

C0. Introduction

C0.1

(C0.1) Give a general description and introduction to your organization.

The SPAR Group Ltd (hereafter referred to as "SPAR" or "the Group") is a warehousing and distribution business listed on the Johannesburg Stock Exchange (JSE) in the food and drug retail sector. Through its voluntary trading model, it services a variety of store formats that are independently and corporately owned. SPAR develops products and concepts as part of its independent retailer support offering. These in-house developed products and concepts are called house brands, showcasing SPAR's innovation and quality at competitive prices. SPAR-branded products are included within in-house brands. These are the products that compete with proprietary brands on shelf. 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 Group held the following country licences in 2022: Botswana, Mozambique, Namibia, South Africa, South West England, Ireland, Poland, Switzerland and Sri Lanka.

The Group is a member of SPAR International which granted SPAR its South African licence in 1963. The Group, headquartered in Durban, South Africa, has 15 Distribution Centres (DCs) based in 4 countries that serve 4 500 retail stores through 15 store formats.

Of our turnover, 35% is generated in foreign currency. SPAR Head Office is based in Pinetown, Durban, South Africa and provides centralised services to the distribution centres throughout South Africa. SPAR in Ireland, Switzerland and Poland operate as standalone businesses and report through their own governance structures to the SPAR Board.

SPAR Southern 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.

We have a total of 2509 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.

This CDP report focuses on Southern African operations only.

Note: throughout the report, the term "distribution centres" is often abbreviated to DCs.

C0.2

(C0.2) State the start and end date of the year for which you are reporting data and indicate whether you will be providing emissions data for past reporting years.

Reporting year

Start date

October 1 2021

End date

September 30 2022

Indicate if you are providing emissions data for past reporting years

No

Select the number of past reporting years you will be providing Scope 1 emissions data for

<Not Applicable>

Select the number of past reporting years you will be providing Scope 2 emissions data for

<Not Applicable>

Select the number of past reporting years you will be providing Scope 3 emissions data for

<Not Applicable>

C0.3

(C0.3) Select the countries/areas in which you operate.

Botswana
Ireland
Mozambique
Namibia
Poland
South Africa
Sri Lanka
Switzerland
United Kingdom of Great Britain and Northern Ireland

C0.4

(C0.4) Select the currency used for all financial information disclosed throughout your response.

ZAR

C0.5

(C0.5) Select the option that describes the reporting boundary for which climate-related impacts on your business are being reported. Note that this option should align with your chosen approach for consolidating your GHG inventory.

Operational control

C0.8

(C0.8) Does your organization have an ISIN code or another unique identifier (e.g., Ticker, CUSIP, etc.)?

Indicate whether you are able to provide a unique identifier for your organization	Provide your unique identifier
Yes, an ISIN code	ZAE000058517
Yes, a Ticker symbol	SPP

C1. Governance

C1.1

(C1.1) Is there board-level oversight of climate-related issues within your organization?

Yes

C1.1a

(C1.1a) Identify the position(s) (do not include any names) of the individual(s) on the board with responsibility for climate-related issues.

Position of individual or committee	Responsibilities for climate-related issues
Board-level committee	<p>The SPAR Group's Social, Ethics and Sustainability 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.</p> <p>The Social, Ethics and Sustainability Committee is accountable for overseeing strategy, management, compliance and performance regarding the company's environmental, social and governance (ESG) issues, including climate change. Responsibilities include developing and reviewing climate change policies and strategies, monitoring performance against key climate-related goals and targets, and reviewing the climate resilience of the business.</p> <p>Climate change is a standing issue for both the board and the Social, Ethics and Sustainability Committee, and is liable to be discussed at all scheduled meetings, including how climate-related issues affect and are integrated into strategy, risk management, budgeting, capital allocation, business planning, target setting, and performance management. The Social, Ethics and Sustainability Committee meets twice a year, and reports to the board at every scheduled board meeting.</p> <p>The Chief ESG Officer is responsible for driving the management of ESG issues, including climate change issues, and is a member of the Social, Ethics and Sustainability Committee. The Chief Executive Officer (CEO) is also a member of the Social, Ethics and Sustainability Committee. The Chairman of the board, Lead Independent Director, and the Human Resources Executive also attend Social, Ethics and Sustainability Committee meetings by permanent invitation.</p> <p>During FY2022, the Social, Ethics and Sustainability Committee considered and approved the Sustainability Policy.</p>

C1.1b

(C1.1b) Provide further details on the board's oversight of climate-related issues.

Frequency with which climate-related issues are a scheduled agenda item	Governance mechanisms into which climate-related issues are integrated	Scope of board-level oversight	Please explain
Scheduled – all meetings	<ul style="list-style-type: none"> Reviewing and guiding annual budgets Overseeing major capital expenditures Overseeing and guiding employee incentives Reviewing and guiding strategy Overseeing and guiding the development of a transition plan Monitoring the implementation of a transition plan Overseeing and guiding scenario analysis Overseeing the setting of corporate targets Monitoring progress towards corporate targets Overseeing and guiding public policy engagement Reviewing and guiding the risk management process 	<Not Applicable>	<p>Climate change is a standing issue for both the board and the Social, Ethics and Sustainability Committee, and is liable to be discussed at all scheduled meetings, including how climate-related issues affect and are integrated into strategy, risk management, budgeting, capital allocation, business planning, target setting, and performance management.</p> <p>During FY2022, scenario analysis was conducted on climate change impact by an external service provider and the findings were presented to the board in November 2022. The Climate Change report was reviewed and recommended to the board for approval, and published as a supplementary report to the 2022 Integrated Annual Report.</p>

C1.1d

(C1.1d) Does your organization have at least one board member with competence on climate-related issues?

	Board member(s) have competence on climate-related issues	Criteria used to assess competence of board member(s) on climate-related issues	Primary reason for no board-level competence on climate-related issues	Explain why your organization does not have at least one board member with competence on climate-related issues and any plans to address board-level competence in the future
Row 1	Yes	The board attended training on the TCFD recommendations, climate change risk, and climate scenario analysis in November 2022, as part of the climate change scenario process currently underway. The training built awareness of the specific climate change drivers relevant to SPAR, the climate related risks and opportunities that affect SPAR and its supply chain, the need to prioritise a just transition, and the associated expectations of stakeholders. It outlined SPAR's climate response to the impacts, risks and opportunities identified, and facilitated board input on SPAR's climate response.	<Not Applicable>	<Not Applicable>

C1.2

(C1.2) Provide the highest management-level position(s) or committee(s) with responsibility for climate-related issues.

Position or committee

Other C-Suite Officer, please specify (Chief ESG Officer)

Climate-related responsibilities of this position

- Managing annual budgets for climate mitigation activities
- Developing a climate transition plan
- Implementing a climate transition plan
- Integrating climate-related issues into the strategy
- Conducting climate-related scenario analysis
- Setting climate-related corporate targets
- Monitoring progress against climate-related corporate targets
- Managing public policy engagement that may impact the climate
- Assessing climate-related risks and opportunities
- Managing climate-related risks and opportunities

Coverage of responsibilities

<Not Applicable>

Reporting line

CEO reporting line

Frequency of reporting to the board on climate-related issues via this reporting line

Quarterly

Please explain

Climate change is a key strategic issue that falls under the management responsibility of the Chief ESG Officer, who sits on the Executive Committee, and reports directly to the Chief Executive Officer (CEO) on sustainability- and climate-related issues. The CEO is responsible for leading the implementation and execution of approved strategy, policy and operational planning, and serves as the link between executive management and the board.

C1.3

(C1.3) Do you provide incentives for the management of climate-related issues, including the attainment of targets?

	Provide incentives for the management of climate-related issues	Comment
Row 1	Yes	<p>SPAR provides climate-related remuneration incentives for specific executives. The Chief ESG Officer has a monetary incentive to achieve the group's GHG emissions reduction targets.</p> <p>The National Logistics Executive has a monetary incentive to achieve operational efficiencies in the group's distribution centres logistics fleet, including through energy efficiency, fuel efficiency, and renewable energy initiatives.</p> <p>The Remuneration Committee is accountable for overseeing the company's remuneration policy, including remuneration incentives. The Remuneration Committee reports to the board quarterly, at every scheduled board meeting.</p>

C1.3a

(C1.3a) Provide further details on the incentives provided for the management of climate-related issues (do not include the names of individuals).

Entitled to incentive

Other C-Suite Officer

Type of incentive

Monetary reward

Incentive(s)

Bonus - % of salary

Performance indicator(s)

Reduction in absolute emissions

Incentive plan(s) this incentive is linked to

Short-Term Incentive Plan

Further details of incentive(s)

The Chief ESG Officer has a monetary incentive to achieve the group's GHG emissions reduction targets.

Explain how this incentive contributes to the implementation of your organization's climate commitments and/or climate transition plan

This is linked to the Short-Term Incentive (STI) Plan to motivate and incentivise delivery of performance, financial and non-financial, consistent with the group's strategy over the financial year.

Entitled to incentive

Executive officer

Type of incentive

Monetary reward

Incentive(s)

Bonus - % of salary

Performance indicator(s)

Energy efficiency improvement

Increased share of renewable energy in total energy consumption

Other (please specify) (Operational efficiencies in the Group's distribution centres logistics fleet)

Incentive plan(s) this incentive is linked to

Short-Term Incentive Plan

Further details of incentive(s)

The National Logistics Executive has a monetary incentive to achieve operational efficiencies in the group's distribution centres logistics fleet, including through energy efficiency, fuel efficiency, and renewable energy initiatives.

Explain how this incentive contributes to the implementation of your organization's climate commitments and/or climate transition plan

This is linked to the Short-Term Incentive (STI) Plan to motivate and incentivise delivery of performance, financial and non-financial, consistent with the group's strategy over the financial year.

C2. Risks and opportunities

C2.1

(C2.1) Does your organization have a process for identifying, assessing, and responding to climate-related risks and opportunities?

Yes

C2.1a

(C2.1a) How does your organization define short-, medium- and long-term time horizons?

	From (years)	To (years)	Comment
Short-term	0	3	Short, medium and long-term horizons are defined in SPAR's Enterprise and Risk Management (ERM) process.
Medium-term	3	10	Short, medium and long-term horizons are defined in SPAR's Enterprise and Risk Management (ERM) process.
Long-term	10	30	Short, medium and long-term horizons are defined in SPAR's Enterprise and Risk Management (ERM) process.

C2.1b

(C2.1b) How does your organization define substantive financial or strategic impact on your business?

All identified strategic risks are included in the SPAR Group's strategic risk register and risk rated and ranked according to impact categories, with each category having a distinct set of criteria to determine the severity of impact. Each risk is given a ranking on the risk register, based on likelihood and impact criteria. The severity of impact score ranges from (1) insignificant to (7) catastrophic, and the likelihood score ranges from (1) improbable to (6) certain. The Executive Committee make an individual assessment on the likelihood and impact of the risk, and the average score across all inputs determines the final risk rating. All risks are plotted on a risk matrix based on the likelihood and impact scores. A risk is considered to have a substantive strategic impact when the likelihood score is (4-6) and the impact score is (4-7). An environmental incident (including climate-related incidents) that would be considered catastrophic to the SPAR Group is an incident that causes disastrous environmental or societal impact with long-term effects (> 12 months) requiring major remediation and will result in large-scale prolonged class-action.

C2.2

(C2.2) Describe your process(es) for identifying, assessing and responding to climate-related risks and opportunities.

Value chain stage(s) covered

Direct operations
Upstream
Downstream

Risk management process

Integrated into multi-disciplinary company-wide risk management process

Frequency of assessment

More than once a year

Time horizon(s) covered

Short-term
Medium-term
Long-term

Description of process

The SPAR Group's risk management ability is integral to the achievement of strategic objectives. The Group utilises an Enterprise Risk Management (ERM) framework to identify, assess, manage and respond to climate-related risks and opportunities.

SPAR's ERM framework includes a series of inter-connected processes to identify, assess, prioritise, and respond to risks and opportunities at strategic, functional and operational levels. Climate change is considered in the scope of our ERM processes, and has been identified as a key strategic risk for the business, yet there is scope to further integrate climate-related risks and opportunities into group risk management processes.

SPAR has embarked on a climate change scenario analysis process, which has deepened our understanding of the physical and transition climate-related risks and opportunities facing SPAR. The scenario process included dedicated research and discussion to identify and assess SPAR's physical and transition climate-related risks and opportunities, and provided a valuable opportunity to discuss these issues with key stakeholders in our South African value chain. This has been a key preliminary step toward strengthening the integration of climate-related risks and opportunities into our ERM process for which we have already begun planning.

The scenario process led to the development of a draft SPAR Climate Change Strategic Roadmap. Drawing on our risk management capability, we identified risks to the successful delivery of this roadmap, and developed measures to mitigate these risks to ensure minimal barriers to our achievement of net zero by 2050.

Identifying risks and opportunities:

The identification of risks and opportunities is approached in a dialogical and multi-directional manner to facilitate collective input from across the business, and access a diverse range of internal and external perspectives. Risks and opportunities are understood to impact the business over different time horizons (see C2.1a). Climate-related risks and opportunities feature at a high level in these risk identification engagements, yet climate change issues are new to many of our people, and particularly our suppliers. Risks are identified in the following ways:

Top-down: Executive managers identify and review strategic risks and opportunities, and consider risk management regarding strategy, business performance, and trends in the wider operating environment.

Bottom-up: Divisional risk teams, and the sustainability team identify and review operational risks and opportunities, and consider the effectiveness of risk mitigation plans.

Horizontal: Executive meetings at group-level, and monthly divisional risk meetings held at SPAR's distribution centres, provide a platform for divisional risk managers to communicate risks to management, collectively review risk management across the group, and identify and discuss new and emerging risks and opportunities.

Outside-in/inside-out: Annual supplier surveys and site-visits, and less formal engagements with our customers (i.e., retailers), inform our understanding of risks and opportunities in our supply and value chains.

Assessing risks and opportunities:

Please refer to C2.1b.

Prioritising risks and opportunities:

Our risk identification and risk assessment processes result in a prioritisation of 10 key strategic risks for the group. Strategic risks are those that threaten to disrupt the achievement of the SPAR Group strategy and our ability to create value over the long term. One of the 10 key strategic risks is related to climate and environmental changes. Climate-related opportunities are those potential actions or investments that enable multiple wins through synergistic mitigation of more than one identified climate-related risk.

Managing risks and opportunities:

Each risk on the risk register is assigned an executive risk owner, who drives risk management and mitigation at operational level, together with the sustainability team. The Chief ESG Officer, a member of the Risk Committee, drives risk management and mitigation at strategic- and group-level, engaging regularly with the Executive Committee, and reporting quarterly into the Risk Committee. The Risk Committee meets between three to four times a year, and makes quarterly reports to the board and the Social, Ethics and Sustainability Committee, providing updates on risk assessments, the risk register, and progress against the key strategic risk focus areas.

Examples:

SPAR's climate-related risks and opportunities are the outcomes of the above detailed ERM process. One of the ten strategic risks is related to climate and environmental changes. Climate-related opportunities are those potential actions or investments that enable multiple wins through synergistic mitigation of more than one identified climate risk. SPAR's risk associated with reduced resilience to climate change impacts in the supply chain is linked to the Group's Strategic Risk 10. SPAR identifies that due to

increased drought events and reduced precipitation, suppliers could be impacted, should they not undertake more sustainable practices. This identified climate risk, if unmitigated, could lead to significant environment/community impact, causing disastrous environmental or societal impact with long term effect requiring major remediation and having a potential to result in large scale class action.

To address this risk, the SPAR Group trains suppliers on sustainable farming methods which reduce water requirements for farming and provide financial assistance to farmers to install water-efficient technologies such as hydroponic systems or tunnels. The Group further engages with suppliers to understand suppliers' climate change risks, to collect carbon and environmental performance data and to drive resource efficiency in suppliers' operations.

Failure to address and mitigate SPAR's climate change risk associated with changing consumers perceptions of the SPAR Group's sustainability actions could result in financial damage for the Group. This could also lead to significant reputation and brand impact of prominent and prolonged international media coverage, public reprimand from Government or significant negative impact on share price for months. Adoption of circular economy approach to new product development and packaging, embedding resource stewardship across all business operations and driving sustainability practices in the supply chain allow the Group to mitigate identified climate risks whilst capitalising on new opportunities.

SPAR's identified climate-related opportunities seek to address climate-related risks and include actions to mitigate often more than one identified climate risk. Climate-related opportunities such as renewable energy and alternative fuel sources contribute towards the Group' sustainability commitments towards responsible living and resource stewardship realised through the draft Strategic Roadmap.

C2.2a

(C2.2a) Which risk types are considered in your organization's climate-related risk assessments?

	Relevance & inclusion	Please explain
Current regulation	Relevant, always included	<p>Current regulation around climate change is always relevant to the SPAR Group and is always included in risks assessments to ensure compliance with existing legislation and to adapt to changing legislative and regulatory environment.</p> <p>Example of risk type: SPAR has identified Carbon Tax and its liability as a current regulatory climate-related risk that may have a substantive impact on the Group's direct operations, corporate-owned stores and suppliers. Under the current South African Carbon Tax SPAR is liable to pay tax on stationary diesel, LPG usage and paraffin in SPAR's distribution centres and corporate-owned stores. Furthermore, an increase in fuel and electricity prices introduced by the promulgation of Carbon Tax impacts SPAR's direct operations and suppliers across the Group's supply chain, increasing the cost of operations.</p> <p>Consideration in risk assessments: The current regulation risk of Carbon Tax and its liability is included as part of the Group's strategic risks which are reviewed quarterly by the Risk Committee. To identify any changes to the current legislation and regulations, SPAR receives regular alerts on any legislative changes. Furthermore, the Group obtains political insights from knowledgeable commentators who assist in creating scenarios to determine the potential impact on the Group's future business. Carbon Tax Risk has mitigative actions assigned, among which are renewable energy, alternative fuel sources and battery-electric truck refrigeration system.</p>
Emerging regulation	Relevant, always included	<p>Emerging regulation is always relevant to the SPAR Group and is always included in risks assessments so that the Group can take action to prepare for future legislation, reduce associated risks and mitigate potential impacts of future regulation.</p> <p>Example of risk type: Increased GHG emissions and environmental performance reporting obligations might place an additional burden on SPAR to account for, report and have emissions verified in accordance with different methodologies and reporting standards. Under the current South African Carbon Tax regime SPAR is liable to annually report emissions associated with LPG, diesel and paraffin consumption in distribution centres and in SPAR's corporate stores. Phase 2 of the Carbon Tax (delayed being introduced post 2025) could introduce additional emissions reporting obligations to SPAR. Additionally, impending introduction of the National Environmental Management: Waste Act (59:2008): Extended Producer Regulations (R1184, R1186 and R1187) which were amended in May 2021 could compel SPAR to report on Scope 3 emissions associated with waste to the relevant authorities.</p> <p>Consideration in risk assessments: Increased reporting obligations is included as part of the Group's strategic risks which are reviewed quarterly by the Risk Committee. Staying-up-to date with the latest developments, commenting on any draft climate-related legislation and engagement with the industry and local authorities have been establish among mitigation actions to this risk.</p> <p>To identify any changes to the current legislation and regulations, SPAR receives regular alerts on any proposed legislative changes and stays up to date with current climate-related national and global climate policies, legislation and climate-related events. SPAR monitors outcomes of international political events such as the UNFCCC COP as they drive current and future climate legislation in South Africa. Additionally, the Group also monitors international climate policies and climate-related reviews such as the Ratings Agency's Moody's Group review of the South Africa's response and preparedness to climate change. SPAR has started actively engaging with eThekwin, Ekurhuleni, Tshwane, and City of Cape Town municipalities around climate change regulations.</p>
Technology	Relevant, always included	<p>Risks associated with technological innovations that support transition to a zero-carbon economy are always included in risks assessments. Leveraging technological innovations can help SPAR to mitigate risks associated with increasing operational costs due to changing climatic conditions, comply with current and emerging legislation and disclose climate-related information to the Group's stakeholders.</p> <p>Example of risk type: SPAR has identified that changing climatic conditions, specifically, increasing temperatures, could lead to an increased usage of refrigeration equipment, increased associated electricity and fuel consumption and costs.</p> <p>Consideration in risk assessments: "Inability to appropriately leverage data and rapidly-changing technology, or incorporate innovative thinking, results in losing existing and new business to competition" has been identified as SPAR's Strategic Risk 5. The Group recognises that to address potential impacts associated with changing climatic conditions SPAR would have prioritise adoption of low-carbon technologies. Considering this risk in the Group's risk assessments enables prioritisation of time and monetary resources towards research and development and piloting of new and emerging energy efficient/lower-carbon technologies.</p> <p>Rollout of Solar PV and use of biofuels in selected Group's distribution centres as well as fuel efficient vehicles/engines have been identified among risk mitigation actions to this risk. SPAR is also actively piloting semi-rigid hybrid truck and exploring alternative fuel sources.</p> <p>During the current TCFD process, it is being considered how SPAR can access the best low-carbon technology options while still sourcing locally. The scope of mitigation actions is focused on retail buildings and the movement to net-zero buildings, optimising logistics such as pilot fuel cell electric trucks for freight transportation and cold storage through alternative refrigerants.</p>

