



PRESS CORPORATION LIMITED

COMMUNICATION ON PROGRESS 2013 FOR THE UN GLOBAL COMPACT

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. As a group, we are able to track the progress in each of our companies and give guidance and advice in accordance with the 10 principles which they adhere to.

We have made significant progress in relation to protection of the environment, human rights and anti-corruption in the year 2013. Going forward, we aim to do more in achieving gender diversity in decision making positions on our Boards and middle to senior management levels.

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>Press Corporation Limited, filters down its policies to the subsidiary and associate companies. By the year 2013, all the group companies had the Labour and Human Rights policy which addresses non-discrimination, forced labor, child labor, freedom of association, collective bargaining, harassment, working hours, benefits and wages, and employee contracts. Carlsberg Malawi Limited completed the roll out of the polict during the year 2013..</p> <p><i>Housing Scheme</i></p> <p>Press Corporation 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 more than 80 employees since its inception in 2003.</p> <p><i>Health and Safety</i></p> <ol style="list-style-type: none"> 1. Employees and members of the community alike have the right to healthy living. The 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

	<p>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 80% of the patients attended to, are members of the general public.</p> <p>In 2013, the clinic continued to administer the new ARV drug 5A regimen which was recommended by the Malawi Government due to its having less side effects than the 1A regimen. However, some patients still who reacted to the new drug were maintained on the 1A regimen. The clinic's members of staff continued therefore to be trained in the new management of Child and Adult HIV treatment. The training sessions were conducted by the Ministry of Health in conjunction with MBCA which Press Corporation is a member of.</p> <p>One of the subsidiary companies namely Maldeco Fisheries, also continued to offer the 5A regimen HIV drugs to both employees of the Company and the community surrounding it. In 2013, the majority of patients receiving the drugs from the clinic were members of the general public. Due to outstanding provision of ART services to the community, the clinic maintained its Certificate of Excellency awarded by the Ministry of Health.</p> <p>2. Malawi continues to benefit from the US\$160,000 donation of the Haemodialysis Center which Press Corporation and its subsidiaries made. The center was established in such a way that it is a stand alone, self sustaining unit with fees being charged for the running and management of the unit and any surplus being used to fund the less privileged members of society. This donation followed the appeal of medical personnel in the country due to the fact that a 14,000,000 people were 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 meet the demand of patients across the country. A lot of foreign exchange was being used up as some patients had to travel to neighboring countries to access this service. The patients who had to be flown to countries outside of Malawi to receive 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 when making these trips. This</p>
--	---

	<p>initiative is also helping those who were unable to afford the foreign treatment due to lack of sufficient funds. Lives therefore are being saved with this state of the art dialysis unit.</p> <p>3. 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. Press Corporation Limited through and subsidiary and associate companies continued to compliment government's efforts by making donations towards maternal health. During the year 2013, Press Corporation donated hospital beds to the maternity wing of the Monkeybay Community hospital after a plea from the hospital personnel.</p> <p>During the year one of the subsidiary companies namely Presscane, an ethanol producing company, made donations of one of its products which is Rectified Alcohol (RA) to a government and hospitals. The hospitals that benefited were Qeen Elizabeth Central Hospital (which is a referral hospital), Chikhwawa District Hospital (and all health centres under it), Chiradzulu District Hosp, Fatima, Nguludi, Mlambe and Montford Mission Hospitals. The Rectified Alcohol is used in the hospitals as a disinfectant.</p> <p>4. Our associate company, Carlsberg Malawi, as a bottler for The Coca-Cola Company continues support the Ministry of Health through annual donations of medicines or medical equipment. During the year, Carlsberg Malawi, embarked on ShareHope, a 3 year project that aims to deliver health intervention through the donation of medical equipment and pharmaceuticals to selected hospitals in Malawi. The project builds upon previous medical relive donated in partnership with MedShare, CitiHope International and The Coca-Cola Africa Foundation. The beneficiary hospitals in 2013 was Queen Elizabeth Central Hospital, Ekwendeni Mission hospital and Zomba central Hospital. The value of donated materials was \$900 000 and the donation included consumables such as gloves and syringes as well as equipment e.g. cardiac monitor, nebulizers, even furniture. The selection of the equipment is made by the hospital personnel who log on to an inventory website and make their selection according</p>
--	---

	<p>to the needs of the hospital.</p> <p>In 2013, Carlsberg focused on Health and Safety through the provision of Personal Protective Equipment for employees executing duties that could cause injury if the necessary precautions are not in place. The Company also continues servicing of fire protection equipment and conducting Environmental and occupational safety and health (EOSH) training. Carlsberg also continued conducting regular audits including random checks on cleanliness, packing (warehouse) in relation to safety and availability of appropriate lighting</p> <p><i>Water and Sanitation</i></p> <p>5. In recognition of one of the Millennium Development Goals (MDG) which is the provision of safe drinking water by the year 2015, 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. Maldeco has continued to maintain the treatment and provision of the running water to the communities for free, including meeting the maintenance costs.</p> <p>In the past, Maldeco has engaged in the following projects:</p> <ul style="list-style-type: none"> (i) Installation 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. (ii) Installation of a free water point erected at Koche Primary School where most of the surrounding community's children are enrolled. This point also serves the community surrounding the
--	---

