

PRESS CORPORATION LIMITED

COMMUNICATION ON PROGRESS 2015 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.

We have made significant progress in relation to protection of the environment, Human Rights, labour and anti-corruption in the year 2015. Going forward, we aim to do more in sustainability.

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 the ten universal principles of the UN Global Compact in the areas of human rights and labour rights, the environment and corruption.

Group Administration Manager

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.

<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
	<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>Housing Scheme 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. The Company revised the scheme regulations and now employees can purchase and own more than one house through the scheme.</p> <p>Health and Safety 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 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>

<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
	<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, color, 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, color, 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>Staff Welfare And Development</p> <p>Furthermore, Press Corporation Limited and its subsidiary companies have an HIV/AIDS Policy whose core objective is to promote the Company's responsibility for providing a healthy and equitable work environment for all employees, including those with HIV/AIDS.</p>

	<p>To this end, Press Corporation Limited has a fully equipped clinic to provide free anti-retroviral therapy to employees of the Group and on a nominal fee to the general public. The members of staff at the clinic have been trained to provide the appropriate counselling to employees who are diagnosed with the HIV virus</p> <p>Press Corporation Limited continues to play its part in the fight against HIV/AIDS in the workplace with all related awareness activities being conducted during working hours. The company is founder-member and still an active member of the Malawi Business Coalition Against HIV/AIDS (MBCA) which is a private sector initiative. HIV/AIDS awareness events continued to be held during the year.</p> <p>On World AIDS Day, the Group commemorated the day by holding an event for employees and their spouses, where experts from different organisations, as well as individuals, made speeches and presentations in line with the theme "90 90 90." Thus the UNAIDS "Fast Track" ambitious new global targets which state that by 2020, 90% of all people living with HIV will know their HIV status. By 2020, 90% of all people with diagnosed HIV infection will receive sustained antiretroviral therapy. By 2020, 90% of all people receiving antiretroviral therapy will have viral suppression.</p> <p>Furthermore, Press Corporation Limited continued embarking on Employee Wellness Programs where the focus is on the total well-being of the employee. The Company realises that there are other lifestyle diseases which are equally dangerous but can be avoided or controlled with lifestyle behavioural changes.</p> <p>Training and development of staff 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 provide for effective succession planning. Training in Management and Leadership is encouraged at the senior and middle management levels. Other employees continue to be sponsored on courses relevant to their individual developmental needs in areas such as accounting, marketing and human resources.</p> <p>We continue to seek and recruit qualified and young graduates into the Press Group "Management Trainee" Program which has been running for the past eleven (11) years. Upon completion of</p>
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	<p>their training, the Trainees are placed in the various companies within the Group to ensure that the Group has a reservoir of future managers and leaders.</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> <p>All employees are required to voluntarily sign a letter containing their employment terms after agreeing to the conditions of service.</p>
<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
	<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>Environmental Management</p> <p>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.</p> <p>Members of staff are encouraged to “reduce, re-use and re-cycle” paper. All waste paper is shredded and donated to a local re-cycling organisation.</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</p>

	<p>processes. 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.</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, solvents and refrigeration gases. All ozone depleting gases e.g. R22, R12 were replaced by other ozone friendly gases, e.g. 134a.</p> <p>As a way of managing waste, both the Ethanol producing Companies namely Ethanol Company Limited (ETHCO) and Presscane Limited 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. Part of this supplement is taken back to the sugar making Company (and applied in the sugarcane fields) whose byproduct is molasses which is the ethanol production raw material.</p> <p>ETHCO also 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 in order to protect the environment.</p> <p>Puma Energy uses only double-skinned tanks complete with leakage detectors at all the underground tank installation sites to prevent any product leaks into the ground. Zomba and Lake Road retail sites are equipped with modern tanks and Interceptors that prevent any possible leakage of fuel from damaging the environment.</p> <p>During the year, Press Corporation Limited through its subsidiaries, continued to plant thousands of trees across the Country in an attempt to reverse the effects which deforestation is leaving in the Country including loss of soil fertility, change in rainfall patterns and floods.</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</p>
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	breeding fish in upland one hectare ponds and harvesting them as opposed to fishing in the lake.
Principle 10	Businesses should work against corruption in all its forms, including extortion and bribery
	<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> <p>CORPORATE GOVERNANCE</p> <p>Board Of Directors</p> <p>The Board of Directors is responsible to the shareholders for setting the direction of the Group through the establishment of strategic objectives and key policies. The Board meets quarterly, settles the strategic mission and is responsible for the overall direction and control of the Group.</p> <p>At 31 December 2015 the Board consisted of six non-executive directors and two executive directors. The Chairman is a non-executive director and has a casting vote.</p> <p>Executive Directors are appointed by the whole Board from members of Executive Management.</p> <p>The Corporate Board is responsible to shareholders, but it proceeds mindful of the interests of the Group's staff, customers, suppliers and the communities in which the Group pursues its interests.</p>

	<p>Internal Control And Risk Management</p> <p>The Board of Directors is responsible for the Group's systems of internal controls. To fulfil its responsibilities, Management maintains accounting records and has developed and continues to maintain appropriate systems of internal control. The Group has established a comprehensive process for the identification, review and consideration of risks at both Group and subsidiary level. At Group level, the Group Risk Manager periodically submits his reports to the directors.</p> <p>The directors report that the Group's internal controls and systems of internal control are designed to provide reasonable but not absolute assurance, as to the integrity and reliability of financial statements and to safeguard, verify and maintain accountability of its assets and to detect and minimise fraud, potential liability, loss and material misstatement while complying with applicable laws and regulations.</p> <p>The systems of internal control are based on established organisational structures implemented by the Management together with written policies and procedures, including budgeting and forecasting disciplines and the comparison of actual results against these budgets and forecasts. The directors have satisfied themselves that these systems and procedures are implemented, maintained and monitored by appropriately trained personnel with proper segregation of authority, duties and reporting lines, and by comprehensive use of advanced computer hardware and software technologies. Employees are required to maintain the highest ethical standards in ensuring that business practices are conducted in a manner which in all reasonable circumstances is above reproach. The effectiveness of the systems of internal control in operation is monitored continually through reviews and reports from the head of the Group Internal Audit Manager.</p> <p>In addition, the Group's external auditors review and test appropriate aspects of internal financial control systems during the course of their normal statutory audits of financial statements of the Company and its subsidiaries.</p>
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	<p>A formal “Limits of Authority” is in place that specifically reserves certain matters for Board decision.</p> <p>Trading in the Company’s securities on the Malawi Stock Exchange continues to be governed by a Share Trading Policy, an internal control mechanism to guard against insider trading by all employees including managers and directors.</p> <p>Directors’ interests in contracts</p> <p>No director has had any material interest directly or indirectly in any contract reviewed or approved by the Board in the year under review. All directors are required to complete a Declaration of Interest Form which is updated annually.</p> <p>Code of ethics</p> <p>Press Corporation Limited and its subsidiaries are committed to a policy of fair dealing and integrity in the conduct of their businesses. This commitment is based on the fundamental belief that business should be conducted honestly, fairly and legally. The Board formally adopted a comprehensive code of ethics that is applied throughout the Group in the conduct of its affairs. This code provides a detailed guideline governing the all-important relationships between the various stakeholders and the communities in which the Group operates.</p>
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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