



THE SPAR GROUP LTD

Sustainability Report

for the financial year ended 26 September

2025





Collaboration:

Long-term partnerships for positive impacts



We, at SPAR, are committed to sustainability in collaboration with our stakeholders. Our approach – “My SPAR, Our Tomorrow” – emphasises the importance of long-term partnerships within our value chain to drive positive change for the benefit of our brand, our people and our planet. Sustainability is part of how we do business at SPAR.

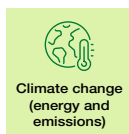
We are guided by our purpose to build a better future for all, which is anchored in a culture that is considered, sustainable, responsible and ethical across every facet of our value chain. SPAR strives to collaborate with our stakeholders to address sustainability challenges across our value chain.

"The Group continues to prioritise food security, ensuring affordable access to quality food in the communities we serve. Initiatives like the Supplier Development Hub empower small-scale farmers, support local employment and strengthen regional food systems."

Mike Bosman, Chairperson, SPAR Group

"Sustainability is embedded in our strategy – not as a separate agenda but as a way of operating responsibly every day. Our efforts to advance nutrition, empower independent retailers and address societal challenges, including gender-based violence (GBV), are directly aligned with our purpose and strengthen SPAR's identity as a nurturer of communities." *Angelo Swartz, CEO, SPAR Group*

Our core environmental focus areas



Climate change
(energy and
emissions)



Water and
marine
resources



Pollution



Biodiversity and
ecosystems

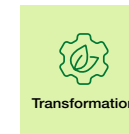


Circular
economy

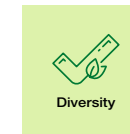
Our core social focus areas



Wellbeing



Transformation



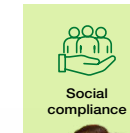
Diversity



People
development

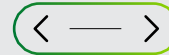


Community
investment



Social
compliance





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Navigating this report



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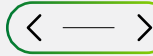
Detail in this report



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Unless otherwise stated, this sustainability report presents SPAR's sustainability-related information for the financial year from 1 October 2024 to 26 September 2025.

Our reporting suite



Integrated annual report 2025

SPAR's integrated annual report provides key insights the Board considers crucial for stakeholders to understand the business, our performance and outlook.



Climate change report 2022

SPAR's climate change report provides comprehensive and transparent disclosure of the Group's approach to and consideration of climate change and the management of material climate-related impacts, risks and opportunities.



SPAR submits climate change, water security and forest disclosures to the CDP.



Sustainability report 2025

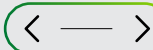
SPAR's sustainability report presents the Group's material environmental, socio-economic development and governance impacts.



Consolidated annual financial statements 2025

SPAR's consolidated annual financial statements present the Group's financial position.





01

Our sustainability reporting approach

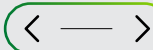
Our reporting scope
Our reporting boundary
Considering materiality

3
4
5

Sustainability is integral to how SPAR operates, engages with communities and builds for the future. Our reporting approach is grounded in transparency, accountability and a drive for continuous improvement across sustainability priorities.

The scale and scope of our sustainability commitments means they are at the heart of our business operations and so inform decisions at all levels and across the business.





Our reporting scope

The SPAR Group has voluntarily adopted the Corporate Sustainability Reporting Directive (CSRD) as our primary sustainability framework, recognising its alignment with leading global standards including the Global Reporting Initiative, the International Financial Reporting Standards (IFRS) S1 (General Requirements for Disclosure of Sustainability-related Financial Information) and S2 (Climate-related Disclosures) issued by the International Sustainability Standards Board (ISSB), CDP and the JSE's Sustainability Disclosure Guidance and Climate Change Disclosure Guidance. Anchored in the European Sustainability Reporting Standards (ESRS), CSRD incorporates the double materiality approach, capturing financial and impact materiality, and supports a comprehensive, transparent view of SPAR's sustainability risks and opportunities. SPAR's decision, due to our ownership of SPAR in Ireland also ensures compliance with European Union (EU) law, which mandates CSRD adoption for companies with qualifying EU subsidiaries under the Non-Financial Reporting Directive.

CSRD is the EU law that mandates companies to report their sustainability impact while ESRS provides the specific, detailed rules for how companies must do that reporting.

SPAR's 2025 sustainability report is aligned with the ESRS to foster a Group-wide sustainability reporting culture in line with our sustainability strategy on [page 16](#).

SPAR's wholly owned subsidiary in Ireland places the Group within the CSRD reporting thresholds.

Information disclosed in this report considers impacts, risks and opportunities identified and addressed within SPAR's entire value chain (core business operations including distribution centres, supply chain dynamics and downstream retail activities) over the short term (one to two years), medium term (two to three years) and long term (beyond three years).

We determined the reported ESRS topics that matter most to our stakeholders and the business through a double materiality assessment on [page 5](#). Understanding and considering our stakeholders' views plays a vital role in determining and understanding the scale and scope of our sustainability commitments.

The reported general sustainability topics include quantitative data and the following qualitative characteristics (required by ESRS 1):

Relevance

Faithful representation

Comparability

Verifiability

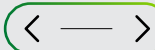
Understandability

Our 2025 sustainability report disclosures also include SPAR's progress in meeting the United Nations (UN) Sustainable Development Goals (SDGs) and other supplementary information informed by the King IV Report on Corporate Governance™ for South Africa, 2016 (King IV)* and IFRS S1 and S2.

* Copyright and trademarks are owned by the Institute of Directors in South Africa NPC and all of its rights are reserved.

SPAR has also submitted reports on water security, climate change and forests to the CDP since 2016.





Our reporting boundary

In this report, “SPAR”, “the Group”, “SPAR Group”, “the business”, “we”, “us” and “our” refer to SPAR Group Ltd and its wholesale and distribution business including operations in our international territories.

The Group’s financial reporting boundary includes operations in:

- Southern Africa
- Ireland (BWG)
- Sri Lanka (joint venture agreement with Ceylon Biscuits Ltd) (CBL)
- Corporate stores

The operations of our independent retailers, who own stores, do not fall within SPAR’s financial reporting boundary.

As for Poland in our 2024 sustainability report, we include data from Switzerland and South West England during the 2025 financial year although these territories are presented as discontinued operations throughout this report (SPAR exited Switzerland during the reporting period).

Sustainability data

The Group’s greenhouse gas (GHG) emissions boundary for the 2025 reporting period encompasses:

- Southern Africa
- Ireland
- South West England (discontinued operations)
- Switzerland (discontinued operations)
- Corporate stores

The joint venture in Sri Lanka is excluded as it falls outside the Group’s operational control as well as the operations of our independent retailers who own their stores.

South Africa comprises 83% of total warehousing space, excluding corporate stores.

Our international territories account for 17% of total warehousing space and began reporting on their GHG emissions in 2023.

Board responsibility and approval

SPAR’s Board, supported by the Social, Ethics and Sustainability Committee, has overall accountability for this report. The committee reviewed the integrity of this report and recommended it to the Board for approval.

The Board is satisfied that this report provides a fair account of the sustainability-related risks and opportunities facing the Group and our sustainability performance in 2025.

The report was approved on 12 December 2025.

Mike Bosman
*Independent non-executive
Chairperson*



Assurance

Information in this sustainability report has been assured by the Board and SPAR’s Social, Ethics and Sustainability Committee.

Non-financial information measured and assured by accredited external service providers includes:

2025 broad-based black economic empowerment (B-BBEE) verification independently evaluated by mPowerRatings.

GHG emissions throughout this report are independently verified.

Management verified the processes for collecting and measuring all non-financial information.

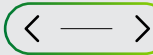
Financial information: PwC audited and provided an opinion on the Group’s consolidated annual financial statements for 2025.

Forward-looking statements

This report contains statements that may be regarded as forward-looking. These statements entail certain risks and uncertainties as they relate to future events and circumstances that may be outside the Group’s control. Consequently, the directors encourage readers to approach these forward-looking statements with thoughtful consideration.

Feedback

We welcome feedback on this report. Please send comments or requests for more information to intcontact@spar.co.za



Considering materiality

In 2024, SPAR Southern Africa conducted a double materiality assessment to support its proactive alignment with the CSRD. This assessment was not redone in 2025 hence the material sustainability issues remain the same as those published in 2024. This assessment focused two main areas:

1

Evaluating how SPAR's activities across its entire value chain impact stakeholders and the environment

2

Examining how sustainability issues, including environmental factors, might affect SPAR's financial position

Double materiality assessment



The double materiality assessment was conducted against the backdrop of all SPAR's existing sustainability initiatives, which address the Group's material themes communicated through active stakeholder relations.

In line with best practice and guided by the European Financial Reporting Advisory Group (EFRAG) Sustainability Reporting Guidelines, the assessment involved comprehensive research and multi-stakeholder consultation to identify SPAR's material sustainability impacts, risks and opportunities.



The comprehensive stakeholder survey considered the uniqueness of each stakeholder and the value chain defined by SPAR's signature voluntary trading model on [page 8](#).

Material sustainability issues

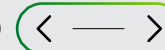
The outcomes of internal and external stakeholder engagements were processed and integrated to develop the matrix on [page 6](#) of SPAR's prioritised material sustainability topics. This consolidation ensured alignment of shared stakeholder concerns about SPAR's impact on the environment and society with sustainability-related risks and opportunities relevant to SPAR.

As shown in the matrix, the material sustainability topics are grouped in material themes, according to ESRS topics.

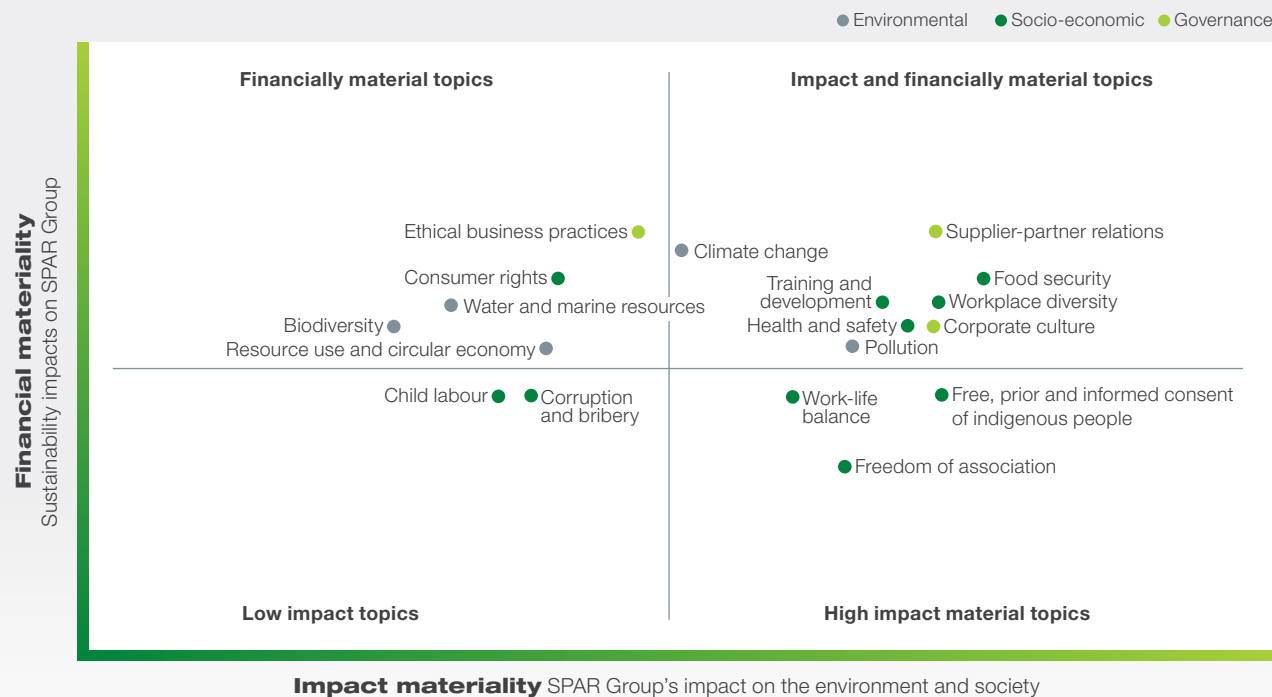
Our double materiality assessment outcomes

Material themes	Material topics
ESRS E1 Climate change	- GHG emissions - Climate change mitigation - Climate change adaptation - Energy
ESRS E2 Pollution	- Air pollution - Soil contamination - Water pollution
ESRS E3 Water and marine resources	Water availability
ESRS E4 Biodiversity and ecosystems	Food production
ESRS E5 Resource use and circular economy	- Recycling and reuse - Sustainable sourcing
ESRS S1 Own workforce	- Health and safety - Workplace diversity and inclusion - Training and development
ESRS S2 Workers in the value chain	- Work-life balance - Freedom of association
ESRS S3 Affected communities	- Free, prior and informed consent of indigenous people - Food security
ESRS S4 Consumers and end users	Consumer rights
ESRS G1 Business conduct	- Ethical business practices - Corporate culture - Supplier-partner relations

Detail on the double materiality assessment conducted by BWG in Ireland is on [page 32](#) of this report.



Considering materiality continued



The material issues identified in the survey were prioritised based on the following criteria to highlight the most critical sustainability concerns for stakeholders:

- **Significance to stakeholders:** Evaluating the issues that resonate most with stakeholder values and expectations
- **Impact on SPAR's operations:** Assessing the potential influence of each issue on SPAR's business activities and value chain
- **Alignment with sustainability goals:** Determining how each issue aligns with SPAR's overarching sustainability commitments
- **Financial implications:** Considering the financial relevance of each issue for the organisation

All the material sustainability issues were aligned with SPAR's enterprise risk management methodology to link the impact, risk and opportunity outcomes to the Group's value chain.

We aim to ensure identified material themes are addressed effectively in all future sustainability initiatives.

Informing strategy development

As double materiality emphasises financial, environmental and socio-economic impacts, this broad approach enabled SPAR to recognise the interconnectedness of our operations and the external environment.

📍 In addition, the assessment helped SPAR understand our material sustainability topics from various perspectives and reflect on what needs to be improved and addressed in our sustainability strategy on **page 16**.





02

Introducing the SPAR Group

A resilient and responsible value chain

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An overview of our network

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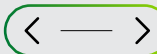
Our sustainability impacts at a glance

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SPAR is a globally recognised brand, owned by SPAR International, the world's largest voluntary trading food retail chain and independent supermarket network.

SPAR International, headquartered in Amsterdam, Netherlands, oversees the SPAR brand licensed to 48 member countries globally.





A resilient and responsible value chain



THE SPAR GROUP LTD

In 2025, as detailed in this report, the SPAR Group held licences in eight countries: Botswana, eSwatini, Lesotho, Mozambique, Namibia and South Africa in Southern Africa as well as Ireland and Sri Lanka (joint venture).

📍 Our sustainability strategy on [page 16](#) is inspired by the just transition framework as defined by the UN Global Compact: “A just transition ensures that environmentally sustainable economies are promoted in a way that is as fair and inclusive as possible to everyone concerned, creating decent work opportunities and leaving no one behind. It aims to ensure that the transition to net-zero emissions and climate resilience is orderly, inclusive and just.”

Our voluntary trading model empowers retailers to source locally, strengthen community connections and contribute to local economies.

Our strong collaborative relationship with independent retailer stores ensures SPAR creates shared value as a vital partner in the communities we serve.

Voluntary trading model

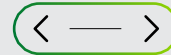
In Southern Africa, retailers can use the SPAR, SaveMor, SPAR Health, Build it and recently launched Pet Storey brands by signing a membership agreement with the SPAR Guild of Southern Africa non-profit company (NPC) or Build it Guild of Southern Africa NPC and accessing SPAR's procurement and distribution services.

The SPAR Guild of Southern Africa and Build it Guild of Southern Africa

The Guilds, non-profit companies, coordinate SPAR and Build it's development in Southern Africa. Retailers and wholesalers contribute through subscriptions, which fund marketing and promotions for SPAR and Build it.

For SPAR, Southern Africa is organised into six operational regions – each managed through its local distribution centre. This structure unites wholesalers and retailers as an effective and relevant collaborative body.





A resilient and responsible value chain continued

SPAR's value chain reflects the core operational elements that drive our business and enable us to respond to market needs, deliver consistent service to retailers and create sustainable value. Risk management and oversight are integrated throughout the chain with strategic risks monitored by the Risk Committee and operational transformation led by the Business Transformation Office.

🌐 SPAR's business model is outlined in our 2025 integrated annual report.

Positive impacts

- 1 Renewable energy
- 2 Minimising plastic pollution
- 3 Employee wellness
- 4 Diversity and inclusion targets and initiatives
- 5 Training and development
- 6 Work-life balance
- 7 Food security
- 8 Healthy corporate culture
- 9 Good management of supplier relationships

Negative impacts

- 1 GHG emissions
- 2 Physical climate change-related impacts
- 3 Air pollution
- 4 Soil contamination
- 5 Strikes or work stoppages
- 6 Free, prior and informed consent of indigenous people

Opportunities

- 1 Energy efficiency and renewable energy
- 2 Water conservation
- 3 Circular economy
- 4 Improved brand image and market differentiation
- 5 Sustainable sourcing
- 6 Increased employee retention
- 7 Small-scale supplier integration
- 8 Ethical business practices
- 9 Improved productivity and reduced turnover costs
- 10 Strong supplier relationships



Farms and suppliers



We rely on farmers and suppliers to deliver products to our distribution centres and stores efficiently. Our supplier base balances large-scale suppliers, enabling economies of scale and competitive pricing, with small-scale and local suppliers, supporting local economies and community impact.

UPSTREAM OPERATIONS



Wholesale distribution and central offices



Our distribution centres form the backbone of SPAR's wholesale and retail operations. They connect suppliers to stores, manage logistics and inventory and enable efficient delivery across our network including fresh, grocery, liquor and private label products.

OWN OPERATIONS



Retail stores



SPAR stores are independently owned by entrepreneurs operating under SPAR's service and quality standards. Where necessary, we temporarily manage corporate stores until they are sold to independent retailers.



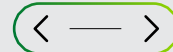
Consumers and communities



Consumer trust and convenience are key to our success. SPAR delivers value through competitive pricing, high-quality products and digital access via SPAR2U and Uber Eats with plans to roll out the Build it 2U app across our network.

DOWNSTREAM





An overview of our network

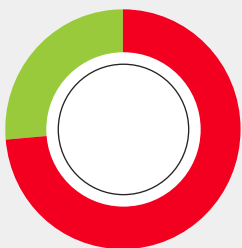
As a wholesaler, we provide products and value-added services to independent retailers in eight countries across three territories.

The term territories refers to the geographic regions in which we operate. Our operations in Switzerland and South West England, classified as discontinued in this report, are excluded from this overview of our network.



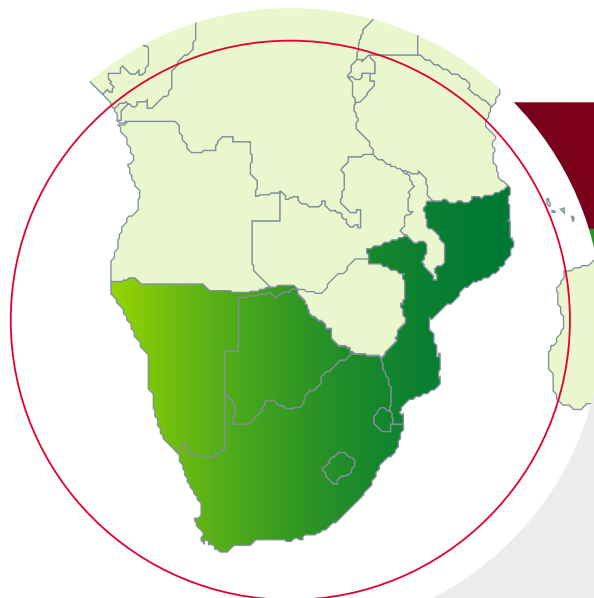
For detail on warehouse spaces, case dispatches, store format overviews and the number of stores per format, refer to our 2025 integrated annual report, which also includes a financial review for the reporting period by our Chief Financial Officer.

Group turnover*:
R132.4 billion



■ Southern Africa: R97.7 billion
■ Ireland: R34.7 billion

* On a comparable basis of 52 weeks.



Southern Africa

Group CEO: Angelo Swartz

Retailers in Botswana, eSwatini, Lesotho, Mozambique, Namibia and South Africa

Turnover
R97.7 billion
Distribution centres
9

Employees¹
4 657
Stores²
2 523

¹ Permanent employees. ² Including 933 liquor stores.

Brands



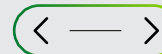
Brands



Group COO: Megan Pydigadu

Awards

- SPAR:** No 1 Retailer in Private Label Rankset of 2025 Advantage Awards
- Build it:** No 1 Retailer in Hardware/DIY Rankset of 2025 Advantage Awards
- SPAR:** Top Contributor in South Africa's Youth Employment Service (YES) 2025 ESG Awards
- SPAR:** Changemaker Award at GLOBALG.A.P. summit in 2024 for fostering positive change in agriculture



An overview of our network continued

Ireland

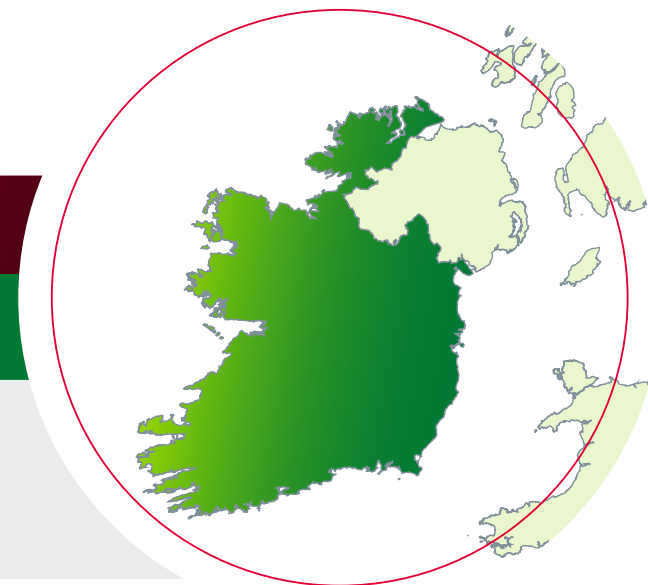
CEO: John Moane

Turnover¹
€1.7 billion

Distribution depots
25

Employees
2 121

Stores
1 161



Brands

SPAR

EUROSPAR

Londis

MACE



BWG FOOD SERVICE

VALUE CENTRE

Awards



Chartered Institute of Logistics and Transport Ireland (CILT) Mobility & Supply Chain Awards 2024



Mark Crowe (Head of Transport): Gold Medal, CILT Environment Leader Award 2024



Joanne Mellon (Logistics Director): Gold Medal, CILT Transport & Logistics Leader Awards 2024



BWG Foodservice: National Foodservice Supplier of the Year in Irish Foodservice Suppliers Alliance Awards 2025



Transport Award in Sustainable Energy Authority of Ireland Energy Awards 2024



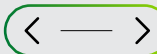
Safety Award in Irish Logistics & Transport Awards 2025



Sustainability Award in SPAR International Awards 2025



¹ On a comparable basis of 52 weeks.



An overview of our network continued

Sri Lanka

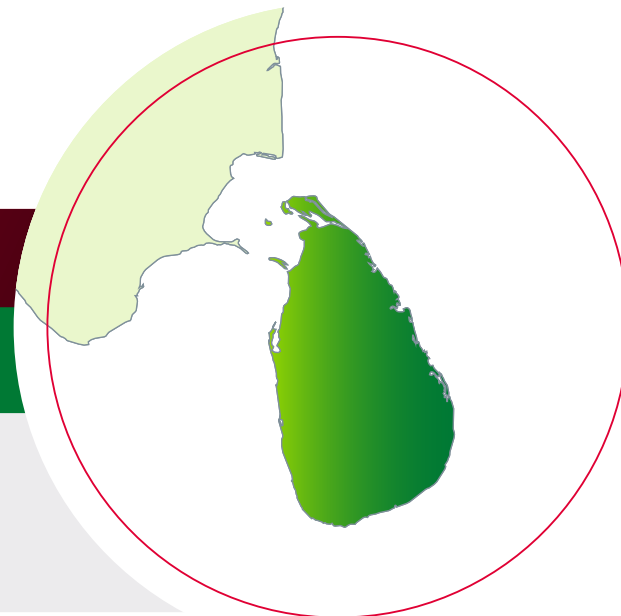
(joint venture with Ceylon Biscuits Ltd)

CEO: Kumar De Silva



Turnover¹
Rs7.7 billion

Stores
42



Brands



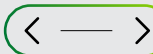
Awards



Glocal Brand of the Year at 2025
Sri Lanka Institute of Marketing
Brand Excellence Awards

¹ R940.3 million – SPAR's share is 50%, as reflected in equity accounting.





Our sustainability impacts at a glance

SPAR's commitment to sustainability impacts is embedded in our business culture. The highlights below illustrate how we translate this commitment into action. The environmental impacts below illustrate Group performance while the socio-economic and governance impacts illustrate our performance in Southern Africa.

