



THE SPAR GROUP LTD

CODE OF ETHICS

'The SPAR Way – the RIGHT Way'



APPLICATION OF THE CODE OF ETHICS

WHAT IS THE SPAR GROUP CODE OF ETHICS?

Our Code of Ethics is the Constitution of the group. It establishes the ethical standards by which we conduct ourselves and perform our roles and responsibilities as employees of the SPAR Group. Its purpose is to help us to aspire to the highest standards of ethical conduct. Our customers, suppliers, shareholders, and all stakeholders, as well as the wider community, expect us to be above reproach in doing what we do. By living the group's values and adhering to the principles set out in this Code, we will ensure the long-term sustainability of our business.

HOW DO I USE THE SPAR GROUP CODE OF ETHICS?

It is your responsibility to familiarise yourself with our core values and the behaviours expected of you. When you face a difficult ethical issue, you should use our Code as a reference point to resolve the matter. If you are still unclear about what to do, you should ask your manager for guidance and advice.

The Code does not function in isolation. It is designed to be consistent with, but not replace, relevant legislation, regulations, policies and procedures. It is not the intention of the Code to provide detailed information about our policies and procedures. Therefore, where appropriate, the Code will refer you to the relevant policy for more detail.

WHO MUST FOLLOW THE CODE?

The SPAR Group Limited Code of Ethics applies to our directors and all permanent and temporary employees. We also expect that our retailers, suppliers, contractors, consultants, and other external stakeholders will comply with the values and principles in our Code, thereby assisting us in conducting our business in the SPAR Way – which is the RIGHT Way.

SPAR will adopt specific codes applicable to each of the following stakeholders:

- a) **Suppliers**
- b) **Retailers**

WHAT IS EXPECTED OF OUR MANAGERS?

Managers should always model appropriate behaviour. As a manager, you should ensure that the people you supervise understand their responsibilities under this Code and encourage them to do right. Furthermore, you should create opportunities to discuss the Code and its importance; create an environment where employees feel comfortable raising concerns without fear of victimisation; and hold those who transgress the values and principles of the Code, accountable.

WHAT HAPPENS WHEN THE PRINCIPLES OF THE CODE ARE BREACHED?

We are serious about our values and ethical business principles. Therefore, we will act against anyone who does not comply with the spirit and letter of our Code. Transgression of the Code and any underlying policies that support this Code adopted by SPAR's governing bodies and published on the internal intranet from time to time, will result in disciplinary action and even dismissal where appropriate. All policies can be accessed through the link: <https://sparza.sharepoint.com/sites/GroupGovernance/GroupPolicies/>

If our service providers, contractors or any party that is paid by us do not uphold our values and principles contained in our Code, we will carefully consider whether a relationship with this party can be maintained.

