



INTERNAL MAGAZINE
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A NOTE FROM CRAIG JENSEN- FIX THE FACTORIES!



KILOMBERO
SUGAR COMPANY



Zambia Sugar

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A NOTE OF THANKS

On behalf of Illovo Sugar Africa, we'd like to take this opportunity to thank all of our contributors for your stories and articles. We take pride in being able to share this news with our fellow colleagues and friends; it provides a reflection of what is going on across the Group. A special thanks to our fellow Corporate Affairs and Communication team members.

YEAR-END MESSAGE FROM THE CEO

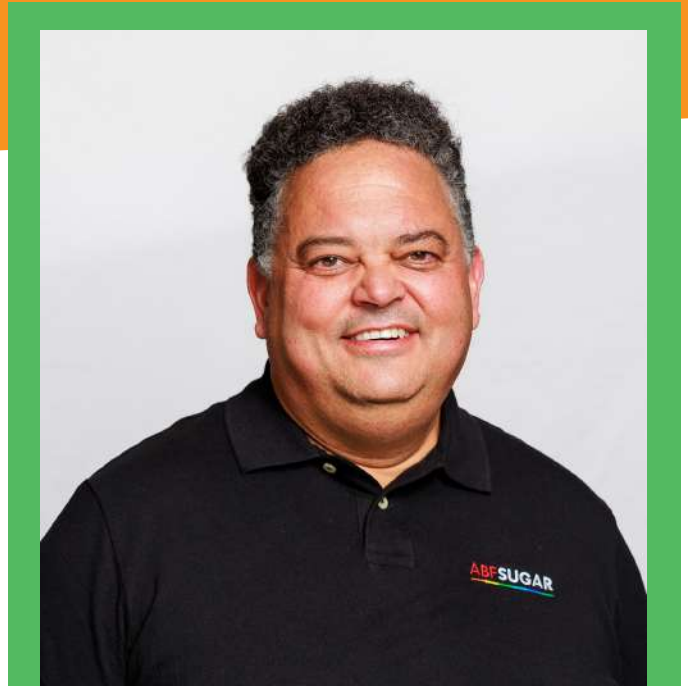
"THE PAST 12 MONTHS HAS BEEN TOUGH, YET REWARDING."

Hello everyone,
It's my pleasure to share a few words and reflections with you as we all look forward to winding down a bit over the coming festive break.

I think for me, a major business highlight over the past year was breaching the R3bn profit level in our financial year to August, following a sterling group-led effort. Not only does it establish a mark in the sand for the ongoing sustainability of Illovo, but it also puts us in a great position going forward – having crossed this line, it's harder to go backwards.

In my mind, good production levels across our businesses gifted another fantastic commercial performance which pulled us over this profit ambition. At this level, our ability to maximise the return on capital employed is extremely satisfying, and goes back to some of my earlier points about giving us the right to invest in well thought-out and executed projects. There were a couple of other things that helped us along our way, such as the buoyant world price of sugar which benefits South Africa and Eswatini, and also the magnificent achievements that we ourselves led and executed in effecting the Noodsberg turnaround – this is a wonderful piece of work we can all be proud of, and my appreciation goes to all concerned.

Maragra's flood had to be the single-most and devastating occurrence of the year and my heart and mind goes out to all of our people there who have since left the business, but not after a valiant and safety-led emergency action plan to protect the lives and property of both our own business, and also those in the surrounding communities. At this point, the future of Maragra is still uncertain, and will update you all once it is determined. Two other major impacts on the business were the currency depreciation in Malawi and the financial impacts in South Africa arising out of business rescue of Tongaat Hulett.



Gavin Dagleish
Illovo Sugar Africa
Chief Executive Officer

Over and above, my biggest disappointment was what we left on the table in terms of lost opportunity as our production targets during the year were lowered and missed. As a result, the business lost out on R500 million simply by not having available sugar in the right places at the right time and it's something we have to get right.



To bring us up to where we are now, I can't help but lament the impacts of the wet weather across the group which have impacted both agricultural and milling operations across the board, with factories closing well before their planned stop dates. While these sets of circumstances are not new, we know that climate change is beginning to have major impacts on agri-businesses in the world and we need to look very carefully about how we at Illovo apply climate resilience in our business. I'm well aware that more than 60% of our cane throughput comes from growers but my challenge to all of us is to think differently about what we do and want we plan for because its only going to get tougher – and, the simple fact is that we are going to need to bring our growers along with us on this journey.

Just to share news coming in is that we may well see the full processing of Nakambala's massive crop before the rains come – there is a considerable and concerted will among our people there to get the job done. I really commend their efforts!

The edition of INN brings with it news of some fantastic work within the factories and focus growing cane sustainably – all with the concerted intention of reducing overall recovery and increasing reliability in our plants, and improving our agricultural yields, among other work – primarily by looking to the health of the soil upon which we grow our cane. These are all great sustainability-led innovations and I look forward to hearing about their progress.

At the Senior Leadership Conference in September, we spoke a lot about our social responsibilities, within the framework of ESG, ie Environmental and economic sustainability, social development and Governance. To my way of thinking, the promise of social development is indeed our social licence to operate – as a business, we are already here, let's just get good at it. We have to expand our horizons and with all the great work we already do, we must be less defensive and tell our stories, focusing on socially transformative projects and outcomes.

To that extent, and you would all have seen the notice, I am extremely happy about the appointment of Dr Peresu as Social Development Director. Given his extensive experience in establishing collaborations and partnerships with government, donor stakeholders, civil society, research agencies and the private sector to resolve health and social development within a business setting, I have no doubt that Ernest will become an invaluable member of our ISA business leadership and we're all really looking forward to working with him as we continue to develop our social agenda.

Like most years, this past 12 months has been tough, yet has been rewarding. Despite our generally disappointing close to the milling season, we have a lot to be proud of, we have a long way to go and I look forward to your support in the new year.

Wishing you all a wonderful break over the next month or so and thank you, for your ongoing commitment to the health and welfare of our business. Please be safe.

A NOTE FROM CRAIG JENSEN - FIX THE FACTORIES!

A lot has been in the air about factory performance at Illovo for some time and there is no doubt when you were appointed just last year as Group Operations Director, that “Fixing the factories”, as you have come to term it, topped your KPI’s. Where did you start to “eat the elephant” and what’s reality check on current progress and performance improvement?

“When I joined Illovo, I realised that we had a lot of battles to fight in the factories – we were in the midst of a troubling time at Noodsberg, soon to be followed by major factory performance issues at Nakambala and more recently at Nchalo – on top of that we had all of the day-to-day operational challenges to contend with. My sense was that in fighting the fires, and being in continuous maintenance and repair mode, I had to take the time to step back and ask myself how best to make use of the issues that we were currently facing to drive a longer-term, holistic strategy to bring us back to a better place, where we’ve been before.

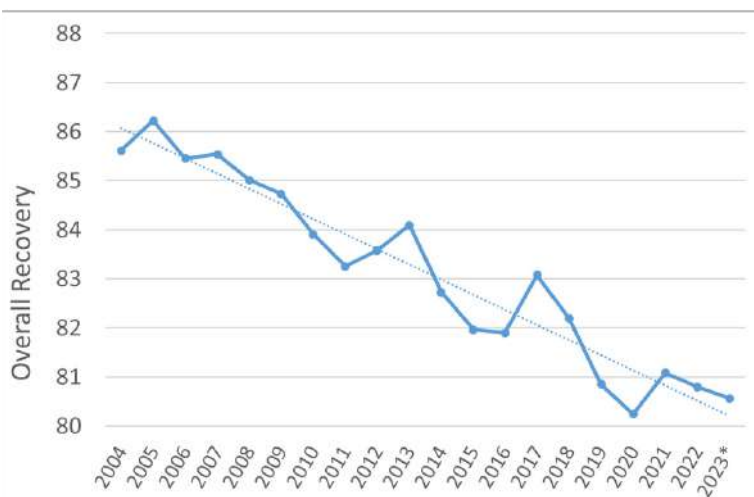
“We also needed to look inwardly as a central technical support team at Group and ask ourselves what we needed to do to provide more hands-on help to the factory teams and what meaningful interventions we could establish to drive on-the-ground factory performance improvement. Having amassed a significant body of evidence that pointed to our technical shortfalls and opportunities, I am clear about executing the broader, high-level recovery strategy and converting it into a step-by-step action plan that’s relevant to each location,” says Craig.



GROUP OPERATIONS DIRECTOR

Craig joined Illovo in 2022 as Group Operations Director after having worked for 25 years within the sugar industry in a variety of technical, operational, project and business roles. He is passionate about operational excellence, and over his career has developed and commercialised a variety of technologies that improve sugar recovery, energy efficiency and facilitate downstream product diversification.

REALITY CHECK - OVERALL RECOVERY



What this graph tells us is that over the past 20 years, our Group factory overall recovery has fallen by about 5 units, lost in bagasse, filter cake, molasses and undetermined losses. That loss equates to about 80 000 tons of sugar which at today’s prices, amounts to R800m over the period. This includes the cost of sucrose (where it is purchased from growers) and all of the milling costs to produce the sugar, before packaging and route to market. **So my simple message is let’s not lose the sugar in the factory!**

LOST TIME % AVAILABILITY



More recently, the Group LTA has increased from about 6% in 2017 to 9% in 2022, with an encouraging claw back to just over 8% in the current season. Lost time % availability is a measure of the amount time a factory stops against the total amount of available for milling – so outside of cane and scheduled stops, it also includes sporadic breakdowns and other unplanned stops – which becomes a good indicator of poor plant reliability

“I need to be clear that the decrease in overall recovery started long before the 2019/20 restructure of the business while more recently, plant reliability has suffered for a number of important technical and other reasons, including the operation of our factories with very lean structures which has ultimately reduced our ‘bench strength’. The manufacturing operating model enhancement has since introduced much needed leadership and maintenance roles in the factories and to me represents the first step in rebuilding our manufacturing capacity. As we execute our strategy I am confident that we can restore our factory performances levels by, for example, leveraging technically upon what we have achieved at Noodsberg, executing projects to improve factory robustness, and working with our HR team to rebuild skills and leadership in our factories.

