able to identify areas of focus and ensure that we're competitive in

Rewarding responsible leadership

leaders and commercial teams are dependent on Social and Governance) objectives. Currently, alignment is inconsistent and this needs to change, if we are to truly realise our desire to be a positive the time of writing) in some areas our KPIs are still being shaped e.g. emissions reduction targets.

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Our planet.

We take our commitments to environmental responsibility seriously and aim to address our greatest impacts, emissions, plastics and waste, whilst also having policies in place that minimise deforestation and promote responsible sourcing of the food we buy. For these latter areas, please refer to the 'Customer' section, as these areas intersect with how we support our customers to achieve their environmental objectives.

Net zero commitment progress

We've had our greenhouse gas (GHG) emissions validated by an independent third party since 2012 in accordance with ISO 14064-1 certification. From 2021, our GHG emissions have been verified in line with the HM Government document "Environmental Reporting Guidelines: Including streamlined energy and carbon reporting guidance." In late 2021, we took a huge step forward and committed to setting net zero carbon targets aligned to the Science-Based Targets initiative (SBTi), the global standard for net zero commitments. We were the first delivered foodservice wholesaler to do so

This requires us to establish an emissions baseline, set both near term and long term targets, create a plan to deliver against these and then get the targets approved by the SBTi. Targets are considered 'science-based' if they are in line with what the latest climate science deems necessary to meet the goals of the Paris Agreement – limiting global warming to well-below 2°C above pre-industrial levels and pursuing efforts to limit warming to 1.5°C.



Our mission

We play our part in the climate crisis by acting on emissions, plastics and waste

Our baseline emissions

Over the past year we've established our baseline year of FY (Fiscal Year) 2019 as this was the last 'normal' year of operations pre-Covid. We then quantified our baseline emissions across Scope 1, 2 and 3, using the GHG protocol guidance on data quality to guide our approach, assisted by Carbon Intelligence.

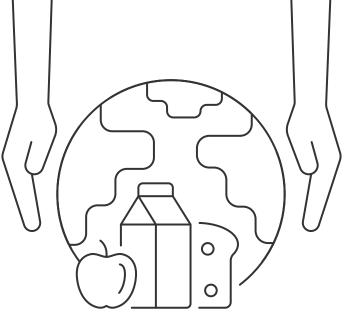
Click here for definitions of Scope 1, 2 and 3

Scope 1 and 2 emissions are the most commonly measured and reported, and some net zero claims made by companies only cover Scope 1 and 2. Although it's a priority to reduce Scope 1 and 2, these emissions are only the 'visible' part of the emissions iceberg, and for food companies such as ourselves, the vast majority of our 'true' emissions are generated in our supply chain, due to the huge amount of food we buy; these are the invisible and larger part of our climate impact. This is why our ne zero commitment covers scope 3. We absolutely have to play our role in decarbonising food supply.

It should be noted that we have used assumption-based reporting in line with SBTi expectations to calculate the baseline for our Scope 3 emissions. We have used 'spend' data, which is the minimum allowed data calculation method accepted by the GHG Protocol and we recognise that this is low quality data. As time progresses, we aim to improve data quality and replace estimates with more informed data, as carbon measurement and reporting becomes more and more commonplace up and down the global food supply chain. Once data accuracy is improved, the share of categories in Scope 3 may change, however the percentage of emissions split between Scope 1.2 and 3 is likely to remain similar

Baseline emissions are based on our organisational boundary, i.e. they include emissions for Bidfood UK and its subsidiary businesses over which we have financial and/or operational control, e.g. South Lincs Foodservice, Yarde Farm, Simply Food Solutions, Caterfood, Cimandis, etc. They do, however exclude Bidfresh, but as a supplier to us they will be expected to align with our net zero ambitions and our SBTi-aligned reduction pathway. This means that these baseline emissions won't match what we reported in our 2019 sustainability report, as the latter were only for Bidfood.

The table below shows the baseline data against which all our SBTi targets will be set. We have an overall ambition to achieve net zero emissions by 2045.



Baseline emissions

Where in chain?	Scope	Source	Emissions (t) CO ₂ e	% of total
Direct operations	Scope 1	Diesel, refrigerants, natural gas	75619	4%
Indirect operations	Scope 2	Electricity (market based calcs)	33,233	2%
		Purchased goods and services	1,913,287	92%
		Capital goods	22094	1%
		Fuel-and-energy related activity	24,854	1%
Upstream	Scope 3	Upstream logistics	4,145	0.2%
		Waste generated in operations	193	0.0%
		Business travel	328	0.0%
		Employee commuting	9,695	0.5%
Dougnatroom		Downstream logistics	20	0.0%
Downstream		End of life treatment of solid products	8	0.0%
Total emissions			2,083,472	100%

N.B. Total doesn't match exactly due to roundings in the calculation process

Areas of focus for emissions reduction.

Scope 1 – how we're progressing

Fleet decarbonisation

We currently run only one electric vehicle; this is used at our Battersea depot, with further trials of other vehicles imminent. As it stands, EV technology hasn't sufficiently evolved for the batteries to be able to cope with the demands of our operation, other than where there is a very small radial distribution area such as central London. For large HGV fleets, it's currently unclear as to whether the key to decarbonisation lies in electric or hydrogen technology, for which we continually monitor developments. All our vehicle fridges are electric

however, meaning that we generate no additional emissions from mobile refrigeration units. Whilst waiting for technological innovation in EVs and hydrogen, we are running an HVO (hydro-treated vegetable oil) trial to see if HVO could be a viable stepping stone for us on our journey towards net zero.



HVO trial

Our hydrotreated vegetable oil (HVO) trial on nine of our vehicles at our Edinburgh depot commenced in May, later than planned due to operational issues, and then extended further to ensure sufficient data. We've been assessing the feasibility of using HVO more widely across our fleet from both a commercial and operational point of view, as manufacturers claim it can deliver up to 90% less CO₂e compared to regular diesel. We are carrying out our own emissions testing to verify this claim. HVO is made up of waste and residual oils, so no virgin oils are involved, which adds to its sustainable credentials. We are following the trial closely as initial operational results are promising, but we need to assess the full commercial impact of HVO and complete emissions tests to evidence the environmental benefit of switching to HVO.

Fleet composition

In 2021/22, we operated a total of 173 vans and 1,042 trucks. At present, 97% of our vans and 70% of our trucks are operating with Euro VI engines, the best performing diesel engines in terms of particulate emissions and air quality. 70% is lower than our forecasted percentage as we are running older vehicles longer than usual, due to Covid-related impacts and new vehicle availability issues. This has also contributed to a slightly lower KMs per litre figure than usual, as can be seen in the table of environmental performance at the end of this section.

Employee business mileage

In common with most businesses, we have decreased our employee business mileage, as working from home and virtual meetings reduce the need to travel. Please note the addition of hybrids to the fleet from 2021/22 onwards; these are reported in mileage not litres. These are shown in the table of environmental performance at the end of this section.

Refrigerants

There are a range of different refrigerant gases currently in use across our estate, with differing global warming potential (GWP) ratings. We now have five sites operating chill chambers using ${\rm CO}_2$ (with a GWP of only 1) and eight sites operating chill chambers using ammonia (with a GWP of zero). All remaining chill chambers are operating using refrigerants with a higher GWP but our preference for all new or replacement installations going forwards is ${\rm CO}_2$.

