

F0. Introduction

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F0.1

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**(F0.1) Give a general description of and introduction to your organization.**

Our purpose is to inspire people to do and be more. This is why we exist and why we want to be the first-choice brand in the communities we serve.

The SPAR Group Ltd (SPAR or the Group) is a warehousing and distribution business listed on the Johannesburg Stock Exchange (JSE) in the Food and Drug Retailers sector. SPAR strives to provide our independent retailers and their customers with the freshest fresh produce, bakery, home meal replacement, butchery and highest quality merchandise at the right price, every day.

The Group holds SPAR licences for and operates mainly in Southern Africa, Ireland (including South West England), Switzerland and Poland. The Group also has a joint venture arrangement in Sri Lanka. We serve a network of independent retailers who trade under our brands and are supplied through our distribution centres on a voluntary basis.

We are a member of SPAR International which granted SPAR its South African licence in 1963. The group operates 14 distribution centres serving 4 357 stores in four regions – Southern Africa, Ireland (including South West England), Switzerland and more recently Poland.

Of our turnover, 36.8% is generated in foreign currency. Head Office based in Pinetown, Durban, South Africa provides centralised services to the distribution centres in South Africa. SPAR in Ireland, Switzerland and Poland operate as standalone businesses and report through their own governance structures to the SPAR Board. We own the SPAR licences for Namibia, Botswana, Mozambique and Angola, serviced through our South African distribution centres.

SPAR South Africa has six regional distribution centres, and the Build it (building material imports) and S Buys (pharmaceutical) distribution centres. Distribution centres serve regions from a centralised location and usually consist of warehousing, cold storage and packing stations. Satellite warehousing hubs reduce transport costs on certain routes. Countries serviced outside South Africa include:

- South Rand – Lesotho
- North Rand – Botswana, Malawi, Zimbabwe
- KwaZulu-Natal – Seychelles
- Western Cape – Namibia
- Lowveld – Mozambique, Eswatini

We have a total of 2 414 stores in the following formats in Southern Africa: SPAR, SUPERSPAR, KWIKSPAR, SPAR Express, Build it, SaveMor, Pharmacy at SPAR and TOPS at SPAR. We distribute goods to stores with a fleet of trucks and trailers owned by the Group.

We acquire corporate-owned stores as they constitute strategically important sites. These stores are often refurbished and sold to new retailers. In the meantime, they offer the Group a unique opportunity to offer practical retail training and serve as a testing group for experimental products and services. We have 49 corporate-owned stores (2020).

We regard disclosure to CDP Forests as an opportunity to understand risks and impacts around key forest risk commodities that we distribute through our distribution centres and retail in our stores. We have embarked on a journey to focus our actions towards promoting sustainable consumption and driving sustainability even further across our supply chain by considering global forest commodities and their suppliers. We invite feedback from all our stakeholders around best practices to transform our supply chain.

F0.2

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**(F0.2) State the start and end date of the year for which you are reporting data.**

	Start Date	End Date
Reporting year	October 1 2019	September 30 2020

F0.3

(F0.3) Select the currency used for all financial information disclosed throughout your response.

ZAR

F0.4

(F0.4) Select the forest risk commodity(ies) that you are, or are not, disclosing on (including any that are sources for your processed ingredients or manufactured goods); and for each select the stages of the supply chain that best represents your organization's area of operation.

	Commodity disclosure	Stage of the value chain	Explanation if not disclosing
Timber products	Disclosing	Retailing	<Not Applicable>
Palm oil	Disclosing	Retailing	<Not Applicable>
Cattle products	Disclosing	Retailing	<Not Applicable>
Soy	Not disclosing	Retailing	Following the analysis of the use of soy within SPAR's supply chain, the Group has uncovered that soy is not widely used in cattle feed. SPAR's largest beef supplier uses minimal amount of soy which is grown locally in South Africa. Therefore, SPAR's has no direct business impact on this commodity, and is not disclosing on soy.
Other - Rubber	This commodity is not produced, sourced or used by our organization	<Not Applicable >	<Not Applicable>
Other - Cocoa	Not disclosing	Retailing	SPAR has no direct business impact as minimal amount of cocoa is included in SPAR branded products. The SPAR Group only sells SPAR Brand chocolate candy items.
Other - Coffee	Disclosing	Retailing	<Not Applicable>

F0.5

(F0.5) Are there any parts of your direct operations or supply chain that are not included in your disclosure?

Yes

F0.5a

(F0.5a) Identify the parts of your direct operations or supply chain that are not included in your disclosure.

Value chain stage	Exclusion	Description of exclusion	Potential for forests-related risk	Please explain
Direct operations	Country/ geographical area	SPAR Group operations outside of South Africa	Potential for forests-related risk but not evaluated	The scope of the SPAR Group's disclosure is limited to the Group's operations within South Africa because SPAR's operations are predominantly located in South Africa. The SPAR Group aims to focus efforts around understanding of forest-related risks for products that are only procured through the Group's distribution centres, located in South Africa.
Direct operations	Facility	Stores owned by the SPAR Group	Potential for forests-related risk but not evaluated	The SPAR Group aims to focus efforts towards understanding of forest-related risks for SPAR branded products that are only procured through the Group's distribution centres.
Direct operations	Facility	For timber products, specifically, for wood and wood products, only wood/wood products which are procured through SPAR's Build it distribution centre are considered. Timber used in packaging is not limited to Build it distribution centre.	Potential for forests-related risk but not evaluated	The Group's efforts are focused towards evaluating forest-related risks on timber products, specifically, in relation to wood and wood products, procured through SPAR's Build it distribution centre.
Supply chain	Specific product line(s)	For Palm Oil, Coffee and Cattle commodities only SPAR branded products are considered while products owned and branded by third parties are excluded. For timber commodity used in packaging, only packaging of SPAR branded products is considered.	Potential for forests-related risk but not evaluated	The Group's efforts are focused towards evaluating forest-related risks on products where the Group has the most leverage in the supply chain, i.e. among suppliers who supply SPAR branded forest-products.

F1. Current state

F1.1

(F1.1) How does your organization produce, use or sell your disclosed commodity(ies)?

## Timber products

### Activity

Retailing/onward sale of commodity or product containing commodity

### Form of commodity

Hardwood logs  
Softwood logs  
Boards, plywood, engineered wood  
Primary packaging  
Secondary packaging  
Tertiary packaging

### Source

Contracted suppliers (manufacturers)

### Country/Area of origin

South Africa

### % of procurement spend

11-20%

### Comment

SPAR sells timber commodity in the form of timber products such as doors, boards as well as wood products (softwood and hardwood logs). Timber commodity is also used in primary packaging (cartons used in packaging of SPAR brand products), secondary packaging (SPAR paper bags) and tertiary packaging (SPAR cardboard boxes). 100% of timber is sourced from South Africa. For board products, 60% is locally manufactured and the remaining 40% is imported from Sweden. Wood products, specifically doors, are sourced from Malaysia (90% of wooden doors). Paper for SPAR paper bags is imported from international mills located in Sweden and manufactured into SPAR paper bag locally. Cardboard boxes are made locally from recycled paper and board. Timber is sold through SPAR's Build it distribution centre, and this year, 17% of total Build it distribution centre's expenditure was spent on timber products.

## Palm oil

### Activity

Retailing/onward sale of commodity or product containing commodity

### Form of commodity

Refined palm oil

### Source

Other, please specify (Unknown)

### Country/Area of origin

Unknown origin

### % of procurement spend

Don't know

### Comment

SPAR sells refined palm oil through SPAR brand SmartChef range. Palm oil is included as an ingredient in cooking and baking of SPAR products in-store. However, at this point the Group does not have information on the origin of this commodity. During FY2020, the Group has started supply chain mapping for palm oil consumed in SPAR's operations which is expected to be completed during FY2021. The Group has identified that palm oil is currently used in 9 products, including SPAR margarine brick, oven baked chips, crumbed chicken portions, mini cheese and custard puffs, sausage rolls, frozen uncooked crumbed chips, peanut butter and SmartChef palm oil. Supply chain mapping currently extends only to SPAR Brand products and the Group is working to identify which SPAR suppliers procure palm oil, if they import palm oil from countries at risk from deforestation and whether the imported palm oil is RSPO certified.

## Cattle products

### Activity

Retailing/onward sale of commodity or product containing commodity

### Form of commodity

Beef

### Source

Contracted suppliers (manufacturers)

### Country/Area of origin

Botswana  
Namibia  
South Africa

### % of procurement spend

Don't know

### Comment

Cattle products are retailed in SPAR brand products through SPAR pre-packed beef products. This year, 92% of beef is sourced from South Africa, 5% from Namibia and 3% from Botswana. Information on procurement spend on SPAR brand beef products is not available this year but the Group anticipates reporting this figure next year.

## Other - Coffee

### Activity

Retailing/onward sale of commodity or product containing commodity

### Form of commodity

Other, please specify (Coffee beans, ground coffee and pre-ground coffee capsules)

### Source

Contracted suppliers (manufacturers)

### Country/Area of origin

Brazil  
Colombia  
Costa Rica  
El Salvador  
Ethiopia  
Guatemala  
Honduras  
India  
Indonesia  
Kenya  
Mexico  
Nicaragua  
Papua New Guinea  
Peru  
Uganda  
Viet Nam

### % of procurement spend

Don't know

### Comment

SPAR brand coffee includes coffee beans and ground coffee and is sold through SPAR stores. SPAR's BeanTree Café outlets sell coffee, which is procured in the form of espresso beans and capsules. SPAR brand coffee originates from the Cerrado region (Brazil), Sidamo region (Ethiopia), North Tanzania, Supremo Huila (Colombia), Huehuetenango (Guatemala) and Mandeling (Indonesia). Espresso beans and coffee capsules procured for BeanTree Café are sourced from various regions across the world, including Central America (Mexico, Guatemala, Honduras, El Salvador, Nicaragua, Costa Rica), South America (Brazil, Colombia, Peru), Africa (Tanzania, Kenya, Uganda, Ethiopia) and Asia (India, Vietnam, Indonesia, Papua New Guinea).

