

Production



Mpact's integrated business model focuses on **closing the loop** on plastic and paper packaging through recycling and beneficiation.

mpact
Smarter,
sustainable
solutions

Consumption



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Material matters

-  Being a responsible employer
-  Sustaining profitable growth
-  Being a responsible corporate citizen
-  Cost competitiveness and anticipating and meeting customer needs

Strategic pillars

-  Leading market positions
-  Customer focused
-  Focus on performance

Reference

-  Refer to page
-  Available online on the Company's website: www.mpact.co.za
-  **Mpact's suite of 2019 reports is available on the Company's website and includes:**
 - Integrated report
 - Sustainability Review
 - GRI Standards: "In accordance"
 - Annual Financial Statements
 - Notice of Annual General Meeting
 - Mpact King IV register

About this report

This Integrated Annual Report aims to provide readers with a concise and balanced overview of the context, activities and performance of the Mpac Group for the financial year from 1 January to 31 December 2019. It is prepared primarily to address the information needs of long-term investors and providers of capital, but also includes information about our environmental and social performance, as well as our governance framework and actions, that are of interest to our broader stakeholder groupings. Where relevant, material happenings after financial year-end are included in the report up to the date of approval by the Board.

Mpac's operating model (page 10) provides an overview of our main activities and the role the Group plays in closing the loop on the circular economy. The strategic overview section that starts on page 16 discusses our approach to creating sustainable value for our stakeholders and the business model on page 12 analyses our inputs, outputs, outcomes and the trade-offs between the six capitals that arise from our activities. Mpac's key stakeholders and significant engagements during the year are discussed on page 41.

The information included in this report is determined by our most material matters – those matters that could potentially have the biggest impact on the Group's ability to create value in the short-, medium- and long-term. These matters include both financial and non-financial factors and have been agreed on and approved by the Board and the Executive Committee. Mpac's most material matters and how these were derived are discussed in more detail on pages 46 and 47.

The annual financial statements include financial information for all subsidiaries, associates and joint ventures, in line with IFRS. Non-financial information is included for all entities over which we have direct control.

Guidelines and frameworks

This report has been prepared in accordance with IFRS, the requirements of the Companies Act, the JSE Listings Requirements, the principles of the King Code of Governance Principles for South Africa (King IV™) and the International Integrated Reporting Council's (IIRC) Integrated Reporting <IR> Framework, as these apply to the Group. The sustainability information in Mpac's Sustainability Review is disclosed in accordance with the GRI Standards: Core option.

Assurance

A combined assurance map has been compiled to help understand the level of coverage achieved by each assurance provider in terms of the third level of defence in the Combined

Assurance Model. The Group's external auditor, Deloitte & Touche, assured Mpac's annual financial statements and Summarised Consolidated Financial Statements, and a copy of their Independent Auditor's report on the Summarised Consolidated Financial Statements is available on page 103. While the Sustainability Review as a whole has not been independently assured, certain information contained in the review has been scrutinised by the Group's internal control functions as well as by external assurance providers where this has been deemed relevant and necessary. The review is available on the Group's website. 🌐

Disclaimer

The Integrated Report contains certain forward-looking statements concerning the Group's environment, financial performance and conditions, strategy, outlook and growth expectations.

Such views involve both known and unknown risks, assumptions, uncertainties and important factors that could materially influence the actual performance of the Group. No assurance can therefore be given that these will prove to be correct and no representation or warranty expressed or implied is given as to the accuracy or completeness of such views.

Board approval

The Board confirms its responsibility for the integrity of this Integrated Report. The content has been collectively assessed by the Board and in its opinion this report addresses the issues that have the potential to most materially impact the performance of the Group.

The Board has accordingly authorised the release of this Integrated Report.

AJ Phillips
Chairman

BW Strong
Chief Executive Officer

24 March 2020

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