



Mpact is committed to maintaining high standards of corporate governance and demonstrating ethical behaviour and responsible conduct. We believe that responsible business includes the need to embrace and create value for the communities in which we operate, and we regard community engagement and socioeconomic development as both a business imperative and a cornerstone of sustainable business practices.

Responsible environmental management is a core value for the business as well as an important element of our strategy to create value. As the largest paper and plastics packaging and recycling company in Southern Africa, Mpact has a key role in closing the loop on the circular economy. Recycling has important social and environmental benefits including diverting recyclable paper, paper-based packaging and plastic away from landfills, creating jobs for waste pickers, replacing virgin fibre from trees with recycled fibre in the paper-manufacturing process, reducing greenhouse gas emissions and preventing the incineration of recyclable paper. Mpact Recycling is active throughout the year to raise awareness regarding the importance of recycling among learners and the South African public.

## CORPORATE SOCIAL INVESTMENT

Mpact’s approach to corporate social investment (CSI) aims to both support socioeconomic development in local communities and to build self-esteem, dignity and the will for change among beneficiaries. We support initiatives in the areas we believe maximise our positive impact – education, health, entrepreneurship and enterprise development.

Each year, Mpact allocates a minimum of 1% of Group net profit after tax to CSI initiatives. The divisional CSI budget is allocated from head office and operations choose the projects they support in their local communities. The Group invested R3.7 million in CSI programmes in 2020 (2019: R3.0 million), which represents 1.0% of net profit after tax (2019: -0.3%).

## COMMUNITY PROJECTS

Mpact operations are active in their local communities to implement CSI projects, other initiatives and campaigns to raise awareness of the importance of recycling. In 2020, these included:

- Mpact Recycling donated recycling bins and bags to the

John Wesley Community Centre (JWCC) that will enable the organisation to generate funds from recyclable paper, cardboard and cartons collected. JWCC is a registered NPO that provides activities catering for the needs of the surrounding district of Etwatwa near Benoni. Mpact Recycling also donated 100 goodie bags for the local preschool. The initiative was part of a National Recycling Day (September 18) trash and tree day organised by the paper and paper packaging industry to mark Arbor Month and National Clean-Up and Recycling Week. The day included a litter clean-up in the surrounding veld and wetland, as well as a tree planting at the centre.

- Mpact Plastic Containers in partnership with the City of Ekurhuleni Municipality donated ten composters to Phelang LSEN (learners with special education needs) School in Springs, Gauteng. The composters will be used to recycle food waste such as vegetable peels, garden clippings and leaves into compost to fertilise soil and improve food growth in the school’s on-site vegetable garden. The programme aims to entrench the culture of “re-use and recycle” in young minds to promote sustainable practices in the community.
- Mpact Plastic Containers partnered with Woolworths and the Dominican School for the Deaf in Hammanskraal to donate school uniforms to learners.
- Mpact Felixton Mill donated 30 seven-litre garbage bins and 12 wheelie bins to the Thuthukani Adult Workshop in Richards Bay, KwaZulu-Natal, for the collection of recyclable paper from different sites for resale to Mpact Recycling. Thuthukani Adult Workshop is a partner of Mpact that provides sheltered employment centres for vulnerable school leavers and adults with intellectual disabilities who are not able to find employment in the open marketplace.

CSI Expenditure (Rm)



## MANDELA DAY 2020

Mpact encourages employees to volunteer to participate in initiatives providing support in local communities. Our sites contributed time and resources in various ways to celebrate Mandela Day (18 July) this year.

- Mpact Plastics Pinetown contributed R5,000 to a feeding scheme run by a group of spiritual aspirants from the Sri Sathya

Sai International Organisation and professionals engaging in community upliftment programs. The feeding scheme provided a warm and tasty meal every Sunday for approximately 800 destitute people, mostly children, in the inner west rural areas of Marianhill and Dassenhoek.

- Mpact Piet Retief Mill donated face masks, face shields and sanitiser to the learners of Kemp Siding Combined School at Maphepheni in Piet Retief to support pupils' safe return to school.
- Mpact Plastic Containers and Mpact Recycling donated composters to the Gardenia Primary School in Cape Town for use in the school's organic garden.
- Mpact Plastic Containers Atlantis collected donations of food items and money from Mpact staff to prepare food parcels that were given to 13 households in need identified by staff.
- Staff from Mpact Plastic Containers Brits put together food parcels that were given to 15 residents at the Madibeng Shelter, which houses residents of the community affected by Covid-19 that could not be reunited with their loved ones. The operation also donated ten plastic bins to Brits Hospital and some bins to Cradles of Hope.
- Detpak packed and delivered 60 goodie bags to the uMbuyisa School of Arts based in Soweto. The goodie bags included hygiene products, a booklet for the kids, snacks and sweets, and each member of Detpak wrote an inspirational quote by Nelson Mandela to provide a special touch.
- Mpact Corrugated Walvis Bay donated to the Walvis Bay Lions Club to support members of the Twalolo-ka informal settlement in Kuisebmond after a devastating fire left an estimated 400 residents homeless. The donation was used to buy soup packs, blankets, duvets and cushions, which were distributed through Erongo Social Services to ensure that the donations benefitted the most vulnerable people, being children and the elderly.

