



PRESS CORPORATION LIMITED COP 2011

EXECUTIVE STATEMENT OF COMMITMENT TO UN GLOBAL COMPACT

Press Corporation Limited continues to support the United Nation's Global Compact's 10 principles. Our commitment to these principles remains solid as we continue to strive towards maintaining the highest possible reporting standards in respect to business practices. Our board fully supports our actions in working towards the sustainability goals of the United Nations Global Compact.

The annual COP report submitted to the United Nations Global Compact assists us in keeping track of our progress towards achieving the principles and also to map the way forward for the future.

We have made significant progress in relation to protection of the environment and anti-corruption in the year 2011. Going forward, we aim to do more in achieving gender diversity on our Boards and Management.

This COP serves to present a reasonably balanced representation of how Press Corporation Limited aims to move the agenda forward on performance in relation to not just the ten universal principles of the UN Global Compact in the areas of human rights and labour rights, the environment and corruption, but also the broader UN goal of partnerships for development.

Group Administration Manager

<u>Principle 1</u>	Business should support and respect the protection of internationally proclaimed human rights
<u>Principle 2</u>	Make sure that they are not complicit in human rights abuses
A C T I O N S	<p>Press Corporation Limited is committed to upholding all internationally proclaimed human rights and those stipulated under the laws of Malawi. The Company respects and acknowledges the privacy, dignity and rights of every individual whether employee or other stakeholder regardless of race, color, creed, gender or place of origin.</p> <p><i>Housing Scheme</i></p> <ol style="list-style-type: none"> 1. The Company recognizes the right to decent standard of living for its employees. In this regard, the Company has a Housing Scheme for its employees who after meeting the specified criteria are able to purchase a house through a company loan with subsidized interest rates. The aim is that after a period of ten years in the Company, each employee should own their own house. So far the scheme has benefited 67 employees since its inception in 2003. <p><i>Health and Safety</i></p> <ol style="list-style-type: none"> 2. Employees and members of the community alike have the right to healthy living. PCL clinic, having been accredited by the Medical Aid Society of Malawi (MASM) through the Malawi Business Coalition Against AIDS (MBCA), continued to act as a centre for providing subsidized Anti Retroviral (ARV) drugs from the Global Fund to PCL staff and the general public. The trend continued to be that over 90% of the patients attended to are members of the general public.

In the past year, the clinic has shifted from the ARV drug 1A regimen to the new 5A regimen which has been recommended by the Malawi Government due to its having less side effects. The clinic staff members therefore have been trained in the new management of Child and Adult HIV treatment. The trainings were conducted by the Ministry of Health in conjunction with MBCA which Press Corporation is a member of.

This training also filtered down to the clinic being run by one of our subsidiary companies namely Maldeco Fisheries. The clinic is also offering the subsidized A5 regimen HIV drugs to both employees of the Company and the community surrounding it.

3. Press Corporation with its subsidiaries made a donation of K25,000,000 (Twenty Five Million Kwacha) towards the establishment of a Haemodialysis Center at one of the private hospitals in the country. This donation followed the outcry of medical personnel in the country due to the fact that a population of 14,000,000 people was reliant on one dialysis unit which was based in the central region of the country. Lives were being lost because this single machine could not satisfy the demand of patients across the country. A lot of foreign exchange was being used up as some patients had to travel to neighbouring countries to access this service.

The sophisticated state of the art dialysis unit, became operational towards the end of 2010. In 2011, the full benefits of the unit began to show. The patients who had to be flown to countries outside of Malawi to get treatment are now accessing the treatment locally. This in turn saves the government foreign exchange in terms of fees, transport and accommodation costs which were being incurred to make these trips. Local Malawians who were not able to fund their own trips to neighboring countries due to lack of funds are also able to access the treatment at affordable costs.

Lives therefore are being saved with this state of the art dialysis unit.

4. Malawi is one of the countries with a high maternal mortality rate in the sub-Saharan Africa region. One of the Millennium Development goals is to reduce the maternal mortality rate by 75% by the year 2015. In order to complement government efforts, Press Corporation Limited through its subsidiaries and associates have been making donations towards maternal health. During the year TNM, MTL and Presscane, engaged in activities including renovations of maternity wings, donations of hospital equipment, motorcycle, and bicycle ambulances, to transport expectant mothers to health centres thereby reducing unsafe home births.
5. Our associate company, Carlsberg Malawi, as a bottler for The Coca-Cola Company was able to receive medicines worth \$1.5 million from a partnership between the Coca-Cola Africa Foundation and CitiHope. Through the partnership, essential medicines were handed over to the Ministry of Health for distribution in public hospitals across the country.

