

# 2024 AGM Roundup 1

**Sasol Limited**

**Clicks Group Limited**

**Coronation Fund Managers Limited**

**SPAR Group Limited**



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## 1. Introduction

Just Share has attended the following four annual general meetings (AGMs) since 19 January 2024, and asked **21** questions at these AGMs relating to inequality (wage/gender pay gaps and income inequality), diversity and transformation, climate change, and related governance issues:

- Sasol Limited, 19 January 2024 (rescheduled date after 17 November 2023 AGM was cancelled)
- Clicks Group Limited, 1 February 2024
- Coronation Fund Managers, 20 February 2024
- SPAR Group Limited, 21 February 2024

Our first AGM roundup of 2024 summarises the key issues addressed at these AGMs; offers insights into how they were conducted in light of the return of in-person attendance (with most companies hosting hybrid AGMs); and highlights commitments made by the companies in response to questions asked by Just Share.

In this roundup:

- *Professor Alexander Watson, board chair at Coronation Fund Managers says that climate risk “does not fall within the board’s purview”.*
- *SPAR Group struggles to justify paying interim CEO Mike Bosman a guaranteed annualised salary 171% higher than that of his predecessor.*
- *SPAR Group commits to paying all head office and distribution centre employees in South Africa a ‘living wage’ of R15 000 per month by 31 December 2025.*
- *Sasol, Clicks, and Coronation fail to disclose their employment equity breakdowns and transformation targets.*
- *Sasol hosts a pre-AGM Q&A session, but only invites institutional shareholders.*
- *Sasol will not commit to pay transparency for the company’s overall South African workforce until this is mandated by law.*

## 2. AGM governance

Sasol and Coronation held electronic-only AGMs, SPAR held a hybrid AGM (i.e., in-person and electronic attendance permitted) and Clicks held an in-person-only AGM.

Of the three to include electronic attendance, all enabled voice integration, which gave shareholders the option to ask their questions either verbally or in written form. Sasol also enabled video integration, a recent upgrade to the LUMI platform,<sup>1</sup> which gave shareholders the additional choice to appear on video to ask their questions.

Nevertheless, even when this technology is enabled there is still a stark difference between electronic-only and in-person AGMs. In the former, it is far harder to engage meaningfully with the board and executives, not least because they are able to cut off the feed from questioners as it suits

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<sup>1</sup> <https://www.lumiglobal.com/virtual>



them, making it impossible to respond to answers immediately after they have been given. The “queuing” system for questions is also generally poorly managed, meaning that there is no flow in the Q&A session, which is reduced to a sterile question plus response exercise.

We will continue to track compliance with the Companies Act, 2008 and to advocate for hybrid AGMs.

### **3. Sasol’s rescheduled AGM**

Sasol’s 17 November 2023 hybrid AGM was cancelled by acting chair Steven Westwell after a protest at the AGM by activist group Extinction Rebellion. The rescheduled, electronic-only meeting took place on Friday 19 January.

The AGM lasted well over three hours and the board and senior management team faced a barrage of questions from shareholders on a range of issues, including: conflicts of interest, treatment of whistleblowers, executive remuneration, climate change, air quality compliance, company debt levels, gender diversity, gender pay gaps, carbon tax lobbying, employee safety/fatalities, capital allocation, audit rotation, the Lake Charles facility, and gas supply and pricing issues.

#### **Pay transparency**

Sasol says in its annual reports that it has analysed its vertical wage gap using the methodology proposed in the Companies Amendment Bill.<sup>2</sup> However, since the pay ratios resulting from this analysis are not disclosed, Just Share queried whether Sasol would commit to voluntarily disclosing these pay ratios, along with the entry-level salaries of its South African workforce.

Mpho Nkeli, chairperson of the remuneration committee (Remco), responded that voluntary disclosure will not assist in allowing meaningful comparisons because companies that are currently disclosing their lowest-paid wages are using different methods to do so. She emphasised that Sasol would not disclose the pay gap until this is mandated by law, but asserted that all Sasol employees are remunerated fairly.

