



Blackheath Distribution Centre

## Social and Ethics Committee Report

Since listing Spear on the AltX of the JSE in November 2016, the group has sought to align its business with the principles outlined in the King III Report on Corporate Governance in South Africa 2009 and re-evaluated key matters to align with the newly-released King IV Report. The group remains guided by the JSE's Socially Responsible Investing Index criteria as well as the requirements relating to social and ethics committees as set out in the Companies Act, no 71 of 2008, as amended.

### Terms of reference

The social and ethics committee shall be responsible to monitor the company's activities, having regard to the relevant legislation, other legal requirements or prevailing codes of best practice, in matters relating to:

- the 10 principles set out in the United Nations Global Compact Principles
- the OECD recommendations regarding corruption
- the Employment Equity Act, 1995, as amended and compliance with the International Labour Organisation's Protocol on decent work and working conditions
- the Broad-based Black Economic Empowerment Act, as amended
- promotion of equality, prevention of unfair discrimination and reduction of corruption
- contribution to development of the communities in which its activities are predominantly conducted
- recording of sponsorship, donations and charitable giving
- the compliance to environment, health and public safety legislation relating to the impact of the company's activities on the environment

- ensuring that leadership demonstrates support and management of ethics throughout the company, as recommended in Principle 1.3 of the King Code and ensuring that ethical standards are embedded in the corporate culture of the organisation
- confirming that structures are in place that will ensure that the board, employees and supply chains are familiar with and adhere to Spear REIT's ethical standards
- ensuring that ethics performance is included in the scope of the audit committee and is reported on in the company's integrated annual report as part of the risk register; and ensuring reporting, through the chairman of the committee, to the shareholders at the company's AGM on any part of the business that concerns the functions of the committee.

### Meetings and projects

The terms of reference of the committee provide for bi-annual meetings.

A key objective of the committee for the current financial period is the implementation of an audit of key ethical issues in the workplace and ethical management practices, which encompasses leadership commitment, ethics strategy and goals, ethical standards, ethical awareness, ethics assessment and reporting and

operational ethics. An industry expert will be engaged to assist the committee in this regard.

### Conclusion

During the period under review, no substantive non-compliance with legislation and regulations, or non-adherence with the codes of best practice, relating to the areas within the mandate of the committee, has been brought to its attention.

The committee recognises that as the group grows its asset base and employee component, the monitoring of compliance with the relevant social, ethical and legal requirements and best practice codes will play an ever-greater part in its long-term sustainability.

Niclas Matseke  
Chair: Social and Ethics Committee

27 June 2017