

TO : GLOBAL COMPACT
FROM: RAB PROCESSORS LIMITED
DATE : 23rd FEBRUARY 2011
SUB : COP – RAB PROCESSORS LIMITED

This Communication on Progress covers the period from February 2010 to February 2011.

Statement of Continued Support by the Chief Executive Officer.

Rab Processors Limited is one of the leading foods manufacturing Companies in Malawi and aspires 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. It is an equal opportunity employer and always sticks to the principles or standards required by the United Nations Global Compact to which most of it has been ratified by the Government of Malawi, to ensure that issues of discrimination or segregation do not play a part in our Organization. The impact of being a member of the Global Compact cannot be over emphasized as we are seeing tangible benefits among which is the global recognition and guidelines on issues of Human rights, Labour, Environment and Anti-Corruption. In this regard, our Organization shall continue to support and be committed to the initiatives and principles of the United Nations Global Compact.

Sai Kiran Josyabhatla – Managing Director

HUMAN RIGHTS

Rab Processors Limited is a member of the Employers Consultative Association of Malawi (ECAM) which is also a member Organization or an affiliate to ILO. All members of ECAM are mandated to respect human rights and if not compliant, you cease to be a member. The Company is committed and supports all efforts to remove any abuse and respect the rights of others. The Company has opened channels of communication to all staff to bring to the attention of Management any issues on abuse of human rights so as to protect and respect the less privileged within the Organization. We have always abided by the conventions on human rights. We believe that we are all equal regardless of nationality, sex, color, religion, language or any other status and therefore, we do not support any form of discrimination. Our Organization has different cultural beliefs and we do respect such beliefs as long as they do not infringe the rights of other employees. We also abide by the Universal Declaration on Human Rights to which the Country of Malawi is in support of it. Rab Processors Limited takes a stern stand on any violation on human rights which often leads to termination once the matter has been investigated and proved to be true. During induction of new staff issues on human rights are discussed at length to ensure compliance during tenure of their employment.

LABOUR

We believe that labour is the most important resource of an Organization. The productivity of our Company depends on our workforce. The Company has newly introduced the bottom-up and top-down channels of communication in order to take on board the views of all staff to ascertain that our workers are not under suppression and open to fruitful discussions. We believe in sound Labour Relations through the protection and promotion of freedom of association, effective collective bargaining process and effective dispute settlement procedures for social justice and economic development. Our employees have the right to join any labour movement without the interference of the Organization. At the moment our employees at our Branch in Lilongwe are members of the Hotel and Catering Union to which the required 20% target for recognition has been met. The executive committee represents the members in the bargaining process. Whilst at our Head Office in Blantyre, negotiations are underway on recruitment with the same Union. Rab Processors Limited through ECAM is involved in combating all forms of abuse on child labour. However, we are also guided by the Employment Act (section 22) which prohibits child labour and provides for penalties of up to MK20,000.00 and imprisonment to five years for any infringement on child labour issues. As a Company, age limits have been set in line with the Malawian legislation as a way of ensuring that children are not employed in the Organization.

The Company also provides safe work environment to its staff and gives protective wear to ensure compliance with the occupational safety and health Act. The Company has its own internal policy on the same.

ENVIRONMENT

Rab Processors Limited is among the Companies in the Region whose processes are free of pollutants. and toxic emissions.

The Company's by-products / waste from our Factories are biodegradable and serve as inputs to other industries such as the animal feed industries.

However, waste packing materials are disposed through City Regulations - garbage disposal system by City of Blantyre to ensure that pollution is minimized. Our toilets are also being converted to biogas generators in order to supply energy to our staff canteen.

ANTI-CORRUPTION

The Company has of late engaged an Ethics Officer who in January 2011 this year underwent an Ethics Officers Training. The aim behind this is to ensure zero tolerance for corruption, bribes and extortion. The code of conduct is to be developed and suggestion boxes will be put in strategic places where confidential information is to be forwarded to Management on corrupt practices.

We are also one of the active members of Business Action Against Corruption and of late we had a series of meetings with the BAAC Programme Manager. We hope Daisy Kambalame, the Country

Manager or Matthias Seeler, the Programme Manager; for BAAC could be in a better position to comment on the positive progress the Company is making regards to Anti-Corruption.

The Company is also involved in various social activities which are mostly achieved through our related social service organisation.

Kind regards,

SAI KIRAN JOSYABHATLA
Managing Director

26th February 2011