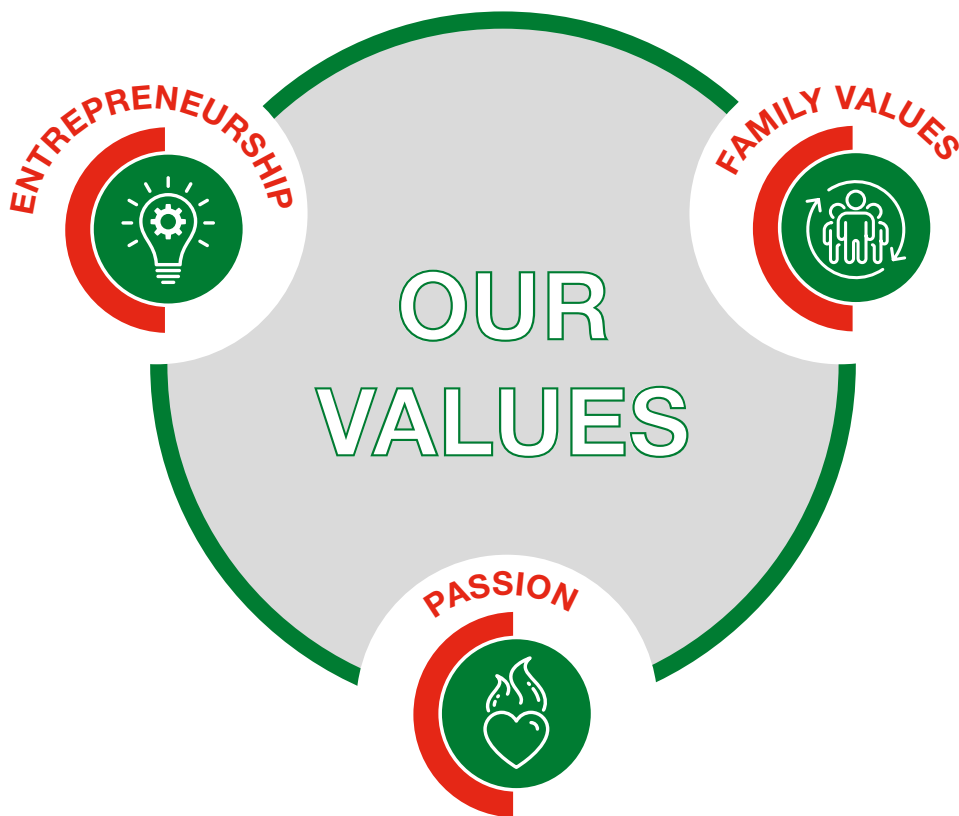
THE RIGHT WAY THROUGH OUR VALUES

OUR VISION AND VALUES

Our vision is to be the first-choice brand in the communities we serve. Our vision provides us with purpose and direction to inspire people to do and be more.

We all contribute to the long-term sustainability of the SPAR Group by consistently applying our core values and ethical principles. This is what makes us the first-choice brand in our communities. Our values guide our actions and decisions while we pursue our vision.

Our values are:



The principles underpinning our three core values provide us with detail about how our values apply in the workplace. When living our values, we should adhere to the minimum behavioural requirements laid down in these principles.

OUR VALUES AND PRINCIPLES IN ACTION

ENTREPRENEURSHIP

We have an owner's mindset in everything we do; because we know that it will result in rewards for us. We are confident, curious, and willing to take calculated risks to obtain value for our business.

Having an entrepreneurial spirit means that we embrace the following principles:

Being creative and innovative

We believe that ideas can be transformed into practical reality that we can activate in the marketplace to produce new profits and growth for our company. Through innovation we can create, develop, and implement new products, processes and services to improve efficiency, effectiveness and competitive advantage.

Anticipating and embracing change

We engage positively with change by anticipating it wherever possible. We take personal responsibility for making appropriate changes in our work environments and for supporting and coaching colleagues through change.

Being accountable and responsible for our actions and decisions

We take personal responsibility and ownership for all our actions and decisions. We solve problems the best we can, ask for help where necessary, and when we make mistakes, we do not pass the blame to others.

Building a result-oriented culture

We are committed to what we do. Therefore, we are proactive in addressing challenges creatively and with confidence. We set stretched goals for ourselves and encourage our colleagues to suggest creative and innovative alternatives to problems or challenges.

FAMILY VALUES

We believe that our family values are the glue that keeps the SPAR Group family together; because we know that these values are the principles upon which our company are founded. They provide us with a sense of meaning, guide us and determine how we interact with each other and the communities that we serve.

Embracing our family values means that we live and work according to the following principles:

Upholding integrity

Conducting our business with integrity requires that we commit ourselves to the highest ethical standards in our behaviour. Integrity goes beyond complying with the law and policies, to having strong moral principles. Strong moral principles demand that we are firstly true to ourselves and totally honest and consistent in our dealings with our colleagues, business partners, customers and the company.

Treating everyone respectfully

We ensure that everyone dealing with us has a dignified experience. Respect means that we treat everyone we meet the same way we would like to be treated. We know that respect is earned, and those of us who are privileged to be in positions of leadership will strive to earn respect through service, rather than through authority and arrogance.

Recognising the basic human dignity of others

We uphold basic human rights, including those set out in the South African Constitution, and only engage with suppliers and business partners whose practices are respectful of human rights. We ensure that our working environment is safe and healthy and that all forms of harassment are prevented.

