

Spar continues cleanup operations to 184 damaged stores

A total of 184 Spar Group stores - including 62 Tops liquor stores and 31 Build It stores - were impacted by varying degrees of looting and damage during the civil unrest that took place two weeks ago. One Spar truck was also lost in the violence.



Source: Reuters/Rogan Ward

As soon as it was considered safe, Spar said its retailers and their staff, often with help from the local communities, began cleaning and restocking. By Friday, 23 July, at least 38 stores had reopened and at least 34 Tops liquor stores were ready to trade in anticipation of the partially-lifted alcohol ban announced on Sunday evening. Multiple stores remain closed as repair and cleanup operations continue.

Supply chain and distribution

The Spar Group is headquartered in KwaZulu-Natal, where the majority of the unrest and violence occurred. However, the company reassured shareholders that its central office and all distribution facilities in the affected areas remain secure and are undamaged. Spar said it reacted quickly to the initial unrest by closing all distribution centres considered to be at risk and increasing security protocols at these facilities.

While distribution operations in KZN were severely disrupted, the group said its KZN distribution centre will be fully operational this week.

Spar admitted that it's experiencing disruption in the availability of certain products due to the damage and destruction caused to certain supplier facilities and warehouses. "We are working closely with all our affected suppliers to try and ensure these products are back on shelf as soon as possible. The group is also engaging with severely impacted smaller suppliers and will offer them all necessary assistance," it said.



With 136 stores hit, scale of destruction "heartbreaking" - Pick n Pay CEO

23 Jul 2021



Financial and social support

Brett Botten, CEO for Spar said: "Despite the loss of business caused by the recent civil unrest, the Spar retailers have expressed a firm commitment to start again. This speaks to the resilience and entrepreneurial spirit of Spar's retailers, who are intensely aware of the role they play within their communities.

"We are understandably concerned about the impact on our communities and our country and for this reason Spar has resolute desire to rebuild and help lessen the extent of the damage and devastation caused within our communities."

The group said it is committed to helping its retailers affected by the unrest and will offer temporary financial support by suspending repayment of all trade accounts until the retailers are able to reopen their stores. This assistance is expected to be short-term in duration, however, this will be dependent on the time in which stores can be trading again. Spar has the necessary facilities to provide this relief.



Hundreds of Shoprite Group stores damaged during riots

21 Jul 2021



Spar also said it's "deeply concerned about the knock-on consequences the unrest will inflict upon the poor in this country" as certain areas affected by the unrest have been left without food stores due to the level of damage caused.

"This has a direct and dire impact on the ability to get food and interferes with the government's ability to pay social grants, which are typically collected from Spar and other food retail stores. We are working closely with Spar retailers and their local communities, as well as local authorities to help alleviate the level of devastation caused in these areas."

The group has launched a number of aid initiatives during this time and said it will continue to support local communities and existing organisations that rely on its assistance.

Insurance cover

At the wholesale level, the group is adequately covered for asset damage, stock and business interruption. It is also engaging with all the retailers impacted by the looting and unrest to provide any necessary assistance with their insurance claims. All affected retailers have the necessary Sasria cover in place to ensure a full recovery.