



# **PRESS CORPORATION LIMITED**

## **COMMUNICATION ON PROGRESS 2014 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, health and anti-corruption in the year 2014. 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 Executive / Legal Counsel**

# PRESS CORPORATION LIMITED

## VISION

To be the premier holding company dominating every market it serves with strength and agility

## MISSION STATEMENT

To create and sustain industry-dominant businesses in order to generate real growth in shareholder value and contribute to the socio-economic development of Malawi and the region

## CORE VALUES

Our core values are the **PRICE** we are committed to pay in conducting our business.

### **People Centred**

We treat our employees and all our partners with dignity, fairness and respect, fostering an environment where people can contribute, innovate and excel.

### **Responsibility**

We believe in Ubuntu philosophy that states “*I am because we are*”. We therefore commit to share our success with communities and sustain the environment we operate in.

### **Integrity**

We commit to conduct our business in a transparent and ethical manner and pledge to be accountable to our customers, shareholders and society.

### **Customer Value**

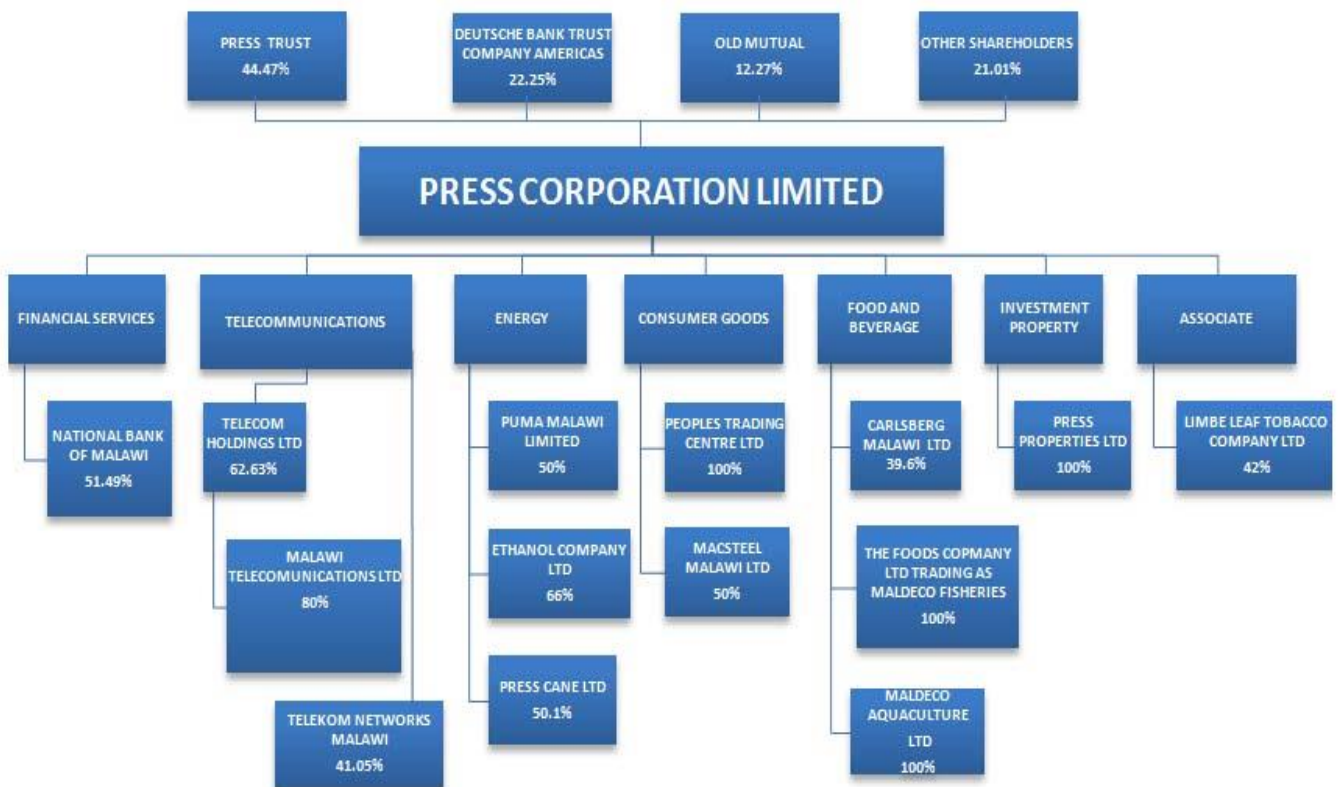
We strive to surpass customers’ expectations both internally and externally. We are therefore committed to enable our customers excel by: creating

long-term relationships, being responsive and relevant, and delivering value consistently.

## **Excellence**

We pursue excellence through highly efficient and effective processes that deliver goods and services of outstanding quality.

