

ENVIRONMENTAL AND SOCIAL AND GOVERNANCE REPORT 6 4 16

Maris operates in the world's least developed markets. Poor infrastructure, limited power supply and intermittent access to goods and services has created a local dynamism and resilience that is key to our success. Our people and our customers live extraordinary lives. It is our role to see that those lives are better because of Maris.

This report focuses on four areas:

- Health and Safety
- Our People
- The Environment
- Our Communities

HEALTH AND SAFETY

Maris companies employ 1,142 people and operate in some high risk industries and environments. Since our transformation from a fund to a holding company we have focused closely on health and safety procedures within the group. We now hold control positions in 14 of our 16 holdings, which allows us to implement uniform policies across our companies. We have approached the bolstering of health and safety for Maris in three ways: through the establishment of robust policies; through the strengthening of governance and the identification and training of personnel; and through reporting.

POLICIES

In 2015 we developed a Serious Incidents Management Plan for the Group, which was reviewed by Tim Coreth, formerly of Kroll, by the Audit Committee and by the Board. This covers a range of incidents from natural disasters to medical emergencies and armed robbery. Andrew Fimister, Operations Director, who has over a decade's experience in land mine clearance and the management of personnel in high risk environments has reviewed and edited the plan to ensure that it is practical and fit for purpose. Working with Human Resources Manager Jessica May, the plan is now being adopted by Maris companies and Standard Operating Procedures are being developed and made public within every company. Particular attention has been paid at Executive Committee and Board Level to the health and safety of our teams in the volatile conflict environment of South Sudan.

- Audit Committee Terms of Reference
- Risk Matrix
- Serious Incident Management Plan
- Health and Safety Policy
- Fraud Policy
- Whistleblowing Policy
- Anti Bribery Policy

PEOPLE

Over the past year we have ensured that health and safety officers have been appointed at every Maris company. In the case of our mining companies, Health and Safety Officers have been in position since inception. In the case of Equatoria Teak Company we have hired a new employee to oversee health and safety operations. At lower risk companies such as our residential compounds in Mozambique, the General Manager is responsible for health and safety. Our goal is for each of these Health and Safety Officers to receive additional training over the coming year to ensure that we implement our procedures to a uniformly high standard.

REPORTING

Health and Safety falls under the aegis of the Audit Committee, and over 40% of the discussions held at Audit Committee meetings in 2015 were on the topic of health and safety. A Risk Matrix is reviewed at every Audit Committee meeting, which aims to prevent problems before they occur. In addition, we have developed a Serious Incident reporting system whereby any incidents at Maris companies are reported to the Executive Committee immediately, and then to the Audit Committee within one month. A schedule

of incidents is included in every set of Board Papers. Companies report on environmental and social indices on a regular basis and their progress is monitored by the company Boards and by the Maris Board.

OUR PEOPLE

STRATEGY & APPROACH

Maris aims to attract and retain excellent people with strong values that suit our culture. In 2015 CEO Charlie Tryon and the Remuneration Committee focused on developing a system of performance management and rewards, learning and development, alongside the safe organisation culture noted above. To this end a new remuneration scheme was devised for General Managers and Executive Committee members and shared at the October shareholder meeting in London. A Special Resolution was sought in order to amend the remuneration scheme for the group, and over 90% of shareholders favoured the changes with no one voting against.

TALENT RETENTION & SUCCESSION

Across the organization we aim for a staff turnover <5% and aim to fill job vacancies internally in the first instance. A more consistent approach to talent management as well a recent review of the career pathways for our critical roles has helped us to better understand our people's career aspirations, strengths and competencies. In 2016 we introduced our General Manager Training scheme with the aim to equipping key talent to operate as successful managers in Africa, and to help the Maris Group to attract and retain leading talent. Our goal for 2016 is to focus more closely on skills develop.

RETRENCHMENT

2015 saw Network Support Services terminate its contract with Huawei in South Sudan due to the collapse of the currency. This led to the retrenchment of 35 staff. Those whose employment was terminated were given redundancy payments and were supported to find alternative work and nearly all of them were subsequently employed by Huawei. At ETC 160 staff ceased to be formally employed directly by the company. This was part of a move to an outsourcing model: rather than running its own inefficient central production facility the company now works in partnership with six subcontractors who employ their own teams. Overall production has risen, the company is profitable and the number of people in Nzara deriving income from ETC activities has risen. In 2015 the total number of people employed by Maris companies rose by 32 people in 2015 as Venice Mine Complex came on line.

REWARD

Maris is committed to building a culture where employees are rewarded for their contribution to the business. The remuneration committee aimed to ensure employees were compensated for their hard work in difficult market conditions. The disappointing results of 2015 saw the Executive Committee agree unanimously that they should not receive any bonus payments. A number of General Managers who had achieved excellent results within their companies were awarded bonuses, in line with their performance appraisals.

EMPLOYEE RELATIONS & SUPPORT

We uphold strict business ethics and continuously monitor our zero tolerance approach to bribery and corruption. We are currently working on a number of other relevant policies such as sickness, disability and HIV and will ensure these policies are effectively integrated throughout the group.