	Relevance & inclusion	Please explain
Legal	Relevant, always included	<p>Climate-related litigation claims are always included in risk assessments as they could inflict negative financial impacts on the business and lead to a reduction in the Group's profitability.</p> <p>Example of risk type: Compliance with climate and environmental legislation is considered in the South African Carbon Tax and its liability risk for SPAR and its supply chain as well as through preparing for emerging legislation around enhanced emissions and environmental performance reporting.</p> <p>Consideration in risk assessments: Alerts on latest legislative changes provide the context against which strategic and operational climate risks are monitored and any new risks identified. Inclusion of current and emerging climate risks in the Group's Risk Register enables SPAR to comply with legislative requirements and ensure that no potential litigation claims arise due to non-compliance. SPAR has implemented a system which alerts various members of the organisation around new and/or changes to regulations and legislation (e.g., updates on the South African Carbon Tax and associated GHG Emissions Reporting regulations, the National Environmental Management: Waste Act (59:2008): Regulations regarding extended procurer responsibility). Such information is shared with the relevant departments within the Group, which take actions to change and adapt business practices to ensure compliance. For example, SPAR's sustainability team gets notified of any legislative changes around GHG emissions.</p>
Market	Relevant, always included	<p>Market risks associated with shifts in supply and demand for products and services are always considered in SPAR's risk assessments as reduced demand for products in SPAR stores could reduce the Group's revenues, profitability and negatively influence the sustainability of the business. During the current TCFD process, changing market share (reputation) has been identified as a material transition climate change risk. The relative (real and perceived) climate performance of retailers will impact SPAR's market share through expectations of consumers (impacting foot traffic) and customers (impacting the success of the voluntary trading model).</p> <p>Market-related risks also connects to SPAR's Strategic Risk 1 concerning significant business interruption because of SPAR's inability to deal timeously and appropriately with political or economic disruptions. This closely ties with SPAR's work on the Just Transition through the scenario analysis drawing on the Just Transition by the National Business Initiative that includes social and political considerations in the decarbonisation scenarios. Climate change may exacerbate political and social unrest that disrupts SPAR's business continuity.</p> <p>Example of risk type: SPAR has identified increased market demand for more sustainable and environmental product labelling as one of the climate-related risks. SPAR's biennial market research and analysis has identified that SPAR's high Living Standard Measure consumers expect to see that SPAR is actively involved in pursuing carbon and waste management programmes and implements water saving initiatives at a store level. 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 climate change impacts.</p> <p>Consideration in risk assessments: "Inability to meet changing consumer needs in all aspects, resulting in a decline in business and loss of market share" has been identified as SPAR's Strategic Risk 4. Increased market demand for more sustainable products is included as part of the Group's strategic risks.</p> <p>For SPAR, initially product labelling could be most applicable to paper and timber (from FSC certified forests), seafood (compliance with WWF-SASSI guidelines) and palm oil that the Group sources.</p>
Reputation	Relevant, always included	<p>Risks associated with changing customers or community perceptions around SPAR's climate change actions are always included in risk assessments.</p> <p>Example of risk type: During the current TCFD process, changing market share and reputation has been identified as a material risk wherein increased levels of climate performance expectations can affect SPAR's reputation and brand and have impacts on customer acquisition, retention and reactivation.</p> <p>Consideration in risk assessments: "Loved and respected as brand" is one of SPAR's strategic outcomes, and achievement of this outcome requires effective mitigation of strategic and operational climate-related risks. If SPAR was unable to demonstrate that the Group is addressing environmental and climate change issues, the reputation of SPAR brand might be negatively impacted over time. If the Group was unable to respond effectively to shifting consumer perceptions around climate change, the SPAR brand could be seen as out-of-date and undesirable. This could cause a decline in the demand for opening of new SPAR's stores, and therefore, reduced demand for the SPAR Group's products.</p> <p>SPAR's climate-related and indirectly water- and commodities-related risks are included in the Risk Register in order for SPAR to manage any associated reputational risks.</p>
Acute physical	Relevant, always included	<p>Increased severity and frequency of extreme weather events are always included in risk assessments as they could disrupt business operations and negatively impact revenues and profitability of the Group, specifically, across distribution centres as well as corporate and independently owned stores. During the TCFD process the assessment of acute physical climate change risks are being assessed for both direct operations and indirect operations are a material risk to SPAR.</p> <p>Example of risk type: Drought and flooding in South Africa has been recognised among extreme weather events which will increase in frequency and potentially in magnitude over longer term. The SPAR Group has already experienced negative impact on business operations due to drought and flooding and anticipates further impacts from future drought events.</p> <p>Consideration in risk assessments: SPAR has identified "Climate and environmental changes require urgent and expensive emergency actions to be taken, or result in severe damage to our stakeholders" as the Group's Strategic Risk 10. Increased frequency of extreme weather events is included in SPAR's Risk Register, and in addition to establishing short-, medium- and long-term risk management strategies, SPAR has started scenario planning analysis for the business.</p> <p>Considering this climate-related risk type enables the Group to allocate sufficient time and monetary resources towards the improved preparedness to natural disasters. Additionally, inclusion of this risk in the Risk Register enables knowledge sharing between SPAR's business units (distribution centres) on the preparedness for natural disasters.</p>
Chronic physical	Relevant, always included	<p>Longer-term shifts in climate patterns (including temperature increases, reduced precipitation or sea level rise) can have longer term impacts on SPAR's operations and are always included in risk assessments so that the Group can take actions to adapt current business practices in anticipation of future changes. During the TCFD process the assessment of chronic physical climate change risks are being assessed for both direct operations and indirect operations are a material risk to SPAR.</p> <p>Example of risk type: SPAR has identified that changing climatic conditions, specifically, increasing temperatures, could lead to an increased usage of refrigeration equipment, increased associated electricity and fuel consumption and costs. Rising temperatures could also reduce precipitation and water availability for SPAR's direction operations and across the value chain.</p> <p>Consideration in risk assessments: SPAR has identified water scarce areas in the country, using the WWF Water Filter Tool. Such information provides the context against which strategic and operational Group's risks are identified and managed. The risk of "Increasing temperatures and reduced water availability" is included as part of the Group's strategic risks, and this risk, among other risks, influences budgeting of CAPEX and OPEX, in line with the Group's strategy.</p>

C2.3

(C2.3) Have you identified any inherent climate-related risks with the potential to have a substantive financial or strategic impact on your business?

Yes

C2.3a

(C2.3a) Provide details of risks identified with the potential to have a substantive financial or strategic impact on your business.

Identifier

Risk 1

Where in the value chain does the risk driver occur?

Downstream

Risk type & Primary climate-related risk driver

Market	Changing customer behavior
--------	----------------------------

Primary potential financial impact

Decreased revenues due to reduced demand for products and services

Climate risk type mapped to traditional financial services industry risk classification

<Not Applicable>

Company-specific description

Through the TCFD process, one of the most material transition climate risks facing SPAR is changing product demand patterns and changing purchasing power.

Changing product demand patterns linked to increasing climate action by governments (impacting prices consumers pay), companies (impacting costs of products) and individuals (impacting buying preferences and patterns) will impact demand for SPAR products. This will be driven by:

- Changing preferences - move towards plant rich diets, low carbon products, low water products, climate resilience enabling products, etc.).
- Circular economy - consumer drive to reduce consumption and purchase re-used or recycled (in full or in part) products.
- Climate change impact on GDP and incomes (including social cohesion impacts).

This links to the risk on changing market share and reputation risk. The relative (real and perceived) climate performance of retailers will impact SPAR's market share through expectations of consumers (impacting foot traffic) and customers (impacting the success of the voluntary trading model).

The SPAR Group is under increasing pressure from stakeholders, including consumers and the broader public, to address environmental issues, particularly climate change. SPAR's biennial market research and analysis has identified that SPAR's high Living Standards Measure consumers expect to see that SPAR is actively involved in pursuing carbon and waste management programmes and implements water saving initiatives at a store level. 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 climate change impacts.

Time horizon

Medium-term

Likelihood

Likely

Magnitude of impact

Medium-low

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)

24517000

Potential financial impact figure – maximum (currency)

49034000

Explanation of financial impact figure

The Group estimates that failure to respond to changing consumer preferences and increased demand for low-carbon products and products based on circular economy principles could lead to a decrease in revenue. It is estimated as a 1-2% decrease in SPAR Southern Africa FY2022 operating profit of ZAR 2 451.7 million, which would amount to between ZAR 24 517 000 to ZAR 49 034 000.

Cost of response to risk

1822023

Description of response and explanation of cost calculation

The Group continuously seeks to offer its customers sustainable products with smaller environmental impact and reduced product emissions.

The Group is committed to sourcing sustainable and environmentally responsible packaging and has set out three environmental goals for plastics. SPAR has adopted Circular Economy approach which is integrated into the design of packaging for the Group's products and drives reduction, reuse and recyclability of packaging and its materials. SPAR's plastic bags made from 100% recycled plastic containing no less 70% post-consumer waste has reduced emissions associated with producing the bag by 40% and diverted over 4 000 tonnes of waste from landfill. This links to the target of 100% of plastic packaging to be reusable, recyclable or compostable by 2025. SPAR milk cartons have been replaced with unbleached board to ensure that cardboard is recyclable, reducing ink and bleach required to make the cardboard. This links to our environmental goal that all paper and board used will be 100% sustainably sourced by 2025.

SPAR also focus on recycling efforts to reduce the amount of virgin materials required for its products. Recycled plastic/cardboard from participating stores are brought to distribution centres and stores are paid for the waste. Plastics are then sold to a waste service provider.

In 2022, SPAR launched an r-Pet (recycled polyethylene terephthalate) shopper bag made from repurposed recycled brown plastic ginger beer CSD bottles. Furthermore, SPAR launched the SPAR shopper trolley made from recycled 2L plastic milk bottles. Each trolley is crafted from 150 used milk bottles that would otherwise have landed up in landfill or in the local environment.

An amount of R1 192 023 was spent on internal staff managing this risk, including the SPAR Group's brands manager and brands team, which consists of 4 team members who continuously work on this. SPAR brought on an additional packaging manager at the cost of R630 000 annually.

Comment

Identifier

Risk 2

Where in the value chain does the risk driver occur?

Direct operations

Risk type & Primary climate-related risk driver

Chronic physical	Changing temperature (air, freshwater, marine water)
------------------	--

Primary potential financial impact

Increased indirect (operating) costs

Climate risk type mapped to traditional financial services industry risk classification

<Not Applicable>

Company-specific description

Through the TCFD process, one of the most material physical climate risks facing SPAR is the effects of increased temperatures, very hot days and heatwave events on direct operations and the food supply chain. This is closely linked to the risk of increased energy consumption for air-conditioning and refrigeration.

SPAR operates refrigeration equipment both in distribution centres and in trucks transporting goods to stores. Increasing mean atmospheric temperatures will put a heavier load on this equipment, increasing energy consumption (electricity in distribution centres) and diesel consumption in owned fleet vehicles to ensure that refrigeration temperatures remain below needed thresholds. Increasing refrigeration requirements in distribution centres could also lead to an increase in fugitive emissions from SPAR's closed loop refrigeration emissions, increasing the Group's Scope 1 emissions and potential liabilities.

Through the scenarios in the TCFD process, increased temperatures, very hot days and heatwave events are projected to increase in frequency and severity. This results in increased usage of refrigeration in the Group's fleet and for air conditioners in office buildings, increasing fuel and electricity consumption.

Time horizon

Medium-term

Likelihood

More likely than not

Magnitude of impact

Medium

Are you able to provide a potential financial impact figure?

Yes, a single figure estimate

Potential financial impact figure (currency)

20651986.7

Potential financial impact figure – minimum (currency)

<Not Applicable>

Potential financial impact figure – maximum (currency)

<Not Applicable>

Explanation of financial impact figure

If electricity consumption was to increase by 5% due to increased refrigeration and air conditioning requirements, electricity consumption instead of current 63 051 437.06 kWh would be 66 204 008.91 kWh. Using an average tariff rate of 153.19 c/kWh, the average current cost is R96 588 496.43. At 5% increase in consumption, the cost would be R101 417 921.25, making the financial impact R4 829 424.82.

Additionally, if fuel consumption in fleet was to increase also by 5% due to increased refrigeration and air conditioning requirements, fleet diesel consumption instead of current 15 746 741.32 litres would be 16 534 078.39 litres. Taking an average cost of diesel of 20.10/litre this would result in an increased cost to R332 273 799.47 (current cost is R316 451 237.59), leading to R15 822 561.88 increase in the financial impact. Total financial impact includes financial impact associated with increased electricity cost and increased fuel cost.

Cost of response to risk

4260000

Description of response and explanation of cost calculation

To mitigate the risk of rising mean temperatures and associated increased energy and refrigeration requirements, the Group has implemented energy and fuel reduction initiatives and invests in R&D around trucking and refrigeration in trucks. SPAR established "Energy efficient technology" as one the Group's climate goals as it supports the commitment to become net-zero by 2050, further driving CAPEX expenditures.

The Group has implemented initiatives for reducing energy requirements in refrigeration equipment through installation of timers on lighting and air-conditioning units, installation of high-speed doors and air curtains as well as the monitoring and adjusting of set point temperatures. SPAR trains its warehouse and administrative personnel to be aware of energy losses when operating refrigeration equipment through annual awareness campaigns across all regions. The Group also trains fleet drivers to improve fuel efficiency and provides remuneration incentives for achieved reductions in fuel consumption.

SPAR purchases fuel for the Group directly from fuel suppliers to ensure a better price for the fleet. SPAR's logistics team continues to analyse alternative ways to ensure load optimisation and effective routing solutions. The Group continues to prioritise delivery from source where possible, reducing the distance, cost and administration requirements of transportation to regional distribution centres.

Within FY2022, SPAR has undertaken the below transport efficiencies (list is not exhaustive):

- Annual replacements with the latest Mercedes-Benz Euro 3 and Euro 5 models continues, with a minimum of 5% on fuel savings realised, when compared to the vehicles replaced.
- Of the 30 vehicles purchased in 2022, 25% were Euro 5, which provide additional fuel savings and cleaner emissions. The total Euro 5 complement is now close to 10% of the fleet.
- All new fridges fitted to trailers are diesel electric and are 'full electric' ready. The battery-electric truck refrigeration system will replace the standard diesel truck fridge and could save up to 90% of monthly fuel and servicing costs.

The cost of response to this risk is estimated at R4.26 million, consisting of R265 000 monthly cost for maintenance managers and R90 000 monthly cost of two head office

staff.

Comment

C2.4

(C2.4) Have you identified any climate-related opportunities with the potential to have a substantive financial or strategic impact on your business?

Yes

C2.4a

(C2.4a) Provide details of opportunities identified with the potential to have a substantive financial or strategic impact on your business.

Identifier

Opp1

Where in the value chain does the opportunity occur?

Downstream

Opportunity type

Products and services

Primary climate-related opportunity driver

Shift in consumer preferences

Primary potential financial impact

Increased revenues resulting from increased demand for products and services

Company-specific description

Changing product demand patterns linked to increasing climate action by governments (impacting prices consumers pay), companies (impacting costs of products) and individuals (impacting buying preferences and patterns) offers an opportunity to SPAR. The Group can respond to changing markets to provide products driven by the below:

- Changing preferences - move towards plant rich diets, low carbon products, low water products, climate resilience enabling products, etc.).
- Circular economy - consumer drive to reduce consumption and purchase re-used or recycled (in full or in part) products.

There is an increasing pressure from stakeholders, including consumers and broader public, for large corporates to address environmental issues, particularly climate change. It is becoming more important over time in South African food retail industry that players play an active role in driving change across the value chain. If SPAR is able to demonstrate that it is addressing environmental and climate change issues, SPAR brand is likely to benefit over time. If the company is perceived to be able to respond effectively to consumer shifts as a result of climate change, then SPAR brand would be seen favourably by the market. Such perceptions could result in an increased demand for SPAR retail outlets, and therefore for the SPAR Group's products.

SPAR stores which serve customers from a higher income segment are more likely to benefit from demonstrating that the Group is addressing environmental and climate change issues as consumers from a higher income segment are more aware of issues around climate change.

Time horizon

Short-term

Likelihood

Virtually certain

Magnitude of impact

Medium-high

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)

24517000

Potential financial impact figure – maximum (currency)

49034000

Explanation of financial impact figure

The Group estimates that failure to respond to changing consumer preferences and increased demand for low-carbon products and products based on circular economy principles could lead to a decrease in revenue. It is estimated as a 1-2% decrease in SPAR Southern Africa FY2022 operating profit of ZAR 2 451.7 million, which would amount to between ZAR 24 517 000 to ZAR 49 034 000.

Cost to realize opportunity

3644046

Strategy to realize opportunity and explanation of cost calculation

SPAR is actively reporting on its actions on climate change issues in the Group's annual Integrated Report and responds to the CDP Climate Change, Water and Forests Programmes. SPAR's product strategy and innovation process actively considers consumer trends and matches products with consumer needs. SPAR conducts consumer surveys/questionnaires every 2 years to gauge perceptions around SPAR Brand, operations and products.

SPAR has adopted circular economy approach as part of the Group's strategy for all products and packaging. SPAR's product innovation process prioritises resource efficiency and waste reduction, including identifying opportunities to reduce packaging and include recyclable, biodegradable and sustainably sourced materials in both new and existing products. Sustainability aspects such as energy and water efficiency and natural resource use (for example, for seafood, there are procurement guidelines to ensure that procured seafood is from a sustainable source) are integral considerations in SPAR's product innovation process.

The Group is a founding member of the South African Plastics Pact and is committed to removing problematic plastics from the Group's supply chain, designing plastic packaging to be reusable, recyclable or compostable and increasing recycled content across all packaging. Many of these actions have targets to achieve in 2025 and 2030. In 2018, SPAR introduced 100% recycled plastic carrier bag with a minimum of 70% post-consumer plastic waste together with brown paper carrier bags, which are made from 100% renewable resource.

SPAR repurposed recycled brown plastic from its signature ginger beer carbonated soft drink (CSD) bottles into reusable shopping bags. The long-term aspiration is to divert these bags from landfill through a recycling station in store and transforming them into blankets. We also launched SPAR shopper trolley made from recycled 2 L plastic milk bottles.

An amount of R1 192 023 was spent on internal staff managing this opportunity, including the SPAR Group's brands manager and brands team, which consists of 4 team members who continuously work on this. SPAR brought on an additional packaging manager at the cost of R630 000 annually.

To upscale this work to fully realise the opportunity to adapt products to the shift in consumer preferences, double the above capacity is expected to be needed at a total cost of R3 644 046. This is for the South African context.

Comment

Identifier

Opp2

Where in the value chain does the opportunity occur?

Direct operations

Opportunity type

Energy source

Primary climate-related opportunity driver

Use of lower-emission sources of energy

Primary potential financial impact

Reduced indirect (operating) costs

Company-specific description

Renewable electricity offers SPAR the opportunity to decarbonise, offers long-term cost savings and increased resilience against climate change and the unreliable supply of electricity in South Africa.

SPAR has focused on installing solar PV into owned facilities. SPAR has solar PV installations across all its distribution centres in South Africa, excluding Build it. During FY2022, these installations generated 9 133 MWh of renewable energy. This helps reduce SPAR's reliance on electricity service providers as well costs associated with generators during load shedding (planned power outages).

Group solar installations started in 2017 in our South Rand distribution centre and were completed in May 2020 with our Eastern Cape Distribution centre.

Time horizon

Short-term

Likelihood

Virtually certain

Magnitude of impact

Medium-high

Are you able to provide a potential financial impact figure?