Scope 2 - how we're progressing

On-site renewable energy generation

We currently have solar panels at our Chepstow depot. We're working with a supplier to facilitate further onsite solar energy generation, to reduce reliance on the National Grid and cut emissions. The extent to which we can do this is being investigated in partnership with our supplier. For example, some of our depot roofs just can't take the additional weight of solar panels. We've approved the first phase of plans for installation of solar energy in five sites (selected from those with an acceptable roof condition and where we own the freehold for the site). Installation is due to start in September and wider rollout to further sites will then commence.

Scope 3 - how we're progressing

Reporting of Scope 3 emissions is relatively new for most companies; it's a challenging area as value chains can be complex, long, and not always transparent or traceable. Scope 3 includes several categories of emissions, and we currently only measure and verify our Scope 3 emissions for waste, as seen in the Environmental Performance table. However, we are gradually getting a grasp on the scale of our Scope 3 emissions, thanks to the baselining activity carried out as part of our net zero target setting. In this report we explain what we're doing across the headline areas of Scope 3 emissions.

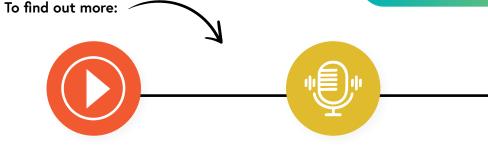
Food-derived emissions ('Purchased Goods' category)

By far the biggest contributor to our total carbon footprint is the Purchased Goods category, in other words, emissions embodied in and associated with the food we buy. This is typical for any company in the food industry, as 30% of all global greenhouse gas emissions come from food production (WRAP). It's a commonly held misconception that food miles cause the majority of these emissions, but transport typically accounts for only 10% of food-related emissions. For more information, refer to Environmental Impacts of Food Production - Our World in Data. It can be seen clearly that land-use change, deforestation, animal feed and on-farm processes produce the greatest share of food-related emissions.

Click here to find out why the food industry supply chain struggles to provide emissions data

Lack of data means that our purchased goods emissions calculations are based on total spend (the minimum acceptable data quality for the GHG protocol). To try and improve data quality and to address the challenges listed above, we are one of a number of organisations in the food industry that contributed to the development of WRAP's Scope 3 Protocols for Food and Drink, and we are now piloting these protocols in real life with our suppliers. These protocols consolidate the requirements and recommendations for food and drink businesses when setting a GHG reduction target, establishing a Scope 3 baseline and tracking progress in reducing Scope 3 emissions. We are the only wholesaler to be participating in the pilot and in doing so are helping drive progress across the industry. We'll be engaging with suppliers who sit within our emissions hotspots and use their input to feed back into the protocols pilot group. It also means that we will be well placed to keep customers updated on this fast-evolving area.

Visit our Customers section for information on how we're supporting them to reduce scope 3 emissions



Have a look at this <u>clip</u> from WRAP on Scope 3 GHG Measurement and Reporting Protocols... ...and have a listen to this very informative podcast with Stephen MacKenzie from WRAP and Judith Batchelar, deputy chair of the Environment Agency. We talk more about our net zero commitment in Contract Caterer magazine, too.

Food waste reduction

We've been active on our food waste reduction commitment in several ways:

Reducing our own waste - We provide annual data to WRAP as part of our commitment to *Target, Measure and Act* on Food Waste. We've worked hard on both reduction of waste as well as improving data quality; in 2020 we felt confident enough in our data to set this as our baseline year (N.B. food waste is reported to WRAP in calendar years, not financial years) and our year-on-year progress is shown in the table below.

	Baseline Year	
Calendar year	2020	2021
Food sales (£M)	1065	2301
Tonnes of food sold as intended	489,599	571,344
Food waste (tonnes)	2,005	1,854
Food waste (t) per £M food sales	1.88	1.43
Food waste as % of food sold	0.41%	0.32%
YOY reduction in food waste	N/A- baseline	21%

Increasing food waste redistribution - We continue our long-running partnership with FareShare and a range of other food redistribution charities. We review our performance with FareShare on a quarterly basis, looking at which depots are donating food and identifying opportunities for greater food redistribution. This past year, we worked with FareShare to overcome obstacles that had previously prevented donations from Hoddesden depot (belonging to our sister company, Oliver Kay, part of Bidfresh, dedicated to fresh fruit and vegetables). We're delighted that Hoddesden were able to start regular donations to the Felix Project Kitchen in East London, FareShare's network partner in London. For more information on food redistribution, please see the Communities section of the report

Campaigning - Food Waste Action Week 2022 ran from 7th – 13th March and we were pleased to help amplify the messages of this campaign, which emphasised the role of food waste in driving climate change. We created our own food waste guide, to help motivate employees to act on their own household food waste, by tapping into not only environmental messages but also the motivation to save money amidst rising food prices. We also promoted a blog for customers, sharing this on social media and on our website.

Influencing our customers to reduce their waste

- Our very own Sustainability Projects Manager, Shelley Morris, completed WRAP's Guardians of Grub 'Becoming a Champion' training earlier in 2022. This course involved learning how to measure and report food waste, take actions to reduce wasted food and explore ways in which leftover and surplus food can be reused or redistributed to keep it from the bin. Although not directly involved with food, Shelley is now using this knowledge to be an ambassador for reducing food waste, working with customers, suppliers and colleagues within Bidfood to promote WRAP's Cost Saving Skills course and the Becoming a Champion course. These courses explain both how to implement changes in the kitchen that reduce food waste and cut costs at the same time.



Management of waste overall			Influenced by pandemic impacts			
Waste type (Tonnes)	2017/18	2018/19	2019/20	2020/21	2021/22	
Landfill	19	54	35	8	6	
Energy from waste (EFW)	1,339	1,410	1,605	1,337	1,311	
Anaerobic digestion	1,080	1,433	1,973	1,507	1,666	
Cardboard	1,133	1,103	1,424	828	985	
LDPE (low density polyethylene)	458	439	410	300	426	
Other recycled waste	3,779	4,261	4,116	3,411	5,153	
Total waste	7,808	8,700	9,562	7,391	9,550	
Waste stream percentages						
Landfill percentage	0.2%	0.6%	0.4%	0.11%	0.06%	
EFW percentage	17.1%	16.2%	16.8%	18.20%	13.73%	
Recycling percentage (inc AD)	82.6%	83.2%	82.9%	81.80%	86.18%	
Waste Avoidance- redistributed food (tonnes)	309	509	404	342	717	

Used cooking oil collection

In the last financial year, our customers' waste cooking oil collection by Olleco totalled 4,192 litres. Used cooking oil is converted to biodiesel by Olleco, and this biodiesel has an even lower environmental impact than conventional biodiesel, as the cooking oil is a waste product; it reduces the burden placed on the land to create yet more crops. It's a great way to help encourage more circularity within foodservice.

Plastics reduction - pallet wrap

In the absence of feasible alternatives, our consumption of pallet wrap is a significant driver of plastic usage, so we continue to target a decrease in pallet wrap per item picked. 6 microns is now the preferred thickness of pallet wrap across the Bidfood estate, as we can achieve equal performance with less plastic. At the time of writing this report, we are trialling a 5 micron wrap at our Slough depot. The table below shows our consumption trend:

Summary	2019 Calendar year	2019/20 FY	2020/21 FY	2021/22 FY
Total items picked	120,378,683	105,604,918	88,791,834	103,539,284*
Total consumption of hand film (kg)	207,923	165,053	135,755	165,830
Total consumption of machine film (kg)	6,570	6,570	7,962	4,371
Total pallet wrap (kg) overall	214,493	171,623	143,717	170,201
Average weight of film used per pick (g)	1.78	1.63	1.62	1.64

*Please note, pallet wrap data was unavailable for two of our sites, so we've excluded their pick volume from the total items picked figure, so that the average is a genuine reflection of pallet wrap per pick.