So what did you learn from the Noodsberg case study, and how do you leverage that learning to improve Group factory performance?

“Noodsberg was in a very poor way and aside from our own bitter disappointment about its performance, we were impacting significantly on the long-term sustainability of our grower cane operations, with family businesses there going back more than 100-years. Cutting to the chase, we needed to focus on every

moving part in the production line from a technical point of view, and from the people side, to rebuild our workforce focusing on alignment and engagement, and getting more people with specific skills back into the factory. I need to recognise the enablement that occurred at Noodsberg brought about by the leadership of many of our senior people across several disciplines - collectively, they have helped the factory team to believe in themselves, to overcome their difficulties on the factory floor and to ‘win’ again. Here are my key learning points that we can utilise elsewhere:

PEOPLE AND LEADERSHIP OF PEOPLE	Provide an enabling structure & fill vacancies Creating aligned and motivated workforce
SUCCESS BREEDS SUCCESS.	Provide a clear improvement plan. Introduce capacity where there are gaps
CAPTURE LEARNINGS AND EMBED	Rebuild institutional knowledge Build shop-floor capability. Establish on-site governance

A NOTE FROM CRAIG JENSEN - FIX THE FACTORIES!

“Compared to last year, tons of cane crushed is forecast to increase by about 300 tons to 1 360 tons; LTA% will be more than halved down by 15 units; overall recovery is to improve by 7 units, and refined sugar production is to more than double from 91 500 to 206 000 tons – which will be Noodsberg’s highest refined sugar production since 2017. Importantly, the factory also recorded its lowest coal burn since 1998, which is a positive step towards our GHG reduction goals. So overall, great progress to-date but lots more to do.”

“From a broader perspective though, the Noodsberg example has pointed to the fact that you can’t go after recovery performance improvements until you have stabilised the factory and your teams are not stretched by attending to breakdowns and constantly trying to stabilise factory operations. If we take a hard look at our performance, this is exactly what is happening at Nakambala right now. So that for me is the priority – I’ll go after reliability first, served by ongoing debottlenecking projects which are small by nature, but make a big impact.”

WHAT THEN ARE THE CORNERSTONES OF YOUR FACTORY PERFORMANCE STRATEGY AND OUTSIDE OF NOODSBERG, WHERE ELSE HAVE YOU BEGUN TO ETCH OUT SOME EARLY SUCCESSES?

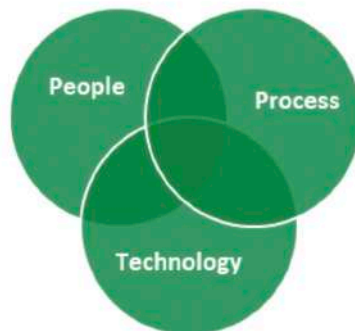
“Talking to the last part of the question first, I’m pleased to say that we’ve already started gaining traction in terms of improving reliability which for me starts at home, with our people. Reading Kim Usher’s foreword in the last edition of the INN magazine captured for me the essence of what we need to achieve when she spoke about line managers across the business taking responsibility for engaging with their people, managing their teams well and taking personal ownership for broader business agendas – with employees engaged and connected, organisations are led by their people - in effect inverting the existing leadership pyramid. So we’ve rejuvenated the Artisan Development Programme, we are embedding the enhanced manufacturing operating model and in addition to improving in-house planning capabilities, we are also working on getting more engineers in the business. I too believe that everything rises and falls on leadership and this is where we need to work hard – a culture change is needed to the point where are confident

WHAT GOOD LOOKS LIKE:

Culture of safety and excellence
(Best in class)

Aligned and engaged workforce

Capability building and assessment



Codified ways of working

Forums structured and effective

Compliance and assurance is prioritised

Robust reliable plant design and equipment selection

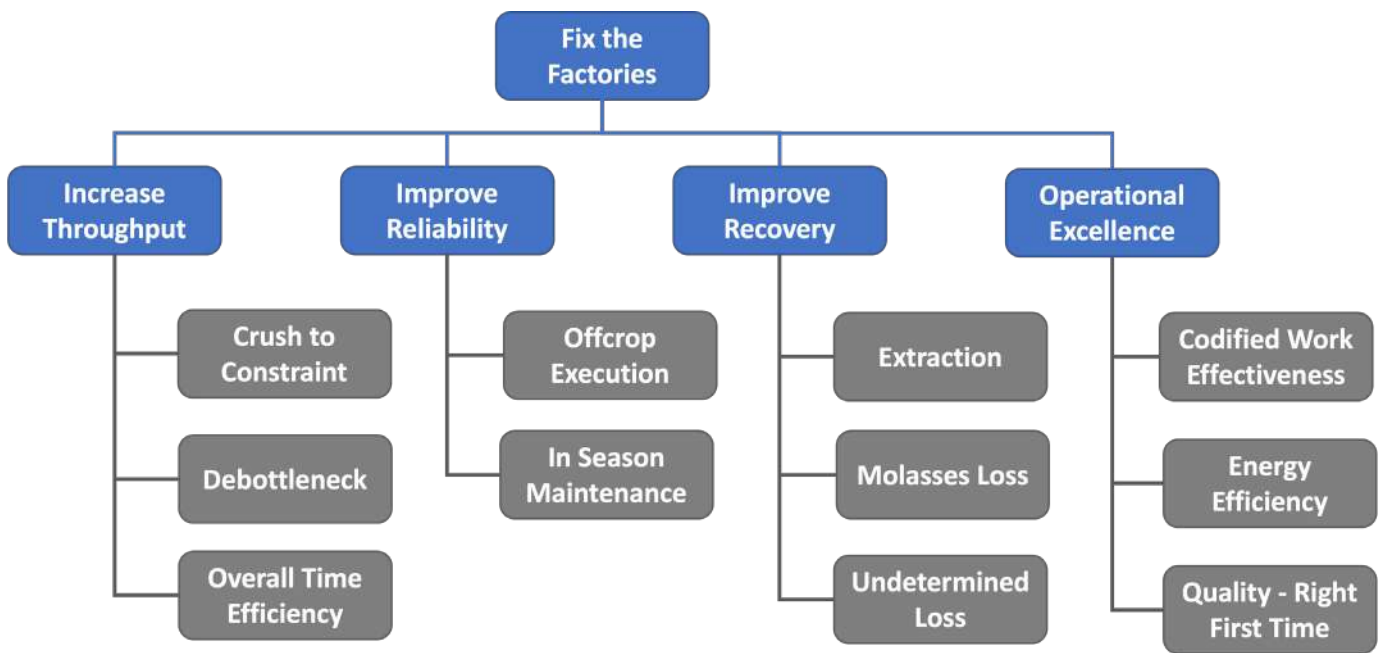
Capital allocation and execution (core and major)

Enabled by new technologies and digitalisation

Craig went on to say: "Focus on our processes is not just important for restoring factory performance, but is critical for sustaining, and indeed continuously improving our performance. I'm really excited about the advances we are making in the area of new technologies and digitalisation as these provide us with the opportunity operate and maintain our factories BETTER than we did so in the past. One great example, and as many across our factories will identify with, we're busy implementing SAP Enterprise Asset Management across our factories. Among its various contributions to factory operations, it emphasises condition-based monitoring, offering early warnings for potential issues - you have no idea how

difficult this actually is! Another important area of work is currently being undertaken to improve factory off-crop execution by applying project management disciplines to offcrop maintenance tasks. A well executed offcrop lays the platform for a good startup which puts the factory on the front foot for the season ahead."

"Overall, the fix the factories scope of work across the business is built on the four pillars of throughput, reliability, recovery and operational excellence, with PEOPLE, PROCESS AND TECHNOLOGY core to each focus area."