Yes, a single figure estimate

Potential financial impact figure (currency)

13900842.7

Potential financial impact figure – minimum (currency)

<Not Applicable>

Potential financial impact figure – maximum (currency)

<Not Applicable>

Explanation of financial impact figure

The solar PV installations on South African distribution centres generated 9 133 MWh of renewable energy during FY2022. Using an average tariff rate of 153.19 c/kWh this translates to ZAR 13 990 842.70 annual cost savings.

Cost to realize opportunity

70195468

Strategy to realize opportunity and explanation of cost calculation

SPAR has invested in renewable energy, specifically, solar PV facilities, at a cost of R70 195 468 at six facilities (capital cost).

Furthermore, the financial savings and energy reductions achieved so far have encouraged SPAR to investigate feasibility of solar PV installations in other Group's facilities. KwaZulu-Natal distribution centre is looking at solar PV at their satellite distribution centre and Build It distribution centre is in consultation with the landlord on installation of Solar PVs. SPAR also provides guidance and leadership to stores which want to install their own solar PV.

Comment

C3.1

(C3.1) Does your organization’s strategy include a climate transition plan that aligns with a 1.5°C world?

Row 1

Climate transition plan

Yes, we have a climate transition plan which aligns with a 1.5°C world

Publicly available climate transition plan

Yes

Mechanism by which feedback is collected from shareholders on your climate transition plan

We have a different feedback mechanism in place

Description of feedback mechanism

Climate change is a key strategic issue that falls under the management responsibility of the Chief ESG Officer, who sits on the Executive Committee, and reports directly to the Chief Executive Officer (CEO) on sustainability- and climate-related issues. Feedback is received through internal and external mechanisms of the Social, Ethics and Sustainability Committee as climate change is a standing issue. Furthermore, the Chief ESG Officer invites feedback from SPAR's stakeholders in the closing statement of the 2022 Climate Change Report that is public.

Frequency of feedback collection

More frequently than annually

Attach any relevant documents which detail your climate transition plan (optional)

Please see the section called "SPAR Climate Change Strategic Roadmap" on page 26.
 SPAR_Climate_Change_Report_2022_Final.pdf

Explain why your organization does not have a climate transition plan that aligns with a 1.5°C world and any plans to develop one in the future

<Not Applicable>

Explain why climate-related risks and opportunities have not influenced your strategy

<Not Applicable>

C3.2

(C3.2) Does your organization use climate-related scenario analysis to inform its strategy?

	Use of climate-related scenario analysis to inform strategy	Primary reason why your organization does not use climate-related scenario analysis to inform its strategy	Explain why your organization does not use climate-related scenario analysis to inform its strategy and any plans to use it in the future
Row 1	Yes, qualitative and quantitative	<Not Applicable>	<Not Applicable>

C3.2a

(C3.2a) Provide details of your organization’s use of climate-related scenario analysis.

Climate-related scenario		Scenario analysis coverage	Temperature alignment of scenario	Parameters, assumptions, analytical choices
Transition scenarios	Customized publicly available transition scenario	Company-wide	1.5°C	<p>The transition component of the scenario analysis was informed by the International Energy Agency (IEA) global energy scenarios (including their recent Net Zero scenario), the work undertaken by the South African National Business Initiative (NBI) as part of its 'Just Transitions' project exploring net zero pathways in the South African context, and various research reports relevant to SPAR's value chain. The analysis explored risks relating to policy, legal, technology, market, reputational aspects, and opportunities relating to resource efficiency, energy source, products and services, and markets and resilience.</p> <p>This scenario is coined the "proactive climate world" with the following characteristics:</p> <ul style="list-style-type: none"> • Net-zero GHG emissions by 2050. • 1.5°C average global temperature increase by 2100 (RCP 1.9). • Rapid transitional changes and actions to 2030. • Supportive environment: high availability of mitigation technologies, financial incentives for SPAR, markets for low carbon products, more "carrots" than "sticks".
Transition scenarios	Customized publicly available transition scenario	Company-wide	1.6°C – 2°C	<p>The transition component of the scenario analysis was informed by the International Energy Agency (IEA) global energy scenarios (including their recent Net Zero scenario), the work undertaken by the South African National Business Initiative (NBI) as part of its 'Just Transitions' project exploring net zero pathways in the South African context, and various research reports relevant to SPAR's value chain. The analysis explored risks relating to policy, legal, technology, market, reputational aspects, and opportunities relating to resource efficiency, energy source, products and services, and markets and resilience.</p> <p>This scenario is coined the "delayed response" with the following characteristics:</p> <ul style="list-style-type: none"> • Net-zero GHG by 2060/70. • 2°C average global temperature increase by 2100 (RCP 2.6). • Limited transitional changes to 2030 and then drastic changes and actions. • Low to moderate physical climate disruptions and associated costs. • Unsupportive environment: high transition costs, limited availability of feasible mitigation technologies, more "sticks" than "carrots".
Transition scenarios	Customized publicly available transition scenario	Company-wide	3.1°C - 4°C	<p>The transition component of the scenario analysis was informed by the International Energy Agency (IEA) global energy scenarios (including their recent Net Zero scenario), the work undertaken by the South African National Business Initiative (NBI) as part of its 'Just Transitions' project exploring net zero pathways in the South African context, and various research reports relevant to SPAR's value chain. The analysis explored risks relating to policy, legal, technology, market, reputational aspects, and opportunities relating to resource efficiency, energy source, products and services, and markets and resilience.</p> <p>This scenario is coined the "limited response" with the following characteristics:</p> <ul style="list-style-type: none"> • Dangerous climate change. • 2.7°C-4°C average global temperature increase by 2100 (RCP 4.5 and RCP 8.5). • High physical climate disruptions and associated costs.
Physical climate scenarios	RCP 1.9	Company-wide	<Not Applicable>	<p>The Intergovernmental Panel on Climate Change's (IPCC) RCP 1.9 was used during the modelling of the "proactive climate world" scenario, using a variety of physical climate models including those from the South African Council for Scientific and Industrial Research (CSIR), the South African Weather Services (SAWS), and the World Bank's Climate Change Knowledge Portal. These models were used to identify potential physical climate change relating to temperature, heatwaves, drought, precipitation pattern changes, heavy rainfall events and sea-level rise.</p>
Physical climate scenarios	RCP 2.6	Company-wide	<Not Applicable>	<p>The IPCC's RCP 2.6 was used during the modelling of the "delayed response" scenario, using a variety of physical climate models including those from the South African Council for Scientific and Industrial Research (CSIR), the South African Weather Services (SAWS), and the World Bank's Climate Change Knowledge Portal. These models were used to identify potential physical climate change relating to temperature, heatwaves, drought, precipitation pattern changes, heavy rainfall events and sea-level rise.</p>
Physical climate scenarios	RCP 8.5	Company-wide	<Not Applicable>	<p>The IPCC's RCP 8.5 was used during the modelling of the "limited response" scenario, using a variety of physical climate models including those from the South African Council for Scientific and Industrial Research (CSIR), the South African Weather Services (SAWS), and the World Bank's Climate Change Knowledge Portal. These models were used to identify potential physical climate change relating to temperature, heatwaves, drought, precipitation pattern changes, heavy rainfall events and sea-level rise.</p>
Physical climate scenarios	RCP 4.5	Company-wide	<Not Applicable>	<p>The IPCC's RCP 4.5 was used during the modelling of the "limited response" scenario, using a variety of physical climate models including those from the South African Council for Scientific and Industrial Research (CSIR), the South African Weather Services (SAWS), and the World Bank's Climate Change Knowledge Portal. These models were used to identify potential physical climate change relating to temperature, heatwaves, drought, precipitation pattern changes, heavy rainfall events and sea-level rise.</p>

C3.2b

(C3.2b) Provide details of the focal questions your organization seeks to address by using climate-related scenario analysis, and summarize the results with respect to these questions.

Row 1

Focal questions

The key questions explored include:

- How could climate-related physical and transition risks plausibly affect the SPAR value chain? What should the company do? When?
- Is the voluntary trading model likely to be more robust/ resilient in the face of transition and physical climate risks?
- Which commodities sold are most at risk from climate change, and what are the timeframes that climate change will impact them?
- How does climate change influence the SPAR business model, including its warehousing and distribution activities?
- Which assets are most at risk?
- Which customers (retailers) are most at risk?
- What changes in customer behaviour can be expected?
- How can / should SPAR facilitate climate resilience in our value chain?

Results of the climate-related scenario analysis with respect to the focal questions

The TCFD process is still ongoing, and the focal questions are still being further explored, largely for the South African context. The TCFD process is being implemented across the Group in three phases. Phase 1 has been completed, with Phase 2 currently underway, and Phase 3 forthcoming.

The climate change scenario analysis process (Phase 1) has been highly successful in supporting the development of a SPAR strategic climate change response, with executive-level sponsorship being a key success factor. The process has deepened SPAR's understanding of the climate-related risks and opportunities most material to our South African operations and value chain, and the impact these have on the business. The process has proved a critical first step toward strengthening the integration of climate-related risks and opportunities into group risk management processes, has informed a board ESG training session within 2022, and led to the production of the first climate change report, strengthening the alignment of our activities and disclosure with the recommendations of the TCFD. The key strategic outcome of the development of a draft SPAR Climate Change Strategic Roadmap supports SPAR's commitment to become net zero by 2050, and seeks to generate short-, medium- and long-term value for the business through mitigating global warming and adapting to the risks of rising temperatures and reduced water availability. The roadmap establishes a pathway and plan to achieve our emission reduction targets and guide our emissions reduction activities. In addition, case studies were carried out on a limited number of key commodities in order to ascertain levels of climate change awareness and adaptation procedures of our suppliers of these commodities.

During Phase 1, SPAR raised important concerns on the lack of representation of disempowered stakeholders in the process connected to SPAR's overarching strategic outcome to "Embed Diversity and Transformation". This could pose a risk of inadequate integration of diversity and transformation and result in biased outputs and outcomes that fail to redress historical inequality and risk future inequalities that could result from the physical and transitional impacts of climate change on poor/marginalised stakeholders i.e., vulnerable groups of suppliers, retailers, and consumers. As a result, SPAR is considering developing an approach to align its climate change strategy more closely with diversity and transformation considerations and to start to characterise Just Transition (JT) options and pathways for SPAR. Thus, the climate change scenario analysis, as a strategic process, must ensure that the outcomes are consistent with a JT to mitigate losses and distribute gains fairly (distributional justice) in an inclusive manner (procedural justice) while addressing historical inequality and redressing historical externalities that have been visited upon marginalised/vulnerable groups of stakeholders (restorative justice).

C3.3

(C3.3) Describe where and how climate-related risks and opportunities have influenced your strategy.

	Have climate-related risks and opportunities influenced your strategy in this area?	Description of influence
Products and services	Yes	<p>SPAR's sustainable packaging strategy has been influenced by identified risks around increased demand for product labelling, reputational damage to SPAR brand if no actions around climate change were taken and the risk around increased supply chain emissions reporting and tax liability. The strategy covers SPAR's short-and medium-term horizon as it focuses on SPAR's current activities extending to next 5-10 years.</p> <p>SPAR has adopted the circular economy approach to drive sustainable packaging. The Group collaboratively works with supply chain and industry partners to remove unnecessary packaging, design new products with minimum packaging and reuse in mind as well as drive recycling and use of recycled materials in packaging. The Group offers SPAR's customers products that have smaller environmental impact, reduced product emissions and eliminate global deforestation practices.</p> <p>SPAR is a founding member of the South African Plastic Pact which aims to reduce problematic plastics and plastic pollution through industry collaboration and innovation. SPAR's plastic bags made from 100% recycled plastic and containing no less 70% post-consumer waste has led to 40% emissions reduction associated with the production of the bag and diverted over 4 000 tonnes of waste from landfill. The Group also focuses on recycling efforts to reduce the amount of virgin materials required for its products.</p> <p>SPAR's paper packaging and timber sold through Build It distribution centre is sourced from sustainable FSC forestry and coffee that is sold through SPAR Bean Tree Cafés has Rainforest Alliance Certification, the UTZ Certification or the Fairtrade Certification.</p> <p>Through the TCFD process, SPAR is also investigating piloting the possible phase out of certain high carbon products and the introduction of low carbon alternatives e.g., meat substitutes. This is also closely linked to increasing consumer awareness and expectations of SPAR on our environmental commitments and our work on product labelling.</p>
Supply chain and/or value chain	Yes	<p>SPAR identifies that climate-related risks such as changes in precipitation patterns and increased variability in weather patterns can severely impact SPAR's supply chain. SPAR has adopted a sustainable procurement strategy which drives reduced usage of natural resources, long-term cost reductions and increased climate resilience for the Group's supply chain. The sustainable procurement strategy covers SPAR's short-and medium-term horizon as it focuses on SPAR's current activities extending to next 5-10 years.</p> <p>As part of the sustainable procurement strategy, SPAR engages with farmers across its supply chain to drive the uptake of sustainable farming practices. SPAR screens its suppliers using environmental criteria. Currently, all Freshline farmers are required to be GlobalG.A.P. certified - an internationally recognised standard for farm production that ensures safe and sustainable agricultural production. It improves business performance and reduces waste of vital resources. SPAR also trains small scale farmers in localg.a.p., which incorporates sustainable agricultural practices. This is a stepping stone to safe and sustainable agriculture and is a capacity building program towards GlobalG.A.P Certification.</p> <p>Achieving efficiency in supply chain pertains to a shortened supply chain and reduced number of trucks on the roads. This can help SPAR reduce fuel consumption and associated emissions. SPAR continues investing in the development of the Group's direct suppliers that enable SMMEs access to market. This results in reduced transportation and shorter supply chain.</p> <p>The scope of the scenario analysis during the current TCFD process covers physical and transition risks and opportunities to our supply chain. To gain insight on the impact of climate change on our food supply chain, a case study on the production of apples in the Western Cape, and a comparative case study on two tomato growers in Limpopo: one a large-scale supplier and the other a small-scale supplier was undertaken. The tomato case study highlighted the vulnerability of growers to the physical impacts of climate change, and the limited adaptive capacity of smaller suppliers. Supply chain response measures that are shaped by socially just concerns are key, with opportunities to socially support just outcomes through nature-based solutions.</p>
Investment in R&D	Yes	<p>SPAR has committed to becoming net-zero by 2050. The commitment together with SPAR's emission reduction targets and draft Climate Change Strategic Roadmap drive investment in R&D of low carbon technologies. This strategy mitigates SPAR's climate-related risk related to increasing temperatures and associated increased refrigeration, fuel and electricity requirements. Furthermore, R&D and pilot projects around low carbon technologies assist with mitigation of emerging climate-related regulations, potentially reducing Carbon Tax liability. The strategic approach to R&D covers SPAR's long-term time horizon as it focuses on SPAR's activities until 2050.</p> <p>Regarding equipment efficiencies, all new fridges fitted to trailers are diesel electric and are 'full electric' ready. The battery-electric truck refrigeration system will replace the standard diesel truck fridge and could save up to 90% of monthly fuel and servicing costs. The system results in a significant emissions reduction while recharging batteries at an average of 30 minutes and running for up to 18 hours between charges.</p>
Operations	Yes	<p>Achieving the SPAR Group's strategic outcome of sustainable stakeholder value compels the Group to reduce direct costs where possible. Cost of inputs such as electricity and fuels continue increasing in South Africa, and current as well as emerging climate legislation and compliance requirements might further escalate the costs. SPAR has taken a strategic decision to reduce emissions and cost of electricity through the installations of solar PV. This decision of solar PV covers SPAR's short-, medium- and long-term time horizon it focuses on SPAR's current activities extending to next 15-20 years.</p> <p>SPAR has solar PV installations at all DCs in South Africa, excluding Build It. During 2022, these installations generated 9 130 MWh of renewable energy. This helps reduce SPAR's reliance on electricity service providers and costs associated with generators during loadshedding (planned power outages). These solar installations started in 2017 in our South Rand distribution centre and were completed in May 2020 with our Eastern Cape Distribution centre. Solar PV related costs in FY2022 amounted to R321 052.</p> <p>The scope of the scenario analysis during the current TCFD process covers physical and transition risks and opportunities to our operations. A key component of our draft Climate Change Strategic Roadmap is to invest in climate resilient operations through focus actions such as:</p> <ul style="list-style-type: none"> • Downscaled climate data for high-risk facilities/ routes • Partner with local municipalities and other key stakeholders • Specific analysis into facilities and route details • Invest in climate resilient infrastructure.

C3.4

(C3.4) Describe where and how climate-related risks and opportunities have influenced your financial planning.

	Financial planning elements that have been influenced	Description of influence
Row 1	Indirect costs Capital expenditures Capital allocation	<p>The SPAR Group recognises that unmitigated climate-related risks could increase indirect costs to the business. At the same time, capitalising on climate-related opportunities can enable SPAR to uncover new revenue generating opportunities. Through the TCFD process it is evidenced that finance is increasingly divesting from carbon intensive activities and increasing low-cost capital to activities aligned with the global climate objectives. The increasing focus on food systems, as significant contributors to global GHG emissions, presents risks when accessing capital for investments that do not align with the Paris Climate goal but presents opportunities for low cost capital where there is such alignment.</p> <p>Indirect costs: Identified climate-related risks arising from Carbon Tax and increasing mean temperatures could increase the Group's indirect costs through increased cost of electricity, water and fuel. SPAR aims to increase fuel, water and energy efficiency across its distribution centres. The Group has invested in solar PV facilities and currently is in the process of rolling out LED lighting in all distribution centres. SPAR has invested in water efficient technologies such as adiabatic cooling, boreholes as well as rainwater collection across all distribution centres. Regarding fuel efficiency, the Group provides financial incentives to fleet drivers to reduce fuel consumption. The time horizon for actions aimed at reducing indirect costs is current extending to next 5-10 years.</p> <p>Capital expenditure: SPAR's strategy to materialise identified climate-related opportunities that generate renewable energy and piloting of projects around battery electric trucks and biofuels requires capital expenditure which is considered in financial planning. The time horizon for capital expenditure is medium term (within the next 3-10 years).</p> <p>Capital allocation: Capital expenditure on climate-related opportunities and risk mitigation actions such renewable energy and piloting of low carbon technologies projects requires capital allocation when considering the Group's budgets. Under special circumstances, for example, when drought took place in Western Cape in 2018-2019, capital towards water efficient technologies was diverted from other activities. Similarly, SPAR is in the process of scenario planning to be able to project long-term climate impacts on SPAR's business activities. Unplanned capital was allocated to this strategic action, given its imperative to SPAR long-term business sustainability.</p> <p>Generally, when allocating capital, SPAR considers return on investment and payback period. The Group aims to determine a carbon shadow price which would promote low-carbon investment decisions for new building projects and major capital investments and carbon fee which would elevate energy efficiency projects and OPEX/maintenance-type investment decisions. The Group anticipates incorporating this methodology into the Group's financial planning within the next 3-5 years.</p> <p>As an ongoing outcome of the TCFD process, SPAR has developed a draft Climate Change Strategic Roadmap that considers response measures identified in the scenario analysis process, with reference to SPAR's strategy as well as local and international climate and development objectives. This process aimed to prioritise and inform the extent of effort associated with different strategic actions, to ensure alignment with SPAR's strategic vision as well as broader societal needs and objectives.</p> <p>Case study: SPAR has solar PV installations at all DCs in South Africa, excluding Build It. During FY2022, these installations generated 9 130 MWh of renewable energy. This helps reduce SPAR's reliance on electricity service providers and costs associated with generators during loadshedding (planned power outages). These solar installations started in 2017 in our South Rand distribution centre and were completed in May 2020 with our Eastern Cape Distribution centre. Solar PV related costs in FY2022 amounted to R321 052.</p>

C3.5

(C3.5) In your organization's financial accounting, do you identify spending/revenue that is aligned with your organization's climate transition?

	Identification of spending/revenue that is aligned with your organization's climate transition	Indicate the level at which you identify the alignment of your spending/revenue with a sustainable finance taxonomy
Row 1	No, but we plan to in the next two years	<Not Applicable>

C4. Targets and performance

C4.1

(C4.1) Did you have an emissions target that was active in the reporting year?

Absolute target

C4.1a

(C4.1a) Provide details of your absolute emissions target(s) and progress made against those targets.

Target reference number

Abs 1

Is this a science-based target?

