

A safety legal expert conducted training of all managers and supervisors appointed to safety accountability roles in accordance with the OHS Act. This training was aimed at increasing operational awareness of safety responsibility, accountability, and liability. Further training at supervisory level is scheduled for 2016.

Safety, health and environmental management are the responsibility of senior management, who are assisted by line managers at each operation, and who are held accountable for the well-being of employees under their leadership and of contractors and visitors on their sites.

In addition, operations compete annually for the Excellence in Health and Safety awards, an internal recognition programme for excellent performance in these areas. These awards are based on the health and safety statistics of operations for the year in which they are given out. Based on the audit results, deserving operations are awarded Platinum, Gold, Silver or Bronze status.

To be awarded the prestigious Platinum award for Safety, an operation's safety record over a five-year progressive period has to meet the following requirements:

- No fatality over the five-year period.
- Serious Injury Frequency Rate (SIFR*) of less than 0.2.
- Medical Treatment Case frequency rate (MTCFR) not greater than 0.6.

* SIFR = Serious Injury Frequency Rate calculated as the sum of Fatalities, Lost Time Injuries, and Restricted Work Cases divided by the man-hours worked x 200,000

The Mongoose Trophy for Excellence in Health and Safety, the highest accolade an operation can be awarded, is based on comprehensive health and safety audits, which are conducted annually by an independent auditor. In 2015 the trophy was awarded to Plastics Pinetown, while three operations achieved Platinum status, namely Recycling Midrand, Recycling Richards Bay and, Recycling Pretoria West.

Safety performance

Mpact deeply regrets to report two fatal injuries at Mpact operations during 2015. We extend our heartfelt and deepest condolences to the families, friends and colleagues of the deceased, Messrs Lundi Kumbaca and Msweli Nkambule. Both were contractors and Mpact has worked with their respective contractor companies to support their families and colleagues. The two separate incidents were thoroughly investigated in consultation with the authorities, with every effort made to prevent recurrences. The above has resulted in an increase to the Fatality Injury Rate to 0.029 (2014: 0.00). The number of Lost Time Injuries (LTI) increased to 15 (2014: 13) and the number of Restricted Work Cases (RWC) increased to 22 (2014: 9). The Lost Time Injury Frequency Rate (LTIFR) increased to 0.22 (2014: 0.21).

Mpact continues to drive safety through the programmes mentioned above and to seek innovative ways of creating a healthy safety culture. The Mpact Safety Culture cartoon series and safety

legal training are expected to enhance safety awareness in the business. The Group is committed to improving safe working standards and providing safe working conditions for all.

Health

Ensuring the well-being of employees is a strategic imperative. Occupational health compliance is the responsibility of line management, and is a key indicator of business performance.

In line with the CEO's SHE Philosophy, all Mpact's operations and sites provide wellness programmes and support to employees for primary healthcare and chronic illnesses, including HIV/AIDS.

In addition to primary healthcare, site clinics and mobile medical facilities provided free annual medical assessments to employees during the year. Occupational health examinations take place when an employee joins the company, at periodic intervals during employment (depending on the risk and local regulatory requirements), on transfer from one operation to another and on retirement or resignation.

HIV/AIDS

In acknowledging the potentially devastating impact of HIV/AIDS Mpact has long held to policies and procedures aimed at reducing the impact of this epidemic on our people. Mpact provides access to wellness programmes aimed at maintaining the health of those that are infected with HIV.

Mpact holds education and awareness programmes within its operations, uses surveys to plan prevention strategies and offers appropriate care, encourages large scale Voluntary Testing and Counselling (VCT) and facilitates the access to this service.

Approximately 3,304 employees (2014: 3,340 employees) undertook an annual medical test with approximately 2,516 employees (2014: 1,784 employees) opting for VCT during the year.

SOCIAL SUSTAINABILITY

Stakeholder engagement

Mpact recognises that proactive engagement with internal and external stakeholders across the business is critical to its long-term success and in strengthening its programmes, identifying opportunities and material issues as well as gaining insights.

