



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.

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

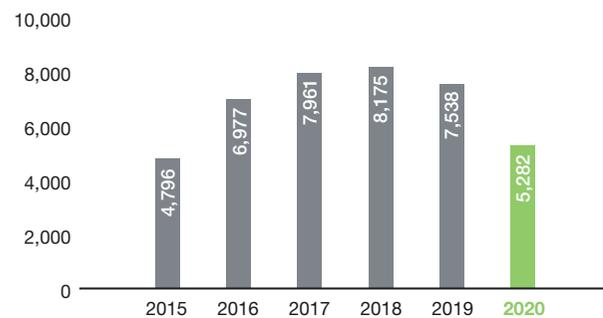
The Mpack Richards Bay team provided on-site training and education with suppliers on the different grades and the value of sorting of recyclables in rural Zululand. The training was delivered to people at landfills, dumpsites, in rural towns and even on street corners. Most of these people were unemployed 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.



GOVERNANCE

The Board serves as the focal point and custodian of corporate governance in the organisation, and acknowledges its responsibility for ensuring that the principles of sound corporate governance are observed and incorporated into the leadership of the Group. Sound governance practices based on accountability, transparency, ethical management and fairness, are entrenched across the business. The Board is responsible for ensuring that the Group complies with all its statutory obligations and embraces its responsibility for ensuring that the principles of sound corporate governance are observed and incorporated into the leadership and management of the Group.

The Directors recognise that good governance, achieved through an ethical culture, competitive performance, effective control and legitimacy, can create sustainable value and enhance long-term equity performance. More information on Mpact's corporate governance structures and activities is available in the full Corporate Governance Report in the 2020 Integrated Report.

ETHICS

The Group remains committed to managing its operations in accordance with the highest ethical standards. This is achieved by effective and ethical leadership through continuously reassessing the Group's internal controls, policies, Terms of Reference, procedures and processes, while considering the recommendations contained in King IV™ and making relevant changes when appropriate. The Board is satisfied that every effort has been made during 2020 to apply material aspects of King IV™.

The Board has set values to which the Group adheres and these are incorporated into our Vision, Values and the Group's Code of Ethics (Code). Within the Code, we have articulated our ethical values and our behavioural standards. This foundation remains the Board's platform to lead Mpact sincerely and honestly. Integrity is fundamental to how the Group conducts its business and is expressed in its values as well as interactions with key stakeholders. Every employee is expected to adhere to these principles to deliver exceptional value to our stakeholders by cultivating the habits of being resolute, trustworthy and responsible. This is not merely a matter of knowing the "rules",

but of repeatedly exercising moral thinking and applying the guidelines outlined in the Code.

The Code is reviewed by the Board periodically and endorsed by the Group's leadership team. It 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 interests
- Gifts and entertainment
- Fraud
- Bribery and corruption
- Political participation and government interaction
- Our communities
- The environment

The Code of Conduct is available on our website at www.mpact.co.za/governance/code-of-ethics.

The Social and Ethics Committee is responsible for monitoring application of the Group's policies of best practice with regard to the commitment to, governance of, and reporting on Mpact's sustainable development performance.

Employees can report any concerns regarding improper conduct, including fraud, corruption, illegal acts, unethical behaviour or suspected human rights violations, to their supervisor or line manager, human resources manager or the Company Secretary. Employees also have access to the Mpact Tip-Off line, an anonymous whistle-blowing facility independently administered by Deloitte & Touche. The Audit and Risk Committee records, monitors and investigates incidents reported on the facility.

Mpact's Supplier Code of Conduct requires suppliers to commit to the 10 principles of the UNGC, including support for human rights, freedom of association, elimination of forced and compulsory labour, child labour, and unfair discrimination.

HUMAN RIGHTS

The Code of Ethics stipulates Mpact's commitment to respecting and promoting human rights through the employment practices at all our operations and to creating a work environment that:

- is free from harassment and unfair discrimination; and
- provides the opportunity for employees to build esteem, fulfil ambitions and improve their circumstances.

This Code specifically addresses the Company's zero-tolerance approach to unfair discrimination, coercion, intimidation, harassment, forced labour, child labour and other human rights abuses. It also promotes respect for the cultures of fellow workers, suppliers and customers, fair remuneration scales, the right of employees and fellow workers to free association and collective bargaining, and broad-based skills development and economic empowerment.

