

Equity ownership

As at 31 December 2015, the ownership of the company by black individuals was 16.67% (2014: 9.45 %; 2013: 8.64%), including ownership of 6.67% (2014: 2.28%; 2013: 2.3%) by black women.

B-BBEE scorecard

Mpact's current B-BBEE rating is Level 3. This is largely due to the successful establishment of the Mpact Foundation Trust, which was implemented at the end of June 2015.

Code of Ethics

Mpact's Code of Ethics defines the Group's ethical values and behavioural standards. The leadership team not only endorses the Code, but is committed to applying it in their decisions and actions in mapping the Group's strategy and in managing its operations. The Code applies to all employees, and covers the foundation of the Group's ethical behaviour, including its Vision and Values, how to apply the Code, testing decisions, consulting on ethics and how to report misconduct. The Code provides guidance on specific issues, including:

- Customers
- Health and Safety
- Human Rights
- Employment equity
- Use of company resources
- Confidential information
- Declaration of interest
- Gifts and entertainment
- Fraud
- Bribery and corruption
- Political participation and Government interaction
- Our communities
- The environment

CORPORATE SOCIAL INVESTMENT (CSI)

Mpact operates on the conviction that in doing business we must embrace and create value for the communities in which we operate, recognising community engagement as a business imperative and the cornerstone of sustainable investment. The Group's CSI strategy aims to enable partnerships with communities through financial support as well as volunteer-based projects from our employees, thereby strengthening the Group's role as a responsible corporate citizen.

The objectives of our CSI programme 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 among the communities with whom we work; and
- build the self-esteem and dignity of the people whom we touch.

To achieve this, Mpact focuses on:

- capacity building and ensuring multi-stakeholder-based sustainable community development practices;
- supporting specific community needs that are aligned with its focus; and
- promoting employees' involvement in the communities in which we live.

The Group seeks to promote good governance principles such as transparency and accountability among 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.

To maximise our impact, we focus our community engagement initiatives on education, health, entrepreneurial and enterprise development.

CSI expenditure for 2015 was allocated as follows:

- 36.5% (2014: 34.1%) to Education
- 28.7% (2014: 25.8%) to Community Facilities
- 20.4% (2014: 33.3%) to Health Care
- 14.4% (2014: 6.8%) to Other (Cultural, Environmental, etc.)

CSI spend for 2015 was R6.3 million (2014: R4.6 million; 2013: R5.6 million).

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.

Springs Entrepreneurial Skills Development

The Springs Mill collaborated with Junior Achievement of South Africa (JASA) to provide a 13-week hands-on entrepreneurial course for Grade 10 and 11 learners at a local school. In the course, learners are given the chance to open and run a small business under the tutelage of a mentor from JASA.

Fisantekraal High School Reading Programme

Fisantekraal High School is based in a poverty-stricken area in the Western Cape. The school has over 1,200 learners and teachers are battling to cope with the growing numbers. The matric results have not been good, with the school only achieving a 16% pass rate in 2014. The Department of Education identified that a contributing factor to the poor performance is that many of the children battled to read, thereby impacting on their ability to learn. Our Kuils River operation, in partnership with the Western Cape Department of Education and a local church, therefore established the Fisantekraal High School Reading Programme for Grade 8 learners, which includes a meal after class ends. There were 160 enrolments for this programme in 2015.

Rural Education Access Programme (REAP)

REAP offers talented and motivated young South Africans from poor rural areas the chance to study at tertiary institutions and provides them with the support and guidance they need to graduate, sustain themselves and become the leaders of tomorrow. Mpac contributed towards this important work.

Piet Retief High School Project

Through the Piet Retief High School Project Mpac fully funded the equipment and classroom facilities to implement Electronics as a new subject at high schools in the area. The subject, launched at the start of the 2016 academic year, will give high school learners in Piet Retief a chance to qualify for Technical School status.

FET Centre

The Mondi Education Centre is a partnership initiative supported by Mpac, MSAD (Mkhondo region), Kangra, Mpumalanga Department of Education and the wider community of the Gert

Sibande region. The Centre incorporates a Career Guidance Centre, Science Centre and Further Education and Training (FET) skills development centre.

Hope@Atlantis

Hope@Atlantis is developing an intervention to address the skills gap in Atlantis, giving underprivileged learners the chance of gaining access to universities and FET colleges with a focus on improving Maths and Science education.

Community Learnership programme

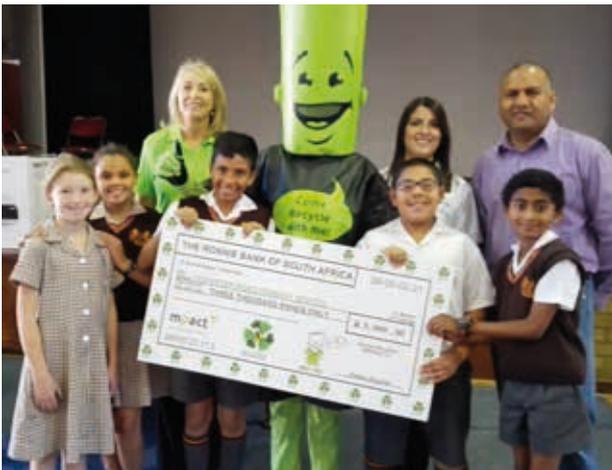
In 2011 Mpac's Shared Services Centre partnered with Maccavlei Learning Academy and the Services Skills Education Training Authorities (SETA) to develop the Certificate in Management Development learnership programme for children with learning disabilities. Five Matriculants were selected from local schools. All learners graduated. In 2015 they launched the Certificate in Business Administration learnership programme in conjunction with Amathuba Training and Skills under the Services SETA. Both programmes consist of an academic element as well as on-the-job training.

