

CORPORATE SOCIAL INVESTMENT (CSI)

The Group's focus areas are education, health, entrepreneurial and enterprise development



Mpact aims to be a truly transformed company making a difference to the lives of the communities it touches. We recognise community engagement as a business imperative and the cornerstone of sustainable investment.

During 2012 the Group formalised its CSI strategy, which aims to support and partner on community development initiatives that seek to strengthen the Group's role as a responsible corporate citizen.

The strategic objectives are to:

- ▶ support meaningful socio-economic initiatives that make a difference to the lives of the communities with whom we work;
- ▶ build the will for change amongst the communities with whom we work; and
- ▶ build the self-esteem and dignity of the people whom we touch.

To achieve this, Mpact will:

- ▶ focus on capacity building and ensure multi-stakeholder-based sustainable community development practices;
- ▶ support specific community needs that are aligned with its focus and limit "handouts"; and
- ▶ promote employees' involvement and a better understanding of the community's role in achieving its business goals.

Mpact's approach to CSI involves engaging with communities impacted by its operations, and working with those that are interested in sustainable development programmes. It also encourages participation and partnership on all projects by all stakeholders, including employees. The Group is keen to promote good governance principles such as transparency and accountability amongst all stakeholders involved. Where applicable, Mpact undertakes surveys and feasibility studies to ensure effective implementation and sustainability of projects and encourage sustainability through recycling initiatives.

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EDUCATION

Mpact's focus is on promoting early childhood and youth development programmes; on building entrepreneurial skills development through the principle of lifelong learning; and on stimulating an interest in science and mathematics through facilitating access to quality tertiary education, particularly amongst learners in rural areas

Community learnership programme

In 2011 our Shared Services Centre started the "Certificate in Management Development" learnership programme for children with learning disabilities. Five Matriculants were selected from local schools on the basis of their aptitude as well as their ability to integrate into the Shared Services environment. The programme was run in conjunction with Maccaulei Learning Academy under the Services SETA accreditation body, and included an academic element as well as on-the-job mentoring from Mpact employees. All five students were successful in completing the NQF4 qualification in 2012 as a result of this programme.

Piet Retief Education Centre

This project, hosted in partnership with Mondi Limited's South Africa Division, Kangra Coal (Proprietary) Limited, the Mpumalanga Department of Education and the wider community of the Gert Sibande region, continues to grow from strength to strength. In 2012 a total of 23,187 learners, educators and community members visited and benefitted from the centre, which incorporates a career guidance centre, science centre and a Further Education and Training (FET) skills development centre.

CORPORATE SOCIAL INVESTMENT (continued)



Science workshops

Through the facilitation of Mpact and Mondi Limited's South Africa Division, the University of Zululand and the Mpumalanga Department of Education are able to continue the community development partnership focused on science as a subject.

Afrika Tikkun

Mpact continues to support the Phuthaditjaba Child and Youth Development Centre in Alexandra, Johannesburg in partnership with Afrika Tikkun. The Centre accommodates over 2,000 beneficiaries on a monthly basis.

Blue Mountains Primary School

Mpact assisted the Blue Mountains Primary School in Durbanville in the Western Cape to build a new classroom for its Grade 7 learners. The school is situated between Durbanville and Fisantekraal and provides education to the surrounding farm labourers' children and children living in the nearby settlement of Fisantekraal.

The Nokulunga J.P. School

The school, which is situated in the rural area of Mdantsane near East London in the Eastern Cape, provides an education for over 100 children led by six teachers, including the principal. During 2012, Mpact painted the school building and roof, and fitted new burglar bars in an effort to create a better and safer educational environment for both the learners and teachers.

HEALTH

Mpact aims to promote, support and participate in initiatives concerned with women, youth and HIV/AIDS. It also supports orphan care centres which serve as best practice resource centres to the community in promoting awareness and excellence in caring for children.

Isibindi project

This community-based project, run in conjunction with Mondi Limited, continues to provide training to community members with respect to child and youth care in Mkhondo, KwaZulu-Natal. In 2012 a substantial donation ensured the on-going provision of antiretroviral (AVR) drugs, HIV/AIDS support, as well as assistance with school work, budgeting, child protection, and the application for identification documents and state grants and foster care, which are all core elements of the programme. The project reaches 571 orphaned and vulnerable children in 46 villages within the remote areas of Mkhondo.