RISK MANAGEMENT

The Board retains responsibility and accountability for the overall risk management process, setting risk appetite and tolerance limits. The Board has committed the Group to a process of risk

management that aligns with the principles of King IV, as well as generally-accepted good risk management practices. The Audit and Risk Committee assists the Board in the execution of its fiduciary duties regarding risk management. The Executive Committee, through the Risk Management Committee, reviews the output of the risk management process to ensure the appropriate management of risks.

Management is accountable to the Audit and Risk Committee and works with the relevant staff within the businesses to ensure the implementation of the risk management process. In line with Mpack's decentralised structures, risk assessment and management processes enable every business within the Group to take responsibility for the management of its own risks to encourage proactive action by the business units when faced with risks and opportunities. Business unit risk registers are aggregated into a Group Risk Register.

The Enterprise Risk Management Framework sets out the approach to be taken to address and improve risk management to achieve Mpack's objectives. The Group has a Risk Management Framework and Enterprise Risk Management Guideline built on the ISO 31001 standard. The risk management process is managed by the Group Risk and Sustainability Manager who reports to the Executive Committee via the Risk Management Committee, and to the Board through the Audit and Risk Committee.

The Risk Management Committee identifies and evaluates strategic and operational risks against our 10 business value drivers.

The Board considers the material business risks in its fiduciary oversight of Mpack when approving Group strategy, capital expenditure and the budget. Risk assurance is considered at managerial (level 1), corporate function (level 2) and external (level 3) levels by both the Risk Management Committee and the Audit and Risk Committee for reporting to the Board. Risks are reviewed and updated on a regular basis.

More information on Mpack's key risks, mitigating actions and opportunities is available on pages 68 to 72 of the 2020 Integrated Report.

ENVIRONMENTAL RESPONSIBILITY

As the largest paper and plastics packaging and recycling company in Southern Africa, Mpack has a key role in closing the loop on the circular economy. Responsible environmental management is therefore both a core value for the business and an important aspect of our strategy to create value.

Raw materials used in the Group's manufacturing operations include pulp, logs, pine chips and plastic polymers. The manufacturing process requires energy and water as inputs and produces atmospheric emissions that include carbon emissions, as well as waste.

We focus on responsible sourcing of raw materials and most of the fibre used in our paper mills is supplied by the Recycling division. The additional virgin pulp used comes from responsible sources and the paper mills and corrugated plants are certified to the Forest Stewardship Council standards. An increasing percent of the high-density polyethylene used in the manufacture of crates and wheelie bins comes from recycled sources in the Bins and Crates unit as the operations increase their recycling capabilities.

Mpack is committed to managing its environmental impact responsibly by using scarce resources efficiently, minimising harmful emissions and reducing waste. All capital decisions are made with these considerations in mind and improving production efficiencies is a strategic focus as a key aspect of business excellence.

By collecting recyclable paper and plastics through Mpack Recycling, the Group actively contributes to the circular economy, performing a valuable environmental role that effectively reduces waste to landfill and creates jobs through the collection process.

COMPLIANCE

Environmental legislation in South Africa continues to evolve and become increasingly complex and onerous. Ensuring compliance with all relevant legislation that applies to Mpack is a priority. The Environmental Management Systems at sites that could have significant environmental impacts are externally certificated

to the ISO 14001 standard. Regular environmental legal audits are conducted to ensure compliance with the legislation and an annual review of environmental management at all sites is conducted by Legal Consulting Services (see page 23).

The Group Risk and Sustainability Manager, Group Energy Manager and Environmental Manager sit on the Paper Manufacturers Association of South Africa (PAMSA) Environmental Committee and participate in interactions with government regarding emerging legislation.

ENVIRONMENTAL EXCELLENCE

Mpack's annual Scarab Awards are named after nature's prime example of recycling – the Scarab Beetle. These internal environmental awards recognise environmental excellence at our operations and create healthy competition. Performance is measured against a set of internally audited standards aligned to ISO 14001, with Bronze, Silver, Gold and Platinum awards available.