In 2021, we trialled a reusable cage cover at Paddock Wood in our quest to ultimately replace pallet wrap, and whilst we got to a fairly good place with prototypes, we concluded that these would only partially address the issue in the short-medium term. The preference is to move to a 4-sided cage, which would generate zero plastic waste and

help drive circularity. We have been working with industry experts to develop a product that would work within our business, and Nottingham depot are trialling some of these later in 2022.

For plastic packaging reduction progress, please see the <u>Customers section</u> of our report

Collaborating across the food industry to drive change

Below are just some of the examples of how we have worked with, and alongside, other organisations to drive progress in food sustainability.

WRAP/The Courtauld Commitment 2030

We have been signatories of WRAP's <u>Courtauld</u> <u>Commitment 2030</u> since 2016, a voluntary agreement that enables collaborative action across the entire UK food chain to deliver farm-to-fork reductions in food waste, GHG emissions and water stress. We actively participate in many WRAP working groups and initiatives.

Efeca

We are regularly consulting with <u>Efeca</u> as we develop our soya policy to source deforestation and habitat conversion free soya in our own brand supply chain.

Membership of Hospitality Sector Council (HSC) waste committee

We're a member of the waste workstream of the sustainability committee, established by the HSC to facilitate the sector's delivery of the government's environmental guidance.

Supporting customers

Our colleagues are keen to support customers with ways to improve the sustainability of their business. Take our Chef Paul Tunnicliffe, for example - he has been promoting reducing food waste and has even created a food waste matrix to help customers to do so. He recently presented at LACA – The School Food People's event about 'Feeding Children Not Bins'. He asked LACA's members, made up of organisations and individuals focused on school food delivery, to challenge themselves on how we can reduce food waste and energy. He looked at ideas around reducing counter portions during service, menu flow, understanding reasons behind waste and promoting the key theme 'What have you got?' This ties into his waste matrix – looking at how to use food before it becomes waste. Find more tools, information and guides on our 'Unlock Your Menu' website.



Our LinkedIn group continues to evolve and at the end of June 2022, we had 435 members, all with an interest in driving greater sustainability in foodservice. We've used the platform to promote the work of other organisations active in this space in areas such as cutting carbon in the commercial kitchen, promoting greater ethnic diversity, building animal welfare, Zero Carbon Forum's Carbon Calculator, chef training opportunities, sustainable food in a cost of living crisis, and far more. Members have also used it to make new contacts for projects they're working on, and we're so glad to facilitate these connections. If you're not already a member please click on the logo to join the group – and feel free to share content of interest to other industry professionals.

In November 2021 we formalised our support for WRAP's Water Roadmap. This means that we're not only reporting transparently on our own water consumption, but we're engaging our employees in responsible water usage. In addition, we're engaging with water issues within food supply chains, as evidenced by our contribution to funding research into catchment-based collective action on water scarcity in southern Spain. This is a key area as it provides 30% of UK vegetables and 20% of UK fruit (WRAP). Read more about this in our blog.

Click here to read about the National Food Strategy White Paper

Food Foundation Plating up Progress report 2022

In July, the Food Foundation repeated their benchmarking of food wholesalers, across a range of ten different sustainability criteria, including climate action, waste, biodiversity, water use, animal welfare, plastics and more. Currently only the two largest wholesalers are benchmarked but it's our understanding that the scope will gradually widen to include smaller operators. Only information in the public domain is evaluated, and we were unable to add food waste reduction progress to our website in time for the evaluation deadline. We welcome any initiative that increases transparency to guide decision making in procurement, and you can look at the ratings here.

Table of environmental performance and key data

Pandemic impacts to varying extents - drop in overall volumes but care pack operation ran in 2020

		2015/16	2016/17	2017/18	2018/19	2019/20	2020/21	2021/22
<u>(§</u>	Scope 1	55,483	48,160	44,655	45,671	39,646	39,973	44,553
tonne	Scope 2	19,055	16,154	13,000	11,750	10,503	8,930	8,642
) suc	Net CO ₂ e emissions	74,515	64,296	57,644	57,412	50,140	43,896	53,191
nissic	Scope 3 (waste)	Not meas	sured	300*	328.2	196.96	142.34	185.13
C0 ₂ e emissions (tonnes)	Scope 3 (business travel - hire cars)	Previously	/ not meas	ured			7.36	5.14
	CO ₂ e emissions for company cars	2,494	2,402	2,263	2,257	1,670	690	1,645
C0 ₂ e emissions (kgs)	CO ₂ e per case for all scope 1 and 2 (excludes waste)	0.45	0.42	0.39	0.39	0.41	0.45	0.39
emiss (kg	CO ₂ e per case (delivery emissions only - Includes fleet refrigeration)	Previously	/ not meas	ured			0.3755	0.3545
	Employee Business (litres of diesel)	955,148	923,864	861,530	870,266	655,972	264,702	524,750
Employee business mileage	Employee Business (litres of unleaded)	Previously	/ not meas	ured			11,407	120,434
ess	Employee Business (miles of diesel hybrid)	Previously	/ not meas	ured				25,766
ousin	Employee Business (miles of petrol hybrid)	Previously	/ not meas	ured				164,367
yee k	Employee Business (miles of petrol plug-in hybrid)	Previously	/ not meas	ured				38,050
oldr o	Employee Business (miles of electric)	Previously not measured				7,794		
	Total CO ₂ e emissions (tonnes) for employee business mileage	2,494	2,402	2,263	2,257	1,670	690	1,645
Water	Total mains water consumption (millions of litres) - YOY variations caused by estimated billing	78.1	70.8	80.7	72.6	89.5	57.871	108,674
>	Millions of litres of mains water saved by harvesting/recycling	8.1	12.3	16.9	14.6	12.3	13.6	13.2
_	Trucks on the road	983	968	1,037	1,081	1,474	1,197	1,031
Commercial fleet data	Vans on the road							173
leet	Millions of KM travelled (m)	43.5	42.2	42.4	43.6	40.2	34.1	40.1
cial 4	KMs per delivery/drop				14.1	11.3	13.8	14.4
mer	Items per delivery/drop				39.4	30.3	34.1	41.4
Com	Average KMs per vehicle per day				158	140	126	125
	Average KM per litre (fuel efficiency)	3.41	3.37	3.41	3.11	3.15	2.98	2.82
ΔÑ	Cardboard (tonnes)	980	1,113	1,133	1,103	1,424	1,047	985
Recycled volumes	Plastic (tonnes)	497	468	458	439	410	312	426
Vol								

Note on water: We always have annual fluctuations in our data due to estimated billing vs. meter readings, however our reported water usage for 2021/22 was exceptionally high, following a very low figure for the previous year. Our water meters were read far less frequently during the pandemic, so this figure reflects the data catching up with actual usage. Our actual consumption patterns remain consistent year to year, driven largely by sanitation and vehicle washing.

