



Communication on Progress

Date: 12th February 2014

EXECUTIVE STATEMENT OF COMMITMENT TO UNITED NATIONS GLOBAL COMPACT

Rab Processors Limited has taken greater strides in supporting UN Global Compact and assists the Compact in other spheres as a member Organization. We are proud to be part and parcel of the worldly re-known body, UN Global Compact, and whose association with us has made our Organization to be part of the Global village. It is in this regard that our Organization shall continue to support and be committed to the ten principles as outlined in the Compact.

As a member of the UN Global Compact, we have made significant progress ever since we started our Communication on Progress and also through check and balances to ensure that we are on the right track on all the ten principles as enshrined in the Compact. We have seen our steady progression steadily rising up ever since we became members of the Compact. Our Board of Directors fully supports our actions and always renders assistance where it is due in working towards sustainable goals contained in the UN Global Compact and also endorses the future priorities and specific targets we set out in our reports. As endorsed in our previous communication on progress, we always aim to move the agenda forward on performance in relation to human rights, labour rights, the environment and the fight against bribery and corruption as stipulated in our report below.

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12th February 2014

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	Global Compact Principle	Action Taken & Impact Achieved and/or Plans for the upcoming Year
	Principle 1	<u>Business should support and respect internationally proclaimed human rights.</u>
	Principle 2	<p><u>And make sure they are not complicity in human rights abuse.</u></p> <p>The Company celebrated thirty years of existence in December 2013 and the success is being attributed to the staff as our major resources. In recognition to the key role that our employees play in the organization, several awards were given out to long serving and other deserving staff due to their commitment and dedication to duty.</p> <p>More benefits are being accorded to employees coupled by well articulated terms and conditions of services in order to sustain our employees. In the previous report, we highlighted what our Organization has been doing in order to improve the welfare of our employees and also to acknowledge and respect the dignity of our employees by being committed to the following:</p> <p><u>MEDICAL AID TO ALL EMPLOYEES.</u></p> <p>In our previous report, we had indicated that the Company was to improve on the First Aid currently in place into a fully fledged Clinic which will also cater for ARV's drugs and possibly employee a Doctor and a Nurse. Instead the Company looked at a better option by introducing medical aid to all permanent employees and the Company meet all the expenses towards the scheme. The scheme gives chances to employees to go to hospitals both Government and Private Hospitals of their choice for better medication. The scheme is expected to be extended to the immediate families in years to come. Health facility in Malawi is a major problem and by introducing this scheme, our employees are being relieved from the hurdles of being denied better medical facilities which could hardly be accessed in public hospitals. The scheme is also complementing Government's efforts to achieve health for all initiative. The Company pays One Million Eight hundred thousand Kwacha per month towards this scheme which is also in addition to the medical check up done twice a year at a cost of One Million Four hundred thousand Kwacha per annum for sending 350 employees and at a cost of Two thousand Kwacha per person.</p>

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		<p><u>AIDS POLICY</u></p> <p>Ever since this Policy was introduced, we have seen an increase in numbers of staff who are HIV Positive coming forward and disclosing their status so that they could access high energy food supplement and which has improved their health tremendously and giving hope to long life. Each staff receives two bottles of the high energy food supplement per month and the supply has also been extended to their immediate families.</p> <p><u>REWARDS TO STAFF</u></p> <p>Sustenance of staff is very vital and this can only be achieved by ensuring that employees are rewarded accordingly besides better salaries. During our thirty years celebrations, employees who joined the Company thirty years ago were give Three hundred thousand each and these are the remaining two and others who clocked twenty , fifteen and ten were give One hundred and twenty thousand, One hundred thousand and eighty thousand each respectively. The money was meant to improve their livelihood and those who are on housing loan and still building, the use the money for buying materials. We do believe that when staff is motivated, performance will also improve.</p> <p><u>STAFF WELFARE</u></p> <p>As has been the case last year, the Country is still in a state of economical hardship leading to escalating prices in food items due to rising cost in fuel. Most of the people in the Country are currently struggling to meet their daily needs because of the rising cost in essential commodities. In view of this, the Company last year in November introduced a fifty percent discount on our staple food to all employees to easy the hardship that others are experiencing. Most of our members of staff have gardens where maize is being grown. The Company gave a 50% discount for two bags of fertilizer to each and which came to a total cost of Nineteen Million Two Hundred Thousand Malawian Kwacha.</p>
<input type="checkbox"/>	OUTCOME.	<ol style="list-style-type: none"> 1 Better medical facilities to all staff 2 Improved health care and reduction on sick leave 3 Staff retention 4 High productivity due to numerous motivational factors accorded to staff. 5 Job security 6 Expansion and employment opportunity
<input type="checkbox"/>	Principle 3 Principle 4 Principle 5 Principle 6	<p><u>Business should uphold the Freedom of Association and the effective recognition of the right to Collective Bargaining.</u></p> <p><u>The Elimination of all forms of forced and Compulsory Labour and the Effective abolition of Child Labour.</u></p>