## F1.2

**(F1.2) Indicate the percentage of your organization's revenue that was dependent on your disclosed forest risk commodity(ies) in the reporting year.**

	% of revenue dependent on commodity	Comment
Timber products	11-20%	Timber products constitute 14% of total SPAR Build it distribution centre's sales.
Palm oil	1-5%	Products containing palm oil constitute 2.2% of all SPAR Brand product sales.
Cattle products	<1%	Cattle products in the form of beef steaks and beef products constitute 0.85% of total SPAR brand product sales.
Soy	<Not Applicable>	<Not Applicable>
Other - Rubber	<Not Applicable>	<Not Applicable>
Other - Cocoa	<Not Applicable>	<Not Applicable>
Other - Coffee	<1%	Coffee sold through BeanTree Café and SPAR Branded coffee products constitute 0.2% of all SPAR branded products sales.

## F1.5

**(F1.5) Does your organization collect production and/or consumption data for your disclosed commodity(ies)?**

	Data availability/Disclosure
Timber products	Consumption data available, disclosing
Palm oil	Consumption data available, disclosing
Cattle products	Consumption data available, disclosing
Soy	<Not Applicable>
Other - Rubber	<Not Applicable>
Other - Cocoa	<Not Applicable>
Other - Coffee	Consumption data available, disclosing

## F1.5a

**(F1.5a) Disclose your production and/or consumption data.**

**Forest risk commodity**

Timber products

**Data type**

Consumption data

**Volume**

205000

**Metric**

Cubic meters

**Data coverage**

Partial commodity production/consumption

**Please explain**

Consumption data covers 100% of wood and wood products sold through SPAR's Build it distribution centre. During the current year, 1 644 529 units of cartons for SPAR branded products, 5 080 550 units of SPAR paper bags and 5 237 967 packaging boxes were sold, however, the total volume of these units is unknown, and therefore, this year consumption data includes only wood. SPAR anticipates reporting the volume of timber used in packaging next year.

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**Forest risk commodity**

Cattle products

**Data type**

Consumption data

**Volume**

110000

**Metric**

Metric tons

**Data coverage**

Partial commodity production/consumption

**Please explain**

Consumption data covers 81.9% of cattle products consumption data. Currently, 81.9% of beef is sourced from a single largest supplier. The remaining beef is sourced from smaller beef suppliers, which have not been engaged yet. SPAR plans to engage with all beef suppliers over the next 2 years.

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**Forest risk commodity**

Other - Coffee

**Data type**

Consumption data

**Volume**

31061.44

**Metric**

Metric tons

**Data coverage**

Full commodity production/consumption

**Please explain**

<Not Applicable>

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**Forest risk commodity**

Palm oil

**Data type**

Consumption data

**Volume**

8436

**Metric**

Metric tons

**Data coverage**

Partial commodity production/consumption

**Please explain**

8 436 tons (8 435 866 kilograms) amount to all sold SPAR brand products which contain palm oil.

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**F1.5b**

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**(F1.5b) For your disclosed commodity(ies), indicate the percentage of the production/consumption volume sourced by national and/or sub-national jurisdiction of origin.**

**Forest risk commodity**

Timber products

**Country/Area of origin**

Any other countries/areas

**State or equivalent jurisdiction**

<Not Applicable>

**% of total production/consumption volume**

100

**Please explain**

100% of all timber sold through Build It distribution centre is sourced from South Africa.

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**Forest risk commodity**

Cattle products

**Country/Area of origin**

Any other countries/areas

**State or equivalent jurisdiction**

<Not Applicable>

**% of total production/consumption volume**

81.9

**Please explain**

All SPAR beef products are sourced from South Africa but currently data from a single largest beef supplier constitutes 81.9% of the total consumption.

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**Forest risk commodity**

Other - Coffee

**Country/Area of origin**

Unknown origin

**State or equivalent jurisdiction**

<Not Applicable>

**% of total production/consumption volume**

100

**Please explain**

Coffee that is sold in SPAR stores under SPAR brand and through SPAR BeanTree Café outlets is sourced from a range of forest-risk countries, including Brazil, Colombia, Costa Rica, El Salvador, Ethiopia, Guatemala, Honduras, India, Indonesia, Kenya, Mexico, Nicaragua, Papua New Guinea, Peru, Uganda and VietNam. SPAR procures certified coffee, which offers traceability to a country and a coffee plantation level, however, due to complexity of SPAR's coffee supply chain, at this point the SPAR Group does not have information on coffee consumption levels that are sourced from individual countries or their jurisdictions (states).

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**Forest risk commodity**

Palm oil

**Country/Area of origin**

Unknown origin

**State or equivalent jurisdiction**

<Not Applicable>

**% of total production/consumption volume**

100

**Please explain**

SPAR is currently mapping supply chain for palm oil to be able to trace palm oil back to origin.

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F1.5e

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**(F1.5e) How does your organization produce or consume biofuel derived from palm oil?**

**Does your organization produce or consume biofuel derived from palm oil?**

No

**Data type**

<Not Applicable>

**Volume produced/consumed**

<Not Applicable>

**Metric**

<Not Applicable>

**Country/Area of origin**

<Not Applicable>

**State or equivalent jurisdiction**

<Not Applicable>

**% of total production/consumption volume**

<Not Applicable>

**Does the source of your organization's biofuel material come from smallholders?**

<Not Applicable>

**Comment**

SPAR does not produce or consume biofuel derived from palm oil. Palm oil is included in cooking and baking of SPAR products in-store as well as sold through SPAR branded products range.

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**F1.6**

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**(F1.6) Has your organization experienced any detrimental forests-related impacts?**

No

**F2. Procedures**

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**F2.1**

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**(F2.1) Does your organization undertake a forests-related risk assessment?**

No, forests-related risks are not assessed

**F2.1d**

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**(F2.1d) Why does your organization not undertake a forests-related risk assessment?**

**Timber products**

**Primary reason**

Forests-related risk assessment in progress

**Please explain**

The SPAR Group currently is considering stand-alone forest risks but they are not part of enterprise-wide forest-related risk assessments. The Group is finalising revised SPAR's Sustainability Policy, which guides the Group's strategy and risk management process and will drive incorporation of forest-related risk assessments into the Group's risk identification and management process.

**Palm oil**

**Primary reason**

Forests-related risk assessment in progress

**Please explain**

The SPAR Group currently is considering stand-alone forest risks but they are not part of enterprise-wide forest-related risk assessments. The Group is finalising revised SPAR's Sustainability Policy, which guides the Group's strategy and risk management process and will drive incorporation of forest-related risk assessments into the Group's risk identification and management process.

**Cattle products**

**Primary reason**

Forests-related risk assessment in progress

**Please explain**

The SPAR Group currently is considering stand-alone forest risks but they are not part of enterprise-wide forest-related risk assessments. The Group is finalising revised SPAR's Sustainability Policy, which guides the Group's strategy and risk management process and will drive incorporation of forest-related risk assessments into the Group's risk identification and management process.

**Other - Coffee**

**Primary reason**

Forests-related risk assessment in progress

**Please explain**

The SPAR Group currently is considering stand-alone forest risks but they are not part of enterprise-wide forest-related risk assessments. The Group is finalising revised SPAR's Sustainability Policy, which guides the Group's strategy and risk management process and will drive incorporation of forest-related risk assessments into the Group's risk identification and management process.

**F3. Risks and opportunities**

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**F3.1**

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**(F3.1) Have you identified any inherent forests-related risks with the potential to have a substantive financial or strategic impact on your business?**

	<b>Risk identified?</b>
Timber products	Yes
Palm oil	Yes
Cattle products	Yes
Soy	<Not Applicable>
Other - Rubber	<Not Applicable>
Other - Cocoa	<Not Applicable>
Other - Coffee	Yes

**F3.1a**

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### (F3.1a) How does your organization define substantive financial or strategic impact on your business?

The SPAR Group identifies substantive financial or strategic impact, based on the likelihood and impact indicators.

For impact indicator, The Group has established six financial impact and six non-financial impact categories. The severity of impact could range from insignificant (Score of 1) to catastrophic (Score of 7). Each category has a set of criteria which determines the severity of impact. Examples of non-financial categories and their respective criteria of what is considered to be catastrophic impact is as such:

- Health & Safety – Multiple fatalities and significant irreversible effects >100 people
- Environmental & Community – Incident that causes disastrous environmental or societal impact with long term effect requiring major remediation. Will result in large scale class action.
- Reputation & Brand – Prominent and prolonged international media coverage. Public reprimand from Government. Significant negative impact on share price for months.
- Legal & Compliance – Major litigation or prosecution with damages and costs of >R50m. Custodial sentence for company executive. Prolonged closure of operations by authorities.
- Management Impact – Disaster with long term significant impact on the Group that requires senior executives to spend considerable time remediation for several months. Full implementation of Group-wide crisis management plan.
- Operations – Destruction of long-term major disruption of a DC or significant operations.

For likelihood indicator, the likelihood score ranges from improbable (Score of 1) to certain (Score of 6). Each risk is presented to the Executive Committee and regional risk teams. Each team then votes on the likelihood of the event occurring (from 1 – 6). An average rating scale is then used to determine the likelihood of the event occurring.