The Group has embraced transparent and open communication with its stakeholders, particularly against a backdrop of growing social, economic and environmental challenges within the environment in which it operates.

Mpact's list of primary stakeholders is developed through a comprehensive process and is reviewed annually by the Social and Ethics Committee to ensure it reflects the key groupings that Mpact interacts with. The Group's Stakeholder Engagement Policy is also reviewed annually.

The main stakeholders identified by Mpact are:

- employees;
- unions;
- customers and suppliers;
- shareholders, the investment community, and financial institutions (including banks);
- Government institutions and regulatory authorities
- communities; and
- industry associations.

During the year, a comprehensive report is tabled at the Social and Ethics Committee meetings providing an update on stakeholder activities. This report outlines various communications relating to investor relations, media relations, employees, advertising and branding and other stakeholders e.g. customers, communities and trade unions.

For more information on stakeholder engagement, please refer to page 13 of the Mpact's Integrated Report 2015, also available online at www.mpact.co.za.

Employees

Mpact's employees remain critical to continued business success and the overall sustainability efforts. The expertise and dedication of employees is fundamental in meeting our clients' needs and delivering distinctive results. We aim therefore to strengthen our competitive advantage through attracting and retaining talent, building capability in strategic areas and ensuring we can deploy talent quickly and effectively in line with the changing needs and growth requirements of the business.

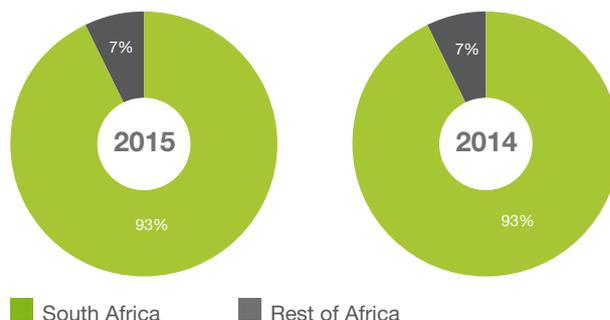
Mpact's Fair Employment and Promotions Philosophy focuses on workplace diversity to ensure that we foster a culture of diversity in the belief that this brings business advantage.

Headcount

As at 31 December 2015, Mpact employed 4,467 (2014: 4,126) employees. Distribution of employees by geography, gender and division are shown in the graphic and table below. Representation of ethnic groups is given under the Transformation section on page 11.

Headcount			
	South Africa	Sub-Saharan Africa	Total
Geographical	4,161	306	4,467
	93.15%	6.85%	100%
Gender	Male	Female	Total
	3,416	1,051	4,467
	76.47%	23.53%	100%
Division	Paper	Plastics	Total
	3,019	1,448	4,467
	67.58%	32.42%	100%

Employees per geography



Employment practices

Mpact's Fair Employment and Promotions Philosophy states that: "There is place for all people in Mpact and cognisance must be taken of merit-based employment equity to address the issue of diversity throughout the organisation, especially regarding race, gender and disabilities".

Underpinning this philosophy is the practice of attracting the best talent, recognising talent, and transparency in selection processes. Benefits provided to employees include membership of retirement funds, access to medical aid schemes and primary healthcare, study assistance and incentive bonuses.

Mpact has an anonymous tip-off service, allowing employees the opportunity to report issues relating to fraud, corruption and workplace misconduct. This service is administered by Deloitte and is independent of the Group.

Skills development

In line with our vision of being a leading packaging business with the highest ethical standards, delivering exceptional value for customers, employees, communities and shareholders, our commitment is to provide a safe and secure working environment in which employees can fulfil their ambitions and aspire to continually improve their circumstances.

To deliver on this, the Mpact Academy offers three learning pathways to the employees. These pathways include on-the-job learning, leadership development and formal skills development. These interventions are delivered internally by qualified staff or in partnership with various institutions of learning.

The impact of the learning and development interventions are monitored against individual development plans, performance targets and the Group's competencies applicable to each talent segment.

During 2015, skills development programmes were offered to 3,364 employees (2014: 3,629 employees) in the fields of legal compliance; safety, health and environment; pulp and paper technology; operational skills; leadership development; and computer training, among others.

