The SPAR Group Limited
CODE OF ETHICS
The SPAR way of doing business
SPAR believes that ethical business dealings and total honesty, in all spheres of its operations, are essential to the long-term sustainable success of its business. For SPAR to continue to realise its vision of overall value creation, growth and providing expert leadership and support to retailers to enable them to run sustainable, profitable and professional businesses, our stakeholders, especially our employees, retailers, business partners and suppliers, need to aspire to the highest standards of ethical conduct.

SPAR commits to the highest standards of ethical conduct and promotes its values of PASSION, FAMILY VALUES and ENTREPRENEURSHIP. These values underpin all SPAR does.

If you observe colleagues or individuals with whom we do business transgressing the Code of Ethics, you should report such incidents, and I encourage you to be bold in this regard. I and my colleagues on the executive, are fully committed to the Code of Ethics and ask each of you to do the same, for the good of our business and all who benefit from it.

GO O'Connor  
Chief Executive Officer
The Values of SPAR

What are we going to do today that will make SPAR the first choice brand?
Entrepreneurship

Definition
• Creativity and innovation
• Problem solving, taking ownership and responsibility for outcomes
• Visionary leadership and the ability to take calculated risks
• Long term focus versus short term gain

Behaviours that demonstrate this
• Appropriate decentralised decision making
• Courage
• Adaptable to change and demonstrates flexibility
• Innovative
• Rule bender and challenger
• Resilience
• Involving people in idea generation and problem solving

How to measure it
• Group and divisional performance versus objectives
• Introduction of innovation and continuous improvement into own job/department (new ideas)
• Staff retention
• Ability to change and adapt to the changing environment
Family Values

**Definition**
- Creating a sense of belonging to the SPAR family, particularly with our people and our retailers
- Supporting and embracing every person’s contribution
- Personalising work and business relationships
- Working together for the greater good of the company - putting one’s own agenda aside and demonstrating true teamwork, removing silos

**Behaviours that demonstrate this**
- Empathy where appropriate
- Understanding and embracing diversity
- Listening with purpose and interest; genuine consultation
- Investing time in developing people
- Tolerance for self expression
- Participation and teamwork
- Communication
- Networking
- Speak up and speak out with respect
- Act with integrity
- Treating others like you want to be treated

**How to measure them**
- Productivity, teamwork and empowerment of teams
- Quality of conversations = free and honest
- Achieving goals
- Employee climate/culture surveys
- Supplier ratings
- Retailer surveys
Passion

Definition
• Unrelenting commitment to our consumers and retailers, suppliers, brand, job and teammates
• Displaying authentic positive energy and attitude
• Enthusiasm
• Wanting to do what you currently do and enjoying it in the process

Behaviours that demonstrate this
• Going the extra mile
• Taking accountability
• Walking the talk - "say what you mean and mean what you say"
• Own your opinion
• Being professional
• Owning up to mistakes
• Giving credit where it is due

How to measure it
• Think Retail Survey
• Achievements
• Rating each other (individual and team ratings = 360 degree type measures)
• Staff retention
• What outsiders say about SPAR people
• Wear our uniforms with pride
• Support for company activities
• Absenteeism
The SPAR way of doing business
1. Background

The SPAR Group Limited adheres to a decentralised business model in which very high levels of autonomy are granted to operating divisions and thereby to the people who work in them. This model can only be successful if all staff members understand the ethos and policies of the Group, and work within them.

The Company subscribes to the principles contained in the King report on Corporate Governance.

The SPAR Group Limited believes that ethical business dealings and total honesty in all spheres of its operations are essential to the long-term sustainable success of its business.

2. What are Ethics?

Ethics in SPAR is simply ‘the way we do things here’ and is defined as: ‘doing the right thing in the best long-term interest of all stakeholders, even when no one is watching.’

3. Application

The code applies to all employees and directors of the Company (‘Staff’).

It is impossible to attempt to address every instance of expected ethical behaviour, or of every instance of unethical behaviour. Reasonable people know when their behaviour is questionable, and the golden rule must be – if there is any shadow of doubt over the ethics of a situation – the employee must seek guidance and authority from the relevant executive/director.