Protecting the SPAR Group's reputation

We are proud of ourselves and our company; therefore, we have a responsibility to protect the SPAR Group's reputation and use every available opportunity to enhance it. We know that we always stand as representatives of the company, even when we are not at work.

Maintaining and sharing accurate information

We keep accurate and accessible financial statements and other documents and submit them promptly. We do not allow any false or misleading entries, or undisclosed or unrecorded funds or assets.

Statements to the media that are linked to the business, financial performance or corporate affairs of the company may only be made by the Chairman, Chief Executive Officer (CEO) or Group Financial Director or their authorised representative.

Engaging in free and fair competition

We support free and fair competition by not being involved in price-fixing or other anti-competitive activities. We deal with all issues relating to competitors in an honest and professional manner. We apply the SPAR Group's policies consistently, uphold just labour practices and maintain freedom of association and collective bargaining.

Being a responsible corporate citizen

We know that we are part of a larger society. Therefore, we have a responsibility to demonstrate care and diligence to society by upholding all laws, applicable rules and standards, and only pursuing business practices that are economically, socially, and environmentally sustainable. We make a positive difference by paying our taxes, being prudent in our use of natural resources and contributing to the upliftment of society.

We adopt a neutral stance on political support and therefore, no payments or use of company time or resources may be made in favour of any one political party.

Combatting unethical and criminal activities

We stand against all forms of unethical and criminal activities. Such activities contradict our values and principles, and we will take immediate action against any person involved in these behaviours. All of us have an obligation to seek advice or report unethical or criminal activities – even if we just have a reasonable suspicion.

We are not allowed to make secret profits, accept bribes or any other corrupt benefits from, or offered to, any person with whom the company does business, and we immediately report any attempts of such nature to our immediate supervisor, in terms of our **Anti-Bribery and Corruption Policy**. Suppliers are informed of any actual attempted bribes by their personnel, and any supplier that bribes or attempts to bribe a SPAR employee may be de-listed. Any other unethical behaviour by a supplier will be dealt with in a similar manner.

In terms of our **Fraud Prevention Policy**, we are required to report any activities we identify relating to unethical behaviour, fraud, theft, corruption, bribery or any associated irregularity relating to the company.

Avoiding conflicts of interest

We avoid actual and potential conflicts of interest involving ourselves, close relatives or associates. A conflict of interest exists when our personal or professional interests or activities affect our ability to make clear and objective decisions in the best interest of the company. We follow our **Conflicts of Interest Policy** by disclosing our personal interests and recusing ourselves from situations where our personal interests could influence our decisions.

Accepting gifts responsibly

We acknowledge that receiving a gift makes each of us feel good. But we know that accepting gifts can create the impression that we might participate in improper business dealings. We never accept cash as a gift, and we follow our **Gifts Policy** on prohibition or limits above which we should declare the acceptance of non-cash gifts and entertainment.

Uplifting our communities and protecting the environment

We are fully cognisant of the fact that the business relies on the goodwill of the communities in which the business operates. SPAR undertakes to ensure that its activities benefit these communities, promote public health and protect the environment. In particular, attention will be given to selected investments in the previously disadvantaged areas of the community.

PASSION

We are passionate in everything we do; because we know that the long-term success of our company depends on seeking mutually beneficial relationships with our customers and the communities that we serve.

Being passionate means that we embrace the following principles:

Putting our customers at heart

We go out of our way to ensure that we have quality products and solutions that meet our customers' needs. When we do not have a product in store, we suggest an alternative product of the same quality.

Treating our customers fairly

Our customers come first. Therefore, we listen to them, advise them when appropriate and communicate clearly. In doing so, we make sure that they have a rewarding experience. We treat all customers fairly, regardless of gender, race, religion, sexual orientation, culture, etc. When dealing with customers, we conduct ourselves with integrity and professionalism.

Fair procurement practices

We select suppliers based on best value for the goods and services required in accordance with our **Procurement Policy** and in terms of the overall strategic objectives of the group, with conflicts of interest managed and disclosed in accordance with our **Conflict of Interest Policy**. Contracts awarded to related parties are subjected to frequent and rigorous review.