Environmental

218 344t CO₂e
total GHG emissions

(2024: 226 683t CO₂e)

Target: Net zero GHG emissions by 2050

10 055 623kWh
solar energy generated

(2024: 10 419 206kWh)

23 446 tonnes
of cardboard and plastic recycled
through distribution centres

(2024: 22 728 tonnes)

Target: All branded packaging 100% reusable, recyclable or compostable, 70% effectively recycled with an average of 30% recycled content

552 466kL
water withdrawn

(2024: 610 614kL)

2 219 tonnes
food waste produced

(2024: 3 346 tonnes)

Target: Reduce food waste by 50% from 2021 levels by 2030

Socio-economic

7 014
customer care line complaints and queries
addressed

(2024: 8 362)

R13.837 million
invested in Supplier Development Hub

(2024: R10.034 million)

R9.2 million
invested in ending GBV

(2024: R8.5 million)

R32.508 million
invested in YES and JumpStart initiatives

(2024: R27.5 million)

R23.3 million
invested in corporate social investment
(CSI) initiatives

(2024: R20.2 million)

Target: Not less than 1% of net profit after tax (NPAT)

84%
participated in employee value proposition and
employee engagement survey

Governance

**Food safety training for
103 543 suppliers, distribution
centre employees and retailers**

(2024: 28 869)

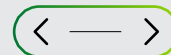
**12 small-scale farmers
participate in the Supplier
Development Hub**

(2024: 12)

Target: 38 commercially competitive small-scale farmers
by 2030

**Protection of Personal
Information Act and Promotion
of Access to Information Act
compliance update**

**Policy training (code of
ethics, conflicts of interest,
whistleblowing, anti-bribery
and anti-corruption and fraud
prevention) and executive
training on roles and duties of
directors (including Guilds)**



03

Driving sustainability

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SPAR's Board, actively oversees sustainability and sustainability risk through the Social, Ethics and Sustainability Committee and the Risk Committee in line with King IV. Our Group Executive: Risk, Governance and Sustainability, reporting to the Group CFO and serving on both committees, leads implementation, supported by senior managers across territories. Stakeholder engagement is also governed by the Social, Ethics and Sustainability Committee in terms of King IV.





Phumlani Dyini

Message from the Group Executive: Risk, Governance and Sustainability

It is an honour and a responsibility to step into this role at a time when sustainability is no longer a peripheral concern but a central driver of business resilience, ethical leadership and stakeholder trust. SPAR's legacy of community-rooted values and operational integrity provides a powerful foundation. I am committed to building on this with renewed urgency, transparency and collaboration.

Our sustainability journey is evolving. From climate resilience and ethical sourcing to inclusive governance and stakeholder empowerment, we are deepening our focus across five strategic pillars:

- 1 Thought leadership
- 2 Culture change
- 3 Training and development
- 4 Measurement and reporting
- 5 Stakeholder engagement

I look forward to working with every part of the SPAR ecosystem to activate these objectives meaningfully. SPAR's sustainability team is advancing an integrated agenda: driving culture change with executive leadership shaping a Group-wide sustainability culture plan. Under measurement and reporting, we are implementing systems to capture timely, accurate data and we are developing scorecards to anchor performance in internal and external disclosures.

To ensure compliance, the team is developing relevant sustainability policies, launching internal training, monitoring supplier compliance and establishing social and ethics committees across our international territories. Our external engagement strategy includes supplier collaboration, active participation in forums and storytelling that reflects SPAR's evolving sustainability voice.

🌐 SPAR's sustainability strategy is fully aligned with the Group's overarching strategy (outlined in the integrated annual report), reinforcing shared value creation, risk resilience and operational innovation across the business.

📍 Anchored in the "My SPAR, Our Tomorrow" commitment, our sustainability strategy (page 16) continues to guide every aspect of our operations.

We are proud to be a founding member of the South African Plastics Pact working towards a circular economy that reduces plastic pollution and supports livelihoods.

Across our distribution centres, solar energy initiatives are helping us reduce our carbon footprint and mitigate the impact of electricity challenges. These efforts are part of our broader goal to achieve net zero emissions across our value chain by 2050.

In Southern Africa, we have seen encouraging momentum in community-focused retail. Our SPAR2U on-demand platform grew significantly and our partnership with Uber Eats – now live in 130 stores – has expanded access to essential goods without increasing our physical footprint.

Initiatives like Build it 2U and Vida e Caffè integration are enhancing convenience while supporting local enterprise.

SPAR Health continues to grow with increased loyalty and strong performance from our own-brand offerings, reflecting deeper trust and relevance in the communities we serve.

Across farms, distribution centres and retail outlets, we remain deeply committed to food security and ensuring safe food is not wasted. In Southern Africa, SPAR is a signatory to the South African Food Loss and Waste Initiative, led by the Consumer Goods Council of South Africa, while our wholly owned subsidiary in Ireland, BWG, is an original signatory to the Environmental Protection Agency Food Waste Charter. In both territories, we are committed to halving food waste by 2030 in line with SDG 12.3.

Our multi-award winning Supplier Development Hub continues to empower small-scale farmers and build sustainable supply chains in under served regions.

📍 SPAR's work to combat GBV (page 59) reflects another meaningful collaboration. Partners including the National Prosecuting Authority, LifeLine, Trulife and SPAR retailers continue to contribute to counselling, youth education, care packs and the development of a new Thuthuzela Care Centre delivering safety, dignity and hope to survivors.

Looking ahead, our focus remains on embedding sustainability into every layer of our business – from sourcing and packaging to energy and community partnerships.

We are expanding pharmacist training, increasing private label penetration and developing customer insight platforms like SPAR Mobile and Flex to personalise engagement and drive loyalty.

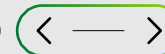
In Ireland, BWG is enhancing its foodservice and own-brand innovation, supported by logistics upgrades and sustainable store design.

While global pressures persist, our strategic reset positions SPAR to deliver meaningful impact across our core markets.

We are building a future where operational excellence, environmental stewardship and community wellbeing go hand in hand.

Thanks to our sustainability team for the insight, dedication and drive that is shaping SPAR's journey towards a resilient and future-ready business.

Phumlani Dyini
Group Executive: Risk, Governance and Sustainability



Our sustainability strategy

Upholding SPAR's sustainability purpose – building a better future for all by creating a considered, sustainable, responsible and ethical culture throughout our value system – we focused on aligning our sustainability strategy with the Group's overarching strategy in 2025.

We focused on building on last year's sustainability reporting foundations. Our aim was to embed sustainability into core business practices, strengthen governance and drive measurable impact across operations and communities. Objectives in 2025 and forward-looking plans are outlined in the relevant chapters of this report.

SPAR's dedicated sustainability team operates through five interconnected pillars that shape its strategic direction and daily impact:

Thought leadership

The team tracks global trends, identifies emerging priorities and develops tools and systems that empower teams across functions and geographies. This includes creating knowledge-sharing platforms and materials that translate complexity into actionable insight.

Culture change

Driving culture change is a foundational priority. Through engagement with leadership structures – from the Board and Executive Committee to senior management – the team activates change levers that foster more considered, responsible and ethical decision-making across the business.

Training and development

Training and development spans every level of SPAR. From induction programmes and sector-specific modules to leadership development and peer-to-peer learning, the team equips SPAR's people with the skills and mindset to embed sustainability into their roles and relationships.

Measurement and reporting

Through measurement and reporting, performance is tracked via embedded key performance indicators (KPIs), dashboards and individual scorecards. These metrics inform internal communication and external sustainability disclosures, ensuring transparency and accountability.

Stakeholder engagement

Stakeholder engagement includes communication that resonates with internal audiences (employees and senior leaders) and external stakeholders to build trust, strengthen brand equity and reinforce SPAR's commitment to shared value.

Material sustainability themes and topics

Material environmental themes

- ESRS E1 Climate change
- ESRS E2 Pollution
- ESRS E3 Water and marine resources
- ESRS E4 Biodiversity and ecosystems
- ESRS E5 Resource use and circular economy

From transitioning to net zero emissions and improving energy efficiency to safeguarding water resources and promoting sustainable seafood, each theme is designed to drive measurable impact across the value chain.

The sustainability team is providing leadership to actively reduce pollution, advance regenerative agriculture practices and support biodiversity through responsible sourcing and support diverse and inclusive supply systems.

Circularity remains central – informing food systems, packaging innovation and waste reduction – ensuring that sustainability is embedded in operations and everyday choices.

Material socio-economic themes

- ESRS S1 Own workforce
- ESRS S2 Workers in the value chain
- ESRS S3 Affected communities
- ESRS S4 Consumers and end users

SPAR's social sustainability focus areas are rooted in inclusive growth, ethical leadership and community resilience.

Across wellbeing, people development, transformation and diversity, community investment and social compliance, SPAR's sustainability team works to uplift employees, empower youth, support suppliers and build trust with customers and communities.

From holistic wellness and nutritious food access to talent pipelines and ethical retail practices, each initiative reflects a commitment to shared value and long-term impact.

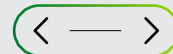
Material governance theme

- ESRS G1 Business conduct

We have established clear and consistent rules and parameters through a Group-wide library of relevant, up-to-date and purpose-aligned policies. This includes alignment with applicable legislation and regulations, supported by a robust risk and control framework ensuring consistency and accountability across the Group.

To ensure consistent application of these rules, we have collaborative governance structures with clearly defined roles and responsibilities. These are formalised through terms of reference and supported by stakeholder engagement frameworks that promote transparency and inclusivity.

We continue to embed a culture of ethical and responsible behaviour by integrating ethical frameworks, targeted ethics and governance training, whistleblowing mechanisms and clear delegation of authority into everyday practices. Comprehensive codes of conduct guide us.



Our sustainability strategy continued

The Supplier Development Hub as a strategic driver

Established in 2016 by the SPAR Group, the Supplier Development Hub NPC empowers emerging farmers to transition from subsistence to sustainable commercial farming, starting with the first rural hub in the Mopani district of Limpopo. In 2025, it began transitioning into an independent entity aiming to diversify funding sources, expand market and crop partnerships and scale its impact nationally in South Africa's agricultural sector.

The 2030 growth plan focuses on market diversification, farmer expansion, geographic growth into Gauteng and North West provinces, technology and infrastructure investment, employment growth and financial sustainability.

The Supplier Development Hub addresses critical market failures in South Africa's agricultural value chain where small-scale farmers are often excluded from formal retail markets despite possessing productive capacity. The integrated support model has achieved 100% farmer profitability, demonstrating that appropriate interventions can transform subsistence farmers into commercial suppliers.

The hub's transition to an independent NPC enables access to broader funding and market diversification.

Strategically located near the Greater Tzaneen and Maruleng municipalities in Limpopo, it benefits from favourable climate, fertile soils, irrigation and transport networks. The hub operates a Global Food Safety Initiative-certified packhouse with cold storage facilities and manages logistics with a dedicated vehicle fleet ensuring cold chain compliance.

The Supplier Development Hub model systematically supports farmers over three to five years with technical training, business management, input financing (0% interest), GLOBALG.A.P. implementation and guaranteed market access. This approach has resulted in 100% farmer retention and profitability with average income increases over 400% from pre-programme levels.

Key market segments include:

- **Fresh produce** municipal markets that are easily accessible but tend to offer more volatile pricing and margins
- **Co-packers** – an alternative marketing channel that reduces the hub's exposure to market volatility and dependence on a single offtaker – uniquely positioned between primary producers and downstream buyers (retailers, foodservice, export agents and processors) providing access to multiple retail markets with consistent demand and quality standards as well as volume and price stability
- **Retailers** offering premium pricing and stable demand but high entry barriers and strict standards

A multi-channel marketing approach balances accessibility, income stability and growth potential for Supplier Development Hub farmers.

Integrated operations and cropping strategy

The hub's operations encompass three core components:

- 1 **Farm-related activities:** Market access, input financing, mechanisation, technical support, GLOBALG.A.P. and food safety compliance as well as financial management aimed at farmer graduation within five years
- 2 **Hub activities:** Aggregation, grading, packaging, food safety compliance, traceability, logistics and stock and waste management
- 3 **End-market activities:** Customer relationship management, business development and brand marketing to secure and diversify offtake agreements

Forming a closed loop that supports sustainable growth and farmer profitability, these integrated processes ensure quality production, efficient post-harvest handling and market alignment. We support our farmers in sustainable farming methods, which significantly reduce negative impacts on the environment in several ways:

- **Soil health:** Practices like crop rotation, cover cropping, reduced tillage and composting maintain and improve soil health.
- **Water conservation:** Techniques such as drip irrigation save water.
- **Biodiversity:** Maintaining natural habitats and using integrated pest management supports biodiversity and reduces the need for chemical pesticides.
- **Reduced emissions:** Minimising the use of synthetic fertilisers and adopting sustainable agriculture can lower GHG emissions.

These practices not only protect the environment but also enhance the resilience of farming systems to climate change and other environmental stresses.

The 2025 cropping plan reflects strategic allocation, in terms of arable land and water availability, of 164 hectares across 12 participating farmers within the hub:

111 ha of baby corn

46 ha of green beans

5 ha of cocktail tomatoes

2 ha of guavas

The hub plans to diversify into additional crops in 2026 including cucumbers, peppers and butternuts.



**SUPPLIER
DEVELOPMENT
HUB**

Scan or click on
QR code to view
video





Our sustainability strategy continued

The Supplier Development Hub as a strategic driver continued



The hub's value proposition centres on aggregating quality-assured vegetables from smallholders, providing full compliance and production support, and offering traceable produce linked to social impact stories.

The go-to-market strategy focuses on strengthening existing retail partnerships (notably SPAR Freshline), expanding to other retail outlets and entering the co-packer segment to diversify market access. Planned geographic expansion into Gauteng and North West provinces aims to replicate the Limpopo model – spreading geographical risk and enhancing product range and market reach.

Workforce overview

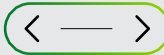
From 2023 to 2025, farm-level employee numbers increased steadily from 156 to 218 in line with the expansion of hectares planted (30% male and 70% female).

In addition to the workforce employed by the farmers, the hub employs a technical team comprising seven permanent employees (five male and two female) in support and oversight roles.

The packhouse has 36 permanent employees (seven male and 29 female) supplemented by 30 seasonal female employees during peak periods.

The total workforce across farming, technical and packhouse operations is 261 permanent and 30 seasonal employees per year. This consistency in employment figures reflects operational stability and supports ongoing planning across supplier development initiatives.

“Our partnership with SPAR reflects what is possible when purpose and enterprise meet on common ground. This programme is demonstrating that inclusive agricultural value chains can create real opportunity – not only for farmers but for entire communities. We commend the farmers for their resilience, vision and hard work in building thriving enterprises that feed our nation. We also commend SPAR for their leadership in opening their doors to meaningful transformation. This is a blueprint for shared prosperity and we call on other private-sector partners to join us in unlocking the full potential of South African agriculture. The time to build a more inclusive and sustainable food system is now.” **Dr Mankodi Moitse, CEO, Kagiso Trust**



Sustainability governance

SPAR's Board integrates sustainability into core governance, aligning with corporate responsibilities, long-term objectives and stakeholder expectations. This is anchored in an ethical culture that ensures sustainability is embedded across the organisation.

Governance of sustainability versus governing sustainably at SPAR

Governance of sustainability ensures structured oversight of SPAR's sustainability efforts. Led by dedicated committees and aligned with long-term business goals, it tracks key metrics and treats sustainability as a distinct strategic function and differentiator.

Governing sustainably goes further to embed sustainability into all governance decisions from strategy to daily operations. It fosters a culture where every choice reflects environmental and social responsibility.

This gives SPAR strategic direction and seamless integration – making sustainability an embedded part of how the business operates.

Board oversight and strategic leadership

Embedding sustainability into every agenda, SPAR's Board champions ethical leadership and strategic direction. Through the Social, Ethics and Sustainability Committee, the Board oversees key focus areas: ethics, corporate citizenship, climate resilience, stakeholder relationships and sustainable development.

Guided by inputs from the Audit and Risk committees, the SPAR Guild of Southern Africa, Build it Guild of Southern Africa and territory boards, this integrated oversight ensures that SPAR's sustainability policies and strategy are actively implemented with clear KPIs, performance frameworks and future-focused systems for holistic reporting and impact measurement.



Please refer to the integrated annual report for details.

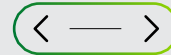
Key focus areas in 2025

- **Culture change**
 - Collaborate with SPAR's executive leadership about the strategic importance of sustainability
 - Implement SPAR's sustainability culture plan
- **Measurement and reporting**
 - Implement systems for more efficient sustainability data collection and reporting
 - Deliver on-time and accurate data for key external reports
- **Sustainability compliance**
 - Develop and implement country-specific sustainability policies for all territories
 - Conduct internal training on SPAR's sustainability policies
 - Drive supplier sustainability compliance programme
 - Provide leadership to the Guild social and ethics committees to drive retailer sustainability compliance
- **External stakeholder engagement, communication and storytelling**
 - Drive focused and impactful supplier collaboration conversations
 - Develop and implement an external communication plan
 - Collate inputs to inform innovative approaches to sustainability communication and storytelling
- **Supplier Development Hub**
 - Drive sales within SPAR
 - Actively expand operations

Relevant sustainability thinking is actively woven into SPAR's governance frameworks, guiding decision-making processes to balance long-term environmental and socio-economic impacts. This approach encourages responsible business practices, drives innovation and aligns with SPAR's core values.

SPAR's Board ensures sustainability performance is actively monitored and aligned with stakeholder interests. Through structured oversight and regular reviews of key metrics, the Board and its committees drive accountability and progress towards strategic sustainability goals.





Sustainability risk management

Sustainability factors are now central to corporate risk management with sustainability and ethical governance embedded across operations under growing scrutiny. Once distinct, sustainability risks increasingly converge with traditional business risks, reshaping resilience and accountability.

SPAR operates in a dynamic sustainability landscape shaped by climate volatility, shifting consumer expectations, regulatory pressures and socio-economic challenges across Southern Africa and abroad. Our decentralised model (independent retailers supported by regional distribution centres) creates systemic risks that affect food security, retailer resilience, community stability and long-term value creation. These risks reflect SPAR's evolving context and align with:

- King IV principles on risk, opportunity and value creation
- IFRS S1 and S2 focus on sustainability-related financial impacts
- Global sustainability expectations

 In line with SPAR's 2024 double materiality assessment (outlined on [pages 5-6](#)), which identifies and prioritises sustainability and governance issues affecting financial performance and broader environmental and social responsibilities, SPAR recognises that sustainability thinking has evolved. We remain committed to adapting to the shifting pressures and priorities of all stakeholders.

SPAR also understands that, in the sustainability context, there are

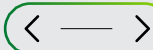
- **Environmental risks:** How a business impacts the environment
- **Social risks:** Actions that affect the communities and stakeholders around the business
- **Governance risks:** How the business operates including its governance policies

Furthermore, SPAR accepts that the identification of sustainability risks should

- Be in conjunction with the organisation's strategy and values
- Consider internal and external risks to the organisation
- Show the network of sustainability risks for the organisation, including the interconnectivity and conflict between the risks

 Ensuring strategic alignment, cross-functional accountability and transparent reporting, sustainability risks are embedded within the Group's enterprise risk management framework outlined in SPAR's integrated annual report.





Sustainability risk management continued

Value chain impacts, risks and opportunities

Each stage along SPAR's value chain – spanning upstream sourcing, internal operations and downstream delivery – generates distinct sustainability risks.

The mapping below highlights positive contributions, material risks and strategic opportunities identified in our double materiality assessment. This supports informed decision-making, targeted mitigation and long-term value creation across the chain.

Our value chain

Upstream



Farms and suppliers

Positive impacts

- 4 Diversity and inclusion targets and initiatives
 - Own workforce and workers in the value chain (page 50)
- 5 Training and development
 - Own workforce and workers in the value chain (page 50)
- 9 Good management of supplier relationships
 - Stakeholder engagement (page 26)

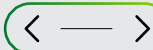
Negative impacts

- 1 GHG emissions
 - Climate change (page 35)
- 2 Physical climate change-related impacts
 - Climate change (page 35)
- 4 Soil contamination
 - Supplier Development Hub (page 17)
- 5 Strikes or work stoppages
 - Own workforce and workers in the value chain (page 50)
- 6 Free, prior and informed consent of indigenous people
 - Affected communities, consumers and end users (page 56)

Opportunities

- 2 Water conservation
 - Water and marine resources (page 40)
- 5 Sustainable sourcing
 - Supplier Development Hub (page 17)
 - Socio-economic development impacts (page 49)
- 7 Small-scale supplier integration
 - Supplier Development Hub (page 17)
 - Socio-economic development impacts (page 49)
- 10 Strong supplier relationships
 - Stakeholder engagement (page 26)





Sustainability risk management continued

Our value chain

Own operations



**Wholesale distribution
centres and central
offices and SPAR-
owned retail stores**

Downstream



Retail network of stores

📍 An overview of our network
(page 10)



Consumers and communities

📍 Affected communities,
consumers and end users
(page 56)

Positive impacts

- 1 **Renewable energy**
📍 Climate change (page 34)
- 3 **Employee wellness**
📍 Own workforce and workers in the value chain (page 50)
- 4 **Diversity and inclusion targets and initiatives**
📍 Own workforce and workers in the value chain (page 50)
- 5 **Training and development**
📍 Own workforce and workers in the value chain (page 50)
- 6 **Work-life balance**
📍 Own workforce and workers in the value chain (page 50)
- 8 **Healthy corporate culture**
📍 Own workforce and workers in the value chain (page 50)

- 2 **Minimising plastic pollution**
📍 Resource use and circular economy (page 45)
- 4 **Diversity and inclusion targets and initiatives**
📍 Own workforce and workers in the value chain (page 50)
- 5 **Training and development**
📍 Own workforce and workers in the value chain (page 50)
- 7 **Food security**
📍 Socio-economic development impacts (page 49)

Negative impacts

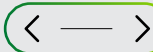
- 1 **GHG emissions**
📍 Climate change (page 34)
- 3 **Air pollution**
📍 Pollution (page 39)
- 5 **Strikes or work stoppages**
📍 Own workforce and workers in the value chain (page 50)

- 1 **GHG emissions**
📍 Climate change (page 34)
- 5 **Strikes or work stoppages**
📍 Own workforce and workers in the value chain (page 50)

Opportunities

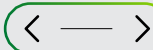
- 1 **Energy efficiency and renewable energy**
📍 Climate change (page 34)
- 2 **Water conservation**
📍 Water and marine resources (page 40)
- 3 **Circular economy**
📍 Resource use and circular economy (page 45)
- 4 **Improved brand image and market differentiation**
📍 Stakeholder engagement (page 26)
- 6 **Increased employee retention**
📍 Own workforce and workers in the value chain (page 50)
- 8 **Ethical business practices**
📍 Governance impacts (page 61)
- 9 **Improved productivity and reduced turnover costs**
📍 Own workforce and workers in the value chain (page 50)
- 10 **Strong supplier relationships**
📍 Stakeholder engagement (page 26)

- 1 **Energy efficiency and renewable energy**
📍 Climate change (page 34)
- 2 **Water conservation**
📍 Water and marine resources (page 40)
- 3 **Circular economy**
📍 Resource use and circular economy (page 45)
- 4 **Improved brand image and market differentiation**
📍 Stakeholder engagement (page 26)
- 8 **Ethical business practices**
📍 Governance impacts (page 61)



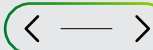
Sustainability risk management continued

Risk	Why this risk matters to SPAR	Broader external impacts	Drivers	Associated impacts, opportunities and mitigation actions
1 Climate change and extreme weather impacts Failing to adapt to increasing climate variability – such as heatwaves, droughts, flooding and severe storms – may disrupt agricultural inputs, supply chains, retailer operations, cold chain infrastructure and logistics. This could lead to supply instability, rising operating costs and increased exposure to emissions.	Retail stores and distribution centres are increasingly affected by weather-related disruptions. The availability and pricing of fresh produce are influenced by crop failures and water scarcity. Climate transition risks, such as carbon pricing, refrigerant regulations and mandatory disclosures, contribute to rising costs.	Climate instability is increasing food insecurity, disrupting farming livelihoods and global value chains.	Climate change, aging infrastructure, carbon pricing and weather volatility	📍 Climate change (page 34)
2 Water scarcity and deteriorating water quality Ongoing water shortages, municipal failures and declining water quality negatively impact agriculture, food processing, hygiene practices and the efficient operation of distribution centres and retail businesses.	Fresh produce suppliers may face heightened risk of crop loss. Hygiene and food safety compliance may be at risk. Stores could experience disruptions during outages.	Communities are experiencing increasing water insecurity, which is affecting food affordability and public health.	Climate variability, municipal failures and agricultural dependence on water resources	📍 Water and marine resources (page 40)
3 Biodiversity loss and agricultural productivity decline Declining biodiversity, soil degradation and losses of pollinators may reduce agricultural productivity, increase commodity price volatility and threaten the long-term stability of food systems.	Fresh produce and agricultural products may become increasingly scarce and costly. Supply consistency for private label lines may be more challenging. The farming communities we rely on may face long-term viability risks.	Deforestation, climate change and land-use pressures threaten food systems and nutrition security.	Land conversion, pollution, climate change and unsustainable farming methods	📍 Supplier Development Hub (page 17)
4 Responsible sourcing, labour rights and supplier governance risks Gaps in traceability, ethical compliance and labour rights protections in local and global supply chains may result in legal exposure, reputational damage and disruptions to product availability.	Increasing global regulations (human rights due diligence and modern slavery laws) require rigorous supplier oversight. Failure by suppliers can undermine SPAR's brand and consumer trust. Independent retailers depend on consistent, responsible sourcing.	Unethical labour practices can contribute to inequality and undermine social cohesion.	Weak traceability, fragmented supply chains and global sustainability regulations	📍 Socio-economic development impacts (page 49)



