

SOCIAL AND ETHICS COMMITTEE REPORT



Ntombi Langa-Royds

INTRODUCTION

The Social and Ethics Committee assists the Board in monitoring Mpact's performance as a good and responsible corporate citizen and performs its duties in terms of the Companies Act. The Social and Ethics Committee regularly reviews and updates the terms of reference, where necessary, with regard to any relevant legislation, other legal requirements or prevailing codes of best practice. The terms of reference are set out in the committee charter. The committee executes its duties in accordance with these terms.

COMPOSITION


The Social and Ethics Committee comprises Ntombi Langa-Royds (Chairperson), Neo Dongwana, Maya Makanjee and Andrew Thompson as the members. All the members are independent non-executive directors. Biographical details of the committee members are provided on pages 38 and 39 and the fees paid to the committee members are outlined on page 53.

MEETINGS

The Social and Ethics Committee held four meetings during the year. Other than Maja Makanjee who joined the Board in September 2016, all other members attended all meetings of the committee during the year, as per page 43 of this report.

ROLE AND FUNCTION

The committee draws matters within its mandate to the attention of the Board and reports to the shareholders at the Annual General Meeting on the relevant matters.

Mpact's approach to sustainability is documented in the Abridged Sustainability Review on page 64 and a detailed Sustainability Review is available on Mpact's website. 

Ethical conduct

The committee is responsible for developing and reviewing the Group's policies with regard to the commitment to, governance of and reporting on Mpact's sustainable development performance. These policies are recommended to the Board for approval to be implemented across the Group.

Social and economic development

The Committee monitored the social and economic development of the Group. In line with the Group's transformation policies and objectives, the committee monitored progress against Employment Equity Plan to assess management initiatives to have a representative workforce. An annual review of the Group's standing in terms of the goals and purpose set out in the 10 Principles of the United Nation Global Compact was also undertaken.

Good corporate citizenship

The Committee monitored the promotion of equality, the prevention of unfair discrimination and reduction of corruption. In line with its mandate, the Committee further reviewed Mpact's charitable giving, donations and sponsorships. Details of the Group activities are included in the Sustainability Review.

During 2015, the Group established the Mpact Foundation Trust through its B-BBEE transaction. Refer to the Message from the Chairman of the Trust on page 63 of this Integrated Report.

SOCIAL AND ETHICS COMMITTEE REPORT CONTINUED

Environment, health and safety

The Group is committed to providing a safe and healthy working environment for all employees, as well as contractors and service providers. The principle of “Zero harm” is entrenched at each of Mpact’s operation. The Committee regularly reviews the safety and health initiatives of the Group.

In pursuit of excellence, Mpact subscribes to various internal and international standards, and where applicable, its operations are certificated. Fundamental to the principles of Mpact and these standards is compliance with national legislation. To this end, Mpact subscribes to Environmental and Safety Legal Registers that also keeps it abreast of changes in legislation.

The Group supports the Government initiatives to reduce carbon emissions by changing the behaviour of producers and consumers. The Committee reviews quarterly reports on the Group emissions. In this regard, Mpact has established an Energy Centre of Excellence and appointed a Group Energy Manager to develop an energy strategy and further exploit opportunities across the Group, optimising energy usage and considering energy generation technologies.


Stakeholder engagement

Mpact undertakes stakeholder engagement, which is encouraged by King III and the Companies Act. Transparent and open communication with stakeholders is regarded as critical to the Company’s long-term success. The Committee reviews identified stakeholders to ensure that those reflects the key groupings with which Mpact interacts. For detail on Mpact’s stakeholder engagement, refer to pages 59 to 61 of this report.

During the year, a comprehensive report was reviewed by the Committee, which provided an update on stakeholder activities.

Material sustainability issues

The committee is responsible for annually revising or determining, in conjunction with senior management, the Group’s material sustainability issues. The Group has made efforts to improve sustainability reporting during the period under review. The external assurance on material sustainability issues has improved and will continue to remain an activity of the Committee with assistance of the Audit and Risk Committee in the forthcoming period.

The material issues have been reported on and are set out in the Sustainability Review available on the Group’s website. 


During the year, the committee reviewed, improved and achieved:

- The implementation of the Mpact Foundation Trust – comprehensive details on this trust is set out on page 63 of this report.
- The Mpact Talent Management Strategy, which covered the retention of critical skills and talent plan.
- The Excellence in Health and Safety awards, Behaviour-based Safety Programme and Mpact Safety Culture Awareness Programme.
- Aligned the Corporate Social Investment (CSI) Policy to the Group Strategy.
- Occupational Health and Safety Standards.
- Carbon Tax and Carbon Budget plans.
- Environmental targets for 2020.

ASSURANCE

The Mpact Dashboard System has improved the capture of relevant sustainability data and the Social and Ethics Committee is satisfied that the disclosure is adequate and the information accurate. Various external assurances have been obtained and these are listed in detail in the Sustainability Review. Mpact has not obtained an independent overall assurance for its Sustainability Review.

The committee is satisfied with the Group’s progress in the different areas and with the Social and Ethics plan for the 2017 financial year. The committee is aware that its function will continue to evolve as it addresses all the responsibilities within its mandate.

Environmental and social sustainability of Mpact is important to the Group and a detailed Sustainability Review has been concluded, which reports in more detail on its employees, environmental and CSI. These issues are of significant importance to the Group in terms of its obligations to all of its stakeholders. The Sustainability Review can be found on the Group’s website. 

On behalf of the Social and Ethics Committee:

Ntombi Langa-Royds

Social and Ethics Committee Chairperson

1 March 2017