	<p><u>The Elimination of Discrimination in respect of Employment and Occupation</u></p> <p>The Labour Relations Act provides for the right to employees to join any Association of their choice and in response, our Organization allowed its workers to be members of the Hotel, Food Processing and Catering Workers Union and currently the Union is still mobilising for more members so as to reach the required number for collective bargaining. The Union has also been carrying out trainings to shop stewards in order for them to understand the operations of the Trade Union and also to acquire negotiating skills for proper bargaining. The Company has also opened up and encouraged staff to join any other associations of their choice apart from the above mention Union.</p> <p>The Company fully supports the elimination of all forms of forced Labour and compulsory labour and has for a long time partnered with Marys Meals on the school feeding program to which the Organization supplies nutritional porridge to schools in order to encourage children to go to school. The porridge, as reported in our previous report, is supplied to Marys Meals at a discounted price and distributed to all schools throughout the Country.</p> <p>The Company in support of the above has introduced an educational scheme to all members of staff. The scheme will encourage our workers to send their children to school and avoid allowing their children to be engaged into domestic chores or work in tea estates where they are employed into tea plucking in order to earn a living. Workers who have children in forms two and Four will be given a grant of Twenty – Five thousand and Thirty thousand Malawian Kwacha per child per year. Plans are under way to assist employees who have children in the Universities and who are not on the Government bursary.</p> <p>Our Organization is an affiliate to the employer's body (ECAM) and one of the active members. All members of the Employers body are to ensure that forced labour is not encouraged in their respective Organizations or you will lose your membership if discovered that your Organization engage in child labour.</p> <p>The Organization has always adhered to employing staff based on merit rather than on the basis of race, colour, political affiliation, creed, sex, regionalism, disability or any other criterion. We strongly believe that the success of our Organization lies on the available human resource competencies which if not properly selected due to the issues as highlighted above, could render the Company close its doors.</p> <p>We have policies that are user friendly and which creates a favourable atmosphere to all</p>
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		<p>staff and avoid all forms of discrimination.</p> <p>In support of the above, the Company has introduced suggestion & complaint boxes to allow members of staff put in their suggestions or complaints on issues that affects employees or the Company as a whole. The suggestions will only be opened and viewed by the Directors and feedback will be given but through confidential means to avoid any intimidation.</p> <p>On the other hand, the interests of the minority groups are also taken on board. The Company is advancing an agenda of equal employment opportunities to all in line with the Government's efforts towards 50 – 50 campaign to ensure that more women are employed on equal footing as men with equal remuneration package and other benefits. More women have been employed and an improvement from what was reported from last year. Staff with disability or HIV positive is being engaged in jobs that could easily be perform with less difficulties.</p> <p>For years now, the Company has continued to train and develop its staff for the efficient delivery of services and to provide for an effective succession plan. The Company believes that the best employees are those who grow with the Company and therefore, a need to train these staff so as to acquire the required knowledge to prepare them for more senior positions in the future. The Company has a succession Policy which fully supports the training and development of the staff.</p> <p>We have also continued to utilize the tailor made programs by the Technical Entrepreneurial Vocational Training which offers workshops and in the month of January 2014 eight members of staff were being trained in the fields of Customer Management, Stores and Procurement Management and Fraud Detection and Prevention. The skills that have been acquired will not only benefit the Company but also the individuals.</p> <p>We do have in-house training programs and last year we had reported that we were to conduct a train in May 2013 on Occupational Health and Safety. The training was conducted and was very successful and which saw the establishment of the Safety Committee currently looking at safety issues. The committee also carry out investigations on all accidents happening in the factory and come up with precautionary measures so that similar accidents do not occur in the future.</p>
<input type="checkbox"/>	OUTCOME	<ol style="list-style-type: none"> 1 Employees are able to exercise their rights 2 Employees participates in decision making 3 To encourage children to go to school