Sustainability risk management continued

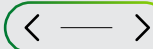
Risk	Why this risk matters to SPAR	Broader external impacts	Drivers	Associated impacts, opportunities and mitigation actions
5 Packaging waste, food waste and circular economy transition Inadequate packaging, recycling and food waste management may increase environmental harm, elevate compliance costs and weaken SPAR's reputation with regulators, customers and communities.	Extended Producer Responsibility (EPR) compliance costs are increasing. Non-recyclable packaging risks regulatory non-compliance. Food waste contributes directly to GHG emissions and margin loss.	The pollution caused by packaging and food waste increases pressure on landfills, degrades ecosystems and depletes resources.	EPR regulations, gaps in infrastructure and consumer expectations	Stakeholder engagement (page 26)
6 Energy transition, carbon exposure and rising energy costs Failing to adapt to the changing energy landscape – such as decarbonisation requirements, tariffs, carbon taxes and unstable electricity supply – can lead to increased operating costs, disrupt cold chain efficiency and heighten exposure to emissions.	Load shedding affects refrigeration integrity and energy security. Diesel reliance for backup power drives emissions and costs. IFRS S2 requires enhanced climate disclosures and assurance.	High-emission power grids and reliance on fossil fuels contribute to climate change and weaken economic resilience.	Increasing electricity and fuel prices, shifts in climate policy, carbon taxation, grid emissions and pressure to adopt renewables	Climate change (page 34)
7 Food safety, consumer rights and product integrity Failure to maintain food safety standards, product quality and accurate labelling may expose SPAR to regulatory penalties, recalls, reputational damage and loss of consumer trust.	Complex supply chains may increase the risks of contamination or mislabelling. Digital traceability gaps may hinder early detection. Retailers rely on Group-wide food safety assurance.	Foodborne illnesses strain public health systems and erode trust in food retailers.	The complexities of supply chains, coupled with stricter regulations and hygiene failures, are becoming increasingly challenging to navigate	Socio-economic development impacts (page 49)
8 Social instability, food insecurity and community vulnerability Growing inequality, high unemployment and food insecurity increase the risks of civil unrest, infrastructure damage, looting and supply chain disruptions.	Retailers operate deeply within communities and are highly exposed to socio-economic conditions. Unrest may lead to significant uninsurable losses. Fragile communities increase food affordability and access pressures.	Social instability poses a threat to the retail sector's capacity to maintain national food security.	Economic downturn, inflation, rising unemployment and social tension	Supplier Development Hub (page 17)



Sustainability risk management continued

Risk	Why this risk matters to SPAR	Broader external impacts	Drivers	Associated impacts, opportunities and mitigation actions
9 Cybersecurity and data protection vulnerabilities Rising cyber threats – such as ransomware, data breaches and system manipulation – can disrupt retail operations, compromise customer data and erode trust.	Point-of-sale systems, e-commerce platforms and supply chain systems are key targets. Regulatory requirements in terms of the Protection of Personal Information Act and global privacy standards continue to rise.	Cybercrime threatens financial stability and increases the risk of misinformation.	The rise of digitisation, weak vendor controls and the evolution of cybercrime are key concerns	Stakeholder engagement (page 26)
10 Regulatory, sustainability disclosure and compliance failures Failing to meet increasing requirements for sustainability reporting, human rights due diligence, environmental compliance and assurance could harm SPAR's credibility, lead to penalties and diminish investor confidence.	IFRS S1/S2 and EPR regulations increase data and assurance complexity. Investors expect transparent, decision-useful sustainability disclosure.	Stronger sustainability regulations aim to protect environmental and social systems while resulting in onerous compliance requirements for businesses.	Evolving regulatory requirements and sustainability data limitations	Socio-economic development impacts (page 49)





Stakeholder engagement

In Southern Africa, SPAR is committed to creating long-term value by cultivating ethical, collaborative relationships across our value chain. Together with our stakeholders, SPAR champions responsible business practices that uphold environmental and socio-economic sustainability.

Through transparent engagement, we drive impacts, innovate operational practices and identify shared opportunities for meaningful value creation. This ongoing collaboration, led by our sustainability team, ensures material impacts are addressed and a culture of accountability, responsiveness and partnership is created.



Employees

Engagement platforms

- Management briefings and live sessions
- Surveys
- Conferences
- Union negotiations

What we aim to deliver

- Legislative compliance
- Ethical and responsible decision-making
- Good governance practices
- Economic: fair returns and holistic incentives for all
- Environmental: energy, water and waste/circular economy
- Social: people development, diversity, inclusion, GBV prevention and wellness
- Responsible offerings and innovation: affordable food, responsible investing and government engagement



Retailers

Engagement platforms

- Distribution centre meetings
- SPAR and Build it conventions and look-and-learn trips
- Guild meetings (regional, national, SPAR and Build it)
- SPAR Health retailer meetings
- Think retail surveys

What we aim to deliver

- Legislative compliance
- Safe products and offerings
- Responsible retailing
- Economic: fair returns
- Environmental: energy, water, waste/circular economy and animal welfare (direct procurement)
- Social: labour treatment, people development, diversity and inclusion (especially support for black retailers), GBV prevention and employee wellness



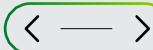
Consumers

Engagement platforms

- Socio-economic development initiatives
- Customer care departments
- Broadcast, print and social media
- In-store advertisements

What we aim to deliver

- Awareness and action
- Economic: affordable food, responsible diets and effective competitions in on-demand shopping
- Environmental: energy, water, waste/circular economy and animal welfare
- Social: GBV prevention, partnerships with Trulife and LifeLine and wellness support
- Participation in initiatives: circular economy, GBV prevention, eco-friendly purchases, community sports sponsorships and South African inter-schools netball matches
- Effective retail service
- Quality products



Stakeholder engagement continued



Suppliers

Engagement platforms

- Joint business planning meetings
- Ongoing reviews and annual trading terms collaborations
- SPAR and Build it national conventions

What we aim to deliver

- Legislative compliance
- Safe products and offerings
- Enhanced consumer value
- Responsible sourcing
- Economic: fair returns, local supply and transformation
- Environmental: energy, water, waste/circular economy, regenerative production, biodiversity and animal welfare
- Social: labour treatment, people development, diversity and inclusion, small-scale/emerging supplier development and integration



Investors and funders

Engagement platforms

- Ongoing investor relations meetings throughout the year
- Half-year and annual results presentations
- Annual general meetings (AGMs)

What we aim to deliver

- Responsible investing: long-term systemic returns, systemic change and Board accountability at AGMs
- Full legislative and regulatory compliance
- Carefully consider long-term social and environmental impacts



Communities

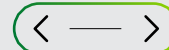
Engagement platforms

- National Prosecuting Authority and Department of Health meetings
- Consumer Goods Council of South Africa
- Public policy and service delivery advisory sessions
- National Business Initiative
- Social media

What we aim to deliver

- Public policy: infrastructure (roads, energy and water), service delivery, youth development, GBV prevention and nutrition
- Food safety and labelling
- Responsible alcohol consumption
- Food security
- Support for local suppliers
- Disaster relief





Stakeholder engagement continued

Stakeholder engagement in action: SPAR Health

SPAR Health drives transformation, workplace wellbeing, environmental responsibility, social impact and consumer wellbeing:

- We have expanded B-BBEE ownership within Pharmacy at SPAR and reinforced ethical governance through a pledge signed by store owners.
- Our inclusive workplace strategy prioritises labour compliance, employee health and safety management and employee development – supported by bursaries and pharmacist assistant training.
- Environmental initiatives include participation in EPR Waste Association of South Africa (eWASA) take-back programmes and in-house recycling practices involving retailers and employees.
- We safeguard product integrity by preventing the sale of substandard or falsified medicines and uphold consumer rights through responsible and transparent advertising and responsive complaint handling.
- We invest in community upliftment through ongoing support for Mosaic and other initiatives that reflect our values and advance long-term social impact – focusing on vulnerable children, skills development and inclusive economic growth.

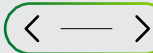


Stakeholder engagement in action: Build it

Build it embeds sustainability into daily operations through partnerships, community initiatives and regulatory compliance:

- Working with eWASA and local small, medium and micro enterprises, Build it has introduced electronic waste collection pilot projects that provide safe disposal, create jobs and support local enterprises.
- Customers are encouraged to participate in circular practices such as the e-waste collection project while timber product suppliers undergo regular audits to maintain Forest Stewardship Council (FSC) chain of custody standards.
- Build it-listed cement vendors are evolving with the industry's sustainability requirements, which focus on the use of raw materials that reduce the carbon footprint during the cement manufacturing process.
- Build it also responsibly contracts with paint supply partners that focus on health and environmental regulations primarily through discussions on new regulations regarding lead in paint.
- CSI commitments include initiatives anchored in education, women empowerment, child wellbeing and our prestigious under 13 soccer/netball/rugby festival with strong support for retailers and suppliers.
- Build it partnered with its retailer in Robertson and the Ashton in Action non-profit organisation to build a school in the Ashton community.





Stakeholder engagement continued

SPAR Health's impacts in 2025

Economy

Enterprise development was advanced by launching five new SPAR pharmacies owned by historically disadvantaged people, bringing BEE ownership across Pharmacy at SPAR outlets to over 44%. A Level 3 B-BBEE rating was achieved through quarterly strategy reviews, supplier certificate verification and continuous scorecard monitoring.

Supported by ongoing training and a sector-aligned plan set for finalisation by January 2026, employment equity protocols were applied to all new and replacement roles.

Ethical conduct was reinforced through code of ethics training, grievance procedure awareness, learning management system-tracked performance and embedded anti-corruption and anti-bribery policies.

Annual declarations of interest ensure transparent conflict management.

To meet Competition Commission commitments, a dedicated resource will be appointed in the second quarter of 2026 to support the growth of pharmacies owned by historically disadvantaged people.

Workplace

An inclusive workplace culture was strengthened through sensitisation training and standardised communication.

Accessibility for employees with disabilities was enhanced via annual human resource reviews and tailored support including lighting adjustments, wheelchair-accessible facilities, ground-floor workstations and assisted vehicle transfers.

Labour legislation compliance was upheld through fair, benchmarked remuneration, an annual review and leave management with biometric and tag systems used to monitor working hours and overtime.

A 98.74% score in a health and safety audit is attributed to quarterly fire drills, committee meetings, bi-annual crisis simulations and tracking training and retraining as well as equipment maintenance. Illumination and ventilation assessments are also completed with corrective actions.

Employee development was advanced through bursaries and regulatory training. An in-house learning centre is being established to offer technical and soft skills programmes.

New performance management policies enabled collaborative alignment of key performance areas and KPIs between employees and managers.

The pharmacist assistant course was promoted through targeted marketing, discounted enrollment for Pharmacy at SPAR stores and outreach to 1 400 schools, member meetings and key events.

Environment

Recycling, waste management and resource efficiency were enhanced. All cardboard and plastic packaging was recycled through a local contractor and employees were encouraged to use recycling boxes. Opportunities to expand recycling were also explored.

Waste disposal was managed through registered contractors who safely destroyed expired stock and issued disposal certificates.

We submitted quarterly EPR reports to eWASA and SPAR's Central Office as well as monthly carbon footprint (diesel and petrol use for travel and electricity) and water use reports to Central Office. SPAR Health receives a carbon footprint report, supported by external analysis, from Central Office.

Water conservation was advanced through low-flow aerators on restroom taps. Sub-metering systems were also installed to accurately track water and energy use.

An energy performance certificate was issued for the building and monthly consumption reports supported ongoing carbon footprint reduction.

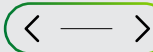
Society

Product safety was maintained by sourcing exclusively from South African Health Products Regulatory Authority (SAHPRA)-approved suppliers and managing product recalls protecting consumers. Supplier selection followed standard operating procedure guidelines to ensure all ethical medicine and device providers were SAHPRA-registered.

Consumer protection was prioritised through compliance with Marketing Code Authority requirements, fair pricing and accurate product information. Complaints were managed with product-related issues escalated to manufacturers or authorities and service concerns were resolved internally. Supported by a Protection of Personal Information Act gap analysis with Central Office and an external expert, consumer data will be further respected in line with privacy laws going forward.

Advertising compliance was ensured through pre-approval by a registered responsible pharmacist and regular standard operating procedure updates.

Community development included support for Mosaic, an organisation uplifting orphaned and vulnerable children, the Resthaven David House orphanage, donations to a disabled learner trainer, financial literacy training and supplier development for a courier service. Support will be limited to local facilities from 2026 onwards.



Stakeholder engagement continued

Additional examples of impactful stakeholder engagement

The Supplier Development Hub

The Supplier Development Hub in Limpopo exemplifies our approach (page 17). In partnership with Kagiso Trust and GLOBALG.A.P., SPAR continued to support small-scale farmers with technical training, financial independence and access to formal retail. Kagiso Trust, initially a finance provider, has become a strategic partner in innovation and sustainable development.

Combatting GBV

SPAR's work to combat GBV (page 59) reflects another meaningful collaboration. Partners including the National Prosecuting Authority, LifeLine, Trulife and SPAR retailers continue to contribute to counselling, youth education, care packs and the development of a new Thuthuzela Care Centre delivering safety, dignity and hope to survivors.

World Wildlife Fund for Nature (WWF) Business Network

In 2025, SPAR joined the WWF Business Network as a silver partner – a collaborative platform that empowers South African companies to advance environmentally and socially responsible practices through shared innovation, education and strategic engagement.

Woodlands Dairy

In the Eastern Cape, SPAR's partnership with Woodlands Dairy has evolved from a commercial relationship into a shared sustainability journey. The proactive approach spans environmental innovation, animal welfare and community upliftment. Tetra Pak, a key packaging partner, supports this work through circular economy solutions and globally recognised design.

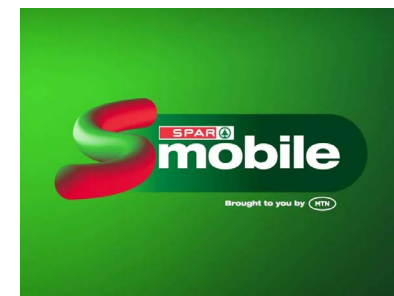


WOODLANDS
DAIRY

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QR code to view
video

SPAR Mobile

Advancing digital equity by expanding access to underserved communities across Southern Africa, we launched SPAR Mobile to turn everyday shopping into a digitally connected loyalty ecosystem. More than selling SIMs, it embeds mobile connectivity into the customer experience by linking grocery spend with digital rewards, driving in-store sales and creating recurring revenue from airtime and data. It enables data-driven marketing, modernises the customer journey and builds loyalty and trust through tangible digital benefits.



World Food Day

On World Food Day in 2025, we reinforced our commitment to food security and waste reduction through our partnership with FoodForward SA.

On the day, SPAR contributed over 61 000 meals with handwritten messages from each division. We also launched the "Passing the Sugar" video challenge, which features logistics, human resources and marketing executives, celebrating collaboration.

Supporting the UN SDGs by reducing food loss, encouraging responsible consumption and turning waste into shared value through partnerships, SPAR distribution centres (South Rand, Encore, KwaZulu-Natal and Western Cape) have donated over 203 000kg of surplus food, averting 142t CO₂e in emissions, since 2021.



 Supporting national food security efforts while advancing the SDGs, SPAR's partnership with FoodForward SA continues to divert surplus food from landfill (page 48).



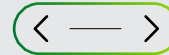
Gillitts and Knowles SUPERSPAR

Knowles SUPERSPAR's support for Gillitts Primary School exemplifies how independent SPAR retailers – vital to the business model – partner closely with the wholesaler to build trust, deliver innovative services and reinforce consumer confidence while remaining embedded in and committed to their communities.



GILLITTS AND
KNOWLES
SUPERSPAR

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video



Stakeholder engagement continued

Stakeholder engagement in action: Sri Lanka

In response to accelerating global sustainability mandates, SPAR's network in Sri Lanka is advancing a locally grounded, impact-driven sustainability strategy that integrates carbon reduction, circular economy innovation and supply chain development.

The joint venture with CBL represents a high-impact collaboration grounded in a shared commitment to embedding sustainability into core business practices. With a proven track record in advancing sustainability priorities in Sri Lanka, CBL brings local insight and credibility. Together, SPAR and CBL are driving a portfolio of joint initiatives designed to deliver measurable, meaningful impact.

The following table summarises sustainability impacts in Sri Lanka during 2025.

Sustainability impacts in Sri Lanka during 2025

- Monitor and reduce energy use through rooftop solar installations (35%+ savings), LED lighting, efficient refrigeration and electric vehicle charging stations
- SPAR will be the first supermarket facility in Sri Lanka to be assessed and verified under the new Energy Efficiency Building Code certification (GIZ-funded)
- Minimise plastic packaging and align with Central Environmental Authority bans and shopping bag regulations through reusable and paper-based alternatives
- Optimise delivery routes to lower emissions and fuel consumption
- Manage waste through segregation, supplier take-back, glass bottle returns and in-store recycling bins
- Track and divert food waste to piggeries and municipal collectors
- Prioritise certified suppliers (organic and GLOBALG.A.P.-certified)
- Improve water stewardship by tracking use, installing water-saving fixtures, reusing treated wastewater and ensuring discharge compliance

Socio-economic impacts

- Operate 12 SaveMor independent stores and a supplier development programme that uplifts youth- and women-led enterprises (rural egg producers, convent-based bakers and student entrepreneurs)
- Partner with vocational institutes, universities and non-profit organisations (such as National Apprentice and Industrial Training Authority, Avinya Foundation, Sri Lanka Institute of Advanced Technological Education and the Ceylon School for the Deaf and Blind) to offer internships, research and training
- Provide part-time roles, management trainee development and CEO in Training programmes to build skills, confidence and career mobility for students, underprivileged youth and young people with disabilities
- Maintain a gender-balanced workforce (51% male and 49% female) and uphold equal opportunity across age, gender, ability and religion
- Deliver targeted corporate social responsibility initiatives including donations to schools for blind children, care homes, cancer trusts and school development programmes
- Collaborate with Eco Spindles and CBL to promote recycling, education and community upliftment

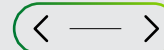
Governance impacts

- Enforce supplier declarations as well as Good Manufacturing Practices (GMP), hazard analysis and critical control points and ISO certification and regular audits, including private label test reports, to ensure transparency and food safety
- Align reporting with SPAR International using the Global Carbon Exchange (GCX) framework
- Uphold human rights and prevent child or forced labour through supplier agreements, due diligence and a clearly communicated code of conduct
- Embed labour law compliance into human resource practices, contracts and ongoing employee training
- Maintain grievance, disciplinary and whistleblowing policies with confidential reporting channels and protection from retaliation
- Ensure employee safety through training, monthly incident tracking and retail operations compliance audits
- Support fair labour practices with maternity leave, welfare policies and equal treatment across regions and cultures
- Partner with the Employer's Federation of Ceylon for expert guidance on people policy matters
- Reinforce accessibility and consistency of grievance channels through regular code of conduct training and communication

Supplier development programme

Launched in September 2024, the SPAR supplier development programme in Sri Lanka supports micro and small food producers through regulatory guidance and market access. In its first year, it onboarded three suppliers, including one private label product, while ensuring full compliance with food labelling standards. Services include site evaluations, food safety training, GMP support and expert labelling consultation alongside access to an industry information library and market access. Successful beneficiaries include Shepherd's Delight (a GMP-certified, convent-based bakery employing young women supplying biscuits to SPAR) and rural MGL Farms supplying free-range eggs under SPAR's private label. Both describe the programme as transformative and growth-enabling.





Stakeholder engagement continued

Stakeholder engagement in action: Ireland

With a vision to be Ireland's leading partner for independent retailers and foodservice providers – delivering innovative and sustainable growth – and a purpose to empower people through the future of food and retail, BWG continues to advance its sustainability programme.

Since launching the programme, Responsible Together, in 2024, BWG has progressed across five pillars: climate and environment, people, community, health and sourcing. From cutting emissions to strengthening local impact through engagements with local communities, sustainability is thus embedded across every aspect of the business.

Successes in 2025 included:

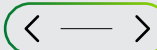
- Completed a CSRD double materiality assessment
- Implemented SustainIQ software to capture sustainability data and support CSRD reporting
- Assessed Scope 3 GHG emissions to establish a baseline for supply chain impact
- Scaled surplus food initiatives like Too Good to Go across more than 100 stores to reduce waste and add value
- Strengthened community support with over 39 000 meals donated via FoodCloud
- Donated €620 000 to local charities through strategic partnerships
- Launched a ESG newsletter to boost internal awareness, transparency and engagement while driving momentum across the sustainability journey
- Joined the All-Ireland Pollinator Plan to promote biodiversity through pollinator-friendly practices
- Received several accolades including the All-Ireland Sustainability Award for Energy Initiative of the Year, the Sustainable Energy Authority of Ireland Energy Award for Transport and CATEX National Foodservice Supplier of the Year as well as Chartered Institute of Logistics and Transport honours for the transport team and being shortlisted in three categories of the Green Transformation Awards

BWG's annual ESG Week fosters shared ownership and momentum across teams. In September 2025, the second ESG Week brought the Responsible Together pillars to life through a webinar series. Highlights included updates from the ESG Steering Committee, insights on emerging sustainability trends, mental health awareness training, EUROSPAR's Responsible Retailing initiatives, biodiversity efforts and energy innovations. The week concluded with a celebration of BWG's charity partnerships and a forward-looking wrap-up of key learnings and next steps.

To support retailers, BWG's Little Green Book remains a practical guide for carbon reduction and sustainability initiatives. It showcases key supplier partnerships and innovative sourcing practices with environmental stewardship embedded across all development projects.

As BWG moves into 2026, the next phase of the sustainability journey will focus on accelerating progress, deepening commitments and showcasing its role as a catalyst for meaningful and sustainable change.





04

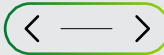
Environmental impacts

Climate change	34
Pollution	39
Water and marine resources	40
Biodiversity and ecosystems	41
Resource use and circular economy	45

SPAR's sustainability team – guided by the Social, Ethics and Sustainability Committee – is the Group's environmental conscience and drives environmental objectives through clearly defined responsibilities.

Our environmental purpose continues to inspire meaningful stakeholder engagement, protect natural resources and build climate resilience through sustainable procurement and footprint-reducing initiatives. We aim to be recognised for our commitment and progress we are making towards environmentally sustainable offerings and transparent impact reporting with continuous improvement across our value chain.





Climate change

Material themes	Material topics
ESRS E1 Climate change	- Climate change - GHG emissions - Climate change mitigation - Climate change adaptation - Energy
ESRS E2 Pollution	- Air pollution - Soil contamination - Water pollution
ESRS E3 Water and marine resources	Water availability
ESRS E4 Biodiversity and ecosystems	Food production
ESRS E5 Resource use and circular economy	- Recycling and reuse - Sustainable sourcing

In Southern Africa, our 2025 supplier sustainability survey revealed sustainability integration across our network: 66% of our suppliers have dedicated sustainability departments, follow formal sustainability frameworks and actively monitor environmental impacts including water risk assessments and organic waste management. Of the 66%, 79% also comply with EPR regulations and they are committed to energy efficiency.

SPAR, like other brands, faces growing pressure from stakeholders to act on climate change as extreme weather conditions increasingly disrupt operations and supply chains. In response, the Group is investing in energy-efficient practices and renewable energy to mitigate these impacts and reduce long-term GHG emissions.

For insights into how SPAR supports Limpopo farmers in addressing drought-related challenges and maintaining supply chain continuity, please refer to the Supplier Development Hub on [page 17](#).

In Southern Africa, SPAR monitors and reports its GHG emissions using the GHG Protocol as its accounting methodology. The draft National GHG Carbon Budget and Mitigation Plan Regulations, released by the South African Department of Forestry, Fisheries and Environment for public comment in 2025, present a significant opportunity to strengthen emissions tracking and accountability across our value chains. These regulations are expected to introduce mandatory carbon budgets for high-emitting sectors. SPAR remains committed to pursuing Science Based Targets initiative (SBTi)-aligned GHG reduction targets and conducting water and biodiversity risk assessments across operations in Southern Africa and Ireland to reinforce our commitment to climate-resilient value chains.

SPAR is integrating Scope 3 GHG emissions into broader sustainability considerations to strengthen climate accountability. The team is also actively monitoring emerging EU legislation, such as the EU Green Deal and the CSRD, to future-proof disclosures and maintain regulatory alignment. To ensure climate change mitigation remains a central pillar of strategic direction, BWG and SPAR in Southern Africa continue to drive progress across logistics, energy efficiency and solar deployment, among other focused initiatives.