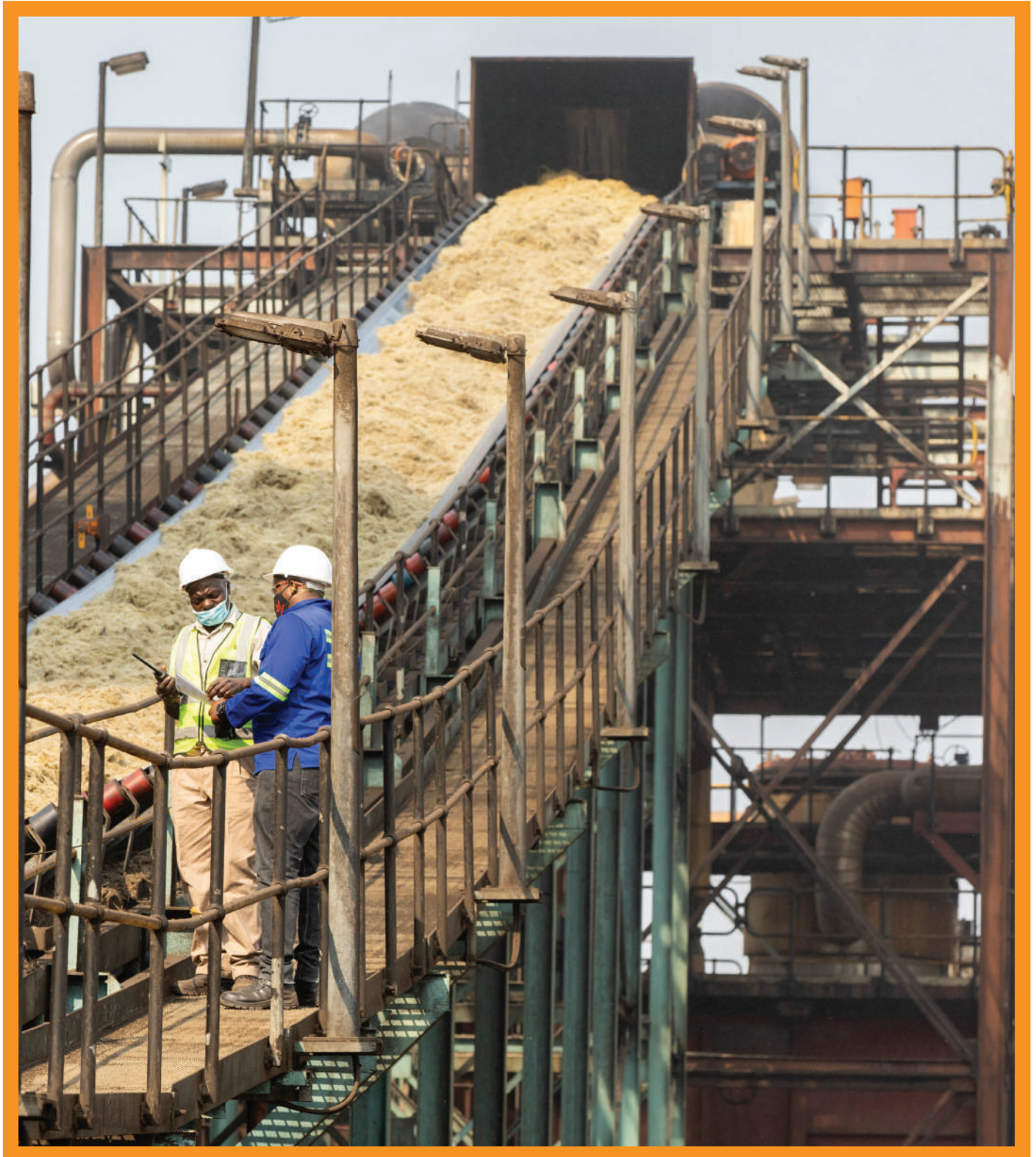
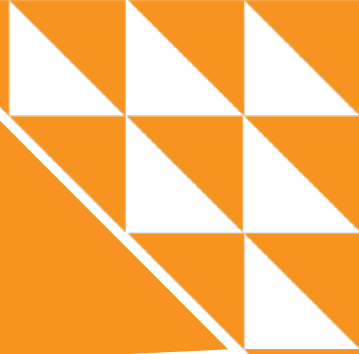
A NOTE FROM CRAIG JENSEN - FIX THE FACTORIES!

"I'm encouraged to say that during 2023, we have seen early but important signs of recovery improvement in all of our businesses; the challenge for 2024 is to consolidate on the upside so that we put ourselves and Illovo in a strong position to protect and promote our long-term sustainability, by producing our products at the volume and quality required to serve our markets."

"In closing, there is also work to be done in improving our agricultural performance given that over a similar 20-year period, agricultural yields – i.e. tons of cane per hectare – have declined by about 10%; despite irrigation and drainage upgrades, deterioration of soil health is a primary factor. The decline in yield is estimated at around 60 000 tons of sugar over the period. However, like

Noodsberg, we have made Nakambala our reference point as an agricultural centre of excellence and some considerable strides have been made here and elsewhere in the group, two of which are featured in this edition of the INN Magazine: a very exciting new project under the name of the New Synergistic Farming Systems, and the achievement of a major sustainability milestone with all of Illovo's agricultural estates across the Group now certified under SAI Platform's Farm Sustainability Assessment (FSA).





BUILDING A WINNING SALES ORGANISATION – WSO-PRO COMES OF AGE!

In a fast-moving and engaging couple of days of interaction, presentations and feedback, eleven Winning Sales Organisation (WSO)-Pro candidates from Tanzania, Zambia, Malawi and South Africa gathered with their respective commercial heads in Durban recently for their “Class of ‘23” graduation ceremony. This followed the execution of a four-module sales competence programme over the past year aimed at delivering on the Group’s commercial goals, chiefly: growing revenue; improving margin; driving pre-packs and brand equity growth; developing and servicing winning Last Mile customer partnerships and building capable and effective sales teams.

Under the WSO-Pro mantra of **“Living Sales Excellence”** the 11-month Illovo-customised programme was designed to blend in with daily work requirements, but needless to say, our candidates had their hands full with:

- **Four in-country** three-day workshops, each including a day in market;
- **Three** theory modules to support competence build and equip leaders to train teams;
- **Many** interactions with internal and external key stakeholders and subject matter experts to help shape the candidates’ growth journeys; and
- **One** final personal project submission focusing on merging the candidates’ WSO learnings with the Group’s commercial goals.

Chief architects behind the first running of the WSO-Pro are **Precious Chiwaya, Sales Excellence Manager** and **Gill Du Plessis, Head of Sales and Marketing** within the One Centre Commercial Team who designed the course as the next step in a sales-capability development pathway following the initial WSO programme launched a number of years ago.

Says Gill: **“It has been an incredible year of collective learning and engagement for all of us; I’m almost sad it has come to an end! What I do know though is that the community of practice formed amongst the candidates whilst on the course will be an invaluable asset for their future growth and development going forward.”**

Gill said that over the period Illovo had developed a wealth of knowledge within the broader framework of becoming a Winning Sales Organisation, captured in four primary modules:

1. **Knowledge to do my job well**
2. **Building superior value propositions**
3. **Staying on top of a changing market**
4. **Consolidating the WSO pro journey**



Chikumbutso Ndhrazi from Illovo Sugar Malawi celebrates her award with, from left Gill Du Plessis, Gavin Dalgleish, Illovo CEO, and Andre Lubbe

“Over and above this, one of the strongest programme design elements was combining knowledge build with on the ground learning simulation, so that our candidates were able to connect the dots between theory and direct exposure to world-class sales excellence from our own commercial leaders, when we went out into the trade, visited top companies and listened to their leaders. We also took the candidates through personal coaching to help develop practical skills for their daily engagements with customers,” said Gill.



The South African team in an ebullient mood! From left Commercial Director Mdu Nalala, Nomfundo Jacobs, Mandisa Radebe; Festival Msomi and Bonginkosi Hlefana

Combined with the other three modules [click here to see WSO Pro Pictorial Journey](#), and [click here to see WSO Pro Programme Presentation](#) the total package of sales management capability build could not have been better designed.

Then once all in Durban for the graduation ceremony, a highlight of the two-day event was the presentation of the candidates' personal country projects, specifically designed to grow their own sales management capability development on the one hand and on the other, to create something innovative which was "value-adding" in their market-places, and outside of their everyday tasks and responsibilities.

As **Andre Lubbe, Illovo's Commercial Director** puts it, this was an opportunity to commence a new sales growth journey building on "last mile" execution resulting in winning partnerships at all levels of the distribution chain and which gives Illovo the optimal footprint to service both consumers and customers in our markets.

"When Gill and I sat down to design the WSO-Pro, the last thing I wanted was a tick-box exercise – this had to be about capability management with competent sales managers, and hence the programme had to be driven with a strong practical flavour, backed up by personal learning and development. I strongly believe that a good organisation is built on the strength of its sales management capability – why, because this is where the organisational revenue is made and/or lost."

And hence by design, with expert and strategic direction from Dave Finney at WinWin, the candidates came from all four of our consumer-facing countries; they could benchmark their skills and capabilities against one another; and they had exposure to other departments

MODULE 1: KNOWLEDGE TO DO MY JOB WELL

HOST COUNTRY: MALAWI

KNOWLEDGE BUILD

- My journey to excellence
- Planning and Forecasting
- Horizon Scanning and Planning
- Owning Relationships
- I am a Leader

LEARNING SIMULATION

- Olivewood Packing Station tour
- Khumbo Ntambo-Banda: Key take-outs of Lumina and Competency feedback (unpacking strengths and development areas)
- Gill du Plessis: The journey of networking
- Precious Chiwaya & Hilary Mkulichi: Owning customer relationships in trade; Managing Sales Teams; Winning partnership – First Mile execution in Malawi
- Maurice Njowoka: Personal Leadership Journey
- Lekani Katandula: MD Leadership Insights

within the business which introduced them to the broad range of disciplines and skills that make Illovo tick.