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		<p>4 The scheme will assist parents to send their children to school</p> <p>5 The suggestion & Complaint boxes will allow staff to air their views freely</p> <p>6 The porridge which is nutritional in value will improve the health of the children</p> <p>7 The school feeding program help parents who cannot afford breakfast for their children.</p> <p>8 Training enables staff to sharpen their skills and perform better in their roles.</p> <p>9 Training increases productivity and also brings in new ideas.</p> <p>10 Promotion to staff after mentoring</p> <p>11 Empowerment to women</p> <p>12 Reduction of accidents in the factory</p>
<input type="checkbox"/>	<p>Principle 7</p> <p>Principle 8</p> <p>Principle 9</p>	<p><u>Business should support a precautionary approach to Environmental Challenges:</u></p> <p><u>Under take initiatives to promote greater Environmental Responsibility</u></p> <p><u>Encourage the Development and diffusion of Environmentally Friendly Technologies.</u></p> <p>Our Country is facing so many challenges and needs to put in place mechanisms which will address these issues. The biggest challenge that the Country is facing is on the cutting down of trees by charcoal burners for sell in order to earn a living. Most households in Malawi use charcoal for cooking.</p> <p>The Government of Malawi designated the month of February for tree planting to conserve the environment. Our Company has also taken the same initiative to plant trees. The Company will engage its staff to plant fruit trees at home or in their respective gardens and this will take place during the week ending in February 2014. We have chosen to plant fruit trees because there will be multiple benefits to our employees and to our Nation as a whole.</p> <p>Most industrial furnaces and dryers used in Malawi also use wood as fuel due to availability and low cost. As reported in our last COP our company is engaged in a project to develop a furnace fuelled by Ethanol for our Dhal processing factory to replace the wood burning furnace. A prototype was built and tested in October 2013. We could not achieve the expected results.</p> <p>At present while research and development teams are working on the prototype they are also working on the existing wood furnace to improve its heat generating and transferring efficiency.</p> <p>All of our processing by-products are used as raw material in animal feed manufacturing industry and of the other waste generated we follow set procedures to ensure that the</p>

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		organic waste are disposed off through the city Assembly (Council) managed dump yard. From this year the company started segregating the paper from the generated waste to be sold to paper recycling plant agent. The next quarter the complete segregation of paper and plastics from the waste will be implemented to reduce environmental impact.
<input type="checkbox"/>	OUTCOME	<ol style="list-style-type: none"> 1 Environmental preservation 2 Fruit trees will give out fruits and to be enjoyed by the families 3 Reduction of carbon foot print
<input type="checkbox"/>	Principle 10	<p><u>Business should work against all forms of corruption, including extortion and bribery</u></p> <p>As articulated above on the introduction of suggestion and complaint boxes, the aim of this suggestion boxes among other things, is for workers to report direct to the Directors on all issues pertaining to corruption and bribery. We also fully support Business Action Against Corruption (BAAC) which promotes business commitment to fight corruption though of late it has not been so active but the ideologies for the Organization are still being followed by our Company.</p> <p>We also have an open door Policy to which members of staff are allowed to meet any of the Directors if they have any vital information regards to corrupt practices and those who give out information are being recognised but without attracting the attention of other workers to avoid harassment or intimidation.</p>
<input type="checkbox"/>	OUTCOME	<ol style="list-style-type: none"> 1 Recognition to staff for any vital information encourages many to open up for any information. 2 Staff freely interact with Directors because of the open door policy
<input type="checkbox"/>		Finally, our Communication on Progress will be open to all stakeholders and members of staff who are also free to comment or make any suggestions for future COP's.
<input type="checkbox"/>		