For each risk, likelihood and impact indicators are plotted on the risk graph, and the risk is considered to have a substantive financial or strategic impact when the likelihood indicator has a score between 4-6 and impact indicator has a score between 4-7.

### F3.1b

#### (F3.1b) For your disclosed forest risk commodity(ies), provide details of risks identified with the potential to have a substantive financial or strategic impact on your business, and your response to those risks.

##### Forest risk commodity

Timber products

##### Type of risk

Physical

##### Geographical scale

Country

##### Where in your value chain does the risk driver occur?

Supply chain

##### Primary risk driver

Increased severity of extreme weather events

##### Primary potential impact

Increased production costs

##### Company-specific description

The SPAR Group sources 100% of timber products from South Africa. Therefore, increased occurrence and severity of extreme weather events such as drought, flooding and forest fires is a risk to the SPAR Group, specifically in relation to timber products which are sold through SPAR's Build it distribution centre. Since 2018, South Africa has been in the middle of the worst in 1000-years drought. During FY2020, drought and its impact continued to be experienced in Eastern Cape province. Climate change projections for South Africa, which is a water scarce country, suggest that more frequent and intense drought events would recur. Drought-linked forest fires in Eastern Cape province, which occurred 3-4 years ago have impacted 300 000 ha of forests in South Africa, reducing the availability of timber. During FY2020 SPAR's timber suppliers have also experienced localised flooding across various parts of the country, further impacting on timber availability. Due to drought, forest fires and localised flooding, the SPAR Group has observed reduction in the number of trees that were grown for timber products in plantations, and this has impacted on the quantity and quality of wood. As a result, timber prices have increased, and this increase has been ultimately pushed onto consumers.

##### Timeframe

1-3 years

##### Magnitude of potential impact

Medium-high

##### Likelihood

Very likely

##### Are you able to provide a potential financial impact figure?

No, we do not have this figure

##### Potential financial impact (currency)

<Not Applicable>

**Potential financial impact figure - minimum (currency)**

<Not Applicable>

**Potential financial impact figure - maximum (currency)**

<Not Applicable>

**Explanation of financial**

Financial impact has not been quantified yet.

**Primary response to risk**

Promotion of certification, including financial incentives

**Description of response**

SPAR procures sustainably sourced timber products which are 100% certified under the FSC. The Group has set the goal of "All paper and board used will be 100% sustainable by 2025". Wood that the Group retails comes from sustainably managed forests, which contribute towards climate change mitigation and preservation of ecosystem services. By promoting sustainable wood procurement, the SPAR Group contributes towards global actions aimed at minimising climate change impacts. SPAR has started engagements with the local FSC Council to further drive demand for FSC certification in the country. The Group holds a FSC promotional license for some of SPAR branded products such as timber or SPAR's packaging. The Group is working together with SPAR's paper bag manufacturers so that SPAR paper bags meet FSC promotional license requirements. SPAR is starting scenario planning analysis, and following the analysis, the Group anticipates to be able to incorporate region-specific short-, medium- and long-term impacts from drought into the development of suppliers' capacity and resilience strategies and actions. SPAR's Build it distribution centre works closely with suppliers to identify potential risks facing the industry and to collaboratively find ways to mitigate risk. This includes having a number of suppliers located in various parts of the country to minimise the impact associated with extreme weather events.

**Cost of response**

36258

**Explanation of cost of response**

FSC Certification licensing costs, depending on the level of certification, varies between R2 270 – R12 176 per stakeholder. SPAR's supply chain for FSC certification includes three stakeholders, specifically, grower, mill and products, and therefore, the licensing costs have been estimated to be between R6 810 – R36 258.

**Forest risk commodity**

Cattle products

**Type of risk**

Physical

**Geographical scale**

Country

**Where in your value chain does the risk driver occur?**

Supply chain

**Primary risk driver**

Increased severity of extreme weather events

**Primary potential impact**

Other, please specify (Drought and flooding)

**Company-specific description**

SPAR has identified that increased severity of extreme weather events is a risk that could have significant impact on beef products that the Group sources and retails. SPAR procures 92% of beef from South Africa, mainly from inland regions, located in the Free State, Northern Cape and North West provinces. Climate change projections for South Africa, which is a water scarce country, suggest that more frequent and intense drought events would recur. Feed for beef is grown for the following year, and therefore, drought could have an impact on South African beef suppliers, reducing supply of feed, and leading to an increased price of feed and in turn increased price of calves. The agriculture industry is price takers, and therefore, vulnerable to external activities that affect the price of their product.

**Timeframe**

4-6 years

**Magnitude of potential impact**

Medium-high

**Likelihood**

Very likely

**Are you able to provide a potential financial impact figure?**

No, we do not have this figure

**Potential financial impact (currency)**

<Not Applicable>

**Potential financial impact figure - minimum (currency)**

<Not Applicable>

**Potential financial impact figure - maximum (currency)**

<Not Applicable>

**Explanation of financial**

Financial impact has not been quantified yet.

**Primary response to risk**

Engagement with suppliers

**Description of response**

SPAR works closely with the Group's suppliers to drive adoption of resource efficiency practices around water and energy and to ensure that suppliers are resilient to climate change and extreme weather events. Almost 82% of total beef consumption is sourced from a single largest beef supplier, who is a member of the Red Meat Abattoir Association and currently is working on international resource efficiency benchmarking, which strongly focusses on energy and water. The SPAR Group is planning to engage with smaller beef suppliers to further promote and drive resource efficiency among all beef suppliers. SPAR annually engages with SPAR House Brands and Freshline Brands suppliers to collect through a questionnaire information around suppliers' sustainability practices, sustainability risks identification and mitigation actions. In FY2020, the Group for the first time has collected information from the largest beef supplier around sustainability practices and calculated their carbon footprint.

Sustainability guidelines have been conveyed to all existing SPAR suppliers SPAR is working to incorporate sustainability targets around climate change, water and commodities into the supplier service level agreements within the next 2 years.

**Cost of response**

120000

**Explanation of cost of response**

The cost of response includes 1 full time staff member for 3 months and administrative assistant for 3 months, who worked on coordination of supplier questionnaires.

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**Forest risk commodity**

Palm oil

**Type of risk**

Reputational and markets

**Geographical scale**

Global

**Where in your value chain does the risk driver occur?**

Supply chain

**Primary risk driver**

Uncertainty about product origin and/or legality

**Primary potential impact**

Brand damage

**Company-specific description**

Palm Oil commodity is used extensively as a raw material in the food industry. SPAR is a food retailer and the Group sells refined palm oil through SPAR brand SmartChef range as well as palm oil is included as an ingredient in cooking and baking of SPAR products in-store. Palm oil production in tropical rainforest countries such as Indonesia or Malaysia is driving deforestation and concurrently is diminishing the world's carbon sinks. Currently, the Group has limited understanding on where the palm oil that is used in SPAR brand products is sourced from. With increasing consumer awareness on the negative environmental and social impacts associated with palm oil production, SPAR accepts the responsibility that the Group has towards sustainable production and consumption of palm oil. The Group has identified the risk associated with brand damage that could be made to SPAR if unknowingly SPAR was supporting deforestation practices and consumers became aware of it.

**Timeframe**

>6 years

**Magnitude of potential impact**

Medium-high

**Likelihood**

Likely

**Are you able to provide a potential financial impact figure?**

Yes, an estimated range

**Potential financial impact (currency)**

<Not Applicable>

**Potential financial impact figure - minimum (currency)**

786000000

**Potential financial impact figure - maximum (currency)**

1572000000

**Explanation of financial**

The Group estimates that failure to respond to changing consumer preferences and reputational risk associated with limited traceability on palm oil commodity could lead to a decrease in revenue. It estimated that 1–2% decrease in SPAR Southern Africa FY2020 revenue of R78 605.4 million would be at R786 million – R1 572 million.

**Primary response to risk**

Greater traceability of forest-risk commodities

**Description of response**

The SPAR Group recognises that palm oil commodity has long and complex supply chain with difficulties in tracing palm oil products back to the origin. SPAR acknowledges the need for better understanding how this commodity is used in SPAR products as often it is only second- or even third-tier of suppliers that would be able to provide information on palm oil. The SPAR Group is expanding capacity to ensure that SPAR can improve traceability of SPAR brand products that contain palm oil. SPAR International is in discussions with the Roundtable on Sustainable Palm Oil (RSPO) to become a member, and SPAR South Africa anticipates having access to RSPO certified palm oil as a result of this engagement. During FY2020, the Group has started supply chain mapping for palm oil consumed in SPAR's operations which is expected to be completed during FY2021. The Group has identified that palm oil is currently used in 9 products. Supply chain mapping currently extends only to SPAR Brand products and the Group is working to identify which SPAR suppliers procure palm oil, if they import palm oil from countries at risk from deforestation and whether the imported palm oil is RSPO certified. SPAR is also driving actions to promote sustainable procurement of palm oil at a local level among other South African retailers through discussions in the Sustainable Retailers Forum, which SPAR is a member of.

**Cost of response**

120000

**Explanation of cost of response**

The cost of supply chain mapping during FY2020 has been estimated to be R120,000.

