

STAKEHOLDER MANAGEMENT

Key engagements conducted during 2020 include:

SHAREHOLDERS, POTENTIAL INVESTORS AND ANALYSTS

At Mpact's virtual annual general meeting in June 2020, more than 25% of Mpact's shareholders present in person or represented by proxy voted against the non-binding advisory votes for the remuneration policy and the remuneration implementation report. The Board invited dissenting shareholders to forward their concerns and questions on the remuneration policy and the remuneration implementation report to the Group Company Secretary and appropriate engagements were held to address these concerns and questions (see pages 76 and 77 of the Integrated Report).

Mpact's in-house communications manager aims to provide clear communication of key information to the investment community on an ongoing basis, and is supported by an investor relations consultant. Senior management engages with analysts, shareholders, the broader investment community and other providers of financial capital, including through results presentations, investor roadshows, site visits and through our website. Where requested, management holds one-on-one meetings with key investors and potential investors.

ENGAGEMENTS WITH EMPLOYEES

Mpact's response to Covid-19 included a key focus on ensuring clear and effective communications with employees. Central Office provided guidance and information to the operations, which engaged directly with employees on a regular basis.

This decentralised model ensured that accurate and relevant information was disseminated quickly and widely. The CEO and other senior executives visited most operations during the year. However, due to Covid-19 restrictions, in-person CEO Imbizos were replaced by virtual engagements with smaller groups of managers and employees. Topics covered included business performance, safety, Covid-19 interventions and employee concerns.

GOVERNMENT AND INDUSTRY BODIES

The Group engaged with government at various levels both directly and through industry organisations during 2020. These engagements included interactions to ensure that Mpact implemented interventions required by Covid-19-related regulations, to facilitate TERS relief to employees and to coordinate Covid-19 relief efforts including the provision of facemasks and support for waste pickers (see page 40).

Mpact's participation in various industry organisations ensures that the Group's position on issues that affect our operations are well understood and communicated effectively to government and regulators. These organisations include PAMSA, the Packaging Council of South Africa, PETCO, POLYCO, the Polystyrene Packaging Council and the South African Vinyls Association. Mpact has been actively involved in the development of the Packaging South Africa Industry Waste Management Plan and the Extended Producer Responsibility regulations, and engaged with government, the Department of Environmental Affairs and other key stakeholders.



STAKEHOLDER MANAGEMENT CONTINUED

The table below provides an overview of Mpac’s main stakeholder groups, their primary expectations and concerns, and how we seek to address these.

How we engage	Stakeholder expectations and concerns	How Mpac addresses these
<p>Employees and unions</p> <ul style="list-style-type: none"> • Remuneration and performance appraisals • CEO Imbizos (employee feedback sessions) • General updates • Tip-offs Anonymous • Employee Surveys • Bargaining Council meetings 	<ul style="list-style-type: none"> • Health and safety during Covid-19 • The Group’s resilience and sustainability during Covid-19 • Fair work practices and transformation • Fair remuneration • Safe working environment • Clear and strong leadership • Skills development • Learnership programmes • Career opportunities • Transformation 	<ul style="list-style-type: none"> • Clear and effective communication during Covid-19 • Salary-benchmarking surveys • OHS-programmes and instructions are in place at all plants. • Life EHS engaged to provide an employee wellness programme • Skills development and training • Safe working practices • Transformation initiatives and a diversity drive • Succession planning programmes • The Mpac Foundation Trust Bursary Scheme offers bursaries for tertiary education to the dependants of qualifying employees • Recognition of work done through the Mpac Awards
<p>Customers and suppliers</p> <ul style="list-style-type: none"> • Ongoing interactions in the ordinary course of business • Contractual negotiations • Customer innovation workshops • Site visits • General updates 	<ul style="list-style-type: none"> • Quality product and efficient service • Product innovation • Keeping abreast of market trends • Competitive prices • Impact of exchange rates • Fair payment terms • Resilience and sustainability during Covid-19 	<ul style="list-style-type: none"> • Meetings to address pricing, product quality and specifications, service, stockholding and security of supply • Procurement agreements • Long-term supply agreements • Price negotiations • Mpac’s R&D Centres continuously innovate to ensure cost-efficiencies and enhanced food safety
<p>Shareholders, the investment community and financial institutions (including banks)</p> <ul style="list-style-type: none"> • Results presentations and investor road shows • Annual General Meetings • Site visits • Trading updates • Market perception polls • In-house Communication Manager • Investor Relations consultant • One-on-one meetings with key investors, existing and potential • The Mpac website • One-on-one meetings with management, where requested 	<ul style="list-style-type: none"> • Resilience and sustainability during Covid-19 • Capital allocation • Comprehensive and detailed financial analysis and figures • A better understanding of the business and its operations • Major risks of the Group and how these are addressed • Group prospects • Group strategy 	<ul style="list-style-type: none"> • Regular updates to the market regarding key developments through SENS and media releases • Comprehensive results presentations incorporating concerns and how these are being addressed • Integrated Annual Report and Sustainability Review • Mpac’s in-house communications manager communicates key information to the investment community on an ongoing basis, and is supported by an investor relations consultant. • Senior management engages with analysts, shareholders, the broader investment community and other providers of financial capital.

How we engage

Government institutions and regulatory authorities

- Meetings
- Representation on industry bodies, forums and regulatory bodies
- Active engagement on key projects

Communities

- Local community development projects
- Active involvement in local communities and support for community initiatives

Industry associations*

- Committee meetings with various industry associations

- * Industry associations Mpack participates in include:
- The Paper Recycling Association of South Africa (PRASA)
- The Paper Manufacturing Association of South Africa
- The Manufacturing Circle
- Packaging SA
- Printing South Africa – Statutory Council
- The Institute of Packaging
- The PET Recycling Company (PETCO)
- Plastics SA
- The Polyolefin Recycling Company (Polyco)
- The Polystyrene Packaging Council

Stakeholder expectations and concerns

- B-BBEE status
- Implementation of Covid-19 protocols and support for relief efforts
- Health and safety
- Water licence applications
- Environmental matters such as carbon tax, air emissions, waste management and electricity usage
- Ensure understanding of industry issues
- Funding and tax incentives

- Support during Covid-19
- Support for socio-economic development in local communities
- Skills development and job opportunities

- To promote industry-wide issues on a regional and national basis
- Support for communities during Covid-19

How Mpack addresses these

- Commitment to regulatory compliance
- Ongoing engagements with regulators to ensure compliance

- Continued commitment to socio-economic development and corporate responsibility
- Active involvement in local communities and support for community initiatives
- CSI spend was R3.7 million
- Various projects – set out in detail on pages 42 to 44
- Education and training

- Ongoing engagements with industry peers, other industry representative bodies and government
- Participation in Covid-19 response initiatives organised by industry associations