

Environmental and Social Report

2016



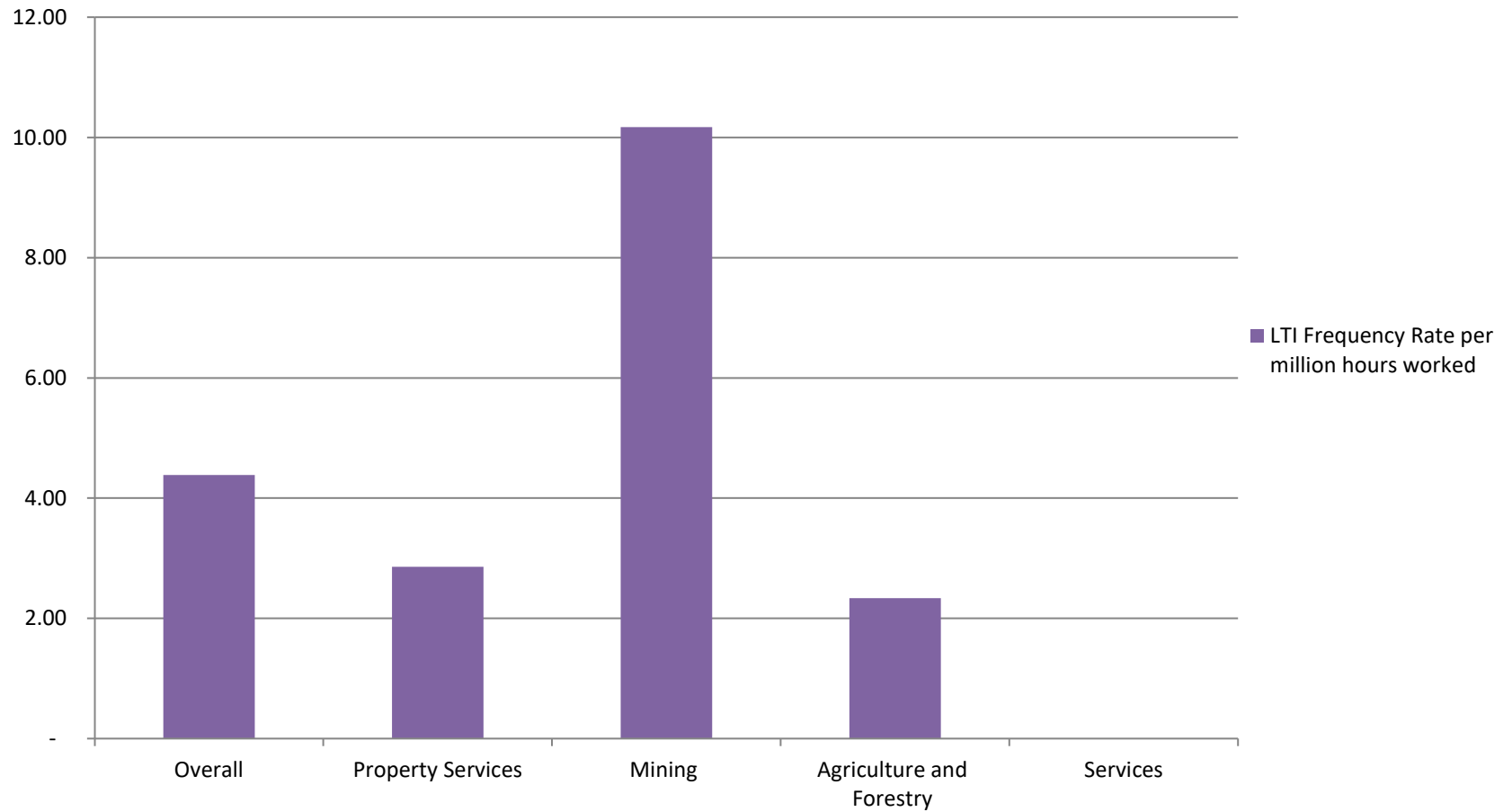
- CDC E&S audit undertaken on the group in January 2017.
- Audit findings generally positive, but outlined a number of E&S issues requiring attention to comply with IFC EHS Guidelines.
- Work required to formalise E&S management systems across the portfolio and a recommendation from CDC that a full time E&S resource is recruited.
- A number of urgent OHS issues identified by the audit, as per IFC PS 2, which are being rectified, such as signage, PPE use, material data safety sheets etc.
- 2016, a total of 5.24 million man hours worked by the group.
- Undertaken by 1,222 permanent and 1,227 temporary employees.
- 2016, a total of 42 incidents/accidents, of which 23 resulted in Lost Time Injuries (LTI's).
- LTI frequency rate of 4.39 per million hours worked (compares to a UK injury frequency rate of 12.4 per million across all industries in 2014.*)
- Services Division: 1 incident/accident in 2016 in 89,900 hours worked, resulting in no LTIs, or an LTI frequency rate of ZERO. ZERO HARM achieved.
- There were no fatalities within the group.