Yes, we consider this a science-based target, but we have not committed to seek validation of this target by the Science Based Targets initiative within the next two years

Target ambition

2°C aligned

Year target was set

2017

Target coverage

Company-wide

Scope(s)

Scope 1

Scope 2 accounting method

<Not Applicable>

Scope 3 category(ies)

<Not Applicable>

Base year

2017

Base year Scope 1 emissions covered by target (metric tons CO2e)

36557

Base year Scope 2 emissions covered by target (metric tons CO2e)

<Not Applicable>

Base year Scope 3, Category 1: Purchased goods and services emissions covered by target (metric tons CO2e)

<Not Applicable>

Base year Scope 3, Category 2: Capital goods emissions covered by target (metric tons CO2e)

<Not Applicable>

Base year Scope 3, Category 3: Fuel-and-energy-related activities (not included in Scopes 1 or 2) emissions covered by target (metric tons CO2e)

<Not Applicable>

Base year Scope 3, Category 4: Upstream transportation and distribution emissions covered by target (metric tons CO2e)

<Not Applicable>

Base year Scope 3, Category 5: Waste generated in operations emissions covered by target (metric tons CO2e)

<Not Applicable>

Base year Scope 3, Category 6: Business travel emissions covered by target (metric tons CO2e)

<Not Applicable>

Base year Scope 3, Category 7: Employee commuting emissions covered by target (metric tons CO2e)

<Not Applicable>

Base year Scope 3, Category 8: Upstream leased assets emissions covered by target (metric tons CO2e)

<Not Applicable>

Base year Scope 3, Category 9: Downstream transportation and distribution emissions covered by target (metric tons CO2e)

<Not Applicable>

Base year Scope 3, Category 10: Processing of sold products emissions covered by target (metric tons CO2e)

<Not Applicable>

Base year Scope 3, Category 11: Use of sold products emissions covered by target (metric tons CO2e)

<Not Applicable>

Base year Scope 3, Category 12: End-of-life treatment of sold products emissions covered by target (metric tons CO2e)

<Not Applicable>

Base year Scope 3, Category 13: Downstream leased assets emissions covered by target (metric tons CO2e)

<Not Applicable>

Base year Scope 3, Category 14: Franchises emissions covered by target (metric tons CO2e)

<Not Applicable>

Base year Scope 3, Category 15: Investments emissions covered by target (metric tons CO2e)

<Not Applicable>

Base year Scope 3, Other (upstream) emissions covered by target (metric tons CO2e)

<Not Applicable>

Base year Scope 3, Other (downstream) emissions covered by target (metric tons CO2e)

<Not Applicable>

Base year total Scope 3 emissions covered by target (metric tons CO2e)

<Not Applicable>

Total base year emissions covered by target in all selected Scopes (metric tons CO2e)

36557

Base year Scope 1 emissions covered by target as % of total base year emissions in Scope 1

100

Base year Scope 2 emissions covered by target as % of total base year emissions in Scope 2

<Not Applicable>

Base year Scope 3, Category 1: Purchased goods and services emissions covered by target as % of total base year emissions in Scope 3, Category 1: Purchased goods and services (metric tons CO2e)

<Not Applicable>

Base year Scope 3, Category 2: Capital goods emissions covered by target as % of total base year emissions in Scope 3, Category 2: Capital goods (metric tons CO2e)

<Not Applicable>

Base year Scope 3, Category 3: Fuel-and-energy-related activities (not included in Scopes 1 or 2) emissions covered by target as % of total base year emissions in Scope 3, Category 3: Fuel-and-energy-related activities (not included in Scopes 1 or 2) (metric tons CO2e)

<Not Applicable>

Base year Scope 3, Category 4: Upstream transportation and distribution covered by target as % of total base year emissions in Scope 3, Category 4: Upstream transportation and distribution (metric tons CO2e)

<Not Applicable>

Base year Scope 3, Category 5: Waste generated in operations emissions covered by target as % of total base year emissions in Scope 3, Category 5: Waste generated in operations (metric tons CO2e)

<Not Applicable>

Base year Scope 3, Category 6: Business travel emissions covered by target as % of total base year emissions in Scope 3, Category 6: Business travel (metric tons CO2e)

<Not Applicable>

Base year Scope 3, Category 7: Employee commuting covered by target as % of total base year emissions in Scope 3, Category 7: Employee commuting (metric tons CO2e)

<Not Applicable>

Base year Scope 3, Category 8: Upstream leased assets emissions covered by target as % of total base year emissions in Scope 3, Category 8: Upstream leased assets (metric tons CO2e)

<Not Applicable>

Base year Scope 3, Category 9: Downstream transportation and distribution emissions covered by target as % of total base year emissions in Scope 3, Category 9: Downstream transportation and distribution (metric tons CO2e)

<Not Applicable>

Base year Scope 3, Category 10: Processing of sold products emissions covered by target as % of total base year emissions in Scope 3, Category 10: Processing of sold products (metric tons CO2e)

<Not Applicable>

Base year Scope 3, Category 11: Use of sold products emissions covered by target as % of total base year emissions in Scope 3, Category 11: Use of sold products (metric tons CO2e)

<Not Applicable>

Base year Scope 3, Category 12: End-of-life treatment of sold products emissions covered by target as % of total base year emissions in Scope 3, Category 12: End-of-life treatment of sold products (metric tons CO2e)

<Not Applicable>

Base year Scope 3, Category 13: Downstream leased assets emissions covered by target as % of total base year emissions in Scope 3, Category 13: Downstream leased assets (metric tons CO2e)

<Not Applicable>

Base year Scope 3, Category 14: Franchises emissions covered by target as % of total base year emissions in Scope 3, Category 14: Franchises (metric tons CO2e)

<Not Applicable>

Base year Scope 3, Category 15: Investments emissions covered by target as % of total base year emissions in Scope 3, Category 15: Investments (metric tons CO2e)

<Not Applicable>

Base year Scope 3, Other (upstream) emissions covered by target as % of total base year emissions in Scope 3, Other (upstream) (metric tons CO2e)

<Not Applicable>

Base year Scope 3, Other (downstream) emissions covered by target as % of total base year emissions in Scope 3, Other (downstream) (metric tons CO2e)

<Not Applicable>

Base year total Scope 3 emissions covered by target as % of total base year emissions in Scope 3 (in all Scope 3 categories)

<Not Applicable>

Base year emissions covered by target in all selected Scopes as % of total base year emissions in all selected Scopes

100

Target year

2030

Targeted reduction from base year (%)

33

Total emissions in target year covered by target in all selected Scopes (metric tons CO2e) [auto-calculated]

24493.19

Scope 1 emissions in reporting year covered by target (metric tons CO2e)

46225.45

Scope 2 emissions in reporting year covered by target (metric tons CO2e)

<Not Applicable>

Scope 3, Category 1: Purchased goods and services emissions in reporting year covered by target (metric tons CO2e)

<Not Applicable>

Scope 3, Category 2: Capital goods emissions in reporting year covered by target (metric tons CO2e)

<Not Applicable>

Scope 3, Category 3: Fuel-and-energy-related activities (not included in Scopes 1 or 2) emissions in reporting year covered by target (metric tons CO2e)

<Not Applicable>

Scope 3, Category 4: Upstream transportation and distribution emissions in reporting year covered by target (metric tons CO2e)

<Not Applicable>

Scope 3, Category 5: Waste generated in operations emissions in reporting year covered by target (metric tons CO2e)

<Not Applicable>

Scope 3, Category 6: Business travel emissions in reporting year covered by target (metric tons CO2e)

<Not Applicable>

Scope 3, Category 7: Employee commuting emissions in reporting year covered by target (metric tons CO2e)

<Not Applicable>

Scope 3, Category 8: Upstream leased assets emissions in reporting year covered by target (metric tons CO2e)

<Not Applicable>

Scope 3, Category 9: Downstream transportation and distribution emissions in reporting year covered by target (metric tons CO2e)

<Not Applicable>

Scope 3, Category 10: Processing of sold products emissions in reporting year covered by target (metric tons CO2e)

<Not Applicable>

Scope 3, Category 11: Use of sold products emissions in reporting year covered by target (metric tons CO2e)

<Not Applicable>

Scope 3, Category 12: End-of-life treatment of sold products emissions in reporting year covered by target (metric tons CO2e)

<Not Applicable>

Scope 3, Category 13: Downstream leased assets emissions in reporting year covered by target (metric tons CO2e)

<Not Applicable>

Scope 3, Category 14: Franchises emissions in reporting year covered by target (metric tons CO2e)

<Not Applicable>

Scope 3, Category 15: Investments emissions in reporting year covered by target (metric tons CO2e)

<Not Applicable>

Scope 3, Other (upstream) emissions in reporting year covered by target (metric tons CO2e)

<Not Applicable>

Scope 3, Other (downstream) emissions in reporting year covered by target (metric tons CO2e)

<Not Applicable>

Total Scope 3 emissions in reporting year covered by target (metric tons CO2e)

<Not Applicable>

Total emissions in reporting year covered by target in all selected scopes (metric tons CO2e)

46225.45

Does this target cover any land-related emissions?

No, it does not cover any land-related emissions (e.g. non-FLAG SBT)

% of target achieved relative to base year [auto-calculated]

-80.1442496193159

Target status in reporting year

Underway

Please explain target coverage and identify any exclusions

The short-term targets aim to reduce absolute carbon emissions from SPAR's South African transport operations by 33% by 2030, from 2017 levels. Progress against this Scope 1 target is evaluated by considering the current year Scope 1 diesel emissions against the base year Scope 1 diesel emissions.

Plan for achieving target, and progress made to the end of the reporting year

The Group plans to revise our current emission reductions targets to align with the Science Based Targets initiative's revised minimum ambition threshold of 1.5°C above pre-industrial temperatures for Scopes 1 and 2 and submit targets for verification by the SBTi in FY2023/24. SPAR has made a commitment to become net-zero by 2050 and has developed a climate strategic roadmap, which provides a roadmap to achieve emission reduction targets and guides emissions reduction actions.

The related emission reduction initiatives are set out in C4.3.

List the emissions reduction initiatives which contributed most to achieving this target

<Not Applicable>

Target reference number

Abs 2

Is this a science-based target?

Yes, we consider this a science-based target, but we have not committed to seek validation of this target by the Science Based Targets initiative within the next two years

Target ambition

2°C aligned

Year target was set

2017

Target coverage

Company-wide

Scope(s)

Scope 2

Scope 2 accounting method

Please select

Scope 3 category(ies)

<Not Applicable>

Base year

2017

Base year Scope 1 emissions covered by target (metric tons CO2e)

<Not Applicable>

Base year Scope 2 emissions covered by target (metric tons CO2e)

45020

Base year Scope 3, Category 1: Purchased goods and services emissions covered by target (metric tons CO2e)

<Not Applicable>

Base year Scope 3, Category 2: Capital goods emissions covered by target (metric tons CO2e)

<Not Applicable>

Base year Scope 3, Category 3: Fuel-and-energy-related activities (not included in Scopes 1 or 2) emissions covered by target (metric tons CO2e)

<Not Applicable>

Base year Scope 3, Category 4: Upstream transportation and distribution emissions covered by target (metric tons CO2e)

<Not Applicable>

Base year Scope 3, Category 5: Waste generated in operations emissions covered by target (metric tons CO2e)

<Not Applicable>

Base year Scope 3, Category 6: Business travel emissions covered by target (metric tons CO2e)

<Not Applicable>

Base year Scope 3, Category 7: Employee commuting emissions covered by target (metric tons CO2e)

<Not Applicable>

Base year Scope 3, Category 8: Upstream leased assets emissions covered by target (metric tons CO2e)

<Not Applicable>

Base year Scope 3, Category 9: Downstream transportation and distribution emissions covered by target (metric tons CO2e)

<Not Applicable>

Base year Scope 3, Category 10: Processing of sold products emissions covered by target (metric tons CO2e)

<Not Applicable>

Base year Scope 3, Category 11: Use of sold products emissions covered by target (metric tons CO2e)

<Not Applicable>

Base year Scope 3, Category 12: End-of-life treatment of sold products emissions covered by target (metric tons CO2e)

<Not Applicable>

Base year Scope 3, Category 13: Downstream leased assets emissions covered by target (metric tons CO2e)

<Not Applicable>

Base year Scope 3, Category 14: Franchises emissions covered by target (metric tons CO2e)

<Not Applicable>

Base year Scope 3, Category 15: Investments emissions covered by target (metric tons CO2e)

<Not Applicable>

Base year Scope 3, Other (upstream) emissions covered by target (metric tons CO2e)

<Not Applicable>

Base year Scope 3, Other (downstream) emissions covered by target (metric tons CO2e)

<Not Applicable>

Base year total Scope 3 emissions covered by target (metric tons CO2e)

<Not Applicable>

Total base year emissions covered by target in all selected Scopes (metric tons CO2e)

45020

Base year Scope 1 emissions covered by target as % of total base year emissions in Scope 1

<Not Applicable>

Base year Scope 2 emissions covered by target as % of total base year emissions in Scope 2

100

Base year Scope 3, Category 1: Purchased goods and services emissions covered by target as % of total base year emissions in Scope 3, Category 1: Purchased goods and services (metric tons CO2e)

<Not Applicable>

Base year Scope 3, Category 2: Capital goods emissions covered by target as % of total base year emissions in Scope 3, Category 2: Capital goods (metric tons CO2e)

<Not Applicable>

Base year Scope 3, Category 3: Fuel-and-energy-related activities (not included in Scopes 1 or 2) emissions covered by target as % of total base year emissions in Scope 3, Category 3: Fuel-and-energy-related activities (not included in Scopes 1 or 2) (metric tons CO2e)

<Not Applicable>

Base year Scope 3, Category 4: Upstream transportation and distribution covered by target as % of total base year emissions in Scope 3, Category 4: Upstream transportation and distribution (metric tons CO2e)

<Not Applicable>

Base year Scope 3, Category 5: Waste generated in operations emissions covered by target as % of total base year emissions in Scope 3, Category 5: Waste generated in operations (metric tons CO2e)

<Not Applicable>

Base year Scope 3, Category 6: Business travel emissions covered by target as % of total base year emissions in Scope 3, Category 6: Business travel (metric tons CO2e)

<Not Applicable>

Base year Scope 3, Category 7: Employee commuting covered by target as % of total base year emissions in Scope 3, Category 7: Employee commuting (metric tons CO2e)

<Not Applicable>

Base year Scope 3, Category 8: Upstream leased assets emissions covered by target as % of total base year emissions in Scope 3, Category 8: Upstream leased assets (metric tons CO2e)

<Not Applicable>

Base year Scope 3, Category 9: Downstream transportation and distribution emissions covered by target as % of total base year emissions in Scope 3, Category 9: Downstream transportation and distribution (metric tons CO2e)

<Not Applicable>

Base year Scope 3, Category 10: Processing of sold products emissions covered by target as % of total base year emissions in Scope 3, Category 10: Processing of sold products (metric tons CO2e)

<Not Applicable>

Base year Scope 3, Category 11: Use of sold products emissions covered by target as % of total base year emissions in Scope 3, Category 11: Use of sold products (metric tons CO2e)

<Not Applicable>

Base year Scope 3, Category 12: End-of-life treatment of sold products emissions covered by target as % of total base year emissions in Scope 3, Category 12: End-of-life treatment of sold products (metric tons CO2e)

<Not Applicable>

Base year Scope 3, Category 13: Downstream leased assets emissions covered by target as % of total base year emissions in Scope 3, Category 13: Downstream leased assets (metric tons CO2e)

<Not Applicable>

Base year Scope 3, Category 14: Franchises emissions covered by target as % of total base year emissions in Scope 3, Category 14: Franchises (metric tons CO2e)

<Not Applicable>

Base year Scope 3, Category 15: Investments emissions covered by target as % of total base year emissions in Scope 3, Category 15: Investments (metric tons CO2e)

<Not Applicable>

Base year Scope 3, Other (upstream) emissions covered by target as % of total base year emissions in Scope 3, Other (upstream) (metric tons CO2e)

<Not Applicable>

Base year Scope 3, Other (downstream) emissions covered by target as % of total base year emissions in Scope 3, Other (downstream) (metric tons CO2e)

<Not Applicable>

Base year total Scope 3 emissions covered by target as % of total base year emissions in Scope 3 (in all Scope 3 categories)

<Not Applicable>

Base year emissions covered by target in all selected Scopes as % of total base year emissions in all selected Scopes

100

Target year

2030

Targeted reduction from base year (%)

51

Total emissions in target year covered by target in all selected Scopes (metric tons CO2e) [auto-calculated]

22059.8

Scope 1 emissions in reporting year covered by target (metric tons CO2e)

<Not Applicable>

Scope 2 emissions in reporting year covered by target (metric tons CO2e)

66834.52

Scope 3, Category 1: Purchased goods and services emissions in reporting year covered by target (metric tons CO2e)

<Not Applicable>

Scope 3, Category 2: Capital goods emissions in reporting year covered by target (metric tons CO2e)

<Not Applicable>

Scope 3, Category 3: Fuel-and-energy-related activities (not included in Scopes 1 or 2) emissions in reporting year covered by target (metric tons CO2e)

<Not Applicable>

Scope 3, Category 4: Upstream transportation and distribution emissions in reporting year covered by target (metric tons CO2e)

<Not Applicable>

Scope 3, Category 5: Waste generated in operations emissions in reporting year covered by target (metric tons CO2e)

<Not Applicable>

Scope 3, Category 6: Business travel emissions in reporting year covered by target (metric tons CO2e)

<Not Applicable>

Scope 3, Category 7: Employee commuting emissions in reporting year covered by target (metric tons CO2e)

<Not Applicable>

Scope 3, Category 8: Upstream leased assets emissions in reporting year covered by target (metric tons CO2e)

<Not Applicable>

Scope 3, Category 9: Downstream transportation and distribution emissions in reporting year covered by target (metric tons CO2e)

<Not Applicable>

Scope 3, Category 10: Processing of sold products emissions in reporting year covered by target (metric tons CO2e)

<Not Applicable>

Scope 3, Category 11: Use of sold products emissions in reporting year covered by target (metric tons CO2e)

<Not Applicable>

Scope 3, Category 12: End-of-life treatment of sold products emissions in reporting year covered by target (metric tons CO2e)

<Not Applicable>

Scope 3, Category 13: Downstream leased assets emissions in reporting year covered by target (metric tons CO2e)

<Not Applicable>

Scope 3, Category 14: Franchises emissions in reporting year covered by target (metric tons CO2e)

<Not Applicable>

Scope 3, Category 15: Investments emissions in reporting year covered by target (metric tons CO2e)

<Not Applicable>

Scope 3, Other (upstream) emissions in reporting year covered by target (metric tons CO2e)

<Not Applicable>

Scope 3, Other (downstream) emissions in reporting year covered by target (metric tons CO2e)

<Not Applicable>

Total Scope 3 emissions in reporting year covered by target (metric tons CO2e)

<Not Applicable>

Total emissions in reporting year covered by target in all selected scopes (metric tons CO2e)

66834.52

Does this target cover any land-related emissions?

No, it does not cover any land-related emissions (e.g. non-FLAG SBT)

% of target achieved relative to base year [auto-calculated]

-95.0101479952265

Target status in reporting year

Underway

Please explain target coverage and identify any exclusions

The short-term target aims to reduce absolute carbon emissions from our South African warehousing operations 51% by 2030 from 2017 levels. Progress against our Scope 2 target is evaluated by considering the current year electricity-consumption emissions against the base year electricity-consumption emissions.

Plan for achieving target, and progress made to the end of the reporting year

The Group plans to revise our current emission reductions targets to align with the Science Based Targets initiative's revised minimum ambition threshold of 1.5°C above pre-industrial temperatures for Scopes 1 and 2 and submit targets for verification by the SBTi in FY2023/24. SPAR has made a commitment to become net-zero by 2050 and has developed a climate strategic roadmap, which provides a roadmap to achieve emission reduction targets and guides emissions reduction actions.

The related emission reduction initiatives are set out in C4.3.

List the emissions reduction initiatives which contributed most to achieving this target

<Not Applicable>

C4.2

(C4.2) Did you have any other climate-related targets that were active in the reporting year?

Net-zero target(s)

C4.2c

(C4.2c) Provide details of your net-zero target(s).

Target reference number

NZ1

Target coverage

Company-wide

Absolute/intensity emission target(s) linked to this net-zero target

Abs1

Abs2

Target year for achieving net zero

2050

Is this a science-based target?