Bidfresh Ltd. emissions for 2021/22

Please note: 2019/2020 and 2020/21 figures were not included within the Bidfood assurance process and exclude Campbell Brothers Limited. 2021/2022 figures have been verified by an independent third party in line with the HM Government document "Environmental Reporting Guidelines: Including streamlined energy and carbon reporting guidance".

He	avily influence	ec
by	the pandemic	

	2019/20	2020/21	2021/22
Scope 1 CO₂e (tonnes)	4,670	2,372	6,516
CO ₂ e emissions indirect tonnes (Scope 2)	1,737	1,340	1,520
Scope 3 CO ₂ e emissions - travel from hire cars	Not measured	Not measured	0.047
Net CO ₂ e emissions (tonnes)	6,407	3,712	8,036

Out customers.

Our mission

We support customers by sourcing responsibly, protecting workers' rights and offering healthier and sustainable choices

Strengthening our product policies

Plastic and packaging

We continue to actively work with our own brand suppliers to identify and remove unnecessary plastic packaging where it's not absolutely essential.

Through critical evaluation of New Product Development (NPD), we make sure that all of our packaging is recyclable at end-of-life wherever possible. To ensure recyclability, we're developing solutions which use one of the three most widely recyclable polymers - polyethylene (PE), polypropylene (PP) and polyethylene terephthalate (PET).

We're targeting alternative solutions for all uses of mixed materials with a goal to deliver recyclable solutions for these packaging formats, which have historically been difficult to recycle.

Our horizon pipeline for longer-term strategic plastic reduction and recyclability projects extends through to the end of 2023.

	2025 Target	2021
Recyclability of all own brand packaging by weight (excluding pallets)	100%	95.1%
Own brand plastic packaging recyclability by weight	70%	81.6%
Average recycled content of own brand corrugated cases and trays	N/A	73.8%
Average recycled content in plastic packaging	30%	13.4%

Please note plastics data is always reported in calendar years.

UK Plastic Tax

A key area of focus for 2021 was getting ready for the UK Plastic Tax. The tax came into effect in April 2022 with the initial submission at the end of July 2022. We've educated our non-UK import suppliers in regard to registering and paying the tax, and also undertaken a large amount of work in identifying those products which Bidfood imports directly to help mitigate our own tax liability.

We have numerous live projects including new packaging innovation, to ensure that we're well positioned to reduce and replace plastic where possible. We're increasing the recycled content of plastic material to a minimum 30%, where it's safe to do so.

Deforestation - soya

The cultivation of soya, both as an important component in animal feed and as an ingredient in many plant-based products, continues to drive deforestation. Last year, we committed to creating a deforestation-free soya policy containing time-bound commitments by December 2022. In July 2022, we created our interim soya policy which states the importance of sourcing deforestation and habitat conversion-free soya, and the process which will be followed to do so. The first step as part of this process has been to send out a questionnaire to all of our suppliers of products containing soya embedded in animal feed or as an ingredient within the product. This will help us to understand our baseline and enable us to create an informed action plan towards achieving a supply chain free of soya related to deforestation. This is currently underway and we're on track to add a target to the policy by the end of the year.

Deforestation - palm oil

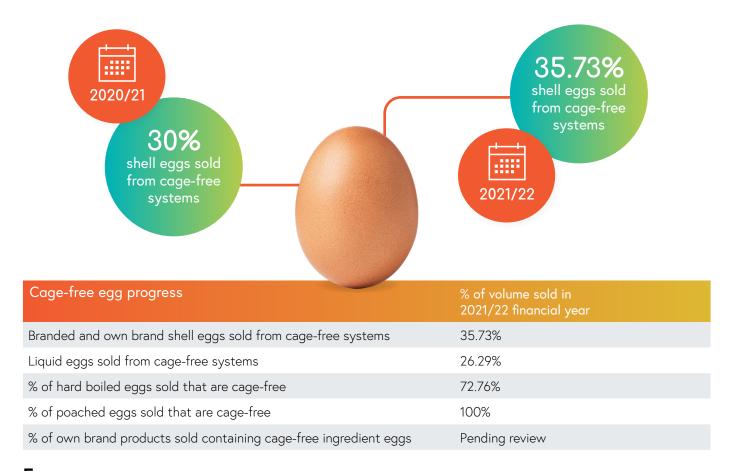
Following our recent review of the final few suppliers which didn't meet our policy, we received feedback that our requirement for all of the palm oil in our products to be certified as identity preserved or segregated wasn't achievable due to availability, given supply chain and commercial constraints. We've now updated our policy to also allow for certified mass balance palm oil, which is more in line with other industry commitments. For palm derivatives, where certified Identity Preserved, Segregated or Mass Balance isn't available, we require our suppliers to purchase RSPO credits to support the production of certified sustainable palm oil. Our 2021 RSPO Annual Communication on Progress (ACOP) reported 98.93% certified sustainable palm oil within our own brand products.

Our sustainable palm oil commitment

Animal welfare

We've recently reviewed our existing animal welfare policy and are now completing a full review of the animal welfare standards in our supply chain so that we can identify areas where we can make improvements and raise standards. In August 2022, we sent out a detailed questionnaire to all suppliers of animal derived ingredients and we're analysing the information received from this to decide the most appropriate areas where we can set targets and put together action plans to drive improvement. Our goal is to include these commitments and targets in our policy by December 2022.





Eggs

Due to supply chain disruption during Covid-19, and wider challenges of the egg market capability to support, we have not made as much progress as desired in achieving our cage-free egg commitment. So, to address this we're creating two cage-free egg steering groups for each supply chain, one for shell eggs and the other for ingredient eggs. We've put together an action plan to drive progress towards our commitment. The next steps will be to engage with customers of caged eggs to understand their plans on eggs and create our roadmap to cage-free eggs by 2025, as well as to review all products containing ingredient egg and engage with suppliers to begin moving away from caged eggs.

Our cage-free egg commitment

Introduction

The percentages above show the progress we've made towards our commitment this year. All figures are volumes of eggs sold.

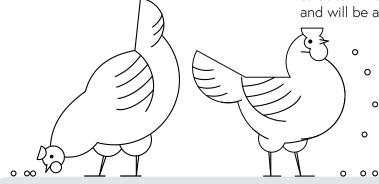
We've now delisted enriched colony hard boiled eggs, so all volume going forwards will be free-range. Next, we will be looking at free-range scrambled egg options.

Egg as an ingredient in own brand products

After reviewing the available data, we're still not yet able to determine the percentage of products sold in 2021/22 containing cage-free ingredient eggs, as we found there were a number of gaps in the information recorded. Due to this, we are reaching out to all suppliers of own brand products to determine an accurate figure of cage-free eggs, and will be able to report this number shortly.

Our planet

Our customers



Our people

Fish and seafood

We're committed to sourcing fish and seafood responsibly, and are proud members of the Sustainable Seafood Coalition (SSC), aligning with the two voluntary codes of conduct. Our responsible seafood sourcing policy applies to all Bidfood own brand fish & seafood, including where it's a significant ingredient. Our sourcing decisions of wild caught fish and seafood are based upon risk assessment, as outlined in the SSC voluntary code of conduct on environmentally responsible fish and seafood sourcing, categorised as low, medium and high risk. This risk assessment has been developed based upon the ratings provided in the Marine Conservation Society (MCS) Good Fish Guide, which rates seafood from 1-5, based upon environmental sustainability. We recognise a number of independent third party standards for farmed fish and we require suppliers to source farmed seafood that has been independently certified to internationally recognised GSSI (Global Sustainable Seafood Initiative) standards such as the above, and hold full chain of custody certification, where applicable. Our sourcing risk assessment is reviewed every six months; in the most recent review, of the 69 own brand, and exclusive brand (Pier 7) seafood products, 42 (61%) are MSC certified. Of the 68 (95.5%) products which have been assigned a MCS rating, 59 of these (87%) are rated 1-3. The product that has not been assigned a rating is MSC certified.