THE ENVIRONMENT

Our sixteen companies operate across seven countries in a range of industries from forestry to mining to warehousing. At a minimum we comply with local and international regulations, including the IFC Performance Standards on measuring, mitigating and reporting on our environmental impact. For example in advance of any acquisition, environmental impact assessments are carried out. Once operations have been established, each of our mining ventures complete annual environmental assessments and their operations are certified by the Ministry of Mines in Kenya and in Zimbabwe. Our forestry company, Equatoria Teak Company, is the only sustainable forestry company in South Sudan and replants five trees for every one tree that is cut down. In the past the company held international

certification for its operations. The outbreak of civil conflict saw the costs for external consultants to certify operations increase by 5x and for now the company meets our internal standards, and the EU CITES standards for controlled wood. Our new warehousing venture, Africa Logistics Properties, will employ EDGE building methods, a standard developed by the world bank to ensure that construction limits its impact on the environment.

Maris' second largest shareholder FMO is pioneering solar projects and is offering third party technical support for an energy audit, something that we will take part in.

POWER

Many of our companies for example Acacia Village and Kaia Village operate in remote towns with no access to grid power. To date diesel powered generators have been the prime power supply for our companies. In 2015 Harry Minter took responsibility for developing a solar solution that would replace generators as the leading supply of power at our real estate companies and at our mines. Over the past year he has developed what we believe is a very attractive model for providing clean, renewable power. This solution will save the group's emissions but will also reduce our costs.

OUR COMMUNITIES

A core philosophy of Maris is the importance of local relationships. In the volatile markets in which we operate, the mutual respect that a company develops within its community is vital to its success. With that in mind, Maris companies have developed a wide range of community programs over the past five years. Many of these have been driven by the company Management, in partnership with local leadership networks. Over time we would like to develop a focused group wide Community programme that meets the need in our markets and that builds on Maris' particular strengths and expertise.

Recent social projects sponsored by Maris companies include, inter alia:

Karebe

- Clinic and Police Station built
- Funding of annual scholarships
- Local road management and upkeep for 5 km radius around mine
- Power & water brought in
- Student exchange with Jomo Kenyatta University
- 5% royalty payment

Zimgold

- Community Trust established with ownership in mine
- Power & water brought in
- 10% dividends from company go to community

Venice Mine Complex

- Community Trust established with ownership in mine
- Housing in surplus houses

Equatoria Teak Company

- Established a \$100,000 Community Fund and completed the construction of a secondary school in Nzara County, and a primary school in Mborizanga.
- Donated generators to the Nzara Hospital to allow the refrigeration of vaccines, and completed construction work on the facilities of the Comboni Sisters, Italian nuns who offer health and social services to the Nzara population.
- Ad hoc contributions such as sponsoring of the Independence Day Celebrations and donations for the Agriculture show in Nzara
- Repaired two water pumps in in Nzara and Mborisanga for the community to access clean water.
- Provided fencing materials to churches, schools government institutions, organized forces and the community at large on numerous occasions.

- ETC introduced the Moringa plant into the nursery, Nzara Hospital and at the Rainbow Clinic, which has strong medicinal properties, which are known to alleviate the symptoms of HIV/AIDS sufferers.
- Assisted the local government of Nzara in repairing main roads, airstrip and digging pits for garbage disposal using our personnel, vehicles and equipment.

TATEPA

- Outgrower ownership of Wakulima Teak Company
- ISO 22000 (food safety management) certified
- Rain Forest Alliance and Fair-trade Labelling retained
- Sponsorship for smallholders through Fair Trade tea buyers (Farmer field schools)
- Training for smallholders funded
- Transport & collections support for smallholders of tea and avocados
- Wood Family foundation project (ended end of 2015)
- 30% above the government recommended price for tea paid

OSS MOZ

- Established football pitch

ACACIA VILLAGE

- Established football pitch
- Developed a bore hole for clean drinking water

MMO

- Sponsored Livro Aberto a children's literacy organisation based in Mozambique. Livro Aberto aims to bring literacy to children throughout the country, through community and mobile libraries and literacy workshops.

MTT

- Co-sponsor for beach rugby tournament to promote rugby in local community.



Nzara Secondary School, funded by ETC Community Fund

APPENDIX

Company	Sector	Country of operations	Corporate income taxes	Other taxes and governmental fees	Number of jobs (31.12.2015)	Of which women	2015 Net Additions / (Retrenchments)	Training Budget	Wages paid
Acacia	Property Services	South Sudan	33,396	15,530	26	9	-1	-	165,675
Afritise	Property Services	South Sudan	-	8,122	18	-	1	-	87,318
CETC / ETC	Agriculture	South Sudan	-	509,451	36	1	-160	-	256,000
Equator Drilling	Mining	Moz	-	-	28	-	16	10,000	222,724
KGML	Mining	Kenya	732,676	354,248	264	12	29	10,000	1,649,707
MMO	Property Services	Moz	73,296	-	16	13	9	4,608	185,780
MTA	Services	Angola	161,978	97,238	23	5	1	-	629,382
MTT	Services	Tanzania	-	6,975	27	2	-2	-	470,622
Mulitani	Property Services	Moz	29,992	-	30	14	7	-	104,049
NSS	Other Investments	South Sudan	-	7,978	14	2	-35	-	722,082
OSS Moz	Property Services	Moz	-	-	8	2	-2	-	33,906
QSS	Property Services	Moz	-	2,248	46	6	-13	-	274,487
Tatepa	Agriculture	Tanzania	-	-	359	83	28	10,000	1,007,787
Untu	Other Investments	Zimbabwe	178,270	-	74	28	21	129,169	747,045
Venice	Mining	Zimbabwe	-	14,952	153	4	153	-	535,496
Zimgold	Mining	Zimbabwe	-	67,075	20	-	-20	-	652,430
Totals			1,209,608	1,083,817	1,142	181	32	163,776	7,744,491