

Sustainability Review

Sustainable development is inherent to Mpact. The Group's approach to sustainability and assessing its influence and impact on the environment and the communities in which it operates are foremost in mind when conducting business and considering and making investments.



INTRODUCTION

Sustainability Through Business Excellence

Listed in July 2011, Mpact is one of the largest paper and plastics packaging businesses in southern Africa, and is listed on the JSE's Main Board in the Industrial – Paper and Packaging sector. The Group maintains leading market positions in southern Africa in recovered paper collection, corrugated packaging, recycled-based cartonboard and containerboard, PET preforms, styrene trays as well as plastic jumbo bins. It is one of South Africa's largest collectors of recovered paper for recycling. The Group recovered 450,277 tonnes (2013: 451,000 tonnes) of paper in 2014

Mpact has 32 (2013: 32) operating sites in South Africa, Namibia, Mozambique, Botswana and Zimbabwe, of which 22 (2013: 22) are manufacturing operations. The Group's entry into Botswana follows the acquisition of Pyramid Holdings (Pyramid), effective 31 December 2014. Pyramid produces paper bags and sacks.

Mpact's vision is to be a leading business with the highest ethical standards, delivering exceptional value for customers, employees, communities and shareholders and is committed to sustainability principles to underpin business strategy, financial performance and operations by focusing on the key elements of economic, social and environmental activities.

Managing a sustainable business requires the integration of the Six Capitals, as set out in the International <IR> Framework. Mpact's business model, together with the inputs and outputs of each of the Six Capitals, are illustrated on pages 32 and 33 of the 2014 Integrated Report.

Mpact's CSI strategy is aligned with the Group's strategy, taking into account potential risks and considering the requirements and needs of its stakeholders. Mpact's stakeholder engagement is set out on pages 14 and 15 of the 2014 Integrated Report.

The Group's endeavours to uphold the principles of sustainability, corporate governance and social responsibility have been recognised by the inclusion of Mpact on the JSE SRI Index since November 2013. Mpact has also made efforts to improve sustainability reporting this year in line with recommendations made by the Integrated Reporting & Assurance Services (IRAS) in its Sustainability Data Transparency Index (SDTI): *A 2014 Review of Environmental, Social & Governance Reporting in South Africa*.

Mpact remains committed to sustainable development by adopting leading industry health and safety standards; obtaining responsibly-sourced raw materials; and ensuring the business constantly seeks to reduce its environmental impact. Specific strategic goals have been developed for the Plastics and Paper businesses and these are set out in detail in the respective operational reviews on pages 34 to 37 of the 2014 Integrated Report.