ENERGY

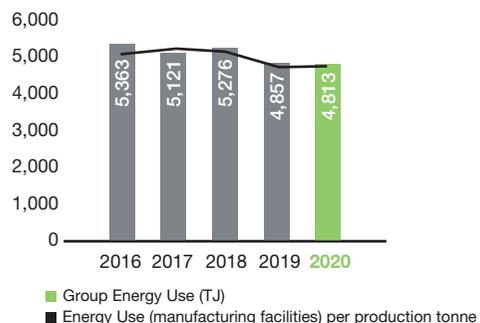
Coal is the main source of energy consumed at Mpack's manufacturing operations and is used for on-site steam generation. Electricity is another significant energy input in our facilities. The Group energy management strategy aims to optimise energy usage and evaluate energy generation technologies. Mpack's Group Energy Manager analyses the energy usage profiles at the manufacturing plants, develops programmes to monitor and report usage, and assists with projects to reduce energy use and generate alternative energy where possible.

Online metering systems are in place at our manufacturing sites to ensure accurate reporting and availability of real-time and routine energy reporting data. Energy savings are evaluated at every site each month against the 2014 baseline consumption.

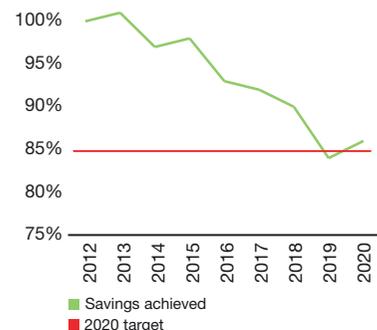
Initiatives are in place to reduce energy use, our environmental footprint in terms of greenhouse gas and other atmospheric emissions, fossil fuel use and ash generation.

Mpack's energy management plan to 2020 was aligned with our Greenhouse Gas Pollution Prevention Plan, which was developed

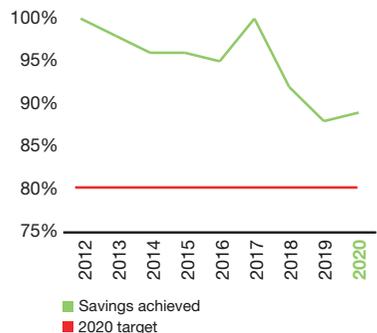
Group energy use ¹



Reduction in energy per manufactured tonne



Reduction in Scope 1 and 2 CO₂ emissions per manufactured tonne



and submitted in 2017. Progress on implementing our energy strategy during the year 2020 included:

- 16 energy champions and plant technical staff were trained in Energy Performance Management Indicators at the 2020 Energy Centre of Excellence event to assist the operations to set their five-year energy plan that will be used for the Group targets to 2025 and the next round of government reporting in the Pollution Prevention Plan process.
- A new rooftop solar PV installation was commissioned at Mpack's Plastics Containers Brits operation, bringing the Group's total installed solar PV units to 2.87 MWp.
- Capital expenditure has been approved for solar PV installations at Corrugated Springs and Detpak and the roofs of these plants are being prepared for installations in 2021.
- Plans for a further 11.57 MWp of solar PV installations are being evaluated.

Mpack's manufacturing operations consumed 4,765 TJ of energy in 2020 (2019: 4,797 TJ) and Group total energy consumption, including energy for non-manufacturing sites, decreased 1% to 4,813 TJ (2019: 4,857 TJ).

Production was affected in both 2019 and 2020 by unusual factors that impacted total energy use and production efficiencies. In 2019, Mpack's three paper mills took commercial downtime of approximately 10% of their annual capacity, due to decreased demand for paper. In 2020, production was affected by the disruptions arising from the Covid-19 pandemic, a limited amount of production downtime in the first quarter, load-shedding and electricity supply disruptions due to municipal infrastructure failures at the Springs Mill and Brits Plastics Containers. As a result, while total energy consumption for the Group reduced 1% for the year, the production inefficiencies in 2020 resulted in energy use per tonne of production increasing by 2% to 6.29 GJ per tonne of production (2019: 6.15 GJ/t).

Mpack targeted a 15% reduction in energy consumption per tonne of saleable product from its manufacturing operations by 2020, off a baseline year of 2012. While this target was achieved in 2019, the disruptions in 2020 mentioned above resulted in the savings slipping to a 14% saving per tonne of product since 2012.