Without disclosures of wage gaps and the remuneration of the lowest-paid employees, stakeholders cannot ascertain whether executive remuneration is fair and responsible within the context of overall employee remuneration, as mandated by the King Report on Corporate Governance (King IV).<sup>3</sup>

#### **Gender diversity**

Sasol has incorporated the achievement of gender diversity targets into its short-term incentive scorecard for executive remuneration. However, these diversity targets are not disclosed in the company’s annual reports. Just Share asked how shareholders can assess the outcomes of short-term incentive awards without being provided with the information on which those incentives are based.

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<sup>2</sup> Based on the Companies Bill [B 27B—2023], a vertical wage gap is “the remuneration gap reflecting the ratio between the total remuneration of the top five per cent highest paid employees and the total remuneration of the bottom five per cent lowest paid employees of the company.”

<sup>3</sup> Principle 14, recommended practice 29: “Arrangements towards ensuring that the remuneration of executive management is fair and responsible in the context of overall employee remuneration in the organisation”.



Remco chair Nkeli said that the company submits its five-year Employment Equity (EE) plan to the Department of Employment and Labour, and that this is a public document. While it is true that the Employment Equity Act states that these reports are public documents, those submitted by Sasol are not publicly available. This lack of transparency hinders shareholders' ability to make informed decisions when exercising their advisory votes on remuneration policies and implementation reports.

### **Sasol's uneven stakeholder engagement approach**

During the AGM, Just Share raised the fact that the company was separating the engagements it has with institutional shareholders and NGOs, even though many NGOs are also shareholders. The week before the January AGM, only institutional shareholders were invited to a Q&A session hosted by the Sasol management team to "address any questions ahead of the AGM". Last year Sasol also split its "climate change roundtable" into two sessions, one for institutional investors and one for NGOs.

Just Share asked the company what common law rule or Companies Act provision it used to make this distinction, given that company law provides that shareholders are categorised in terms of their rights as in the memorandum of incorporation, based on the principle of equality between shareholders, and not their financial interests. Just Share also asked whether the Q&A sessions in these meetings are made available to all shareholders, to prevent Sasol's possible contravention of the market abuse offences in the Financial Markets Act by providing price-sensitive information to some shareholders and not to others.

In response to the question, Vuyo Kahla, executive vice president of strategy, sustainability & integrated services, stated that from the company's point of view there was no prejudice resulting from its separation of shareholders during these engagements. He said that the same information is shared in all meetings. He also indicated that the meetings held prior to the AGM were a result of requests from institutional investors wanting to ask questions about the resolutions to be tabled at the AGM. Sasol is well aware that many stakeholders had raised concerns about Sasol's disclosures, including the "Say on Climate" resolution. In fact, before the reconvened AGM, Sasol had changed the wording of that resolution to accommodate some of those concerns. It failed however, to draw this to the attention of all its shareholders.

Mr Kahla's comments relate to the formal disclosure and presentations made at these engagements. However, the questions asked, and answers given, and the general tone and themes of these discussions, could easily differ depending on Sasol's audience and which of Sasol's representatives are in attendance. Sasol's separation of the different "categories" of shareholders has the result that attendees are unaware whether Sasol is being consistent in the answers and information it provides. It also prevents shareholders from hearing each other's concerns – presumably the main rationale behind the separation. Just Share made the point that the presence of the CEO at the meeting for institutional investors, but not the one held for NGOs, already showed a degree of asymmetry in the company's treatment of different shareholders.



Mr Kahla also failed to answer the second part of Just Share’s question, which was whether the information provided in the Q&A sessions of these meetings were available to all shareholders, and if so where this is accessible.

### Clarity on Sasol’s inclusion in the Dow Jones Sustainability Index

In the company’s Sustainability Report, it stated that it had “an ambition” to be included in the Dow Jones Sustainability Index. However, elsewhere, the report stated that the company was already included in the Index. For clarity, Just Share asked whether the company was included in the Index.

Muriel Dube, chair of the safety, social and ethics committee, stated that the company is included in the index, but is not part of the Dow Jones Leadership Index (S&P 500 ESG Leaders Index). When Just Share asked to be pointed to where we could verify this claim, we were not given an answer. We have been unable to clarify what Ms Dube meant.

