

SETTLEMENT OF CLAIMS IN MALAWI

Eastern Produce Malawi Limited ("**EPM**") has agreed a resolution of claims issued against it in the UK by law firm Leigh Day on behalf of 36 women living in the Mulanje and Thyolo districts of Malawi. The claimants alleged that they had suffered sexual harassment and gender-based violence while employed by EPM. The claims were made against EPM together with other companies in the Camellia Group: Camellia Plc, Linton Park Plc and Robertson Bois Dickson Anderson Limited (together, the "**Companies**").

The settlement, with no admission of liability, has been reached at a very early stage before service of legal proceedings. This avoids, most importantly for the women making these claims, drawn out and costly litigation in England.

EPM strongly believes that, however abhorrent the allegations were of deliberate acts of sexual violence committed by individual male workers, neither it nor the Companies would have been found legally responsible for them. However, EPM sees the benefits to all concerned in resolving the claims quickly. This is particularly to send a clear message from EPM and the Companies to all who work in or with them, that sexual harassment and gender-based violence will not be tolerated. EPM and the Companies also know that even if they had successfully defended these claims all the way to trial they would not have been able to recover their legal expenses from the claimants.

Working constructively with Leigh Day, the resolution is innovative and will reinforce steps that EPM has been taking in Malawi for several years to promote gender equality, female empowerment, and respectful relationships between men and women working for and living on or near EPM's estates. The resolution comprises:

A new EPM Women's Empowerment Initiative to fund projects to improve the skills, employment opportunities, and educational attainment of women and girls in and around EPM's operations, benefiting the claimants and the wider community. These projects include EPM Gender Equality Scholarships for 10 women, comprising guaranteed tuition and living costs throughout an undergraduate degree/other higher education course in Malawi; a specialist female leadership training programme to support the career progression of women into more senior positions at EPM; funding community civic education programmes concentrating on Sexual Harassment and Gender Equality; relocating and upgrading primary school facilities to include a community meeting hall; and building and maintaining boreholes in locations designed to benefit women and children locally to EPM's estates; and establishing three new Victim Support Units at local police units. Consultations will be held with stakeholders, including women working and living in and around EPM, to ensure these projects have maximum impact.

Triple R Alliance (a respected consultancy group in this area - <http://triplealliance.ca/>) has been engaged by EPM to monitor, guide and oversee, independently, EPM's Women's Empowerment Initiative.

In addition, agreement has been reached on changes to EPM's working practices, including to support the protection of women workers, notably by the introduction of Women's Safeguarding Supervisors across EPM's estates.

Prior to this agreement, EPM had already set up an Operational-level Grievance Mechanism ("**OGM**"), compliant with UN Guiding Principles on Business and Human Rights, so that any complaints of sexual harassment and/or gender-based violence related to its operations could be resolved fairly, under the direction of a Malawian female Independent Senior Lawyer and with independent and paid-for legal advice available to complainants. The OGM also ensures that counselling support is available for any

vulnerable complainant. The OGM is already having a positive impact in and around the estates. Triple R Alliance will also review, guide and oversee the OGM and an Independent Monitor will also report on it.

An important objective for EPM and the Companies in this settlement is to make sure that if anyone believes EPM's Sexual Harassment Policy has been breached their complaint can be raised and properly resolved through the OGM. This will bolster confidence that EPM will not tolerate sexual harassment or gender-based violence in any form and reassure complainants they can come forward and get prompt resolution and redress for any wrong. This is a vital ingredient in achieving long-term improvement of gender relations in Malawi, which are rooted in interrelated economic, social, educational and cultural dynamics.

The cost (over three years) of projects funded under the EPM Women's Empowerment Initiative, together with redress for the Claimants individually and contribution to their legal fees will be £2,313,400.

Under the terms of the settlement and given the constructive dialogue with Leigh Day about EPM's work on the ground to improve gender equality and in particular the OGM, Leigh Day will not bring or support any other claims relating to or in connection with the Camellia Group's operations in Malawi for a substantial period of time. This reflects Leigh Day's confidence that the OGM and EPM's Women's Empowerment Initiative, and the involvement of Triple R Alliance and independent monitoring, have the potential to bring long-term and positive change for women and gender relations in southern Malawi.

EPM welcomes the constructive discussions with Leigh Day which have resulted in a resolution of these claims that not only benefits the women represented by Leigh Day but also delivers wider and longer-term benefits to the communities in which they live. EPM is clear that it is better to enhance the working and living conditions of its employees, rather than fighting expensive, drawn-out litigation in the UK.

EPM hopes that the steps it has already taken in Malawi, and the actions it has committed to in this settlement, will help cement its reputation as a force for good in the communities in which it operates.

EPM and the Companies are committed to bringing about continued positive change and development on and around EPM's estates. This settlement and the associated community initiatives should lead to a significantly improved working environment in EPM's operations in Malawi, most especially for women. EPM and the Companies acknowledge the significant cooperation and contribution of Leigh Day in achieving this outcome, and thanks them for their efforts to bring this about.

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