Social and Ethics Committee Report

Our role is to ensure Mpact remains a responsible corporate citizen, guided by ethical leadership and a commitment to sustainability. We will continue to focus on health, safety, transformation, and environmental stewardship to create long-term value for all stakeholders.

Maya Makanjee
Chair, Social and Ethics Committee

I am pleased to once again present the Social and Ethics Report to stakeholders for 2025.

Mandate and governance

The Social and Ethics Committee (the Committee) operates in accordance with Regulation 43 of the Companies Act, the principles of King IV™, and its approved Terms of Reference, which are reviewed annually to ensure alignment with statutory requirements and the evolving needs of the organisation.

The Committee reports to the Board quarterly and annually to shareholders at the AGM. Members of the Committee are as follows:

M Makanjee	Chair, Independent Non-executive Director
ABA Conrad	Independent Non-executive Director
FC Futwa	Independent Non-executive Director
BW Strong	Executive Director

The Committee met four times during the financial year. The table below sets out the attendance by the Committee members:

Director	4 March 2025	3 June 2025	29 July 2025	3 November 2025
M Makanjee	✓	✓	✓	✓
ABA Conrad	✓	✓	✓	✓
BW Strong	✓	✓	✓	✓
FC Futwa*	–	–	✓	✓

* *Joined as a member of the Social and Ethics Committee after being appointed at the AGM on 5 June 2025.*

Role and responsibilities

The Committee's mandate encompasses oversight of Mpact's ethical conduct, sustainability performance, and social responsibility. This includes monitoring compliance with legislation and codes of best practice in areas such as:

- Social and economic development, including alignment with the UN Global Compact Principles, OECD anti-corruption recommendations, the Employment Equity Act, and the B-BBEE Act.
- Good corporate citizenship, including equality, prevention of unfair discrimination, and anti-corruption measures.
- Environmental, health, and public safety, including the impact of Mpact's operations and products.
- Consumer relationships, ensuring compliance with consumer protection laws.
- Labour and employment, including decent working conditions and employee development.

Commitment to ESG

Mpact's commitment to ESG principles is embedded in its strategy and operationalised by management with oversight by the Committee. This commitment is expressed through the following actions:

- Acting as a responsible employer and corporate citizen, managing natural resources with care, sensitivity, and expertise.
- Providing a safe and secure working environment where employees can fulfil their ambitions and continually improve their circumstances.
- Delivering innovative, sustainable packaging solutions that advance the circular economy through Mpact's integrated business model.
- Making a difference in the communities in which we operate, through targeted social investment and engagement.
- Adhering to local and international standards in quality, environment, food safety, and employee health and safety.

Social and Ethics Committee Report *(continued)*

Key ESG initiatives include:

- Environmental stewardship guided by Mpact's Environmental Management Standard (EMS), which complies with ISO14001. Each operation has a five-year plan to reduce energy consumption, CO_2e emissions, water use, and wastewater disposal.
  - Mpact has installed 17.7MWp of solar PV capacity, with a target of 25MWp by 2027.
  - Boreholes and rainwater harvesting facilities have been installed at several sites to mitigate water supply risks.
  - A Net Zero journey plan for 2050 and a Climate Change Risk Register guide Mpact's adaptation and transition strategy.
  - The Group has met its energy, CO_2e, and water targets, and has received no adverse environmental findings.
- Circular economy leadership: As southern Africa's leading plastic and paper recycling and packaging manufacturer, Mpact ensures valuable recyclable materials remain in the ecosystem, reducing landfill pressure and promoting resource efficiency.

Health, safety, and employee well-being

The Committee oversees health and safety performance and ensures processes are in place to create a safe working environment.

Over the past two years, Mpact has invested in extensive first-line fire defence training, with the aim to train all employees and contractors on our sites on the basics of fire propagation and how to use a fire extinguisher. Fire team training has also been done at most plants, where volunteer firefighting teams have been trained on the advanced use of fire hydrant systems. Mpact held its inaugural firefighting competition in September 2025, showcasing the business's strong commitment to fire defence excellence and operational safety. This consisted of both first-line and fire team exercises.