### Outcome of Sasol’s non-binding advisory “Say on Climate” resolution shows significant decrease in shareholder support for transition plan

Sasol received 77.36% support for its “Say on Climate” resolution at the AGM, a significant drop in support from previous years. The table below shows the voting results for Sasol’s climate resolutions over the past three years:

AGM year	For	Against
2021 AGM	96.63%	3.37%
2022 AGM	94.05%	5.95%
2023 AGM	77.36%	22.64%

Sasol’s shareholders are clearly increasingly skeptical of the company’s climate plans and its ability to implement them successfully. Large institutional shareholders Old Mutual Investment Group and Ninety One both voted against this resolution, as per their pre-declarations.

#### Further reading:

- [Sasol Limited’s 2023 climate-related disclosures](#), published 2 November 2023
- [Old Mutual Asks Peers to Reject Sasol Climate Resolutions](#), Bloomberg, 10 November 2023
- [TRACEY DAVIES: Restated, reviewed, missed: a 20-year timeline of Sasol’s climate commitments](#), Financial Mail, 16 November 2023
- [Productive or disruptive? Climate activists at AGMs](#), Responsible Investor, 24 November 2023
- [Just Share responds to Sasol’s recent statements on its approach to climate change](#), 11 December 2023
- [Tech shields Sasol from shareholders’ ire at second AGM attempt](#), News24, 19 January 2024
- [Shareholders show ‘discontent’ over Sasol’s climate plans at AGM](#), Business Day, 21 January 2024
- [Can Sasol, South Africa’s dirtiest private company, save itself?](#), 5 January 2024.



#### 4. Clicks Group Limited AGM

Clicks' in-person only AGM lasted just over forty-five minutes.

##### Pay transparency

###### Gender pay gaps

Clicks disclosed a gender pay ratio of 1:1, denoting that there is no difference between the average earnings of men and women in the company. However, it provides no indication as to how this ratio was determined. The company has a female representation of 63% in its workforce, and considering the distribution of female representation across various occupational levels, it remains unclear whether this ratio reflects no gender pay gap or rather, that there is “equal pay for work of equal value”. During the company’s AGM, Just Share welcomed the disclosure of the gender wage gap and sought clarity as to how this ratio was determined.

CEO Bertina Engelbrecht provided background information on how Clicks achieved “gender pay equity”. She mentioned factors considered by Clicks when analysing the gender pay gap, such as the company’s workforce demographics and skills groups, and alluded to following guidance from various academics and researchers in this process. Engelbrecht highlighted that when the “equal pay for work of equal value” legislation was enacted, Clicks did not have to make any pay adjustments because the company took the stance that, to attract good quality and motivated employees, it needed to “go beyond mere compliance”. Additionally, she stated that the company has implemented measures to ensure that workers joining Clicks from other sectors are remunerated based on the pay bands within the organisation.

During a post-AGM meeting Clicks stated that its approach is based on rigorous analysis aiming to advance equity and inclusion, aligning with the Employment Equity Act and Global UN principles. The company presented its Diversity, Equity, and Inclusion (DEI) roadmap, and emphasised that it had achieved the 1:1 gender pay ratio by maintaining consistent pay bands for new hires.

###### Report on pay disparities

Although the Clicks Social and Ethics Committee Report references a “report on pay disparities”, there is no disclosure of the company’s internal minimum wage or the remuneration of the lowest-paid worker. Just Share asked whether the company was willing to commit to disclosing its vertical pay differential and its internal minimum wage.

In response, Engelbrecht asserted that the report on income disparities submitted to the Department of Employment and Labour [Form EEA4] is publicly available. However, this is not the case. Engelbrecht did not disclose the salary of the lowest-paid employees but emphasised that Clicks pays above the national minimum wage, provides medical insurance at full cost to the company for all employees, and committed to disclosing the gross pay of the lowest paid workers in a post-AGM engagement with Just Share.



At a meeting with Just Share following the AGM, the company disclosed that in 2023 it paid these workers an hourly rate of R29.60, which is 16.5% above the sectoral determination for the Wholesale and Retail Sector of R25.42 per hour.

### Employment equity

Clicks' remuneration report refers to its three-year transformation roadmap and five-year employment equity plan. However, neither of these documents is disclosed in the company's annual reporting suite. This lack of transparency makes it challenging for stakeholders to monitor the progress and performance of the company in relation to this roadmap and plan.