Business dealings with suppliers and customers are always conducted in an atmosphere of trust and mutual respect and in keeping with irreproachable business standards and professional ethics.

Growing our people

We encourage our people to develop to their fullest potential by not only providing the opportunity for everyone to work at a level consistent with their current capability, skills, and interests, but also the opportunity for everyone to progress within opportunities available in the company.

Rewarding our people

We value our people and their contribution to the sustainability and success of our business. Therefore, we recognise good work, give credit where credit is due, and reward exceptional performance.

Striving to do it right first time, every time

Because we believe that the SPAR Way is the RIGHT Way, we accept our responsibility to do right, every time. We follow through on our actions, decisions and promises because a breach of trust harms our reputation for trustworthiness. It harms us all.

Providing a working environment free of harassment and intimidation

We create a work environment that is free of harassment and intimidation. We achieve this by being respectful and courteous towards our colleagues, customers and business partners, and by not participating in behaviour that may be perceived to intimidate or harass others.

Being truthful in our communications

We always tell the truth, even when it is uncomfortable to do so. Because we work as a team, we share relevant information with our stakeholders in a timely fashion.

Using company assets responsibly

We avoid using company property, assets, or equipment in an improper manner and for purposes other than conducting company business, and we abide by company policies set out in the **HR Policy Manual** and **Information System User Policy Pack**. Because we are responsible individuals, we treat assets, such as vehicles, tools, or equipment, with care and respect. No company property, assets, or equipment shall be used for personal business without the prior approval of the relevant executive/director, who may decide that the employee must pay for the asset used.

Protecting the confidentiality of information

Everyone is responsible for protecting the confidentiality of proprietary and employees' personal information as laid down by the **HR Policy Manual**, **Data Classification & Retention Policy**, and **Privacy Policy**. Making this information known to unauthorised persons or competitors is not allowed under any circumstances.

Employees and business partners are also expected to not use information which is not yet available to the public for their own gain, and to observe the company's **Price Sensitive Information Policy**, as well as the country's laws and regulations on insider trading.

ETHICS

SUPPORT MECHANISMS

There will be times when you may be uncertain whether a decision or action you are required to carry out is consistent with the letter and spirit of The SPAR Group Ltd Code of Ethics, and other supportive policies and laws.

There will be other times when you suspect or believe that you have observed criminal or other unethical behaviour. In such situations, The SPAR Group Ltd provides safe and reliable support mechanisms for you to work through and resolve the issue.

SEEKING ADVICE

When you are uncertain about what to do in a particular situation, you can speak freely to your supervisor, line manager, or another manager. You may also approach the Company Secretary. Your concerns and questions will be treated in the strictest confidence.

Whenever you make a decision, ask yourself the four questions contained in the PLUS model. If you can answer yes to all four questions, your decision is probably ethical and compliant with the core values, principles and guidelines contained in this Code. If you cannot answer yes to all four questions, there may be an ethical issue related to your course of action. It would then be best for you to seek guidance.

Questions

1

P POLICY AND PROCEDURES

Do the principles and conduct provisions in *The SPAR Group Ltd Code of Ethics* and other policies or procedures applicable to the situation permit the behaviour that I am considering?

2

L LAWS AND REGULATIONS

Do national laws and regulations permit the behaviour that I am considering?

3

U UNIVERSAL VALUES

Do universal values, namely integrity, honesty, fairness and respect, permit me to do it?

4

S SELF

Do my personal values – my own sense of ethics – permit me to do it?

SPEAKING OUT AND REPORTING UNETHICAL BEHAVIOUR

The SPAR Group Ltd Reporting Process allows for you and other appropriate stakeholders to report observed instances of criminal and other unethical conduct. All managers, Human Resource Practitioners, and the Company Secretary are required to deal with reports of unethical conduct in the strictest confidence.