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**Forest risk commodity**

Other - Coffee

**Type of risk**

Reputational and markets

**Geographical scale**

Country

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**Where in your value chain does the risk driver occur?**

Direct operation

**Primary risk driver**

Shifts in consumer preference

**Primary potential impact**

Reduced demand for products and services

**Company-specific description**

The SPAR Group is under increasing pressure from stakeholders, including consumers and the broader public, to address environmental issues. SPAR's biennial market research and analysis has identified that SPAR's high LSM consumers expect to see that SPAR is actively involved in environmental initiatives and pursuing carbon, water and waste management programmes. SPAR's market research analysis on consumer perceptions has also demonstrated that most of SPAR's consumers are increasingly aware of where their products are sourced from. The analysis has provided further evidence that consumers' choice to shop at a retail store is influenced by the perceptions of retailer's actions to reduce environmental impacts. If SPAR was unable to demonstrate that the Group is addressing environmental issues, the overall SPAR brand could suffer over time. These issues could result in a decline in the demand for SPAR retail outlets and therefore for the SPAR Group's goods and services. This risk could have greater impact on SPAR's stores with consumers in the higher income segment. Coffee products that are sold by the SPAR Group include SPAR coffee products (ground coffee and coffee beans) as well as coffee beans and espresso capsules which are sold at SPAR's Bean Tree Café. While there is limited demand for certified coffee in South Africa at the moment, SPAR anticipates that this could change quickly and therefore, the Group proactively mitigates this risk.

**Timeframe**

4-6 years

**Magnitude of potential impact**

Medium

**Likelihood**

Likely

**Are you able to provide a potential financial impact figure?**

Yes, an estimated range

**Potential financial impact (currency)**

<Not Applicable>

**Potential financial impact figure - minimum (currency)**

786000000

**Potential financial impact figure - maximum (currency)**

1572000000

**Explanation of financial**

The quantification assumes that if SPAR was too slow to take into account consumers' perceptions around the need for environmental actions, this would reduce the number of customers in-store as they would opt to shop at a competitor which is actively reducing impact on the environment. This could make owning a SPAR store less desirable, resulting in a reduced number of purchased stores and a reduction in goods purchased from the SPAR Group. The Group estimates that failure to respond to changing consumer preferences and increased demand for products with sustainability labelling could lead to a decrease in revenue. It estimated that 1–2% decrease in SPAR Southern Africa FY2020 revenue of R78 605.4 million would be estimated at R786 million – R1 572 million.

**Primary response to risk**

Increased use of sustainably sourced materials

**Description of response**

SPAR's Bean Tree Café procures coffee products which have internationally recognised certifications such as the Rainforest Alliance Certification, the UTZ Certification and the Fairtrade Certification. By using certified coffee, SPAR is driving sustainable consumption and is promoting sustainable coffee farming. Sustainable coffee farming drives resource efficiency around water, energy, fertilisers and pesticides, which is in line with SPAR's sustainability commitment to responsible living and resource stewardship. SPAR is planning to launch its own Sustainable Label for SPAR branded products within next 2 years.

**Cost of response**

0

**Explanation of cost of response**

The cost of response at this point has not been quantified. The SPAR Group anticipates reporting cost of response next year.

**Forest risk commodity**

Cattle products

**Type of risk**

Regulatory

**Geographical scale**

Country

**Where in your value chain does the risk driver occur?**

Supply chain

**Primary risk driver**

Changes in land tenure regulations

**Primary potential impact**

Other, please specify (Loss of farming land)

**Company-specific description**

SPAR has identified changes to land ownership and regulation as a risk to all the Group's suppliers in South Africa, but this could have the greatest impact on SPAR's cattle suppliers as 92% of SPAR's beef products are procured in South Africa. Restitution of Land Rights Act in South Africa aims to redress past inequalities and injustices by focusing on land restitution, redistribution and land tenure reform. There are discussions in the South African Parliament to amend the legislation and include land expropriation without compensation clauses, and if such legislation amendments were implemented, this could have far reaching impacts on farmers. The process of land restitution and redistribution has been ongoing since 1994 and there is continued uncertainty associated with legislation and land tenure rights in future in South Africa. While the impact and timeframe of this risk unknown, nonetheless, this remains a considerable risk to the SPAR Group.

**Timeframe**

Unknown

**Magnitude of potential impact**

Unknown

**Likelihood**

Unknown

**Are you able to provide a potential financial impact figure?**

No, we do not have this figure

**Potential financial impact (currency)**

&lt;Not Applicable&gt;

**Potential financial impact figure - minimum (currency)**

&lt;Not Applicable&gt;

**Potential financial impact figure - maximum (currency)**

&lt;Not Applicable&gt;

**Explanation of financial**

Financial impact has not been quantified yet.

**Primary response to risk**

Other, please specify (Acquisition of new land)

**Description of response**

SPAR's beef suppliers in order to mitigate the risk associated with changes to land ownership have acquired land in 3 different locations. This action is aimed at reducing the uncertainty and potential impact on SPAR's beef supply, should land tenure rights change. Furthermore, this risk response enables SPAR's beef supplier to mitigate energy and water risks as operations are now spread across 3 sites.

**Cost of response**

0

**Explanation of cost of response**

The cost of response at this point has not been quantified.

**F3.2****(F3.2) Have you identified any forests-related opportunities with the potential to have a substantive financial or strategic impact on your business?**

	Have you identified opportunities?
Timber products	Yes
Palm oil	Yes
Cattle products	Yes
Soy	<Not Applicable>
Other - Rubber	<Not Applicable>
Other - Cocoa	<Not Applicable>
Other - Coffee	Yes

**F3.2a****(F3.2a) For your selected forest risk commodity(ies), provide details of the identified opportunities with the potential to have a substantive financial or strategic impact on your business.****Forest risk commodity**

Timber products

**Type of opportunity**

Products &amp; services

**Where in your value chain does the opportunity occur?**

Direct operation

**Primary forests-related opportunity**

Increased brand value

**Company-specific description & strategy to realize opportunity**

The SPAR Group has recognised that offering the Group's customers certified timber products can increase brand value and attract new customers to shop at SPAR's stores. SPAR's biennial market research analysis on consumer perceptions has also demonstrated that most of SPAR's consumers are increasingly aware of where their products are sourced from. Currently, 100% of wood retailed by SPAR's Build it distribution centre is FSC certified and board used for SPAR brand carton has FSC chain of custody certification, which verifies that FSC-certified material has been used across the supply chain. The Group aims all SPAR brand packaging to be 100% certified in the near future. SPAR is planning to launch its own Sustainable Label for SPAR branded products within next 2 years. The Group has engaged local FSC Council to gain marketing license for the packaging of some SPAR branded products (such as carton for SPAR brand products), which could be over time extended to the packaging of a wide range of SPAR branded products. Certification of packaging in SPAR branded products requires SPAR's packaging suppliers to comply with FSC certification requirements, which ultimately drives the adoption of FSC certification in South Africa. Increased demand for FSC certified products would assist with incentivising timber producers and manufacturers to adopt FSC certifications.

**Estimated timeframe for realization**

1-3 years

**Magnitude of potential impact**

Medium

**Likelihood**

Likely

**Are you able to provide a potential financial impact figure?**

Yes, an estimated range

**Potential financial impact figure (currency)**

<Not Applicable>

**Potential financial impact figure – minimum (currency)**

786000000

**Potential financial impact figure – maximum (currency)**

1572000000

**Explanation of financial impact figure**

If this opportunity to increase brand value was realised, it could result in estimated 1-2% increase SPAR Southern Africa FY2020 revenue of R78 605.4 million, which would amount to R786 million – R1 572 million.

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**Forest risk commodity**

Other - Coffee

**Type of opportunity**

Products & services

**Where in your value chain does the opportunity occur?**

Supply chain

**Primary forests-related opportunity**

Increased brand value

**Company-specific description & strategy to realize opportunity**

SPAR's biennial market research and analysis has identified that SPAR's high LSM consumers expect to see that SPAR is actively involved in environmental initiatives and pursuing carbon, water and waste management programmes. SPAR's market research analysis on consumer perceptions has also demonstrated that most of SPAR's consumers are increasingly aware of where their products are sourced from. The analysis has provided further evidence that consumers' choice to shop at a retail store is influenced by the perceptions of retailer's actions to reduce environmental impacts. Coffee products that are sold by the SPAR Group include SPAR coffee products (ground coffee and coffee beans) as well as coffee beans and espresso capsules which are sold at SPAR's Bean Tree Café. SPAR' Bean Tree Café procures coffee products which have internationally recognised certifications such as the Rainforest Alliance Certification, the UTZ Certification and the Fairtrade Certification. By using certified coffee, SPAR is driving sustainable consumption and is promoting sustainable coffee farming. Sustainable coffee farming drives resource efficiency around water, energy, fertilisers and pesticides, which is in line with SPAR's sustainability commitment to responsible living and resource stewardship. SPAR is planning to launch its own Sustainable Label for SPAR branded products within next 2 years.

**Estimated timeframe for realization**

4-6 years

**Magnitude of potential impact**

Medium

**Likelihood**

Likely

**Are you able to provide a potential financial impact figure?**

Yes, an estimated range

**Potential financial impact figure (currency)**

<Not Applicable>

**Potential financial impact figure – minimum (currency)**

786000000

**Potential financial impact figure – maximum (currency)**

1572000000

**Explanation of financial impact figure**

The quantification assumes that if SPAR was too slow to take into account consumers' perceptions around the need for environmental actions, this would reduce the number of customers in store as they would opt to shop at a competitor which is actively reducing impact on the environment. The Group estimates that failure to respond to changing consumer preferences and increased demand for products with sustainability labelling could lead to a decrease in revenue. It estimated that 1–2% decrease in SPAR Southern Africa FY2020 revenue of R78 605.4 million would be estimated at R786 million – R1 572 million.