Just Share asked the board chair to disclose the targets outlined in this roadmap and plan, and sought information on how the company is performing in relation to these targets. The CEO responded by stating that one of the company's international investors had requested that Clicks take them through the transformation roadmap a day before the AGM, and that Clicks was also open to engaging with Just Share on this issue.

At the post-AGM meeting Clicks outlined the company's transformation roadmap, highlighting progress across BBB-EE components and related challenges. The employment equity plan and its alignment with proposed sectoral transformation targets were also discussed. It is crucial that this information be made available to all shareholders.

## 5. Coronation Fund Managers Limited AGM

Coronation seems to have considered some of the feedback from frustrated shareholders who attended its 2023 AGM.<sup>4</sup> The company enabled voice integration, allowing shareholders to ask verbal questions so that they were not restricted only to written questions. Overall, the AGM was better conducted than last year.

The AGM lasted just under two hours. A number of shareholders were in attendance and asked questions on a range of issues, including: executive bonuses, the company's R716 million SARS tax liability case, questions around the chair's independence, the real-world impacts of its corporate social investment (CSI) initiatives, executive remuneration and clawback provisions.

### Refusal to disclose remuneration of key senior investment managers

Section 30(4)(a) of the Companies Act, 2008 requires companies to disclose the remuneration and benefits received by each director, or individual holding any prescribed office in the company, in a company's audited annual financial statements. Regulation 38 of the Companies Act states that a person who is not a director of a company is a "prescribed officer" for purposes of the Act if that person:

*(a) exercises general executive control over and management of the whole, or a significant portion, of the business and activities of the company; or*

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<sup>4</sup> <https://www.businesslive.co.za/fm/features/cover-story/2023-03-09-pick-enoch-or-us-inside-coronations-speak-no-evil-agm/>



*(b) regularly participates to a material degree in the exercise of general executive control over and management of the whole, or a significant portion, of the business and activities of the company”.*

Coronation discloses the remuneration of its chief executive officer and chief financial officer, but not of its senior investment managers, including chief investment officer, Karl Leinberger. This has been the subject of shareholder frustration for many years.<sup>5</sup>

Just Share asked the board why the remuneration of material senior investment managers is not disclosed. Board chair Prof. Watson stated that the company has received legal advice on this matter and that it complies with the law in that it discloses the remuneration of all directors, and “feels that the investment team does not meet the definition of a “prescribed officer””.

Coronation therefore appears to have sought legal advice specifically to avoid the disclosure of the remuneration of its chief investment officer and other senior investment managers, despite pressure from shareholders to make such disclosure.

Coronation has vociferously opposed proposed amendments to the Companies Act dealing with remuneration disclosure. Section 30(4)(a) of the Companies Act currently requires disclosure of “the remuneration and benefits received by each director, or individual holding any prescribed office in the company”. The proposed amendments to the Act, if approved, will require companies to disclose the remuneration of the “**highest paid employee**”, and will not be linked to any specific job title or fiduciary responsibility.

Just Share therefore asked whether the reason for Coronation’s vocal public opposition to the wage gap disclosure provisions of the Companies Amendment Bill is that, if the Bill is passed, the company will be required to disclose the total remuneration of its highest paid employee (presumably chief investment officer Karl Leinberger). This question was ignored.

### **Coronation board does not understand its responsibility for oversight of the company’s climate risk approach**

Just Share asked about Coronation’s approach to climate change stewardship. The company identifies as one of its key risks that its preference for engagement with its investee companies over disinvestment will be “misunderstood”. Just Share pointed out that a far more serious risk is that Coronation’s engagement strategy fails to contribute to real world emission reductions, which it states is one of its priorities.

For example, Coronation has a significant holding in fossil fuel giant Sasol. We asked when Coronation expects its engagement efforts with Sasol management to lead to real-world emission reductions, and whether it intends to escalate this engagement considering Sasol’s disclosure that emissions will increase in the coming years.