	<p>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 including treating the water through its purification system. Because of this running water system, cases of water borne diseases such as bilharzia and diarrhea are rare in the area surrounding Maldeco Fisheries.</p> <p>Although the Water Board has now installed running water in the district, the communities around Maldeco still prefer the purified water Maldeco provides because it is free and some of the members of the community are not able to afford the Board's water bills.</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 leave 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. Employee are 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 the essential duties of their jobs and do not present a safety or health hazard to themselves or others. 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. Press Corporation introduced a leadership development program in order to train leaders in the whole group. The training is open to middle managers.
--	--

	<p>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.</p> <p>8. All employees are required to voluntarily sign a letter containing their employment terms after agreeing to the conditions of service.</p> <p>9. Most of the Group Companies are unionized including Maldeco, Peoples Trading Centre, MTL, Presscane and Ethco. Employees have the freedom of collective bargaining and are able to present their issues to Management. There were zero reported cases of strikes during the year 2013.</p> <p>The Companies also comply with Child Labor policies and do not employ persons under the age of 18 in their factories.</p> <p>10. TNM, our mobile telecommunications company in 2013, continued their partnership 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.</p>
P L A N S	<p>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:</p> <ul 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

<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	<p>Press Corporation Limited and its subsidiaries are committed to developing operational policies and strategies to address the environmental impact of its business activities by integrating pollution control, waste management and rehabilitation activities into operating procedures.</p> <ol style="list-style-type: none"> 1. In a bid to ensure environmental management sustainability by controlling pollution and waste management, Press Corporation in conjunction with the Rotary Club has been lobbying for a cleaner river system and a cleaner City of Blantyre. Press Corporation continues to engage with the Blantyre City Council, the Wild Life Society and other partners in pollution control and waste management in the city in which it operates. 2. Maldeco Fisheries continued with the Integrated Aquaculture Agriculture (IAA) project. This project came about due to the reduction of numbers of fish in Lake Malawi. The project involves breeding fish in upland one hectare ponds and harvesting them as opposed to fishing in the lake. From time to time, the ponds are drained and fresh water brought in. This drained water is not taken back to the lake but it is channelled to effluent ponds. Currently the ponds are evaporated but there are plans to use the water irrigating soya and maize crops which the company will grow and use for producing fish meal. <p>Before embarking on the project, Maldeco conducted an Environmental and Social Impact Assessment (ESIA) study and the recommendation that came from the study was the construction of effluent ponds for irrigation as opposed to</p>

	<p>returning the water back into the lake.</p> <p>3. 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. The plant treats all liquid waste to acceptable limits before being discharged back to the environment.</p> <p>The Company focuses on reducing negative impact on the environment, and now has 2 installations, waste water treatment plants, which Carlsberg Malawi ensured had no permanent breakdowns, so that water discharged to the external environment is within required specifications.</p> <p>4. Carlsberg Malawi 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.</p> <p>5. Puma Energy Foundation approved a sponsorship amount of U\$90,000 in during the year for installation of Solar panels at Trinity Hospital. Project implementation is expected to be completed by June 2014.</p> <p>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.</p> <p>The Companies continued to take part of this supplement was to the sugar making companies (and applied in the sugarcane fields) whose byproduct is molasses which is the ethanol production raw material.</p> <p>Ethco continued to freely deliver the dry sludge from the ethanol production process to local small scale farmers in its community</p>
--	---

	<p>within a 20 km radius. This sludge was used as a fertilizer supplement in the gardens of the local farmers, hence reducing the communities' fertilizer costs.</p> <p>7. Ethco in its efforts of protecting the environment maximizes 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 as a way of giving back to the community has continued planting thousands of tree seedlings across the country through its subsidiary Companies in an attempt to reverse the deforestation effects.</p> <p>During the year, employees of Carlsberg Malawi in Lilongwe volunteered to plant trees near Malingunde Dam, to reforest a catchment area that provides water to Carlsberg Malawi's production site and surrounding communities.</p> <p>9. In a bid to protect the environment from fuel leakages, Puma Energy whose storage tanks at retail sites are installed underground, undertook tank integrity tests for all the underground tanks at their retail sites. The test results showed no leaks out of any of the tanks</p> <p>During the year, Puma Energy adopted a strategy of installing only double-skinned tanks at all the underground tank installation sites to prevent any product leaks into the ground.</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 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. 4. During the year, MTL signed a memorandum of understanding with Ant corruption Bureau in a quest to curb corrupt practices for

	<p>all stakeholders in the company.</p> <p>5. Carlsberg Malawi implemented the Carlsberg Group Business Ethics Policy which amongst others includes prevention of fraud. The communication of the policy to employees was done by providing in-house training, e-learning, and a poster campaign.</p>
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 intends to assess the Company's commitment to ethics and anti-corruption initiatives and identify any gaps and areas for improvement. 2. Through the Procurement Manual, Press Corporation screens all its suppliers to make sure that they are in line with all procurement best practice.

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