Says Andre: **"They also met with each of the country-MD's together with other senior leadership and visited some of Africa's biggest companies to see their operations, meet their executive leaders and learn about their specific sales models – all with the aim of helping them to become better leaders and more effective sales professionals. Seeing the candidates presenting the personal projects was a massive highlight for me because, I could see that they 'owned' their work, from start to finish. I was exceptionally proud and express a big thank you to everyone who made this possible."**



The WSO-Pro Class of '23, from left: Mdu Nkala (ISSA – Commercial Head); Dave Finney (WinWin); Fimbo Butallah (KB – Commercial Head); Garth Landsell (ISA); Chembe Kabandama (ZS – Commercial Head); Andre Lubbe (ISA); Harshid Chavda, (KB); Chikumbutso Ndhrazi (ISM-front); Seth Chindima (ZS); Nomfundo Jacobs (ISSA); Hilary Mkulichi, ISA; Mandisa Radebe (ISSA); Bonginkosi Hlefana (ISSA); Gavin Dalgleish (ISA); Precious Chiwaya (ISA); Johannes Rugalema (KB); Kaiza Kabongu (ZS -back); Maurice Njowoka (ISM – Commercial Head); Luka Tembo (ZS); Wanangwa Thindwa (ISM); Festival Msomi (ISSA) & Gill Du Plessis (SA)

NUTURING TALENT AND PAVING THE WAY FOR FUTURE LEADERS

MANAGERS IN TRAINING CONFERENCE

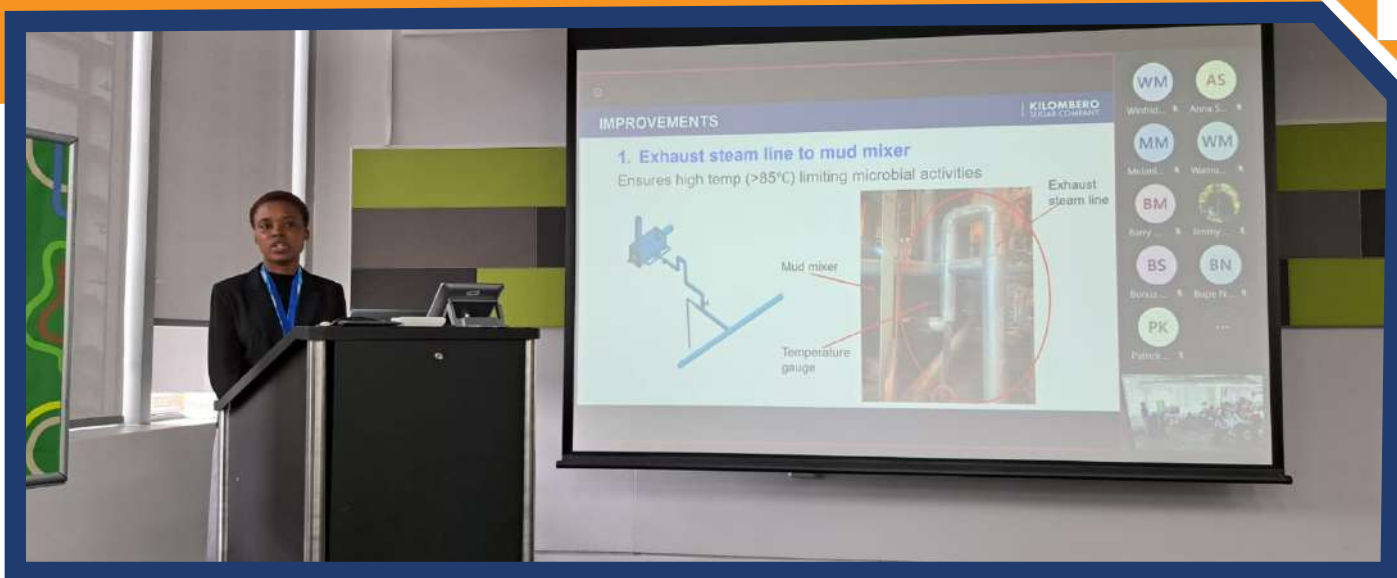
At Illovo Sugar Africa, we believe in nurturing talent and paving the way for future leaders within our organisation. Our MIT (Management in Training) Program has been instrumental in achieving this goal, ensuring that we always have the “right talent in the right place at the right time”. The MIT Program is designed to provide opportunities for graduates from diverse disciplines, aligning with our business needs, and enabling them to become potential future leaders of Illovo. The three-year program provides multi-disciplinary experience, builds practical application of their functional skills and knowledge, and provides multiple learning and coaching interventions. We’re proud to say that many of our current business leaders themselves began their journey through our long-standing MIT Program, a testament to its remarkable success and talent succession sustainability.

The MIT (Manager in Training) Conference is the apex of an Illovo MIT’s learning journey, symbolising the culmination of all of their experience gained, coaching received and their own diligent efforts and dedication. The conference is exclusively for third-year MIT’s, who are graduating from the program, and have been nominated by their respective line managers and have been through a rigorous adjudication process. The selected participants are nominated to present their own work or research projects at this prestigious event to showcase their learning and provide opportunity for further learning and sharing across our businesses. The conference provides an opportunity to acknowledge the distinctive contributions of each MIT to the Illovo organisation, to share knowledge and to award the Illovo Group MIT of the year.



L-R: Justin Lowe, Prisca Mgelwa, Chosadziwa Nkhuzenje, Theodora Mdokhwe, Angela Eustace, Rainer Talanda





This year's conference took place on the 10th of October at the Illovo Head Office in Durban. Well done to all of the MITs in attendance at this conference, and congratulations on your excellent presentations and completion of your training program. You have all displayed a high level of commitment, excellence, and talent. We look forward to witnessing your growth into future leaders of Illovo.

Chosadziwa Nkhuzenje emerged as The 2023 Group MIT of the year winner scooping first place with an

outstanding presentation. He was followed by Theodora Mdokhwe, who secured the second position. In third place was Prisca Mgelwa. Congratulations and thanks must also be shared with all of the MIT program co-ordinators, coaches and relevant managers who contribute to this quality management program. Thank you for your time and dedication.

Well done to: Rainer Talanda, Alasdair Harris, Angela Eustace and Justin Lowe



ACCELERATING PERSONAL LEADERSHIP GROWTH AND DEVELOPMENT

GROUP LEADERSHIP DEVELOPMENT PROGRAMME GRADUATION

Earlier this September our first group of Illovo leaders graduated from the newly refreshed Illovo Group Leadership Development Programme, run in partnership with GIBS Business School. The Programme was launched at the beginning of 2023 and is part of a deliberate journey to move the needle on how we manage and lead our business, at the same time accelerate the personal leadership growth and development of our people within the organisation.

Creating Illovo's Leadership Framework which provides for the personal growth of employees from the shopfloor up to executive management through customised development programmes, has come with the personal commitment and sponsorship from Illovo's directors and others, including Gavin Dalgleish, Chief Executive Officer of Illovo Sugar Africa, and one of the chief architects behind the GLDP:

“During the significant change that the Group has been through over the past seven years or so, we recognised that leadership skills amongst our middle, senior and executive management cohort were something for us to work on. This in itself provided a huge opportunity for us to take on direct responsibility for developing our own leadership pipeline. Development is not an end in itself. You develop people in your organisation so that they in turn, develop and sustain the performance of the business. In a similar way, I look forward to the future growth of this very special team of people, and my challenge to them down the line will be to provide the same investment in the people they get to manage,” says Gavin.

Involving the selection of 20 senior managers from across the Group, the programme which stretches over eight months aims among other things, to equip this cohort of people with the skills to build, manage and lead strong teams, and enable strategy execution and change leadership capability. The programme includes 4 modules of world-class lectures, a country

immersion module, practical skills development and an action learning project. During module 2 our GLDP delegates were fortunate to have Gavin join them for a day of lectures at the GIBS campus, demonstrating his commitment to this programme, and to deliver his own personal thoughts on strategy and leadership.

THE CERTIFIED PROGRAMME, CUSTOMISED TO THE ILLOVO CONTEXT, WAS DESIGNED TO:

- Accelerate **personal leadership growth** and development.
- Increase ability to **build, manage and lead strong teams** for high performance and succession development.
- Enable **strategy execution and change leadership capability**.
- Create know-how for **complex problem solving decision-making**.
- Build **strategic and business acumen** through a deeper understanding of global, industry and business value-chain including drivers.
- Create excitement amongst others about **marketplace opportunities and the future strategy** of Illovo.
- Explore ways to make **leadership, resilience and global cultural awareness** a competitive advantage.

The auspicious Graduation Day, held on 12th September, began with the Action Learning Project Teams presenting their projects to a full room of project sponsors and Executive Committee - excitement and nerves were running high! The intense learning journeys taken by these leaders over the course of the year was evident, as their projects required them to stretch their minds, tackle challenges in innovative ways, and lean into parts of the business they are rarely exposed to in their day-to-day roles.

The key components of this programme - the Action Learning Projects, three in-person modules with a world-class faculty, and an in-country immersion visit to Tanzania - truly allowed these delegates to fast-track their personal growth as leaders. With a number of



L-R: Tshepo Marumule, Angela Eustace, Chembe Kabandama, Gill Du Plessis, Kondwani Msimuko



A group shot of all our GLDP graduates, business leaders and lecturers.

delegates describing the programme as a life-changing experience, we couldn't be happier with the outcome. Lerato Mahlasela, Managing Executive of Corporate Education at GIBS Business School encouraged the graduates to "lift as you rise", and we have no doubt that these phenomenal leaders will do just that as they take their new skills and expanded mindsets back into their respective functions and countries.

The final project presentations were followed by a review and feedback session, and finally a graduation ceremony for each of the delegates completing the course. A very big thank you to the program organisers and our partners GIBS for such a successful program. A huge congratulations to all of our 2023 graduates - you have done us proud!

Class of 2023: Ciniso Makama, Maqhawe Ndlovu, Lauren Cole, Angela Eustace, Gill du Plessis, Baldwin Muzondo, Khumbo Ntambo-Banda, Maurice Njowoka, Kondwani Msimuko, Ricky Pillay, Antonio Matavele, Julia Camuaza, Deena Moodley, Rodney Rogan, Miles Wheeler, Fimbo Butallah, Chembe Kabandama, Eugene Chungu



L-R: Chembe Kabandama, Ricky Pillay, Gill du Plessis, Andre Lubbe, Deena Moodley, Maurice Njowoka, Gavin Dalgleish, Lauren Cole, Fimbo Butallah

ILLOVO SUGAR AFRICA CONFERENCE

SEPTEMBER 2023

This year's Leadership Conference took place week from the 14th to 17th September, the conference was held at Champagne Sports Resort in the Drakensberg, KZN.