Yes, we consider this a science-based target, and we have committed to seek validation of this target by the Science Based Targets initiative in the next two years

Please explain target coverage and identify any exclusions

SPAR is committed to achieving carbon net zero by 2050. The initial results of our climate scenario analysis show that it is critical that we achieve net zero under a 1.5°C pathway. We have therefore begun the process of recalculating our science-based targets (SBTs) under a 1.5°C scenario. We are following the SBT Net Zero Standard to abate our emissions as far as possible before permanently removing residual emissions through carbon removals. However, we are still in the process formulating our net-zero target in more detail in terms of the emissions reduction pathway and mitigation implementation levers.

Do you intend to neutralize any unabated emissions with permanent carbon removals at the target year?

Unsure

Planned milestones and/or near-term investments for neutralization at target year

<Not Applicable>

Planned actions to mitigate emissions beyond your value chain (optional)

C4.3

(C4.3) Did you have emissions reduction initiatives that were active within the reporting year? Note that this can include those in the planning and/or implementation phases.

Yes

C4.3a

(C4.3a) Identify the total number of initiatives at each stage of development, and for those in the implementation stages, the estimated CO2e savings.

	Number of initiatives	Total estimated annual CO2e savings in metric tonnes CO2e (only for rows marked *)
Under investigation		
To be implemented*	1	5082.68
Implementation commenced*	1	1508
Implemented*	1	9495.2
Not to be implemented		

C4.3b

(C4.3b) Provide details on the initiatives implemented in the reporting year in the table below.

Initiative category & Initiative type

Low-carbon energy generation	Solar PV
------------------------------	----------

Estimated annual CO2e savings (metric tonnes CO2e)

9495.2

Scope(s) or Scope 3 category(ies) where emissions savings occur

Scope 2 (location-based)
Scope 2 (market-based)

Voluntary/Mandatory

Voluntary

Annual monetary savings (unit currency – as specified in C0.4)

13986247

Investment required (unit currency – as specified in C0.4)

321052

Payback period

4-10 years

Estimated lifetime of the initiative

16-20 years

Comment

SPAR has solar PV installations at all DCs in South Africa, excluding Build It. During 2022, these installations generated 9 130 MWh of renewable energy. This helps reduce SPAR's reliance on electricity service providers and costs associated with generators during loadshedding (planned power outages). These solar installations started in 2017 in our South Rand distribution centre and were completed in May 2020 with our Eastern Cape Distribution centre. Solar PV related costs in FY2022 amounted to R321 052.

C4.3c

(C4.3c) What methods do you use to drive investment in emissions reduction activities?

Method	Comment
Compliance with regulatory requirements/standards	<p>Compliance with current regulation and anticipated future regulation around climate change drive emissions reductions activities. The Greenhouse Gas Emissions Regulations in South Africa came into effect in 2017 and Carbon Tax Act came into effect in 2019. Under the current legislation, SPAR is liable to report on and pay Carbon Tax for the use of diesel, LPG and paraffin in stationary combustion sources. Investment in emissions reductions activities is driven by the reduced Carbon Tax liability for the Group.</p> <p>Compliance with the National Environmental Management: Waste Act (59:2008): Regulations regarding extended producer responsibility, which extend responsibility to SPAR for the end-use of its packaging products, drive the Group to increase recyclability of packaging products. Increased recyclability involves increased use of recycled materials in packaging and increased recycling of packaging at the end of its lifetime. These actions contribute towards SPAR's emissions reductions.</p>
Employee engagement	<p>Investments geared towards achieving greater staff awareness and engagement around sustainability and climate change can promote emissions reductions activities.</p> <p>SPAR continuously strives to improve sustainability performance and has adopted innovative approach to further employees' awareness of carbon footprint through the rollout of AURORA app, where each employee can calculate and track their personal carbon footprint.</p> <p>SPAR runs employee campaigns which aim to raise awareness about the benefits of reducing electricity consumption and encourage behavioural change among staff. Sustainability has been promoted at the senior and executive management levels through the Senior and Executive Leadership Development Programme and the Management Growth Programme. SPAR managers-in-training programme includes presentation on sustainability principles and practices by the Group's Risk and Sustainability Executive.</p> <p>The SPAR Group provides monetary incentives to staff across various levels in organisation. For more information, please see C1.3a.</p>
Financial optimization calculations	<p>Reduced operational costs and savings achieved from already implemented actions drive emissions reductions activities and motivate for further investments Successful implementation of solar PV facilities and achieved financial and energy savings at six of SPAR's facilities have motivated for investigation of additional solar PV in Build It distribution centre and KwaZulu-Natal distribution centre's satellite distribution centre.</p> <p>Implemented energy efficiency and solar PV initiatives have reduced energy consumption and energy costs (operational costs) for the Group. Reduced electricity consumption directly translates to savings achieved on operational costs.</p>
Other (Capital allocation)	<p>Achievement of the Group's net-zero by 2050 target required capital allocation. In order to meet SPAR's emission reduction targets and to implement the climate strategic roadmap, the required capital was diverted from other activities. Monetary and emissions savings achieved from installed solar PV facilities motivate capital additional solar PV installations.</p> <p>Unplanned capital was allocated for the Group to undertake Scenario Planning Analysis, which considers climatic impacts on SPAR's operations and sales data, given the importance of the analysis towards the Group's long-term business strategy.</p>

C4.5

(C4.5) Do you classify any of your existing goods and/or services as low-carbon products?

Yes

C4.5a

(C4.5a) Provide details of your products and/or services that you classify as low-carbon products.

Level of aggregation

Product or service

Taxonomy used to classify product(s) or service(s) as low-carbon

The EU Taxonomy for environmentally sustainable economic activities

Type of product(s) or service(s)

Chemicals and plastics	Other, please specify (Recycled plastic carrier bag)
------------------------	--

Description of product(s) or service(s)

SPAR introduced a 100% recycled plastic carrier bag in 2018, made from 100% recycled plastic containing no less than 70% post-consumer waste. To date, SPAR's 100% recycled plastic bag has resulted in 4 000 tonnes of used plastic being diverted from landfills annually. In producing the bag, a 40% reduction in associated emissions has been achieved.

Have you estimated the avoided emissions of this low-carbon product(s) or service(s)

No

Methodology used to calculate avoided emissions

<Not Applicable>

Life cycle stage(s) covered for the low-carbon product(s) or services(s)

<Not Applicable>

Functional unit used

<Not Applicable>

Reference product/service or baseline scenario used

<Not Applicable>

Life cycle stage(s) covered for the reference product/service or baseline scenario

<Not Applicable>

Estimated avoided emissions (metric tons CO2e per functional unit) compared to reference product/service or baseline scenario

<Not Applicable>

Explain your calculation of avoided emissions, including any assumptions

<Not Applicable>

Revenue generated from low-carbon product(s) or service(s) as % of total revenue in the reporting year

0.004

C5. Emissions methodology

C5.1

(C5.1) Is this your first year of reporting emissions data to CDP?

No

C5.1a

(C5.1a) Has your organization undergone any structural changes in the reporting year, or are any previous structural changes being accounted for in this disclosure of emissions data?

Row 1

Has there been a structural change?

No

Name of organization(s) acquired, divested from, or merged with

<Not Applicable>

Details of structural change(s), including completion dates

<Not Applicable>

C5.1b

(C5.1b) Has your emissions accounting methodology, boundary, and/or reporting year definition changed in the reporting year?

	Change(s) in methodology, boundary, and/or reporting year definition?	Details of methodology, boundary, and/or reporting year definition change(s)
Row 1	Yes, a change in methodology	The emissions of SPAR's corporate store were re-categorised from Scope 3 into Scopes 1 and 2.

C5.1c

(C5.1c) Have your organization’s base year emissions and past years’ emissions been recalculated as a result of any changes or errors reported in C5.1a and/or C5.1b?

	Base year recalculation	Scope(s) recalculated	Base year emissions recalculation policy, including significance threshold	Past years’ recalculation
Row 1	Yes	Scope 1 Scope 2, location-based Scope 2, market-based Scope 3	SPAR has a Base Year Recalculation Policy that was approved in October 2022. The re-categorisation of SPAR’s corporate stores from Scope 3 to Scopes 1 and 2 and the consequential expansion of assets within SPAR’s operational control boundaries required a change in the organisation’s base year to facilitate more accurate reporting and decision making. The Base Year Recalculation Policy highlighted that the new base year for SPAR has been updated to FY2022 from FY2018 data. This falls within SPAR’s defined significance threshold: “a cumulative change in emissions would represent 5% or greater of the current base year emissions estimate.”	No

C5.2

(C5.2) Provide your base year and base year emissions.

Scope 1

Base year start

October 1 2021

Base year end

September 30 2022

Base year emissions (metric tons CO2e)

46225.45

Comment

Given upcoming work around science-based emissions reduction target setting, a more recent baseline year of FY2022 was chosen.

Scope 2 (location-based)

Base year start

October 1 2021

Base year end

September 30 2022

Base year emissions (metric tons CO2e)

66834.52

Comment

Given upcoming work around science-based emissions reduction target setting, a more recent baseline year of FY2022 was chosen.

Scope 2 (market-based)

Base year start

October 1 2021

Base year end

September 30 2022

Base year emissions (metric tons CO2e)

66834.52

Comment

Given upcoming work around science-based emissions reduction target setting, a more recent baseline year of FY2022 was chosen. No market-based instruments were purchased in FY2022 and thus the location-based and market-based figure is the same.

Scope 3 category 1: Purchased goods and services

Base year start

October 1 2021

Base year end

September 30 2022

Base year emissions (metric tons CO2e)

137.14

Comment

Purchased goods and services covers emissions from water supply.

Scope 3 category 2: Capital goods

Base year start

Base year end

Base year emissions (metric tons CO2e)

Comment

Scope 3 category 3: Fuel-and-energy-related activities (not included in Scope 1 or 2)

Base year start

October 1 2021

Base year end

September 30 2022

Base year emissions (metric tons CO2e)

29683.98

Comment

Upstream emissions (well-to-tank) associated with extraction and refining of fuel consumed and purchased electricity as well as the transmission and distribution losses on the South African grid are covered.

Scope 3 category 4: Upstream transportation and distribution

Base year start

Base year end

Base year emissions (metric tons CO2e)

Comment

Scope 3 category 5: Waste generated in operations

Base year start

October 1 2021

Base year end

September 30 2022

Base year emissions (metric tons CO2e)

2054.22

Comment

Different waste volumes are recorded at all SPAR facilities and was used to estimate emissions associated with landfilling and recycling of specific waste streams.

Scope 3 category 6: Business travel

Base year start

October 1 2021

Base year end

September 30 2022

Base year emissions (metric tons CO2e)

4402.78

Comment

This includes emissions estimated for car hire, flights, hotel stays and vehicle allowances associated with business travel.

Scope 3 category 7: Employee commuting

Base year start

October 1 2021

Base year end

September 30 2022

Base year emissions (metric tons CO2e)

6307.55

Comment

This category covers commuting using the following modes of transportation: local bus, bicycle/walk, car, minibus and national rail.

Scope 3 category 8: Upstream leased assets

Base year start

Base year end

Base year emissions (metric tons CO2e)

Comment

Scope 3 category 9: Downstream transportation and distribution

Base year start

Base year end

Base year emissions (metric tons CO2e)

Comment

Scope 3 category 10: Processing of sold products

Base year start

Base year end

Base year emissions (metric tons CO2e)

Comment

Scope 3 category 11: Use of sold products

Base year start

Base year end

Base year emissions (metric tons CO2e)

Comment

Scope 3 category 12: End of life treatment of sold products

Base year start

Base year end

Base year emissions (metric tons CO2e)

Comment

Scope 3 category 13: Downstream leased assets

Base year start

Base year end

Base year emissions (metric tons CO2e)

Comment

Scope 3 category 14: Franchises

Base year start

Base year end

Base year emissions (metric tons CO2e)

Comment

Scope 3 category 15: Investments

Base year start

Base year end

Base year emissions (metric tons CO2e)

Comment

Scope 3: Other (upstream)

Base year start

Base year end

Base year emissions (metric tons CO2e)

Comment

Scope 3: Other (downstream)

Base year start

Base year end

Base year emissions (metric tons CO2e)

Comment

C5.3

(C5.3) Select the name of the standard, protocol, or methodology you have used to collect activity data and calculate emissions.

The Greenhouse Gas Protocol: A Corporate Accounting and Reporting Standard (Revised Edition)

The Greenhouse Gas Protocol: Scope 2 Guidance

The Greenhouse Gas Protocol: Corporate Value Chain (Scope 3) Standard

C6. Emissions data

C6.1

(C6.1) What were your organization's gross global Scope 1 emissions in metric tons CO2e?

Reporting year

Gross global Scope 1 emissions (metric tons CO2e)

46225.45

Start date

<Not Applicable>

End date

<Not Applicable>

Comment

The Scope 1 emissions are from the following emission sources: mobile combustion, stationary combustion and fugitive emissions.

C6.2

(C6.2) Describe your organization's approach to reporting Scope 2 emissions.

Row 1

Scope 2, location-based

We are reporting a Scope 2, location-based figure

Scope 2, market-based

We are reporting a Scope 2, market-based figure

Comment

No low carbon instruments purchased. Hence, location and market-based Scope 2 emission are the same.

C6.3

(C6.3) What were your organization's gross global Scope 2 emissions in metric tons CO2e?

Reporting year

Scope 2, location-based

66834.52

Scope 2, market-based (if applicable)

66834.52

Start date

<Not Applicable>

End date

<Not Applicable>

Comment

No low carbon instruments purchased. Hence, location and market-based Scope 2 emission are the same.

C6.4

(C6.4) Are there any sources (e.g. facilities, specific GHGs, activities, geographies, etc.) of Scope 1, Scope 2 or Scope 3 emissions that are within your selected reporting boundary which are not included in your disclosure?

Yes

C6.4a

(C6.4a) Provide details of the sources of Scope 1, Scope 2, or Scope 3 emissions that are within your selected reporting boundary which are not included in your disclosure.

Source of excluded emissions

Emissions generated by the distribution centres and corporate stores of BWG Foods (Ireland and South West England), SPAR Switzerland and SPAR Poland.

Scope(s) or Scope 3 category(ies)

Scope 1
Scope 2 (location-based)
Scope 2 (market-based)
Scope 3: Purchased goods and services
Scope 3: Capital goods
Scope 3: Fuel and energy-related activities (not included in Scopes 1 or 2)
Scope 3: Upstream transportation and distribution
Scope 3: Waste generated in operations
Scope 3: Business travel
Scope 3: Employee commuting
Scope 3: Upstream leased assets
Scope 3: Downstream transportation and distribution
Scope 3: Use of sold products
Scope 3: End-of-life treatment of sold products
Scope 3: Downstream leased assets
Scope 3: Franchises
Scope 3: Investments

Relevance of Scope 1 emissions from this source

Emissions are relevant but not yet calculated

Relevance of location-based Scope 2 emissions from this source

Emissions are relevant but not yet calculated

Relevance of market-based Scope 2 emissions from this source

Emissions are relevant but not yet calculated

Relevance of Scope 3 emissions from this source

Emissions are relevant but not yet calculated

Date of completion of acquisition or merger

<Not Applicable>

Estimated percentage of total Scope 1+2 emissions this excluded source represents

25.8

Estimated percentage of total Scope 3 emissions this excluded source represents

25.8

Explain why this source is excluded

Emissions generated by the distribution centres and corporate stores of operations in Ireland, South West England, Switzerland and Poland are currently excluded due to no current data availability.

Explain how you estimated the percentage of emissions this excluded source represents

The exclusion percentage has been estimated on the basis of warehousing space (m²) as this metric is closely tied to fuel and electricity demands and therefore emissions. The total warehousing space of operations in Ireland and South West England (33 114 m²), Switzerland (33 000 m²) and Poland (41 336 m²) is 107 450 m². This has been divided by the total operational boundary of the Group that includes the currently reporting SPAR Southern Africa (307 530 m²) of 414 980 m² to calculate the estimated percentage exclusion.

C6.5

(C6.5) Account for your organization's gross global Scope 3 emissions, disclosing and explaining any exclusions.

Purchased goods and services

Evaluation status

Relevant, calculated

Emissions in reporting year (metric tons CO₂e)

137.14

Emissions calculation methodology

Average data method

Percentage of emissions calculated using data obtained from suppliers or value chain partners

0

Please explain

This Scope 3 category includes emissions associated with municipal water consumption. SPAR has purchased 148 265 kl of municipal water during FY2022. Emissions were calculated in accordance with the GHG Protocol Corporate Value Chain (Scope 3) Accounting and Reporting Standard. Emission factors for municipal water supply from Freiderich & Trois were used. Emissions calculations methodology: activity data x emission factor.

Capital goods

Evaluation status

Relevant, not yet calculated

Emissions in reporting year (metric tons CO₂e)

<Not Applicable>

Emissions calculation methodology

<Not Applicable>

Percentage of emissions calculated using data obtained from suppliers or value chain partners

<Not Applicable>

Please explain

SPAR periodically purchases new vehicles and office equipment, but upstream emissions associated with these goods have not yet been calculated.

Fuel-and-energy-related activities (not included in Scope 1 or 2)

Evaluation status

Relevant, calculated

Emissions in reporting year (metric tons CO₂e)

29683.98

Emissions calculation methodology

Average data method

Percentage of emissions calculated using data obtained from suppliers or value chain partners

0

Please explain

This Scope 3 category includes emissions associated with extraction and refining of fuels (diesel, petrol, LPG and biofuels) that the Group uses and upstream emissions from electricity, including network transmission and distribution losses as well as the extraction and refining of fuels to generate electricity. Emissions were calculated in accordance with the GHG Protocol Corporate Value Chain (Scope 3) Accounting and Reporting Standard. Emission factors for well-to-tank (WTT) Fuels and WTT electricity from the 2021 and 2022 Guidelines to DEFRA/DECC's GHG Conversion Factors for Company Reporting were used. The emissions factor for transmission and distribution losses for South Africa was sourced from Eskom's 2021 Annual Report. Emissions calculations methodology: activity data x emission factor.

Upstream transportation and distribution

Evaluation status

Relevant, not yet calculated

Emissions in reporting year (metric tons CO₂e)

<Not Applicable>

Emissions calculation methodology

<Not Applicable>

Percentage of emissions calculated using data obtained from suppliers or value chain partners

<Not Applicable>

Please explain

A full upstream and downstream assessment of transportation and distribution is still to be evaluated.

Waste generated in operations

Evaluation status

Relevant, calculated

Emissions in reporting year (metric tons CO₂e)

2054.22

Emissions calculation methodology

Waste-type-specific method

Percentage of emissions calculated using data obtained from suppliers or value chain partners

0

Please explain

This Scope 3 category includes emissions associated with waste generated in SPAR distribution centres. Emissions were calculated in accordance with the GHG Protocol Corporate Value Chain (Scope 3) Accounting and Reporting Standard. Emission factors were sourced from the 2021 and 2022 Guidelines to DEFRA/DECC's GHG Conversion Factors for Company Reporting and Freiderich & Trois. Emissions calculations methodology: activity data x emission factor.

Business travel

Evaluation status

Relevant, calculated

Emissions in reporting year (metric tons CO2e)

4402.78

Emissions calculation methodology

Hybrid method

Percentage of emissions calculated using data obtained from suppliers or value chain partners

0

Please explain

This Scope 3 category includes emissions associated with short and long haul flights and petrol and diesel allowances, travel claims and hotel stays for business travel. Emissions were calculated in accordance with the GHG Protocol Corporate Value Chain (Scope 3) Accounting and Reporting Standard. Emission factors for fuels from the 2021 and 2022 Guidelines to DEFRA/DECC's GHG Conversion Factors for Company Reporting were used. Emissions calculations methodology: activity data x emission factor.

Employee commuting

Evaluation status

Relevant, calculated

Emissions in reporting year (metric tons CO2e)

6307.55

Emissions calculation methodology

Distance-based method

Percentage of emissions calculated using data obtained from suppliers or value chain partners

0

Please explain

This Scope 3 category includes emissions associated with employee commute to offices using the following modes of transport: bus, bicycle/walking, car, minibus and national rail. Emissions were calculated in accordance with the GHG Protocol Corporate Value Chain (Scope 3) Accounting and Reporting Standard. Emission factors for business travel-land from the 2021 and 2022 Guidelines to DEFRA/DECC's GHG Conversion Factors for Company Reporting were used. Emissions calculations methodology: activity data x emission factor.