Product certification schemes

We offer a range of products to certified standards to allow our customers the option to purchase products with improved ethical and environmental standards. We've listed below the number of lines which we have had available at the end of each of our financial years. These numbers do vary depending on customer demand; we've recently decreased the number of lines available so that we can focus on offering the best products at the best price for our customers and drive sales through more popular lines.

Modern slavery

Our relationship with SEDEX has been fully re-established and we're exploring options for their support in on-boarding own brand suppliers who are still missing data. We've also embedded the Welsh Code of Practice clause relating to blocklisting whistle-blowers into our Supplier Approval Questionnaire and Technical Services Guide as a requirement to be met before suppliers can be approved.

There are a number of new team members who will be supporting and driving our supply chain approach to modern slavery. These individuals are being trained and on-boarded as we commence a full scale review of our Modern Slavery Risk Assessment of own brand suppliers and decide on appropriate actions to take for branded suppliers. As part of this, we've carried out a top level review of retailer and competitor wholesaler modern slavery policies and statements available publicly. There is a clear distinction between actions on own label products versus branded lines in all these areas, which has helped to inform our approach with our main focus being on own brand lines.

Managing modern slavery risks in our supply chain



					The state of the s
Certification/claim	2017/18	2018/19	2019/20	2020/21	2021/22
Fairtrade	157	159	143	127	108
MSC	127	132	129	119	121
Red Tractor	291	383	378	327	289
Farm Assured	134	167	156	140	110
Rainforest Alliance	96	90	78	91	94
Organic	131	155	132	82	115

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Catering supplies



We've removed all expanded polystyrene (EPS) products from our ranges and, where safe to do so, replaced all non-NIR (near infrared) detectable black plastic trays with NIR detectable clear or grey plastic. All remaining problematic products have a more sustainable option available, such as plastic disposable cutlery, which can now be replaced by wooden or paper cutlery. Plastic cutlery will be completely replaced by 2025.

We have a new exciting partnership with BioVate introducing a plant-based chemical range with many sustainable features, which spearheads the start of our Green Clean range.

In 2023, we'll have a reusable food to go range; all lined products will be at the 10% threshold and we'll continue to help simplify this waste stream. We have a number of recycling plant tours lined up so we can improve our knowledge and pass this on to our customers. All our disposable products already have a clearly identifiable waste stream.

The Catering Supplies team are keen to help our customers make an informed choice and be as sustainable as possible.

Supporting community development for our own brand coffee growers

Our own brand coffee, <u>Black + White</u>, offers the Msia Coffee Club line, which we created as a joint venture with our coffee roaster, <u>Aimers Coffee and Tea</u>, and in partnership with <u>The One Foundation</u>. The coffee is directly sourced from the Msia region in Tanzania, with money from every case of coffee purchased going to projects managed by Aimers and The One Foundation. The initial project (which is restarting following a pause due to Covid-19) has been to install a borehole so that the community has access to fresh water all year round. Alongside this, Aimers offers skills and knowledge training to youth about coffee production and helps to create employment opportunities by giving out coffee plants so families can start their own farms.



Offering healthier choices

Salt reduction

In the latter part of 2020, Public Health England (PHE) issued the government's fifth set of voluntary salt reduction targets for industry to achieve by 2024. These targets are based around the 2017 targets with revisions made where it's believed that there's further scope for reducing salt.

In addition, the nutrition standards for the Government Buying Standards have been updated and now procured products from certain categories must also adhere to the new salt targets by 2024.

We recognise that achieving the public health goal of consuming no more than 6g of salt per person per day will necessitate further action across the whole industry, government, NGOs and individuals. As a result, we've updated our salt reduction policy to commit to the new government salt targets. New own brand products should aim to meet or be below the average salt value for their respective category and must not exceed the maximum.

In June 2022, 39% of own brand products met the average salt targets and 69% were below the maximum salt targets.

Sugar reduction

As part of the government's childhood obesity strategy, a voluntary sugar reduction programme was initiated by Public Health England (PHE), to challenge industry to reduce overall sugars across a range of products that contribute to children's sugar intakes. These ambitious targets were set out for industry to reduce the sugar in their products by 20% by 2020.

We've worked towards reducing sugar consumption, whilst respecting choice and maintaining product satisfaction for our customers. At the time, we engaged with PHE on their sugar reduction programme to develop a suitable sugar management strategy for us. We reviewed our own brand foods in the applicable PHE categories and we reformulated the most sugary products, that also had the highest sales volume, to make sure we had the greatest impact in reducing the sugar being used in our own brand products.

We've not only reformulated own brand products, but we've also enabled customers to make informed choices, by developing tools such as our traffic light report available through our Advice Centre. This report nutritionally profiles all our own brand and branded products against certain standards, such as PHE's sugar reduction targets, the sugar tax (for soft drinks), or against front of pack traffic light labelling.

Click here to read more about our sugar reduction achievements

Calorie labelling

Earlier this year, the government introduced mandatory calorie labelling for large businesses in the out of home sector that required calorie information per serving to be displayed at the point of choice for consumers. To support our customers with this transition, we created a comprehensive Making Sense of Calorie Labelling Guide, which detailed which businesses were in scope and what they needed to do to comply with the new legislation. We also created a range of tools to support with this, such as a podcast series and a recipe and menu planning tool on our online shop, Bidfood Direct. Customers can create and manage recipes based on their agreed product range and pricing. The MyRecipes tool calculates the calorie content, nutritional information per serve and per 100g which can be downloaded to be used to create compliant labels. More information on this area can be found here.



Driving progress in Scope 3 measurement

The food sector is not only vulnerable to the effects of climate change but has a key role to play in limiting the emissions driving climate change.

More information on the impact of Scope 3 emissions

Global food supply chains face a huge decarbonisation challenge and it won't be achieved unless there is collaboration at scale. Our net zero commitment will require engagement and cooperation across our 1,300 suppliers.

All information relating to carbon emissions can be found in the planet section, here



A handy reminder on emissions:

Scope 1 - those we generate directly (e.g. from diesel and refrigerants)

Scope 2 - those we generate indirectly (from the production of electricity used)

Scope 3 - Everything else! Includes the food we buy and all emissions upstream and downstream in our value chain

Food miles/delivery emissions

Our Scope 1 and 2 emissions form part of our customers' Scope 3 emissions, so our net zero target means that we're working hard to reduce our share of their upstream emissions. We run a consolidated chilled, frozen and ambient delivery service which minimises delivery emissions. Based on our current trading profile, our strategy of staying local to our customers means that our typical customer is only 23.7 miles away from a depot, and once oue new depot at Glasgow is built, this will decrease to 22.5, then our planned infrastructure enhancements will decrease it further still to 21.6 miles.

