

# Introduction

About this report

3




# About this report

This Integrated Report discusses the activities and performance of the Mpact Group, including Mpact Limited, its subsidiaries and associates, for the financial year ended 31 December 2017. While the primary target audience of this report is providers of financial capital, it aims to offer all stakeholders a balanced, comprehensible and complete view of the governance and sustainability principles, practices and performance of the Group. Mpact's 2017 reporting suite includes the Annual Financial Statements, Sustainability review and other documents available on the Group's website.

The contents of this report are structured around Mpact's most material issues, which include both financial and non-financial aspects. These issues are those that could most substantially impact the Group's ability to create value and have been agreed on and approved by the Board and the Executive Committee. Mpact's most material issues and how these were derived are discussed in more detail in the sustainability section starting on page 50 of this report.

## GUIDELINES AND FRAMEWORKS

This report has been prepared in accordance with IFRS, the requirements of the Companies Act, the JSE Listings Requirements, the principles of King IV and the International Integrated Reporting Council's (IIRC) Integrated Reporting <IR> Framework, as these apply to the report. The sustainability information in Mpact's Sustainability review is disclosed in accordance with the GRI Standards: Core option. In terms of paragraph 8.63(a) of the JSE Listings Requirements, the Group has published its King IV application register on its website. 

## ASSURANCE

Mpact's Annual Financial Statements and Summarised Consolidated Financial Statements have been assured by the Group's external auditor, Deloitte & Touche, and a copy of their Independent Auditor's report on the Summarised Consolidated Financial Statements is available on page 102. The Sustainability review, as a whole, has not been independently assured; however, certain information contained in this review has been scrutinised by the Group's own internal control functions, as well as by external assurance providers where this has been deemed relevant and necessary. The review is available on the Group's website.

## DISCLAIMER

The Integrated Report contains certain forward-looking statements concerning the Group's environment, financial performance and conditions, strategy and growth expectations. Such views involve both known and unknown risks, assumptions, uncertainties and important factors that could materially influence the actual performance of the Group. No assurance can therefore be given that these will prove to be correct and no representation or warranty expressed or implied is given as to the accuracy or completeness of such views.

## BOARD APPROVAL

The Board confirms its responsibility for the integrity of this Integrated Report. The content has been collectively assessed by the Board and in its opinion this report addresses the issues that have the potential to most materially impact the performance of the Group. The Board has accordingly authorised the release of this Integrated Report.

**AJ Phillips**  
Chairman

6 March 2018

**BW Strong**  
Chief Executive Officer

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# Company overview

Key metrics	5
Corporate profile	6
Mpact's footprint	7
Vision and values	8
Our operating model	10
Business model	12
Case study: Buy-back centres contribute to the growth of recycling	14



# Key metrics

Revenue  
of  
**R10.1 billion**  
(2016: R10.1 billion)

Underlying operating  
profit of  
**R457 million**  
(2016: R784 million)

Total gross dividend  
per share of  
**55 cents**  
(2016: 95 cents)

Return on capital  
employed (ROCE) of  
**7.7%**  
(2016: 14.2%)

Serious injury  
frequency rate  
**0.60**  
(2016: 0.63)

Recovered  
recyclables  
**661,797  
tonnes**  
(2016: 607,840 tonnes)

CSI spend  
**R4.9 million**  
(2016: R5.5 million)

Water consumption  
**5.68kℓ/tonne**  
(2016: 5.98 kℓ/tonne)

Energy consumption  
**6.59GJ/tonne**  
(2016: 6.84GJ/tonne)

B-BBEE maintained  
**Level 3**  
(2016: Level 3)

Scope 1 and 2  
greenhouse gas  
emissions  
**1.032 tCO<sub>2</sub>e**  
(2016: 1.011 tCO<sub>2</sub>e)

Training and skills  
development  
**70,257  
man-hours**  
(2016: 88,838  
man-hours)

**22 fully-funded**  
university bursaries  
awarded through the Mpac Foundation Trust