Upstream leased assets

Evaluation status

Not relevant, explanation provided

Emissions in reporting year (metric tons CO2e)

<Not Applicable>

Emissions calculation methodology

<Not Applicable>

Percentage of emissions calculated using data obtained from suppliers or value chain partners

<Not Applicable>

Please explain

SPAR has no upstream leased assets, and therefore, does not quantify emissions from this source.

Downstream transportation and distribution

Evaluation status

Relevant, not yet calculated

Emissions in reporting year (metric tons CO2e)

<Not Applicable>

Emissions calculation methodology

<Not Applicable>

Percentage of emissions calculated using data obtained from suppliers or value chain partners

<Not Applicable>

Please explain

A full upstream and downstream assessment of transportation and distribution is still to be evaluated.

Processing of sold products

Evaluation status

Not relevant, explanation provided

Emissions in reporting year (metric tons CO2e)

<Not Applicable>

Emissions calculation methodology

<Not Applicable>

Percentage of emissions calculated using data obtained from suppliers or value chain partners

<Not Applicable>

Please explain

SPAR operates largely as a wholesaler of consumer goods that are sold on directly to consumers through SPAR retail stores and does not produce intermediate products.

Use of sold products

Evaluation status

Relevant, not yet calculated

Emissions in reporting year (metric tons CO2e)

<Not Applicable>

Emissions calculation methodology

<Not Applicable>

Percentage of emissions calculated using data obtained from suppliers or value chain partners

<Not Applicable>

Please explain

SPAR's retail stores sell a wide variety of products. The direct use phase emissions of applicable products are still to be evaluated.

End of life treatment of sold products

Evaluation status

Relevant, not yet calculated

Emissions in reporting year (metric tons CO2e)

<Not Applicable>

Emissions calculation methodology

<Not Applicable>

Percentage of emissions calculated using data obtained from suppliers or value chain partners

<Not Applicable>

Please explain

SPAR's retail stores sell a wide variety of products. The end-of-life treatment of products is not yet evaluated.

Downstream leased assets

Evaluation status

Not relevant, explanation provided

Emissions in reporting year (metric tons CO2e)

<Not Applicable>

Emissions calculation methodology

<Not Applicable>

Percentage of emissions calculated using data obtained from suppliers or value chain partners

<Not Applicable>

Please explain

SPAR does not lease buildings (downstream leased assets) and therefore, does not quantify emissions from this emissions source.

Franchises

Evaluation status

Not relevant, explanation provided

Emissions in reporting year (metric tons CO2e)

<Not Applicable>

Emissions calculation methodology

<Not Applicable>

Percentage of emissions calculated using data obtained from suppliers or value chain partners

<Not Applicable>

Please explain

Emissions associated with the independent SPAR stores are accounted for in Scopes 1 and 2.

Investments

Evaluation status

Not relevant, explanation provided

Emissions in reporting year (metric tons CO2e)

<Not Applicable>

Emissions calculation methodology

<Not Applicable>

Percentage of emissions calculated using data obtained from suppliers or value chain partners

<Not Applicable>

Please explain

SPAR has no material investments and therefore, does not quantify emissions from this emissions source.

Other (upstream)

Evaluation status

Not relevant, explanation provided

Emissions in reporting year (metric tons CO2e)

<Not Applicable>

Emissions calculation methodology

<Not Applicable>

Percentage of emissions calculated using data obtained from suppliers or value chain partners

<Not Applicable>

Please explain

This optional category is not relevant to SPAR.

Other (downstream)

Evaluation status

Not relevant, explanation provided

Emissions in reporting year (metric tons CO2e)

<Not Applicable>

Emissions calculation methodology

<Not Applicable>

Percentage of emissions calculated using data obtained from suppliers or value chain partners

<Not Applicable>

Please explain

This optional category is not relevant to SPAR.

C6.7

(C6.7) Are carbon dioxide emissions from biogenic carbon relevant to your organization?

Yes

C6.7a

(C6.7a) Provide the emissions from biogenic carbon relevant to your organization in metric tons CO2.

	CO2 emissions from biogenic carbon (metric tons CO2)	Comment
Row 1	84.52	SPAR has consumed 35 814 litres of biodiesel in FY2022 in owned vehicle fleet.

C6.10

(C6.10) Describe your gross global combined Scope 1 and 2 emissions for the reporting year in metric tons CO2e per unit currency total revenue and provide any additional intensity metrics that are appropriate to your business operations.

Intensity figure

1.31

Metric numerator (Gross global combined Scope 1 and 2 emissions, metric tons CO2e)

113059.97

Metric denominator

unit total revenue

Metric denominator: Unit total

86289.1

Scope 2 figure used

Location-based

% change from previous year

9.08

Direction of change

Decreased

Reason(s) for change

Other emissions reduction activities

Divestment

Change in output

Change in revenue

Change in boundary

Please explain

In FY2022, Scope 1 and 2 emissions are 113,059.97 tCO₂e compared to 114 708 tCO₂e in FY2021. The FY2021 emissions data has been restated as set out in the verification report as energy used by "owned" stores were re-categorised from Scope 3 to Scope 2 as the stores are operated by SPAR until sold.

Revenue for South Africa (in millions) increased from 79,601.9 in FY2021 to 86,289.1 in FY2022. Scope 1 total emissions increased by 536 tCO₂e or 1.2% mainly as a result of operations recovering from the COVID-19 pandemic and more comprehensive reporting, offset by the sale of 8 corporate stores during the prior year. Scope 2 emissions from purchased electricity decreased by 2 184 tCO₂e or 3.2% mainly as a result of 8 corporate stores sold during the prior year and more accurate automated meter readings at the distribution centres. Furthermore, emissions decreased as a result of emission reduction initiatives set out in C4.3b. Therefore, the overall intensity metric decreased.

Intensity figure

459.22

Metric numerator (Gross global combined Scope 1 and 2 emissions, metric tons CO₂e)

113059.97

Metric denominator

Other, please specify (Cases dispatched (million))

Metric denominator: Unit total

246.2

Scope 2 figure used

Location-based

% change from previous year

6.44

Direction of change

Decreased

Reason(s) for change

Other emissions reduction activities

Divestment

Change in output

Change in methodology

Please explain

In FY2022, Scope 1 and 2 emissions are 113,059.97 tCO₂e compared to 114 708 tCO₂e in FY2021. The FY2021 emissions data has been restated as set out in the verification report as energy used by "owned" stores were re-categorised from Scope 3 to Scope 2 as the stores are operated by SPAR until sold.

Cases dispatched from South African distribution centres (in millions) increased from 233.7 in FY2021 to 246.2 in FY2022. Scope 1 total emissions increased by 536 tCO₂e or 1.2% mainly as a result of operations recovering from the COVID-19 pandemic and more comprehensive reporting, offset by the sale of 8 corporate stores during the prior year. Scope 2 emissions from purchased electricity decreased by 2 184 tCO₂e or 3.2% mainly as a result of 8 corporate stores sold during the prior year and more accurate automated meter readings at the distribution centres. Furthermore, emissions decreased as a result of emission reduction initiatives set out in C4.3b. Therefore, the overall intensity metric decreased.

Intensity figure

0.368

Metric numerator (Gross global combined Scope 1 and 2 emissions, metric tons CO₂e)

113059.97

Metric denominator

Other, please specify (Warehousing space (square metres))

Metric denominator: Unit total

307530

Scope 2 figure used

Location-based

% change from previous year

1.44

Direction of change

Decreased

Reason(s) for change

Other emissions reduction activities

Divestment

Change in output

Change in methodology

Please explain

In FY2022, Scope 1 and 2 emissions are 113,059.97 tCO₂e compared to 114 708 tCO₂e in FY2021. The FY2021 emissions data has been restated as set out in the verification report as energy used by "owned" stores were re-categorised from Scope 3 to Scope 2 as the stores are operated by SPAR until sold.

Warehousing space of South African distribution centres (in square meters) stayed the same at 307 530 between FY2021 and FY2022. Scope 1 total emissions increased by 536 tCO₂e or 1.2% mainly as a result of operations recovering from the COVID-19 pandemic and more comprehensive reporting, offset by the sale of 8 corporate stores during the prior year. Scope 2 emissions from purchased electricity decreased by 2 184 tCO₂e or 3.2% mainly as a result of 8 corporate stores sold during the prior year and more accurate automated meter readings at the distribution centres. Furthermore, emissions decreased as a result of emission reduction initiatives set out in C4.3b. Therefore, the overall intensity metric decreased.

C7. Emissions breakdowns

C7.1

(C7.1) Does your organization break down its Scope 1 emissions by greenhouse gas type?

No

C7.2

(C7.2) Break down your total gross global Scope 1 emissions by country/area/region.

Country/area/region	Scope 1 emissions (metric tons CO2e)
South Africa	46225.45

C7.3

(C7.3) Indicate which gross global Scope 1 emissions breakdowns you are able to provide.

By activity

C7.3c

(C7.3c) Break down your total gross global Scope 1 emissions by business activity.

Activity	Scope 1 emissions (metric tons CO2e)
Mobile Combustion	42918.49
Stationary Combustion	2671.84
Fugitive Emissions	635.12

C7.5

(C7.5) Break down your total gross global Scope 2 emissions by country/area/region.

Country/area/region	Scope 2, location-based (metric tons CO2e)	Scope 2, market-based (metric tons CO2e)
South Africa	66834.52	66834.52

C7.6

(C7.6) Indicate which gross global Scope 2 emissions breakdowns you are able to provide.

By activity

C7.6c

(C7.6c) Break down your total gross global Scope 2 emissions by business activity.

Activity	Scope 2, location-based (metric tons CO2e)	Scope 2, market-based (metric tons CO2e)
Purchased Electricity	66834.52	66834.52

C7.7

(C7.7) Is your organization able to break down your emissions data for any of the subsidiaries included in your CDP response?

No

C7.9

(C7.9) How do your gross global emissions (Scope 1 and 2 combined) for the reporting year compare to those of the previous reporting year?

Decreased

C7.9a

(C7.9a) Identify the reasons for any change in your gross global emissions (Scope 1 and 2 combined), and for each of them specify how your emissions compare to the previous year.

	Change in emissions (metric tons CO2e)	Direction of change in emissions	Emissions value (percentage)	Please explain calculation
Change in renewable energy consumption	9495.2	Decreased	8.28	In FY2022, Scope 1 and 2 emissions are 113,059.97 tCO2e compared to 114 708 tCO2e in FY2021. The FY2021 emissions data has been restated as set out in the verification report as energy used by "owned" stores were re-categorised from Scope 3 to Scope 2 as the stores are operated by SPAR until sold. SPAR has solar PV installations at all DCs in South Africa, excluding Build It. During 2022, these installations generated 9 130 MWh of renewable energy. This translates to a saving of 9,495.20 tCO2e. This figure has been divided by last year's Scope 1 and 2 emissions of 114 708 tCO2e and multiplied by 100 to get the emissions value (percentage).
Other emissions reduction activities	1508	Decreased	1.31	In FY2022, Scope 1 and 2 emissions are 113,059.97 tCO2e compared to 114 708 tCO2e in FY2021. The FY2021 emissions data has been restated as set out in the verification report as energy used by "owned" stores were re-categorised from Scope 3 to Scope 2 as the stores are operated by SPAR until sold. LED lighting is another key area to reduce electricity use. SPAR aims to convert 100% of lighting in the warehouses and various LED light retrofits were implemented in the reporting year. This translates to a saving of 1,508 tCO2e. This figure has been divided by last year's Scope 1 and 2 emissions of 114 708 tCO2e and multiplied by 100 to get the emissions value (percentage).
Divestment	2184	Decreased	1.9	In FY2022, Scope 1 and 2 emissions are 113,059.97 tCO2e compared to 114 708 tCO2e in FY2021. The FY2021 emissions data has been restated as set out in the verification report as energy used by "owned" stores were re-categorised from Scope 3 to Scope 2 as the stores are operated by SPAR until sold. Emissions from purchased electricity in South Africa decreased by 2 184 tCO2e when compared to FY2021 which can be attributed to the sale of 8 corporate stores during the prior year. This figure has been divided by last year's Scope 1 and 2 emissions of 114 708 tCO2e and multiplied by 100 to get the emissions value (percentage).
Acquisitions		<Not Applicable>		
Mergers		<Not Applicable>		
Change in output	536	Increased	0.47	In FY2022, Scope 1 and 2 emissions are 113,059.97 tCO2e compared to 114 708 tCO2e in FY2021. The FY2021 emissions data has been restated as set out in the verification report as energy used by "owned" stores were re-categorised from Scope 3 to Scope 2 as the stores are operated by SPAR until sold. Scope 1 total emissions increased by 536 tCO2e mainly as a result of operations recovering from the COVID-19 pandemic and more comprehensive reporting. This figure has been divided by last year's Scope 1 and 2 emissions of 114 708 tCO2e and multiplied by 100 to get the emissions value (percentage).
Change in methodology		<Not Applicable>		
Change in boundary		<Not Applicable>		
Change in physical operating conditions		<Not Applicable>		
Unidentified		<Not Applicable>		
Other		<Not Applicable>		

C7.9b

(C7.9b) Are your emissions performance calculations in C7.9 and C7.9a based on a location-based Scope 2 emissions figure or a market-based Scope 2 emissions figure?

Location-based

C8. Energy

C8.1

(C8.1) What percentage of your total operational spend in the reporting year was on energy?

More than 0% but less than or equal to 5%

C8.2

(C8.2) Select which energy-related activities your organization has undertaken.

	Indicate whether your organization undertook this energy-related activity in the reporting year
Consumption of fuel (excluding feedstocks)	Yes
Consumption of purchased or acquired electricity	Yes
Consumption of purchased or acquired heat	No
Consumption of purchased or acquired steam	No
Consumption of purchased or acquired cooling	No
Generation of electricity, heat, steam, or cooling	Yes

C8.2a

(C8.2a) Report your organization's energy consumption totals (excluding feedstocks) in MWh.

	Heating value	MWh from renewable sources	MWh from non-renewable sources	Total (renewable and non-renewable) MWh
Consumption of fuel (excluding feedstock)	HHV (higher heating value)	379.95	180320.08	180700.03
Consumption of purchased or acquired electricity	<Not Applicable>	0	63051.44	63051.44
Consumption of purchased or acquired heat	<Not Applicable>	<Not Applicable>	<Not Applicable>	<Not Applicable>
Consumption of purchased or acquired steam	<Not Applicable>	<Not Applicable>	<Not Applicable>	<Not Applicable>
Consumption of purchased or acquired cooling	<Not Applicable>	<Not Applicable>	<Not Applicable>	<Not Applicable>
Consumption of self-generated non-fuel renewable energy	<Not Applicable>	9133.1	<Not Applicable>	9133.1
Total energy consumption	<Not Applicable>	9513.06	243371.51	252884.57

C8.2b

(C8.2b) Select the applications of your organization's consumption of fuel.

	Indicate whether your organization undertakes this fuel application
Consumption of fuel for the generation of electricity	Yes
Consumption of fuel for the generation of heat	Yes
Consumption of fuel for the generation of steam	No
Consumption of fuel for the generation of cooling	No
Consumption of fuel for co-generation or tri-generation	No

C8.2c

(C8.2c) State how much fuel in MWh your organization has consumed (excluding feedstocks) by fuel type.

Sustainable biomass

Heating value

HHV

Total fuel MWh consumed by the organization

379.95

MWh fuel consumed for self-generation of electricity

0

MWh fuel consumed for self-generation of heat

379.95

MWh fuel consumed for self-generation of steam

<Not Applicable>

MWh fuel consumed for self-generation of cooling

<Not Applicable>

MWh fuel consumed for self- cogeneration or self-trigeneration

<Not Applicable>

Comment

Biodiesel used in owned fleet vehicles.

Other biomass

Heating value

Total fuel MWh consumed by the organization

MWh fuel consumed for self-generation of electricity

MWh fuel consumed for self-generation of heat

MWh fuel consumed for self-generation of steam

<Not Applicable>

MWh fuel consumed for self-generation of cooling

<Not Applicable>

MWh fuel consumed for self- cogeneration or self-trigeneration

<Not Applicable>

Comment

Other renewable fuels (e.g. renewable hydrogen)

Heating value

Please select

Total fuel MWh consumed by the organization

MWh fuel consumed for self-generation of electricity

MWh fuel consumed for self-generation of heat

MWh fuel consumed for self-generation of steam

<Not Applicable>

MWh fuel consumed for self-generation of cooling

<Not Applicable>

MWh fuel consumed for self- cogeneration or self-trigeneration

<Not Applicable>

Comment

Coal

Heating value

Total fuel MWh consumed by the organization

MWh fuel consumed for self-generation of electricity

MWh fuel consumed for self-generation of heat

MWh fuel consumed for self-generation of steam

<Not Applicable>

MWh fuel consumed for self-generation of cooling

<Not Applicable>

MWh fuel consumed for self- cogeneration or self-trigeneration

<Not Applicable>

Comment

Oil

Heating value

Total fuel MWh consumed by the organization

MWh fuel consumed for self-generation of electricity

MWh fuel consumed for self-generation of heat

MWh fuel consumed for self-generation of steam

<Not Applicable>

MWh fuel consumed for self-generation of cooling

<Not Applicable>

MWh fuel consumed for self- cogeneration or self-trigeneration

<Not Applicable>

Comment

Gas

Heating value

Total fuel MWh consumed by the organization

MWh fuel consumed for self-generation of electricity

MWh fuel consumed for self-generation of heat

MWh fuel consumed for self-generation of steam

<Not Applicable>

MWh fuel consumed for self-generation of cooling

<Not Applicable>

MWh fuel consumed for self- cogeneration or self-trigeneration

<Not Applicable>

Comment

Other non-renewable fuels (e.g. non-renewable hydrogen)

Heating value

HHV

Total fuel MWh consumed by the organization

180320.08

MWh fuel consumed for self-generation of electricity

8687.88

MWh fuel consumed for self-generation of heat

171632.2

MWh fuel consumed for self-generation of steam

<Not Applicable>

MWh fuel consumed for self-generation of cooling

<Not Applicable>

MWh fuel consumed for self- cogeneration or self-trigeneration

<Not Applicable>

Comment

Diesel used in owned fleet, vehicles and forklifts, petrol used in owned fleet vehicles, LPG for forklifts and diesel used in generators.

Total fuel

Heating value

HHV

Total fuel MWh consumed by the organization

180700.03

MWh fuel consumed for self-generation of electricity

8687.88

MWh fuel consumed for self-generation of heat

172012.15

MWh fuel consumed for self-generation of steam

<Not Applicable>

MWh fuel consumed for self-generation of cooling

<Not Applicable>

MWh fuel consumed for self- cogeneration or self-trigeneration

<Not Applicable>

Comment

C8.2d

(C8.2d) Provide details on the electricity, heat, steam, and cooling your organization has generated and consumed in the reporting year.

	Total Gross generation (MWh)	Generation that is consumed by the organization (MWh)	Gross generation from renewable sources (MWh)	Generation from renewable sources that is consumed by the organization (MWh)
Electricity	17820.98	17820.98	9133.1	9133.1
Heat	0	0	0	0
Steam	0	0	0	0
Cooling	0	0	0	0

C8.2e

(C8.2e) Provide details on the electricity, heat, steam, and/or cooling amounts that were accounted for at a zero or near-zero emission factor in the market-based Scope 2 figure reported in C6.3.

Country/area of low-carbon energy consumption

South Africa

Sourcing method

None (no active purchases of low-carbon electricity, heat, steam or cooling)

Energy carrier

<Not Applicable>

Low-carbon technology type

<Not Applicable>

Low-carbon energy consumed via selected sourcing method in the reporting year (MWh)

<Not Applicable>

Tracking instrument used

<Not Applicable>

Country/area of origin (generation) of the low-carbon energy or energy attribute

<Not Applicable>

Are you able to report the commissioning or re-powering year of the energy generation facility?

<Not Applicable>

Commissioning year of the energy generation facility (e.g. date of first commercial operation or repowering)

<Not Applicable>

Comment

SPAR did not purchase any low-carbon instruments in the reporting year but will actively investigate this for the future.

C8.2g

(C8.2g) Provide a breakdown by country/area of your non-fuel energy consumption in the reporting year.