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<sup>5</sup> [Shareholder activist Theo Botha calls for Coronation bonus details, 2018](#), [Theo Botha urges vote against Coronation’s pay policy, 2017](#), [Shareholder activist Theo Botha urges vote against Coronation's pay policy, 2017](#), [Asset managers failing to uphold good corporate governance – Theo Botha, 2016](#)



Just Share also asked about the outcome of the company's engagement with coal mining company Thungela, as disclosed in its annual reports, in which Coronation expressed its "preference that they [Thungela] do not commit to any greenfields coal investment". We also asked about Coronation's stance on Thungela's global acquisition strategy, especially given the asset manager's public opposition to the spin-off from Anglo-American at the time of Thungela's listing.

Chair Prof. Watson provided a startling response to these questions, saying that, these are "**really important issues, but unfortunately they are not issues that fall within the board's purview.**" She stated that "the board looks at the corporate structure of Coronation. And then we have an investment team, obviously lead by the chief investment officer, Karl Leinberger, who deals with the investment decisions." Essentially, she refused to answer any climate-related questions on the basis that these are investment decisions outside of the responsibility of the board.

This response is indicative of a fundamental misunderstanding of the board's role in relation to climate risk, and of the significant risk to the whole business posed by its investments in fossil fuels.

The Task Force on Climate-Related Financial Disclosures (TCFD)<sup>6</sup> has been integrated into the International Financial Reporting Standards (IRFS).<sup>7</sup> These global climate risk-related disclosure frameworks have very clear guidelines for climate governance. Recommended disclosures include describing the board's oversight of climate-related risks and opportunities.

Coronation is a signatory to the Principles for Responsible Investment (PRI)<sup>8</sup>. Its 2023 PRI Public Transparency Report states<sup>9</sup> that **the board** and senior level staff have formal oversight and accountability for responsible investment. It also indicates that **the board** and senior level staff, have formal oversight over and accountability for the elements covered in the company's responsible investment policies.<sup>10</sup> Both these responses clearly indicate responsibility at board level for climate risk-related issues.

Prof. Watson's response is therefore extremely concerning. The question was not about specific investment decisions, but about Coronation's overarching climate stewardship strategy, a matter of crucial importance to its shareholders and clients given its significant investments in fossil fuels. The board's refusal to engage on this topic raises serious concerns about its understanding of climate risk and climate governance. The approach is also strange in the context of Coronation's membership of Climate Action 100+,<sup>11</sup> an investor-led initiative to ensure the world's largest corporate greenhouse gas emitters take necessary action on climate change.

Just Share also asked a question relating to the emphasis Coronation places on comprehensive disclosure of Scope 3 emissions by its investee companies in its engagements. For example,

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<sup>6</sup> <https://www.fsb-tcdf.org/>

<sup>7</sup> <https://www.ifrs.org/news-and-events/news/2023/07/foundation-welcomes-tcdf-responsibilities-from-2024/>

<sup>8</sup> <https://www.unpri.org/about-us/what-are-the-principles-for-responsible-investment>

<sup>9</sup> Coronation's PRI Public Transparency Report 2023, p. 32.

<sup>10</sup> Coronation's PRI Public Transparency Report 2023, p. 32.

<sup>11</sup> <https://www.climateaction100.org/about/>



Coronation reports that it analysed the scope 3 disclosures of Amazon and found that a significant proportion of its emissions were being excluded from its reporting. Coronation states that it wrote to the chair of the board of Amazon more than once and that it was dissatisfied with the company's response.

Despite itself being a listed company with significant financed emissions through its fossil fuel investments, Coronation does not report its own scope 3 financed emissions, nor does it have a timeline for measuring and disclosing this information. Just Share therefore asked the board how the company can credibly engage its investees on their scope 3 emission reductions, when this is clearly not a priority for Coronation itself. We also asked whether Coronation intends to engage similarly on scope 3 disclosures and target-setting with South African listed companies in which it is invested, and where it has more influence than at Amazon where its shareholding is relatively small.

Again, Prof. Watson responded that this was a matter for the investment team. She also asked for clarity on whether, by emissions, we were referring to the emissions of the companies that Coronation invests in, or its own corporate emissions, saying that the former is an investment decision.