## **The Group**



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| <b><u>Principle 1</u></b>                    | <b>Business should support and respect the protection of internationally proclaimed human rights</b>  |
| <b><u>Principle 2</u></b>                    | <b>Make sure that they are not complicit in human rights abuses</b>   |
| <b>A<br/>C<br/>T<br/>I<br/>O<br/>N<br/>S</b> | <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. All the group companies have 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</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 100 employees since its inception in 2003. During the year, the company revised the scheme regulations and now an employee can purchase and own more than one house through the scheme.</p> <p><i>Health and Safety</i></p> <p>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 centre for providing subsidized Anti-Retroviral (ARV) drugs from</p> |

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|  | <p>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. During the year 2014, the clinic embarked on an expansion project in order to cater for more patients.</p> <p>The clinic continued to administer the new ARV drug 5A regimen which was recommended by the Malawi Government. The clinic's members of staff are trained in the management of Child and Adult HIV treatment. The training sessions were conducted by the Ministry of Health in conjunction with the Malawi Business Coalition Against HIV (MBCA).</p> <p>Maldeco Fisheries, also continued to offer the 5A regimen HIV drugs to both employees of the Company and the community surrounding it. The majority of patients receiving the drugs from the clinic are members of the general public.</p> <p>Realising that Tuberculosis (TB) is one of the most critical health problems in Malawi, National Bank of Malawi in 2010 pledged to refurbish the TB Ward at the biggest referral hospital in the country, Queen Elizabeth Central with K20.0 million spread over a period of four years. The aim of the refurbishment was to help reduce the transmission of the disease to other patients and provide an open air ward to facilitate the circulation of fresh air which is known to quicken the healing process. The refurbishment was completed during the year 2014 and the Bank donated a further K8.0 million for final touches and beddings.</p> <p>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 its subsidiary and associate companies continued to compliment government's efforts by making donations towards maternal health. During the year 2014, TNM erected a 5000 litre water tank at Ntcheu District Hospital to supply safe and clean water to the maternity wing and main theatre.</p> |
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Presscane, an ethanol producing company, during the year 2014, made donations of one of its products which is Rectified Alcohol (RA) to Chikwawa District Hospital (and all health centres under it) and Montfort Hospital. The Rectified Alcohol is used in the hospitals as a disinfectant.

Carlsberg Malawi, as a bottler for The Coca-Cola Company continues to support the Ministry of Health through annual donations of medicines and medical equipment. In 2013, Carlsberg Malawi, embarked on ShareHope project which will run up to 2017. The project aims to provide medical relief to Malawi through donations of medical equipment and medicines to 3 target hospitals, Ekwendeni Mission, Zomba Central and Queen Elizabeth Central Hospitals. The Project has four contributing partners as follows: Coca-Cola (sponsors the container); MedShare and CitiHope (collect equipment and pharmaceuticals for donations); and Carlsberg Malawi (co-ordinates relations with beneficiary hospitals and manages logistics from the entry port right to the beneficiary hospital). In 2014, Ekwendeni Mission Hospital received brand new equipment valued at over MK300 million.

Carlsberg Malawi also sponsored Cancer Association of Malawi to host a radio awareness program on Malawi Broadcasting Corporation for three months (Aug-Oct). The aim was to tackle prevention through early detection of cancer, by encouraging testing. CAM reported an increase in the number of people presenting for testing at QECH and they were also receiving enquiries from various areas across the country.

Carlsberg Malawi continued to focus on Health and Safety through the provision of Personal Protective Equipment for employees executing duties that could cause injury. The Company also continued servicing of fire protection equipment and conducting Environmental and occupational safety and health (EOSH) training.

### *Water and Sanitation*

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 has its own water purification system for its operations and also caters for staff houses inside the Maldeco Fisheries premises. 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.

In the past, Maldeco has engaged in the following projects:

- I. Installation a free water point just outside the Company's fence near the main entrance to the Company's premises. The communities from the surrounding villages draw treated water from this point and do not have to drink water straight from the lake.
- 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 school.
- 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.



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|  | <p>To ease water challenges at Ntcheu District Hospital, TNM handed over a 5000 litre water tank worth K3.5 million.</p> <p>Carlsberg Malawi through The Coca-Cola Africa Foundation (TCCAF) engaged in the improved water supply project at Mwandama village in Zomba, a cluster of 114 villages which had poor access to water with villages served by shallow unprotected wells and in cases, near-dry boreholes. The aim of the project is to increase the sustainable access to safe drinking water and to promote better hygiene practice. The project targeted 15,454 learners and it received \$100 000 funding from (TCCAF), the Coca-Cola Company's charitable foundation.</p> |
| <b>O<br/>U<br/>T<br/>C<br/>O<br/>M<br/>E<br/>S</b> | <ol style="list-style-type: none"> <li>1. Staff retention</li> <li>2. 0% staff turnover, therefore the Company retains valuable skills</li> <li>3. Reduced sick leave due to better medical care</li> <li>4. Positive publicity in community</li> <li>5. Reduced home births</li> <li>6. Proper mother and child care during delivery</li> <li>7. Reduced waterborne diseases</li> </ol>   |