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**Forest risk commodity**

Palm oil

**Type of opportunity**

Products & services

**Where in your value chain does the opportunity occur?**

Supply chain

**Primary forests-related opportunity**

Increased supply chain transparency

**Company-specific description & strategy to realize opportunity**

The SPAR Group recognises that palm oil commodity has long and complex supply chain with difficulties in tracing palm oil products back to the origin. During FY2020, the Group has started supply chain mapping for palm oil consumed in SPAR's operations which is expected to be completed during FY2021. Supply chain mapping currently

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extends only to SPAR Brand products and the Group is working to identify which SPAR suppliers procure palm oil, if they import palm oil from countries at risk from deforestation and whether the imported palm oil is RSPO certified. The SPAR Group is expanding capacity to ensure that SPAR can increase and improve traceability of SPAR brand products that contain Palm Oil. SPAR International is in discussions with the Roundtable on Sustainable Palm Oil (RSPO) to become a member, and SPAR South Africa anticipates having access to RSPO certified palm oil as a result of this engagement. RSPO-certified palm oil would enable SPAR to track and monitor the origin of palm oil, used in SPAR brand products. These actions will increase transparency across SPAR's supply chain for palm oil and mitigate forest-related risk associated with uncertainty of origin and/or legality.

**Estimated timeframe for realization**

4-6 years

**Magnitude of potential impact**

Medium-high

**Likelihood**

Likely

**Are you able to provide a potential financial impact figure?**

Yes, an estimated range

**Potential financial impact figure (currency)**

<Not Applicable>

**Potential financial impact figure – minimum (currency)**

786000000

**Potential financial impact figure – maximum (currency)**

1572000000

**Explanation of financial impact figure**

The Group estimates that increasing transparency and traceability could improve resilience across SPAR supply chain and has the potential to increase the Group's revenue. It estimated that 1–2% increase in SPAR Southern Africa FY2020 revenue of R78 605.4 million would be at R786 million – R1 572 million.

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**Forest risk commodity**

Cattle products

**Type of opportunity**

Efficiency

**Where in your value chain does the opportunity occur?**

Supply chain

**Primary forests-related opportunity**

Cost savings

**Company-specific description & strategy to realize opportunity**

Achieving resource efficiency among SPAR suppliers can achieve cost savings among SPAR suppliers and cost savings in turn can be realised by the SPAR Group. Currently, this opportunity is the most applicable to SPAR's beef suppliers as there is one large supplier (supplies almost 82% of beef products) and some smaller suppliers. The large beef supplier is already taking actions around energy and water efficiency, and SPAR would have to promote this among smaller beef suppliers. Resource efficiency among beef suppliers could lead to cost savings in terms of feed costs as well as operational costs for SPAR beef suppliers and potentially decreased operational costs for SPAR. At the same time, achieving resource efficiency among beef suppliers, would increase resilience to extreme weather events. SPAR has started collecting annual information from a large beef supplier on their sustainability practices and calculating annual carbon footprint. Such action will enable to measure resources consumption and track achieved savings over time.

**Estimated timeframe for realization**

1-3 years

**Magnitude of potential impact**

Medium-high

**Likelihood**

Likely

**Are you able to provide a potential financial impact figure?**

No, we do not have this figure

**Potential financial impact figure (currency)**

<Not Applicable>

**Potential financial impact figure – minimum (currency)**

<Not Applicable>

**Potential financial impact figure – maximum (currency)**

<Not Applicable>

**Explanation of financial impact figure**

Financial impact has not been quantified yet.

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## F4. Governance

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### F4.1

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**(F4.1) Is there board-level oversight of forests-related issues within your organization?**

Yes

**F4.1a**

**(F4.1a) Identify the position(s) of the individual(s) (do not include any names) on the board with responsibility for forests-related issues.**

Position of individual	Please explain
Board-level committee	The SPAR Group's Social and Ethics Committee is appointed by the Board, and has the highest level of responsibility for the Group's social and organisational activities relating to the environment, climate change and its stakeholders. Members of the Social and Ethics Committee and its Chairman are appointed by the Board, and the Committee meets formally twice a year. The Chairman of the Board, the CEO, the Group Sustainability and Risk Executive, the Group Human Resources Executive and the Group Company Secretary attend meetings by permanent invitation. The Committee monitors the Group's sustainability performance to ensure that the Group's ethics supports its culture, it is seen as a responsible citizen and that there is a balance between the company and the needs, interest and expectations of all stakeholders. During FY2020, the Committee has approved revised SPAR's Sustainability Strategy and Sustainability Policy and approved the Group's Sustainable Procurement Policy.

**F4.1b**

**(F4.1b) Provide further details on the board's oversight of forests-related issues.**

	Frequency that forests-related issues are a scheduled agenda item	Governance mechanisms into which forests-related issues are integrated	Please explain
Row 1	Scheduled - all meetings	Monitoring implementation and performance Reviewing and guiding business plans Reviewing and guiding corporate responsibility strategy Reviewing and guiding major plans of action Reviewing and guiding risk management policies Reviewing and guiding strategy Reviewing innovation / R&D priorities	The Committee is mandated to consider the company's performance on employees, society, economy and the natural environment. During the past financial year the Committee received feedback on the following environment-related matters: • SPAR's CDP Submission • SPAR's Rural Hub • SPAR's Sustainability Initiatives • TCFD Recommendations The Social and Ethics Committee is responsible for reviewing and approving the Group's policies relating to ethics, social and economic development, good corporate citizenship, sustainable development and stakeholder relationships. During FY2020, the Committee approved SPAR's revised Sustainability Strategy and Policy as well as the Group's Energy, Water and Sustainable Procurement Policies. Going into 2021, the Committee will continue reviewing said policies and implement a formalised corporate compliance programme to monitor the Group's activities in this regard. The Committee also monitors how availability of natural capital and climate resilience contribute towards the achievement of the Group's strategic outcomes.

**F4.2**

**(F4.2) Provide the highest management-level position(s) or committee(s) with responsibility for forests-related issues (do not include the names of individuals).**

Name of the position(s) and/or committee(s)	Responsibility	Frequency of reporting to the board on forests-related issues	Please explain
Chief Sustainability Officer (CSO)	Both assessing and managing forests-related risks and opportunities	Half-yearly	The Group's Sustainability and Risk Executive (also known as the Chief Sustainability Officer) has a direct responsibility for managing sustainability and climate change issues, including identification, assessment and management of climate-related risks. The Group Sustainability Officer is part of the Group's Executive management team and has a permanent invitation to the Social and Ethics Committee. SPAR's Chief Sustainability Officer is driving the implementation of the Group's Sustainability Strategy and SPAR's Sustainability Policy as well as setting sustainability and forests goals, sustainability KPIs and sustainability action plans. The Group's Sustainability and Risk Executive has an ultimate responsibility of the integration of SPAR's Sustainability strategy, Sustainability Commitment "My SPAR, Our Tomorrow" and Climate Change Commitment of "Climate Neutral Organisation by 2050", the Group's Energy, Water and Sustainable Procurement Policies into the Group's overall strategy and achievement of strategic outcomes. These commitments outline SPAR's approach to the management and integration of sustainability issues, with climate change identified as one of the key areas of the Group's Sustainability Strategy.

**F4.3**

**(F4.3) Do you provide incentives to C-suite employees or board members for the management of forests-related issues?**

	Provide incentives for management of forests-related issues	Comment
Row 1	No, not currently but we do plan to introduce them in the next two years	Currently, the Group's Chief Sustainability Officer is incentivised for supply chain engagement and implementation of the Group's Strategy and climate change resilience, which includes commodities' resilience. Over the next 2 years, the SPAR Group is planning to make incentives relating to forest-related issues more explicit.

**F4.4**

**(F4.4) Did your organization include information about its response to forests-related risks in its most recent mainstream financial report?**

Yes (you may attach the report – this is optional)

SPAR\_IAR\_2020\_Final.pdf

SPAR\_Environmental\_and\_social\_supplementary\_report\_2020\_Final.pdf

SPAR\_IAR\_2020\_Final.pdf

SPAR\_Environmental\_and\_social\_supplementary\_report\_2020\_Final.pdf

**F4.5**

**(F4.5) Does your organization have a policy that includes forests-related issues?**

Yes, we have a documented forests policy, but it is not publicly available

**F4.5a**

**(F4.5a) Select the options to describe the scope and content of your policy.**

	Scope	Content	Please explain
Row 1	Company-wide	Commitment to eliminate deforestation Commitment to protect rights and livelihoods of local communities Commitment to transparency Commitment to align with the SDGs Recognition of the overall importance of forests and other natural ecosystems	The SPAR Group has developed Sustainable Procurement Policy during FY2020, which is being refined and approved prior to being implemented as a publicly available policy. The SPAR Group's Sustainable Procurement Policy is a subject to an annual review by the Social and Ethics Committee and SPAR Sustainability team. Additionally, the Group has developed Sustainability Policy, which will also be publicly available later this year. SPAR's forest-related goals are outlined in the Group's Sustainability Policy and they include: • Lead industry in addressing sustainability in supply chains starting with most important products and ingredients, which include forest commodities • Achieve zero net deforestation in sourcing of raw materials (mainly applicable to palm oil and timber) Through the Sustainable Procurement Policy, the SPAR Group acknowledges the challenges within the food system and the role that as a large food retailer we have to play in ensuring the sustainability of our food system. To ensure that the SPAR values are upheld and that the natural ecosystems are protected, we are committed to working with our stakeholders to ensure traceability and transparency across our supply chain. In partnership with our suppliers, we are committed to adopting: 1. Innovative and sustainable agricultural practices 2. Net zero deforestation. 3. Water and energy efficient practices. 4. Practices that reduce greenhouse gas emissions in accordance with science-based targets.