4. Adherence to Company Policy

Staff at all levels are required to comply with all the various Company Policies and Procedures until such time as they may be changed.

5. Reporting and Transparency

Reporting at all levels of the Company must be accurate, honest and made in good faith. In particular, this applies to financial reporting and any other reporting impacting on the investing public.

Information reasonably requested by the Auditors must be provided to them.

Competitors are not legitimate seekers of Company information. Staff may not divulge confidential information to competitors, customers or suppliers, or in any way make improper use of such information, which could lead to insider trading.
6. Work Ethic

It is expected that all staff will carry out their duties to the best of their ability and in accordance with their job requirements in the best interests of all the stakeholders and our fellow employees. This includes striving for continuous improvement, world class efficiencies, cost effectiveness and sustainable return on investment.

7. Conditions of Service

In return for services indicated above, the Company's objective is to ensure that staff are adequately remunerated and that appropriate conditions of service are applied. In addition, the Group is committed to complying with all the relevant legislation, and providing a safe and healthy working environment for all staff. The Company is also committed to developing its people to their full potential, and creating relationships which are mutually courteous and supportive of individual dignity.
8. Conflict of Interest

Directors and Senior Management have a common law duty to avoid any conflict of interest and to act in the best interest of the Company at all times, and Directors further have a statutory duty of disclosure as laid down in the Companies Act.

Conflicts of interest may arise where an individual’s personal or family interests and/or loyalties conflict with those of the Company.

The basic duty to avoid any conflict of interest gives rise to a number of particular duties, which include the following:

- The duty to act bona fide (i.e. in good faith) in the interests of the Company;
- The duty to disclose interests in contracts with the Company;
- As a general rule, directors will be obliged to provide the Company Secretary with a Declaration of Interest form that will be circulated by the Company Secretary’s office, listing the nature and extent of interests, as well as those types of interests that could possibly be relevant, such as other directorships, direct and indirect shareholding in other companies, membership of specific entities and family connections. This form will be circulated at each and every Board meeting and be signed off by each director;
- In addition to the general Declaration of Interest form, should the Company be entering into a contract, which is of significance in relation to the business, with a third party in which a director has a material interest, whether directly or indirectly, such an interest has to be disclosed verbally or in writing at or before the meeting of directors at which the question of confirming or entering into the contract is first taken into consideration;
- Any interested director shall not be allowed to vote in respect of the relevant contract. In addition to the above, an interested director will recuse himself from the meeting for the duration of the discussion on the relevant contract, unless otherwise directed by the Board;
- All of the above principles and guidelines apply to all Executive Management (E Band) within the Company. A Declaration of Interest procedure is in place whereby senior employees at operational level are obliged to disclose their respective interests to their Divisional Managing Director/Functional Head. The Divisional Managing Director in turn tables these disclosures and his personal disclosure on a quarterly basis at the Executive Committee meeting. A Declaration of Interest report from the Executive Management Committee meetings is filed on a quarterly basis with the Company Secretary.

No member of staff may employ a member of his/her immediate family or anyone in a close relationship that could affect the staff members’ objectivity in any capacity over which the staff member has jurisdiction. The employment in any capacity of any member of the immediate family of a current member of staff must be authorised by the appropriate executive/director.
9. Dealing in SPAR Shares

The above applies equally to any activity which could be described as insider trading. In this regard the laid down procedure for dealing in SPAR shares as well as any rules of The Johannesburg Stock Exchange, must be adhered to.

10. Media Statements

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.
11. Bribery, Corruption and Unethical Behaviour

No secret profits, bribes or any other corrupt benefits shall be accepted from or offered to any person with whom the Company does business.

In the event of any person or Company offering a bribe to a staff member, the staff member shall immediately report such bribe attempt to his immediate superior.

In this regard, suppliers will be 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 to the above.

12. Cash Payments, Gifts and Entertainment Supplied to Staff

SPAR recognises that in executing its business, employees may receive or give gifts as a means of gratitude or cultural diplomacy. It is the objective of SPAR to engage in business based on the principles of quality, service excellence, pricing and technical ability, and to avoid any impropriety in the acceptance and giving of gifts.