Water and Sanitation

6. In recognition of one of the Millenium Development Goals (MDG) which is the provision of safe drinking water by the year 2015, one of our subsidiaries namely Maldeco Fisheries in the past year continued to provide clean and safe water to the communities surrounding its factory. The community's main source of water was the lake which led to a lot of waterborne diseases in the past. The company constructed its own water purification system for its operations and also caters for staff houses inside the Maldeco Fisheries premises. Over time, the system was extended beyond the Maldeco Fisheries premises and many other places were connected and enjoy tap water. In the past year, Maldeco has continued to maintain the treatment and provision of the running

	<p>water to the communities including meeting the maintenance costs. Some of the projects that are still running include:</p> <p>(i) a free water point just outside the company's fence near the main entrance to the company's premises. The community from the surrounding villages draw treated water from this point and do not have to drink water straight from the lake. The company therefore contributed positively to government's continuous efforts to lessen attacks of water-borne diseases.</p> <p>(ii) free water point erected at Koche Primary School where most of the surrounding community's children are enrolled. However, this point also serves the community surrounding the school.</p> <p>(iii) running water point near the home of the Village Headwoman Michesi. The water point is still being maintained by the company and it continues treating the water through its purification system. Because of this running water system, cases of water borne diseases such as bilhazia and diarrhea are rare in the area surrounding Maldeco Fisheries.</p>
O U T C O M E S	<ol style="list-style-type: none"> 1. Staff retention 2. 0% staff turnover, therefore the Company retains valuable skills 3. Reduced sick leaves due to better medical care 4. Positive publicity in community 5. Reduced home births 6. Proper mother and child care during delivery

<u>Principle 3</u>	Businesses should uphold the freedom of association and the effective recognition of the right to collective bargaining
<u>Principle 4</u>	Businesses should uphold the elimination of all forms of forced and compulsory labor
<u>Principle 5</u>	Businesses should uphold the effective abolition of child labor
<u>Principle 6</u>	The elimination of discrimination in respect of employment and occupation
A C T I O N S	<ol style="list-style-type: none"> 1. Press Corporation's employment policy is a system of opportunities for all. Employment equity seeks to identify, develop and reward each employee who demonstrates the qualities of individual initiative, enterprise, hard work and loyalty in their jobs. On this basis the Company emphasizes opportunity for all, rather than preference for some. 2. The Company strongly rejects notions of tokenism and believes it is in the best interests of the business, the individual employees and their peers to know that employment in the Organization is on the basis of merit, rather than simply an individual's race, colour, creed, sex, or other criterion unrelated to their capacity to do the job. 3. All employees have the right to work in an environment which is free from any form of harassment or unlawful discrimination with respect to race, colour, creed, sex, place of origin, citizenship, political persuasion, age, marital or family status or disability. An employee is encouraged to report any cases of actual or suspected discrimination or harassment as set out in the Company's Sexual Harassment Policy and Code of Ethics. 4. Employees with illness or disability may continue to work, provided that they are able to continue to perform satisfactorily

	<p>the essential duties of their jobs and do not present a safety or health hazard to themselves or others.</p> <ol style="list-style-type: none"> 5. Training and Development of staff members continues to play an important role in the company's overall strategic plan in order to allow for the efficient delivery of services and also to provide for effective succession planning, The company continued to sponsor courses relevant to their individual developmental needs in areas such as accounting, audit, marketing and human resources. 6. In the past year, a female member of staff qualified for the Institute of Secretaries and Administrators (ICSA) whilst a male employee qualified for the Certified Fraud Examiner (CFE), both sponsored by the Company. 7. Press Corporation, its subsidiaries and associates adhere to the regulations of the Malawi Employment Act and do not employ anybody under the age of eighteen, as stipulated in the Conditions of Service. 8. All employees are required to voluntarily sign a letter containing their employment terms after agreeing to the conditions of service. 9. TNM, our mobile telecommunications company in 2011 partnered with YONECO, a nongovernmental organization whose aim is the elimination of child abuse, violence against children and exploitation of children in schools and communities in Malawi through the expansion of the Child Helpline Services in Malawi. TNM provides the Toll Free lines.
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P L A N S	<ol style="list-style-type: none"> 1. Press Corporation is in the process of implementing a policy on Gender Diversity which is modeled on the 30% Club. The policy statement reads: <ol style="list-style-type: none"> a. The Press Group's aspiration is to appoint more women to executive and non-executive directorships b. The Press Group is keen to improve the pipeline below board level, to widen the talent pool available to its businesses c. The Press Group shall strive to support and encourage successful women in the work space
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<u>Principle 7</u>	Businesses should support a precautionary approach to environmental challenges
<u>Principle 8</u>	Businesses should undertake initiatives to promote greater environmental responsibility
<u>Principle 9</u>	Businesses should encourage the development and diffusion of environmentally friendly technologies
A C T I O N S	<ol style="list-style-type: none"> 1. Press Corporation Limited and its subsidiaries are committed to developing operational policies to address the environmental impact of its business activities by integrating pollution control, waste management and rehabilitation activities into operating procedures. 2. In a bid to ensure environmental management sustainability by controlling pollution and waste management, Press Corporation in partnership with the Blantyre City Council, rehabilitated the main trunk sewer (600mm diameter) in Blantyre City by erecting new sewer pipes, constructing new manholes and gabion baskets in order to direct effluent away from the river system to the designated sewer treatment plant.