Our conference united our business leadership teams from across all of our African businesses as well as our Group central office leadership teams, operating out of South Africa and England. We were also fortunate to have senior leadership from our parent company, Associated British Foods, join us for this important event. Many delegates were also accompanied by their partners, resulting in almost 250 people joining us for this 3 day conference where people were able to connect, be challenged and inspired and an opportunity for celebration.

We were honoured to host an array of distinguished guest speakers who delivered key messages to the audience, challenging their thinking on context and complexity, agility, futures thinking and inclusive leadership. In addition, we heard from many of our current business leaders, internal subject experts as well as future leaders of our business. All of whom did an exceptional job at informing and inspiring our audience.

The conference featured an action-packed agenda from Thursday through to Saturday afternoon, after which delegates then had the opportunity to indulge in various planned leisure activities which allowed them to enjoy the beautiful surrounds of the Drakensberg. Each evening of the conference delegates enjoyed socialising together while sharing delicious food and enjoying live entertainment at the various themed dinners.



The highlight of the event was Saturday night's gala awards dinner, themed 'National Pride,' where everyone dazzled in their national or traditional attire. It was a celebration to remember!

The awards recognise excellence from across the Illovo group of businesses and acknowledge the best practices and performance from functions, teams and individuals.





These remarkable individuals and teams have showcased excellence in their respective fields, contributing to our shared success. We applaud their dedication and achievements!



The Illovo purpose of contributing to Thriving African Communities remains core to our business and the theme at this years conference is evidence of Illovo's commitment to achieving this. Through the 'Expanding Horizons' theme we have heightened leaderships responsibility to remaining committed to making a

meaningful impact on the environment and society and striving for sustainable community growth. Together, we aim to drive change and build socially connected, environmentally responsible, and profitable businesses for the long term.



A VERY BIG CONGRATULATIONS TO ALL OF THIS YEARS WINNERS AND WELL DONE TO ALL OF THE TEAMS WHO MADE THESE WINS POSSIBLE.



Best Factory Performance: Illovo Sugar South Africa - L-R Suren Naidoo, Edgar Bruggemann, Celeste Mdletshe, Rodney Rogan and Ricky Govender.



Best Agricultural Performance: Zambia Sugar Plc - **Front L-R:** Richard Chiponda, Atson Lungu, Oswald Magwenzi, Chembe Kabandama and Harriet Katongo
Back L-R: Simbarashe Garaba, Eugene Chungu, Marc Pousson and Stuart Forbes



Corporate Office Award: Group Talent Management - L-R Mike Davies, Theana Whitehead, Angela Eustace, Sue Whalley, Kim Usher, Linda King, Ernest Peresu, Horst Wortmann



Safety Award: Ubombo Sugar Limited - **Front L-R:** Bongani Mdluli, Philile Nxumalo, Muzi Siyaya,, Mbali Motsa, Leonard Ndzimandze, Sue Whalley, Lungile Nxumalo. **Back L-R:** Clinton Lee, Barry Muirhead, Kennedy Mudima, Gcebile Dlamini-Hlanze, Paul Kenward



MD's Award: Filipe Raposo
L-R: Filipe Raposo, Gavin Dalgleish



Values Award: Rainer Talanda
L-R: Duduza Madlala, Rainer Talanda, Indhrasen Govender



Edward Namboya Financial Management Award:

Illovo Sugar Malawi plc

Risk Management Award:

Illovo Sugar Malawi plc

Commercial Award:

Illovo Sugar Malawi plc

People and Performance Award:

Illovo Sugar Malawi plc

L-R: Ricky Pillay, Maurice Njowoka, Khumbo Ntambo-Banda, Lekani Katandula, Kondwani Msimuko

KEY TAKE OUTS FROM LEADERS IN THE BUSINESS

The theme at our conference this year was **“Leaders’ Mindset, Expanding Horizons,”** where we challenged our leaders to delve deeper into our businesses’ social and environmental impact in Africa, addressing both the responsibility that it carries and the opportunities it presents. The goal was to inform and inspire, encouraging leaders to think beyond our current reality and embrace the full context and systems within which we operate, to acknowledge business and personal responsibility, and to act with purpose for the future.

Through the various speakers, videos and workshops conducted at the conference, our leadership teams were inspired to think broader and embrace innovation. They

were challenged on how to practically achieve our social development agenda and empowered to create a more diverse and inclusive culture.

The Illovo purpose of contributing to Thriving African Communities remains core to our business, and the theme at this year’s conference is evidence of Illovo’s commitment to achieving this. Through the ‘Expanding Horizons’ theme we have heightened leadership’s responsibility to remain committed to making a meaningful impact on the environment and society and striving for sustainable community growth. Together, we aim to drive change and build socially connected, environmentally responsible, and profitable businesses for the long term.



“ MUZI SIYAYA – MD @ UBOMBO SUGAR LIMITED

We want to demonstrate a much greater growth-driven approach. We must be able to take the hard knocks while not losing focus on growth and building strong multidisciplinary teams. //

“ GUY WILLIAMS – MD @ KILOMBERO SUGAR COMPANY LIMITED

The concentration of resources is finding itself more and more in the hands of business, and our responsibility is to shift upwards and make an ongoing difference in growing thriving communities. //



“ OSWALD MAGWENZI – MD @ ZAMBIA SUGAR PLC

Resilience alone is not enough. We need to be agile, to have absorption and be able to face adversity every day to pursue the full potential of our businesses. //



// RICKY GOVENDER – MD @ ILLOVO SUGAR AFRICA LTD

We must become more diversified in our thinking so as to enhance the work we are doing around our operations, and in developing community and shareholder participation in our economic activities. //

// FILIPE RAPOSO – MD @ MARAGRA ACUCAR

Every decision we take and everything we do must consider the outcome for our people and communities. We must remain well positioned in whichever context and direction we take. //



// KHUMBO NTAMBO-BANDA - HRD @ ILLOVO SUGAR MALAWI PLC

As a business, we acknowledge the need to accelerate our commitment to the principle of 'lift as you rise,' by actively ensuring the continuity of our social development agenda, prioritizing and investing in initiatives that uplift and empower our employees and community. //



MILLENNIAL BOARD MEMBERS:

A special mention to our 2023 Millennial board members, who were special invited guests and played the role of MC's during the 2023 Leadership conference.

GROUP ECONOMIC, SOCIAL AND ENVIRONMENTAL IMPACT ASSESSMENTS RELEASED

ILLOVO SUGAR AFRICA CREATES 44 273 JOBS AND AN ESTIMATED R28.6 BILLION IN ECONOMIC IMPACT

We were recently proud to announce the results of the Group's latest independent impact assessment for the financial year ended August 2021, which evaluates Illovo's economic, social and environmental impacts, building on its already substantial bearing in the sectors of employment, renewable energy and community investment where we operate. As an example, the Group's economic impact across six countries has been estimated at R28.6 billion, comprising R6.6 billion in direct impacts, with the balance resulting from the multiplier effects of its business operations within the supply chain and wider economies (see * below).

More recently, we've set ambitious targets to cut water usage and carbon emissions by 30%, as part of a broader African business agenda that already supports 436 000 lives created by the direct employment of 44 000 people.

With the first economic impact assessment conducted in 2012/13, this is the third exercise of its kind conducted across our businesses over the past decade, but now broadened to include environmental impact. The assessments, consisting of an overall Group report and reports specific to six countries, have been led on each occasion by [Corporate Citizenship part of SLR](#), an independent and external global leader in social and community impact, sustainability, and corporate citizenship based in the United Kingdom.

Please click here to access the [Group and country reports](#), together with one-page [infographics](#) which can be used as is, or printed as posters for internal and external communications purposes.

“We believe that targeted social development within our value chains and driving business success go hand in hand. From a social perspective, evidence presented in the Group report points to our ability as a private business to use our resources, skills and capability to leverage genuine partnerships that help to make a difference in the African communities that host our operations. Our strengths are forming collaborative engagements with private and public sector partners to leverage resources for the benefit of these communities and countries. Our ambitious environmental targets to reduce water usage and carbon emissions align with a commitment to continue serving our consumers and customers across domestic and regional African markets, with a strong governance focus. Collectively our social development and business intent delivers on Illovo's Thriving Community purpose.” says Gavin Dalglish.

INDEPENDENT SOCIO-ECONOMIC & ENVIRONMENTAL IMPACT REPORT



ILLOVO SUGAR AFRICA

As the continent's biggest sugar producer, Illovo Sugar Africa has extensive and diversified operations in six African countries, manufacturing more than 1.5 million tons of sugar annually, together with a range of downstream products and renewable power from cane supplied by its own agricultural operations and independent local growers. The Group is a wholly-owned subsidiary of Associated British Foods plc (ABF), a diversified international food, ingredients, and retail group operating in 53 countries, which is listed on the London Stock Exchange. 91% of its own energy requirements are generated from renewable fuels.

R18.94BN
TOTAL REVENUE

PRODUCTION OUTPUT STRONGLY SUPPORTED BY 'ROUTE TO MARKET' COMMERCIAL STRATEGY, PARTICULARLY IN ZAMBIA AND MALAWI.