A request we often get from customers is to calculate the emissions specifically caused by their deliveries. This is impossible to do at individual customer level, because our trucks are routed differently each day, with different customer combinations on each route. There is no way to fairly and accurately apportion CO₂e measurement to each customer. To find out more about why we can't calculate customer-specific delivery emissions:

Click here to find out more

SMEs and local suppliers

We're often asked by customers about what we do to encourage SMEs and local suppliers, as they play a huge part in our economy, not only reducing food miles but boosting regional employment. It's important that we remove as many barriers as possible in terms of enabling them to work with us. There's is no universally accepted definition of a local supplier other than a subjective geographical reference, so we consider the size of the organisation, the turnover, number of employees, product specifications (including provenance) and market penetration, using EU SME definitions, to determine which suppliers we consider local. Most local suppliers fall within the 'micro' or 'small' supplier categories and as such local suppliers benefit from an extended range of acceptable accreditation standards, greater flexibility in their payment terms, route-to-market, promotional support and sales team engagement.



We welcome opportunities to work with small, local suppliers, which is why we tailor our approach to encourage engagement. However, all suppliers must remain compliant to current minimum food safety standards. For those suppliers who fall within the small and micro classifications, we can accept a number of accreditation standards including SALSA for products that are not high care or high risk. Any supplier wishing to supply to Bidfood can apply via our dedicated supplier portal.

For supply of goods not for resale (non-inventory procurement), we've historically used SMEs for contracts such as workwear and electrical compliance. Often, we see SMEs approach sites directly - particularly when services being provided are 'local'. In these instances, we're able to provide the sites with our standard set of terms and conditions which are fair and provide a good set of principles for engagement. This makes it easier for the sites to contract with SMEs.



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Out communities.

Our mission

We improve health and employability outcomes for people in our communities









Supporting charities

We support a number of national charities at corporate level, as well as encouraging our employees to fundraise for a number of local charities. Our corporate charities are:

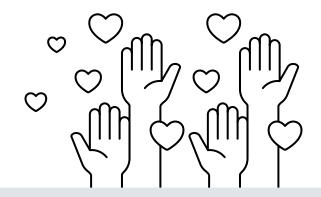
Hospitality Action

Hospitality Action offers vital assistance to all who work, or have worked, within hospitality in the UK. We have been a long standing supporter of Hospitality Action, running a range of campaigns to raise awareness and funds for the charity. One of the great initiatives which we were involved with this year was supporting the 'Back in Business Challenge' where our employees 'donated' miles that they spent doing activities such as walking, running, cycling or swimming with every mile being matched by £1 from Bidfood. The team clocked up 4,665 miles which we rounded up to a £5,000 donation to Hospitality Action. This money helps to provide a lifeline to people who have fallen on hard times, or are dealing with physical or mental health conditions and need financial support.

The Springboard Charity

Springboard helps disadvantaged and unemployed people of all ages, backgrounds and walks of life to gain the skills, knowledge and experience needed to flourish in a lifelong career in the hospitality, leisure and tourism sector. Our Group Sales & Marketing Director Andy Kemp sits on the Board as a Trustee of Springboard UK, and our Sales and Marketing Director Tim Adams sits on the fundraising committee. This year we have supported a number of fundraising activities at Springboard, including a 'Day at the Races' which raised over £10k. We have also renewed our annual sponsorship for Future Chef which is a schools-based programme that supports the development of key life skills whilst inspiring young people to pursue an exciting career within the world of hospitality. Bidfood plans to spearhead Springboard's virtual race in October – last time we did this in 2021, we raised over £12k for the charity.

Inspiring the next generation



Natasha Allergy Research Foundation (NARF)

Currently 1 in 3 people in the UK have an allergy, and hospital admissions related to allergic reactions are rapidly increasing. This is just one of the reasons why we have decided to start supporting the Natasha's Allergy Research.

Foundation (NARF). Their vision is to make allergy history through focusing on medical research, law, policies, allergy education and awareness. We have become a Research Founding Partner of NARF, supporting the launch of the Natasha Clinical Trial which will focus on children and young people with milk and peanut allergies. The study will look at 216 people aged 3 to 23 using everyday foods rather than expensive pharmaceutical drugs to desensitise patients to allergens.

The Michael Caines Academy

The Michael Caines Academy at Exeter College combines practical, professional catering and hospitality qualifications with a range of visits, experiences, work placements and demonstrations involving the region's most renowned food experts. They aim to nurture the region's future generation of talented restaurateurs, chefs and waiters by providing high profile experiences, challenging practical and theoretical workshops and masterclasses from the best the industry has to offer. We support the academy with sponsorship of £5,000, and also supply food for the catering. Michael Caines co-founded the South West Chef of the Year competition, and one of our account managers, Seth Ward from our Lee Mill depot, supports the judging for the competition. Our Group Sales & Marketing Director, Andy Kemp, attends the formal dinner and supports in the prize giving as well

1 in 3
people in
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an allergy

Bidfood's Education team funds money for children in poverty

In March 2022, our Bidfood Education team raised an impressive £8,735 (plus £1,790 gift aid) for Zarach, a small charity that provides mattresses, bedding and food for families living in poverty and children who do not have beds to sleep on. The team undertook a challenge to play 24 sports in 24 hours, and are pictured here, still smiling!



(Mark Carr, Tom Emsley, Graham Macey, Miguel Nunes, Greg Newcombe and Gavin Squires)

Supporting prisoner rehabilitation

Providing opportunities at our depots

Through our partnership with Her Majesty's Prison and Probation Service, we are pleased to offer opportunities for offenders the chance to work at Bidfood and begin integrating back into society as part of the Release on Temporary Licence (ROTL) programme. This usually takes place in the last 12 months of their custodial sentence

The ROTL programme has been in operation for a number of years at our Paddock Wood depot, and before the pandemic a number of ex-offenders were placed here; some are still employed following their official release. In August 2021, we picked up the programme once again and have employed several ex-offenders; four of which remain on the ROTL programme and are employed as warehouse operatives and as an administrators.

The Clink

The Clink Charity's aim is to reduce reoffending through the training and rehabilitation of prisoners in catering and horticulture. The prisoners at each of The Clink training projects work up to 40-hours a week whilst working towards gaining their City & Guilds qualifications. Prisoners that have six to eighteen months left to serve of their sentence apply for the programme, going through full-time training in order to reach the required level to succeed in their respective industry. The Clink also supports graduates with finding accommodation after release, so that they are set up to take the next steps for a more promising future. This has shown to be successful with 49.6% of prisoners less likely to reoffend. Bidfood has been supporting The Clink for many years, for example by sponsoring their charity ball in July this year, at the Royal Lancaster in London.





Campaigning for school meal funding to keep pace with inflation

In February 2022, our Group Sales and Marketing Director Andy Kemp, who sits on the All Party Government Committee for children's welfare and feeding, worked in conjunction with LACA and various MPs to write directly to (now) ex-Prime Minister Boris Johnson and a number of other senior politicians. He highlighted the financial gap in funding for Universal Infant Free School Meals; it has only increased slightly since its introduction in September 2014, but in the same timeframe, the National Living Wage has increased by 41.8%, the Consumer Price Index by 16.7% and Retail Price Index by 11.8%. Andy asked the government to recognise the 'impossible task' facing caterers who can no longer contain the costs of food price inflation and increasing cost to serve without further government funding.

