

Social and Ethics Committee report (continued)

Stakeholder engagement

Mpact engages with stakeholders on an ongoing basis to understand their key concerns and identify ways to address the various social, economic and environmental challenges they and the Group face. Transparent and open communication with stakeholders is critical to the long-term success of the Company. These engagements provide input that helps to strengthen our programmes, identify opportunities and material issues, and ensures compliance with the Companies Act and King IV.

The Committee reviews quarterly reports on Mpact's engagement with stakeholders and further reviews a list of its primary stakeholders annually to ensure it reflects the key groupings with which Mpact interacts. The Group's Stakeholder Engagement Policy is also reviewed annually.

Mpact's primary stakeholder groups are shown in the diagram below.



Examples of key engagements conducted during 2018 include those discussed below.

Industry bodies

Mpact is active in a range of industry organisations to ensure that our stance on issues that affect our operations are well understood and communicated effectively to government and regulators. In 2018, we participated in the development of the Packaging South Africa Industry waste management plan which was submitted to the Department of Environmental Affairs in September 2018. The plan provides a consolidated multistream industry waste-management plan for the paper and packaging sector and has a five-year goal to increase recycled tonnage from 2.2 million tonnes (58.2%) to 2.7 million tonnes (66.9%) of total paper and packaging. It forms part of a bigger strategy to transition South Africa towards a circular economy. Mpact representatives engaged with government, the Department of Environmental Affairs and other key stakeholders as part of the process.

We were also active in various forums that participated in President Ramaphosa's growth agenda. Our participation in the organisations representing the plastics industry, including PETCO, POLYCO and the Polystyrene Packaging Council, during the year aimed to ensure that discussions around the future of plastic are supported by a broader factual and scientific understanding.

CEO Imbizos to build employee engagement

The annual CEO Imbizos that are held at the operations create an opportunity for senior management to meet with all levels of the workforce, engage with them around their key concerns and present the results and current position of the business.

The concerns employees raised with the CEO through these forums have improved our understanding of the socio-economic pressures on workers. These issues include access to housing, education for their children, personal security, the cost of transport and medical services, transformation, poor economic growth and high levels of personal debt. In 2018, we launched a wellness programme that aims to improve employee wellbeing by offering health, social, psychological, financial and legal support.

Analysts, shareholders and potential investors

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

Progress on key projects

We are pleased that the Committee enhanced its monitoring of activities across the Group and appreciate further progress made on the following projects undertaken:

- The Excellence in Health and Safety awards, Behaviour-Based Safety Programme and Mpact Safety Culture Awareness Programme.
- Improved the Health and Safety Standards by the implementation of the Mpact Safety Plan which covered the Mpact Safety Culture cartoon awareness series; monitoring of leading indicators and the Behaviour-Based Safety programme. Details of these are provided in the Sustainability review.
- Internal plans to proactively address developments in carbon legislation including the Carbon Tax, Carbon Budgets and the Greenhouse Gas Pollution Prevention Plan.
- Energy improvement initiatives which covered PV solar plants and installation of meters at all plants.
- Environmental targets for 2020.

Independent assurance

The Mpac Dashboard System has improved the capture of relevant sustainability data and the Committee is satisfied that the disclosure is adequate and the information accurate.

Various external assurances have been obtained and these are listed in detail in the Sustainability review. Mpac has not received assurance for the Sustainability review in its entirety. The Sustainability review can be found on the Company's website.

The Committee is satisfied with the Group's progress in the different areas and with its plan for the 2019 financial year. The Committee is well pleased with the Sustainability Award won by the Group at the National Business Awards. This prestigious award confirms that the Group continues to demonstrate strong adhesion to Environmental, Social and Corporate Governance (ESG) policies with evidence of achievements of set targets in these areas through its circular economy business model. This award further endorses the Group's active involvement in promoting ESG policies and, by doing so, setting an example for other corporations in South Africa to follow.

The environmental and social sustainability of Mpac is important to the Group and a detailed Sustainability review has been prepared, which reports in more detail on its employees, environmental impacts and CSI. These issues are of significant importance to the Group in terms of its obligations to all of its stakeholders. The Sustainability review can be found on the Company's website. 

On behalf of the Social and Ethics Committee:

Ntombi Langa-Royds

Social and Ethics Committee Chairperson

12 March 2019