

# CORPORATE SOCIAL INVESTMENT (CSI)



Mpact operates with the conviction that in doing business we must embrace and create value for the communities in which we operate, recognising community engagement as a business imperative. We achieve this through a partnership-based Group CSI strategy, which includes, although not limited to, financial support as well as volunteer-based projects run by our employees

Our strategic objectives are to:

- support meaningful socio-economic initiatives that make a difference in the communities with which we work;
- build the will for change among the communities with whom we work; and
- build the self-esteem and dignity of the people in local communities.

To achieve this, Mpact will:

- focus on capacity building and multi-stakeholder-based sustainable community development practices;
- support specific community needs that are aligned with its focus; and
- promote employees' involvement and a better understanding of the community's role in achieving Mpact's business goals.

The Group is committed to good governance principles such as transparency and accountability in its interactions with stakeholders. Mpact undertakes surveys and feasibility studies to ensure effective implementation and sustainability of projects.

To maximise our impact, we focus our community engagement initiatives on education, health, entrepreneurial and enterprise development.

Expenditure on CSI amounted to R5.5 million in 2016 (2015: R6.3 million), exceeding the minimum CSI budget for the Company (determined at 1% of the Group's Net Profit After Tax). Budget revisions are done quarterly in March, June and September, at which point the CSI budget is also revised. Actual CSI expenditure is monitored on a monthly basis.

- CSI expenditure for 2016 was allocated as follows:
  - o 40.6% (2015: 36.5%) to Education
  - o 28.0% (2015: 28.7%) to Community Facilities
  - o 19.1% (2015: 20.4%) to Health Care
  - o 12.4% (2015: 14.4%) to Other (Cultural, Environmental, etc.)

## EDUCATION

Mpact's education focus is on promoting early childhood and youth development programmes; on building entrepreneurial skills development through the principle of lifelong learning; and on stimulating an interest in Science and Mathematics through facilitating access to quality tertiary education, particularly amongst learners in rural areas.

### **Ihlumelo and Paarl Girls' High Accounting/Mathematics project** Mpact Verspak site

The matric class of Ihlumelo Senior Secondary in Mbekweni needed urgent help with their Accounting and Mathematics as only 50% of the class were passing their exams. Paarl Girls' High offered to tutor the pupils but did not have the budget for stationery and other materials. Mpact stepped in to supply files, paper and other stationery, as well as memory sticks.

As a result of the joint intervention by Paarl Girls' High and Mpact the pass rate in these subjects improved from 50% to 90%

### **Phulong Junior Achievement Project** Mpact Springs mill

The inability of many school leavers to find a job after completing their secondary education is a significant problem in our country.

Mpact sponsored a practical Entrepreneurship programme at Phulong Secondary School, in partnership with Junior Achievers. The programme is aimed at Grade 11 learners and equips learners with the skills required to start and run a business.

### **Assistance with the construction of the Funindlela Primary School Hall** Corrugated Nelspruit

Funindlela is a rural no-fee school near Kaapmaiden in the Mbombela Municipality with an enrolment of 1 148 students. Until recently, the school did not have a hall/shelter area for the pupils. After consultation with the school Mpact Nelspruit offered to build the foundation and steelwork phase of the project.

# CORPORATE SOCIAL INVESTMENT (CSI) CONTINUED

## **Mpact Versapak supports “Classrooms on Wheels”**

Mpact Versapak

Mpact Versapak partnered with Khula, a local development agency, to embark on a project called “Classrooms on wheels”. The need was identified by co-founders, Daleen & Erns Labuschagne who had a vision to prevent children from dropping out of the school system. Mpact provided duffel bags filled with tools and educational material used by Khula’s facilitators to assist the children with the in-school-support program. The main focus of the program is to help stimulate the children of all ages in Primary schools.

We do not want them to drop out of school. Children who are absent for more than two days, Khula go and look for children and the absenteeism is due to family/personal problems the children experience within their home life.

Mpact work together with the schools to ensure they have the educational equipment to stimulate these children from disadvantaged areas.

Through this project, Mpact made it possible for 60 children to go back into school.

## **HEALTH AND COMMUNITY**

### **Blouputs and Augrabies Primary Healthcare Clinics**

#### **Mpact Corrugated Epping**

The Northern Cape fruit growing area along the Orange River is an important part of the customer base for Mpact Corrugated Epping. A significant part of our business is the supply of cartons for the export and domestic markets for packaging of citrus, grapes and raisins. The farms in the area have a small complement of permanent staff, and employ seasonal workers to assist during the harvest. Both the permanent and seasonal workers depend on state facilities for primary healthcare, which is inadequate, and are poorly equipped to cater for the needs of the population. A group of farmers in the area have concluded a partnership agreement with the provincial Department of Health in terms of which they will receive medication from the DOH in return for providing clinic facilities on the farms and basic medical supplies (consumables). Many farms have subsequently allocated space for a clinic or built facilities specifically to be used as clinics.

Following a request from the co-ordinator for the Blouputs/Augrabies area, who is also one of our customers, Mpact Corrugated Epping donated medical supplies consisting of latex gloves, dressings, bandages, swabs and gauze in order to assist with the initial stock-up the clinics.

The donation has enabled the various clinics to initiate the provision of primary healthcare services to the permanent employees, and once the harvesting season starts, also to the seasonal employees and their families, totalling an estimated 1,740 people.