Thol'ulwazi – Thol'impilo mobile clinics

In partnership with Department of Health in the Province of North-Rhine-Westphalia in Germany, the Lutheran Church, private farmers in the Mkhondo area, Churches and Business Against HIV & AIDS, the Mpumalanga Department of Health and Mondi Limited's South Africa Division, Mpact supports this worthwhile project, also targeted at people in the rural areas of Mkhondo who are in need of primary health care, counselling, advice and HIV/AIDS-related services. To date, the two mobile clinics have made 4,065 visits in the Piet Retief area.

1000 Hills Community Helpers

Mpact assists 1 000 Hills Community Helpers financially, allowing them to continue to feed, clothe and educate HIV/AIDS infected and affected children and adults. The Helpers provide over 1,000 meals a day to both children and the elderly, either at the Centre, or through home deliveries, in addition to other essential services and outreach programmes.

ENTREPRENEURIAL DEVELOPMENT PROGRAMMES

The Entrepreneurial Development Programmes promote the principle of equity and aim to stimulate economic growth amongst the community – especially amongst the poor and marginalised.



Through partnerships with NGOs and other socially responsible companies, voluntary employee participation is encouraged. Some of the main projects the Group supports on its own or in partnership with other companies and NGOs, include the following:

N2 Community Garden

The N2 community vegetable garden, established in 2011 by the Felixton Mill, is an initiative to help gardeners from informal settlements such as Eskihawini to generate income from planting crops and selling them to the local communities and Mpact employees. The community uses Mpact's land next to the N2 to plant crops and sell the produce at local taxi ranks and markets. Mpact is also involved in preparing the land and water supply to ensure uninterrupted income for the gardeners.

In 2012 the project became completely self-sustainable, following a donation of vegetable seedlings. Mpact is especially proud of this project as it has met expectations in that the local community can now maintain an uninterrupted potential income from selling the fruits of their labour to their own community.

Keasechaba Tunnel Farming Project

The Springs Mill provides assistance to the Kwa Themba community through a sustainable community farm initiative which uses tunnel farming techniques to grow cabbages, lettuce, spinach and carrots, which are sold locally.

Orion Organisation

The Orion Organisation is a therapeutic and training centre for people with disabilities based in Atlantis in the Western Cape. A registered NGO, its main goal is empowerment and skills development with a focus on ensuring that people with disabilities become fulfilled members of society. Mpact Plastic Containers outsources a significant amount of its assembly work to Orion, providing job creation opportunities. The two organisations have worked together for more than a decade.

Mpact Recycling: Small business initiatives

A significant source of paper remains small locally-based businesses that collect paper in their areas and then deliver it to Mpact Recycling. These businesses vary in size from well-established recycling businesses, to a one-person business with a 'bakkie', to street hawkers.

Mpact Recycling therefore offers many employment opportunities for entrepreneurs and for traders to deliver to its 42 buy-back centres, which it has helped to establish by

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providing equipment and financial help as well as fundamental business training.

Mpact Recycling also contributes to employment through a scheme that supports drivers with a vehicle and income to collect and transport recovered paper to Mpact's mills and buys paper from more than 90 independent dealers throughout the country.

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▼ Small businesses

Small business entrepreneurs are encouraged to start paper and cardboard collection businesses, receiving advice, training and equipment. We also provide hawkers with paper barrows to make it easier for them to transport the cardboard and paper they collect.

▼ Buy-back centres

Buy-back centres are located centrally through small business entrepreneurs. Communities and hawkers can deliver directly to any of these centres and receive cash for recycled paper and cardboard.

Mpact Recycling: Community initiatives

Recycling within the community involves several post-consumer programmes such as kerbside collections and paper banks at schools, housing complexes, offices, community organisations as well as at small business buy-back centres with an extensive network of agents and dealers.

CORPORATE SOCIAL INVESTMENT (continued)

▼ Paper pick-up programme and paper banks

The school paper pick-up programme allows schools to raise funds by recycling paper while providing children with environmental awareness. Schools are given a paper bank for easy collection and storage of recycled paper. The general community can also support schools, organisations and charities by placing their paper into the igloo-shaped paper banks.

In 2012 Mpac Recycling partnered with Trudon (Yellow Pages) in a drive to encourage learners to recycle paper at an early age, thereby benefitting their respective school as a result of their collection efforts. R40,000 was set aside for the project at schools based in Roodepoort, Johannesburg, East Rand and Pretoria, with the school in each of these areas that collected the highest tonnage of old print directories and paper winning resources to the value of R10,000.

▼ Offices

The office paper pick-up programme provides office recyclers and white bags to offices as well as a confidential shredding service.

▼ Kerbside house-to-house collection service

This is a weekly paper service collecting unwanted magazines, newspapers and cardboard directly from homes. People are encouraged to put their unwanted paper and board in the highly recognisable 'Ronnie Bag' ready for collection on their kerbside.