Negative

GHG emissions: SPAR's carbon footprint includes direct emissions from fuel combustion in company-owned vehicles and on-site generators, fugitive emissions from refrigeration and indirect emissions from purchased electricity. Scope 1 and 2 emissions originate from SPAR's own operations while Scope 3 emissions, originating upstream from suppliers and downstream from retailers, are generated by sources outside our direct control. We address all emissions through strategic initiatives aimed at decarbonising our value chain.

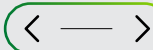
Climate change mitigation: SPAR has equipped nearly all its seven South African distribution centres with solar photovoltaic (PV) systems to support its emission reduction efforts.

In Ireland, all electricity supplied to BWG sites comes from renewable sources, this is verified annually by the Single Electricity Market Operator (SEMO) on behalf of the Commission of Regulator Utilities (CRU). Through an affinity partnership, many of BWG's Independent Retail partners can avail of the same guaranteed renewable electricity supply.

Positive

7 of 9 distribution centres have solar PV





Climate change continued

Our climate change-related strategic priorities

In November 2024, SPAR convened a cross-functional climate strategy workshop – building on our 2022-2023 scenario analysis and roadmap – with input from our sustainability, Encore and national logistics teams as well as sustainability teams in Ireland and Switzerland. The session confirmed four strategic priorities for 2024 to 2029:

1. Enhancing energy efficiency in SPAR-owned assets
2. Piloting a green demonstration outlet
3. Advancing climate-resilient food products
4. Decarbonising logistics

SPAR's climate risk profile encompasses physical and transition risks. Physical risks arise from extreme weather events and shifting climate patterns while transition risks are attributed to regulatory, market and reputational pressures associated with the global shift to a low-carbon economy. In response, SPAR has identified several opportunities: improving energy efficiency, adopting alternative energy sources, driving innovation in products and markets, and strengthening brand reputation and overall resilience.

As a food-focused wholesaler, SPAR's climate journey began with impact studies on selected commodities. This work is expanding to assess broader food system risks and resilience opportunities. Globally, food systems face mounting threats from extreme weather, declining productivity and ecosystem degradation. In Southern Africa, these are compounded by hunger, disease, biodiversity loss, erratic weather and weakened institutional capacity.

SPAR is well-positioned to influence socio-ecological outcomes through procurement, supplier engagement and consumer awareness. Immediate opportunities in Southern Africa include reducing food waste, sourcing climate-resilient ingredients and scaling the Supplier Development Hub with municipal and non-governmental organisation (NGO) partners. Over the coming year, SPAR will develop a climate-resilient procurement strategy focused on private label innovation, supplier partnerships and consumer education.

Risks and opportunities vary by scenario and time horizon. Under low-warming trajectories, physical impacts may be limited but transitional risks intensify driven by regulation, technology shifts and consumer expectations. SPAR will also align with the Climate Change Act supporting South Africa's just transition to a low-carbon, climate-resilient economy.

Reduce Group GHG emissions

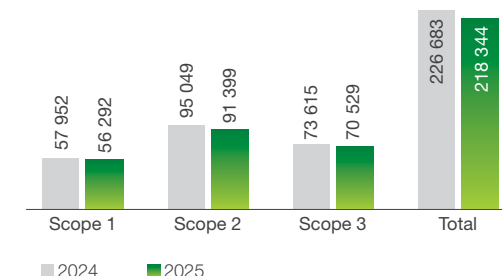
Targets

- Achieve a just transition to net zero emissions by 2050
- Disclose Scope 1, 2 and 3 Group emissions
- Develop Scope 1, 2 and 3 emissions reduction targets aligned with the SBTi methodology
- Paris Agreement-aligned science-based targets verified by SBTi in the next two years



Climate change report, energy policy and sustainability policy

Group: GHG emissions (tonnes CO₂e)



The data includes Build it in South Africa although scenario analysis confirmed climate change is not a material risk or opportunity for this business.

Group-wide installation of renewable energy and energy-efficient technology

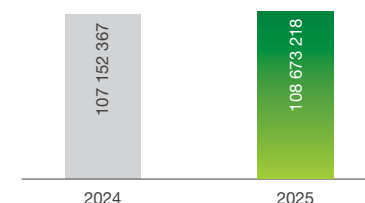
Targets

- Maximise renewable energy and energy-efficient technology
- Establish energy policies for all Group entities

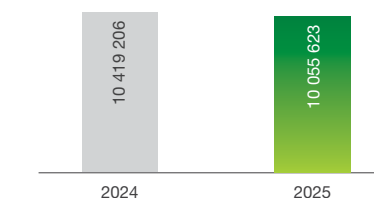


Energy policy and sustainability policy

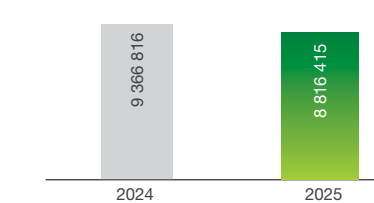
Group: Purchased grid electricity (kWh)

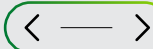


Group: Solar generated (kWh)



Group: Purchased renewable (solar) energy (kWh)





Climate change continued

Group-wide installation of water-efficient technologies alongside robust water management practices and stewardship

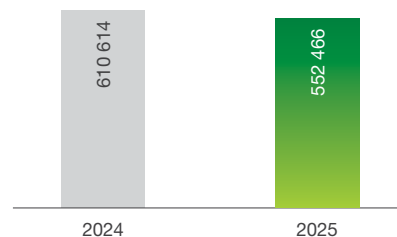
Target

- SPAR is committed to reducing absolute water consumption (as illustrated in the graphs on water withdrawal over the past two years)



Water policy, biodiversity policy and seafood procurement policy

Group: Water withdrawal (kL)



Southern Africa: Drive circular packaging design to eliminate unnecessary waste and ensure EPR compliance

Targets

- Achieve South African Plastics Pact 2025 targets
- EPR compliance
- Ensure packaging is reusable, recyclable or compostable



Packaging policy

Group: No surplus food safe for human consumption wasted across operations by 2025 and aim to halve food waste within owned operations by 2030

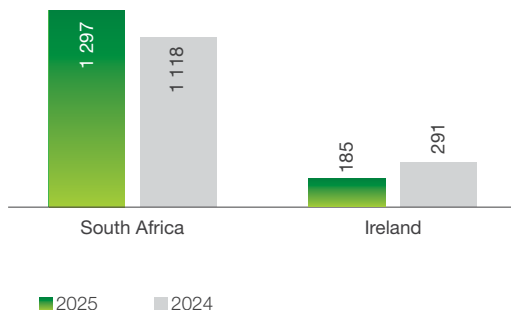
Targets

- Halve food waste from 2021 levels by 2030 and report annually on waste and surplus quantities
- By 2027, Western Cape distribution centre and Cape Town stores must achieve zero food waste to landfill (diverting waste to animal feed and composting) in line with City of Cape Town organic waste regulations (other distribution centres are encouraged to comply subject to local municipal requirements)
- Sustainable (regenerative) production and food sourcing



Food loss and waste policy

Group: Food waste generated at distribution centres (tonnes)



Aligned with SDG 12.3, the SPAR Group has a target to reduce food waste in our operations by 50% by 2030.

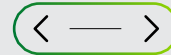
Southern Africa: Addressing sustainability challenges in our supply chains starting with our most important products and ingredients

Targets

- Achieve zero net deforestation in sourcing raw materials by 2030
- Percentage of private label products sourced from suppliers with recognised sustainability certifications and full traceability from farm to fork
- Address consumer concerns about environmental and ethical impacts of certain commodities
- Empower teams with sustainable buying training



Sustainable seafood procurement policy and sustainable procurement policy



Climate change continued

Our climate strategy

The first two phases of SPAR's climate journey (2021-2023) shaped our first Task Force on Climate-related Financial Disclosures report in 2022, including a detailed action roadmap. However, the work focused solely on South African operations. In 2024, we expanded our climate strategy to include international operations, extended our supply chain risk analysis across more food commodities and aligned future reporting with the EU's CSRD.

Priority areas now include double materiality assessments, Scope 3 GHG emission quantification, reduction targets, the just transition to a low-carbon economy and financial analysis of climate-related risks and opportunities.

SPAR is committed to achieving net zero emissions by 2050 across its entire value chain. However, the 2022 roadmap faces three key challenges:

- 1 South African focus
- 2 Organisational and personnel changes
- 3 Clarity on short-term priorities

To move forward, we will strategically and operationally focus our climate actions over the next two to five years in terms of business buy-in, realistic execution within current resource constraints and alignment with SPAR's business model.

Climate change mitigation

SPAR is committed to achieving a just transition to net zero emissions across our value chain by 2050 – understanding that collaboration with all stakeholders is essential to decarbonise our value chain.

Setting science-based targets is a priority for SPAR. In 2017, we developed a set of science-based targets for our Southern African operations to reduce absolute direct (Scope 1) and indirect (Scope 2) GHG emissions, aligned with a 2°C pathway.

In 2022, the initial results of our climate change scenario analysis showed it is critical that we achieve net zero under a 1.5°C pathway in line with the Paris Agreement. To achieve this, emissions should be reduced by half by 2030 and reach net zero by 2050.

We are updating our science-based targets at Group level (all territories) as per the SBTi Corporate Net Zero Standard to align with a 1.5°C pathway. We plan to have these targets verified by the SBTi in the next two years.

The SBTi Corporate Net Zero Standard guides our 1.5°C pathway towards net zero emissions determined by our climate change scenario analysis in 2022.

Where are we in the climate scenario and roadmap process?

Phase 1

- Qualitative scenario analysis to understand the likely effects of physical and transition impacts on SPAR's value chain (specifically offices, distribution centres and retail outlets) – a high-level summary of likely business impacts included a case study considering the implications of climate change on pome fruit in the Western Cape and small and commercial tomato growers in Limpopo
- Climate change strategic roadmap (pathway and plan guiding our activities aimed at achieving our emission reduction targets) developed as part of our climate risk mitigation measures supporting SPAR's commitment to become net zero by 2050 (creating value over time through measures mitigating the risks of global warming, rising temperature and reduced water availability)

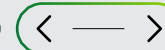
Phase 2

- South African scenario analysis extended to explicitly include Build it – case study analysis on the impact of, and response to, climate change on the primary timber products supplier, based primarily in Mpumalanga, confirmed climate change is not a material risk or opportunity for this business hence no specific Build it response although we continuously monitor climate change through the SPAR process
- SPAR retailer climate strategy and guidance pack development began with two retailer workshops in 2023 to create a strategy and associated guidance (this work will need to be revisited as SPAR's independent retail model is complex but also well placed to make significant impact at retail level and in communities)
- Advanced risk climate analysis tool aligned with SPAR's goal to drive a just transition by including diversity and transformation in strategic climate plans
- Board climate change training in November 2022
- Climate change report published in December 2022
- Financial impact scenarios explored climate-related impacts on gross domestic product and the likely effects on SPAR's revenue in South Africa as well as the impact of carbon tax on the life cycles of seven SPAR products
- Integrated climate change risk into internal enterprise risk management processes

Future priorities

- Enhancing energy efficiency in SPAR-owned assets
- Piloting a green demonstration outlet
- Advancing climate-resilient food products
- Decarbonising logistics





Climate change continued

Reducing energy consumption and GHG impacts

SPAR actively reduces energy consumption and GHG emissions through strategic partnerships and sustainable technologies. Long-term upgrades to property, plant and equipment include efficient lighting as well as heating, ventilation and air conditioning (HVAC) and refrigeration systems at retail, while distribution centres implement targeted measures such as solar panel installations, high-efficiency fans, variable speed drives, LED lighting and optimised temperature and HVAC controls.

To accelerate progress towards net zero by 2050, SPAR is rolling out several actions over the next two to five years. These include deploying energy-efficient solutions across SPAR-owned assets, transitioning to renewable energy and decarbonising and electrifying the transport fleet.

Since 2017, SPAR has maintained a growing database of proven energy efficiency and renewable energy projects – expanded in 2023 to include international territories. Solar PV installations across distribution centres reduce grid reliance and diesel generator use.

Solar installations in Southern Africa generate:

South Rand

2 698 337kWh

Western Cape

1 041 785kWh

KwaZulu-Natal

2 271 639kWh

Lowveld

461 115kWh

North Rand

1 194 528kWh

Eastern Cape

1 504 709kWh

Solar installations in Ireland at the national distribution centre generate 212 859kWh and at the Value Centre 337 624kWh (six sites consolidated).

In Southern Africa, SPAR's measures to reduce our emissions include:

- Enhancing transportation efficiency by optimising outbound routes, deploying battery-electric refrigeration systems and using live fuel probes to monitor consumption and prevent theft
- SPAR's power purchase agreement with Terra Firma expanded solar capacity at distribution centres: 600kW at South Rand, 300kW in KwaZulu-Natal and 2MW in the Western Cape where roof space allows
- Solar and battery storage installation at Encore offices – a hybrid system with two 50kW and two 60kW batteries and 109 Tier 1 solar panels
- Conversion of existing lighting to LED equivalent in all our distribution centres

In Ireland, SPAR follows a three-pronged strategy:

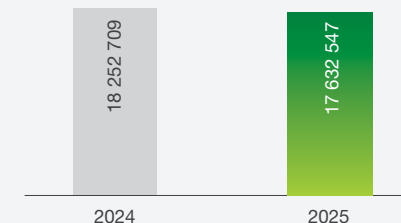
- 1 Adopting low-carbon fleet technologies
- 2 Enhancing refrigeration efficiency
- 3 Collaborating with industry partners

Since 2015, BWG in Ireland has worked closely with transport partners and energy providers to implement carbon-reducing initiatives, leveraging innovations in compressed natural gas, biofuels, electric vehicles and hydro-treated vegetable oil (HVO). Supported by expert training in telemetry and eco-driving, the fleet integrates advanced refrigeration systems like EcoGen trailer units and air curtains. Strategic partnerships with Coca-Cola and Dixon International Transport enable fully electric heavy goods vehicle (HGV) deliveries to the distribution centre in Dublin. A staggered five-year renewal programme includes fuel-efficient, non-diesel fridges and dynamic route scheduling software.

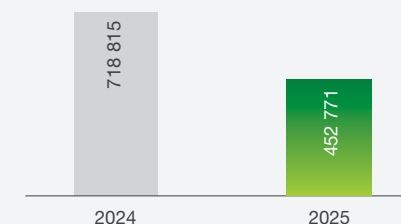
BWG continues to implement a decarbonisation plan, deploying 28 biogas-trucks (1 960 tonnes reduction) and four diesel trucks powered by HVO (280 tonnes reduction) and three electric HGVs. Its green fleet achieved a 90% reduction in tailpipe emissions, compared to equivalent Euro VI diesel vehicles, with three electric HGVs and one van contributing to an annual carbon saving of 280 tonnes. BWG continues to benefit from an established rerouting plan that removes 2.3 million truck kilometres from Irish roads through delivery efficiencies.

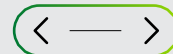


Group: Diesel used by fleets (L)



Group: Diesel used by generators (L)





Pollution

Globally, stakeholders are calling for stronger corporate action against pollution. SPAR is especially focused on reducing air pollution from transport, potential soil contamination from agricultural chemicals used in food production and plastic waste in water bodies generated through operations.

In response, SPAR in Southern Africa focuses on three priority areas:

- 1 Air pollution from diesel transport and refrigeration
- 2 Potential soil contamination from agricultural chemicals used in food production
- 3 Plastic waste in water bodies generated through retail operations

Negative

Air pollution from goods transportation and soil and water contamination:
Air pollution from diesel-powered transport and refrigeration along with soil contamination from hazardous substances like pesticides and water contamination by plastic poses serious risks to plant, animal and human health.

Integrated pollution response across transport, agriculture and packaging: SPAR addresses pollution by deploying low-carbon fleet technologies, optimising environmentally conscious transport and refrigeration systems, advancing regenerative farming practices to restore soil and plant health, and minimising plastic packaging waste.

Positive

Our pollution strategy

While our pollution strategy integrates low-carbon fleet technologies, route and refrigeration efficiency and responsible sourcing to reduce air and soil contamination, our circular packaging model, with on-pack recycling labels, supported by membership of the South African Plastics Pact, aims to prevent plastic leakage into ecosystems.

SPAR also conducts consumer research on pollution, which includes reducing absolute water use in partnership with local water associations concerned about pollution prevention and ecosystem restoration, as a key stakeholder in the Zwartkops River restoration initiative.

SPAR faces pollution-related risks across its value chain. Farming pollutants may disrupt agricultural production, ultimately impacting product availability and demand. In addition, inadequate recycling systems, particularly for plastics and food waste, can increase GHG emissions and place further pressure on landfill sites.

In response, SPAR is advancing regenerative farming to improve soil health, supporting systemic change through our South African Plastics Pact and eWASA membership, and promoting sustainable packaging solutions, including 100% recycled plastic bags made from post-consumer waste and SPAR plastic trolleys made from 65% post-consumer waste as well as paper-based carrier bags to reduce our plastic footprint.

For detail on related risks (biodiversity loss and agricultural productivity decline as well as packaging waste, food waste and circular economy transition), refer to sustainability risk management on [page 20](#).

Air pollution

Objective

- Developing science-based targets



Sustainability policy

Water pollution

Objectives

- Target 1: Taking action on problematic and unnecessary plastic
- Target 2: 100% of plastic packaging to be reusable, recyclable or compostable
- Target 3*: A minimum of 70% of plastic packaging effectively recycled
- Target 4: A minimum of 30% recycled content across all plastic packaging



Water policy and biodiversity policy

* This is an industry target and not a South African Plastics Pact member target.

Soil contamination

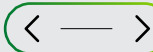
Objective

- Train 12 small-scale farmers annually to support soil health and crop resilience through sustainable farming practices and modern implements that enhance soil preparation, planting and integrated pest and disease control



Biodiversity policy





Water and marine resources

Water availability is a material issue for SPAR in Southern Africa where semi-arid conditions, uneven rainfall and ailing municipal water infrastructure heighten supply risks. To strengthen resilience, we are developing policies for warehouses and stores that promote water efficiency and stewardship.

Freshwater quality and access are essential for food safety, hygiene and refrigeration across stores and distribution centres. As a retailer handling large volumes of fresh and prepared food, SPAR must secure reliable potable water for current and future operations.

Recognising the shared responsibility across the supply chain, SPAR actively engages with fresh produce suppliers as key partners in promoting sustainable water use.

 In terms of our water policy and biodiversity policy, we are constantly researching and developing innovative solutions to reduce water use across our operations. As a leading retailer in Southern Africa, we are committed to preventing the pollution of water sources and maintaining environmental standards in our processes.

 Our commitment to sustainable seafood resource procurement is outlined on [page 43](#).

Our water and marine resources-related risks and opportunities

SPAR faces water-related risks due to limited surface and groundwater availability, driven by seasonal variability, climate change and deteriorating infrastructure. These challenges pose operational threats, particularly in regions with high water stress.

In response, SPAR is advancing water conservation through efficiency and storage initiatives including technology upgrades, rainwater harvesting and process improvements. Guided by the WWF water risk assessment, we are also developing drought and disruption response plans for key distribution centres in the Western Cape and KwaZulu-Natal.

Water resilience

Objectives

- No formal targets for efficient technologies but facilities must prioritise installing smart water meters on all sources (borehole, rainwater and municipal) within 12 months to improve data accuracy on water capacity and consumption
- Working with national logistics teams and distribution centres to formalise a warehouse water efficiency target using kL/m² intensity metrics already tracked via GCX with supporting measures to help facilities meet the goal



Water policy and biodiversity policy

Our water and marine resources approach

SPAR's water discharge from distribution centres accounts for approximately 90% of total water withdrawals including municipal, recycled, rainwater and borehole sources. All discharged water is directed to municipal sewerage systems for treatment in compliance with local regulations and environmental standards.

To address water resilience, particularly in regions facing reduced availability, SPAR continuously assesses and implements supplementary water supply options across its operations. Distribution centres in the Western Cape, Eastern Cape and KwaZulu-Natal are identified as high-risk flooding zones while Gauteng faces moderate flood risk but is more vulnerable to drought and water shortages. These are insights from SPAR's water risk assessment conducted in partnership with WWF.

SPAR's water resilience strategy follows a five-step framework that scales in complexity and cost:

- 1 Understanding water uses and risks
- 2 Reduce water use
- 3 Water reuse on site
- 4 Alternative water supply
- 5 Water stewardship

Negative

Water system strain: Reliance on municipal water supply in drought-prone regions is compounded by the discharge of approximately 90% of withdrawals into sewerage systems with limited on-site reuse across distribution centres.

Climate-related disruption: Drought and flooding pose significant risks to logistics, infrastructure and supply chain stability with direct impact on the availability and cost of fresh produce.

Efficiency gaps: Incomplete deployment of water-efficient technologies and smart monitoring systems continues to constrain operational resilience across sites.

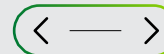
Operational efficiency: Reliable access to water, along with the use of recycled sources, enhances hygiene and food safety while contributing to cost reduction.

Smart systems and technologies: Monitoring systems and water-efficient solutions enable data-driven performance improvements and support waste minimisation across operations.

Supply chain resilience: Stable water supply supports consistent produce quality, competitive pricing and supplier relationships.

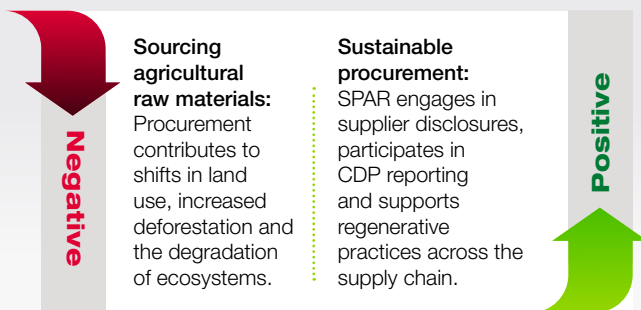
Stewardship and compliance: Responsible water discharge and transparent practices reinforce sustainability alignment, enhance brand trust and support regulatory compliance.

Positive



Biodiversity and ecosystems

In Southern Africa, SPAR's exposure to biodiversity loss and land use change is directly due to the environmental impacts embedded in our raw material sourcing and supplier practices. As a food retailer, the procurement of agricultural inputs drives land conversion and ecosystem degradation. Market research further confirms that consumers increasingly base purchasing decisions on perceptions of retailers' environmental responsibility.



Our biodiversity and ecosystems-related risks and opportunities

Disruptions to agricultural supply chains caused by climate change and biodiversity loss may lead to reduced crop yields, causing financial strain and retail prices increases. Potentially impacting brand loyalty and market share, these shifts risk driving consumers towards lower-cost alternatives.

To retain consumers, businesses can invest in resilient, affordable sourcing strategies, such as SPAR's private label expansion. Supporting regenerative, agro-ecological and climate-resilient farming practices, paired with clear in-store messaging and product visibility, can reinforce trust and demonstrate sustainability leadership.

For detail on related risks (climate change and extreme weather impacts as well as biodiversity loss and agricultural productivity decline), refer to sustainability risk management on [page 20](#).

Southern Africa: Sustainable seafood procurement

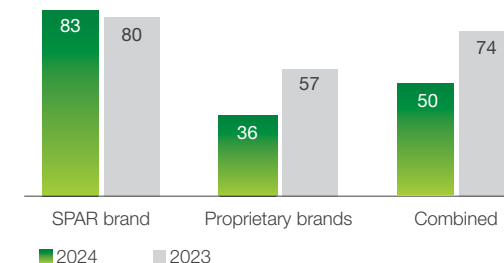
Target

- All private label seafood we procure through our distribution centres to be either on the WWF-Southern African Sustainable Seafood Initiative (SASSI) Green list, certified by third-party organisations like the Marine Stewardship Council (MSC) or the Aquaculture Stewardship Council (ASC) or GLOBALG.A.P. (aquaculture)



Sustainable seafood procurement policy and biodiversity policy

Percentage seafood meeting SPAR's sustainability commitments (%)



Southern Africa: Timber products

Targets

- All timber sold through Build it sourced from FSC-certified plantations in Southern Africa
- All SPAR paper and board packaging FSC-certified



Biodiversity policy

Southern Africa: Palm oil

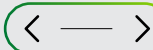
Target

- All SPAR private label products Roundtable on Sustainable Palm Oil (RSPO)-certified by 2030



Biodiversity policy and palm oil policy





Biodiversity and ecosystems continued

Cattle products

Targets (Ireland)

- 100% private label fresh meat from Bord Bia-approved suppliers and Origin Green/Meat Processor Quality Assurance Scheme signatories
- 80% private label milk from Origin Green members



Biodiversity policy

Our biodiversity and ecosystems approach



SPAR's biodiversity policy, approved by the Group Executive Committee in 2025, affirms our commitment to protecting Southern Africa's natural heritage while continuing to offer affordable products to retailers and consumers.

Cattle products are recognised as a deforestation risk globally. In Southern Africa, SPAR's private label beef and cattle products are sourced from local suppliers operating on established agricultural land, ensuring no new deforestation or ecosystem conversion is associated with their operations. Soy used by SPAR brand suppliers in South Africa is minimal. The cattle are primarily fed grass or grain with soy comprising less than 5% of their supplementary feed, thereby further limiting the deforestation risk. As a result, in Southern Africa, SPAR does not currently set deforestation targets for cattle products. Instead we prioritise higher-risk commodities such as timber and palm oil. Nevertheless, in Southern Africa, SPAR plans to introduce supplier-related targets for cattle products within the next two years. In the interim, supplier certification requirements, including ISO 22000, ensure rigorous standards for food safety, traceability and risk management.