**Lethukukhanya Care Centre is a non-profit organisation that relies on sponsorship and donations from the public and community.**

#### **Mpact Corrugated Brakpan and Springs**

Mpact received a letter from the Centre to assist in maintaining, repairing and upgrading the centre to accommodate 40 children who are from abused and orphaned families.

Mpact has installed a palisade fence for the safety of the children, equipment and the property. The Company donated a Nissan Juke motor vehicle. The Care Centre traded the vehicle in and bought a combi to transport the children to and from school.

Mpact has spent approximately R300,000 on the project since its inception in 2015.

### **Springs police station trauma room**

#### **Mpact Corrugated Springs**

Mpact was approached by the police station representative (Sheila Ramlal) with a request to renovate the trauma room. The room is used to temporarily accommodate victims of rape, domestic abuse, etc. which are mainly women and children. The purpose of the renovation was to make the room more welcoming and child friendly to enable the victims to be comfortable and relaxed.

Mpact painted the rooms, repaired the heater, shower, installed a bathroom door, printed and framed pictures for the walls and bought a washing machine and bunk bed.

R15 000 was spent on this project.

### **Thuthukani and Cathuza Stimulation Centres**

#### **Mpact Piet Retief mill**

The objective of this project is to provide support and day-care services to children with disabilities between the ages of 0 and 18 years.

The Cathuza Centre has 28 disabled children, while the Thuthukani Centre takes care of 36 children. The Centres support children with autism, cerebral palsy and other physical disabilities, including deaf and mentally challenged children. The day-care facilities operate five days a week, providing two meals a day. The Piet Retief Mill continues to fund a set amount each month for the purchase of groceries.

### **Maphepheni Sports Facility**

#### **Mpact Piet Retief mill**

Mpact supported the neighbouring community of Maphepheni with a CSI project by developing recreational facilities for the community. This includes a soccer field surrounded by an athletics track.

Mpact spent R507,000 on this project in 2016.

### **Grip Trauma Center**

#### **Mpact Piet Retief mill**

The Grip Trauma Center provides humanitarian assistance, rehabilitation and empowerment to victims of sexual assault and domestic violence as well as to those affected and infected by HIV and AIDS as a result of sexual assault.

Piet Retief mill contributes toward the running cost of two trauma centres located at the Piet Retief state hospital and the Piet Retief Police station.

The cost for the maintenance of these centres is R324 000 per year.

**Uzwelo orphan care and Khanya group for disabled needlework program,**

#### **Mpact Piet Retief mill**

Mpact Piet Retief has launched a needlework program, to equip learners with skills that can be used to generate income by sewing items and selling them.

We are actively involved in assisting them with the startup of their business and they have successfully registered the business "Delicious Sewing" and are currently manufacturing bags to resell.

The cost of this project was R98 945 in 2016

### **ENTERPRISE DEVELOPMENT**

Mpact believes that it has an important role to play in ensuring that economic opportunities are provided to small businesses owned by previously disadvantaged members of society. The continued support from Mpact should enable these small enterprises to grow into sustainable businesses and create jobs. Mpact assists such businesses by providing them with preferential payment terms, thereby improving their cash flow. There are currently more than 50 businesses supported in this way.

#### **Other community initiatives**

##### **Springs Clean**

#### **Mpact Springs mill**

Maintenance of the kerbs and sides of our main roads is neglected by the municipality. This is a safety risk as it is difficult for motorists to see on-coming traffic at intersections and provides a place for criminals to hide and ambush motorists when they are stationary. Unemployment in Springs is also very high.

Together with a number of other companies in the Eastern Gauteng Chamber of Commerce, a company was formed where unemployed individuals were hired to maintain the kerbs and sides of the main roads in Springs.

Mpact sponsored the project.

Approximate cost in funds and time. R204 000.00

#### **Making an Impact with Mpact 947 Cycle Challenge**

SpringsCare is a NPO addressing social needs in the greater Springs area. A significant problem in the greater area is that of child headed households. In these households, the oldest child is forced out of school to earn a living to provide food for the other children. This leads to problems as the eldest child forgoes their education and often has to resort to demeaning work to provide for their siblings.

Mpact challenged employees to ride the 947 Cycle Challenge and to gain sponsorships for riding the race. The moneybrought in by the cyclists was then trebled to a maximum contribution of R250 000.00.

The money raised by Mpact is primarily used to support children from child-headed households. Without the meal they receive from SpringsCare, most of the beneficiaries would not receive a daily meal at all. Research has also linked nutrition to concentration. Providing these children with a meal therefore enables them to learn, and by supporting this initiative we not only feed children but enable them to gain an education too.

Project cost R250 000 from Mpact and approximately R23 000 in employee time.

#### **Camp I Am School Holiday Programme**

Mpact Recycling and Mpact Ltd.

During the school holiday children in grades 4-10 who live in under-resourced communities have little or no activity during school holidays, which leaves them at high risk of abuse and sexual experimentation. Camp I Am holds an educational and recreational holiday camp in Orange Farm and Finetown. One highlight is preparing for the Gauteng provincial spelling bee.

Mpact sponsored the annual camps, with part of our contribution was used to print the first iteration of the Camp I Am 2016 spelling bee learner workbook.

A total of 400 Children attended the school holiday programmes in Orange Farm and Finetown.

Mpact contribution R150 000