- Following the departure of Coco Ferguson, Andrew Fimister (Ops Director) has taken on responsibility for the group's E&S management and performance.
- Maris is sending Harry Minter (Ops Manager) on a CDC/Norfund Environmental & Social and Business Integrity Course in May 2017 for a week.
- CDC would like to see a permanent E&S position to be created at holdco level. While Maris agrees in part with the sentiment, it questions the sustainability of a permanent position in terms of overhead. It would like to explore the possibility of FMO providing financial and technical support for such.
- One of the major concerns of the audit related to illegal artisanal miners. VMC is addressing the issue currently and is looking to engage legal tibutees in a joint mining operation.
- In terms of CSR initiatives, the group has been relatively inactive throughout the year, in part due to depressed markets, pressure on the bottom line and lack of budget within many of the portfolio companies.
- ETC is the group's standout performer in terms of stakeholder engagement and community relations, with a high number of initiatives aimed at building a stronger relationship with the local community.

E&S Data Maris 2016

Serial	Company name	Division	Number of Employees				Total number of man hours 2016	Number of serious incidents/accidents	Number of LTI's	CSR funds US\$ spent 2016	Total wages US\$ for 2016	Total US\$ corporate taxes and royalties paid 2016 (not including PAYE)
			Permanent		Seasonal or temporary							
			M	F	M	F						
1	Acacia	Property Services	14	14	0	0	66,768	2	0	\$0	\$169,128	\$0
2	Afritise	Property Services	17	1	0	0	22,948	0	0	\$0	\$79,120	\$0
3	MMO	Property Services	5	15	0	0	38,000	0	0	\$3,600	\$181,109	\$77,142
4	Mulitani	Property Services	15	15	0	0	63,344	0	0	\$200	\$92,000	\$12,200
5	QSS	Property Services	32	15	0	0	125,865	1	1	\$3,700	\$179,208	\$47,000
6	OSS Mozambique	Property Services	8	2	0	0	32,865	0	0	\$72	\$32,600	\$12,700
7	Equator Drilling	Mining	28	2	0	0	40,680	5	3	\$0	\$109,542	\$800
8	KGML	Mining	260	16	18	0	764,000	11	9	\$24,360	\$2,286,000	\$1,595,000
9	VMC	Mining	177	8	25	0	455,812	2	1	\$16,350	\$1,417,700	\$219,636
10	Commoner/Mayjel	Mining	72	1	29	0	115,687	1	1	\$0	\$258,568	\$15,829
11	MTT	Services	22	3	0	0	52,500	1	0	\$0	\$401,927	\$16,136
12	MTA	Services	14	5	0	0	37,400	0	0	\$0	\$469,834	\$95,350
13	MTR - not yet operational	Services	1	0	0	0						
14	Tatepa	Agriculture and Forestry	285	116	299	292	2,150,016	6	6	\$2,992	\$1,509,789	\$391,500
15	ETC/CETC	Agriculture and Forestry	44	15	564	0	1,277,760	13	2	\$84,000	\$1,278,084	\$907,710
16	Untu	No information available										
17	ALP	Not yet operational										
Totals:			994	228	935	292	5,243,645	42	23	\$135,274	\$8,464,609	\$3,391,003