Health and community

Mpac promotes healthcare not only as a social responsibility, but as part of our corporate culture. As such, the Group supports initiatives that focus primarily on women, children, 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.

Phinduvuye Community Development Project

This project, supported by our Plastics operation in Pinetown, assists victims of domestic violence to find shelter or a temporary place of safety whilst still in police care. Plastics Pinetown also



contributes to the care of 99 children, who receive basic learning and food at Phinduvuye. The project also runs a feeding scheme for more than 100 children and 26 elderly people from the community.

Thol'ulwazi – Thol'impilo Mobile Clinics

Mpact, in partnership with the Mpumalanga Department of Health, the Province of North-Rhine-Westphalia in Germany, private farmers, churches, Business Against HIV & AIDS and Mondi Limited, supports this mobile clinic, which provides primary healthcare in the rural areas of Mkhondo.

Adopt-a-School

Mpact supported the Adopt-a-School Foundation for the seventh consecutive year with Mpact staff volunteering their time and skills at various schools across the country.

Oasis Association

Mpact Recycling supports the Cape Oasis Association, which provides over 450 intellectually-challenged people from the greater Cape Town area with employment opportunities, skills development training, and homes. Mpact has placed equipment on the site to assist Oasis with its recycling employment programme, as well as providing sponsorship for other requirements.

Kalkfontein Primary School Garden Club

The Kuils River operation, together with Stodel Garden Centre, are proud founders of the Kalkfontein Garden Club at Kalkfontein Primary School. Children at the school develop gardens under the guidance of a Stodel's mentor and a teacher advisor. In addition to encouraging a sense of pride in the children for their school and community, the aim of the garden club is to encourage teamwork, research skills, gardening skills, commitment and responsibility.

Siphamandla Development Centre

The Siphamandla Development Centre, opened in 2015, is an extension of the needlework programme, which was launched in February 2014 by the Piet Retief Mill. The centre aims to equip women and children with SETA-certificated skills in sewing, knitting and crochet work.

Entrepreneurial development programmes

The entrepreneurial development programmes promote the principle of equity and aim to stimulate economic growth amongst the poor and marginalised. 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:

Rustplaas Honey Project

The Piet Retief Mill supports the Rustplaas Honey Project, run by three enthusiastic women from Rustplaas community. The honey project has been running on a small scale over the past few years, and Mpact has been involved in expanding the project and making it sustainable. The success of the project resulted in the municipality awarding land to the community for the project.

Mpact Recycling: Small business initiatives

Mpact Recycling is integrated into the Paper and Plastic businesses, providing a significant source of recovered fibre and plastics to those businesses. The well-established recycling network creates employment opportunities for the dealers, traders, buy-back centres, owner drivers, and street hawkers or "trolley-preneurs". Additional support in the form of equipment, financing and business training is also offered to dealers, traders and buy-back centres.

Mpact Recycling's broad national footprint includes community recycling and collection projects throughout South Africa – an essential element of enterprise development.

- **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. With the commissioning of the new recycled PET (rPET) project by Mpact in 2015, these entrepreneurs are also encouraged to collect PET bottles.

- **Buy-back centres**

Over 100 buy-back centres are established in central locations countrywide by small business entrepreneurs. Communities and hawkers can deliver directly to any of these centres and receive cash for recycled paper, cardboard and PET.

Mpact Recycling: Community initiatives

Recycling within the community involves several post-consumer programmes such as kerbside collections; paper banks at schools and communities; wheelie bins at various housing complexes and estates; numerous office programmes; as well as at small business buy-back centres with an extensive network of agents and dealers.

- **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.

- **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 and bi-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 green 'Ronnie Bag' ready for collection on their kerbside. Ronnie Bags are collected from almost 200,000 homes in Johannesburg, Ekurhuleni and Tshwane. Contractors appointed by Durban Solid Waste collect

bags from approximately 350,000 houses in Durban as part of the Orange Bag Project. The bags are then delivered to Mpact Recycling in Durban (Maydon Road) or contractor sites for sorting.

Enterprise development

Mpact 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. The continued support from Mpact should enable these small enterprises to grow sustainable businesses and create jobs. Mpact 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

Clean Springs Project

The Springs Mill with other industries that fall within the Springs Chamber of Commerce support the Clean Springs Project. The project seeks to assist the Springs City Council with their city beautification efforts. The council is unable to maintain all the city's common areas as well as maintaining the lawns along some of the city's main roads. Through the project a company was set up to maintain some of the city's common areas. The owners of the company are all from previously disadvantaged backgrounds. There is feedback to the Springs Chamber of Commerce regarding the positive impact of the project on community in terms of beatification and safety along the main roads within Springs Central Business District (CBD). Mpact Springs Mill has supported this project since 2005.

Camp I Am

Camp I Am is an educational programme, held during the school holidays, for children in grades 4 to 10 who live in under-resourced communities. It was created for young people who have little or no activity during the break, which leaves them at high risk of abuse and sexual experimentation. Camp I Am was launched during the 2010 FIFA World Cup™ in five provinces — Gauteng, Eastern



Cape, Western Cape, North West and KwaZulu-Natal, and has continued in Gauteng with camps in Orange Farm and Ennerdale in Johannesburg.

Tsakane Community Policy Forum Project

The policing forum had an old uniform which they could no longer use, and as such, the Springs Mill donated 40 reflector vests to be used by the CPF patrols so that the community can recognise them. The project will also increase the police's visibility in the community and hopefully reduce crime.

Mapapheni Soccer Field

The Piet Retief Mill has embarked on a community development project in a local community through the construction of a sports facility, which includes a full-size soccer field with athletics track around the periphery and seating and ablution facilities. Apart from