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| <b><u>Principle 3</u></b> | <b>Businesses should uphold the freedom of association and the effective recognition of the right to collective bargaining</b> |
| <b><u>Principle 4</u></b> | <b>Businesses should uphold the elimination of all forms of forced and compulsory labor</b>                                    |
| <b><u>Principle 5</u></b> | <b>Businesses should uphold the effective abolition of child labor</b>   |
| <b><u>Principle 6</u></b> | <b>The elimination of discrimination in respect of employment and occupation</b>   |

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| <b>A<br/>C<br/>T<br/>I<br/>O<br/>N<br/>S</b> | <p>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.</p> <p>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.</p> <p>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.</p> <p>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.</p> <p>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.</p> <p>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> |
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|                                  | <p>All employees are required to voluntarily sign a letter containing their employment terms after agreeing to the conditions of service.</p> <p>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.</p> <p>TNM 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 and in 2014, TNM donated computers to YONECO for this cause.</p> |
| <b>P<br/>L<br/>A<br/>N<br/>S</b> | <p>1. Press Corporation is in the process of implementing a policy on Gender Diversity which is modeled on the 30% Club. Currently, there are 25% women in the group. The policy statement reads:</p> <ul style="list-style-type: none"> <li>a. The Press Group's aspiration is to appoint more women to executive and non-executive directorships</li> <li>b. The Press Group is keen to improve the pipeline below board level, to widen the talent pool available to its businesses</li> <li>c. The Press Group shall strive to support and encourage successful women in the work space</li> </ul>   |

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| <b><u>Principle 7</u></b>                    | <b>Businesses should support a precautionary approach to environmental challenges</b>  |
| <b><u>Principle 8</u></b>                    | <b>Businesses should undertake initiatives to promote greater environmental responsibility</b>   |
| <b><u>Principle 9</u></b>                    | <b>Businesses should encourage the development and diffusion of environmentally friendly technologies</b>  |
| <b>A<br/>C<br/>T<br/>I<br/>O<br/>N<br/>S</b> | <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> <p>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 where it is evaporated.</p> <p>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 has two, waste water treatment plants so that water discharged to the external environment is within required specifications.</p> <p>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,</p> |

solvents and refrigeration gases. All ozone depleting gases e.g. R22, R12 have been replaced by other ozone friendly gases, e.g. 134a.

Puma Energy Foundation approved a sponsorship amount of U\$90,000 in 2013 for the installation of Solar panels at Trinity Hospital. Project implementation was completed during the year 2014.

As a way of managing waste, both the 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.

The Companies continued to take part of this supplement was to the sugar making companies (and apply in the sugarcane fields) whose byproduct is molasses which is the ethanol production raw material.

Ethco continued to freely deliver the dry sludge from 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 the gardens of the local farmers, hence reducing the communities' fertilizer costs.

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.

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.

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|                                  | <p>Puma Energy adopted a strategy of installing only double-skinned tanks complete with leakage detectors at all the underground tank installation sites to prevent any product leaks into the ground. During the year, Puma built a brand new retail site in Zomba that is equipped with modern tanks and Interceptors that will prevent any possible leakage of fuel from damaging the environment. The Lake Road Filling station in Mangochi was also upgraded and equipped it with similar equipment.</p> |
| <b>P<br/>L<br/>A<br/>N<br/>S</b> | <ol style="list-style-type: none"> <li>1. Press Corporation shall continue to engage in more environmental management activities</li> <li>2. Press Corporation shall strive to reverse climate change effects by planting more trees and responsible waste disposal</li> </ol>  |

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| <b><u>Principle 10</u></b>                   | <b>Businesses should work against corruption in all its forms, including extortion and bribery</b>   |
| <b>A<br/>C<br/>T<br/>I<br/>O<br/>N<br/>S</b> | <p>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.</p> <p>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.</p> |

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|  | <p>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.</p> <p>Carlsberg Malawi has 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> |
| <b>O<br/>U<br/>T<br/>C<br/>O<br/>M<br/>E<br/>S</b> | <p>Through the Procurement Manual, Press Corporation screens all its suppliers to make sure that they are in line with all procurement best practice.</p>   |

## DISSEMINATION OF OUR COP

Our COP will be shared with our employees, companies, suppliers, shareholders and with other stakeholder. Aspects of it are incorporated in our Annual Report which can be downloaded from the Company website or requested from the company. It will also be posted onto our website [www.presscorp.com](http://www.presscorp.com)