LTI Frequency Rate per million hours worked



CSR ACTIVITIES



Serial	Company name	Division	Approximate CSR spend US\$	Description of activity
1	MMO	Property Services	\$ 1,500.00	Sponsorship of "Anti Poaching March" held in Maputo on October 4th 2016: \$1500
2	MMO	Property Services	\$ 2,100.00	Food support for MMO personnel due to 25% inflation and surge in cost of food basics. Food allowance of 1000 meticaïs per month per person. Total costs to company in 2016: 144.000 meticaïs (6 months, 14 staff)
3	MMO	Property Services	\$ -	Donation in kind organised amongst staff for a personnel member that lost home and belongings in hurricane.
4	QSS	Property Services	\$ 200.00	Support of local HIV/AIDS charity.
5	QSS	Property Services	\$ 3,500.00	Supporting a local community agricultural project by buying fresh produce for use in the restaurant (approx \$3500 purchasing goods)
6	OSS Mozambique	Property Services	\$ 72.00	Growing vegetables for staff usage - seeds and tools purchased. Land and water given over to staff.
7	Mulitani	Property Services	\$ 72.00	Vegetable Garden on site; Training in sowing and growing for staff consumption; MZN 5,000.00 for seeds + pump electricity
8	Mulitani	Property Services	\$ 128.00	Vegetable Garden on extra unused land; Employees and family and friends grow vegetable for own use and sale; Funds spent on tools and seeds.
9	Venice Mine Complex	Mining	\$ -	Village rubbish and sanitation - Labour and machine time for collection and disposal of rubbish. Construction, cleaning and maintenance of Blair toilets.
10	Venice Mine Complex	Mining	\$ -	Community Centre - Labour and materials for repairs and maintenance.
11	Venice Mine Complex	Mining	\$ 13,000.00	Community Centre - Labour and materials for renovation.
12	Venice Mine Complex	Mining	\$ -	Village Plumbing - Labour and materials for repairs and maintenance of the water supply and drainage.
13	Venice Mine Complex	Mining	\$ -	Schools - Provision of housing for teachers at the primary and secondary schools. Buildings and grounds repairs and maintenance. Local Village Football Team - Donating new team kit; pitch repairs and maintenance; paying league, match and referee fees and travel costs.
14	Venice Mine Complex	Mining	\$ 3,350.00	
15	KGML	Mining	\$ 4,830.00	Repair and maintenance of local roads
16	KGML	Mining	\$ 10,860.00	School fees, school books, school fencing and repairs
17	KGML	Mining	\$ 2,540.00	Funding of sports teams and kit, including tournament
18	KGML	Mining	\$ 1,390.00	Funding of local health clinic
19	KGML	Mining	\$ 960.00	Funding of county HQ and community centre
20	KGML	Mining	\$ 980.00	Construction of community pit latrines
21	KGML	Mining	\$ 2,800.00	Other miscellaneous CSR activities
22	Tatapa	Agriculture and Forestry	\$ 369.05	50 bags of cement to Mpuguso ward for construction of dispensary.
23	Tatapa	Agriculture and Forestry	\$ 254.05	17 bags of cement and 3 trucks of sand to Bujinga Sec. school for admin block.
24	Tatapa	Agriculture and Forestry	\$ 71.43	TPAWU ZONAL Office for May Day.
25	Tatapa	Agriculture and Forestry	\$ 66.51	Ndala route road repair.
26	Tatapa	Agriculture and Forestry	\$ 69.97	Road repair at Lupaso, Kitali Village.
27	Tatapa	Agriculture and Forestry	\$ 223.08	Road repair at Busyala (Bujela Village) for murrum and mileage.
28	Tatapa	Agriculture and Forestry	\$ 233.81	Compensation for car accident Repair for HRNS AFRICA
29	Tatapa	Agriculture and Forestry	\$ 142.86	Uhuru Tourn Rungwe - WTC contribute to District Council for Uhuru tourn race.
30	Tatapa	Agriculture and Forestry	\$ 67.38	Road repair at Ndulilo and Tikuyu Town.
31	Tatapa	Agriculture and Forestry	\$ 97.65	Road repair at Mbigili.

