Castel Malawi: Driving Local Value, Responsible Growth and Sustainable Impact

TEAM CASTEL: *Some of the Castel Malawi Staff Members pose for a photo with the Castel Group delegates*

Castel Malawi plays an active role in Malawi's industrial and economic landscape, combining local production with continued investment, responsible business practices and a strong commitment to the communities and ecosystems surrounding its operations.

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This commitment was highlighted during a recent visit to Castel Malawi by Castel Group CEO Gregory Clerc on 2 September 2026. Through engagements with employees, market visits and tours of the company's operations, the visit provided an opportunity to take stock of Castel Malawi's progress, recognize the teams behind it and reinforce the Group's long-term commitment to its operations in the country.

A SIGNIFICANT CONTRIBUTOR TO NATIONAL REVENUE

In October 2025, during the Malawi Revenue Authority's (MRA) Silver Jubilee and inaugural Taxpayer Appreciation Day, Castel Malawi Limited (CMBL) and Castel Distilleries Limited (CDL) were awarded two prestigious Certificates of Recognition. Ranking directly behind Illovo, Castel Malawi officially cemented its standing as the second-largest manufacturer taxpayer group in the country.

That recognition reflects a sharp upward trajectory in domestic economic value creation. Backed by ongoing capital investments averaging K20 billion annually, Castel's tax contributions to the Malawi Government have more than tripled over recent years, surging from K25 billion in 2021 to K55 billion in 2024, and rising to a record K80 billion in 2025. Furthermore, by adopting the new Electronic Invoicing System (EIS) strictly on time, the company continues to demonstrate that true market leadership requires full operational compliance.

Castel Group CEO, Gregory Clerc (L) at the Castel Malawi Brewery

ROOTED IN LOCAL AGRICULTURE AND COMMUNITY GROWTH

Castel Malawi's contribution to the economy extends beyond its direct operations. Local sourcing is an important part of the company's approach to strengthening domestic value chains and ensuring that more of the value created through its production activities remains within Malawi.

Each year, Castel Malawi sources sorghum grown on more than 1,500 hectares of local farmland for use in its beverage production, including Sapitwa Beer. By integrating locally grown agricultural inputs into its manufacturing processes, the company supports a stronger connection between Malawi's agricultural and industrial sectors while reducing reliance on imported raw materials.

This commitment to local value creation is complemented by a long-standing employment presence in Malawi dating back to 1968, as well as investments that extend into communities. Through three seasons of the Ibongetse Challenge Cup, Castel has supported grassroots sport and community engagement.

The same principle of inclusion applies within its operations. Recognizing the important contribution of casual workers employed through third-party service providers, Castel Malawi has invested in dedicated Non-Castel Social Blocks, providing appropriate eating and resting areas, secure changing facilities and improved sanitation amenities, including toilets and showers. The initiative is designed to ensure that everyone contributing to Castel's operations can work in an environment that promotes dignity, safety and well-being.

> *"Castel has been part of Malawi's economic and industrial landscape for years. Our ambition is clear: to continue investing, producing and creating value here for the long term. This means strengthening our local footprint, supporting Malawian agriculture and building an increasingly responsible and resilient business."*
>
> GREGORY CLERC — CEO, CASTEL GROUP

ENVIRONMENTAL STEWARDSHIP AND WATER SECURITY

For a business whose operations depend on access to water, protecting natural resources is both an environmental responsibility and a long-term business imperative.

In partnership with the Ministry of Forestry and Natural Resources, Castel Malawi supports the management of three forest reserves that serve as important water catchment areas for the Blantyre, Lilongwe and Mzuzu Water Boards.

Following the planting of 16,000 trees in 2023, the company has continued to invest in the longer-term care and restoration of these areas through weeding, watering and replanting activities. This approach recognizes that successful reforestation goes beyond planting trees and requires sustained attention to their establishment and protection.

Castel Malawi also works with local community policing groups to strengthen the protection of these catchment areas against deforestation. By combining restoration, continued maintenance and community involvement, the company is contributing to the preservation of critical water resources and supporting Malawi's broader environmental ambitions under Malawi 2063.

STRENGTHENING HEALTH, GOVERNANCE & INTERNATIONAL STANDARDS

Castel's social commitment extends into local schools and structured stakeholder dialogue:

- **WASH Initiatives:** Aligning with Sustainable Development Goal 6 (Clean Water and Sanitation) and Goal 3 (Good Health and Well-Being), Castel constructed and handed over modern sanitary facilities for female and male students at Namalimwe Primary School in Blantyre in October 2025.
- **Proactive Stakeholder Engagement:** Through quarterly forums led by its Corporate Social Responsibility (CSR) arm, Castel engages with its top 10 high-spend suppliers, distributors, contractors and local partners. These sessions evaluate operational impacts across seven core principles: Good Corporate Governance, Human Rights, Fair Working Conditions, Environmental Management, Ethical Business Practices, Consumer Protection and Community Commitment.
- **ISO 26000 Benchmark:** In June 2025, Castel aligned its operations with ISO 26000 non-certifiable guidance standards. This milestone embeds environmental, governance, safety, quality, and health benchmarks across every level of the organization and its partner network under a three-year review framework.

LOOKING AHEAD

Gregory Clerc's visit provides an opportunity not only to engage with Castel Malawi's teams and operations, but also to reflect on a business that has continued to deepen its contribution to the country over time.

From its growing tax contribution and continued capital investment to local agricultural sourcing, environmental stewardship and community initiatives, Castel Malawi's development reflects a broader ambition: to build a strong and responsible business whose growth creates value beyond its own operations.

"The strength of Castel Malawi lies first and foremost in its people. In a challenging environment, our teams and management have shown remarkable commitment, resilience and collective drive."

GREGORY CLERC — CEO, CASTEL GROUP