



Communication on Progress

Year: 13th February 2012

STATEMENT

Being a good corporate citizen is an ambition enthusiastically embraced at all levels within our company. As a member of the Global Compact, we believe that our business policies incorporate the ten principles. Our board fully supports our actions in working towards sustainability goals – in particular that are contained in the UN Global Compact – and endorses the future priorities and specific targets we set out in our report. Through our support of the United Nations Global Compact, we also aim to move the agenda forward on performance related to human rights, labour rights, the environment and the fight against bribery and corruption. Here we summarised the progress we have made against these principles and we will continue to follow them up in future.

Rab Processors Limited is one of the leading foods manufacturing Companies in Malawi and aims to be the principal provider of basic food and non-food products in Malawi and Southern African Region. The Company employs more than 1500 workers. As a significant player in the market through employment and supply of goods, Rab Processors is keen to ensure that its operations have a positive impact on the Malawi economy. This report which is supplementary to our annual financial report outlines measures that we have put in place to ensure that there is sustainable growth of the company in line with principles of the Global Compact and Corporate Governance Charter now established in Malawi.

Sai Kiran Josyabhatla

13th february 2012,

Contact: Sai Kiran Josyabhatla

Email: md@rabmw.com

Phone: + 265 8 88 821516

Fax: +265 1 844927

	Global Compact Principle	Action Taken & Impact Achieved and/or Plans for the upcoming Year
<input type="checkbox"/>	1: Businesses should support and respect the protection of internationally proclaimed human rights;	The Company is committed and supports all efforts to eradicate any abuse on human rights. The Company has included in its terms and conditions of employment respect and protection of human rights to ensure compliance. The Company will continue to sensitize its staff through in-house training and during induction training on respect and protection of human rights.
<input type="checkbox"/>	2: and make sure that they are not complicit in human rights abuses.	All employees are prohibited to form part or be aligned to any organization or body which practices or do not respect the rights of other people. The Company will dismiss any employee who deliberately abuses the policy.
<input type="checkbox"/>	3: Businesses should uphold the freedom of association and the effective recognition of the right to collective bargaining;	Employees are allowed to exercise their rights to join any Association of their choice as governed by the Labour Relations Act. Most Company decisions pertaining to human resource are jointly discussed and done in liaison with the employees in order to effectively promote collective bargaining. The Company do hold regular meetings with employee's representatives on issues of productivity and staff welfare. The outcome of this collective bargaining is harmony among staff.
<input type="checkbox"/>	4: the elimination of all forms of forced and compulsory labour;	The Company has bona fide produce suppliers and well established and which are not engaged in child labour. Check and balances are conducted to ensure that these do not engage in child trafficking or any form of child labour. The Company has planned for this year to hold workshops for these produce suppliers in order to sensitize them on forced and compulsory labour.
<input type="checkbox"/>	5: the effective abolition of child labour;	The Company has strict policies to ensure that child labour is abolished and which among others is to stop making any business deals with suppliers or Organizations that associate themselves with issues of child labour. On the other hand as members of ECAM(Employers Consultative Association of Malawi) which is also an affiliate to ILO, ensure that all its members work towards abolishing child labour and non compliance, membership is withdrawn
<input type="checkbox"/>	6: and the elimination of discrimination in respect of employment and occupation.	The company does not support any form of discrimination and we are working towards empowering the disadvantaged group to ensure equality. This action has proved that we are an equal employer. We are currently working on an affirmative action / Policy in support of the elimination of discrimination in whatever form.

Template A

<input type="checkbox"/>	7: Businesses should support a precautionary approach to environmental challenges;	Rab Processors Limited is engaged in manufacturing and trading of farm inputs in our outlets throughout the country, trading in agricultural produce, manufacturing of food and non food products. In this regard, the Company has formulated strategies to address issues of environmental challenges.
<input type="checkbox"/>	8: undertake initiatives to promote greater environmental responsibility;	Some of the strategies that the Company will undertake this year is to hold seminars for farmers on the environmentally friendly agriculture practices and safe use of agrochemical to be conducted throughout the country and will be in collaboration with Non Governmental Organizations (NGOs) and our Suppliers. The Company strive to purchase agro produce directly from farmers to ensure income improvement in the rural masses and development of small holder farmer. All resultant by-products from the food processing activities are diverted to the animal feed manufacturing sector to minimize impact on the environment. We are also practicing waste management whereby waste is segregated. Paper and plastics are diverted to recycling and only organic waste is safely disposed in the Government managed waste dump.
<input type="checkbox"/>	9: and encourage the development and diffusion of environmentally friendly technologies.	<p>The Company will in future carry a feasibility study to convert the Company heavy vehicle fleet to use alternative fuel sources and to identify alternative renewable energy sources to reduce energy consumption of the factory. Our Research & Development Section is conducting experiments to explore the possibility of producing bio gas from human waste.</p> <p>Presently, we are developing and implementing a food safety and quality management system in line with ISO 22000 : 2005. Plans are underway to incorporate ISO 14000 and ISO 18000 to the quality management system at later stage.</p>
<input type="checkbox"/>	10: Businesses should work against all forms of corruption, including extortion and bribery.	The Company has engaged the services of the Ethics Officer who is currently working on the code of conduct through the assistance of Business Action Against Corruption (BAAC) to which we are active members. We have introduced a toll free number for tip offs which has brought about awareness to the workers and customers. We are planning to hold sensitization meetings in all our outlets throughout the Country on the issues of corruption with an aim of reducing any malpractices.