**F4.5b**

**(F4.5b) Do you have commodity specific sustainability policy(ies)? If yes, select the options that best describe their scope and content.**

	Do you have a commodity specific sustainability policy?	Scope	Content	Please explain
Timber products	No	<Not Applicable>	<Not Applicable>	Currently, the SPAR Group is refining an overarching Sustainable Procurement Policy, which will guide the Group's actions around commodity-specific sustainability policies.
Palm oil	No	<Not Applicable>	<Not Applicable>	Currently, the SPAR Group is refining an overarching Sustainable Procurement Policy, which will guide the Group's actions around commodity-specific sustainability policies.
Cattle products	No	<Not Applicable>	<Not Applicable>	Currently, the SPAR Group is refining an overarching Sustainable Procurement Policy, which will guide the Group's actions around commodity-specific sustainability policies.
Soy	<Not Applicable>	<Not Applicable>	<Not Applicable>	<Not Applicable>
Other - Rubber	<Not Applicable>	<Not Applicable>	<Not Applicable>	<Not Applicable>
Other - Cocoa	<Not Applicable>	<Not Applicable>	<Not Applicable>	<Not Applicable>
Other - Coffee	No	<Not Applicable>	<Not Applicable>	Currently, the SPAR Group is refining an overarching Sustainable Procurement Policy, which will guide the Group's actions around commodity-specific sustainability policies.

F4.6

**(F4.6) Has your organization made a public commitment to reduce or remove deforestation and/or forest degradation from its direct operations and/or supply chain?**

No

F5. Business strategy

F5.1

**(F5.1) Are forests-related issues integrated into any aspects of your long-term strategic business plan, and if so how?**

	Are forests-related issues integrated?	Long-term time horizon (years)	Please explain
Long-term business objectives	Yes, forests-related issues are integrated	11-15	One of SPAR's strategic outcome is creation of "affordable and nutritious food". To achieve this strategic outcome in the long-term (11-15 years and beyond) sustainable procurement and consumption of forest products is integrated into long-term strategic business objectives. SPAR in order to uphold its sustainability commitment "My SPAR, Our Tomorrow" has recognised challenges within the supply chain around forest commodities, and is embarking on a journey to prioritise sustainable sourcing and pursue certification for commodities disclosed in this CDP response. The Group has set out ambitious sourcing goals such as "Reduce supply chain carbon emissions by 2030" and "Lead the industry in addressing the sustainability challenges in our supply chains, starting with our most important products and ingredients". The latter goal extends to procurement and consumption of palm oil, soy, coffee, seafood, beef, chocolate and timber commodities. Additionally, one of the Group's environmental goal is "All paper and board used will be 100% sustainable by 2025". To support these goals SPAR sources sustainably-certified products such FSC certified timber, Rainforest Alliance/UTZ/Fair-Trade certified coffee and ISO 22000 certified beef. Transparency within supply chain is driven through traceability systems in place for timber, coffee and cattle products, which allow the Group to trace forest-products back to individual country or even farm level (see Section F6.2 for more information).
Strategy for long-term objectives	Yes, forests-related issues are integrated	11-15	The SPAR Group has made a commitment to become carbon neutral organisation by 2050. This commitment involves becoming a climate resilient Group, by ensuring that natural resources are responsibly procured and protected. SPAR's Sustainability Policy and Sustainable Procurement Policy further embed forest-related issues such as resilience around forest commodities and sustainable procurement into the Group's long term (11-15 years and beyond) strategy. The revised Sustainability Policy identifies sustainable sourcing as one of the key areas to achieve SPAR's carbon neutrality commitment, uphold sustainability commitment "My SPAR Our Tomorrow" and the Group's strategic outcomes around "Affordable and Nutritious Food" and "Creation of Shared Value". Key strategic actions relating to sustainable procurement are achievement of zero net deforestation in sourcing of raw materials, mainly to be accomplished through procurement of the RSPO certified palm oil and FSC certified paper and wood. Climate resilience around commodities require addressing key sustainability challenges across the value chain around palm oil, soy, coffee, seafood, beef, chocolate and timber commodities. Each strategic action has proposed KPIs and the method of implementation, which will be regularly tracked and monitored. SPAR prioritises setting of commodities targets in order to monitor suppliers progress against those targets.
Financial planning	No, forests-related issues not yet reviewed, but there are plans to do so in the next two years	<Not Applicable>	Supply chain resilience is a key element towards the provision of "affordable and nutritious food", which is one of the Group's long-term strategic outcome. Increased resilience for forest-commodities and increased transparency within the supply chain contribute towards increased resilience for SPAR's supply chain. SPAR considers these forest issues through the allocation of financial resources to drive the demand for certified products in the short-, medium- and long-term. The Group holds FSC promotional licenses for SPAR branded products such as timber and some SPAR packaging. This includes a requirement for SPAR's supply chain to also hold FSC certifications. SPAR is also allocating financial resources to launch its own Sustainable Label for SPAR branded products within next 2 years. Transparency for forest-commodities requires full traceability within the supply chain and understanding where and how commodities are used. SPAR has allocated financial resources to map its supply chain for palm oil, as previously, the Group had limited understanding of the supply chain for this commodity. SPAR has recognised the reputational risk to SPAR brand if SPAR was indirectly supporting deforestation practices and consumers became aware of it. Financial resources have been allocated to mitigate this identified reputational risk.

F6. Implementation

F6.1

**(F6.1) Did you have any timebound and quantifiable targets for increasing sustainable production and/or consumption of your disclosed commodity(ies) that were active during the reporting year?**

No

F6.1b

**(F6.1b) Why do you not have target(s) for increasing sustainable production and/or consumption of your disclosed commodity(ies) and what are your plans to develop these in the future?**

	Primary reason	Please explain
Timber products	We are planning to introduce a target in the next two years	The SPAR Group is finalising the revised Sustainability Policy and upon the Policy becoming publicly available, SPAR will prioritise setting of timber targets and monitor suppliers progress against those targets.
Palm oil	We are planning to introduce a target in the next two years	The SPAR Group is finalising the revised Sustainability Policy and upon the Policy becoming publicly available, SPAR will prioritise setting of palm oil targets and monitor suppliers progress against those targets.
Cattle products	We are planning to introduce a target in the next two years	The SPAR Group is finalising the revised Sustainability Policy and upon the Policy becoming publicly available, SPAR will prioritise setting of cattle products targets and monitor suppliers progress against those targets.
Soy	<Not Applicable>	<Not Applicable>
Other - Rubber	<Not Applicable>	<Not Applicable>
Other - Cocoa	<Not Applicable>	<Not Applicable>
Other - Coffee	We are planning to introduce a target in the next two years	The SPAR Group is finalising the revised Sustainability Policy and upon the Policy becoming publicly available, SPAR will prioritise setting of coffee targets and monitor suppliers progress against those targets.

**F6.2**

**(F6.2) Do you have traceability system(s) in place to track and monitor the origin of your disclosed commodity(ies)?**

	Do you have system(s) in place?	Description of traceability system	Exclusions	Description of exclusion
Timber products	Yes	FSC certification includes a traceability system, where SPAR can trace timber products down to a plantation level. 100% of wood that is sold through SPAR's Build it distribution centre is FSC certified, and therefore can be traced to an individual plantation level.	Specific product line(s)	Some of packaging for SPAR branded products is not 100% FSC certified, and therefore, cannot be traced.
Palm oil	No	<Not Applicable>	<Not Applicable>	<Not Applicable>
Cattle products	Yes	All beef products that SPAR procures are certified under the ISO 22000 Scheme for Food Safety Management Systems, which has an auditable chain of custody, enabling SPAR to trace beef products from farm to fork. All SPAR beef suppliers are certified under the ISO 22000.	Not applicable	<Not Applicable>
Soy	<Not Applicable>	<Not Applicable>	<Not Applicable>	<Not Applicable>
Other - Rubber	<Not Applicable>	<Not Applicable>	<Not Applicable>	<Not Applicable>
Other - Cocoa	<Not Applicable>	<Not Applicable>	<Not Applicable>	<Not Applicable>
Other - Coffee	Yes	All coffee products sold through SPAR's BeanTree Café are certified under Rainforest Alliance, the UTZ or FairTrade certifications, and have auditable traceability system along the supply chain.	Other, please specify (Plantation level)	100% of coffee products sold through SPAR's BeanTree Café is Rainforest Alliance, the UTZ or Fair Trade certified and have traceability system in place. However, SPAR's supply chain for coffee is long and complex and includes second- and third-tier suppliers, making it difficult to trace the coffee down to individual plantation level. At the moment SPAR is able to trace the origin of coffee only to a country level.

**F6.2a**

**(F6.2a) Provide details on the level of traceability your organization has for its disclosed commodity(ies).**

Forest risk commodity	Point to which commodity is traceable	% of total production/consumption volume traceable
Timber products	Tree plantation	100
Cattle products	Breeding farm	100
Other - Coffee	Country	99.5

**F6.2b**

**(F6.2b) Why do you not have system(s) in place to track and monitor the origin of your disclosed commodity(ies) and what are your plans to develop these in the future?**

**Forest risk commodity**

Palm oil

**Primary reason**

We are planning to track and monitor the origin of forest risk commodities within the next two years

**Please explain**

The SPAR Group is expanding capacity to ensure that SPAR can increase and improve traceability of SPAR brand products that contain Palm Oil. SPAR International is in discussions with the Roundtable on Sustainable Palm Oil (RSPO) to become a member, and SPAR South Africa anticipates having access to RSPO-certified palm oil as a result of this engagement. RSPO-certified palm oil would enable SPAR to track and monitor the origin of palm oil, used in SPAR brand products.