In Ireland, BWG adheres to the Bord Bia Origin Green guidelines, partnering with certified suppliers and maintaining accreditation under the Origin Green sustainability programme since 2018. This programme evaluates sustainability across the entire supply chain.

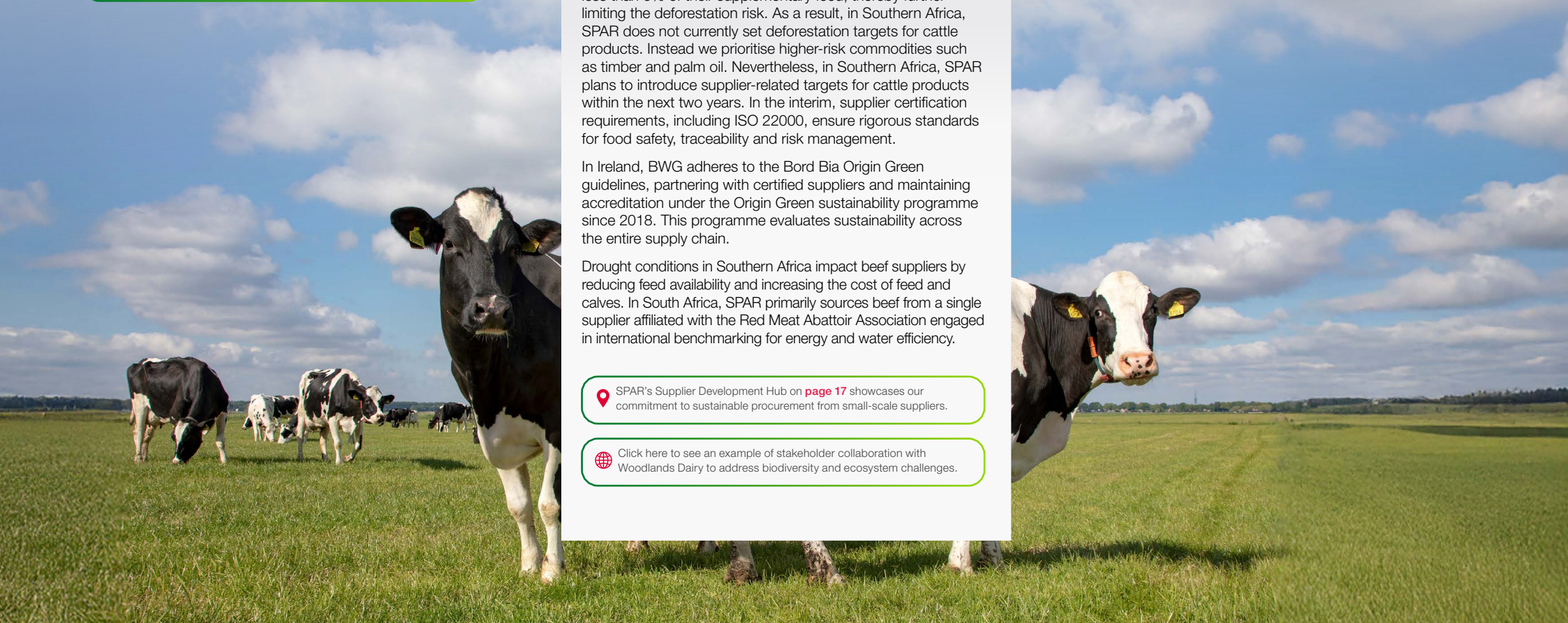
Drought conditions in Southern Africa impact beef suppliers by reducing feed availability and increasing the cost of feed and calves. In South Africa, SPAR primarily sources beef from a single supplier affiliated with the Red Meat Abattoir Association engaged in international benchmarking for energy and water efficiency.

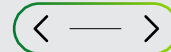


SPAR's Supplier Development Hub on [page 17](#) showcases our commitment to sustainable procurement from small-scale suppliers.



[Click here](#) to see an example of stakeholder collaboration with Woodlands Dairy to address biodiversity and ecosystem challenges.





Biodiversity and ecosystems continued

Seafood

We remain committed to sourcing seafood responsibly by supporting sustainable, well-managed fisheries and aquaculture operations that demonstrate traceability, transparency and safety.

SPAR's sustainable seafood procurement policy, focused on sustainability and traceability, is closely aligned with water availability through emphasis on responsible aquaculture, ecosystem protection and climate resilience. It prioritises sustainability and traceability including freshwater species such as tilapia typically sourced from aquaculture systems.

The Group is committed to sourcing seafood that meets credible sustainability standards – either listed on the WWF-SASSI Green List or certified by third-party organisations such as the MSC, ASC or GLOBALG.A.P. Where certified products are not available, SPAR ensures that all seafood and freshwater products, including private label items, are sourced from fisheries engaged in credible, time-bound improvement projects aimed at achieving MSC/ASC certification or WWF-SASSI Green List status.

SPAR's seafood procurement performance reflects a mixed trend across proprietary and SPAR brands. For proprietary brands, the percentage of species meeting sustainability criteria declined from 57% in 2023 to 36% in 2024. In contrast, SPAR-branded seafood maintained compliance with 80% in 2023 and improved slightly to 83% in 2024. SPAR is currently awaiting an updated problematic species list from SASSI to support more targeted planning by the research and development team.



Timber products

SPAR's scenario planning highlighted the need to collaborate with timber suppliers to raise climate awareness and build resilience to climate-related risks. In response, we are diversifying our supply base and strengthening oversight to mitigate identified impacts.

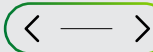
All timber sold through the Build it is sourced locally from FSC-certified plantations in Southern Africa. This enables full traceability. Our Build it suppliers also undergo regular audits to ensure legal compliance and maintain FSC chain of custody certification. This affirms their commitment to sustainable and responsible practices across the timber supply chain. SPAR also holds an annually renewed FSC promotional licence.

To further address deforestation risks, we are establishing measurable targets that apply to all SPAR-sourced timber sold through Build it stores as well as timber-based packaging including paper and cardboard. These certification-led targets are being integrated into SPAR's evolving enterprise risk management framework. The biodiversity policy strengthens this by embedding supply chain alignment into SPAR's broader commitment to responsible sourcing and ecosystem protection.



For further detail, please refer to the 2022 climate change report.





Biodiversity and ecosystems continued

Coffee

By 2050, climate change is projected to render half of the world's prime coffee-growing land unsuitable. Rising global temperatures are already impacting the quality and quantity of coffee yields. This is evident in price surges linked to prolonged droughts in Brazil.

In Southern Africa, SPAR's coffee offerings – including ground beans, espresso capsules and Beantree Café blends – reflect our commitment to responsible sourcing. Select Beantree blends carry internationally recognised Rainforest Alliance and Fairtrade certifications. This affirms ethical and sustainable standards.

As sustainable coffee farming prioritises efficient use of water, energy, fertilisers and pesticides, it aligns with SPAR's broader commitment to sustainable living and resource stewardship.

Beantree coffee is now 4% Rainforest Alliance-certified (up from 0.25% last year).



Palm oil

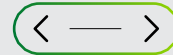
As a member of the RSPO, SPAR tracks progress towards sourcing exclusively RSPO-certified palm oil with access to traceability data and certification pathways. In Southern Africa, SPAR is collaborating with suppliers, starting with SPAR private label products, to transition to sustainably sourced and/or RSPO-certified palm oil.

To achieve this, SPAR is:

- Setting annual transition targets for palm oil sourcing
- Developing a robust data and reporting system
- Providing ongoing training in sustainable palm oil procurement for product development and buying teams

In South Africa, SPAR is one of 87 retailers globally participating in the RSPO Shared Responsibility Scorecard and currently ranks third among the top-performing South African retailers in this cohort.





Resource use and circular economy

Globally, the shift towards a circular economy is accelerating under mandatory waste management regulations anchored in EPR principles. These frameworks promote circular design, sustainable production, responsible disposal of waste materials including plastic and other environmentally harmful packaging and a meaningful reduction in food waste.

In South Africa, mounting challenges around supply chain security and disposal liabilities amplify environmental and social risks while threatening business competitiveness. This affects continuity, workforce stability and long-term investment viability.

Operational efficiency, regulatory alignment and consumer trust: Packaging waste, food loss and intensive water and energy use in high-risk regions are compounded by irregular supplier compliance and limited circular economy infrastructure.

Promote circularity: Sustainable packaging initiatives, supplier sustainability disclosures, GLOBAL.G.A.P. and FSC certifications, food waste reduction systems and participation in EPR programmes collectively strengthen environmental performance and supply chain accountability.

Negative

Positive

Our resource use and circular economy-related risks and opportunities

Adopting circular economy packaging (reusable, recyclable and compostable options aligned with South Africa's waste recovery systems) can reduce waste, lower raw material dependence and improve cost efficiency. Strengthening sustainability credentials through visible infrastructure like recyclable refuse stations enhances brand differentiation and consumer trust. Helping mitigate supply chain risks and uphold regulatory compliance, long-term resource resilience is supported by responsible procurement practices.



For detail on related risks (packaging waste, food waste and circular economy transition), please refer to sustainability risk management on [page 20](#).

Southern Africa: Recycling and reuse

Targets

South African Plastics Pact targets:

- Target 1: Taking action on problematic and unnecessary plastic
- Target 2: 100% of plastic packaging to be reusable, recyclable or compostable
- Target 3*: A minimum of 70% of plastic packaging effectively recycled
- Target 4: A minimum of 30% recycled content across all plastic packaging

Recycled waste from distribution centres (tonnes)	2025	2024	2023
Paper and board waste	20 868	20 178	19 271
Plastic waste	2 578	2 550	2 285
Total packaging waste	23 446	22 728	21 557



Packaging policy and biodiversity policy

Southern Africa: Sustainable sourcing

Target

- All SPAR-branded recycled plastic carrier bags used in South Africa with 100% minimum post-consumer waste



Packaging policy and biodiversity policy

Southern Africa: Reducing food waste

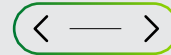
Target

- Halve food waste by 2030



Food waste policy

* This target tracks the national recycling rate and individual South African Plastics Pact member companies are not measured against this target.



Resource use and circular economy continued

Our resource use and circular economy approach



SPAR's sustainable procurement policy acknowledges the challenges in the food system and our responsibility as a major retailer to ensure products are sustainably, responsibly and ethically procured.

SPAR's sustainable procurement strategy is designed to meet rising consumer expectations and evolving regulations. This includes:

- Full compliance with national legislation
- Alignment with local government policy
- Adherence to industry standards for sustainable and safe production
- Oversight of supplier systems that promote food security and responsible sourcing

To strengthen supply chain resilience, SPAR champions a circular economy approach: reducing reliance on offshore supply chains and virgin materials, improving system efficiency, retaining local value and unlocking access to premium markets.

While alternatives to plastic packaging – such as paper, glass, aluminum and biodegradable materials – often carry high raw material and production costs, SPAR remains committed to the transition. We actively engage with packaging suppliers and manufacturers to share technical knowledge, deliver on-site training and provide support to accelerate sustainable packaging adoption.

Recycling and reuse

Circular design

As part of SPAR's ongoing commitment to stakeholder engagement and responsible partnerships, Build it has joined forces with the eWASA to address the growing challenge of e-waste in local communities.

In November 2024, SPAR launched a pilot e-waste collection initiative at selected Build it stores, working in close collaboration with Electronic Cemetery, a Hammersdale-based entrepreneur, and our national and regional Build it operations teams. This partnership enables safe, community-accessible disposal of e-waste while supporting local enterprise and job creation.

Complementing this initiative, SPAR has also embedded post-consumer waste materials into the design of our shopping trolleys since 2023 – reinforcing our commitment to circular economy principles and sustainable product innovation.

SPAR's packaging strategy balances health and safety with environmental responsibility. While single-use plastics have historically played a role in maintaining hygiene standards, they also contribute to pollution and reinforce a linear buy-use-dispose culture. In response, SPAR is advancing circular economy principles by prioritising packaging that is reusable, recyclable or compostable – creating systems that minimise waste and reduce reliance on virgin materials.

This approach includes clear labelling to guide consumer disposal, selecting mono-materials over composites to simplify recycling and designing packaging that allows easy extraction of contents. SPAR also works closely with suppliers to encourage sustainable practices, which ensures transparency and fair pricing across the value chain. The goal is not just to reduce waste but to reshape packaging policy around long-term environmental stewardship and consumer trust.

In Southern Africa, SPAR's packaging targets are fully aligned with the South African Plastics Pact and EPR frameworks. We support the South African Plastics Pact as a collaborative, non-competitive platform focused on advancing a circular economy for plastic packaging. The pact enables cross-regional sharing of best practices and has shaped many of SPAR's packaging innovations. Notable achievements include the standardisation of recycling logos to reduce consumer confusion and improve traceability across the plastics value chain.

SPAR is a founding member of the South African Plastics Pact and a signatory to its principles. Through this collaboration, we aim to transform how plastic products and packaging are designed, used and reused – anchored by targets that drive innovation, reduce environmental impact and accelerate the shift towards a circular economy.



The South African Plastics Pact is a collaborative platform uniting:

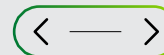
Retailers driving sustainable product design and packaging choices

Suppliers innovating across materials and manufacturing systems

Government agencies shaping policy and regulatory alignment

Consumers adopting responsible disposal and reuse behaviours

Recyclers enabling circular infrastructure and material recovery



Resource use and circular economy continued

Circular economy thinking

Embedding sustainability across packaging, logistics and consumer engagement, SPAR's circular economy strategy extends beyond our own operations to include Build it and other subsidiaries.

In partnership with eWASA, SPAR and Build it launched an e-waste take-back pilot initiative in December 2024 – collecting over 200kg of discarded electronics refurbished for reuse or recycled into bricks, bags and containers. This initiative supports local job creation and is set to expand to seven additional Build it stores in KwaZulu-Natal. A paint bucket return system is being planned for rollout in 2026 at the same stores. This will enable contractors and customers to return empties for recycling and improve foot traffic and circularity.

Under South Africa's EPR regulations, SPAR is classified as a brand owner and accountable for paper and plastic packaging, electrical and electronic equipment as well as lighting. All subsidiaries (including Encore, Build it and SPAR Health) are EPR-compliant and registered with eWASA since 2024.

Packaging innovation has diverted over 124 tonnes of material from landfill. SPAR's dog food and pasta ranges transitioned from multi-material laminates to mono-material cast polypropylene while Homecare products now use high-density polyethylene (HDPE) with 30-50% post-consumer waste. Frozen food lines such as hash browns and crumbed plant-based stock-keeping units shifted from polyboard to recyclable low-density polyethylene and GC2 board. SPAR plastic carrier bags have been made from 100% post-consumer waste since 2025.

We have thus improved recyclability, lowered our carbon footprint and streamlined factory operations. Guided by SPAR's "My SPAR, Our Tomorrow" philosophy, we treat waste as a resource: closing the loop through thoughtful design, recovery and reuse. Circularity is not just a concept; it's a Group-wide commitment.

In shaping our packaging strategy, SPAR draws from an integrated framework rooted in circular economy principles and guided by a commitment to sustainability, communication and traceability. Six core principles inform every packaging decision:

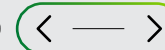
- 1 Circular economy thinking ensures materials and systems are designed for reuse, recovery and regeneration
- 2 Communication and education for consumers and the entire value chain build awareness and drive behavioural change
- 3 Every material is traceable and responsibly sourced to reinforce ethical procurement and transparency
- 4 Research and development enable innovation and continuous improvement in packaging design and functionality
- 5 SPAR brand standards ensure consistency, quality and alignment with broader sustainability goals
- 6 Sales-driven solutions ensure packaging remains commercially viable while advancing environmental responsibility

To translate these principles into practice, SPAR adheres to six design standards that shape the physical and functional aspects of packaging:

- 1 Labels must clearly communicate recyclability to empower consumers to make informed disposal choices
- 2 Mono-materials are favoured over composites to simplify recycling and reduce contamination
- 3 Packaging must allow for easy extraction of contents to minimise waste and improve user experiences
- 4 Materials should be separable for efficient recycling and recovery
- 5 The number of materials used in a single pack is minimised to reduce complexity and environmental impact
- 6 Pre- and post-consumer recycled content is incorporated wherever possible to reinforce circularity and reduce reliance on virgin materials

Beyond standards, SPAR's design thinking is informed by nine specific rules that target high-impact areas in packaging sustainability:

- 1 Increase the recycling value of polyethylene terephthalate (PET) packaging through improved design and material choices
- 2 Remove problematic components from packaging that hinder recyclability or contaminate recovery streams
- 3 Eliminate excess headspace in packaging such as empty space in crisp bags to reduce material use and improve efficiency
- 4 Reduce the use of plastic overwraps and unnecessary secondary packaging across product lines
- 5 Enhance the recyclability of PET thermoformed trays and similar formats by aligning with recovery infrastructure
- 6 Improve recycling outcomes for flexible consumer packaging through material simplification and clearer labelling
- 7 Minimise virgin plastic use in business-to-business packaging by prioritising recycled content and reusable formats
- 8 Increase the recycling value of rigid HDPE and polypropylene packaging through design-for-recycling principles
- 9 Provide clear, standardised on-pack recycling instructions to guide consumer disposal and support circularity



Resource use and circular economy continued

Packaging waste

As a retailer, large volumes of packaging move through our facilities. We reduce the environmental impact by recycling packaging at our distribution centres.

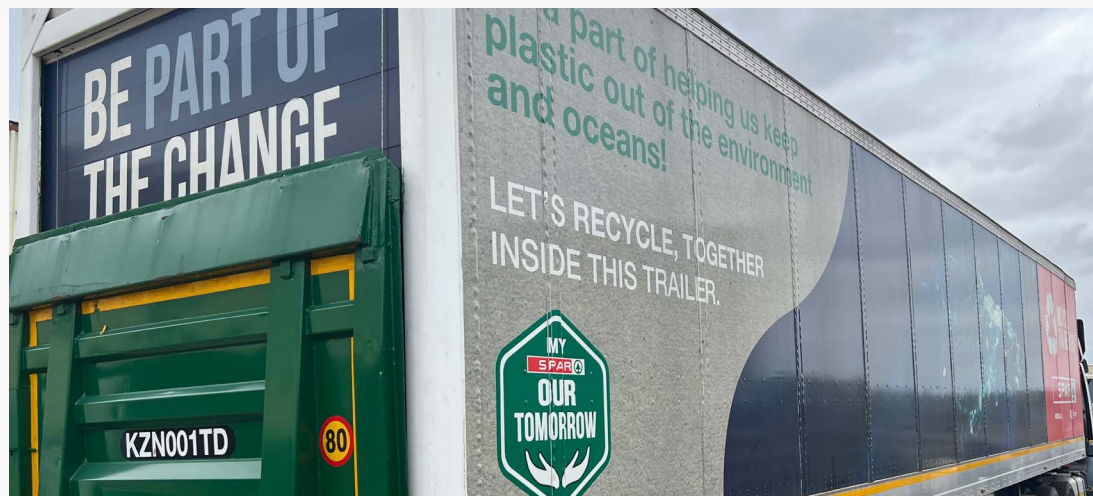
In Ireland, BWG is reducing single-use plastic by introducing compostable punnets. In line with Ireland's deposit return scheme, BWG enables container returns in-store, displays the Re-turn logo on eligible items and provides reverse vending machines.

In South Africa, plastic carrier bags are subject to an environmental levy allocated to establishing recycling facilities. The only plastic carrier bags used by SPAR, which may feature the "My SPAR, Our Tomorrow" logo, comply with South African legislation and SPAR's sustainability commitments. Our environment team monitors compliance with SPAR specifications through external South African Technical Auditing Services audits and supplier visits. Additionally, SPAR-branded plastic shopping bags are made from 100% post-consumer waste.

In Southern Africa, SPAR's progress towards the South African Plastics Pact targets to date includes achieving 39.27 tonnes for Target 1, with polyvinyl chloride rigid packaging comprising 65% of this total, 57.41% of Target 2, 54% of Target 3* and 35.26% of Target 4. As Target 3 is an industry target, individual Plastic Pact member companies are not measured against this target and this figure represents industry performance in 2023.

By replacing problematic plastics across our product range, SPAR has eliminated 3.6 tonnes of plastic from circulation. Packaging redesigns for products such as dog food and pasta, now fully recyclable, have diverted an additional 92 tonnes.

Furthermore, the integration of 30-50% post-consumer waste into our Homecare product packaging has resulted in over 32 tonnes of plastic being repurposed.



* This target tracks the national recycling rate and individual South African Plastics Pact member companies are not measured against this target.

Food waste

In South Africa, SPAR is actively reducing food waste across our entire value chain, guided by our commitment to the South African Food Loss and Waste Voluntary Agreement and the SDG target to halve food waste by 2030. SPAR's goal to eliminate food waste sent to landfill by 2027 and ensure that no safe, edible food is discarded begins at the source. On farms and among suppliers, SPAR improves forecasting and packaging to prevent waste, redirects surplus food to FoodForward or animal feed through the North Rand distribution centre, in partnership with Friendly Cow, and supports farmers through donations and affordable nutrition initiatives.

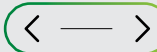
At wholesale distribution centres and central offices, food waste is tracked and reduced through data-driven forecasting and monitoring. Surplus is again redirected to food banks or animal feed with warehouse teams implementing targeted reduction strategies.

In retail stores, improved forecasting and markdowns help minimise waste. Surplus food is donated or repurposed and stores actively track and analyse waste data to refine operations. Food unfit for human consumption is diverted to animal feed or biochemical processing to ensure nothing goes to landfill unnecessarily.

Across all locations, teams from warehouses to human resources help track food waste and coordinate donations. Their efforts reinforce SPAR's commitment to responsible resource management and community support.

In Ireland, BWG manages inventory through a live warehouse system enabling daily stock rotation. Through FoodCloud hubs, surplus food is redistributed to charities like Meals on Wheels, after-school clubs and homeless shelters with additional waste repurposed for anaerobic digestion. Since 2015, this partnership has donated 354 tonnes of food (equivalent to 844 000 meals) and avoided 1.13 million tonnes of CO₂e emissions. BWG reports food waste annually via the Origin Green Programme and the Environmental Protection Agency's Food Waste Charter, aligning targets with SDG 12.3 to halve per capita food waste by 2030. Over 120 stores also use Too Good to Go, which saves 31 000 meals and avoids 85 130kg of CO₂e.

Through our ongoing partnership with Food Forward in South Africa, SPAR has, since 2021, donated an impressive 203 259.77kg of surplus food – equivalent to 813 036 meals – and has successfully averted 142t CO₂e of potential GHG emissions by diverting food waste from landfill.



05

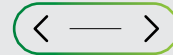
Socio-economic development impacts

Own workforce and workers in the value chain
Affected communities, consumers and end users

50
56

SPAR's socio-economic development team – guided by the Social, Ethics and Sustainability Committee – drives the Group's transformation agenda through Board-approved policies and strategies.





Own workforce and workers in the value chain

Material themes	Material topics
ESRS S1 Own workforce	• Health and safety • Workplace diversity and inclusion
ESRS S2 Workers in the value chain	• Training and development • Work-life balance • Freedom of association
ESRS S3 Affected communities	• Free, prior and informed consent of indigenous people • Food security
ESRS S4 Consumers and end users	• Consumer rights

Our socio-economic development purpose is to grow people and communities so that no one is left behind. Rooted in the principles of a just transition, our purpose is to support inclusive transformation – socially, economically and environmentally – as we shift from a carbon-based economy to a renewable future. We aim to equip individuals with the skills and opportunities needed to thrive with dignity and independence.

For meaningful economic development and poverty reduction in Southern Africa – especially amid rising living costs, energy instability and food insecurity – the region urgently needs:

- Universal access to quality education, skills training and healthcare
- Solutions to unemployment, inadequate housing, infrastructure and social protection
- Strong collaboration between government, business and civil society

While South Africa's commercial farming sector supports regional food security through exports, domestic food security remains at risk due to political instability, economic pressures and climate-related drought.

In Ireland, despite a strong employment market and access to public healthcare and social services, challenges persist:

- Cost-of-living pressures are reshaping consumer behaviour and driving demand for healthier, more sustainable and value-driven choices
- Shifting sustainability sentiment is emerging amid regulatory uncertainty in the EU and policy rollbacks in the United States are challenging corporate sustainability strategies
- Energy security risks remain high with Ireland's island geography exposing it to supply volatility – underscoring the need for renewable investment and resilience planning
- Supply chain fragility is amplified by geographic constraints, which is reinforcing the urgency of building diversified, future-fit distribution networks

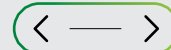
SPAR's employees and all workers in our value chain are the backbone of operations – they ensure stores run smoothly, shelves are stocked and customer service remains consistent. Their wellbeing directly affects productivity, service quality and our ability to adapt to market demands.

By committing to fair wages, reasonable hours, freedom of association and work-life balance within our own business, SPAR not only meets legal and ethical standards but also builds a loyal, motivated workforce. This strengthens brand integrity, reduces turnover and supports long-term growth through stable, values-driven operations.