CSR ACTIVITIES

Serial	Company name	Division	Approximate CSR spend US\$	Description of activity
32	Tatepa	Agriculture and Forestry	\$ 6.29	6kgs of tea donated to Uhuru church leaders.
33	Tatepa	Agriculture and Forestry	\$ 65.65	Road repairs at Kiwira 76kms.
34	Tatepa	Agriculture and Forestry	\$ 190.48	School desks for Rungwe and Busokelo councils.
35	Tatepa	Agriculture and Forestry	\$ 47.62	Contribution for Uhuru church - Busokelo council.
36	Tatepa	Agriculture and Forestry	\$ 70.66	WTC provides tipper to District Councils to support monthly environmental cleanliness campaign, for about 79kms.
37	Tatepa	Agriculture and Forestry	\$ 70.66	WTC provides tipper to District Councils to support monthly environmental cleanliness campaign, for about 79kms.
38	Tatepa	Agriculture and Forestry	\$ 68.88	WTC provides tipper to District Councils to support monthly environmental cleanliness campaign, for about 77kms.
39	Tatepa	Agriculture and Forestry	\$ 333.33	Maintance of Kyimo Mission Road.
40	Tatepa	Agriculture and Forestry	\$ 200.00	30 Bags of Cement for Ilenge Primary School.
41	Tatepa	Agriculture and Forestry	\$ 47.62	TPAWU ZONAL Office for May Day contribution.
42	Tatepa	Agriculture and Forestry	\$ 57.14	2 tonnes of construction sand.
43	Tatepa	Agriculture and Forestry	\$ 47.62	HIV/AIDS RAC contribution Rungwe District.
44	Tatepa	Agriculture and Forestry	\$ 142.86	2 trucks of construction bricks.
45	Tatepa	Agriculture and Forestry	\$ 47.62	Uhuru Church Rungwe - RAC contribution
46	ETC/CETC	Agriculture and Forestry	\$ 3,000.00	Ad hoc contributions such as sponsoring every year Independence Day Celebrations in Nzara and donations for the yearly Agriculture show in Yambio that run parallel to formal social infrastructure projects.
47	ETC/CETC	Agriculture and Forestry	\$ 4,000.00	ETC has from time to time been engaged in repairing water pumps in Nzara and Mborisanga for the community to have access to clean water.
48	ETC/CETC	Agriculture and Forestry	\$ 10,000.00	We have provided fencing materials, benches, doors windows, tables and various other furniture building materials to churches, schools government institutions, organized forces and the community at large on numerous occasions.
49	ETC/CETC	Agriculture and Forestry	\$ 6,000.00	ETC introduced the Moringa plant into the nursery to be consumed by patients at Nzara Hospital and at the Rainbow Clinic. This plant has strong medicinal properties, which are known to alleviate the symptoms of HIV/AIDS sufferers because of the boost it provides to their immune systems. The leaves have 7 times the vitamin C of oranges, 4 times the vitamin A of carrots, 4 times the calcium of milk.
50	ETC/CETC	Agriculture and Forestry	\$ 10,000.00	Commenced funding of the Primary school in Mborisanga through the community social fund.
51	ETC/CETC	Agriculture and Forestry	\$ 20,000.00	We fully funded the construction of the offices of the state legal administrator in Yambio.
52	ETC/CETC	Agriculture and Forestry	\$ 5,000.00	We have undertaken various repairs and rehabilitation of feeder roads and also the mains roads in Nzara County as part of our social responsibility to the community we are living in.
53	ETC/CETC	Agriculture and Forestry	\$ 10,000.00	We continue to donate timber and side boards to the community for firewood and construction materials.
54	ETC/CETC	Agriculture and Forestry	\$ 2,000.00	Funded the painting of the headquarters of the Commission of Commerce in Yambio.
55	ETC/CETC	Agriculture and Forestry	\$ 1,000.00	Contributed in kind and resources to opening of the Congo route for goods to enter our state.
56	ETC/CETC	Agriculture and Forestry	\$ 8,000.00	Made contributions to Yambio and Nzara football teams to participate in natiowide tournaments.
57	ETC/CETC	Agriculture and Forestry	\$ 2,000.00	Contribution to students of Nzara Secondary School to enable them to sit for their end of year exams.
58	ETC/CETC	Agriculture and Forestry	\$ 3,000.00	Fully funded peace building initiatives and meetings between the various communities in Nzara.
Total:			\$ 135,274	