In 2015, a total of 67,412 man-hours (2014: 57,112 man-hours) were devoted to training and skills development. In addition, the Group internally supported 206 individuals (2014: 158 individuals) on apprentice and learnership programmes, of which 91% (2014: 84%) were from previously disadvantaged backgrounds.

Mpact has also identified the need to provide skills to the unemployed to raise their chances of finding employment. With this in mind, the Group started a learnership programme for an additional 36 unemployed black disabled people in 2015. It is hoped that with Skills Education Training Authorities (SETA)

support and the continued growth of the business this initiative will grow in the years to come.

Human rights

As an organisation we respect the dignity and worth of individuals. We fully support employees' rights to freedom of association, thus upholding the constitutional rights of the individual to freedom of association, the right to collective bargaining and the right to be a member of a union of choice. Various unions represent 57% (2014: 57%) of the workforce, with the majority belonging to the unions noted below.

	CEPPWAWU	NUMSA	CWAWU	SATU	Other unions	Total
2015	27%	11%	6%	5%	8%	57%
2014	31%	7%	5%	5%	9%	57%



In addition, as at 31 December 2015, Mpace was a member of various bargaining councils. A senior Mpace Human Resource (HR) manager is represented on these councils.

Transformation

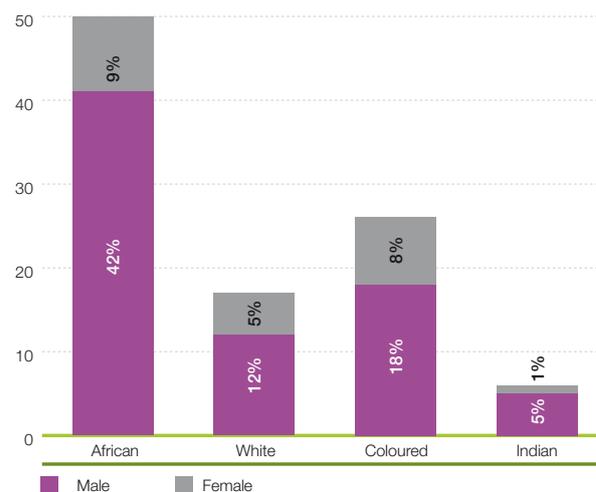
Mpace remains committed to its Group Transformation Philosophy by ensuring our transformation goals are reflected in our vision as well as our core values, culture and its approach to people development at all levels in the business. This includes supporting the communities in which the Group operates by interaction to identify and address community needs and participating in partnerships and capacity-building interventions while conducting business in a socially responsible and ethical manner.

Employment equity

The Group continues to work on its employment equity plan in accordance with the requirements of the Employment Equity Act. Progress against targets is monitored and reported to the Social and Ethics Committee and Human Resource Steering Committee. Mpace continues to communicate the employment equity plan and report within our operations to integrate employment equity into our human resource policies and practices. Transformation committees have been established at national, divisional and

operational level to encourage employees to discuss employment equity, training-related issues and is required to set employment equity targets.

The following ethnic groups represent Mpace's South African employees:



The South African employees' positions within the Group are:

Employment Equity									
	African		White		Coloured		Indian		Total
	Male	Female	Male	Female	Male	Female	Male	Female	
Top management			2						2
Senior management	1	3	32	3			6	1	46
Middle management	25	8	129	48	22	4	36	8	280
Junior management	314	83	287	102	135	60	84	19	1,084
Semi-skilled	965	100	41	62	448	79	73	19	1,787
Unskilled	414	180	9	1	137	186	15	3	945
Temp	6	3	2	1	4			1	17
	1,725	377	502	217	746	329	214	51	4,161

At 31 December 2015, the South African operations employed 4,161 people (2014: 3,802 people). The employees, classified as previously disadvantaged individuals (PDIs), filled the following positions:

Level	2015	2014	2013
Junior management	74%	73%	73%
Middle management	54%	53%	52%
Senior management	30%	27%	29%

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.