Group: Permanent employees	2025	2024	2023
Southern Africa	4 657	4 489	4 622
Ireland	2 121	1 915	1 644

Group: Average age of permanent employees	2025	2024	2023
Southern Africa	38	39	39
Ireland	40	40	40





Own workforce and workers in the value chain continued

Negative

Excessive working hours in upstream and downstream operations: Retailers may experience health complications.

Disruptions to operations as a result of strikes: Work stoppages have the potential to disrupt business operations.

Employee wellness: We demonstrate commitment to employee health and safety by implementing relevant policies and proactive initiatives.

Diversity and inclusion targets and initiatives: We promote equal opportunity and drive workplace transformation by implementing employment equity measures and supporting small-scale supplier development.

Career progression through training and development: We support professional growth and build a skills pipeline.

Supplier development programme: We address challenges experienced by small-scale suppliers in meeting food safety standards.

Flexible work practices: We keep employees engaged, healthy and motivated for mutually beneficial success.

Positive



Our workforce-related risks and opportunities

Supplier breaches of health and safety commitments, especially in high-risk territories, can lead to reputational damage and financial consequences. This undermines stakeholder trust and compliance standards.

Engaging with suppliers committed to sustainable practices strengthens ethical sourcing and mitigates risk. Boosting resilience and long-term value, integrating small-scale suppliers diversifies the supply chain.

Additionally, building an inclusive workforce culture enhances employee retention, brand reputation and financial performance. Investing in employee training improves productivity, reduces turnover, elevates consumer service and fosters innovation. This drives revenue growth and operational efficiency.

For detail on related risks (responsible sourcing, labour rights and supplier governance as well as food safety, consumer rights and product integrity), please refer to sustainability risk management on [page 20](#).

Health and safety

Objectives

- Zero work-related injuries and fatalities
- All employees participating in best practice health and wellbeing programmes that help to reduce absenteeism and improve productivity



Workplace diversity and inclusion

Objectives

- Continue the leadership transformation journey (particularly at executive level)
- Improve the demographic for female representation in the workforce
- Contribute to reducing youth unemployment in South Africa by increasing the number of youth (under 30) in the SPAR Group
- Implement the first phase of the living wage rate (R12 500 per month) and give effect to the fair wage policy



People development

Objective

- Developing and strengthening leadership potential among historically disadvantaged people in critical business areas



Freedom of association

Objective

- Developing an active workforce covered under collective bargaining agreements





Own workforce and workers in the value chain continued

Our human resource strategy

SPAR's human resource strategy centres on consistency, operational excellence and long-term workforce agility. Through a centre of excellence, shared services and strategic partnerships, SPAR is building future-fit human resource capabilities. Talent development focuses on priority skills in fresh produce, buying, planning, retail operations and data literacy.

The Group also fosters a healthy, inclusive work culture grounded in collaboration, ethical conduct and innovation.

Across all territories, we align our employee value proposition with SPAR's purpose, vision and evolving workforce needs.

To embed vision, purpose and values in Ireland, the BWG Compass has been introduced as a guiding framework that shapes how the business operates and succeeds sustainably into the future. At its core is BWG's vision: "To be Ireland's number one choice for independent retailers and foodservice providers – delivering innovative solutions that drive profitable and sustainable business."

Pay equity

SPAR is committed to fair and equitable compensation across our workforce. We monitor basic salary and total remuneration by gender, race, grade and region. This includes benchmarking against local minimum and living wage standards, tracking wage ratios at entry level and assessing disparities between gender and race.

The Group also monitors executive pay ratios by comparing CEO compensation to the median earnings of employees. This helps to identify potential structural imbalances. Where disparities linked to gender or race persist, this analysis informs the need for focused and equitable interventions.

SPAR's pay equity analysis informs our broader inclusion strategy, which reinforces our commitment to dignity, fairness and sustainable workforce development. By aligning wages with living standards and addressing gaps in representation and remuneration, we support household stability, strengthen communities and advance the SDGs.

Health and safety

Our integrated employee wellbeing initiatives support work-life balance, safety and holistic health.

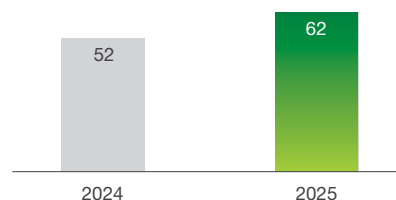
In South Africa, we enforce a workplace harassment policy, offer inclusive leave benefits for diverse family circumstances and promote dignity through targeted e-learning. Wellness programmes include access to psychologists, occupational healthcare clinics, medical aid, fitness activities and financial support via Old Mutual and the Wellness Solutions app.

In Ireland, BWG provides a 24/7 multilingual employee assistance programme, digital and on-site wellness services and healthy eating through the relevant health initiative. Retailers benefit from tailored e-learning and wellness events.

SPAR maintains rigorous health and safety protocols, which include tracking injuries, fatalities and ill-health trends to inform interventions and ensure compliance. The Group also calculates the financial impact of incidents to guide investment in safer systems and infrastructure.

In 2025, we recorded 62 work-related injuries (2024: 52). The main types of work-related injuries over 9 620 182 working hours were 59 major injuries and three serious injuries. The trend illustrated in the following graph underscores the importance of proactive health and safety measures across our operations.

Group: Work-related injuries
(number of employees)



Mental health and emotional resilience are central to SPAR's wellbeing strategy, which aims to reduce absenteeism, improve productivity and foster a socially integrated, high-performing workforce.

People development

SPAR invests in leadership and workforce development across South Africa and Ireland. Across both territories, SPAR tracks training hours, expenditure and internal mobility to measure impact. By bridging skills gaps and upskilling unqualified candidates, we strengthen workforce resilience and agility. Training is positioned as a strategic lever for innovation, performance and long-term value creation.

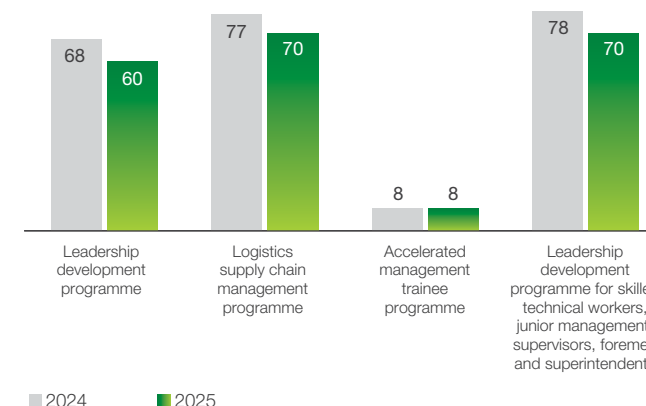
In South Africa, SPAR remains committed to cultivating leadership potential among historically disadvantaged people with focus on critical business functions.

In 2025, 66 supervisors (2024: 68) graduated from the leadership development programme at the SPAR Academy of Learning. The logistics supply chain management programme remains at 77 team leaders and managers (2024: 77) while the accelerated management trainee programme did not take place in 2025, (2024: eight) in merchandising, marketing and retail.

Additionally, 94 professional team leaders (2024: 78) completed the leadership development programme for skilled technical workers, junior management, supervisors, foremen and superintendents.

The trend in participation across SPAR's critical business functions, illustrated in the following graph, reflects notable growth in leadership development at the team leader level.

South Africa: Cultivating leadership potential among historically disadvantaged people
(number of employees)





Own workforce and workers in the value chain continued

In Ireland, BWG delivers a comprehensive human resources strategy designed to empower independent retailers and leadership teams. The Next Generation Entrepreneur Programme, launched in 2024 in partnership with Dublin City University Business School, combines academic learning with mentorship from experienced retail professionals. Through the BWG Academy, targeted leadership development programmes address key areas such as deli profitability, wine appreciation and employment law.

BWG also offers a full-spectrum human resources solution via H2R while the Mental Health First Aid programme continues to be rolled out across the business. This reinforces BWG's commitment to employee wellbeing.

A structured career pathway and succession plan ensures alignment with individual development goals – supported by BWG's performance management process. This critical business tool aligns employee objectives with company strategy, provides performance feedback and identifies training needs to drive growth and capability.

Training	2025	
	South Africa	Ireland
Total hours of training provided	697 685	1 407.5
Number of employees trained	6 874	739
Average hours of training per employee (driven largely by accredited qualifications –learnerships and bursaries)	101	2
Total training costs	R50.9 million	170 000
Number of employees trained	6 874	739
Average cost of training per employee	R7 404	€230

Actual training costs exclude SPAR Academy of Learning personnel expenses (national and regional) and include all associated costs such as travel, accommodation and meals.

Retail Academy

SPAR is continuing to improve its Retail Academy in South Africa to build a sustainable pipeline of skilled, empowered retailers.

Designed to support succession in existing stores and fast-track B-BBEE ownership, this strategic initiative is being led by the human resources team. It replaces the earlier Retail Management Programme, which needed to be reviewed to ensure it continued to achieve long-term integration into SPAR's store network.

Addressing business sustainability and demographic transformation, the new academy will be strategically aligned with SPAR's broader learning ecosystem and operational imperatives.

In keeping with SPAR's commitment to meaningful collaboration with partners, we have obtained insights from an experienced entrepreneurship advisor and will designate selected corporate-owned stores as immersive training hubs for future retailers. We are also identifying key stakeholders who will provide strategic input into the academy's design and development.

Transformation and diversity

In Southern Africa, SPAR's transformation and diversity strategy is anchored in our employment equity policy – a guiding framework that addresses historical inequalities and embeds fair, inclusive practices across the Group. This commitment fosters a workplace where equity, representation and opportunity are actively advanced.

By strengthening diversity, particularly within executive teams, SPAR enhances innovation, inclusion and financial performance – unlocking measurable business value and contributing to broader social impact.

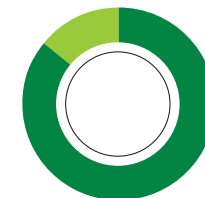
South Africa: Executive Committee diversity

Gender
(%)



■ Female: 57 ■ Male: 43

Race
(%)



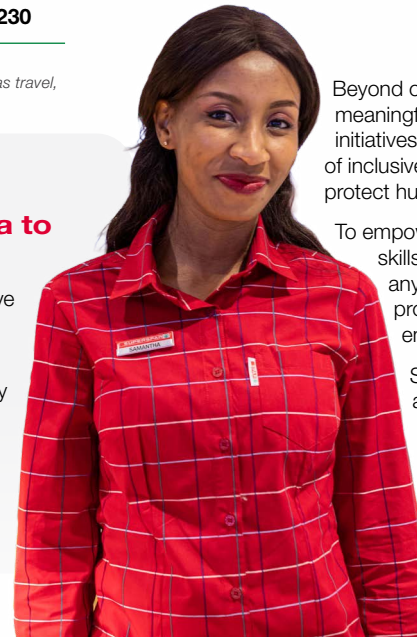
■ Black*: 86 ■ White: 14

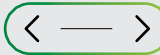
*As defined by South Africa's B-BBEE Act.

Beyond our internal mandate, SPAR seeks to be recognised as a meaningful contributor to broader social transformation. Through focused initiatives and strategic partnerships, the Group supports the development of inclusive, resilient communities. We thus promote long-term wellbeing, protect human rights and help to shape a more just and equitable society.

To empower our workforce, SPAR invests in initiatives that build future-fit skills, eliminate discrimination based on race, gender, disability or any other human rights violations, and enable sustainable career progression. We prioritise the development of managerial talent to ensure a diverse and capable leadership pipeline for the future.

SPAR tracks key transformation indicators to measure progress and guide improvement. In 2025, women represented 27.20% (2024: 27%) of our South African workforce across grading system bands and 90.05% (2024: 90%) previously disadvantaged individuals across all work levels.





Own workforce and workers in the value chain continued

Group: Female versus male employees

(% of total permanent employees)

	2025		2024	
	Female	Male	Female	Male
South Africa	27	73	27	73
Ireland	32	68	31	69

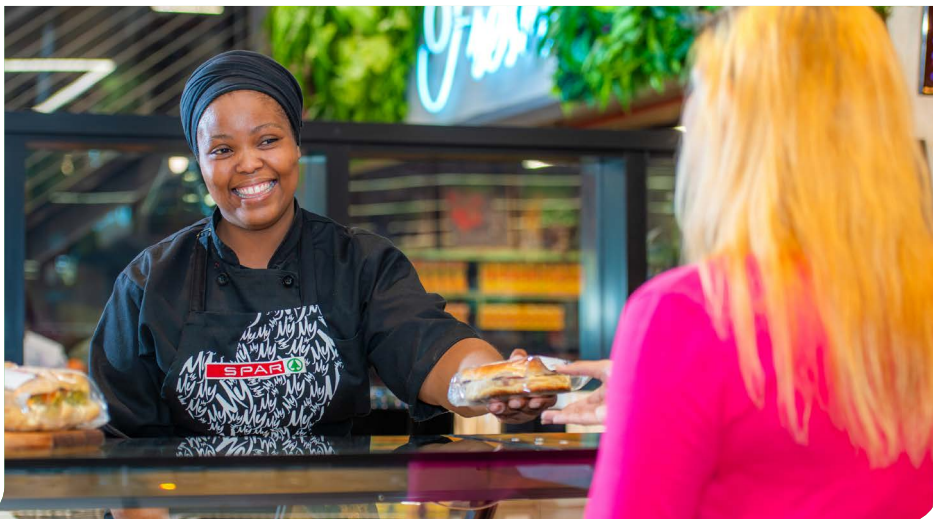
Under South Africa's B-BBEE legislation, companies are assessed across ownership (25 points), management control (19 points) and skills development (20 points), enterprise development (40 points) and socio-economic development (five points). A company's total score determines its contributor level. Level 3 achieved by SPAR requires a score between 80 and 89 and 110% procurement recognition. SPAR's B-BBEE score, which encompasses Central Office and eight distribution centres, was 80.35 in 2025 (2024: 81.55). The percentage of permanent black employees was 90.05% (2024: 89.77%) as at the end of September 2025. However, for the purposes of the B-BBEE rating, the employee data was calculated at the end of October 2025, which may result in minor differences in reported figures. SPAR achieved Level 3 contributor status in 2025, ownership was 25 (2024: 25) and skills development 18.12 (2024: 17.21).

SPAR tracks transformation progress on a quarterly basis across South Africa and within each division. Although divisions did not meet their 2025 targets – primarily due to a Group-wide hiring freeze introduced as part of cost-saving measures – performance accountability was decentralised to individual divisions. Subsidiaries including SPAR Health, Encore and Engage have been integrated into the transformation framework with their respective targets nearing finalisation.

South African black employees as a percentage of the workforce as at 26 September 2025

(% of total permanent employees)

Occupation level	2025	2024
Board (executive and non-executive directors)	54.50	50.00
Top management (Group Executive Committee)	47.00	35.29
Senior management (divisional executives and specialised Group functions)	44.44	37.20
Professionally qualified and experienced specialists and middle management	61.46	59.77
Skilled technical and academically qualified workers, junior management, supervisors, foremen and superintendents	84.67	83.55
Semi-skilled and discretionary decision-makers (operators and clerical employees)	98.82	98.66
Unskilled and defined decision-making (entry-level positions including general workers, cleaners or packers)	100.00	99.77



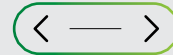
Youth employment

SPAR promotes youth employment in South Africa through the national YES programme with the JumpStart initiative, in partnership with the Mr Price Foundation, driving retention and absorption across the country.

Over the past three years, more than 90% of YES participants have come through JumpStart, underscoring its growing role in SPAR's youth development strategy.

In 2025, we trained 545 youth (2024: 470) through the YES programme – 539 through JumpStart (2024: 433) – with absorption of 131 learners between the overlapping 2024 and 2025 cohorts (2024: 22) into SPAR.

SPAR's cumulative data highlights a maturing initiative that meets B-BBEE compliance while delivering meaningful employment outcomes. Structured onboarding and targeted training continue to reduce attrition and support long-term workforce integration.



Own workforce and workers in the value chain continued

Freedom of association

SPAR upholds freedom of association as a core labour right. We track workforce coverage under collective agreements at our distribution centres to support fair, inclusive workplaces. To safeguard this right across our supply chain, we evaluate supplier practices in high-risk regions and implement corrective actions such as policy updates, training and grievance mechanisms where needed. This ethical and strategic approach builds trust, enhances transparency and reinforces workplace resilience while strengthening our social licence to operate and advancing key SDGs.

SPAR upholds its responsibility as a corporate citizen by promoting fair treatment across its value chain, guided by our supplier code of conduct, reinforced through membership agreements with independently owned retailers.

Human rights

SPAR monitors human rights compliance across operations and our supply chain, focusing on grievance reporting, impact assessments and modern slavery risks.

Formal reviews are tailored to country-specific regulations and risk profiles with heightened scrutiny in vulnerable regions.

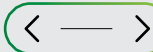
Grievances such as discrimination, unsafe conditions and wage disputes are tracked and resolved through structured mechanisms with corrective actions implemented to prevent recurrence.

Reinforcing SPAR's commitment to ethical conduct and long-term value creation, risks of employing children and forced labour are assessed by activity type and geography.

Discrimination and harassment incidents are monitored with monetary losses tracked and anti-harassment protocols embedded into induction programmes. Dedicated support teams and video-based training strengthen accountability.

SPAR's human rights policy is currently being finalised to formalise our commitment to dignity, safety and inclusion.





Affected communities, consumers and end users

Across a broad socio-economic spectrum, communities, consumers and end users are central to SPAR's value creation, risk management and sustainability commitments. Their lived realities shape our decisions, product strategies and how we build trust and relevance across regions.

In South Africa, SPAR anchors food security and dignity through affordable access, employment and local support. In Ireland, BWG stores strengthen community ties by championing local producers and redistributing surplus food to trusted charities.

Consumers also drive agility and brand strength: private label offerings in South Africa support affordability while partnerships in Ireland ensure surplus food reaches people in need. Across both markets, SPAR's governance and sustainability frameworks position these stakeholders at the heart of strategic direction to ensure our sustainability efforts reflect real-world impact – not just compliance.

Negative

Safeguarding community and consumer rights: Unfair marketing practices, inadequate product safety and breaches of consumer privacy undermine trust and regulatory compliance.

Food security and waste reduction: We actively support feeding schemes, charitable organisations and income-generating projects that uplift communities and promote sustainable development.

Positive

Social impact

BWG, through its retail brands, has a longstanding commitment to partnering with charitable organisations to raise funds and awareness through innovative, community-driven campaigns.

Contributions are generated via the sale of selected own-brand products, in-store donations and dedicated fundraising activities.

In 2025, SPAR and EUROSPAR launched a pioneering initiative with their charity partner, the National Breast Cancer Research Institute. The campaign, "Breast Before", leveraged the concept of best-before dates (one of retail's most familiar cues) to encourage regular breast checks as a proactive health measure. By linking everyday shopping habits to early detection, the campaign delivered a powerful message in a relatable and accessible way.

Since 2023, EUROSPAR has also partnered with Junk Kouture – a sustainable fashion competition that engages with students aged 12-19 in climate action through creativity and circular design. In 2025, the programme expanded to include Classroom Kouture – a new initiative aimed at younger learners aged 10-12 – bringing sustainability education into the classroom in a fun, hands-on format.

Improper food handling poses serious public health threats and reputational damage. Infringements of consumer rights, such as unsafe products or misleading marketing, can result in legal action, financial penalties and erosion of consumer trust.

Strengthening food safety protocols, traceability systems and supplier oversight while embedding consumer rights protections helps mitigate health, legal and reputational risks.

Robust governance frameworks position SPAR as a trusted and ethical retailer with compliance serving as a key brand differentiator.

South Africa: Community investment and social compliance

Targets

- Enterprise and supplier development: 2% of NPAT
- Socio-economic development

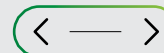


South Africa: Consumer rights

Target

- The consumer care line responds efficiently and professionally to consumer queries





Affected communities, consumers and end users continued

Our affected communities, consumers and end users approach

In South Africa, SPAR's corporate and retail initiatives aim to deliver direct and meaningful impact. Structured programmes provide tangible benefits in underserved areas: employment, skills development and income generation. Retailers play an active role in hosting, mentoring and recruiting participants from local communities being uplifted. This proximity makes the social return immediate, visible and embedded in daily operations. Community involvement fosters trust and mutual respect between independently owned SPAR stores and the communities they serve – strengthening local ties and deepening customer loyalty.

SPAR's impact in Ireland is more partnership-led and policy-driven. Communities benefit through structured programmes, grants and partnerships focused on long-term inclusion, resilience and wellbeing. Consumer engagement is shaped by brand values, ethical sourcing and sustainability commitments with impact concentrated in the upstream value chain.

Both models aim for positive outcomes but differ in approach. South Africa's approach is experiential and embedded as it is woven into relationships, operations and values – offering hands-on learning through real-world retail experience. Ireland's approach is strategic and systemic – addressing root causes through policy, partnerships and structured programmes designed for sustainable, system-wide change.

Community investment

SPAR contributes to inclusive growth through direct community investment and responsive consumer care. Our socio-economic development strategy prioritises dignity and long-term impact, focusing on skills-based support and partnerships that build lasting value. By sharing expertise in project management, human resources policy and digital tools, we help NGOs strengthen capacity through community-led collaboration rooted in understanding, relevance and empowerment.

National initiatives in South Africa continue to deliver meaningful social impact. For example, the Isonka ("bread" in isiXhosa) feeding schemes, developed with Operation Hunger, have evolved into income-generating projects that reduce dependence while promoting sustainability through job creation, improved nutrition, poverty alleviation and crime reduction. Additionally, the JumpStart programme, in partnership with the Mr Price Foundation, equips unemployed youth with life skills and supports their entry into the YES programme. In 2025, 545 learners were placed across oetail Operations, Central Office and divisional teams. A dedicated person has been allocated to track learner placements to improve learner absorption and address gaps that affected SPAR's 2024 B-BBEE rating while strengthening future skills development outcomes.

SPAR's partnership with Love Notties further demonstrates stakeholder-driven impact by supporting dignity-focused development in Nottingham Road, KwaZulu-Natal, especially in informal settlements. Initiatives include asset-based community development workshops, a repurposed clinic container for health services, youth development through Sportstec and annual leadership "give back" tasks. SPAR also sponsors events, donates equipment, advocates for sanitation infrastructure and leverages its retail presence to catalyse collective action.

Since its inception, SPAR has been the main funder of the Supplier Development Hub (page 17), investing R89 million in grant funding and R7 million loan funding (interest free) to support long-term growth to farmers.

In Ireland, BWG's core values, including customer centricity and community mindedness, shape strategic direction and deepen sustainability commitment. Every year, ESG Week highlights partnerships reinforcing social impact.

Social compliance

We fully comply with the South African government's policy to advance economic transformation and foster the meaningful participation of black citizens in the national economy. In accordance with the B-BBEE Act, we actively support transformation through enterprise and supplier development as well as preferential procurement. Our strategy focuses on three priority areas identified for improvement: management control, skills development and enterprise and supplier development. In 2025, our enterprise and supplier development score was 21.42 (2024: 22.53) and our total contribution amounted to R46 256 542 million, representing 2.63% of NPAT. Our socio-economic development contribution for the year, at R23.3 million, scored 5.00 (2024: 5.00).

SPAR's social compliance score in South Africa

	2025	2024
Enterprise and supplier development	21.42	22.53
Socio-economic development	5.00	5.00

SPAR is a Level 3 B-BBEE contributor, as outlined in our verification certificate.

In 2025, SPAR advanced two strategic initiatives aimed at deepening community engagement and improving B-BBEE performance across business units:

- Community engagement "blueprint" to help retailers build meaningful local partnerships and deliver lasting value (to be published in 2026) for consistent, impactful implementation across stores
- Target B-BBEE ratings across SPAR in South Africa, SPAR Health, Encore and Engage to improve scores

Other deliverables in 2025 reflect SPAR's broader commitment to social justice: ensuring community-facing and internal systems are aligned with the values of respect, safety and empowerment.

We advanced our efforts to end GBV through tangible, community-rooted and operationally embedded actions. Under the "End GBV" objective, SPAR continues to mobilise financial and internal resources to support survivors and prevention efforts. This includes expanding the "Round Up to the Rand" initiative, increasing store and distribution centre contributions to food parcels for Thuthuzela Care Centres (page 59) and strengthening internal communication to raise awareness and drive engagement. Additional funding is being explored through savings and potential support from the SPAR Guild so that financial backing aligns with the urgency of the cause.

Consumer rights

In South Africa, SPAR upholds consumer rights in accordance with the Consumer Protection Act. This legislation guarantees fair and honest dealings, protection from misleading advertising and the right to clear product information. Consumers are entitled to goods that are safe, durable and fit for purpose, and may return defective items within six months for a refund, repair or replacement. SPAR also supports redress mechanisms, allowing customers to escalate unresolved complaints to the National Consumer Commission or provincial consumer protection authorities.

Beyond retail, SPAR promotes broader human rights awareness through its Knowing Your Rights Can Change Your Life campaign.