If you are uncomfortable with your report remaining confidential, and you would prefer to anonymously report observed incidences of unethical conduct, you are encouraged to report the issue to The SPAR Group Ltd Whistleblowing Hotline. The Hotline is available 24 hours a day, every day of the year, and you can speak in your mother language.

The Hotline is administered by an external service provider, and anonymity is guaranteed. Reports are sent to Divisional Human Resources Executives, Divisional Managing Directors, the Company Secretary and Group Internal Auditor, who will ensure that the reports, made in good faith, are investigated. Remember that malicious reporting is a criminal offence and punishable by two years' imprisonment, a fine, or both (see the Protected Disclosures Act as Amended, Act 5 of 2017).

Reporting a concern anonymously

Anonymity means that you do not have to give your name. Nobody will know your identity unless you choose to tell someone.

You will be assigned a reference number if you want to make a follow-up call or check on the progress of your report.

If you call the Whistleblowing Hotline you may always remain anonymous, but it is your responsibility not to disclose your identity to anyone else.

Please refer to the Whistleblowing Policy.

Contact details for the Ethics Hotline are:

Toll free (RSA): 0800 864 616

Web: www.tip-offs.com

Email: spar@tip-offs.com

THE SPAR GROUP LTD REPORTING PROCESS

We encourage you to report observed cases of misconduct as close to the source as possible by going through the following steps:

Steps



COMMITMENT TO ZERO TOLERANCE TO RETALIATION

We prohibit any form of punishment, disciplinary or retaliatory action being taken against anyone for raising or helping to address a genuine business conduct concern. Retaliation is grounds for disciplinary action, including dismissal.

If you feel you or someone you know has been retaliated against, you should raise a concern immediately in line with the reporting process above.

ENFORCEMENT OF THE SPAR GROUP CODE OF ETHICS

Personal adherence to this Code is the responsibility of every member of staff. It is the responsibility of management to ensure that adequate systems are established to ensure that compliance with the Code is monitored, violations are processed, and that poor ethical standards do not become practices through default.

It is the responsibility of management to communicate this Code and ensure that it is understood and accepted by all staff.

Where the Code is breached or violated, normal disciplinary measures and criminal prosecution will be applied where appropriate.

Please consult your manager if any of the above is not fully understood.



APPENDIX

MANDATORY ETHICS DECLARATION TO BE UNDERTAKEN UPON APPOINTMENT AND ANNUALLY

I declare that:

- I have read, understood and will comply with the SPAR Code of Ethics and all the policies mentioned in the Code, that are accessible either from my Division’s Human Resource function or the SPAR intranet through the link: <https://sparza.sharepoint.com/sites/GroupGovernance/GroupPolicies/>
- I have familiarised myself with our core values and the behaviours expected of me.
- I take note of the internal and anonymous reporting channels available to report incidences of unethical conduct.
- I understand that I must avoid unethical behaviour and any personal activities and/or financial interests that conflict with my commitment to my job.

Name:											
Signature:											
Employee number:											
Date:	2	0			-			-			

EMPLOYEE’S OBLIGATION TO DISCLOSE

SPAR’s Conflict of Interest Policy and Code of Ethics have clearly communicated guidelines regarding disclosure to ensure that employees have every opportunity to avoid conflict of interest and report unethical conduct. Each employee is obligated to disclose their interest through a Declaration Form, and to report unethical conduct via any of the following channels:

- To the independently operated and anonymous Tip-Off Anonymous hotline
- To a Line Manager, other SPAR Senior Manager or Executive, or Divisional HR Executive
- To the Company Secretary, Kevin O’Brien on +27 31 719 1811 or ethics@spar.co.za

SPAR’s Conflict of Interest Policy requires you to complete the attached Declaration of Interests Form upon taking on appointment with SPAR as well as annually or at any other time when there is an interest to declare. Declarations are to be submitted to the Ethics Office at ethics@spar.co.za, or if you do not have access to email, hand in your declaration to your Line Manager or Divisional HR function.

Furthermore, your attention is drawn to your obligation to obtain **written approval** from your Line Manager prior to entering certain relationships or transactions that could potentially give rise to a conflict of interest as contained in SPAR’s Conflict of Interest Policy.