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**F6.3**

**(F6.3) Have you adopted any third-party certification scheme(s) for your disclosed commodity(ies)?**

	<b>Third-party certification scheme adopted?</b>	<b>% of total production and/or consumption volume certified</b>
Timber products	Yes	100
Palm oil	No, we have not adopted any third-party certification schemes for this commodity	<Not Applicable>
Cattle products	Yes	100
Soy	<Not Applicable>	<Not Applicable>
Other - Rubber	<Not Applicable>	<Not Applicable>
Other - Cocoa	<Not Applicable>	<Not Applicable>
Other - Coffee	Yes	99.5

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**F6.3a**

**(F6.3a) Provide a detailed breakdown of the volume and percentage of your production and/or consumption by certification scheme.**

**Forest risk commodity**

Timber products

**Third-party certification scheme**

FSC (any type)

**Chain-of-custody model used**

<Not Applicable>

**% of total production/consumption volume certified**

100

**Form of commodity**

Hardwood logs

Softwood logs

Boards, plywood, engineered wood

**Volume of production/ consumption certified**

205000

**Metric for volume**

Cubic meters

**Is this certified by more than one scheme?**

No

**Please explain**

100% of wood and wood products that are procured through SPAR's Build it distribution centre are FSC certified.

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**Forest risk commodity**

Other - Coffee

**Third-party certification scheme**

Other, please specify (Rainforest Alliance, UTZ, Bio-Organic and Fairtrade)

**Chain-of-custody model used**

Certificate trading

**% of total production/consumption volume certified**

99,5

**Form of commodity**

Other, please specify (Coffee beans, ground coffee and pre-ground coffee capsules)

**Volume of production/ consumption certified**

145444

**Metric for volume**

Metric tons

**Is this certified by more than one scheme?**

Yes

**Please explain**

This year, 30,916 tons of coffee were consumed in SPAR's Bean Tree Café outlets, which is Rainforest Alliance, the UTZ or Fairtrade Certified. This constitutes 99.5% of the total coffee consumption (total consumption is 31,061.44 metric tons).

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**Forest risk commodity**

Cattle products

**Third-party certification scheme**

Other, please specify (ISO 22000)

**Chain-of-custody model used**

Not applicable

**% of total production/consumption volume certified**

100

**Form of commodity**

Beef

**Volume of production/ consumption certified**

110000

**Metric for volume**

Metric tons

**Is this certified by more than one scheme?**

No

**Please explain**

All SPAR beef suppliers are certified under the ISO 22000, however, available consumption data constitute 82% of total consumption.

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**(F6.4) For your disclosed commodity(ies), do you have a system to control, monitor, or verify compliance with no conversion and/or no deforestation commitments?**

	A system to control, monitor or verify compliance	Comment
Timber products	No, but we plan to develop one within the next two years	The SPAR Group anticipates to start developing a system to control, monitor and verify compliance with no conversion and/or no deforestation commitments within next two years.
Palm oil	No, but we plan to develop one within the next two years	The SPAR Group anticipates to start developing a system to control, monitor and verify compliance with no conversion and/or no deforestation commitments within next two years.
Cattle products	No, but we plan to develop one within the next two years	The SPAR Group anticipates to start developing a system to control, monitor and verify compliance with no conversion and/or no deforestation commitments within next two years.
Soy	<Not Applicable>	<Not Applicable>
Other - Rubber	<Not Applicable>	<Not Applicable>
Other - Cocoa	<Not Applicable>	<Not Applicable>
Other - Coffee	No, but we plan to develop one within the next two years	The SPAR Group anticipates to start developing a system to control, monitor and verify compliance with no conversion and/or no deforestation commitments within next two years.

**F6.6**

**(F6.6) For your disclosed commodity(ies), indicate if you assess your own compliance and/or the compliance of your suppliers with forest regulations and/or mandatory standards.**

	Assess legal compliance with forest regulations	Comment
Timber products	<Not Applicable>	<Not Applicable>
Palm oil	<Not Applicable>	<Not Applicable>
Cattle products	<Not Applicable>	<Not Applicable>
Soy	<Not Applicable>	<Not Applicable>
Other - Rubber	<Not Applicable>	<Not Applicable>
Other - Cocoa	<Not Applicable>	<Not Applicable>
Other - Coffee	Yes, from suppliers	<Not Applicable>

**F6.6a**

**(F6.6a) For you disclosed commodity(ies), indicate how you ensure legal compliance with forest regulations and/or mandatory standards.**

**Other - Coffee**

**Procedure to ensure legal compliance**

Purchase only 100% Certified coffee

**Country/Area of origin**

- Brazil
- Colombia
- Guatemala
- Honduras
- India
- Indonesia
- Kenya
- Mexico
- Nicaragua
- Papua New Guinea
- Peru
- Viet Nam

**Law and/or mandatory standard(s)**

General assessment of legal compliance

**Comment**

All SPAR BeanTree Cafe coffee products that SPAR sources is 100% certified, and through the certification SPAR BeanTree Cafe complies with mandatory forest regulations and mandatory standards which promote sustainable farming of coffee and management of coffee plantations. By purchasing certified coffee, SPAR BeanTree Café ensures that regulations and mandatory standards are complied with.

**F6.7**

**(F6.7) Are you working with smallholders to support good agricultural practices and reduce deforestation and/or conversion of natural ecosystems?**

	Are you working with smallholders?	Type of smallholder engagement approach	Smallholder engagement approach	Number of smallholders engaged	Please explain
Timber products	No, not working with smallholders	<Not Applicable>	<Not Applicable>	<Not Applicable>	SPAR works with South African small-scale farmers to assist them with sustainable farming practices and training on sustainable farming methods but currently these actions do not include timber commodity.
Palm oil	No, not working with smallholders	<Not Applicable>	<Not Applicable>	<Not Applicable>	SPAR's palm oil suppliers are not located in South Africa. SPAR works only with South African small-scale farmers to assist them with sustainable farming practices and training on sustainable farming methods but currently these actions do not cover palm oil commodity.
Cattle products	No, not working with smallholders	<Not Applicable>	<Not Applicable>	<Not Applicable>	SPAR works only with South African small-scale farmers to assist them with sustainable farming practices and training on sustainable farming methods but currently these actions do not cover cattle commodity.
Soy	<Not Applicable>	<Not Applicable>	<Not Applicable>	<Not Applicable>	<Not Applicable>
Other - Rubber	<Not Applicable>	<Not Applicable>	<Not Applicable>	<Not Applicable>	<Not Applicable>
Other - Cocoa	<Not Applicable>	<Not Applicable>	<Not Applicable>	<Not Applicable>	<Not Applicable>
Other - Coffee	No, not working with smallholders	<Not Applicable>	<Not Applicable>	<Not Applicable>	SPAR's coffee suppliers are not located in South Africa. SPAR works only with South African small-scale farmers to assist them with sustainable farming practices and training on sustainable farming methods but currently these actions do not cover coffee commodity as this commodity is not grown in South Africa.

**F6.8**

**(F6.8) Are you working with your direct suppliers to support and improve their capacity to comply with your forests-related policies, commitments, and other requirements?**

	Are you working with direct suppliers?	Type of direct supplier engagement approach	Direct supplier engagement approach	% of suppliers engaged	Please explain
Timber products	Yes, working with direct suppliers	Capacity building	Offering on-site training and technical assistance	100%	Certification of packaging in SPAR branded products requires SPAR's packaging suppliers to comply with FSC certification requirements, which ultimately drives the adoption of FSC certification in South Africa. Increased demand for FSC certified products would assist with incentivising timber producers and manufacturers to adopt FSC certifications. Currently, SPAR engages with 100% of packaging suppliers to drive FSC certifications, however, not all suppliers are FSC certified yet. SPAR takes a proactive role in the industry in driving sustainability practices and standards for packaging. SPAR has committed to sustainable and environmentally responsible packaging. SPAR's short term focus is on 10 categories which deliver 80% of SPAR's brand volumes.
Palm oil	No, not working with direct suppliers	<Not Applicable>	<Not Applicable>	<Not Applicable>	SPAR anticipates starting to work with direct palm oil suppliers to improve their capacity to comply with forest-related commitments in the near future. Over the next two years, the Group will set commodities targets and monitor suppliers progress against those targets.
Cattle products	Yes, working with direct suppliers	Supply chain mapping	Supplier questionnaires on environmental and social indicators	81-90%	SPAR is currently working with the Group's largest beef supplier (accounts for 82% of the total beef supply). During FY2020, SPAR through a supplier questionnaire has collected information from a beef supplier around sustainability practices, resource consumption and efficiency and calculated their carbon footprint. This gathered information going forward will form part of the baseline for setting suppliers' targets.
Soy	<Not Applicable>	<Not Applicable>	<Not Applicable>	<Not Applicable>	<Not Applicable>
Other - Rubber	<Not Applicable>	<Not Applicable>	<Not Applicable>	<Not Applicable>	<Not Applicable>
Other - Cocoa	<Not Applicable>	<Not Applicable>	<Not Applicable>	<Not Applicable>	<Not Applicable>
Other - Coffee	No, not working with direct suppliers	<Not Applicable>	<Not Applicable>	<Not Applicable>	SPAR anticipates starting to work with direct coffee suppliers to improve their capacity to comply with forest-related commitments in the near future. Over the next two years, the Group will set commodities targets and monitor suppliers progress against those targets.