3. Members of staff are still encouraged to “reduce, re-use and re-cycle” paper. All waste paper is shredded and donated to a local re-cycling organisation.

4. One of our associate companies namely Carlsberg Malawi, embraces pollution control and waste management by treating and returning waste water to the environment. The aim is to return 100% of the water used in its processes.

In 2011, the Company constructed a waste water treatment plant in its new soft drink plant which treats all liquid waste to acceptable limits before being discharged back to the environment.

5. Carlsberg also has an ozone protection program in place which ensures that the company does not use ozone depleting substances in its operations which include cooling systems, solvents and refrigeration gases. All ozone depleting gases e.g. R22, R12 have been replaced by other ozone friendly gases, e.g. 134a.

6. As a way of managing waste, both our Ethanol producing subsidiaries namely Ethanol Company Limited (Ethco) and Presscane use ponds to withhold effluent from the ethanol production. This byproduct called vinnase is naturally evaporated and the remaining sludge is used as a fertilizer supplement because of its richness in potassium.

In 2011, Part of this supplement was being taken back to the sugar making company (and applied in the sugarcane fields) whose byproduct is molasses which is the ethanol production raw material.

Ethco went further and was freely delivering the dry sludge from

	<p>the ethanol production process to local small scale farmers in its community within a 20 km radius. This sludge was used as a fertilizer supplement in their gardens hence reducing the communities' fertilizer costs</p> <p>7. Ethco in its efforts of protecting the environment, was maximizing the use of steam from a renewable source (sugarcane bagasse steam from Dwangwa Sugar Corporation) as opposed to steam from coal which is a fossil fuel.</p> <p>8. Deforestation has continued to be catastrophic in Malawi a country whose economy depends mainly on agriculture. Effects have been loss of soil fertility, change in rainfall patterns and floods. The Press Group of companies has in the past year attempted to reverse the trend by planting more than 35,000 tree seedlings across the country through TNM, MTL, Carlsberg and Press Cane.</p> <p>9. In order to preserve the trees, TNM, our mobile telecommunication company in the year 2011, went further and introduced the "Pompo pompo" promotion with the aim of promoting the use of automatic credit recharge as opposed to recharge cards which use paper.</p>
P L A N S	<p>1. Press Corporation shall continue to engage in more environmental management activities</p> <p>2. Press Corporation shall strive to reverse climate change effects by planting more trees and responsible waste disposal</p>

<u>Principle 10</u>	Businesses should work against corruption in all its forms, including extortion and bribery
A C T I O N S	<ol style="list-style-type: none"> 1. Press Corporation Limited and its subsidiary companies continue to support one of the main objectives of the Business Action Against Corruption (BAAC) which is to actively promote business commitment to fighting corruption and foster widespread support for the Business Code of Conduct and to pursue linkages with relevant national and regional business led anti-corruption initiatives. 2. As an extension of the Group's Fraud Policy, Press Corporation Limited and its subsidiaries subscribed to Tip Offs Anonymous, a whistle blowing hotline service provided by Deloitte. This can be used by those of the Group's employees who may have reservations about using the internal reporting mechanism provided for in the Fraud Policy. 3. As a way of continuing with upholding high ethical standards in the way we conduct our business, Press Corporation has introduced a procurement manual as well as a multi departmental procurement committee in line with procurement best practice. The aim is to conduct all procurement processes in a transparent, accountable, fair and competitive manner with impeccable standards. Our suppliers are bound by the rules of this manual which prevents them from conducting corrupt practises, fraudulent practises and collusion. The manual also acts as a guide to staff members in procurement positions to maintain the integrity of the Company by acting fairly when dealing with suppliers. The manual will be adopted and implemented in all our subsidiary companies.

O U T C O M E S	<ol style="list-style-type: none"> 1. Press Corporation volunteered itself to be the Pioneer in testing a ratings tool developed by Business Action Against Corruption (BAAC). The Integrity Ratings Framework will assess the Company's commitment to ethics and anti-corruption initiatives and identify any gaps and areas for improvement. The exercise will be done in the 2nd week of April 2012.
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DISSEMINATION OF OUR COP

Our COP will be shared with our employees by posting it on company notice boards and with other stakeholders by incorporating aspects of it in our Annual Report. It will also be posted onto our website www.presscorp.com