The Group is in the process of finalising five-year water, energy and waste savings targets to 2025. The targets are being derived using a bottom-up approach that includes an assessment of peer practices, market expectations, "science-based targets" for CO₂e emissions, and what is achievable with our current projects and plans. The Department of Environment, Forestry and Fisheries is developing regulations defining how Green House Gas Pollution Prevention Plans (GHG PPP) and Carbon Budgets are to be produced. Finalisation of these regulations is required before Mpack can finalise five-year energy and carbon emission management plans and commit to targets.

GREENHOUSE GAS EMISSIONS

Mpack's Scope 1 and 2 carbon emissions mainly arise from coal used to generate steam and electricity generated from fossil fuel purchased from the national grid. We embrace the global drive to reduce greenhouse gas (CO₂e) emissions and set an ambitious goal to reduce combined Scope 1 and Scope 2 CO₂e emissions per tonne of manufactured saleable product by 20% by the year 2020, against a 2012 baseline. However, combined carbon emissions per tonne of manufactured product in 2020 totalled 0.893 tCO₂e/t (2019: 0.8831 tCO₂e/t) which represents a reduction against the 2012 baseline of 11%. Notably, Mpack did achieve CO₂e emission reductions of 20% for Scope 1 in 2019.

Total Scope 1 CO₂e emissions increased 1% to 315,742 tCO₂e (2019: 313,305 tCO₂e) while Scope 2 emissions decreased 4% to 366,727 tCO₂e (2019: 382,952 tCO₂e). The municipal electricity transformer failure that affected the Springs operations led to the Springs Mill being without municipal electricity for more than 50 production days. The Corrugated Springs plant was able to continue operations but had to rely on electricity from diesel-fired generators for that time, leading to an increase in stationary fuels consumed (Scope 1) and a decrease in electricity consumption (Scope 2). Group combined Scope 1 and 2 carbon emissions decreased 2% to 682,469 tCO₂e in 2020 (2019: 696,258 tCO₂e). The decrease is also attributable to the other factors discussed in the energy section above.

Progress is being made on setting targets for the five-year period to 2025 but, as noted above, finalisation of the plans is contingent on publication of proposed new regulations regarding the development and reporting of GHG PPP and Carbon Budgets.

¹ Some prior year energy use and carbon emission comparatives have been adjusted for improved data collection subsequent to last year's reporting date. These are not considered material as they are less than 1.5% in all cases.

BEING A RESPONSIBLE CITIZEN CONTINUED

WATER

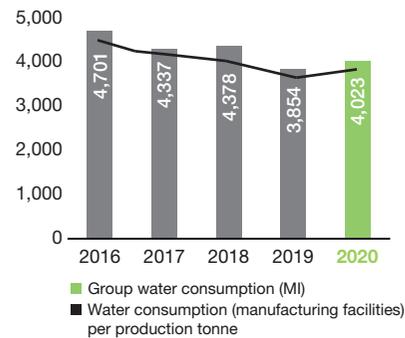
Paper production requires large amounts of water and 94% of the water used in the Group is used by the Paper Division. Our manufacturing processes aim to optimise water use, however, two of the three paper mills have reached the point where the degree of process water recovery and recycling is impacting on paper quality and further savings will require application of innovative water management systems. Total water consumption for 2020 increased by 4% to 4,023 megalitres (2019: 3,854 Mℓ) compared to a 3% decrease in total production. Specific water use for manufacturing sites increased by 7% from 4.94 kilolitres per tonne of production to 5.30 kℓ/t.

Our long-term water savings target was for a 20% saving of water used per manufactured tonne of product by 2020 against the baseline year of 2012. 2020 consumption per tonne of production represents a saving of 23% (2019: 28%) against the baseline, or just over 5,800 Mℓ over the period.

