

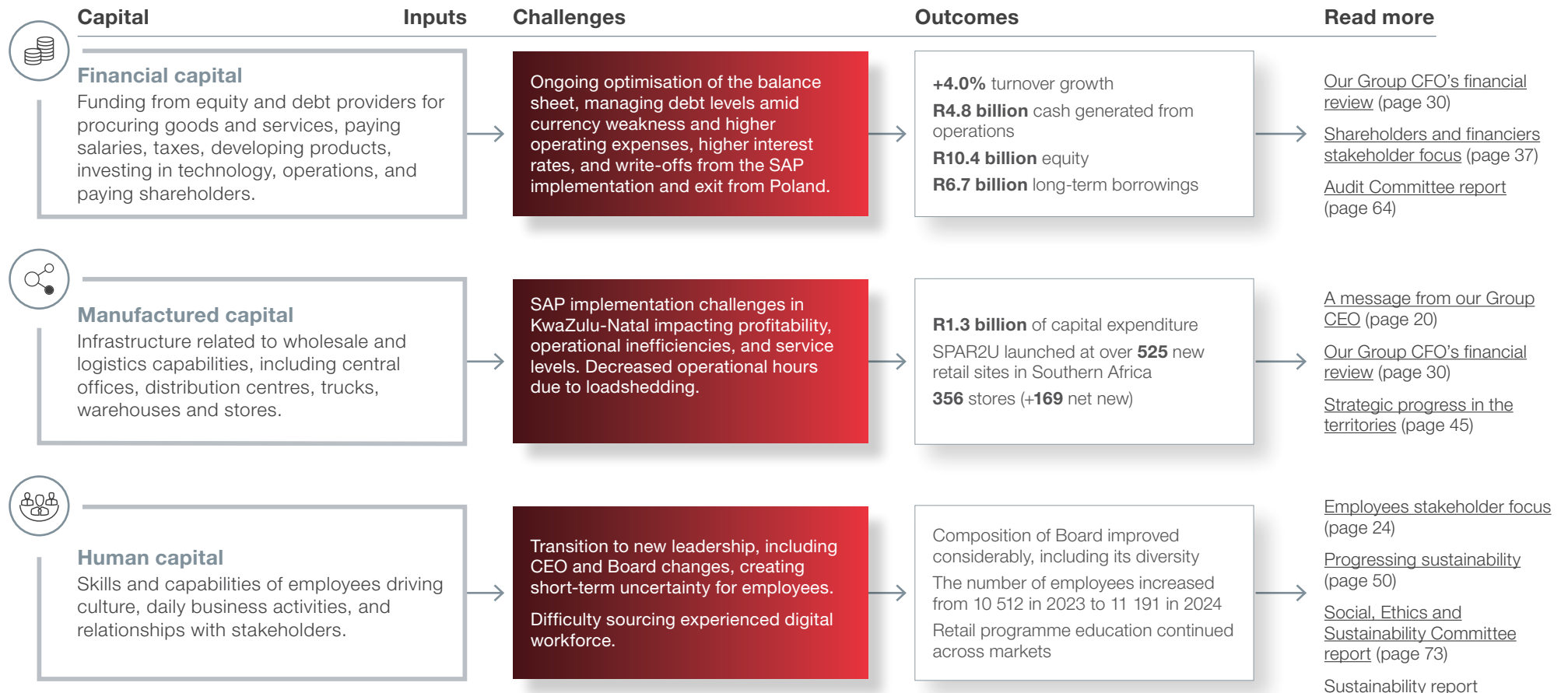
Value-creating business model

SPAR's operations rely on six capitals, and effective value creation depends on balancing the trade-offs between them. Our integrated annual report reflects on how we harness these capital inputs across our wholesale operations to generate positive outputs and outcomes for all stakeholders.

As part of the reporting processes, we review SPAR's business model to ensure the report addresses all material elements. Below is a summary of the business model.

Our outputs are the products and services we provide to support independent retailers, enabling them to serve consumers and strengthen their communities. We source competitively priced fresh produce, dry goods, and SPAR private label products to help these retailers compete locally. In addition, we offer top-tier distribution, retail operations and marketing support.

Our core business activities are outlined under [introducing SPAR \(page i\)](#) and [our value chain \(page 6\)](#).





Capital

Inputs

Challenges

Outcomes

Read more



Intellectual capital

Accumulated knowledge, systems, policies, and intellectual property, including the SPAR brand and its associated brands.



Competitive pressure from discounters and managing a decentralised, independent retail model.
Cybersecurity threats and ongoing SAP challenges.



Implementation of SAP for the business
SPAR merchandising business dedicated to SPAR private label products in Southern Africa
SPAR2U e-commerce solution for retailers
Private label product ranges



[A message from our Group CEO](#) (page 20)
[An interview with our Group COO](#) (page 26)
[Strategic progress in the territories](#) (page 45)



Social and relationship capital

Sustainable stakeholder relationships essential for operational performance, procuring goods, and engaging communities.



Increased living costs, service level disruptions, unemployment and reputational damage from earlier media allegations



Level 4 B-BBEE in South Africa
Ongoing GBV campaigns
R20.3 million CSI spend in South Africa
Empowerment of small suppliers through the SPAR supplier development programme



[Our stakeholder universe](#) (page 12)
The various stakeholder focus blocks in [reflecting on 2024](#) (page 14)
[Social, Ethics and Sustainability Committee report](#) (page 73)



Natural capital

Use of natural resources, including energy and water, with a focus on reducing the carbon and water footprints to ensure responsible procurement and protection.



Diesel shortages, loadshedding, flooding in KwaZulu-Natal, and water shortages in the Eastern Cape and Gauteng.



9 761 MWh of energy generated by distribution centres in South Africa
Scope 1: 47 049; Scope 2: 80 554 tonnes CO₂ equivalent total footprint
19 073 tonnes of cardboard and **2 360 tonnes of plastic** recycled through distribution centres in South Africa



[Progressing sustainability](#) (page 50)
[Social, Ethics and Sustainability Committee report](#) (page 73)
[Sustainability report](#)