

ENTERPRISE AND SUPPLIER DEVELOPMENT

Mpact's preferential procurement programme fosters entrepreneurship and promotes transformation across its supply chain by supporting the development of small black-owned and black women-owned businesses.

The Group supports a number of small and mostly black-owned contractors at Mpact Recycling's sites by providing and maintaining offices, telephones, scales and other machinery, as well as covering their overheads. Some of these businesses have expanded and now operate at several recycling sites. During 2020, Mpact supported an existing 100% black-owned customer experiencing difficulties by converting their outstanding debts to an interest free loan to provide some reprieve in a challenging year. The Group also provides interest-free loans to Dalisu, a black empowerment partner, as well as other interest-free loans to qualifying BEE beneficiaries through an ESD facilitator.

SOCIO-ECONOMIC DEVELOPMENT

The Group's investment in socio-economic development supports meaningful projects that make a difference in the communities around our operations, build the will for change and foster the self-esteem and dignity of the people in these communities. Our approach to corporate social investment and highlights of some of the projects in which we are involved are available on page 42.

SAFETY

Mpact subscribes to the principle of "Zero harm" and is committed to providing a safe and healthy working environment for all employees, contractors and service providers. The CEO's Safety, Health and Environmental (SHE) is based on the principles that individuals are responsible for their own safety, adherence to the 'Fire and Safety Rules to Live By' is the minimum standard throughout Mpact, and that there is no differentiation in the treatment and expectations of employees, contractors and service providers at our operations.

MANAGING SAFETY AT MPACT

Mpact's safety management systems align with ISO 45001, the international standard on Occupational Health and Safety management. The Group Safety Plan is set at the start of each year by Mpact's CEO and the Group Risk and Sustainability Manager (GRSM). This is cascaded down into the operations where site management develops their own roll-out plan to implement the Safety Plan.

The Mpact Risk Control Standards set standards and guidelines across the group in terms of safety, health, fire protection, security, emergency preparedness, vehicle control and environmental management. Marsh Risk Consulting routinely audits an annually selected set of sites against these standards, with the other sites conducting annual internal audits against the standards. Senior management is responsible for safety, health, environment and fire defence systems, and are assisted by line managers at each operation who are accountable for the well-being of employees. Safety committees at each operation implement Group safety policies at the facilities.

The Group's approach to safety is set out in the Mpact Safety Manual and the GRSM works closely with safety officers at sites to improve skill levels and help them inculcate Mpact's safety culture.

Any major safety incident and all serious injuries are investigated to identify the root cause of the incident and reports are prepared to distribute learnings throughout the Group. Mpact's incident investigation guide assists site management when conducting safety incident investigations and the general manager of each site is required to chair all fatality, LTI and RWC investigations. Minor safety incidents are also investigated and learnings are applied at the operation to minimise the likelihood of recurrence.

Safety, health and environmental training is provided at compulsory induction programmes for all new employees, contractors and visitors, as well as at annual re-induction training. Additional safety training and awareness campaigns are also held during the year. A comprehensive contractor safety management programme is in place to ensure all contractors on our operations are afforded the same high standard of safety care as employees.

The annual Excellence in Health and Safety Awards recognise excellent safety performance at the operations. All operations are audited annually by Legal Consulting Services who specialise in safety legal compliance. Based on the outcome of the audits and site safety performance, the best performing operation is awarded the prestigious Mongoose Safety Award. Safety performance over a five-year period is also reviewed and sites are awarded Excellence in Safety Awards in Platinum, Gold, Silver and Bronze based on their performance.

A set of Safety Leading Indicators has been developed that have been a key contributor to the improved safety performance since 2018, along with a "Safety at Mpact" presentation to operational management that aims to shift attitudes away from a "systems and rules" focus to a person-centric view to embed the concept that "safety is about people, not systems". The Safety Leading Indicators have been incorporated into bonus targets for all managers to incentivise conformance to the key Mpact safety systems. The indicators are currently being revised to add more challenging parameters to drive continual improvement in safety performance. The annual safety culture survey is also being refined to identify underlying attitudes to safety and highlight the effectiveness of safety leadership.

SAFETY IN 2020

Our safety focus in 2020 continued to be on enhancing Mpact's safety culture as the Group has already embedded effective primary (physical interventions to provide a safe working environment) and secondary (systems and processes to control the way people interact with work hazards) safety interventions. Primary and secondary interventions are guided by, and comply with, the Occupational Health and Safety Act, and are considered as standard requirements of all operations.

A healthy safety culture (tertiary safety) moves an organisation beyond reliance on systems to creating an environment where every employee and contractor is equipped and empowered to make decisions affecting their own safety and the safety of those around them.