Safety performance:

- SIFR (Serious Injury Frequency Rate) decreased to 0.38 (2024: 0.50)
- LTIFR (Lost-Time Injury Frequency Rate) decreased to 0.26 (2024: 0.40)
- LTIs (Lost-Time Injury) decreased to 17 (2024: 29),
- while RWCs (Restricted Work Case) increased to nine (2024: seven).

- Employee Wellness Programme (EWP):
  - Provides health, psychosocial, financial, and legal support to employees and their households.
  - 426 employees and family members accessed EWP services in 2025.
  - Onsite clinics offer primary health and chronic disease consultations, with the aim of having all employees undergo annual occupational health examinations.

While the Committee is pleased with the overall improvement in safety statistics across the Group this year, it is extremely saddened by the fatality that occurred in February 2025 at Mpact Corrugated Epping. A contractor employed to tarp trucks succumbed to his injuries as a result of a fall due to the incorrect use of the fall arrest equipment provided. The Committee expresses its condolences to his family, friends, and colleagues. The Department of Labour was informed in terms of section 24 of the OHSA, and Mpact conducted a thorough investigation of the incident.

Transformation and skills development

Mpact Operations continues to maintain a Level 1 B-BBEE rating, reflecting its commitment to diversity and inclusion. The Committee supports transformation across the Group through initiatives in procurement, enterprise development, and skills development:

- Enterprise development programmes support small Black-owned and Black women-owned businesses, particularly in recycling operations, creating jobs and supporting entrepreneurship.
- Equity ownership: Black ownership at 35.4% (2024: 33.7%) and Black female ownership at 20.2% (2024: 18.6%).
- Preferential procurement: Mpact promotes the growth of small, Black-owned (38.9% versus 38.8% in 2024) and Black woman-owned (35.6% versus 33.4% in 2024) businesses.
- Skills development: Apprenticeship and learnership programmes are NQF-aligned, with over 85% of participants from previously disadvantaged backgrounds, of which 32% are Black women.
- The Mpact e-Learning Academy, launched in 2021, continues to provide accessible training across the workforce with 4,786 short courses completed in 2025.

Corporate social investment (CSI)

Mpact invests in projects that uplift communities, focusing on education, health, sports, youth development, gender-based violence (GBV) and disaster relief. In 2025, Mpact contributed R12.6 million to CSI initiatives, reinforcing its commitment to socio-economic development.

Ethics and stakeholder engagement

Mpact's Code of Ethics underpins its approach to integrity, human rights, anti-bribery, and anti-corruption. Employees are encouraged to report unethical conduct through management or the independently administered Tip-offs Anonymous whistle-blowing facility.

Stakeholder engagement remains central to identifying risks, opportunities, and material issues, ensuring Mpact creates sustainable value through responsible leadership and its circular economy model.

Looking ahead to 2026

The Social and Ethics Committee will continue to:

- **Strengthen oversight of ESG risks and opportunities.**
- **Support the advancement of Mpact's climate adaptation and Net Zero strategy.**
- **Promote transformation and inclusive growth through procurement and skills development.**
- **Ensure the enhancement of health and safety initiatives to achieve the zero harm target.**
- **Deepen stakeholder engagement to maintain trust and transparency.**

Impact snapshot

Metric	2025 Performance	2024 Performance
Solar PV installed	**17.7MWp (Target: 25MWp by 2027)**	16MWp
CSI spend	**R12.6 million**	R10.8 million
B-BBEE rating	**Level 1**	Level 1
Black ownership	**35.4%**	33.7%
Black female ownership	**20.2%**	18.6%
SIFR	**0.38**	0.50
LTIFR	**0.26**	0.40
EWP consultations	**426**	341

Mpact's approach to sustainability and ethics is rooted in accountability, innovation, and care. By acting as a responsible employer, managing resources wisely, and fostering transformation, Mpact creates shared value for its stakeholders and communities in which it operates.

The company's commitment to the circular economy, adherence to global standards, and focus on employee well-being position Mpact as a leader in responsible business. As the Committee looks ahead, it remains dedicated to supporting the business as it builds resilience, drives inclusive growth, and ensures that the operations contribute positively to society and the environment, today and for future generations.

On behalf of the Social and Ethics Committee

Maya Makanjee
Chair, Social and Ethics Committee

24 April 2026