1. Details of directorships, shareholding and entities that the employee exercises control over

Name of company	Nature of business	Reg. No.	Registered address	Date of appointment	No. or % shares held	Nature of interest (direct/indirect)	Status (director/shareholder/both)	Nature of changes and dates thereof

Please initial

2. Details of interest (pecuniary or non-pecuniary) held with SPAR, by the employee or any entity which the employee is a director or shareholder, or controls (directly or indirectly)

Name of contracted/interested entity/individual	Nature of business	Reg. No.	Registered address	Date of transaction/interest	Name of SPAR entity/division involving the transaction/interest	Nature & salient terms of transaction/interest

Please initial

3. Details of interest (pecuniary or non-pecuniary) held by related parties in SPAR or any SPAR competitor, service provider or customer/retailer (directly or indirectly)

Name of related party	ID. No./reg. No.	Physical address	Details of relationship with related party	Full details of interest/transaction in SPAR or its competitors, service provider, or customer/retailer

Please initial

4. Special relationship that the employee holds with a SPAR employee or service provider or customer/retailer or competitor (including any employment, directorship, membership, consultancy, retainer, agency, or sponsorship arrangements involving these stakeholders)

Name of party and nature of relationship with employee (e.g. partner, friend, sibling, child etc.)	Date of commencement of relationship	Nature of the party's relationship with SPAR (e.g. SPAR employee, service provider, customer/retailer, or competitor)	Full details of transactions between SPAR and party having the relationship with the employee

Please initial

5. Remunerated work outside the employee's engagement with SPAR

Are the services rendered in your personal capacity or via an entity? (y/n) (if via an entity, provide name, reg. no. and nature of business)	Nature of services rendered	Date of commencement of services	Are the services rendered to a SPAR competitor, employee, supplier, or customer/retailer? (y/n)	Time spent rendering services (including whether it is during working hours)	Do you utilise any of SPAR's facilities or equipment or stationery to render the services?

Please initial

6. Any conflict of interests to declared not covered under the sections above

Name of parties	Nature of interest	Full details of interest/transaction	Date of transaction

Please initial

Signature:

Date: 2 0 - -

Explanatory Notes:

1. Reference to 'SPAR' or 'the Company' includes The SPAR Group Limited and all of its subsidiaries.
2. Entity shall include Close Corporations, Sole Proprietorships, Trusts, Estates and Partnerships.
3. Designation and Nature of Interest to be disclosed, e.g. Directors, Shareholder, Member, Partner, Trustee, etc.
4. Extent of interest to be disclosed, e.g. percentage shareholding in Entity, or Membership, Proportion, Partnership percentage etc.
5. If your interest is indirect, please include through whom the interest is acquired or held, for example, business partner, close family members. Indirect pecuniary interests arise from connections with bodies that have a direct pecuniary interest or from being a business partner of, or being employed by, a person with such an interest.
6. 'Related party' includes any member of family, friends, or other beneficiaries who may have interests that conflict with those of SPAR.
7. A pecuniary interest is a direct financial interest received in person or by association. Non-pecuniary interests are all other interests held, not specifically relating to money, but which may be perceived (by a reasonable member of the public) to influence an employee's judgement in the exercise of his/her duties at the company.
8. Non-pecuniary interests include those arising from memberships of clubs and other organisations.
9. Interests that should be regarded as relevant include, but are not limited to:
 - 9.1 Acting as an employee, director, agent or consultant to any entity that is a competitor, customer/retailer or service provider of SPAR while an employee of SPAR;
 - 9.2 Financial or other interest in any business with which the company currently does business or competes;
 - 9.3 Acquiring any property, leaseholds, patents or other property, services or rights in which the company has an interest or is likely to have an interest;
 - 9.4 Influencing or directing the company's business to a related party as defined above; or
 - 9.5 Accepting or offering any loans, guarantees of any obligations, or payments to/from a customer/retailer or service provider of the company in exchange for preferential business treatment.

Please note that this list is not exhaustive, and members of staff should declare an interest if they are in any doubt as to whether it should be recorded.