R411.3BN
CAPITAL EXPENDITURE
FOCUS ON OPERATIONAL EFFICIENCY AND **LONG-TERM SUSTAINABILITY**

SUGAR MARKET LEADER
TOTAL ECONOMIC IMPACT



R5.4BN
TOTAL TAXES PAID
R1.2BN DIRECT TAX

- ▶ **KEY THEMES:** CLIMATE CHANGE & ENVIRONMENTAL SUSTAINABILITY / SOCIALLY CONNECTED BUSINESSES / ECONOMIC CONTRIBUTION & PERFORMANCE EXCELLENCE
- ▶ **GROUP MAINTAINS PRODUCTION OUTPUT DURING COVID TO ENSURE CONSISTENT SUPPLY TO CONSUMERS AND CUSTOMERS**
- ▶ GOVERNANCE / COMPLIANCE FOCUSED & ETHICAL SUPPLY CHAIN

COMMUNITY CONNECTED
SOCIAL IMPACT

LOCAL ECONOMIC DEVELOPMENT

44 273 DIRECT JOBS CREATED, SUPPORTING **435 652** LIVES

R2.9BN PAID IN
▶ WAGES
▶ SALARIES
▶ BENEFITS



12 109 PERMANENT EMPLOYEES
13% WOMEN
23% OF MANAGEMENT
FOCUS ON INCREASING NUMBER OF **WOMEN EMPLOYEES** VIA TARGETS SET BY BUSINESSES

LOST TIME/ACCIDENT FREQUENCY RATE = **0.07**
R2.99M INVESTED IN SAFETY TRAINING
R213.5 TO TRAIN **1 381** EMPLOYEES

24 948 GROWERS OF WHICH **24 460** ARE SMALL-SCALE FARMERS

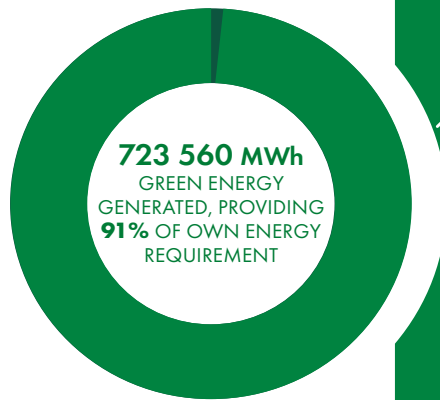
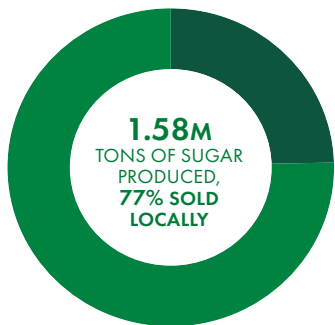
R13.9BN SPENT ON PROCUREMENT
5.7BN SPENT ON CANE FROM LOCAL GROWERS
R6.7BN ON DOMESTIC NON-CANE PROCUREMENT

R91.3M COMMUNITY SPEND



17 145 COVID-19 VACCINES ADMINISTERED TO EMPLOYEES & DEPENDENTS UNDER VOLUNTARY GROUP PROGRAMME

VALUE & QUALITY-DRIVEN INDUSTRY



1.5% IN SCOPE 1 & 2 EMISSIONS
FOCUS ON ENERGY EFFICIENCY INITIATIVES

- ▶ **83 128 MWh** OF GREEN ENERGY EXPORTED TO **3** NATIONAL GRIDS
- ▶ IMPLEMENTATION OF GREEN CANE HARVESTING TO REDUCE EMISSIONS FROM CANE BURNING BEFORE HARVEST

SUSTAINABLE AGRICULTURE

14.4M TONS CANE PROCESSED **WITH 59%** SUPPLIED BY GROWERS



SIGNIFICANT INVESTMENTS IN **SUSTAINABLE AGRICULTURE** RESEARCH AND IMPROVEMENTS

- ▶ FOCUS ON SOIL HEALTH, SUB-SURFACE WATER DRAINAGE, REDUCING CARBON EMISSIONS & WATER USAGE AND CHEMICALS USAGE



WATER EFFICIENT DRIP IRRIGATION DEPLOYED ACROSS **5%** OF COMPANY-OWNED LAND

WITH MULTI-YEAR PLANS APPROVED TO FURTHER INSTALL DRIP AND/OR OTHER **LOW LOSS** IRRIGATION SYSTEMS

9 136 GROWERS EDUCATED ON **SUSTAINABLE AGRICULTURE** THROUGH **GROWER DEVELOPMENT PROGRAMMES** INCLUDING CLIMATE CHANGE ADAPTATION



Source: Independent Socio-Economic and Environmental Impact Assessment conducted by Corporate Citizenship part of SLR for Illovo Sugar Africa for the financial year to 31 August 2021. (Average Exchange Rates FY'21: Rand/USD 16.16)

GROUP ECONOMIC, SOCIAL AND ENVIRONMENTAL IMPACT ASSESSMENTS RELEASED

INDEPENDENT SOCIO-ECONOMIC & ENVIRONMENTAL IMPACT REPORT

ILOVO SUGAR MALAWI

Ilovo Sugar (Malawi) plc is one of two sugar producers operating in the country, in which Ilovo Sugar Africa has a 76% share. Under the Ilovo "Trusted Quality" brand, the company annually supplies nearly 70% of its total sugar sales to domestic consumers and industrial markets, with the balance exported to regional markets and the EU and USA markets. Ilovo Malawi is listed on the Malawi Stock Exchange. Combined with cane delivered by small-scale growers, the company annually produces about 280 000 tons of sugar and generates 95% of its own energy requirements from renewable fuels.

K163.26BN TOTAL REVENUE FROM SUGAR

K4.5M CAPITAL EXPENDITURE

K16.8BN TOTAL TAXES PAID

K5.9bn DIRECT TAX

SUGAR MARKET LEADER
TOTAL ECONOMIC IMPACT

K202.88BN TOTAL ECONOMIC IMPACT

188% ↑ since 2017

KEY THEMES: CLIMATE CHANGE & ENVIRONMENTAL SUSTAINABILITY/ SOCIALLY CONNECTED BUSINESSES/ ECONOMIC CONTRIBUTION & PERFORMANCE EXCELLENCE

GOVERNANCE/COMPLIANCE FOCUSED & ETHICAL SUPPLY CHAIN

"ROUTE TO MARKET" FOCUS ON MAKING SUGAR AVAILABLE TO HOUSEHOLDS ACROSS GEOGRAPHIC LOCATIONS AND INCOME LEVELS

INDEPENDENT SOCIO-ECONOMIC & ENVIRONMENTAL IMPACT REPORT

ILOVO SUGAR SOUTH AFRICA

Ilovo Sugar (South Africa) (Pty) Ltd, a wholly-owned subsidiary of Ilovo Sugar Africa, is one of the three largest sugar producers in the country which sources more than 90% of its annual cane through farm large, medium and small-scale farmers. The company annually produces around 500 000 tons of brown and refined sugar for domestic market sales under the "Trusted Quality" brand and manufactures the downstream products of ethanol and its derivatives, ethyl alcohol, fermentation and syrup which are sold locally and to a wide range of export markets. 70% of its own energy requirements are generated from renewable fuels.

R6.19BN TOTAL REVENUE INCLUDING SUGAR & DOWNSTREAM PRODUCTS

R101.5M CAPITAL EXPENDITURE FOCUSED ON DELIVERING IMPROVED OPERATIONAL PERFORMANCE & REDUCING ENVIRONMENTAL IMPACTS

R338.5M TOTAL TAXES PAID

R31m DIRECT TAX

SUGAR MARKET LEADER
TOTAL ECONOMIC IMPACT

R9.8BN TOTAL ECONOMIC IMPACT

2% ↑ since 2017

KEY THEMES: CLIMATE CHANGE & ENVIRONMENTAL SUSTAINABILITY/ SOCIALLY CONNECTED BUSINESSES/ECONOMIC CONTRIBUTION & PERFORMANCE EXCELLENCE

GOVERNANCE/COMPLIANCE FOCUSED & ETHICAL SUPPLY CHAIN

LOCAL ECONOMIC DEVELOPMENT

COMMUNITY CONNECTED
SOCIAL IMPACT

19 809 DIRECT JOBS CREATED, SUPPORTING 104 994 LIVES

K28.6bn SPENT ON WAGES, SALARIES & BENEFITS

5 799 PERMANENT EMPLOYEES

6% WOMEN IN MANAGEMENT

DEB POLICY GENDER FOCUSED - WOMEN IN LEADERSHIP FORUM LAUNCHED TO INCREASE FEMALE REPRESENTATION

8 583 M O-SHIFT SMALL-SCALE FARMERS

K140.8bn SPENT ON LOCAL CANE AND NON-CANE PROCUREMENT

87% SPENT ON LOCAL CANE AND NON-CANE PROCUREMENT

K1.7bn COMMUNITY SPEND

8 126 COVID-19 VACCINES ADMINISTERED TO LOCAL CANE AND NON-CANE FARMERS

LOST TIME/ACCIDENT FREQUENCY RATE = 0.06

K333M TO TRAIN 2 993 EMPLOYEES

VALUE & QUALITY-DRIVEN INDUSTRY

280 000 TONS OF SUGAR PRODUCED, 97% SOLD LOCALLY

68 607 MWH GREEN ENERGY GENERATED, 96% OF OWN ENERGY REQUIREMENT

2.4m TONS CANE PROCESSED WITH 23% SUPPLIED BY GROWERS

MAJORITY OF SPENT ON WATER-EFFICIENT DRIP IRRIGATION

WATER EFFICIENCY & ENERGY SAVING PROJECTS

FOCUS ON SUSTAINABLE FARMING SYSTEMS IMPROVEMENTS & GREEN CANE HARVESTING

6112 GROWERS EDUCATED ON SUSTAINABLE AGRICULTURE THROUGH GROWER DEVELOPMENT PROGRAMMES

ILOVO PARTNERS GOVT IN SHIRE VALLEY TRANSFORMATION PROJECT TO DELIVER GRAVITY-FED IRRIGATION WATER TO 43 000HA OF AGRICULTURAL DEVELOPMENT