Country/area

South Africa

Consumption of purchased electricity (MWh)

63051.44

Consumption of self-generated electricity (MWh)

9133.1

Is this electricity consumption excluded from your RE100 commitment?

<Not Applicable>

Consumption of purchased heat, steam, and cooling (MWh)

0

Consumption of self-generated heat, steam, and cooling (MWh)

0

Total non-fuel energy consumption (MWh) [Auto-calculated]

72184.54

C9. Additional metrics

C9.1

(C9.1) Provide any additional climate-related metrics relevant to your business.

Description

Energy usage

Metric value

293195

Metric numerator

Electricity (kWh) consumption of South African DCs

Metric denominator (intensity metric only)

Cases dispatched (million)

% change from previous year

8.13

Direction of change

Decreased

Please explain

In FY2022, electricity (kWh) consumption of South African distribution centres was 72 184 540 kWh compared to 74 581 252 kWh in FY2021. Cases dispatched (in millions) increased from 233.7 million in FY2021 to 246.2 million in FY2022. Therefore, the overall intensity metric decreased.

Description

Energy usage

Metric value

234.72

Metric numerator

Electricity (kWh) consumption of South African DCs

Metric denominator (intensity metric only)

Warehousing space (m2) of South African DCs

% change from previous year

3.21

Direction of change

Decreased

Please explain

In FY2022, electricity (kWh) consumption of South African distribution centres was 72 184 540 kWh compared to 74 581 252 kWh in FY2021. Warehousing space in square meters stayed the same between FY2021 and FY2022 at 307 530 m2. Therefore, the overall intensity metric decreased between FY2021 and FY2022.

C10. Verification

C10.1

(C10.1) Indicate the verification/assurance status that applies to your reported emissions.

	Verification/assurance status
Scope 1	Third-party verification or assurance process in place
Scope 2 (location-based or market-based)	Third-party verification or assurance process in place
Scope 3	Third-party verification or assurance process in place

C10.1a

(C10.1a) Provide further details of the verification/assurance undertaken for your Scope 1 emissions, and attach the relevant statements.

Verification or assurance cycle in place

Annual process

Status in the current reporting year

Complete

Type of verification or assurance

Limited assurance

Attach the statement

SPAR FY2022 Verification Statement V2.pdf

Page/ section reference

Pages 1-3. Scope 1 is specifically mentioned on pages 1-2.

Relevant standard

ISO14064-3

Proportion of reported emissions verified (%)

100

C10.1b

(C10.1b) Provide further details of the verification/assurance undertaken for your Scope 2 emissions and attach the relevant statements.

Scope 2 approach

Scope 2 market-based

Verification or assurance cycle in place

Annual process

Status in the current reporting year

Complete

Type of verification or assurance

Limited assurance

Attach the statement

SPAR FY2022 Verification Statement V2.pdf

Page/ section reference

Pages 1-3. Scope 2 is specifically mentioned on pages 1-2.

Relevant standard

ISO14064-3

Proportion of reported emissions verified (%)

100

C10.1c

(C10.1c) Provide further details of the verification/assurance undertaken for your Scope 3 emissions and attach the relevant statements.

Scope 3 category

- Scope 3: Purchased goods and services
- Scope 3: Fuel and energy-related activities (not included in Scopes 1 or 2)
- Scope 3: Waste generated in operations
- Scope 3: Business travel
- Scope 3: Employee commuting

Verification or assurance cycle in place

Annual process

Status in the current reporting year

Complete

Type of verification or assurance

Limited assurance

Attach the statement

- SPAR FY2022 Verification Statement V2.pdf
- SPAR FY2022 GHG Verification Report - Final V2.0.pdf

Page/section reference

Verification statement: pages 1-3. Scope 3 is specifically mentioned on pages 1-2.
Verification report: Scope 3 categories that are covered are mentioned on page 11 and in Appendix B on page 27.

Relevant standard

ISO14064-3

Proportion of reported emissions verified (%)

100

C10.2

(C10.2) Do you verify any climate-related information reported in your CDP disclosure other than the emissions figures reported in C6.1, C6.3, and C6.5?

Yes

C10.2a

(C10.2a) Which data points within your CDP disclosure have been verified, and which verification standards were used?

Disclosure module verification relates to	Data verified	Verification standard	Please explain
C6. Emissions data	Year on year change in emissions (Scope 1)	ISO14064-3	Year-on-year changes in emissions are verified for SPAR on an annual basis as tracking year-on-year progress is important to understand change over time within SPAR's operations to better inform interventions, initiatives and strategies. Please see the attached report for your reference (pages 1 to 3).
C6. Emissions data	Year on year change in emissions (Scope 2)	ISO14064-3	Year-on-year changes in emissions are verified for SPAR on an annual basis as tracking year-on-year progress is important to understand change over time within SPAR's operations to better inform interventions, initiatives and strategies. Please see the attached report for your reference (pages 1 to 3).

C11. Carbon pricing

C11.1

(C11.1) Are any of your operations or activities regulated by a carbon pricing system (i.e. ETS, Cap & Trade or Carbon Tax)?

Yes

C11.1a

(C11.1a) Select the carbon pricing regulation(s) which impacts your operations.

South Africa carbon tax

C11.1c

(C11.1c) Complete the following table for each of the tax systems you are regulated by.

South Africa carbon tax

Period start date

January 1 2021

Period end date

December 31 2021

% of total Scope 1 emissions covered by tax

5.77

Total cost of tax paid

31592.34

Comment

SPAR is liable for carbon tax for diesel, liquified petroleum gas and paraffin use in SPAR's distribution centres and corporate-owned stores. The direct tax that is payable to the South African Revenue Service (SARS) is R31 592.34 with indirect exposure through fuel levies amounting to R130 226.80. Therefore, the total exposure is R161 819.14.

C11.1d

(C11.1d) What is your strategy for complying with the systems you are regulated by or anticipate being regulated by?

As part of South Africa's ongoing efforts to move towards a zero-carbon economy and to meet South Africa's Intended Nationally Determined Contribution (INDC) targets, the Carbon Tax Act and the Customs and Excise Amendment Act came into effect on 1 June 2019.

The tax rate was set at R120 per tonne of CO₂e (carbon dioxide equivalent) produced and increases annually by inflation plus 2 percent. The carbon tax rate has increased to R144t/CO₂e effective from 1 January 2022. The carbon fuel levy for 2022 increased by 1c to 9c/l for petrol and 10c/l for diesel from April 6, 2022. The vehicle emissions tax rate on passenger cars went from R120/g to R132/g of carbon dioxide emissions per kilometre. The increase on tax for double cabs went from R160/g to R176/g of carbon dioxide emissions per kilometre from April 1, 2022.

During the first stage, a percentage-based threshold of 60% will apply, below which tax is not payable. The threshold for the 'Trade Exposure' allowances has been lifted from 30% to 50%, subject to public consultation. This means that the threshold to qualify for up to 10% allowance has shifted from 30% to 50%. While the first phase was extended from 31 December 2022 to 31 December 2025. The intention is to provide for a tax-free liability threshold of 10 megawatts (MW) thermal capacity. The threshold is high enough to exclude non-industrial activities from the carbon tax, but low enough to make the tax applicable to most high-emitting industries in the country.

The South African Greenhouse Gas (GHG) Reporting Regulations require all South African companies that are in control of certain listed activities exceeding a specified threshold to report their GHG emissions to the Department of Forestry, Fisheries and the Environment (DFFE). DFFE will use the GHG emissions reported by companies as basis for carbon tax liability calculations.

An entity liable for mandatory reporting was obliged to register each facility on the internet-based National Atmospheric Emission Inventory System (NAEIS). Once registered, liable entities are required to report their aggregated South African facilities' GHG emissions at company level for the preceding calendar year to DFFE by 31 March each year via NAEIS.

It is important to keep in mind that those businesses that have identified themselves as not liable for carbon tax during the first phase, will still be required to submit environmental levy accounts regardless of whether any carbon tax payment is due.

SPAR is therefore complying with the carbon tax legislation by compiling its annual carbon footprint. It has assessed all its facilities to determine whether its associated emission activities qualify for or exceed the 10MW thermal threshold to see if it needs to register with the DFFE, using a specific template of the NAEIS.

SPAR has therefore registered with the DFFE and is now reporting annually onto the South African Greenhouse Gas Emissions Reporting System (SAGERS).

Furthermore, SPAR receives regular alerts for legislative updates relating to climate change to comply with the current legislation and prepare for any future obligatory requirements to the Group. To reduce SPAR's Carbon Tax liability, emissions reductions actions and initiatives are implemented by the Group. Reduction of our carbon footprint is included as one of the Group's operational performance indicators, which is tracked on a monthly basis.

The Group plans to revise our current emission reductions targets to align with the Science Based Targets initiative's revised minimum ambition threshold of 1.5°C above pre-industrial temperatures for Scopes 1 and 2 and submit targets for verification by the SBTi in FY2023/24. SPAR has made a commitment to become net-zero by 2050 and has developed a climate strategic roadmap, which provides a roadmap to achieve emission reduction targets and guides emissions reduction actions. To establish short-, medium- and long-term impact for the business from increasing temperatures and reduced water availability, SPAR is undergoing scenario planning analysis as part of the TCFD process.

The Group has designed an Internal Carbon Pricing methodology and SPAR anticipates, following the final outcomes of Scenario Planning Analysis, incorporating this methodology into decision making around climate change risks and opportunities.

C11.2

(C11.2) Has your organization canceled any project-based carbon credits within the reporting year?

No

C11.3

(C11.3) Does your organization use an internal price on carbon?

Yes

C11.3a

(C11.3a) Provide details of how your organization uses an internal price on carbon.

Type of internal carbon price

Internal fee

How the price is determined

Alignment with the price of a carbon tax

Objective(s) for implementing this internal carbon price

Change internal behavior
Drive energy efficiency
Drive low-carbon investment
Identify and seize low-carbon opportunities
Navigate GHG regulations

Scope(s) covered

Scope 1
Scope 2

Pricing approach used – spatial variance

Uniform

Pricing approach used – temporal variance

Evolutionary

Indicate how you expect the price to change over time

Carbon Tax was promulgated in South Africa in June 2019 at R120 per tonne of CO₂e, with the provision of tax-free thresholds and allowances, aimed at reducing carbon tax liability. SPAR has considered evolutionary pricing to evaluate price variance over time. This pricing is based on the assumption that Carbon Tax allowances will increase over time. SPAR anticipates that in 10 – 15 years' time the price per tonne of CO₂e could be as high as R1300.

Actual price(s) used – minimum (currency as specified in C0.4 per metric ton CO₂e)

48

Actual price(s) used – maximum (currency as specified in C0.4 per metric ton CO₂e)

1300

Business decision-making processes this internal carbon price is applied to

Capital expenditure
Operations

Mandatory enforcement of this internal carbon price within these business decision-making processes

No

Explain how this internal carbon price has contributed to the implementation of your organization's climate commitments and/or climate transition plan

Carbon Tax was promulgated in South Africa in June 2019 at R120 per tonne of CO₂e, with the provision of tax-free thresholds and allowances, aimed at reducing carbon tax liability. SPAR has considered evolutionary pricing to evaluate price variance over time. This pricing is based on the assumption that Carbon Tax allowances will increase over time. SPAR anticipates that in 10 – 15 years' time the price per tonne of CO₂e could be as high as R1300. The pricing is consistent across the entire company, including retail stores and distribution centres.

The internal carbon price will be used to determine:

- A Carbon Shadow Price will promote low-carbon investment decisions for new build projects and major capital investments
- A Carbon Fee will elevate energy efficiency projects and OPEX/maintenance-type investment decisions

The Group has developed a methodology for internal price of carbon, however, it is only being considered internally, and not incorporated into decision making around climate change risks and opportunities. Currently the cost of carbon is not material to SPAR business, however, the Group anticipates this to change significantly in the next 5-10 years.

C12. Engagement

C12.1

(C12.1) Do you engage with your value chain on climate-related issues?

Yes, our suppliers
Yes, other partners in the value chain

C12.1a

(C12.1a) Provide details of your climate-related supplier engagement strategy.

Type of engagement

Information collection (understanding supplier behavior)

Details of engagement

Collect targets information at least annually from suppliers

Collect other climate related information at least annually from suppliers

% of suppliers by number

31

% total procurement spend (direct and indirect)

67

% of supplier-related Scope 3 emissions as reported in C6.5

100

Rationale for the coverage of your engagement

Procurement is one of SPAR's key business activities and competitive strengths. Most of our procurement happens at distribution centre level. Certain products are sourced from local suppliers at store level. The latter enables sourcing that supports local enterprises.

We conduct site visits and collect data on our South African house brand suppliers' environmental management systems. This includes energy use, transport, GHGs, waste and wastewater, water use, emissions, pollution prevention, and treatment of hazardous substances. This information feeds into our work on topics such as responsible sourcing, waste reduction and sustainable farming practices to further refine our strategy and outcomes.

Impact of engagement, including measures of success

We continue to make significant progress with our suppliers to source responsibly, reduce waste and implement sustainable farming practices. We address any instances where unethical practices are identified directly with a supplier. We also work with suppliers to encourage sustainable product development and transparent sourcing.

This engagement has enabled SPAR to collect environmental information for the Group's supply chain which has been used in the revised Sustainability Policy, sustainability targets and goals. For example, SPAR is committed to sourcing all seafood sustainably through our supply chain excluding stores by 2022 in South Africa. The measure of success is the number of products listed as "green" (i.e., above the threshold of "orange" on the traffic light colour system used) on the WWF Southern African Sustainable Seafood Initiative (SASSI) list. Seafood products are tracked against WWF-SASSI listed seafood products and reviewed bi-annually.

Comment

C12.1d

(C12.1d) Give details of your climate-related engagement strategy with other partners in the value chain.

SPAR ensures that the Group's climate-related engagements contribute towards the achievement of the Group's strategic outcomes and support the Group's commitments of net-zero by 2050. Management of climate change risks and climate issues is an important aspect in SPAR's sustainability journey. SPAR's Sustainability Commitment "My SPAR, Our Tomorrow" provides further guidance on climate, energy, water, waste and emissions reductions strategic actions and hence influence SPAR's climate-related engagements.

The Group ensures that all engagements around climate and climate resilience are aligned with the above-mentioned climate change and sustainability commitments and their respective strategic actions. SPAR considers other partners in the value chain to be local communities, regulators, policy makers, industry bodies and non-governmental organisations as engagements with these stakeholders drive management of climate risks and issues and assist SPAR with identification of new climate opportunities.

SPAR promotes climate resilience through restoration of ecosystems and ecosystem services among local communities. 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. As a member of the community that uses those natural resources in the surrounding environment SPAR invests in rehabilitating the local environment of the Zwartkops River and assists with the removal of plastics and other rubbish from the river through awareness campaigns and donations.

SPAR further engages with regulators, local municipalities as well as industry associations around sustainability and climate change issues. The SPAR Group as a founding member of the Plastics Pact, developed by the WWF-SA, which is a platform to collaborate address issues of plastic waste and pollution.

C12.2

(C12.2) Do your suppliers have to meet climate-related requirements as part of your organization's purchasing process?

No, but we plan to introduce climate-related requirements within the next two years

C12.3

(C12.3) Does your organization engage in activities that could either directly or indirectly influence policy, law, or regulation that may impact the climate?

Row 1

External engagement activities that could directly or indirectly influence policy, law, or regulation that may impact the climate

Yes, we engage directly with policy makers

Yes, our membership of/engagement with trade associations could influence policy, law, or regulation that may impact the climate

Yes, we fund organizations or individuals whose activities could influence policy, law, or regulation that may impact the climate

Does your organization have a public commitment or position statement to conduct your engagement activities in line with the goals of the Paris Agreement?

Yes

Attach commitment or position statement(s)

Page 9 of the attached report: "We are committed to a just transition to net zero by 2050"

SPAR Environmental_and_Social_Report_2022.pdf

Describe the process(es) your organization has in place to ensure that your external engagement activities are consistent with your climate commitments and/or climate transition plan

The Social, Ethics and Sustainability Committee, responsible for climate policy and strategy, reviews activities and engagements that influence policy and checks their alignment to overall strategy.

SPAR ensures that the Group's climate-related engagements contribute towards the achievement of the Group's strategic outcomes and support the Group's commitments of net-zero by 2050. SPAR's Sustainability Commitment "My SPAR, Our Tomorrow" provides further guidance on climate, energy, water, waste and emissions reductions strategic actions and hence influence SPAR's climate-related engagements.

Primary reason for not engaging in activities that could directly or indirectly influence policy, law, or regulation that may impact the climate

<Not Applicable>

Explain why your organization does not engage in activities that could directly or indirectly influence policy, law, or regulation that may impact the climate

<Not Applicable>

C12.3a

(C12.3a) On what policy, law, or regulation that may impact the climate has your organization been engaging directly with policy makers in the reporting year?

Specify the policy, law, or regulation on which your organization is engaging with policy makers

National Environmental Management: Waste Act, 2008 (Act No. 59 of 2008). Amendments to the Regulations and Notices Regarding Extended Producer Responsibility, 2020. Published May 2021.

Category of policy, law, or regulation that may impact the climate

Low-carbon products and services

Focus area of policy, law, or regulation that may impact the climate

Circular economy

Extended Producer Responsibility (EPR)

Policy, law, or regulation geographic coverage

National

Country/area/region the policy, law, or regulation applies to

South Africa

Your organization's position on the policy, law, or regulation

Support with no exceptions

Description of engagement with policy makers

SPAR has been engaged on discussions of the Extended Producer Responsibility Regulation amendments and implications through participation in the South African Plastics Pact. This relates directly to target 3 of the Plastics Pact: "70% of plastic packaging effectively recycled". Linked to this target is the deliverable on extended producer responsibility wherein Plastic Pact members such as SPAR feed into the mandatory Extended Producer Responsibility system by participating in engagements with Department of Environment, Forestry and Fisheries, the Producer Responsibility Organisations, and other SA Plastics Pact members (particularly retailers and brand owners). This will flow into deepening a shared understanding and purpose in incentivising design for recycling and the incorporation of post-consumer recycled content in plastic packaging.

Details of exceptions (if applicable) and your organization's proposed alternative approach to the policy, law or regulation

<Not Applicable>

Have you evaluated whether your organization's engagement on this policy, law, or regulation is aligned with the goals of the Paris Agreement?

Yes, we have evaluated, and it is aligned

Please explain whether this policy, law or regulation is central to the achievement of your climate transition plan and, if so, how?

The Extended Producer Responsibility Regulation amendments is relevant for the achievement of SPAR's climate transition plan given the emissions, risks and opportunities associated with plastic packaging, plastic pollution and the end-of-life treatment (waste) of plastics.

C12.3b

(C12.3b) Provide details of the trade associations your organization is a member of, or engages with, which are likely to take a position on any policy, law or regulation that may impact the climate.

Trade association

Other, please specify (Consumer Goods Council of South Africa (CGCSA))

Is your organization's position on climate change policy consistent with theirs?

Consistent

Has your organization attempted to influence their position in the reporting year?

No, we did not attempt to influence their position

Describe how your organization's position is consistent with or differs from the trade association's position, and any actions taken to influence their position

The CGCSA engages with government and policy makers on all issues relating to the industry, one of which is climate change. The CGCSA supports systems, processes and principles that will enable trade to be better, faster, more efficient and environmentally friendly. The CGCSA has engaged with its members which include large industry stakeholders in South Africa, around the adoption of the Sustainable Development Goals (SDGs). The industry meets regularly to discuss the SDGs and create action plans to help the industry to adopt the SDGs. The CGCSA facilitates such workshops and gets industry expertise to advise and guide members on how best to implement sustainable business practises. Other examples include water efficiency within businesses, particularly during the drought experienced in the Western Cape province, when a number of key stakeholders including government, retailers, suppliers and water experts presented case studies on how to reduce water usage. Other topics include the Amendment to the National Waste Act as well as responsible packaging workshops and climate actions plans, including integration and reporting under the Carbon Tax. The other topic includes the Food Loss and Waste Initiative, which seeks to divert food waste from landfill and channel it primarily to non-waste destinations. This initiative is spearheaded by CGCSA. In 2019, SPAR became a signatory to this initiative and voluntarily reports on our food waste data on an annual basis since 2022.