- Mpact Corrugated Walvis Bay also supported 12-year-old Brentius Jahs, a Grade 7 pupil, who volunteered to teach children in his neighbourhood during the Covid-19 lockdown to keep children occupied and off the streets. Support was initially provided by supplying chairs made from corrugated carton, which we later replaced with wooden tables and chairs made from the operation's old pallets by our handyman. At the handover of the upgraded furniture, Mpact also donated hand sanitisers, soap, stationery, booklets and lunch packs. The Mpact maintenance team went on to build a classroom to provide shelter for the teacher and learners that was handed over to the junior teacher early in July 2020.
- Mpact Corrugated Springs donated corrugated beds made on a digital printer and a sample bench to a non-profit shelter in Olifantsfontein.
- Mpact Corrugated Nelspruit donated ten corrugated beds to a non-profit organisation in Mpumalanga and donated cat and dog food to the local SPCA.

In addition to these initiatives, Mpact operations were also active in various communities to provide relief as part of our response to Covid-19 (refer page 40).

## RAISING AWARENESS ABOUT RECYCLING

Mpact Recycling has more than 1,900 paper banks around the country at schools and communities that recycle regularly to collect recyclable paper, cardboard and liquid cartons.

Mpact Recycling's annual Schools Recycling Competition encourages recycling and raises environmental awareness among South African learners. Children are the recyclers of the future and can have a positive influence on household decisions including recycling. In 2020, Mpact partnered with Butterfly Products to offer prizes and stationery to schools nationwide to the value of R220 000. The competition encourages nursery schools, primary

schools and high schools across the country to collect as much recyclable paper and packaging as possible. Schools are paid per tonne for the paper they collected during the competition and the top collectors in each area between March and November 2020 were eligible to win prizes.

Since its re-launch in 2013, Mpact Recycling's 'Ronnie Recycler' schools programme has reached more than 500,000 children.

For more information on the schools programme and to get your school signed up on the programmes visit [www.mpactrecycling.co.za/recycle-now/schools](http://www.mpactrecycling.co.za/recycle-now/schools).

## NORTHERN KWAZULU-NATAL RECYCLING PROJECT 2020

Mpact Recycling's community initiative in the Richards Bay area creates awareness about recycling in rural communities to drive recycling and increase the amount of recyclable material reaching the Richards Bay branch.

Around half of the area of Zululand District is under the jurisdiction of traditional authorities with the remainder divided between commercial farms and conservation areas. 77% of the population lives in rural areas and the unemployment rate is 56%. 34% of the population have no income, 70% earn less than R9 600 a year and 23% have no education.

Despite these challenges, it was evident that the rural communities in the region could play a role in collecting recyclable materials. In 2014, Mpact Recycling Richards Bay developed a round-trip method to collect materials from numerous communities in the area. Once the basic systems were in place, the strategy shifted to visiting the various municipalities to determine their commitment, involvement and support for recycling initiatives suggested by Mpact Recycling.

## BEING A RESPONSIBLE CITIZEN CONTINUED

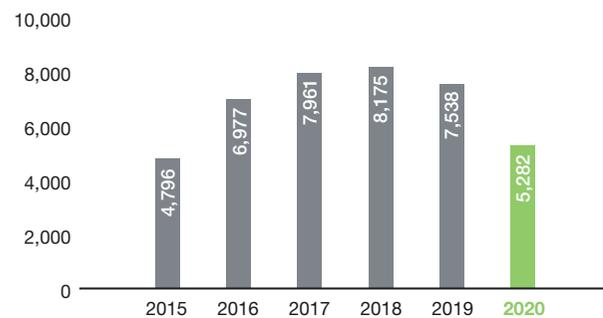
The Mpack Richards Bay team provided on-site training and education with suppliers on the different grades and the value of sorting of recyclables in rural Zululand. The training was delivered to people at landfills, dumpsites, in rural towns and even on street corners. Most of these people were unemployed and unable to provide for themselves. Some were living on the edge of society and totally dependent on social grants. Others had to scavenge or beg for their next meal.

Today these people can hold their heads up high in their local communities and at local municipality meetings regarding recycling as they are now known as entrepreneurs in their respective areas. Mpack Recycling Richards Bay has delivered a total of 74 training sessions in 12 different municipalities, reaching 1,600 people through our training programme, including children, youth and senior citizens.

From the start of the initiative, volumes of recyclable waste collected at the Richards Bay branch grew steadily to a peak of over 600 tonnes a month in 2018.

Unfortunately, volumes declined in 2019 due to the oversupply of waste in the market that led to the price paid locally for waste dropping substantially. With demand still relatively strong in the export market, the major retail stores in the Zululand area were instructed by their head offices to send recyclables back to their distribution centres to feed the export market. As a result, some

Recyclable waste collected (tonnes)



suppliers could not survive with the low prices and volumes, and were forced to leave the market.

The arrival of the Covid-19 pandemic had an even more drastic impact. Not only were collectors not allowed to go out and collect waste for a period of more than three months, when they were eventually able to do so they had to re-establish themselves in their communities. With the severity of the job losses in South Africa and steep decline in economic activity, the amount of packaging waste produced fell significantly, with volumes dropping to just over 400 tonnes per month.

While the country has gone through a difficult period and will continue to do so for a while, we are still immensely proud of this initiative, which started off as a small project and is now a full-scale recycling programme benefitting the communities of Northern KwaZulu-Natal.

Mpack Recycling Richards Bay is firmly focused on diverting as much waste from landfill as possible, with an emphasis on promoting greater individual and business responsibility for waste

at all stages of its lifecycle. We promote waste reduction and recycling through multiple channels, including:

1. Six transfer stations/Drop off centres
2. 12 buy-back centres
3. A trolley hawkers programme
4. Small business recyclers
5. Rural collections
6. Landfill collections
7. Business and industry collections
8. Malls and retail stores
9. A schools programme
10. Country dealers

Customer focus is a key reason for Mpack Recycling Richards Bay's success to date. Every individual, co-operative, SMME, industry, school and buy-back centre is treated not only as a potential supplier, but as an entry point for deeper involvement in their communities.