Click here to read more on Andy Kemp's challenges to the government

In June 2022, the government announced an additional 7p increase in Universal Infant Free School Meals funding and we're pleased they have recognised the need for increased funding in this area. However, this is still not enough. There has only been a 1.7% increase in this funding since it was first introduced in September 2014, and this funding isn't ring fenced for school catering. Headteachers under pressure with tight budgets can allocate the funding to other areas such as equipment, furniture or towards their fuel costs. There is a fear that the quality and standard of school meals could further deteriorate, affecting all areas of the catering industry, but especially the children who receive the meals. We will continue to campaign for increased funding to be provided so caterers can afford to make all schools meals healthy, nutritious and high quality.

Gifting apprenticeship levy funds to SMEs and other organisations

We're always exploring opportunities for gifting a percentage of our apprenticeship levy funds to other organisations, either to help SMEs, charities, organisations within hospitality or other organisations that deliver training and development to young people. In 2020/21 we donated £27,000 to Nationwide Platforms, which helped fund the recruitment of six team leader apprentices. Nationwide Platforms deliver training on safely operating machinery at height, such as scissor lifts or cherry pickers. We are making plans for further gifting to other organisations in 2023.

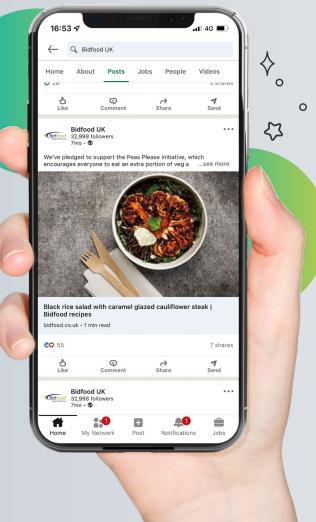
Empowering girls and women into sustainability careers

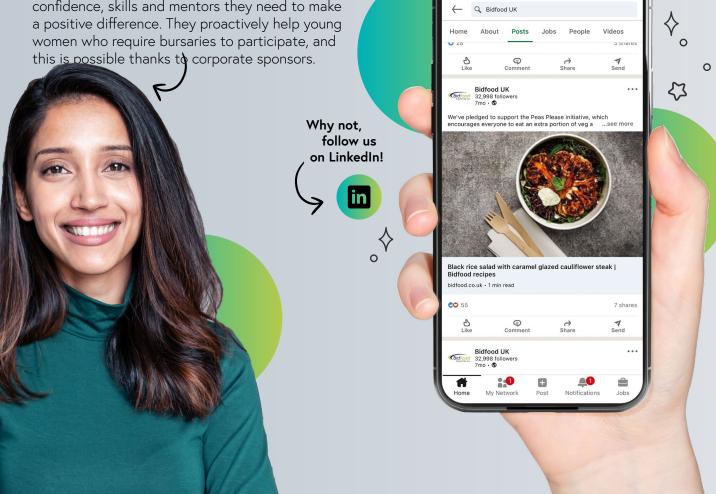
We continue to be a corporate supporter of Catalyse Change, an organisation that recognises that girls and young women are under-represented in leadership roles, and often lack the confidence to realise their potential to become changemakers for a more sustainable future. One of their initiatives is to run an annual bootcamp which aims to inspire and equip women with the confidence, skills and mentors they need to make a positive difference. They proactively help young women who require bursaries to participate, and

Peas Please

Peas Please, launched by the Food Foundation in 2017, has a clear mission to make it easier for everyone in the UK to eat more vegetables and we're proud to support this initiative. We pledged to increase our vegetable-based digital web and social communications content by 50% to encourage greater purchasing and raise awareness of availability and menu inclusions.

To help promote Peas Please, earlier this year we updated our website with new content to promote using vegetables, and added three brand new stories about broccoli, green beans and cauliflower. We are also sharing more recipes on our website and have run a banner advert on the home page of our website, as well multiple posts on social media to encourage customers to consider alternative recipes which use more veg.





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Our continued partnership with FareShare

One of the main ways we divert surplus food from landfill is through partnering with FareShare, the UK's national network of charitable food redistributors, made up of 18 independent organisations. In the last financial year we donated 76.37 tonnes of food to 1,731 charities, equating to 181,837 meals. This food goes to services supporting people that are homeless or elderly, community groups and organisations serving children, families and people with mental health conditions as shown in the graph to the right. You can read more about the charity and our partnership here.

By redirecting surplus food to FareShare, we're reducing our food waste. This 76.37 tonnes of food means a saving of 122.2 tonnes of CO2e. We're committed to reducing our food waste by 63% between 2020 and 2030 – find out more in our planet section.

Fighting hunger and tackling food waste video

New partnership with Bradford and FareShare for food redistribution

In November 2021, we arranged for FareShare to start making daily collections of short-dated produce from our Bradford site

Our Hoddesdon and Harlow sites have also created a new partnership with the southern network partner of FareShare, The Felix Project. Since the partnership started and the first donations were made in May this year, over 58 tonnes of food have been collected equating to over 138 thousand meals. The Felix Project not only redistributes food, they also have a kitchen managed by professional chefs and volunteers who create tasty meals which are stored in chilled portions. These can then be distributed to food banks and easily heated up in the microwave by the food bank or the person receiving the meal. Watch a video about the launch of the Felix Project here.



Type of community group	No. of groups helped
Miscellaneous	569
People on low or no income	437
Children (Under 18)	219
Homeless people & rough sleepers	126
Older people	76
Families with children	50
The local community	40
Asylum seekers and refugees	37
People with drug or alcohol addiction	n 25
People with physical disabilities	24
Ex-offenders	23
People with mental health problems	18
Young people in care / care leavers	18
Long term unemployed	14
Black, Asian & Minority ethnicities	14
NEET (Young People Not in Education Employment or Training)	¹ , 11
Young people (18 - 25)	7
Ex service personnel	6
People with learning disabilities	5
People affected by domestic violence	e 5
Lone parents	3
Carers	2
People with terminal illnesses	7
Grand Total	1,731

Other ways of putting good food to use

Many of our depots have partnered with animal sanctuaries, local zoos and farms to offer surplus food. For example, Bicester donated over 7.7 tonnes of food to <u>Curly Tails Pig Sanctuary</u> which rescues unwanted pigs, with cakes and buns being the pigs' favourites.

We also maintain beehives at a number of our depots, which help to reduce the amount of sugar wasted as this is fed to the bees. Those depots which don't use all of this sugar donate it to local beekeepers associations to help provide food and energy to their bees.

Supporting Ukrainians fleeing the war

Since February 2022, the war in Ukraine has caused one-third of Ukrainians to leave their homes and in July, the <u>UN estimated</u> over 6 million people were displaced internally, with a similar number of refugees fleeing to countries across Europe.

To provide support where it is most needed, in April 2022 we started supporting **Hope4**, who are working in Moldova and other European countries to provide shelter and safety for displaced Ukrainian refugees.

So far we have donated three shipments of much needed stock, with a value of approximately £150,000. Supplies included soup, cereals, porridge and potatoes to help feed the refugee families currently sheltered in Moldova. These large consignments were transported by Hope4's wider network, who were already delivering to Poland and surrounding areas. Watch this video to see our supplies being delivered to one of the shelters we supported.

Toilet Twinning

We continue to twin our toilets via Toilet Twinning, with an additional five toilets twinned since 2020/21, taking our grand total to 44 (as at 30 June 2022). Anyone visiting a Bidfood depot or office is likely to come across a twinning certificate hanging above a WC, and we're really pleased that our employees continue to support this worthy initiative.