- The CDC audit produced a comprehensive action plan (ESAP) with a list of 42 deliverables to be implemented in order to bring the Maris group in line with their expectations and IFC E&S Guidelines.
- Maris has reviewed the plan and will be sending a prioritised list of action points (summarised in the following slides) to all MD's and GM's. Some of these points will require external assistance, in the form of outside consultancy or temporary E&S resource.
- Of principle focus and priority will be the Mining and Agriculture/Forestry Divisions, both considered 'HIGH RISK' activities in IFC E&S Guidelines.

ESAP SUMMARY, RESPONSIBILITIES & TIMEFRAME



Ser	Action Point	Priority	Timeframe	Resource
1	The 'Easy Wins': Any outstanding OHS gaps identified by the CDC audit to be addressed, as well as any further ones identified in the process. To include: signage, safety equipment, PPE, machine guarding, material data safety sheets, eye washes, emergency ablutions, fire safety, hazmat protocols etc	High	3 months	Internal Holdco and Company Management
2	Review all company Emergency Response Plans (ERPs) and the holdco Serious Incident Management Plan (SIMP). It was noted that certain emergency scenarios were not included or planned for within the HIGH RISK portfolio, such as tailings dam breach or hazardous material spill. This is to be rectified. ERP's are to be reviewed and rehearsed regularly.	High	6 months	Internal and External Assistance
3	In tandem with the above, review company first aid capability. HIGH RISK companies are to ensure that adequate first aid resources are in place, including first aid trained staff, appropriate equipment and protocols, so that any unforeseen casualties can be treated effectively before evacuation.	High	3 months	Internal Management
4	HIGH RISK companies to review their E&S staff complement and to ensure adequate HR (both temporary and permanent) is in place, such as Safety Officer, Community Liaison Officer, Security Officer etc. At the same time an E & S organisation chart is to be created with roles & responsibilities to be defined.	Medium	3 months	Internal Management
5	Create risk registers that define hazards, risk and impacts within each business. Maris Holdco already does this, but companies need to follow.	Medium	3 months	Internal Management

ESAP SUMMARY, RESPONSIBILITIES & TIMEFRAME



Ser	Action Point	Priority	Timeframe	Resource
6	Risk assessment process to be formalised, and risk assessments to be undertaken on activities within the business with inherent hazards and risk, in order to manage and mitigate said risk of harm occurring.	Medium	6 months	Internal Management
7	Environmental and Social (E&S) policies to be reviewed and gaps to be filled. Policies as a minimum should include: Environmental, OHS, Corporate Social Responsibility, Community Health and Safety, Communicable Diseases (including HIV), Bribery & Corruption and HR. Policies are to be signed by senior management.	Medium	6 months	Internal and Holdco Management
8	Define and record operational procedures. This represents the most burdensome task in terms of paperwork within the overall ESMS. There should be defined operational procedures (aka SOPs) for any activities carried out in the running of the business that carry inherent E&S risk, for example chain-saw usage, explosives usage etc. The perfect scenario will see every work process within the business with inherent risk of harm, having an equivalent written down procedure.	Medium	18 months	External Resource
9	Formalise and record safety meetings: there is a requirement to formalise safety meetings, the regularity with which they are held, and to log their occurrence and attendance. While the group do undertake regular ad-hoc safety sessions, a more systematic process is required. This will further encourage the development of a safety-led culture.	High	Immediate	Internal Management
10	Formalized training programs: to formalize training programs within the business , to record the occurrence of all training courses and to log all staff members that have undergone such, ideally producing certificates for successful completion. To include tool box talks prior to the working day.	Medium	12 months	Internal and External Assistance