In Ireland, BWG complies with the Consumer Rights Act, which reflects EU consumer protection standards. Irish consumers have the right to clear and accurate product information, quality goods that meet agreed standards and access to remedies such as repair, replacement or refund. Online, phone and doorstep purchases are protected by a 14-day cooling-off period, allowing consumers to cancel and receive a full refund. The law also prohibits unfair practices with oversight by the Competition and Consumer Protection Commission, which offers guidance and handles consumer complaints.



Affected communities, consumers and end users continued

Stakeholder engagement in action: Encore

SPAR's private label and wholesale division in South Africa, Encore, contributed R333 600 towards the care and education of children at the Ingane Yami Children's Village, as well as employee-led soccer and cake baking days in 2025.

Additionally, Encore contributed R3 178 658 in SPAR private label food to FoodForward SA. The donation supported beneficiary organisations promoting sustainable economic access and enabling income-generating activities. It was allocated to four key areas:

17%

towards youth
development programmes

33%

supported patients with HIV/AIDS and
tuberculosis through health initiatives

34%

enhanced learning outcomes in
early childhood education

16%

incentivised at-risk youth to engage in
community training and mentoring

In accordance with the South African B-BBEE Codes of Good Practice, 93.55% of the contribution benefited 911 188 black South African citizens across all provinces. The greatest impact was recorded in Gauteng with 241 223 beneficiaries and in the Western Cape with 255 947 beneficiaries. This support helped advance inclusive development, public health, education and skills training nationwide.

A supplier, Siraj Abdul Qadir, Director of The Smart Food Co, says:

"Since 2019, our partnership with SPAR and Encore has delivered consistent year-on-year growth of 10-20%, expanded our team by 25% and nearly doubled our product range. We are grateful for their support and mutual respect that continues to shape our shared success."

Another supplier, Muhammed Akoob of Platinum Foods, says:

"Our journey with Encore began in 2020 with an urgent request that sparked a path of remarkable growth. Since then, their unwavering support and high standards have inspired us to triple our facility size, expand our team and invest R27 million in machinery."

Stakeholder engagement in action: Sponsorships as part of SPAR's strategy

SPAR's overarching sponsorship strategy for Southern Africa centres on empowering independent retailers, strengthening local supply chains and driving inclusive, sustainable growth across the region.

Through strategic partnerships, community investment and operational excellence, the business continues to deepen market relevance, support transformation and deliver long-term value for retailers, suppliers and communities.

Within this strategy, SPAR's sponsorship strategy plays a pivotal role. Anchored in a future-fit partnership model, it aligns with the Group's purpose – to inspire people to do and be more – and the vision to be the first-choice brand in the communities we serve. Guided by customer insights and data-led decision-making, the approach ensures relevance and impact. National initiatives are implemented with regional sensitivity to enable local resonance while maintaining strategic cohesion. Reinforcing shared success across the network, each sponsorship is designed to deliver sustainable, measurable outcomes for retailers and SPAR.

The sponsorship strategy foundation is a synergistic, mutually beneficial business partnership. Enabling authentic engagement while advancing brand and business objectives, it creates meaningful opportunities for SPAR to connect with consumers in receptive environments. This ensures every sponsorship is purposeful, aligned and outcome-driven.

Sponsorship also provides SPAR with a platform to communicate and engage across diverse audiences. By aligning with the right properties, the brand borrows equity that enhances its credibility and stature. This strategic approach enables SPAR to reach multiple stakeholders simultaneously and amplify impact.

At the heart of this framework are the four Ps of sponsorship guiding how partnerships are selected, activated and measured for long-term value:

- Passion point
- Property
- Platform
- Promotion





Affected communities, consumers and end users continued

Stakeholder engagement in action: Gender-based violence corporate activism

Since 2019, SPAR has led survivor-focused initiatives to combat GBV and femicide in South Africa, aligning workplace and community programmes with a prevention-protection-enforcement framework. In 2024, we became one of the few private-sector organisations to join the Violence Prevention Forum, convened by the Institute for Security Studies, underscoring our commitment to collaborative, evidence-based solutions. As a founding member of the End GBV Alliance, we continue to strengthen partnerships with like-minded corporates to amplify collective impact and advance a safer, more equitable society.

Recognised by government, NGOs and corporate partners as an outstanding example of genuine collaboration, SPAR's work is built on trust, ethics and passion reflecting shared commitment to sustainable change for survivors. Our journey was prompted by a succession of tragic murders of young women in 2019, which spurred us to pledge practical solutions to what President Cyril Ramaphosa declared a national crisis at the G20 Social Summit in 2025.

Since 2020, we have donated more than R8 million annually to the End GBV initiative, supporting three core programmes that drive our response:

- 1 **LifeLine:** Since 2020, SPAR has partnered with LifeLine through a formal memorandum of understanding to strengthen infrastructure and empower counsellors providing trauma support. The GBV helpline, supported by this partnership, receives over 13 000 calls each month – around 70% from first-time callers – demonstrating its role as a vital national service and often the first point of contact for survivors seeking help. To ensure privacy, survivors can also access silent counselling via WhatsApp where conversations can be deleted after use. LifeLine counsellors are trained to deliver empathetic, non-judgemental support not only to survivors but also to individuals seeking help to end abusive behaviour. In addition, SPAR deploys LifeLine counsellors at the National Netball Championships where there is a safe and confidential space for players, coaches and employees who may need support away from family environments.
- 2 **National Prosecuting Authority:** Since 2020, SPAR has partnered with the National Prosecuting Authority's Sexual Offences and Community Affairs Unit to support all 67 Thuthuzela Care Centres nationwide. Each month, we provide care packs and comfort food to help survivors of GBV restore their dignity after the trauma they have experienced. These packs of toiletries and other essentials enable survivors to bathe, refresh and receive nourishment, often their first meal in hours, while coordinators and counsellors offer critical emotional support. More than 11 000 survivors have benefited from this initiative to date with SPAR's financial contribution of over R3.6 million annually. For many, this gesture is a powerful reminder that they are not alone. One visitor said: "My enduring memory of my first visit to a Thuthuzela Care Centre was seeing a young schoolgirl waiting to see a counsellor while munching a packet of crisps – it felt like her world was regaining some normality."

Thuthuzela Care Centres are recognised globally as a best-practice model for victim support with a 77.8% conviction rate (over 10 times the national average) for cases taken to court. While progress is being made, many centres require refurbishment and expansion. To address this, SPAR has joined forces with Standard Bank, Motus Corporation and KPMG through the End GBV Alliance with the goal of establishing 100 new centres and upgrading existing facilities. SPAR, through Build it, has also been authorised to construct a state-of-the-art centre in Jozini, KwaZulu-Natal. Designed by a woman for women, this facility will include a video testimony room, enabled by recent legislative reforms, allowing survivors to share their experiences in a secure and supportive environment.



**STANDING
WITH
SURVIVORS.
STANDING
WITH THE
MOVEMENT.**

SPAR stands in solidarity with the Women For Change movement, and all partners dedicated to ending GBV.



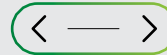
**CHANGING
MINDSETS.**

SPAR sponsors TrueLife visiting schools to teach learners about gender equality, respect and GBV awareness.



**GENDER
BASED
VIOLENCE
IS A NATIONAL
EMERGENCY.**

Over 200 000 women report assaults every year, and this number is climbing. Many more endure in silence - fearing retaliation or losing faith in justice.



Affected communities, consumers and end users continued

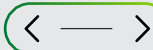
Stakeholder engagement in action: Gender-based violence corporate activism continued

- 3 Truelife:** Fostering awareness and resilience under the tagline “Brave Choices Make Better Futures”, SPAR sponsors Truelife’s school-based prevention programmes for primary and secondary learners. These initiatives are delivered by young facilitators, often only a few years older than the learners, who engage in relatable conversations about the impact of GBV and practical methods of prevention. In 2025, SPAR further supported Truelife in launching a teacher guidance pack designed to equip educators with the knowledge and confidence to respond appropriately to abuse disclosures. Ensuring learners receive safe, informed support, this resource addresses the moral and legal dimensions of such cases. The pack was developed after Truelife teams found that many teachers were uncertain about their responsibilities when learners confided in them. By bridging this gap, the programme strengthens the protective environment in schools and empowers learners and educators to confront GBV more effectively.

Beyond these core programmes, SPAR also invests in a range of targeted initiatives that extend the reach of our commitment to ending GBV:

- **Uyinene safety alarm app:** Named in honour of Uyinene Mrwetyana, whose tragic death in 2019 became a national rallying point against GBV, the Uyinene safety alarm app embodies remembrance and action. Ensuring a rapid response, this free, low-data campus safety tool, currently piloted at two tertiary institutions in South Africa, allows students and staff to instantly alert campus security in emergencies. With an estimated 10% of rapes occurring at universities, the app directly addresses a critical risk and has been welcomed by students as a practical step towards safer, more secure campuses. Reinforcing its potential as a vital preventative measure in higher education environments, early testing has shown strong uptake and enthusiasm.
- **Shelter training:** Creating pathways to employment and independence, SPAR is developing entry-level retail training programmes to equip shelter residents with practical skills and accredited certificates. For many survivors, leaving a shelter can mean facing the stark choice between homelessness or returning to an abusive environment. By offering training in basic store positions while residents are still in shelters, SPAR ensures they leave with skills and proof of competence. Connecting trained candidates directly to job opportunities, graduates are added to a database accessible to local retailers seeking staff. Even if positions are not immediately available within SPAR stores, the certificate empowers survivors to apply at other businesses in their communities. By fostering economic independence, this initiative reduces the risk of survivors returning to unsafe environments and supports the creation of safer, more sustainable futures.
- **Shopping bags:** Offering survivors guidance they can safely bring into their homes, SPAR shopping bags carry discreet, accessible information on GBV support services. As everyday household items, these bags provide an innocuous yet powerful channel for awareness – ensuring that vital resources are available to anyone, without stigma, in the familiar setting of their homes.
- **SPAR Women’s Challenge and Grand Prix:** Ensuring public awareness and visibility, End GBV representation and marketing are embedded into every SPAR Women’s Challenge and Grand Prix event in South Africa. Amplifying reach and impact at each event, a proactive GBV charity is selected to receive funding and media exposure. Fostering community engagement and collective action against GBV, this approach highlights the critical work being done by these organisations and provides a platform for them to share the message in their own unique way.





06

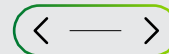
Governance impacts

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Guided by our Social, Ethics and Sustainability Committee, SPAR's governance team acts as a strategic compass ensuring decisions are grounded in integrity, accountability and long-term value creation.

Collaborative governance structures support SPAR's voluntary trading model and proactive stakeholder engagement. This enables the Group to operate in good faith with stakeholder interests at the forefront – beyond regulatory compliance. Governance is anchored in the South African Companies Act, JSE Listings Requirements and King IV principles.





Governance impacts

Material themes

ESRS G1 Business conduct

Material topics

- Ethical business practices
- Corporate culture
- Supplier-partner relations

Negative

Inconsistent application of policies: Enforcement of rules and standards should be consistent to avoid confusion, unfair practices and increased reputational and compliance risks.

Limited oversight across the voluntary trading model: Fragmented governance and limited oversight across independently managed entities can weaken accountability, disrupt policy enforcement and hinder strategic alignment.

Delayed stakeholder responsiveness: Slow or inconsistent communication and decision-making could erode trust, disrupt collaboration and compromise timely resolution of stakeholder concerns.

Gaps in ethical enforcement: When codes of conduct, accountability structures or whistleblowing mechanisms are inconsistently applied, this undermines trust, reduces ethical clarity and increases exposure to reputational and compliance risks.

A healthy corporate culture that drives the organisation towards shared goals: Supported by communication, fair remuneration, talent development and training initiatives, SPAR fosters a healthy corporate culture rooted in passion, family values, entrepreneurship and our code of ethics.

Good management of suppliers ensures compliance with the organisation's policies, practices and code of ethics: SPAR is committed to continuously improving supplier policies to ensure fair treatment, timely payments and ethical partnerships that exceed standards of integrity and transparency.

Social and ethics committees in the SPAR and Build it Guilds

Positive

Fragmented governance across independently owned stores can lead to inconsistent policy enforcement, weakened accountability and misaligned strategic execution. Gaps in ethical oversight and delayed stakeholder responsiveness could erode trust and expose SPAR to reputational and regulatory risks. At Board level, non-compliance, conflicts of interest and delayed filings could undermine governance integrity and investor confidence. Unresolved allegations, audit irregularities and failure to meet governance standards could compromise transparency, stakeholder engagement and long-term sustainability.

Ethical business practices (including sustainability, fair labour practices and community engagement) enhance brand reputation and appeal to values-driven consumers. A strong code of ethics guides responsible conduct across the Group. Additionally, avoiding costly litigation and reputational harm, regulatory compliance and ethical governance mitigate legal risks.

Driving long-term growth, positive corporate culture fosters collaboration, reduces turnover and boosts productivity.

Strengthening supplier relationships also ensures product quality, innovation and supply continuity while improving financial terms and reducing operational risk.

Ethical business practices and corporate culture



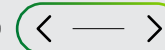
Codes of ethics (for employees, retailers and suppliers), conflict of interest policy, gifts policy, bribery policy, fraud prevention policy, information protection policy, technology use policy, workplace harassment policy and whistleblowing policy

Supplier-partner relations



Code of ethics revised in December 2024 and training rolled out in 2025 for employees with robust regulatory management and zero material non-compliances





Sundeep Naran

Social, Ethics and Sustainability Committee report for 2025

Having served as an independent non-executive director since 2022, this report marks my first term as Chair of SPAR's Social, Ethics and Sustainability Committee. I step into this role following the resignation of my predecessor, Trudi Makhaya, the retirement of Kevin O'Brien and the appointment of his successor, Phumlani Dyini, as Group Executive: Risk, Governance and Sustainability.

I am grateful for their leadership and foundation that enables the committee to move forward with clarity, continuity and purpose.

As SPAR's governance structures are robust, supported by internal expertise and external guidance, the committee receives regular updates on regulatory developments, including the anticipated King V corporate governance code, and continues to apply the principles of King IV across the Group in line with the Companies Act.

With a majority of independent non-executive directors, the committee's composition reflects SPAR's commitment to ethical leadership. We operate under a formal charter, conduct regular performance reviews and escalate key matters to the Board through a structured, transparent and proactive compliance approach aligned with best practice.

Embedding sustainability beyond compliance

Sustainability is more than a checklist. It reflects how an organisation thinks, behaves and acts at every level. While tracking metrics is a necessary starting point, true progress lies in embedding purpose into practice.

Every year, we aim to deepen our commitment and enhance performance. This begins with identifying high-impact areas and establishing the systems and discipline required to collect reliable data. Only through consistent, purposeful measurement can we design interventions that shift behaviours and deliver meaningful results.

As such, the Social, Ethics and Sustainability Committee is evolving beyond its compliance-focused origin to become a strategic driver of governance and long-term value. It actively monitors sustainability efforts, manages ESG risks and opportunities, and reinforces SPAR's ethical commitments across decision-making, culture and governance.

Guided by recognised frameworks that foster ethical leadership, unlock long-term value and build stakeholder trust, our approach centres on integrating ESG into SPAR's core strategy.

Strategic adoption of CSRD framework

To enhance transparency, comparability and strategic oversight across SPAR's multi-territory operations, the Group formally adopted the CSRD as its principal sustainability reporting framework in 2024. This decision reflects a commitment to harmonised, high-integrity disclosures that align with international benchmarks and South African regulatory expectations.

The CSRD's interoperability with leading global frameworks – including the ISSB's IFRS S1 and S2, the CDP and the JSE Sustainability Disclosure Guidance – ensures SPAR's disclosures remain robust, forward-looking and relevant.

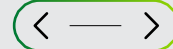
A key driver behind SPAR's adoption of the CSRD is its integration of the double materiality principle, which aligns with global ESG expectations and offers a holistic view of sustainability impacts and financial risks and opportunities. This integrated lens enables SPAR to respond to evolving stakeholder demands, meet regulatory obligations and pursue strategic sustainability goals.

To operationalise this approach, SPAR is developing a centralised sustainability dashboard that will consolidate material ESG data across territories. The dashboard will support consistent metric tracking, enable cross-border comparability and ensure assurance readiness. It will also enhance stakeholder engagement through transparent reporting and reinforce alignment with South African capital market disclosures and governance standards.

Monitoring ESG outcomes

During this reporting period, the Social, Ethics and Sustainability Committee monitored the following ESG performance areas, in collaboration with the Audit and Risk committees, and submitted key insights and recommendations to the Board:

- Group environmental and socio-economic development reports
- Integrated and sustainability reporting (including the double materiality assessment and identification of sustainability risks and opportunities)
- Stakeholder engagement updates and strategic alignment
- Business compliance and monitoring with reference to the internal code of best practice, UN Global Compact principles and Organisation for Economic Co-operation and Development anti-corruption standards
- External political and public policy trends affecting operations and reputation
- Whistleblowing mechanisms and outcomes of the ethics culture survey
- Human resources reporting (including employment equity and transformation in terms of B-BBEE)
- Corporate governance updates (including Companies Act amendments, work plan reviews, ESG data assurance and internal policy revisions)
- Evaluation of compliance reporting effectiveness
- Establishment and oversight of social and ethics committees for SPAR Health, Encore, the SPAR Guild and the Build it Guild



Social, Ethics and Sustainability Committee report for 2025 continued

Overseeing transparent ESG communication

During the reporting period, the Social, Ethics and Sustainability Committee played a role in shaping SPAR's external ESG communications. Our contributions included input into the sustainability report, integrated annual report, framework-aligned disclosures and AGM briefings. The committee also evaluated the quality and transparency of public ESG disclosures with focus on information depth, ethical accountability and alignment with stakeholder expectations.

SPAR's ESG narrative is rooted in its community-based brand and reinforced by initiatives that resonate with retailers and consumers such as sourcing cage-free eggs, sustainable seafood and net-zero deforestation products. The committee monitored progress across key commodities, including palm oil and coffee, and encouraged suppliers to strengthen verification and compliance through ongoing engagement and procurement alignment.

Retailers, organised through the Guilds, are supported in embedding ESG practices at store level while supplier engagement is maintained across geographies.

The committee also reviewed feedback channels, such as whistleblower reports and consumer complaints, to ensure appropriate escalation and response mechanisms.

Additionally, the committee endorsed efforts to strengthen internal ESG frameworks. These included the BWG ESG programme, CSRD-aligned target setting and the launch of ESG-specific newsletters and engagement platforms.

External assurance of ESG outputs

In line with King IV's emphasis on assurance as a cornerstone of effective governance, the Social, Ethics and Sustainability Committee ensures that ESG disclosures are supported by third-party verification to uphold the integrity of internal decision-making and external reporting. This commitment to transparency and reliability reflects the governing body's responsibility to maintain a robust control environment and to safeguard the quality of information shared with stakeholders.

During the reporting period, key ESG outputs underwent external assurance including SPAR's CDP climate data (covering Scope 1, 2 and 3 GHG emissions) and the B-BBEE scorecard. While full external assurance of the integrated and sustainability reports is planned for future implementation, the committee continues to advance assurance readiness through improved data governance, cross-functional collaboration and alignment with international frameworks.

Looking ahead, to strengthen oversight and promote objective, impartial governance, we will seek to align SPAR's Social Ethics and Sustainability Committee with the incoming King V requirements.

Fulfilling mandate and commitments

At the end of each year, the committee conducts a comprehensive review of its work plan to ensure it has fulfilled its mandate in line with its terms of reference and regulatory requirements.

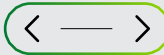
The self-assessment process ensures we remain diligent and proactive in meeting our commitments.

Based on this assessment, we are confident that we have effectively fulfilled our obligations during the past year.

Sundeep Naran

Social, Ethics and Sustainability Committee Chairperson





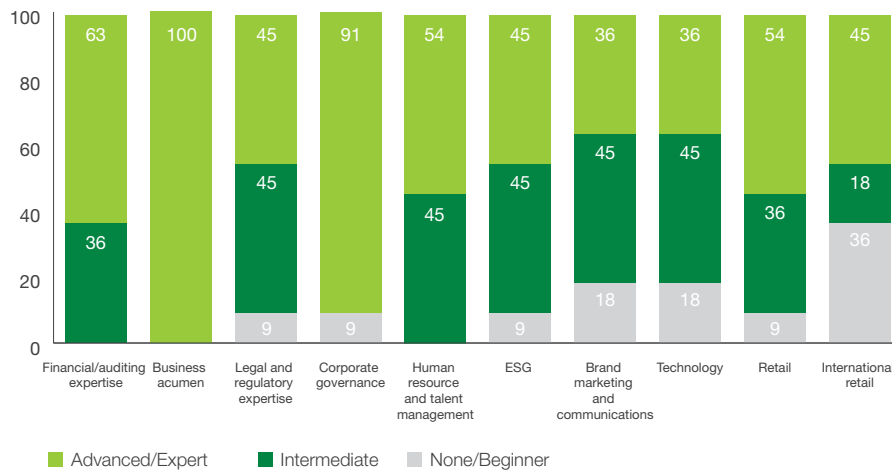
Our business conduct approach

SPAR's business conduct is anchored in clear rules, ethical behaviour and performance tracking to uphold transparency and accountability. Our governance framework is supported by a policy framework, collaborative structures with defined roles, an ethics-driven culture with training and accountability, and transparent monitoring through KPIs, audits and risk management. We thus ensure consistent and informed decision-making across the Group.

Our Board composition reflects a deliberate commitment to diversity, expertise and ethical leadership. The current gender split is 55:45 (male to female), race split is 45:55 (white to non-white), the Board continuously strives to achieve a 50/50 representation of Black and female on the Board in line with our voluntary diversity targets. This inclusive structure is complemented by a range of professional skills and experience across the 11-member Board, as outlined below.

Board skills, expertise and experience

(%)



Our Group CEO, supported by the Group CFO and Group COO, is the link between executive management and the Board. He leads the implementation of approved strategies, policies and operational plans. Executive committees – each comprising territory CEOs, CFOs and relevant executives covering Southern Africa, Ireland and Sri Lanka – execute the Group's strategy and daily operations. The Social, Ethics and Sustainability Committee oversees organisational ethics, responsible corporate citizenship, sustainable development and stakeholder relationships.

Social, Ethics and Sustainability Committee composition

Following the resignation of Trudi Makhaya, who served as an independent non-executive director from September 2023 and chaired the Social, Ethics and Sustainability Committee, and the retirement of Kevin O'Brien, former Group Sustainability Executive, in July 2025 (appointed as a member of the committee at the AGM on 28 February 2025), the committee comprised independent non-executive directors Sundeep Naran (Chairperson), Shirley Zinn, Liesbeth Botha, Marie Jamieson and Lwazi Koyana on 26 September 2025. Phumlani Dyini was appointed as Group Executive: Risk, Governance and Sustainability, and now serves as a member of the Social, Ethics and Sustainability Committee.



For insight on directors' qualifications, experience and skills, refer to SPAR's 2025 integrated annual report.

The Board Chairperson, Human Resources Executive and Group Company Secretary (also the Social, Ethics and Sustainability Committee Secretary) are permanent invitees to committee meetings (three in 2025).



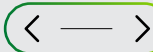
Social, Ethics and Sustainability Committee meeting attendance is outlined in SPAR's 2025 integrated annual report.

The committee's performance is reviewed by the Committee and the Board. The 2025 assessment indicated that the committee was fundamentally well-structured and operated effectively with clear mandates, appropriate skills and strong leadership.

The Board is satisfied that the committee has the requisite skills, expertise and experience to continue fulfilling its governance responsibilities effectively.



Please refer to SPAR's integrated annual report for details on our governance ecosystem.



Guild social and ethics committees

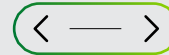
In 2025, the SPAR and Build it Guilds established social and ethics committees in line with King IV to promote ethical culture, performance, control and legitimacy. These sub-committees approve strategy and policy, monitor compliance and report on issues relevant to retailers: the economy, workplace, environment and society.



The committee's role is to address risks that could harm the brand and to enhance the positive impact of retailers within the ambit of their responsibilities set out in their respective terms of reference. Compliance and ethics are anchored in the respective membership agreements and codes of ethics.

The table below outlines their key focus areas:

Focus areas	Build it Guild	SPAR Guild
Economy	- Transformation is advanced through support for disadvantaged retailers, representation goals and inclusive formats. - Artisan development is enabled by the SPAR Retail Academy.	Transformation is driven by reducing non-compliance and increasing black retailer representation nationally.
Workplace	- Compliance guidance reduces legal and reputational risk. - Proactive risk management safeguards brand integrity. - E-learning and consolidated training support growth. - Advocacy for benefits enhances employee wellbeing and retention.	- Retailers are guided to comply with labour regulations and non-compliance risks are addressed to protect brand reputation. - Retailers' training contributions are tracked and reported by employee numbers and rand value.
Environment	- Tracking store-level solar, water-saving and recycling efforts informs funding guidance. - Retailer participation in circular economy initiatives, such as e-waste and paint drum collection, is promoted.	- New stores must meet minimum specifications for energy, water, recycling and food waste. - Retail infrastructure is assessed through baseline tracking to identify gaps. - Collective funding mechanisms support retailers implementing initiatives.
Society	Circular economy efforts include safety-focused awareness campaigns.	- Store-level food safety compliance is monitored and supplier risks are managed. - Advertising non-compliance is tracked and addressed to protect brand reputation.
	Retailer and distribution centre contributions are consolidated and aligned with Group reporting to enhance overall community impact.	