▼ Joint venture with the eThekweni Municipality

The eThekweni kerbside programme, a joint venture between Mpac Recycling and Durban Solid Waste (DSW), continues to provide residents with a convenient and hassle-free recycling collection service at no cost to the households. This project started in 2007 and has since expanded to include the entire eThekweni area, covering approximately 400,000 homes.

ENTERPRISE DEVELOPMENT

Mpac believes that it has an important role to play in ensuring that economic opportunities are provided to small businesses owned by previously disadvantaged members of society. With continued support it is hoped that these businesses will not only be sustainable, but will also grow and create job opportunities. Mpac assists such businesses by providing them with preferential payment terms, thereby improving their cash flow. There are currently more than 50 businesses supported in this way.

OTHER COMMUNITY INITIATIVES

▼ Keep Springs Clean project, Springs, Gauteng

Mpac continues to partner with local companies to maintain the gardens and verges in Springs. This project provides jobs to local community members to sustain the overall cleanliness of the Springs area, and employs 12 permanent staff members and two casual workers.

▼ Norah's Educare Centre, Benoni, Gauteng

Norah's Educare Centre, on the outskirts of Benoni, provides day-care to over 350 children (200 children at the Centre and another 150 in satellite locations). The Centre provides meals, education and clothing, as well as food parcels for the families of the children. In 2012, Mpac donated building materials to renovate the roof of the main centre, which provides shelter for over 200 children.

▼ Phinduvuye Community Project, Pinetown, KwaZulu-Natal

Mpac contributes to a childcare and education scheme for children ranging from nine months to six years of age, as well as a feeding programme for children up the age of 18, by donating groceries and basic classroom equipment. We also provide basic eating utensils and hygiene products on a monthly basis, and perform basic maintenance on the premises.

▼ Elizabeth Donkin Hospital, Port Elizabeth, Eastern Cape

The company donated single-bed mattresses to this Government hospital, allowing for the additional accommodation of over 30 patients a day.

▼ Ikhohwa House, Wadeville, Gauteng

Ikhohwa House cares for abandoned and orphaned children who have been infected or affected by HIV/AIDS through various initiatives. Mpac donated stationary and school bags during 2012 and will continue to support the home on an on-going basis.

▼ Khanya Family Centre, Katsiwha, Gauteng

During 2012, Mpac started an initiative with the Khanya Family Centre, based in Katsiwha on the East Rand. The Centre is a non-profit organisation that provides accessible psychosocial services for children, youth and families from previously disadvantaged communities in Katsiwha, Ekurhuleni. Mpac employees donated food, toiletries, clothing and toys to the Centre, with the company matching these contributions.



The Group is also focused on increasing its support for small to medium enterprises (SMEs) and black woman-owned suppliers

▼ Thuthukani and Cathuza Stimulation Centres, Piet Retief, Mpumalanga

The objective of this project is to provide support and day-care services to children with disabilities between the ages of 0 and 18 years. The Cathuza Centre has 28 disabled children, while the Thuthukani Centre takes care of 36 children. The centres support children with autism, cerebral palsy and other physical disabilities, including deaf and mentally challenged children. The day-care facilities operate five days a week, providing two meals a day. The Piet Retief Mill donates a set amount each month to each centre to purchase groceries with.

▼ Kids Haven, Benoni, Gauteng

Mpact made a donation to Kids Haven, which serves homeless children and children in crisis in the Ekurhuleni region and from Johannesburg. The main centre is located in Benoni with community teams addressing the needs of children throughout the region. From the time that children enter the Centre, they are included in education programmes to suit their ability, aimed at reintegrating them into the regular community again.

THE FUTURE

While Mpact has developed a strong corporate culture of sustainable business practice, we are not complacent regarding our current performance and responsibility. We are dedicated to continuous improvement in sustainability.

Finalising the Group's Sustainability Policy

Much of our efforts in 2013 will be on finalising the Group's Sustainability Policy. From this we expect new initiatives to be born and are excited to see what the future holds. We look forward to realising our vision of being a leading business with the highest ethical standards, delivering exceptional value for our customers, employees, communities and shareholders.

Other documents and resources

The Integrated Report and Annual Financial Statements are also available on our website, www.mpact.co.za. Should you wish to receive a copy of any of these or have any questions or comments arising from reading this Sustainability Review, please write to us at the following address:

Postnet Suite #179
Private Bag X1
Melrose Arch
Johannesburg
2076
Republic of South Africa