Every £60 that is donated to the Toilet Twinning scheme helps fund a project in a poor community that will enable families to build a basic toilet, access clean water and learn more about hygiene. Currently two billion people don't have somewhere safe and hygienic to go to the toilet and the lack of a loo makes women and girls a target for sexual attack as they relieve themselves in the open, late at night (WHO/UNICEF).



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Out principles.

Our mission

We run our business on core principles that are based on strong ethics and leadership, robust data security and clear communication

Strong ethics and leadership

Bidfood's Senior Leadership Team set the tone, leading by example in promoting ethical business practices, human rights and being a responsible corporate citizen. This filters through the business by the code of ethics policy which is integrated into our ways of working, ensuring honesty and fairness to all stakeholders, including the 'Care, Share and Dare' company values in interactions with all employees.

Robust data security

Cybersecurity is one of today's most relevant issues, not just for companies but for society as a whole and it's crucial in helping our business safeguard critical infrastructures, protect sensitive information, and ensure business continuity. The company has developed a holistic approach to cybersecurity that helps to provide the best possible protection for its IT and OT infrastructure as well as its products, solutions, and services.

For both ourselves and the wider Bidcorp group, protecting the personal data of our customers, our people, and partners is an expression of responsible interaction. That's why processing personal data in compliance with applicable data protection laws, including the General Data Protection Regulation (GDPR), is of utmost importance to us.

Clear communication

We have a number of key stakeholders and the relationship we maintain with these stakeholders are critical to the business' success, so communication is of paramount importance. We engage fully and openly with colleagues and their representatives through channels such as consultative committees, joint working parties, briefing groups and collective bargaining agreements with trade unions. Employees are regularly updated on corporate and individual business unit objectives, trading performance and market conditions through a variety of communication methods.

Wider stakeholder communication is customised to the needs of the stakeholder based on agreed boundaries and timelines.

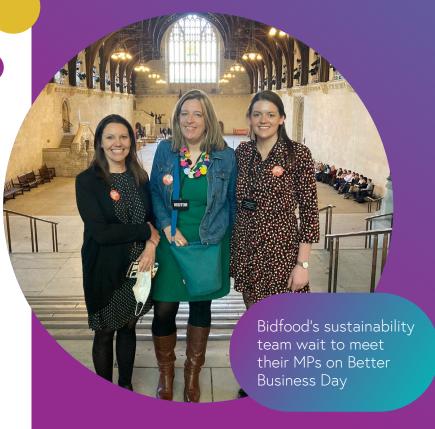
Robust control environment

The control environment captures the overall attitude, awareness and actions of employees towards the systems and processes the company have in place. So, a strong environment reduces the risk of things going wrong. We monitor the robustness of the environment by our assurance processes which are overseen by the Risk and Assurance Group who report to the Senior Leadership Team and support our management teams. A combined assurance approach has been implemented that addresses controls over the key risks facing the business Such risks and their mitigating controls are identified and controlled by our management teams, and the process is monitored and evaluated by the Group Internal Audit team.

Tax transparency and responsible payment of tax

We follow the following guiding principles

- We commit to act responsibly in relation to our taxation affairs, to fulfil our compliance and disclosure obligations, and to operate in accordance with all relevant laws and regulations.
- We aim to pay the right and proper amount of taxation.
- We seek to be efficient with our taxation affairs and, in this context, will ensure that all taxation planning is built on sound commercial business activity.
- We manage taxation in line with our governance framework and procedures.
- We build constructive relationships with tax authorities, use third party tax specialists when necessary to continuously improve our administration capabilities and the promotion of efficient tax systems.
- We understand the value of our financial reporting and work to provide enhanced and balanced disclosure in communicating our taxation affairs.



Commitment to an external ESG reporting framework by 2023

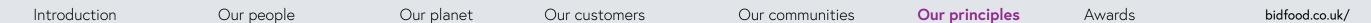
We recognise that whilst our sustainability report meets the majority of the needs of our customers and employees, we don't currently report against an externally recognised ESG framework. During 2022 we've been evaluating the range of frameworks that exist (e.g. GRI, SASB, CDSB, IIRC, to name but a few!) with the goal of choosing a framework that is fit for current and future needs, and ideally aligned to our parent company, Bidcorp. We will of course be reporting against TCFD (Task Force on Climate-Related Financial Disclosures) requirements next year as part of our Annual Report and will communicate our progress during the year.

Responsible pension investment

Our employees' pension fund is managed by Aegon UK, which is a member of the Institutional Investors Group on Climate Change (IIGCC), which aims to accelerate progress towards a net zero and resilient future. Companies that manage investment funds within Aegon's portfolio are asked to sign up to the Responsible Investment Framework, which requires them to follow both the UK Stewardship Code and the Principles of Responsible Investment. Aegon has set a target to be within the top 25% of responsible businesses by 2025 (Source: Investing responsibly matters aegon.co.uk)

Supporting the Better Business Act

We are a coalition member of the **Better Business** Act, a campaign that aims to transform the way we do business so that every single company in the UK, whether big or small, takes ownership of its social and environmental impact. On April 20th (Better Business Day), representatives from Bidfood joined with other corporates to campaign for change. We requested to meet with our respective MPs to talk about the act, which is calling for companies to be legally required to be not only accountable for profit, but also for their impacts on people and planet. Over 1,200 businesses have joined the campaign and it's growing by the day. We're so proud to be part of this call for change. The campaign also aims to create a new post-Brexit identity for the UK as a focal point for green investment and jobs. To find out more, you can read our CEO's blog on why we joined up.





PSC Awards (September)

Industry Recognition Award (in partnership with Brakes)

LACA Awards (October)

- Supplier of the year award
- National Chair's Award

Work Place Awards (November)

Category award winner - Happiest Places to work in the UK

Cash and Carry Management Awards (November)

- Butchery Bidfood Farmstead Red Tractor Rump Steak
- Ice cream, Sorbet, Gelato Bidfood Yarde Farm Premium Black Forest Gateau ice cream
- Potato products Bidfood Gourmet Selection Triple Cooked Coated Chunky Chips
- Ready meals Bidfood Simply WorldFoods Butter Chicken Curry

FWD Awards (November)

Star Driver – Ryan Hunt

Taste of West Awards (March)

- GOLD for both Orange & Chocolate and Plant-based Vanilla
- SILVER for Hazelnut & Chocolate, Plant-based Salted Caramel, Plant-based Strawberry and Rhubarb & Custard

Food Packaging Association Awards (March)

- Corporate Social Responsibility award
- Rising Star award Jenny Briggs, National Accounts Manager
- Our employee health and wellbeing campaign came highly commended

Want to know more?

Join LinkedIn's plate2planet for ideas, best practice and news on sustainability in foodservice

Read our blog, reflecting on options for a more sustainable future -

A better sustainable future: game on! | Bidfood Blog

Learn how to <u>reduce food waste at home, not just at work!</u>

Standards

- ISO 9001: International Standard for Quality Management Systems; held since 2016
- ISO 14001: The International Standard for Environmental Management Systems; held since 2013
- ISO 45001: The International Standard for occupational Health and Safety Management Systems; we achieved certification in 2021 having held OHSAS 18001 since 2010
- BRCGS Standard: The BRCGS Storage and Distribution Standard for Food Safety Management Systems

Please note, we're no longer a Planet Mark member, as our net zero carbon SBTi commitment supersedes previous carbon commitments and targets

Charters







Click here for Report Assurance Verification Certificate