In doing so, SPAR will be able to:

- Allow employees, where appropriate, to accept, receive, and give gifts, provided that these gifts do not interfere with or have the potential to interfere with their responsibilities to SPAR, improperly influence the judgments expected of them when acting on behalf of SPAR or amount to corruption in any way.
- Protect employees from misplaced charges of conflict of interest or corruption by providing a mechanism for the acceptance, receipt, and giving of gifts by employees.
- Avoid any unjustified perception of bias or self-interest by employees acting in situations where SPAR has approved the acceptance, receipt, and giving of gifts by employees.

In accordance with an employee’s obligation to act in the best interest of his or her employer, all employees are prohibited from soliciting, accepting or receiving, or from agreeing to solicit, accept or receive, any gifts directly or indirectly, other than in terms of the procedures prescribed in this policy.

The acceptance or receipt of cash (bank notes or equivalent) is specifically prohibited.

If an employee is in any doubt as to whether the giving or receiving of a gift would be in contravention of SPAR’S policy, he/she should –

- adopt a cautious approach and refer the issue to SPAR’S Executive Committee;
- not accept or receive the gift without first obtaining approval from the Executive Committee;
- explain to the person proposing the gift the sensitivity of the matter in light of the SPAR policy and endeavour to ensure that the issue is dealt with tactfully and politely.
13. Procedure for the Acceptance and Receipt of Gifts

Gifts involving a monetary value of more than R500.00 may be received or accepted by an employee whilst acting in his or her capacity as an employee of SPAR, from suppliers or third parties.

Gifts involving overseas travel need to be authorised by the CEO or the Chairman of the Board.

When receiving or accepting such gifts, the following conditions apply:

- The employee must record the acceptance or receipt of any gift as soon as practically possible, but within 7 days, in a Gift Register established by management.
- Disclosure in a Gift Register must take place in accordance with the prescribed form set out in Annexure A to this policy.

Procedure for the Giving of Gifts
(Note that SPAR branded gifts are excluded from what is set out below.)

Gifts may only be given by an employee, whilst acting in his or her capacity as an employee of SPAR, to suppliers, clients or third parties, under the following conditions:

- The employee must disclose any gift involving a monetary value of R2 500.00 or more within 7 days in a Gift Register established by management.
- Disclosure in a Gift Register must take place in accordance with the prescribed form set out in Annexure B to this policy.
- Attempts by suppliers, clients or third parties to solicit gifts during the course of their interaction with an employee should be reported immediately to an Executive Committee Member.
- The giving of the gift may not take place in circumstances that amount to a conflict of interest on the part of the employee, as is defined in this policy.
- The giving of the gift may not take place in circumstances that amount to corruption, nor may an employee give a gift where it may amount to the exertion of undue influence in order to obtain business on behalf of SPAR.

14. Gift Registers

- Management must ensure that Gift Registers relating to gifts accepted and received, as well as gifts given, are put in place and maintained, and that all employees are made aware of the existence, and have access to the relevant registers.
- The Gift Registers must make provision for the information disclosed as set out in Annexure A and B to be captured, recorded, stored and retrieved for a minimum period of 3 years.
15. Business Conduct

• Employees of The SPAR Group Limited must select suppliers on the basis of best value for the goods and services required and in terms of the overall strategic objectives of the Group.
• Business dealings with suppliers and customers should always be conducted in an atmosphere of trust and mutual respect and in keeping with irreproachable standards of business and professional ethics.
• Staff must deal with all issues relating to competitors in an honest and professional manner.
• Staff are expected to honour the terms and conditions of any contracts or agreements entered into by the Company.

16. Debt Obligations

Staff shall strive to ensure that all creditor obligations incurred by the Group are met and complied with timeously.

By equal token, staff must strive to ensure that all debtor obligations owed to the Group are timeously and fully recovered.

17. Legislation Compliance

The SPAR Group Limited and its staff must comply with all the legislation and regulations that impact on the business. In addition, and within those practical limits which make good business sense, the Group and its staff must strive to follow the legal guidelines and codes of good practice which flow from such legislation.

18. Use of Company Assets

No Company assets may be used personally by staff without the prior approval of the relevant executive/director, who may decide that the employee must pay for the asset used.