**F6.9**

**(F6.9) Are you working beyond your first-tier supplier(s) to manage and mitigate deforestation risks?**

	Are you working beyond first tier?	Type of engagement approach with indirect suppliers	Indirect supplier engagement approach	Please explain
Timber products	No, not working beyond the first tier	<Not Applicable>	<Not Applicable>	SPAR Group is starting to actively manage forest-risk commodities, but at present only first-tier suppliers are prioritised for engagements.
Palm oil	No, not working beyond the first tier	<Not Applicable>	<Not Applicable>	SPAR Group is starting to actively manage forest-risk commodities, but at present only first-tier suppliers are prioritised for engagements.
Cattle products	No, not working beyond the first tier	<Not Applicable>	<Not Applicable>	SPAR Group is starting to actively manage forest-risk commodities, but at present only first-tier suppliers are prioritised for engagements.
Soy	<Not Applicable>	<Not Applicable>	<Not Applicable>	<Not Applicable>
Other - Rubber	<Not Applicable>	<Not Applicable>	<Not Applicable>	<Not Applicable>
Other - Cocoa	<Not Applicable>	<Not Applicable>	<Not Applicable>	<Not Applicable>
Other - Coffee	No, not working beyond the first tier	<Not Applicable>	<Not Applicable>	SPAR Group is starting to actively manage forest-risk commodities, but at present only first-tier suppliers are prioritised for engagements.

**F6.10**

**(F6.10) Do you participate in external activities and/or initiatives to promote the implementation of your forests-related policies and commitments?**

**Forest risk commodity**

Timber products

**Do you participate in activities/initiatives?**

Yes

**Activities**

Involved in multi-partnership or stakeholder initiatives

**Initiatives**

Forest Stewardship Council (FSC)

**Jurisdictional approaches**

<Not Applicable>

**Please explain**

The SPAR Group engages with the local Forest Stewardship Council (FSC) in South Africa to drive demand for FSC certification in the country. The Group holds a FSC promotional license SPAR branded products such as timber and some SPAR packaging. The Group is working together with SPAR's paper bag manufacturers so that SPAR paper bags meet SPAR FSC promotional license requirements, driving further adoption of FSC certification in South Africa.

**Forest risk commodity**

Palm oil

**Do you participate in activities/initiatives?**

Yes

**Activities**

Involved in multi-partnership or stakeholder initiatives

**Initiatives**

Roundtable on Sustainable Palm Oil (RSPO)

**Jurisdictional approaches**

<Not Applicable>

**Please explain**

The SPAR Group is expanding capacity to ensure that SPAR can increase and improve traceability of SPAR brand products that contain Palm Oil. SPAR International is in discussions with the Roundtable on Sustainable Palm Oil (RSPO) to become a member, and SPAR South Africa anticipates having access to RSPO certified palm oil as a result of this engagement. RSPO-certified palm oil would enable SPAR to track and monitor the origin of palm oil, used in SPAR brand products. SPAR is also driving actions to promote sustainable procurement of palm oil at a local level among other South African retailers through the Sustainable Retailers Forum, which SPAR is a member of.

**F6.11**

**(F6.11) Is your organization supporting or implementing project(s) focused on ecosystem restoration and protection?**

Yes

**F6.11a**

**(F6.11a) Provide details on your project(s), including the extent, duration, and monitoring frequency. Please specify any measured outcome(s).**

**Project reference**

Project 1

**Project type**

Other ecosystem restoration

**Primary motivation**

Voluntary

**Description of project**

SPAR's Eastern Cape distribution centre is a major stakeholder in the Bluewater Bay catchment, and a member of the community that uses water in the catchment. The Zwartkops River is polluted with sewage from an ineffective sewage depot upstream from the Kwanagxabi river and pollutes the wetland downstream. The Zwartkops River is also polluted with plastics. SPAR's Eastern Cape distribution centre assists with the removal of plastics and other rubbish from the river through awareness campaigns and donations. To date, SPAR has collected over 47 890 bags of plastics. Furthermore, funding received from the SPAR Group has enabled the Zwartkops conservancy to employ 2 full time interns that work with litters collectors and identify highly problematic plastics. Creation of shared value for all SPAR stakeholders is one of the SPAR Group's strategic outcome and SPAR's communities are among the key Group's stakeholders and engagements. Creation of shared value for this stakeholder is linked to resource stewardship. SPAR recognises that ecosystems within catchments areas affect quantity and quality of water available to communities and can have an impact on SPAR's operations. Therefore, SPAR engages with local community partners to contribute towards maintenance and rehabilitation of ecosystems.

**Start year**

2012

**Target year**

Indefinitely

**Project area to date (Hectares)**

0.13

**Project area in the target year (Hectares)**

0.13

**Country/Area**

South Africa

**Latitude**

-33.865513

**Longitude**

25.596231

**Monitoring frequency**

Six-monthly or more frequently

**Measured outcomes to date**

Other, please specify (Amount of waste removed)

**Please explain**

Since the inception of this ecosystem restoration project in 2012, SPAR has removed 47 890 bags of plastics and has contributed R20,000 each month towards project's costs. The project area includes the entire catchment area for Zwartkops river.

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**F7. Verification**

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**F7.1**

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**(F7.1) Do you verify any forests information reported in your CDP disclosure?**

No, but we are actively considering verifying in the next two years

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**F8. Barriers and challenges**

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**F8.1**

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**(F8.1) Describe the key barriers or challenges to eliminating deforestation and/or conversion of other natural ecosystems from your direct operations or from other parts of your value chain.**

**Forest risk commodity**

Timber products

**Coverage**

Other parts of the value chain

**Primary barrier/challenge type**

Limited public awareness and/or market demand

**Comment**

Currently, in South Africa there is limited public awareness and market demand for sustainable sourced timber products. SPAR's engagements with the local FSC Council and including FSC certification labelling on SPAR branded timber products aim to incentivise adoption of FSC certification.

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**Forest risk commodity**

Palm oil

**Coverage**

Supply chain

**Primary barrier/challenge type**

Supply chain complexity

**Comment**

Palm oil within SPAR brand supply chain is long and complex and demand from South African retailers is limited in the global supply chain. Therefore, SPAR has limited access to certified Palm Oil with little influence/ bargaining power over how the oil is farmed and produced.

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**Forest risk commodity**

Cattle products

**Coverage**

Supply chain

**Primary barrier/challenge type**

Cost of sustainably produced/certified products

**Comment**

Currently in South Africa there is limited public awareness around the impact cattle and cattle products have on the environment. Certified products include the cost of certification and such cost has to be absorbed by a consumer. If consumer is not willing to pay premium for certified products, the product will be outcompeted by a less sustainable product. Furthermore, certified products incur additional expenditure to suppliers as suppliers have to bear the cost of auditing to comply with certification standards. Many suppliers are unwilling to absorb such additional cost, especially, as certified products are sold at a premium and are likely to have lower demand.

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**Forest risk commodity**

Other - Coffee

**Coverage**

Other parts of the value chain

**Primary barrier/challenge type**

Limited public awareness and/or market demand

**Comment**

In South Africa there is little interest or demand from consumers for certified coffee and currently there is no requirement of regulatory control or enforcement from South African government.

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**F8.2**

**(F8.2) Describe the main measures that would improve your organization's ability to manage its exposure to deforestation and/or conversion of other natural ecosystems.**

**Forest risk commodity**

Timber products

**Coverage**

Direct operations

**Main measure**

Improved data collection and quality

**Comment**

Improvements around data collection process and data quality would enable SPAR to better engage with the Group's suppliers and assist with identifying risks and opportunities along the supply chain.

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**Forest risk commodity**

Timber products

**Coverage**

Other parts of the value chain

**Main measure**

Increased demand for certified products

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**Comment**

An increase in demand for certified products would assist with incentivising timber producers and manufactures to produce/ pay for certification of timber products.

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**Forest risk commodity**

Palm oil

**Coverage**

Direct operations

**Main measure**

Improved data collection and quality

**Comment**

Improvements around data collection process and data quality would enable SPAR to better engage with the Group's suppliers and assist with identifying risks and opportunities along the supply chain.

---

**Forest risk commodity**

Palm oil

**Coverage**

Supply chain

**Main measure**

Reduced cost of certification/certified products

**Comment**

Currently there is little buy-in for the purchase of certified palm oil products due to the limited availability of sustainable palm oil and anticipated price of certification, which could lead to an increase in the cost of product. SPAR is careful not to outprice themselves in a market which is price sensitive and customers are unwilling to pay premium for products, which include sustainable certification labels.

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**Forest risk commodity**

Cattle products

**Coverage**

Direct operations

**Main measure**

Improved data collection and quality

**Comment**

Improvements around data collection process and data quality would enable SPAR to better engage with the Group's suppliers and assist with identifying risks and opportunities along the supply chain.

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**Forest risk commodity**

Cattle products

**Coverage**

Supply chain

**Main measure**

Reduced cost of certification/certified products

**Comment**

An increased demand for certified products would incentivise producers of cattle and cattle products to produce/ pay for certification of cattle products.

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**Forest risk commodity**

Other - Coffee

**Coverage**

Direct operations

**Main measure**

Improved data collection and quality

**Comment**

Improvements around data collection process and data quality would enable SPAR to better engage with the Group's suppliers and assist with identifying risks and opportunities along the supply chain. The SPAR Group has identified that data collection process and data quality could be improved by investing in monitoring tools and traceability systems.

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## F17 Signoff

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### F-FI

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**(F-FI) Use this field to provide any additional information or context that you feel is relevant to your organization's response. Please note that this field is optional and is not scored.**

#### F17.1

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(F17.1) Provide the following information for the person that has signed off (approved) your CDP forests response.

	Job Title	Corresponding job category
Row 1	Group Sustainability and Risk Executive	Chief Sustainability Officer (CSO)

Submit your response

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In which language are you submitting your response?

English

Please confirm how your response should be handled by CDP

	I am submitting to	Public or Non-Public Submission
I am submitting my response	Investors	Public

Please confirm below

I have read and accept the applicable Terms