SYSTEM IN PLACE TO MONITOR AND REPORT SCOPE 1, 2 & 3 EMISSIONS

LOCAL ECONOMIC DEVELOPMENT

COMMUNITY CONNECTED
SOCIAL IMPACT

4 528 DIRECT JOBS CREATED, SUPPORTING 15 124 LIVES

R43.3M COMMUNITY SPEND

1 008 PERMANENT EMPLOYEES

26% WOMEN IN MANAGEMENT

DEB POLICY FOCUS AREA TO INCREASE COMMUNITY OF PURPOSE AMONGST EMPLOYEES

4 385 M O-SHIFT SMALL-SCALE FARMERS

R4.8bn SPENT ON LOCAL CANE AND NON-CANE PROCUREMENT

98% SPENT ON LOCAL CANE AND NON-CANE PROCUREMENT

R1.01bn COMMUNITY SPEND

2 115 COVID-19 VACCINES ADMINISTERED TO LOCAL CANE AND NON-CANE FARMERS

LOST TIME/ACCIDENT FREQUENCY RATE = 0

R5.3M TO TRAIN 2 660 EMPLOYEES

VALUE & QUALITY-DRIVEN INDUSTRY

446 772 TONS OF SUGAR PRODUCED, 84% SOLD LOCALLY

161 302 MWH GREEN ENERGY GENERATED, PROVIDING 79% OF OWN ENERGY REQUIREMENT

4.8M TONS CANE PROCESSED WITH 92% SUPPLIED BY GROWERS

ILOVO CANE LAND MANAGED ACCORDING TO THE SUGAR FARMERS' ENVIRONMENTAL MANAGEMENT SYSTEM

1533 GROWERS EDUCATED ON SUSTAINABLE AGRICULTURE THROUGH GROWER DEVELOPMENT PROGRAMMES

SYSTEM IN PLACE TO MONITOR AND REPORT SCOPE 1, 2 & 3 EMISSIONS

320 MWH EXPORTED TO NATIONAL GRID FROM ESTON

Source: Independent Socio-Economic and Environmental Impact Assessment conducted by Corporate Citizenship part of S&P for Ilovo Sugar Africa for the financial year ended 31 August 2021. (Average Exchange Rates FY'21: Rand/USD 773.58)

Source: Independent Socio-Economic and Environmental Impact Assessment conducted by Corporate Citizenship part of S&P for Ilovo Sugar Africa for the financial year to 31 August 2021. (Average Exchange Rates FY'21: Rand/USD 16.16)

INDEPENDENT SOCIO-ECONOMIC & ENVIRONMENTAL IMPACT REPORT

UBOMBO SUGAR

Ubombo Sugar Limited is one of the three sugar producers in Eswatini. Ilovo Sugar Africa holds a 60% share in Ubombo Sugar, with Tlanya Tlanya Ngwenane (Tlanya) holding the remaining 40% share. Ubombo annually produces more than 250 000 tons of sugar which is marketed and distributed by the Eswatini Sugar Association. Small-scale growers mainly under the Lower Valley Smallholder Irrigation Project (LSIP) supply a third of the cane through planted on the Ubombo factory. The company is a significant generator of electricity from renewable fuels and annually exports surplus green power to the Eswatini Electricity Company under a long-standing Power Producer Agreement.

E2.1bn TOTAL REVENUE

E2bn FROM SUGAR

E18m ELECTRICITY SALES TO GRID

E45.1M CAPITAL EXPENDITURE

SUGAR MARKET LEADER
TOTAL ECONOMIC IMPACT

E4.5bn TOTAL ECONOMIC IMPACT

47% ↑ since 2017

E307M TOTAL TAXES PAID

E46m DIRECT TAX

KEY THEMES: CLIMATE CHANGE & ENVIRONMENTAL SUSTAINABILITY/ SOCIALLY CONNECTED BUSINESSES/ECONOMIC CONTRIBUTION & PERFORMANCE EXCELLENCE

GOVERNANCE/COMPLIANCE FOCUSED & ETHICAL SUPPLY CHAIN

LOCAL ECONOMIC DEVELOPMENT

COMMUNITY CONNECTED
SOCIAL IMPACT

3 525 DIRECT JOBS CREATED, SUPPORTING 16 568 LIVES

E348.3M SPENT ON WAGES, SALARIES & BENEFITS

1 056 PERMANENT EMPLOYEES

15% WOMEN IN MANAGEMENT

DEB POLICY TO INCREASE FEMALE REPRESENTATION ANNUALLY BY 10%

136 M O-SHIFT SMALL-SCALE FARMERS

E1.9bn SPENT ON LOCAL CANE AND NON-CANE PROCUREMENT

87% SPENT ON LOCAL CANE AND NON-CANE PROCUREMENT

E24.64M COMMUNITY SPEND

1 751 COVID-19 VACCINES ADMINISTERED TO LOCAL CANE AND NON-CANE FARMERS

LOST TIME/ACCIDENT FREQUENCY RATE = 0.07

E6.2M TO TRAIN 1 381 EMPLOYEES

VALUE & QUALITY-DRIVEN INDUSTRY

259 000 TONS OF SUGAR PRODUCED, 68% SOLD WITHIN SACU

213 313 MWH OF RENEWABLE ENERGY GENERATED, PROVIDING 98% OF OWN POWER REQUIREMENTS

2.3m TONS CANE PROCESSED WITH 53% SUPPLIED BY GROWERS

124 GROWERS EDUCATED ON SUSTAINABLE AGRICULTURE THROUGH GROWER DEVELOPMENT PROGRAMMES

WATER AND CARBON EMISSION REDUCTION INITIATIVES

82 089 MWH EXPORTED TO NATIONAL GRID

SYSTEMS IN PLACE TO MONITOR AND REPORT SCOPE 1, 2 & 3 EMISSIONS

AND 311 HA CONVERTED TO GREEN CANE HARVESTING

1 000 HA CONVERTED TO SELF-IRRIGATION

ONGOING MANAGEMENT OF 15 000HA OF WETLANDS OF INTERNATIONAL IMPORTANCE

Source: Independent Socio-Economic and Environmental Impact Assessment conducted by Corporate Citizenship part of S&P for Ilovo Sugar Africa for the financial year to 31 August 2021. (Average Exchange Rates FY'21: E/Rand 1.00; E/USD 16.16)

INDEPENDENT SOCIO-ECONOMIC & ENVIRONMENTAL IMPACT REPORT

KILOMBERO SUGAR

AN ILOVO SUGAR AFRICA COMPANY

Kilombero Sugar Corporation is the largest sugar company in Tanzania, annually processing around 100 000 tons of sugar worldwide for the domestic market under the Borneo Sultan brand, more than 12 million tons of fully refined and generates 90% of its own energy requirements from renewable fuels. Illovo Sugar Africa has a 20% shareholding in the company with the remaining shares held by the Government of the United Republic of Tanzania. A significant production expansion is underway which will more than double current annual sugar production using cane largely produced by local growers.

TSH 277.79BN TOTAL REVENUE
TSH 33.38BN FROM ETHYL ALCOHOL

TSH 6.2BN CAPITAL EXPENDITURE
FOCUS ON NEW BOXKLEES HOT WATER TREATMENT PLANT & ASBESTOS REPLACEMENT

SUGAR MARKET LEADER
TOTAL ECONOMIC IMPACT

TSH 67BN TOTAL TAXES PAID
TSH25.3m DIRECT TAX

TSH 419.6BN TOTAL ECONOMIC IMPACT
18% ↑ since 2017

KEY THEMES: CLIMATE CHANGE & ENVIRONMENTAL SUSTAINABILITY, SOCIALLY CONNECTED BUSINESSES/ECONOMIC CONTRIBUTION & PERFORMANCE EXCELLENCE