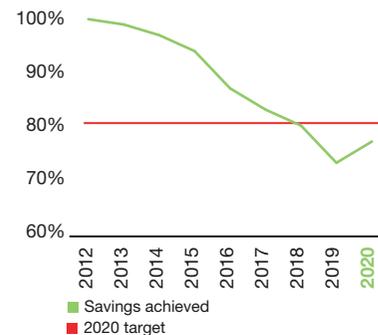
WASTEWATER

Wastewater discharged from the Group in 2020 increased by 3% to 2,654 Mℓ (2019: 2,574 Mℓ) and specific wastewater discharge for the manufacturing operations increased by 6% to 3.50 kℓ per tonne of product (2019: 3.31 kℓ/t).

Water consumption (Mℓ)



Reduction in water use per manufactured tonne



WASTE

Our sites segregate and sort waste material generated, and recycle wherever possible. Residual materials that cannot be recycled, or are spoiled, are disposed of through registered waste service providers or municipalities, according to their waste categories.

Non-hazardous waste recycled in 2020 totalled 53,562 tonnes (2019: 66,703t). For the manufacturing sites this amounted to 68kg per tonne of product (2019: 66kg/t). Total non-hazardous waste disposed of by the Group amounted to 35,048 tonnes (2019: 34,048t) which for the manufacturing operations amounted to 45kg per tonne of product (2019: 41kg/t). Waste disposed to landfill mainly comes from the Paper Division (including Mpack Recycling) and is affected by the amount of non-recyclable material that is included in recovered fibre from the waste collectors. The current challenging economic environment resulted in waste collectors digging deeper into contaminated sources, resulting in more non-recyclable material having to be removed from the recycling stream.

Hazardous waste disposed of decreased to 830 tonnes for the Group (2019: 1,004t) or 1.1kg per tonne of product (2019: 1.2kg/t) for the manufacturing sites.

MATERIALS

Mpact focuses on responsible sourcing of raw materials and most of the fibre used in our paper mills is supplied by the Recycling division and recycling practices at corrugating operations. Operations still use some virgin fibre and polymer, and certain residual materials are not yet recyclable and must be disposed of as waste.

Felixton Mill uses only recycled fibre, while Piet Retief Paper Mill purchases sawdust, offcuts and logs from local sawmills and plantations for virgin fibre to supplement their use of recycled fibre. The bulk of the paper produced at Springs Mill is derived from recycled fibre, although the mill also purchases white virgin pulp from local suppliers for the outer white layers of its folding boxboard products.

The plastics businesses purchase polymers preferentially from local suppliers whenever possible.

National Recycling Week 2020 media campaign

Mpact Recycling ran a social media campaign to promote recycling around National Recycling Week (14 – 20 September 2020). The campaign far exceeded our targets, reaching more than 1.3 million people across South Africa and creating a positive increase in engagements per social media post. Our aim was to drive behavioural change that encouraged consumers to find out more about recycling and to help them collect and drop off recyclables at collection points. More than half of the contacts created through the campaign requested details of nearby drop-off centres to drop off recyclables, sell their materials or to start their own recycling business. Visitors to Mpact Recycling's website increased over 150% in September.

RECYCLING

Mpact Recycling collects waste paper, plastics and other recyclable materials from pre- and post-consumer sources. Recovered paper is sold internally to the three Mpact paper mills for manufacture of containerboard and cartonboard, and to other external customers. This considerably decreases our reliance on virgin materials and diverts significant quantities of material from landfills

Our Springs plant has a liquid packaging recycling facility that separates liquid packaging cartons into their constituent parts – recovered paper (75%), polyethylene (20%) and aluminium (5%). The recovered paper is used by Springs Mill and improves board strength. We continue to investigate feasible uses for the recovered polyethylene and aluminium.

Mpact Plastics Containers has a recycling and exchange programme that collects old and damaged wheelie bins, crates and baskets from municipalities and retail outlets for recycling. These items are cleaned and ground down, extruded into pellets and blended with virgin material to mould new products for sale. Over the last five years, 700 tonnes of plastic have been diverted from landfill in this way.

Mpact's recycling businesses recovered 522,565 tonnes of material for recycling in 2020 (2019: 624,000t), which diverted 29,697 tonnes of plastic waste from landfill for recycling and enabled 347,541 tonnes of waste paper to be recycled.

Recycling also promotes local beneficiation of raw materials, job creation and small enterprise development, reduces greenhouse gas emissions and prevents landfilling or incineration of the recovered material