Scope 3 financed emissions are a well-established and crucial consideration for financial organisations purporting to support climate action and the just transition, and Coronation's peers in the South African market have acknowledged the importance of this category of emissions. Ninety One and Old Mutual Investment Group, for example, have both joined the Net Zero Asset Managers Alliance, which commits them to achieving net zero by 2050, including for their financed emissions. Ninety One has set an interim target to transition 50% of its corporate financed emissions by 2030.

Coronation has professed itself to be a leader on climate risk engagement, is a signatory to the Principles for Responsible Investment and the Code for Responsible Investment South Africa (CRISA), and a member of Climate Action 100+. It is extraordinary, therefore, that the chair of the company's board does not understand the importance of financed emissions as a strategic consideration for a financial institution.

The investment presentation to shareholders, delivered by chief investment officer Karl Leinberger after the Q&A session, did not answer or cover any of the climate risk-related questions asked by Just Share. Prof. Watson also did not take the opportunity to ask him to answer the questions raised after his presentation.

### Employment equity

In its annual report Coronation outlined the social, ethics, and transformation (SET) committee's role, which includes overseeing and monitoring the company's transformation targets and strategy. However, the report lacks details on the targets and strategy themselves. When questioned by Just Share, CEO Anton Pillay responded that he thought this information was disclosed in the integrated annual report. Judith February, the SET committee chairperson, provided page numbers where she



alleged that this information could be found in the report (pages 67 and 68). However, this information is not contained on those pages or anywhere else in the report.

The company did not provide an explanation for discontinuing its reporting of the detailed breakdown of its workforce by race and gender across occupational levels, but the chair committed to reviewing this omission.

This lack of transparency raises serious concerns, because without detailed disclosure of the company's workforce diversity by designated groups, stakeholders cannot assess whether the SET Committee (responsible for oversight of workplace diversity and ensuring that meaningful transformation is taking place within the company) fulfils its mandate.

*Further reading:*

- [Aeon CIO calls for Coronation chair to resign as director](#), Citywire, 21 February 2024
- [Shareholders place flight from SA assets in the spotlight at Coronation AGM](#), Business Day, 21 February 2024

## **6. SPAR Group Limited AGM**

The AGM lasted over an hour-and-a-half, and the board and senior management team received many questions from several shareholders. The questions were mainly focused on governance and leadership stability after a challenging 18 months, remuneration, board diversity, disclosure of lowest paid earners, paying a living wage, the failed rollout of the SAP project which cost the company R1.6 billion, and the payment of more than R14 million to Brett Botten, former CEO, on his departure from the company.

### **Conflict of interest**

#### Executive remuneration

SPAR faced serious governance challenges in 2022, marked by the departure of six directors, including the CEO and chairman. In December 2022, Mike Bosman took the helm as board chairman. Following Brett Botten's retirement as Group CEO, effective 31 January 2023, the board appointed Mike Bosman as executive chairman (from 1 February 2023 to 30 September 2023) while he was concurrently serving on the remuneration committee.

The JSE Listing Requirements mandate listed companies to adhere to the governance principles and practices outlined in the King Code, which specifies that members of the remuneration committee should be non-executive directors.<sup>12</sup> While the King Code sets out voluntary codes of governance principles and practices, [the JSE-Listing Requirements](#) have made their application mandatory.

Just Share raised concerns about potential conflicts of interest arising from Bosman's dual roles, particularly in light of the substantial 171% increase in his 'annualised' salary compared to his

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<sup>12</sup> Page 57, The King Report on Corporate Governance, 2016.



predecessor, Brett Botten (Botten's annual basic salary for 2022 was R7.9 million; Bosman's for 8 months of 2023 was R14.4 million, equivalent to an annual basic salary of R21.6 million). Just Share also sought information on steps taken to address the conflict of interest that arose from Bosman acting as CEO and as a member of the board remuneration committee.

Mike Bosman stated that he recused himself from all matters concerning him personally, and that he did not receive any board fees while serving as executive chairman, or any variable pay during his tenure as interim CEO. Chair of the remuneration committee Dr Shirley Zinn tried unconvincingly to justify the 171% pay increase to Bosman and insisted that there was no conflict of interest during this period.

### Outside business interests

Mike Bosman is the SPAR Group chair, as well as the non-executive chairman of Vinimark Trading Proprietary Limited, the largest independent wine distribution company in South Africa. TOPS at SPAR, a chain of liquor stores, purchases products from Vinimark.