19. Political

The Company has a neutral stance in terms of political support. Therefore no payments or use of Company time, or resources, may be made in favour of any one political party.

20. Communities and Environment

The Group is fully cognisant of the fact that the business relies on the good will of the communities in which the business operates. With this realisation the group will ensure that its activities benefit these communities, promote public health and protect the environment. In particular, attention will be given to selected investment in the previously disadvantaged areas of the community.
21. Reporting of Breaches and Responsibility for Adherence to the Code

Personal adherence to this code is the responsibility of every member of staff. It is required that staff will report any perceived breaches of the code to their management structures.

It is the responsibility of management to ensure that alleged breaches of the code are investigated and dealt with appropriately.

It is the responsibility of management to ensure that adequate systems are established to ensure that the code is monitored, violations processed and that poor ethical standards do not become practices through default. To this end, management has introduced a whistleblowing hotline administered by an external service provider.

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.
THE SPAR GROUP LIMITED
DISCLOSURE FORM FOR ACCEPTANCE OR RECEIPT OF GIFTS

1. Purpose
The purpose of this disclosure form is to provide a record of any gifts above the value of R500.00 (including travel) accepted or received by an employee as stipulated in the SPAR Code of Ethics.

2. Disclosure
Please provide details of any gifts accepted or received, including the name of the supplier, client or third party, the nature of the gift, the estimated value of the gift, the date of acceptance or receipt of the gift, and any other relevant information. Please attach any relevant documents to this disclosure form.

3. Certification
I have read and understood the SPAR Policy on gifts as contained in the SPAR Code of Ethics and have disclosed all material facts and circumstances relating to the receipt and acceptance of the specified gifts (including benefits or gratuities as defined in the policy).

I understand that if I have misrepresented the material nature of any gift accepted or received, that such action could constitute misconduct that may result in disciplinary action being taken against me, which may result in dismissal.

Employee Signature: ________________________ Date: ________________________

Printed Name: ______________________________ Employee No: _______________________

Manager Signature: ________________________ Division: _________________________

Executive Committee Member Signature: ____________________________________________
THE SPAR GROUP LIMITED
DISCLOSURE FORM FOR GIVING OF GIFTS

1. Purpose
The purpose of this disclosure form is to provide a record of any gifts exceeding R2,500.00 in estimated value given by an employee as stipulated in the SPAR Code of Ethics.

2. Disclosure
Please provide details of any such gifts given, including the name of the supplier, client or third party, the nature of the gift, the estimated value of the gift, the date of the giving of the gift, and any other relevant information. Please attach any relevant documents to this disclosure form.

3. Certification
I have read and understood the SPAR Policy on Gifts as contained in the SPAR Code of Ethics and have disclosed all material facts and circumstances relating to the giving of the specified gifts (including benefits or gratuities as defined in the policy).

I understand that if I have misrepresented the material nature of any gift given, that such action could constitute misconduct that may result in disciplinary action being taken against me, which may result in dismissal.

Employee Signature: ___________________________ Date: ___________________________

Printed Name: ___________________________ Employee No: ___________________________

Manager Signature: ___________________________ Division: ___________________________

Executive Committee Member Signature: ___________________________
Tip-offs Anonymous

**Anonymity**
- **Totally Anonymous**: The caller doesn't disclose any personal information to the call centre agent. The Caller can use the unique reference number to follow up on the case or to provide additional information.
- **Partially Anonymous**: The caller discloses his/her details to Deloitte only.
- **Full Disclosure**: The caller discloses his/her details to be included in the report.

**Process**
1. Whistleblower calls into contact centre
2. Contact centre agent provides options of anonymity, prompts questions and provides reference number
3. Report analyst sanitises report to remove any details that might identify the whistleblower
4. Contact centre Manager listens to the call recording and compares it to the report
5. Report is sent to designated person at SPAR
6. Investigation conducted

**Report by**: 0800 864 616 | spar@tip-offs.com | www.tip-offs.com

**Deloitte responsibility**

**SPAR responsibility**

**Not a complaints line (Grievance channels)**

**Independently managed**

**Operates globally**