Funding figure your organization provided to this trade association in the reporting year (currency as selected in C0.4)

1345269.5

Describe the aim of your organization's funding

CGCSA is an industry association that represents Retail and Manufacturing member companies, CGCSA helps members trade better and build sustainable businesses through the below and our funding support the following actions:

- Advocacy, lobbying, engagement and collaboration on non-competitive industry matters;
- Sharing best practice standards;
- Focused regulatory and advisory services;
- Providing access to our hub of valuable industry insights and;
- Ensuring alignment with global Sustainable Development Goals and the National Development Plan.

Have you evaluated whether your organization's engagement with this trade association is aligned with the goals of the Paris Agreement?

Yes, we have evaluated, and it is aligned

C12.3c

(C12.3c) Provide details of the funding you provided to other organizations or individuals in the reporting year whose activities could influence policy, law, or regulation that may impact the climate.

Type of organization or individual

Non-Governmental Organization (NGO) or charitable organization

State the organization or individual to which you provided funding

National Business Initiative (NBI)

Funding figure your organization provided to this organization or individual in the reporting year (currency as selected in C0.4)

40907

Describe the aim of this funding and how it could influence policy, law or regulation that may impact the climate

NBI is a voluntary coalition of South African and multinational companies, working towards sustainable growth and development in South Africa and the shaping of a sustainable future through responsible business action, thereby demonstrating business action for sustainable growth.

Have you evaluated whether this funding is aligned with the goals of the Paris Agreement?

Yes, we have evaluated, and it is aligned

Type of organization or individual

Non-Governmental Organization (NGO) or charitable organization

State the organization or individual to which you provided funding

World Wide Fund for Nature (WWF)

Funding figure your organization provided to this organization or individual in the reporting year (currency as selected in C0.4)

100625

Describe the aim of this funding and how it could influence policy, law or regulation that may impact the climate

WWF is working towards creating healthy oceans which support abundant biodiversity, sustainable livelihoods and a thriving economy.

WWF engages with government, business, coastal communities and seafood consumers to help develop an integrated approach to looking after our oceans. We also ensure adequate planning of the many shared uses of the marine environment, including protecting special nature reserves of the sea.

SPAR is aligning our seafood procurement to be within the parameters of WWF's South African Sustainable Seafood Initiative (SASSI) guidelines on how seafood should be caught and sold. This connects to SPAR's target to: sustainably source all seafood through our supply chain excluding stores by 2022. This funding relates to SASSI's annual membership fee.

Have you evaluated whether this funding is aligned with the goals of the Paris Agreement?

Yes, we have evaluated, and it is aligned

Type of organization or individual

Non-Governmental Organization (NGO) or charitable organization

State the organization or individual to which you provided funding

GreenCape

Funding figure your organization provided to this organization or individual in the reporting year (currency as selected in C0.4)

181125

Describe the aim of this funding and how it could influence policy, law or regulation that may impact the climate

SPAR is one of the founding members of the Pact in South Africa. The Pact aims to create a circular economy that drives investment in infrastructure, supports livelihoods and keeps our environment free of plastic pollution. This funding is for a yearly membership to the South African Plastics Pact, driven by GreenCape.

Have you evaluated whether this funding is aligned with the goals of the Paris Agreement?

Yes, we have evaluated, and it is aligned

C12.4

(C12.4) Have you published information about your organization's response to climate change and GHG emissions performance for this reporting year in places other than in your CDP response? If so, please attach the publication(s).

Publication

In mainstream reports

Status

Complete

Attach the document

SPAR_IAR_2022_Singles.pdf

Page/Section reference

Value creating business model section starting on page 30
Our strategy section starting on page 33
Strategic risks and opportunities section starting on page 42
Our governance system section starting on page 86
Social, Ethics and Sustainability Committee report section starting on page 124

Content elements

Governance
Strategy
Risks & opportunities
Emissions figures

Comment

Publication

In voluntary sustainability report

Status

Complete

Attach the document

SPAR Environmental_and_Social_Report_2022.pdf

Page/Section reference

Section entitled "Spar and the Environment" starting on page 8
Section entitled "The King IV disclosure and reference index" starting on page 55
Appendix entitled "Sustainability policy progress tracking" starting on page 80

Content elements

Governance
Strategy
Risks & opportunities
Emissions figures
Emission targets

Comment

Publication

In mainstream reports, incorporating the TCFD recommendations

Status

Complete

Attach the document

SPAR_Climate_Change_Report_2022_Final.pdf

Page/Section reference

Section entitled "Governance" starting on page 7
Section entitled "Risk management" starting on page 9
Section entitled "Strategy" starting on page 11
Section entitled "Metrics and targets" starting on page 27

Content elements

Governance
Strategy
Risks & opportunities
Emissions figures
Emission targets

Comment

The 2022 Climate Change Report is a supplement to the Integrated Annual Report for the year ended 30 September 2022.

C12.5

(C12.5) Indicate the collaborative frameworks, initiatives and/or commitments related to environmental issues for which you are a signatory/member.

	Environmental collaborative framework, initiative and/or commitment	Describe your organization's role within each framework, initiative and/or commitment
Row 1	Alliance for Climate Action (ACA) Other, please specify (South African Plastics Pact)	<p>Alliance for Climate Action (ACA):</p> <p>SPAR as a member of ACA collaborates with other ACA members to inform the below key pillars of work:</p> <ol style="list-style-type: none"> 1. Produce plans that demonstrate how SPAR will achieve net-zero emissions by 2050, individually and working with others. 2. Translating the plans into action within SPAR, or by collaborating with others on mutually beneficial climate actions. 3. Advocate and champion an economy-wide transition to zero carbon by 2050 with national government. 4. Encourage other stakeholders to join the ACA. <p>South African Plastics Pact:</p> <p>SPAR is one of the founding members of the Pact in South Africa. The Pact aims to create a circular economy that drives investment in infrastructure, supports livelihoods and keeps our environment free of plastic pollution.</p> <p>The Pact was developed by the WWF-SA in partnership with the South African Plastics Recycling Organisation (SAPRO) and the UK's Waste and Resources Action Programme (WRAP). In this way, SPAR is joining other countries in the exchange of knowledge and to collaborate on accelerating the transition to a circular economy for plastic.</p>

C15. Biodiversity

C15.1

(C15.1) Is there board-level oversight and/or executive management-level responsibility for biodiversity-related issues within your organization?

	Board-level oversight and/or executive management-level responsibility for biodiversity-related issues	Description of oversight and objectives relating to biodiversity	Scope of board-level oversight
Row 1	Yes, both board-level oversight and executive management-level responsibility	<p>The SPAR Group's Social, Ethics and Sustainability 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.</p> <p>The Social, Ethics and Sustainability Committee is accountable for overseeing strategy, management, compliance and performance regarding the company's environmental, social and governance (ESG) issues, including biodiversity. The Committee monitors the Group's sustainability (inclusive of biodiversity) and climate change 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. The Social, Ethics and Sustainability Committee meets twice a year, and reports to the board at every scheduled board meeting.</p> <p>The Chief ESG Officer is responsible for driving the management of ESG issues, including biodiversity issues, and attends all Social, Ethics and Sustainability Committee meetings by standing invitation. The Chief Executive Officer (CEO) is also a member of the Social, Ethics and Sustainability Committee. The Chairman of the board, Lead Independent Director, and the Human Resources Executive also attend Social, Ethics and Sustainability Committee meetings by permanent invitation.</p> <p>Biodiversity-related issues are largely related to our seafood products and in Q3 2021, the CEO and the Chief ESG Officer signed off on the revised Sustainable Seafood Policy.</p>	<Not Applicable>

C15.2

(C15.2) Has your organization made a public commitment and/or endorsed any initiatives related to biodiversity?

	Indicate whether your organization made a public commitment or endorsed any initiatives related to biodiversity	Biodiversity-related public commitments	Initiatives endorsed
Row 1	Yes, we have made public commitments and publicly endorsed initiatives related to biodiversity	Other, please specify (Commitment of seafood products to be certified by the Marine Stewardship Council and/or Aquaculture Council and/or Green listed by Southern African Sustainable Seafood Initiative (SASSI))	SDG Other, please specify (Southern African Sustainable Seafood Initiative (SASSI))

C15.3

(C15.3) Does your organization assess the impacts and dependencies of its value chain on biodiversity?

Impacts on biodiversity

Indicate whether your organization undertakes this type of assessment

No, but we plan to within the next two years

Value chain stage(s) covered

<Not Applicable>

Portfolio activity

<Not Applicable>

Tools and methods to assess impacts and/or dependencies on biodiversity

<Not Applicable>

Please explain how the tools and methods are implemented and provide an indication of the associated outcome(s)

<Not Applicable>

Dependencies on biodiversity

Indicate whether your organization undertakes this type of assessment

No, but we plan to within the next two years

Value chain stage(s) covered

<Not Applicable>

Portfolio activity

<Not Applicable>

Tools and methods to assess impacts and/or dependencies on biodiversity

<Not Applicable>

Please explain how the tools and methods are implemented and provide an indication of the associated outcome(s)

<Not Applicable>

C15.4

(C15.4) Does your organization have activities located in or near to biodiversity- sensitive areas in the reporting year?

Yes

C15.4a

(C15.4a) Provide details of your organization's activities in the reporting year located in or near to biodiversity -sensitive areas.

Classification of biodiversity -sensitive area

UNESCO World Heritage site

Country/area

South Africa

Name of the biodiversity-sensitive area

Cradle of Mankind

Proximity

Up to 50 km

Briefly describe your organization's activities in the reporting year located in or near to the selected area

SPAR's North Rand distribution centre used for product storage and distribution is located 47.6km from the biodiversity sensitive area using GPS coordinates of the site to calculate the proximity distance.

Indicate whether any of your organization's activities located in or near to the selected area could negatively affect biodiversity

Not assessed

Mitigation measures implemented within the selected area

<Not Applicable>

Explain how your organization's activities located in or near to the selected area could negatively affect biodiversity, how this was assessed, and describe any mitigation measures implemented

<Not Applicable>

Classification of biodiversity -sensitive area

Other biodiversity sensitive area, please specify (Nature Reserve)

Country/area

South Africa

Name of the biodiversity-sensitive area

Driftsands Nature Reserve

Proximity

Up to 25 km

Briefly describe your organization's activities in the reporting year located in or near to the selected area

SPAR's Western Cape distribution centre used for product storage and distribution is located 16.5km from the biodiversity sensitive area using GPS coordinates of the site to calculate the proximity distance.

Indicate whether any of your organization's activities located in or near to the selected area could negatively affect biodiversity

Not assessed

Mitigation measures implemented within the selected area

<Not Applicable>

Explain how your organization's activities located in or near to the selected area could negatively affect biodiversity, how this was assessed, and describe any mitigation measures implemented

<Not Applicable>

Classification of biodiversity -sensitive area

Other biodiversity sensitive area, please specify (Nature Reserve)

Country/area

South Africa

Name of the biodiversity-sensitive area

Kenneth Stainbank Nature Reserve

Proximity

Up to 50 km

Briefly describe your organization's activities in the reporting year located in or near to the selected area

SPAR's KwaZulu Natal distribution centre used for product storage and distribution is located 31.8km from the biodiversity sensitive area using GPS coordinates of the site to calculate the proximity distance.

Indicate whether any of your organization's activities located in or near to the selected area could negatively affect biodiversity

Not assessed

Mitigation measures implemented within the selected area

<Not Applicable>

Explain how your organization's activities located in or near to the selected area could negatively affect biodiversity, how this was assessed, and describe any mitigation measures implemented

<Not Applicable>

Classification of biodiversity -sensitive area

Key Biodiversity Area (KBAs)

Country/area

South Africa

Name of the biodiversity-sensitive area

Lowveld National Botanical Garden

Proximity

Up to 5 km

Briefly describe your organization's activities in the reporting year located in or near to the selected area

SPAR's Lowveld distribution centre used for product storage and distribution is located 3.8km from the biodiversity sensitive area using GPS coordinates of the site to calculate the proximity distance.

Indicate whether any of your organization's activities located in or near to the selected area could negatively affect biodiversity

Not assessed

Mitigation measures implemented within the selected area

<Not Applicable>

Explain how your organization's activities located in or near to the selected area could negatively affect biodiversity, how this was assessed, and describe any mitigation measures implemented

<Not Applicable>

Classification of biodiversity -sensitive area

Other biodiversity sensitive area, please specify (Protected area of coastal grassland and forest)

Country/area

South Africa

Name of the biodiversity-sensitive area

New Germany Nature Reserve

Proximity

Up to 5 km

Briefly describe your organization's activities in the reporting year located in or near to the selected area

SPAR's Central Office and Built It distribution centre used for office space, product storage and distribution is located 4.6km and 3.3km from the biodiversity sensitive area using GPS coordinates of the site to calculate the proximity distance.

Indicate whether any of your organization's activities located in or near to the selected area could negatively affect biodiversity

Not assessed

Mitigation measures implemented within the selected area

<Not Applicable>

Explain how your organization's activities located in or near to the selected area could negatively affect biodiversity, how this was assessed, and describe any mitigation measures implemented

<Not Applicable>

Classification of biodiversity -sensitive area

Other biodiversity sensitive area, please specify (Protected area of coastal and remnant grassland)

Country/area

South Africa

Name of the biodiversity-sensitive area

Paradise Valley

Proximity

Up to 5 km

Briefly describe your organization's activities in the reporting year located in or near to the selected area

SPAR's Central Office and Built It distribution centre used for office space, product storage and distribution is located 5.5km and 4km from the biodiversity sensitive area using GPS coordinates of the site to calculate the proximity distance.

Indicate whether any of your organization's activities located in or near to the selected area could negatively affect biodiversity

Not assessed

Mitigation measures implemented within the selected area

<Not Applicable>

Explain how your organization's activities located in or near to the selected area could negatively affect biodiversity, how this was assessed, and describe any mitigation measures implemented

<Not Applicable>

Classification of biodiversity -sensitive area

Other biodiversity sensitive area, please specify (Marine Protected Area)

Country/area

South Africa

Name of the biodiversity-sensitive area

Port Elizabeth Corals Marine Protected Area

Proximity

Up to 10 km

Briefly describe your organization's activities in the reporting year located in or near to the selected area

SPAR's Eastern Cape distribution centre used for product storage and distribution is located 8.6km from the biodiversity sensitive area using GPS coordinates of the site to calculate the proximity distance.

Indicate whether any of your organization's activities located in or near to the selected area could negatively affect biodiversity

Please select

Mitigation measures implemented within the selected area

<Not Applicable>

Explain how your organization's activities located in or near to the selected area could negatively affect biodiversity, how this was assessed, and describe any mitigation measures implemented

<Not Applicable>

Classification of biodiversity -sensitive area

Other biodiversity sensitive area, please specify (Nature Reserve)

Country/area

South Africa

Name of the biodiversity-sensitive area

Steiltes Nature Reserve

Proximity

Up to 10 km

Briefly describe your organization's activities in the reporting year located in or near to the selected area

SPAR's Lowveld distribution centre used for product storage and distribution is located 8.3km from the biodiversity sensitive area using GPS coordinates of the site to calculate the proximity distance.

Indicate whether any of your organization's activities located in or near to the selected area could negatively affect biodiversity

Not assessed

Mitigation measures implemented within the selected area

<Not Applicable>

Explain how your organization's activities located in or near to the selected area could negatively affect biodiversity, how this was assessed, and describe any mitigation measures implemented

<Not Applicable>

Classification of biodiversity -sensitive area

Other biodiversity sensitive area, please specify (National Park)

Country/area

South Africa

Name of the biodiversity-sensitive area

Table Mountain National Park

Proximity

Up to 25 km

Briefly describe your organization's activities in the reporting year located in or near to the selected area

SPAR's Western Cape distribution centre used for product storage and distribution is located 18.5km from the biodiversity sensitive area using GPS coordinates of the site to calculate the proximity distance.

Indicate whether any of your organization's activities located in or near to the selected area could negatively affect biodiversity

Please select

Mitigation measures implemented within the selected area

<Not Applicable>

Explain how your organization's activities located in or near to the selected area could negatively affect biodiversity, how this was assessed, and describe any mitigation measures implemented

<Not Applicable>

Classification of biodiversity -sensitive area

Other biodiversity sensitive area, please specify (Nature Reserve)

Country/area

South Africa

Name of the biodiversity-sensitive area

Wolfgat Nature Reserve

Proximity

Up to 25 km

Briefly describe your organization's activities in the reporting year located in or near to the selected area

SPAR's Western Cape distribution centre used for product storage and distribution is located 8.3km from the biodiversity sensitive area using GPS coordinates of the site to calculate the proximity distance.

Indicate whether any of your organization's activities located in or near to the selected area could negatively affect biodiversity

Not assessed

Mitigation measures implemented within the selected area

<Not Applicable>

Explain how your organization's activities located in or near to the selected area could negatively affect biodiversity, how this was assessed, and describe any mitigation measures implemented

<Not Applicable>

C15.5

(C15.5) What actions has your organization taken in the reporting year to progress your biodiversity-related commitments?

	Have you taken any actions in the reporting period to progress your biodiversity-related commitments?	Type of action taken to progress biodiversity- related commitments
Row 1	Yes, we are taking actions to progress our biodiversity-related commitments	Land/water protection Land/water management Species management Education & awareness Law & policy Livelihood, economic & other incentives

C15.6

(C15.6) Does your organization use biodiversity indicators to monitor performance across its activities?

	Does your organization use indicators to monitor biodiversity performance?	Indicators used to monitor biodiversity performance
Row 1	No, we do not use indicators, but plan to within the next two years	Please select

C15.7

(C15.7) Have you published information about your organization's response to biodiversity-related issues for this reporting year in places other than in your CDP response? If so, please attach the publication(s).

Report type	Content elements	Attach the document and indicate where in the document the relevant biodiversity information is located
In voluntary sustainability report or other voluntary communications	Content of biodiversity-related policies or commitments Impacts on biodiversity Risks and opportunities Biodiversity strategy	Section entitled Spar and the Environment from page 8. Section entitled Appendices from page 74. SPAR Environmental_and_Social_Report_2022.pdf

C16. Signoff

C-FI

(C-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.

C16.1

(C16.1) Provide details for the person that has signed off (approved) your CDP climate change response.

	Job title	Corresponding job category
Row 1	Chief ESG Officer	Other C-Suite Officer

SC. Supply chain module

SC0.0

(SC0.0) If you would like to do so, please provide a separate introduction to this module.

SC0.1

(SC0.1) What is your company's annual revenue for the stated reporting period?

	Annual Revenue
Row 1	86289100000

SC1.1

(SC1.1) Allocate your emissions to your customers listed below according to the goods or services you have sold them in this reporting period.

Requesting member

Please select

Scope of emissions

Please select

Scope 2 accounting method

<Not Applicable>

Scope 3 category(ies)

<Not Applicable>

Allocation level

Please select

Allocation level detail

<Not Applicable>

Emissions in metric tonnes of CO2e

Uncertainty (±%)

Major sources of emissions

Verified

Please select

Allocation method

Please select

Market value or quantity of goods/services supplied to the requesting member

Unit for market value or quantity of goods/services supplied

Please select

Please explain how you have identified the GHG source, including major limitations to this process and assumptions made

SC1.2

(SC1.2) Where published information has been used in completing SC1.1, please provide a reference(s).

SC1.3

(SC1.3) What are the challenges in allocating emissions to different customers, and what would help you to overcome these challenges?

Allocation challenges	Please explain what would help you overcome these challenges
Diversity of product lines makes accurately accounting for each product/product line cost ineffective	A simplified reporting guidance, template and expectations of requesting customer.

SC1.4

(SC1.4) Do you plan to develop your capabilities to allocate emissions to your customers in the future?

Yes

SC1.4a

(SC1.4a) Describe how you plan to develop your capabilities.

To become a climate resilient business, SPAR has made a commitment to become a net-zero organisation by 2050 and plan to set verified science-based targets in the next two years. Part of this process will be the development of a complete and robust GHG inventory.

SC2.1

(SC2.1) Please propose any mutually beneficial climate-related projects you could collaborate on with specific CDP Supply Chain members.

SC2.2

(SC2.2) Have requests or initiatives by CDP Supply Chain members prompted your organization to take organizational-level emissions reduction initiatives?

No

SC4.1

(SC4.1) Are you providing product level data for your organization's goods or services?

No, I am not providing data

Submit your response

In which language are you submitting your response?

English

Please confirm how your response should be handled by CDP

Please select your submission options	I understand that my response will be shared with all requesting stakeholders	Response permission
	Yes	Public

Please confirm below

I have read and accept the applicable Terms