Tax management

Tax management plays a strategic and integrated role within SPAR's broader governance and sustainability framework. Not a siloed compliance function, it is embedded as a core element of ethical leadership, risk oversight and responsible corporate citizenship. Accordingly, SPAR applies ethical, appropriate and effective tax practices across all operations.

The Board oversees the Group's tax policy and strategy through the Audit and Risk committees while the tax division proactively identifies and addresses tax-related risks. This ensures compliance with regulatory obligations from operational and risk management perspectives.

The Board reviews SPAR's tax policy and strategy at least every two years. The most recent review was conducted in December 2025.

Given the complexity of the evolving global tax landscape, the management of tax compliance and risk varies across territories. However, all regions consistently implement the Group's overarching tax policy and strategy.

As SPAR remains committed to mitigating adverse or unexpected financial consequences and safeguarding its reputation, the Group engages only in tax planning that supports genuine commercial activity and does not enter into transactions lacking commercial substance.

SPAR's tax governance approach, aligned with King IV, is guided by five core principles:

- 1 Zero tolerance**
Upholding exemplary corporate governance, we maintain zero tolerance of tax non-compliance.
- 2 Stakeholder value**
Our tax contributions benefit internal and external stakeholders.
- 3 Reputational risk**
Responsible tax management protects SPAR's reputation as a trusted brand and corporate citizen.
- 4 Corporate citizenship**
We are committed to honesty including full compliance with tax legislation in all territories.
- 5 Communication**
The Group values constructive, transparent relationships with tax authorities across all territories.

Effective tax rate

The Group effective tax rate from continuing operations has increased to 36.3% in 2025 (2024: 22.7%). The main contributors to the increase are as follows:

- An unfavourable effective tax rate impact of 7.3% relating to impairment of goodwill attributable to corporate stores owned by the SPAR Group
- An unfavourable effective tax rate impact of 1.7% relating to the impairment of assets held for sale (assets held for sale include corporate stores and a plot of land owned by the SPAR Group)
- An unfavourable effective tax rate impact of 4.2% relating to non-deductible bank interest incurred by the SPAR Group on debt funding used by the Group to fund the Polish and Swiss business exits
- A 10.3% favourable effective tax rate impact in the foreign tax rate differential as the Group benefits from the lower corporate tax rate in Ireland of 12.5%

The Company effective tax rate is negative 6.5% in 2025 (2024: negative 65.2%). The main contributors to the movement in the rate are as follows:

- A favourable effective tax rate impact of 1.1% attributable to the exempt dividend income
- An unfavourable effective tax rate impact of 26.0% relating to the impairment of the SPAR Group's investment in Poland and Switzerland
- An unfavourable effective tax rate impact of 3.1% relating to impairment of goodwill attributable to corporate stores owned by the SPAR Group
- An unfavourable effective tax rate impact of 0.7% relating to impairment of assets held for sale (assets held for sale include corporate stores and a plot of land owned by the SPAR Group)
- A favourable effective tax rate impact of 0.6% relating to the fair value adjustment to the financial guarantee liability
- An unfavourable effective tax rate impact of 1.8% relating to non-deductible bank interest incurred by the SPAR Group on debt funding used by the SPAR Group to fund the Polish and Swiss business exits
- An unfavourable effective tax rate impact of 1.6% relating to non-deductible disposal costs incurred by the SPAR Group in relation to Poland and Switzerland

For the effective tax rate reconciliation, please refer to note 7 on page 30 of the SPAR Group's 2025 annual financial statements.

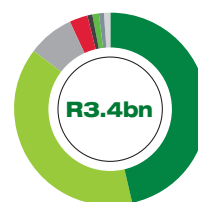
Total tax contribution

SPAR contributes directly to national and regional tax authorities through taxes paid across all territories where the Group operates. These contributions enable governments to fund socio-economic development initiatives and public services that benefit society at large.

In response to and compliance with base erosion and profits shifting, specifically action 13 and the South African Revenue Service (SARS) Country-by-Country (CbC) Reporting, Master File and Local File guidance, the Group submitted its CbC report for 30 September 2024 year of assessment on 18 September 2025.

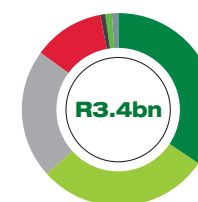
The Group was awarded Level 2 Authorised Economic Operator (AEO) compliance accreditation from SARS during 2025. Level 2 AEO accreditation requires an organisation to have rigorous internal and external controls not only to comply with customs rules but also to actively manage security and risk in the supply chains. Some of the benefits of Level 2 AEO accreditation include fewer inspections, expedited processes, reduced security amounts and access to a client relationship manager.

Taxes paid by jurisdiction in 2025



Ireland: 48%	Botswana: <1%
South Africa: 40%	Namibia: <1%
United Kingdom: 8%	eSwatini: <1%
Switzerland: 3%	Mozambique: <1%

Taxes paid by type in 2025



Payroll tax: 35%	Customs duties: 1%
Excise duties: 29%	Withholding taxes: <1%
VAT: 22%	Environmental taxes: <1%
Corporate taxes: 12%	

Note: The tax contribution information for Switzerland has been provided up until the date of disposal of the Swiss business.



Corporate culture

SPAR fosters a values-driven corporate culture rooted in ethics, passion, family and entrepreneurship.

By strengthening communication, talent development, fair remuneration and inclusive training, we promote collaboration and a supportive environment that enhances productivity, reduces turnover, builds customer loyalty and drives long-term growth.

Corporate citizenship

The Board, supported by the Social, Ethics and Sustainability Committee, reviews the Group's impact on stakeholders, society, the economy and the environment.



Please refer to the integrated annual report for key updates during the year.



Supplier-partner relations

Driving product quality, innovation, supply continuity and favourable financial terms, supplier-partner relations are central to SPAR's operations.

We continuously improve our policies to ensure fair treatment, timely payments and ethical, transparent partnerships that exceed industry standards.

Food safety

Food safety in SPAR is an impactful example of suppliers partner collaboration.

It is a risk and governance issue that reflects SPAR's conduct, integrity and commitment to building stakeholder trust.

In South Africa, we operate within the national food control system, which involves multiple government departments and regulatory bodies:

- The Department of Agriculture, Land Reform and Rural Development oversees quality assurance and the export of regulated agricultural products, registration of pesticides and stock remedies, meat hygiene, and the import/export of fresh and frozen goods. It also serves as the enquiry point for the World Trade Organization's Sanitary and Phytosanitary Agreement.
- The Department of Health governs the import, export, manufacture and sale of processed food products, enforces food safety regulations and labelling, and acts as the national contact point for compliance with Codex Alimentarius Commission international food standards, the International Food Safety Authorities Network and the EU's Rapid Alert System for Food and Feed.
- The Department of Trade, Industry and Competition is the National Regulator for Compulsory Specifications, covering canned and frozen fish, fresh seafood, canned meat products and export certification. It also oversees the South African Bureau of Standards, which handles technical barriers to trade and voluntary compliance as well as recalls through the South African National Standards and the National Consumer Commission. The National Consumer Commission, established under the Consumer Protection Act, monitors the consumer market, investigates prohibited conduct and enforces compliance notices.

SPAR's food safety strategy continues to evolve in response to a dynamic global and local landscape. Increasing supply chain complexity, tightening regulatory frameworks and a growing imperative to protect consumer health all underscore the need for a robust, future-fit approach. These pressures have reinforced our commitment to cultivating a food safety culture that prioritises best practice in hygiene, handling and storage across every level of our network.

The SPAR food safety movement reflects our commitment to consumer expectations, globalisation risks and brand integrity. As health-consciousness grows, SPAR has raised its standards to prioritise ethical sourcing and consumer wellbeing. This aligns with broader corporate social responsibility goals. Food safety is a strategic priority and core brand pillar.

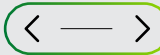
The successful rollout of SPAR's retail risk-based audit model marks a shift from score-based assessments to a prevention-focused approach. This enables stores to identify and manage risks with precision and embed food safety into daily operations.

SPAR's evolving strategy is driven by four key pillars:

- 1 **Growing consumer demand for transparency and safe practices**
- 2 **Strengthened supplier processes to ensure global supply chain resilience**
- 3 **Reinforced brand integrity through proactive risk management**
- 4 **Alignment with social and ethical goals to promote public health and sustainable food systems**

Supplier compliance is a cornerstone of SPAR's food safety movement. While all national and SPAR house brand suppliers continue to meet our minimum food safety standards, progress across the broader supplier base is advancing. Several regions have been flagged for trading with non-compliant suppliers lacking the necessary certification to sign the SPAR supplier food safety policy and agreement. This agreement outlines supplier liability in the event of a product recall and specifies the food safety laws and regulations required to remain a SPAR supplier. Without it, SPAR assumes full financial responsibility, which exposes the brand to avoidable risk and undermines the integrity of our food safety framework.

Despite the challenges, we have taken steps to strengthen supplier engagement. In 2025, regional supplier visits were conducted and we received food safety testimonials from national, house brand and distribution centre suppliers.



Supplier-partner relations continued



Supplier Development Programme

In a rapidly evolving retail landscape, resilient and inclusive supply chains are strategic and socially vital. SPAR's Supplier Development Programme advances this by integrating micro and small food businesses into its national network. We thus create shared value for communities, suppliers and the business.

The programme provides a formal retail platform for small-scale food producers. It fosters innovation, agility and community-rooted solutions. By diversifying our supplier base, SPAR strengthens responsiveness to consumer needs while advancing our purpose-driven retail strategy. Contributing to national growth and long-term supplier partnerships, the programme reflects SPAR's dedication to economic empowerment and enterprise development.

Food safety is a cornerstone of the programme. Many small businesses face barriers to market entry due to compliance challenges. The programme offers targeted support to help suppliers implement food safety management systems with subsidised training, auditing and expert assistance. An online hub provides practical resources (frequently asked questions, templates, manuals and regulatory updates) alongside access to food safety professionals for personalised guidance.

To further support supplier success, SPAR offers a business basics course covering essentials such as finance, production, marketing, logistics, procurement and leadership. This equips entrepreneurs with the tools needed to thrive in a competitive market and navigate formal retail systems.

The programme operates through a web-based platform where suppliers register, receive a compliance rating and are matched with service providers for hands-on support. Once compliant, suppliers are listed on the SPAR Marketplace national platform that connects them directly with SPAR stores across South Africa.

Between 2022 and 2025, the programme grew from 207 to over 3 900 suppliers with 413 achieving food safety compliance across diverse categories including groceries, fresh produce, bakery, butchery and deli. This growth highlights the programme's role in strengthening local sourcing and supply chain integrity.

Beyond compliance, the programme drives job creation, community cohesion, supply chain adaptability and alignment with SPAR's corporate social responsibility and sustainability goals. It ensures a pipeline of innovative, compliant and community-rooted suppliers who can scale with the business.

Offering marginalised entrepreneurs a real opportunity to grow as it is open to all micro and small food businesses, the programme bridges informal enterprise and formal retail. Also aligning corporate strategy with national priorities, it is a catalyst for sustainable development and inclusive economic growth.



Explore our expanding collection of supplier testimonials reflecting SPAR's commitment to food safety excellence on the Supplier Development Programme website.

We also reinforce our food safety infrastructure with ongoing refinement of our recall policy and process. Designed to enhance our responsiveness to potential food safety incidents, this framework ensures risks to consumers are identified, communicated and mitigated. The intent is to safeguard public health and uphold SPAR's reputation for safety and trust.

Our focus areas include risk-based auditing, labelling accuracy and allergen management, which are critical components of consumer safety. While we continue to rely on supplier quality management systems to uphold these standards, we have taken steps to strengthen oversight by deploying dedicated quality management team members across our warehouses to conduct on-site checks and reinforce compliance.

World Food Safety Day

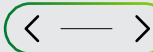
In alignment with the global World Food Safety Day theme, SPAR chose an innovative and engaging approach to raise awareness of food safety across all divisions in 2025.

To celebrate the day, SPAR launched an interactive and educational game called "Spot the Violation", which invited employees across departments to identify potential food safety risks through visual scenarios promoting awareness in a fun, inclusive and competitive format.

The activity was received with enthusiasm and successfully reinforced the message that food safety is a shared responsibility.

It created awareness, strengthened interdepartmental collaboration and reinforced SPAR's commitment to a unified food safety culture.





Supplier-partner relations **continued**

Risk-based auditing will enable SPAR to enhance food safety and operational efficiency. This method prioritises audit activities based on the risk levels associated with specific in-store processes, allowing SPAR to:

- Allocate resources more effectively
- Detect and address potential food safety issues before escalation
- Ensure critical risks receive immediate attention

By focusing on prevention and proactively addressing supply chain vulnerabilities, risk-based auditing strengthens SPAR's food safety systems and reinforces consumer trust. It is also a step forward in building operational resilience and regulatory compliance for SPAR and the broader retail industry.

By embedding risk-based audits across SPAR stores, we will shift from reactive compliance to a proactive, prevention-driven culture. Treated as a core business discipline, this approach strengthens resilience, protects customers and upholds brand integrity. Risk-based audits identify potential hazards early, which enables targeted interventions and measurement of the impact of training and leadership.

Driving continuous improvement and accountability, unlike traditional pass/fail models, SPAR's framework uses risk rating profiles to prioritise actions based on impact.

Supported by ISO 17025-accredited laboratories offering advanced food and water testing, in partnership with AssureCloud, this will be Africa's first retail risk-based audit framework. The collaboration has already created jobs and developed skills, especially among previously disadvantaged groups. This reinforces shared values of inclusion and consumer safety.

To sustain progress, SPAR introduced weekly risk-ready express sessions. This interactive training builds store-level capability, aligns operations with food safety standards and reduces audit findings. These sessions have improved readiness, deepened understanding and fostered ownership of food safety performance across the network.

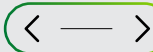
AssureCloud is enhancing its digital platforms with AI-driven analytics and traceability to support SPAR's sustainability goals.

The success of the risk-based audit rollout and supporting initiatives will be a defining milestone in SPAR's food safety journey. By embedding risk-thinking into operations, strengthening behavioural accountability and promoting engagement through education, SPAR is transitioning from compliance-driven to a model anchored in continuous improvement and risk intelligence.

In the year ahead, we will continue to:

- Expand the scope and impact of risk-ready express sessions
- Leverage data insights from audit outcomes to drive targeted improvements
- Deepen collaboration with suppliers and retailers to enhance safety across the value chain
- Strengthen consumer education initiatives around safe food handling and awareness





07

Supplementary information

Aligning SPAR's sustainability reporting with evolving
global frameworks

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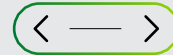
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Aligning SPAR's sustainability reporting with evolving global frameworks

The TCFD, although disbanded in 2023 when its recommendations were embedded within the ISSB framework, provided the foundation for SPAR's climate scenario planning, as outlined in the 2022 climate change report and referenced on page 40 of SPAR's 2023 ESG report.

The unified ISSB baseline accommodates jurisdictional overlays such as the ESRS informing our sustainability reporting approach since 2024, outlined on [pages 2-6](#) of this report, aligned with global comparability and regional compliance.

The unified ISSB baseline accommodates jurisdictional overlays such as the ESRS informing our sustainability reporting approach since 2024, outlined on pages 2-6 of this report, aligned with global comparability and regional compliance.

The ISSB, the European Commission and EFRAG collaborated closely to harmonise climate-related reporting. This collaboration resulted in aligned definitions of financial materiality between ESRS and IFRS S1, shared terminology across frameworks and the integration of nearly all ISSB climate-related disclosures within ESRS requirements.

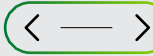
Facilitating compliance, this alignment enables SPAR to meet global and regional sustainability reporting expectations effectively. By embedding emerging standards into our disclosures, SPAR continues to demonstrate transparency, accountability and leadership in sustainability governance.

Our ESRS disclosures and progress towards achieving the UN SDGs	Pages in this report
E1 Climate change	34-38
E2 Pollution	39
E3 Water and marine resources	40
E4 Biodiversity and ecosystems	41-44
E5 Resource use and circular economy	45-48
S1 Own workforce	50-55
S2 Workers in the value chain	50-55
S3 Affected communities	56-60
S4 Consumers and end users	56-60
G1 Business conduct	62-70

Our Board's commitment to sustainable business practices is demonstrated in SPAR's application of King IV principles, as reaffirmed in the 2025 integrated annual report. This report reflects how ethical leadership, responsible corporate citizenship and stakeholder inclusivity continue to guide SPAR's governance and sustainability strategy. By embedding King IV's recommended practices into Board oversight and operational decision-making, SPAR reinforces dedication to long-term value creation and transparent accountability.

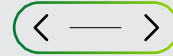
SPAR's regularly reviewed and updated Group sustainability policies also reflect our ongoing commitment to transparency, accountability and responsible business practices. These policies reinforce SPAR's alignment with evolving global standards and provide stakeholders with clear, accessible guidance on our ESG priorities.





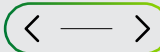
Glossary of terms and acronyms

ASC	The Aquaculture Stewardship Council aims to transform seafood farming globally and promote the best environmental and social aquaculture performance towards environmental sustainability and social responsibility.
B-BBEE	Broad-based black economic empowerment is a South African government policy to advance transformation and participation of historically disadvantaged citizens in the country's economy.
CbC reporting	In terms of the Organisation for Economic Co-operation and Development/G20 Base Erosion and Profit Shifting Action Plan, multinational entities must provide Country-by-Country reports that enable revenue authorities to assess relevant risks.
CDP	Formerly the Carbon Disclosure Project, this is a not-for-profit organisation that runs a global disclosure system for investors, companies, cities, states and regions to manage their environmental impacts.
CILT	The Chartered Institute of Logistics and Transport is a professional body representing the transport, logistics and supply chain industries in Ireland.
CO₂e	Carbon dioxide equivalent is the metric (represented as tonnes) used to measure the global warming potential of greenhouse gas emissions.
CSI	Corporate social investment is the practice of companies investing resources, beyond usual business operations, in social development projects that benefit communities.
CSRD	The Corporate Sustainability Reporting Directive is European Union legislation requiring companies to disclose their environmental, social and governance impacts in standardised non-financial sustainability reports.
EFRAG	The European Financial Reporting Advisory Group is a private association established to serve European public interest in financial and sustainability reporting.
EPR	The South African government's Extended Producer Responsibility system provides for producers of identified products to register and submit prescribed reports in terms of relevant regulations.
ESG	Environmental, socio-economic and governance considerations are part of the integrated framework guiding SPAR's responsible retail strategy – embedding sustainability across operations, communities and governance practices.
ESRS	The European Sustainability Reporting Standards cover the environmental, social and governance disclosures required by companies subject to the European Union's Corporate Sustainability Reporting Directive for stakeholders to understand companies' sustainability impacts.
EU	The European Union comprises 27 independent member states operating within a single market enabling goods, services, money and people to move freely. It has evolved from an economic union into an organisation involved in developing policies on environmental, social and governance matters.
Euro VI	European vehicle emissions standards address air pollutants through technologically advanced controls applied globally.
eWASA	The South African Department of Forestry, Fisheries and the Environment recognises the Extended Producer Responsibility Waste Association of South Africa as a registered producer responsibility organisation for the electrical and electronic equipment, lighting, paper and packaging and portable batteries sectors.
e-waste	Electronic waste refers to discarded electrical or electronic devices (broken, obsolete or unwanted) that pose environmental and health risks if not properly managed.
FSC	The Forest Stewardship Council unites individuals, businesses, governments and non-governmental organisations in sustaining healthy and resilient forests.
GBV	Gender-based violence refers to physical, sexual, emotional, psychological and economic harm directed at mostly women and children.
GC2	A type of carton board (also called folding box board) offering high stiffness, excellent folding properties and premium print quality for packaging.



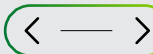
Glossary of terms and acronyms continued

GCX	Global Carbon Exchange is a South African-based international consultancy that helps organisations measure, manage and reduce carbon emissions, energy use and environmental impact.
GHG	Greenhouse gas (including carbon dioxide) contributes to the greenhouse effect (heat trapped near the Earth's surface).
GIZ	The Deutsche Gesellschaft für Internationale Zusammenarbeit is Germany's federal enterprise for international cooperation promoting sustainable development worldwide.
GLOBAL.G.A.P.	GLOBAL.G.A.P. is a brand of smart farm assurance solutions built on a portfolio of standards for safe and responsible production processes in agriculture, aquaculture and floriculture. Its holistic approach to certification is developed through collaboration with sector experts.
GMP	Good Manufacturing Practices refers to a system of standards and guidelines that ensure products are consistently produced and controlled according to quality requirements.
HDPE	High-density polyethylene is a recyclable thermoplastic polymer produced from ethylene. It is used in the production of plastic bottles and building materials.
HGV	A heavy goods vehicle is defined, in the European Union, as any truck with a gross combination mass of over 3 500kg.
HIV/AIDS	The human immunodeficiency virus attacks the immune system. Acquired immunodeficiency syndrome is the most advanced stage of infection by this virus – marked by severe immune damage and vulnerability to opportunistic infections.
HVAC	Heating, ventilation and air conditioning is a system or technology used to regulate indoor environmental comfort by controlling temperature, humidity and air quality.
HVO	Hydro-treated vegetable oil – a renewable resource – is a biofuel used as a substitute for petrol, diesel, propane, kerosene and other chemical feedstock.
IFRS S1 and IFRS S2	The International Financial Reporting Standards S1 (General Requirements for Disclosure of Sustainability-related Financial Information) and S2 (Climate-related Disclosures) are the global baseline for investor-focused sustainability-related disclosures.
ISO	The International Organization for Standardization is an independent, non-governmental body that develops and publishes international standards to ensure quality, safety, efficiency and interoperability across industries worldwide.
ISSB	The International Sustainability Standards Board develops the global baseline standards for sustainability disclosures focused on the needs of investors and financial markets.
JSE	The JSE, formerly the Johannesburg Stock Exchange, is South Africa's primary stock exchange. Aligned with global sustainability standards, the JSE has developed Sustainability Disclosure Guidance and Climate Change Disclosure Guidance tailored for the South African context.
King IV	The King IV Report on Corporate Governance™ for South Africa, 2016 contains principles and recommended practices aimed at achieving good governance outcomes.
kL	One kilolitre is equivalent to 1 000 litres.
KPIs	Key performance indicators are quantifiable measurements of progress or achievements against a set of benchmarks or past performance.
kWh	A kilowatt hour is a measurement of energy use.
LED	A light-emitting diode, illuminated by the movement of electrons, uses less electricity and lasts longer than an incandescent bulb.
MSC	The Marine Stewardship Council is an international non-profit organisation recognising and rewarding efforts to protect oceans and safeguard seafood supplies for the future.
NGO	A non-governmental organisation is an independent, non-profit group formed by citizens to address social, environmental, humanitarian or community issues outside direct government control.



Glossary of terms and acronyms continued

NPAT	Net profit after tax is available after deducting expenses from total revenue.
NPC	A non-profit company is a legal entity established under South Africa's Companies Act to serve public benefit or communal objectives rather than generate profit.
Paris Agreement	The Paris Agreement is a legally binding international treaty on climate change adopted by 196 parties at the United Nations Climate Change Conference on 12 December 2015 and enforced on 4 November 2016.
PET	Polyethylene terephthalate is a thermoplastic polymer resin used in the manufacture of clothing, containers for liquids and food as well as other industrial processes.
Plastics Pact	The South African Plastics Pact platform is stimulating innovation, dialogue and collaboration with targets for developing a functional circular economy for plastic packaging.
PV	A photovoltaic system uses solar-powered energy to generate electricity.
QR code	A quick-response code is a machine-readable optical image that contains information specific to the labelled item.
RSPO	The Roundtable on Sustainable Palm Oil is a global, non-profit organisation with voluntary members focused on gathering stakeholders across the palm oil supply chain in developing and implementing global standards for sustainable palm oil.
SAHPRA	The South African Health Products Regulatory Authority is the national body responsible for regulating all health products in South Africa to ensure their safety, efficacy and quality.
SARS	The South African Revenue Service is the country's tax collecting authority responsible for administering the local tax system and customs service.
SASSI	The Southern African Sustainable Seafood Initiative, a programme led by WWF South Africa, helps consumers, retailers and the fishing industry make informed choices to ensure the long-term sustainability of seafood.
SBTi	The Science Based Targets initiative provides companies with a clearly defined path to reducing emissions in line with the Paris Agreement goals.
SDGs	The 17 Sustainable Development Goals are objectives established by the United Nations, as part of the 2030 Agenda for Sustainable Development, aimed at addressing interconnected global challenges.
UN	The United Nations is an international organisation of member states that gather to discuss common challenges and find shared solutions that benefit all of humanity.
WWF	The World Wide Fund for Nature (formerly World Wildlife Fund) is an international conservation organisation dedicated to protecting biodiversity and reducing human impact on the environment.
YES	The Youth Employment Service is a South African private sector-led programme addressing unemployment by creating paid work opportunities for young people aged 18-34.



Corporate information

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JSE share code: SPP

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