Ser	Action Point	Priority	Timeframe	Resource
11	In addition to the company's environmental policy, a more detailed and systematic plan for management of the environment should be formulated, which should include a waste management plan (both hazardous and non-hazardous), end-of-mine-life restitution activities & budget and all of the procedural practices and documentation (as per point 8) for activities with inherent risk of environmental harm.	Medium	12 months	External resource required
12	Environmental impact surveys/assessments: to ensure that any new projects undergo a thorough process of EIA in order to understand completely the environmental impact of such. This process should be in line with IFC performance standards 1 through to 8.	Medium	Ongoing	Internal management and third party external consultant
13	In addition to the company's corporate social responsibility policy, a CSR Plan should be formulated/formalised with all subsequent CSR activities transparently controlled and reported. Currently within the group, there is some good CSR work being undertaken, but there is no clear and systematic plan or strategy for such, against which performance can be measured.	Medium	12 months	Internal management and external consultant
14	Stakeholder engagement and resettlement plan: specifically for the group's mining division with regards to the management of artisanal miners currently residing on Venice Mine 'tributes' or concessions granted by the previous owner. To formulate a plan on how to manage the tributees most of who are residing illegally, and to execute said plan in adherence to IFC Performance Standards.	High	12 - 18 months	Internal management and external consultant

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Ser	Action Point	Priority	Timeframe	Resource
15	To ensure that community health and safety policy, procedures and resources are adequate: specifically for the outgrower programs run by Wakulima Tea Company, part of Tatepa. To ensure that outgrowers are protected by sound policies and procedures in line with IFC Performance Standard 2 Labour and Working Conditions. To also ensure that communities living within or close by to company operations are protected by sound policies and procedures in line with IFC performance standards. This will require a Community Health and Safety policy, a clear assignment of responsibility for Community Health and Safety to a company resource and various procedural documents to manage the subject sufficiently.	Medium	12 months	External consultant and internal management
16	Labour and working conditions in accordance with IFC Performance Standard 2 and International Labour Organisation principles. Although the group generally operates in accordance with such, the standards set out in IFC and ILO conventions and principles should be fully enshrined in the group's policy documents (specifically the HR policy) and within everyday operational procedures.	Medium	12 months	External consultant and internal management
17	Grievance reporting mechanisms: to put in place a defined procedure for the airing of grievances from the various stakeholders of the group's businesses, both internal and external. Although such ad-hoc processes exist within the group currently, there is no formalised system.	Medium	6 months	Internal management

ESAP SUMMARY, RESPONSIBILITIES & TIMEFRAME

Ser	Action Point	Priority	Timeframe	Resource
18	To put in place a system of E&S monitoring and evaluation: to be achieved through the development of a policy and procedures for such and the assignment of monitoring & evaluation to specific management personnel or third party consultants on an annual or bi-annual basis.	Medium	6 months	External consultant and internal management
19	E&S Reporting: currently there exists a fairly well developed system of incident reporting within the group, with all serious incidents and accidents reported upwards and submitted to the audit committee and the board of the holdco. Beyond this, there needs to be an improvement in the reporting of general E&S matters and data. This is currently in hand with some measure of E&S data being added to the monthly operational reports of companies, and companies within the HIGH RISK divisions being expected to submit an annual report.	Medium	Immediate	Internal management