Feedback from the safety culture survey conducted by an external safety specialist in 2019 has been incorporated into a Safety Culture Renewal programme that includes safety practitioner competency assessment and training, safety leadership training and a programme to simplify and standardise safety systems across Mpac. Our focus on safety leadership encourages leaders to demonstrate safe behaviours, engage with workers on the shop floor and inspire, equip and empower them to take ownership of their own safety, and the safety of their colleagues. Our primary means of doing this is through Visible Felt Leadership (VFL) in which leaders engage on the shop floor with workers and discuss issues relating to the safety and wellbeing of workers.

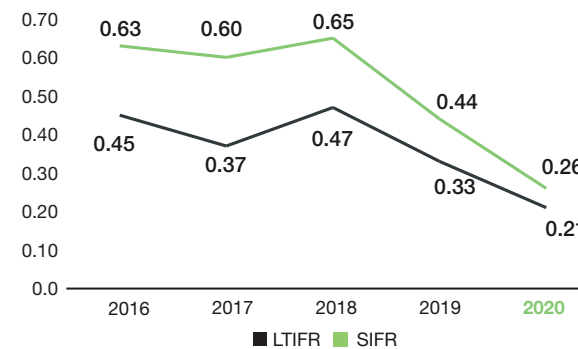
The primary, secondary and tertiary safety initiatives Mpac has implemented to ensure a safe working environment are shown in the step diagram below. The foundation on which these are built, and the reason why we focus on safety at Mpac, is that we care about our people's wellbeing.



SAFETY PERFORMANCE

Mpac's ongoing emphasis on the safety of our workforce as a critical indicator of operational performance demonstrates our care for each other. Covid-19 interventions appear to have greatly increased employees' awareness of self and others in the workplace, which also supported a further improvement in Mpac's safety performance. Lost time injuries (LTIs) decreased to 14 (2019: 24) and restricted work cases (RWCs) declined to 3 (2019: 8). The lost time injury frequency rate (LTIFR) per 200,000 man hours improved to 0.21 from 0.33 in 2019 and the serious injury frequency rate (SIFR), which includes RWCs, LTIs and fatalities, decreased to 0.26 from 0.44 in 2019. We are pleased to report that Mpac suffered no workplace related fatalities in 2019 and 2020.

Safety Performance



HEALTH AND WELLNESS

Mpact's health and wellness programme supports the health and wellbeing of employees to improve quality of life, morale and productivity. Employee health and wellbeing also have a significant influence on safety performance.

Medical surveillance and other health services are delivered by Life Employee Health Services (EHS) at on-site clinics at our larger sites and mobile clinic that visit smaller sites. Occupational health examinations are conducted when an employee joins the Company, at periodic intervals during employment (based on the risk and local regulatory requirements), on transfer from one operation to another and when they leave the Company. The medicals assess fitness for work specific to the employee's job requirements. Lung function testing has, however, been suspended since the start of the Covid-19 lockdown period due to the potentially high generation of exhaled particulates during this test.

Primary health and chronic disease assessments are also conducted at on-site clinics and where required the employees are referred to occupational health doctors.

Hypertension is recognised as a major risk factor for heart disease, strokes, kidney disease and eye disease, and affects 30% to 40% of South Africans. Data from our clinics show that around 25% of Mpact's employees are diagnosed with hypertension and two thirds of callers to our employee wellness programme report high levels of stress. Where stress and other negative psychosocial elements, such as negativity, anxiety, discouragement and hopelessness, lead to distraction at work, this can contribute significantly to safety incidents and poor work performance.

The Life Employee Wellness Programme was introduced in 2018 to support employees through health, psychosocial, legal and financial counselling for employees and their households through a 24-hour call centre. Face-to-face counselling and group trauma counselling is offered as required with these services provided by contracted in psychologists or social workers. The service also offers a website giving support and a wealth of information on wellness. The response to the programme has been encouraging

with 831 consultations up to the end of December 2020 and an annualised utilisation rate of 5.1% in 2020. Lower usage of the call centre occurred during the two waves of Covid infections. This was reportedly common for all corporate clients of the Life EHS call centre. Feedback has been positive from anonymous users regarding the value of the service.

"Safety Days With Sam" are regular Safety and Wellness days held at operations that include counselling, voluntary health tests, cancer awareness, financial advice, eye tests, situational safety awareness role plays and awareness drives for relevant health challenges such as diabetes and hypertension. Sam is our safety mascot who appears in cartoon form in safety communications and as a life size costume figure at these events.

Key health indicators such as HIV/AIDS and chronic diseases, and primary health conditions identified during consultations at the clinics, are collected and reported to the Group. However, in 2020 the primary health and safety focus was on dealing with the Covid-19 pandemic.

HIV/AIDS

Mpact's Occupational Health and Wellness programme provides comprehensive support and treatment for employees living with HIV/Aids, including free antiretroviral treatment. The clinics provide HIV voluntary counselling and testing (VCT) for all employees and contractors during their medicals and HIV awareness campaigns are run at wellness days and events commemorating World Aids Day. In 2020, 4,060 employees (2019: 4,991) undertook workplace medicals with 1,651 employees (2019: 2,277) receiving VCT.

LIFE EHS Employee Wellness *Programme*



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