Bosman stated that at the time of his appointment, all interests were disclosed and that a "full-blown analysis" was done of SPAR's purchases from Vinimark Trading. The report found that the total purchases were "immaterial". Bosman said that "there was absolutely zero interaction from the board with any of the operational issues, in any of the organisations".

Company secretary Shana Ashokumar added that the "very detailed assessment" looking at transactions with Vinimark found that they were below 5% for the entire category.

Bosman concluded by informing shareholders that other similar analyses had been done in relation to other potential conflicts arising from his external directorships and affiliations: including MTN, EOH, the Spur Group and the one which had been the "most concerning" for him, AVI. AVI supplies many categories of products to SPAR, including biscuits, cheese, coffees, and snacks. The report on AVI also regarded the purchases as "immaterial", based on the total percent of a category purchased being less than 5%. In addition, Mr Bosman noted that he had since retired from the AVI board.

### **Pay transparency**

The SPAR Group reports that it has conducted an initial analysis on pay gaps. At the AGM the company disclosed its vertical wage gap. **The reported ratio of the lowest-paid worker to the highest-paid was 1:229, signifying that the highest-paid worker earned 229 times more than the worker earning the minimum wage in the company.**

SPAR committed to disclosing the results of this analysis, along with the methodology applied, in its annual reports. Just Share commended the company for this initiative, and inquired as to whether there were plans to analyse gender wage gaps.



CEO Angelo Swartz said that the company has analysed its gender pay gaps, which represent the difference between the average remuneration of women and men across the organisation, specifically at the management level. However, no analysis has been conducted at the staff level. Swartz indicated that the results of the analysis suggest gender pay parity at various management levels, but there are issues at executive level, where the average for female workers is at 82% of the average for the band.

Swartz emphasised the company's need for greater diversity in senior management, and stated that, from an organisational standpoint, the focus needs to shift towards increasing the number of females in senior positions.

### Remuneration of the lowest-paid worker

The SPAR Group has committed to adjusting the salaries of all staff earning below the living wage in South Africa to a living wage by the end of 2025. **In response to Just Share's inquiry about disclosing the remuneration of the lowest-paid employees, Mr. Swartz revealed that the lowest-paid worker in the company, whether at head offices or distribution centres, earns just under R100,026 per annum (R8,336 per month).**

The actual remuneration of the customer-facing employees in corporate stores was not disclosed, but the CEO stated that the prescribed minimum wage as instructed in the 'Sectoral Determination' for the Wholesale and Retail Sector is higher than the National Minimum Wage (NMW). SPAR remains one of the few major retailers that does not disclose the internal minimum wage for customer-facing retail workers voluntarily.

#### Further reading:

- [Spar pays former CEO an extra R14m after hasty exit](#), Moneyweb, 22 December 2023
- [Mike Bosman's year to forget](#), Ann Crotty, 21 December 2023
- [Spar loses two directors](#), Katharine Child, 20 November 2023
- [What's behind the Spar CEO's abrupt exit?](#), editorial, 18 January 2023
- [Vertical pay gaps at JSE-listed companies](#), Just Share, June 2023
- [Women in leadership: Assessing gender equality in the JSE Top 40](#), Just Share, September 2023

## 7. Commitments made in response to Just Share's questions

#### Clicks:

- **Bertina Engelbrecht, chief executive officer**, committed to engage with Just Share on various issues, including the company's three-year transformation roadmap and five-year employment equity plan and gender pay gap analysis.
- Ms Engelbrecht also indicated that Clicks would disclose the gross pay of its lowest-paid employees.



**Coronation:**

- **Alexandra Watson, chair of the board**, stated that Coronation would check whether it has disclosed the workforce race and gender breakdown across different occupational levels (it has not); and if not, that it would review this for next year.

**SPAR:**

- **Mike Bosman, chair of the board**, confirmed that all employees within the company's distribution centres and central office would receive a 'living wage' of R15 000 by the 31 December 2025 (this excludes workers in SPAR 'corporate' stores).
- Mr Bosman also confirmed that there would be disclosure of the company's wage gap analysis in its next integrated report.

**End**