FOCUS ON MEETING AFFORDABILITY NEEDS OF CONSUMERS BY SELLING SUGAR IN DIFFERENT PACK SIZES

GOVERNANCE: COMPLIANCE FOCUSED & ETHICAL SUPPLY CHAIN

COMMUNITY CONNECTED
SOCIAL IMPACT

LOCAL ECONOMIC DEVELOPMENT

4 977 DIRECT JOBS CREATED, SUPPORTING **24 387** LIVES

TSH 33.4BN SPENT ON

- WAGES
- SALARIES
- BENEFITS

816 PERMANENT EMPLOYEES
17% WOMEN
15% OF MANAGEMENT

20% EMPLOYEES FROM PROGRAMSING WOMEN INTERNAL AND EXTERNAL TO APPLY FOR VACANCIES
FLEXIBLE WORKING POLICY IN PLACE

LOST TIME/ACCIDENT FREQUENCY RATE = 0.06
TSH42.2M INVESTED IN SAFETY TRAINING

TSH 263.6 TO TRAIN **2 025** EMPLOYEES

8 804 SMALL-SCALE FARMERS
8793 ARE SMALL-SCALE FARMERS

83% SPENT ON LOCAL CANE AND NON-CANE PROCUREMENT

TSH 152m SPENT ON LOCAL CANE AND NON-CANE PROCUREMENT

TSH 5.9m COMMUNITY SPEND

789 COVID-19 VACCINES
46 000 IN 11 173 115, 140 UNDER VOLUNTARY GROUP PROGRAMME

VALUE & QUALITY-DRIVEN INDUSTRY

125 400 TONS OF SUGAR PRODUCED, **100% SOLD LOCALLY**

40 643 MWh GREEN ENERGY GENERATED, PROVIDING **96%** OF OWN ENERGY REQUIREMENT

14 874 KILOLITRES DOWNSTREAM DIVERSIFICATION INTO EXTRA NEUTRAL ALCOHOL PRODUCTION

17%↓ IN SCOPE 1 & 2 EMISSIONS

SUSTAINABLE AGRICULTURE

1.28m TONS CANE PROCESSED WITH **53%** ENERGY FROM OWNERS

WATER AND CARBON EMISSION REDUCTION INITIATIVES

MOVED TO DEVELOP MORE EFFICIENT **SEED PRODUCTION** METHODS AND TRAINING GREEN-CANE HARVESTING

NEW PARTNERSHIP WITH AFRICAN WILDLIFE FOUNDATION TO PROMOTE **SUSTAINABLE FARMING & VERTICAL GROWTH**

INCLUDES MAXIMISING EFFICIENCY OF EXISTING IRRIGATION SYSTEMS & PULPING OF DRIP IRRIGATION

SIGNIFICANT INVESTMENTS IN SUSTAINABLE AGRICULTURE RESEARCH AND IMPROVEMENTS

INCLUDES MAXIMISING EFFICIENCY OF EXISTING IRRIGATION SYSTEMS & PULPING OF DRIP IRRIGATION

Source: Independent Socio-Economic and Environmental Impact Assessment conducted by Corporate Citizenship part of S&P for Illovo Sugar Africa for the financial year ended 31 August 2021. (Average Exchange Rates FY21: TSH / Rand 151.83 // TSH/USD 2 453.57)

INDEPENDENT SOCIO-ECONOMIC & ENVIRONMENTAL IMPACT REPORT

MARAGRA AÇUCAR

AN ILOVO SUGAR AFRICA COMPANY

Maragra Açúcar SA is 99%-owned by Illovo Sugar Africa and annually produces around 80 000 tons of sugar, supplied with cane from its own agricultural operations and independent growers, including local small-scale farmers. It is one of four major sugar producers in the country with a combined annual production of 300 000 tons which is marketed and distributed by an industry marketing association. 97% of its own energy requirements are generated from renewable fuels.

MZN 2.9BN TOTAL REVENUE FROM SUGAR

SUGAR MARKET LEADER
TOTAL ECONOMIC IMPACT

MZN 242.2M TOTAL TAXES PAID
MZN 67M DIRECT TAX

MZN 381.7M CAPITAL EXPENDITURE

2 000 (85% WOMEN) LAND RIGHTS OF NEARLY 5 000 FARMERS STRENGTHENED VIA GROUND-BREAKING PROGRAMME LED BY COMPANY, FINGO'S & GOVT

MZN 4.2BN TOTAL ECONOMIC IMPACT
10%↑ since 2017

KEY THEMES: CLIMATE CHANGE & ENVIRONMENTAL SUSTAINABILITY/ SOCIALLY CONNECTED BUSINESSES/ECONOMIC CONTRIBUTION & PERFORMANCE EXCELLENCE

GOVERNANCE: COMPLIANCE FOCUSED & ETHICAL SUPPLY CHAIN

COMMUNITY CONNECTED
SOCIAL IMPACT

LOCAL ECONOMIC DEVELOPMENT

4 977 DIRECT JOBS CREATED, SUPPORTING **21 987** LIVES

MZN 45.9m COMMUNITY SPEND

801 PERMANENT EMPLOYEES
17% WOMEN
11% OF MANAGEMENT

LOST TIME/ACCIDENT FREQUENCY RATE = 0.14
MZN 2.618 INVESTED IN SAFETY TRAINING

MZN 3.5m TO TRAIN **1 381** EMPLOYEES

2 618 SMALL-SCALE FARMERS
2 531 ARE SMALL-SCALE FARMERS

66% SPENT ON LOCAL CANE AND NON-CANE PROCUREMENT

MZN 803.7m SPENT ON

- WAGES
- SALARIES
- BENEFITS

3 499 COVID-19 VACCINES
45 000 IN 11 173 115, 140 UNDER VOLUNTARY GROUP PROGRAMME

1 367 GROWERS EDUCATED ON SUSTAINABLE AGRICULTURE THROUGH GROWER DEVELOPMENT PROGRAMMES

CLASSROOM BUILDING SUPPORT OF GOVT. SCHOOL ON 1000A FARM, 1500A FARM, 2000A FARM, 2500A FARM, 3000A FARM, 3500A FARM, 4000A FARM, 4500A FARM, 5000A FARM, 5500A FARM, 6000A FARM, 6500A FARM, 7000A FARM, 7500A FARM, 8000A FARM, 8500A FARM, 9000A FARM, 9500A FARM, 10000A FARM, 10500A FARM, 11000A FARM, 11500A FARM, 12000A FARM, 12500A FARM, 13000A FARM, 13500A FARM, 14000A FARM, 14500A FARM, 15000A FARM, 15500A FARM, 16000A FARM, 16500A FARM, 17000A FARM, 17500A FARM, 18000A FARM, 18500A FARM, 19000A FARM, 19500A FARM, 20000A FARM, 20500A FARM, 21000A FARM, 21500A FARM, 22000A FARM, 22500A FARM, 23000A FARM, 23500A FARM, 24000A FARM, 24500A FARM, 25000A FARM, 25500A FARM, 26000A FARM, 26500A FARM, 27000A FARM, 27500A FARM, 28000A FARM, 28500A FARM, 29000A FARM, 29500A FARM, 30000A FARM, 30500A FARM, 31000A FARM, 31500A FARM, 32000A FARM, 32500A FARM, 33000A FARM, 33500A FARM, 34000A FARM, 34500A FARM, 35000A FARM, 35500A FARM, 36000A FARM, 36500A FARM, 37000A FARM, 37500A FARM, 38000A FARM, 38500A FARM, 39000A FARM, 39500A 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AGRICULTURAL SUSTAINABILITY TAKES A FRONT SEAT AT ILLOVO

SAI ACCREDITATION

In 2022, Illovo achieved a major sustainability milestone when each of its agricultural estates across the Group were certified under SAI Platform’s Farm Sustainability Assessment (FSA). Building on this, Illovo’s grower agriculture teams are working hard to take its growers on the journey, assisting them to develop their own roadmaps towards implementing the FSA on the land that they cultivate.

SAI Platform is a global non-profit network and one of the primary global food and drink value-chain initiatives for sustainable agriculture, developing sustainable agriculture solutions through member-driven pre-competitive collaboration. Its solution, the FSA, enables businesses to assess, improve, and validate on-farm sustainability. For Illovo’s estate agriculture teams, the FSA provides a unique and workable tool to progress the Group’s agricultural sustainability priorities.


For our growers, great variation in farming contexts such as different farm sizes, institutional setups, capabilities, cultural circumstances, and different access to resources and technologies, presents

unique challenges to implementing sustainability, but also, exciting opportunities. Despite the complexity of implementing a sustainability system across such a diverse grower supply chain, agricultural sustainability is still something that the grower agricultural team thinks is essential to tackle, and enabling opportunities to implement sustainable practices across such a varied resource base, is one example of Illovo’s Thriving Community approach.

For example, following an important breakthrough between the Eswatini Sugar Association and Ubombo Sugar Limited, the Association has given the go-ahead to implement the FSA in Illovo’s grower cane supply. The use of FSA enables the assessment of some growers as stand-alone farms, whilst other growers can be grouped into a Farm Management Group (FMG), to be assessed collectively, with third-party verification by randomised sample. This flexibility allows grower teams to pick the appropriate strategy to meet the unique context of each grower. It also allows Grower Support Managers and their extension teams to tailor support to the needs of different kinds of farms, and farm sizes.



The FSA focuses on evidence to protect areas of high conservation value such as in Malawi, at the Phata Smallholder Cooperative



Andrew Cochrane, Group Head of Grower Agriculture, highlights the benefit of the FSA system both at a farm business level, and also, to grower institutions.

“As a Group, we have approximately 60% of our cane supply produced by more than 24 000 growers, the vast majority of whom are small-scale growers - so it’s important for us to get all growers on board. A well implemented FSA program holds much benefit for our growers, who by implementing sustainable agricultural practices, are in turn enhancing their own long-term cane supply at the same time as strengthening their businesses. In addition to FSA helping individual farms, we also believe that the FMG system will improve the governance of cooperatives, associations and/or grower companies. The continuous improvement plan will provide focus for the group to grow and develop, and the management system will focus the administration of the group,” says Andrew.

To help each FMG prioritise the right steps according to need, Illovo’s grower teams will use participatory approaches to design a Continuous Improvement Plan for each group. To support commercial requirements, FSA also monitors the use of a Volume Accounting System, which supports the generation of accurate and reliable verified FSA claims and ensures that there is no double counting of FSA verified sugar. Illovo is aiming to complete these roadmaps and self-assessments in the current 2023/24 agricultural season which ends in March.

These developments follow the opportunity in 2021/22 to provide a real-life and honest take of the Group’s own farm sustainability, when the FSA was identified as a potential self-assessment tool which, by its nature was immediately applicable and measurable across the Group’s cane supply. As a self-assessment questionnaire that could be internally or externally verified by an independent auditor, Illovo could create an independent and accurate assessment of farm sustainability as well as identify areas for improvement grew until 2022.



“Playing a leading role in establishing and managing areas of biodiversity around our factories and cane fields are important environmental initiatives to mitigate the climate change impacts of our operations, with the 9 000 hectare Mhlosinga Nature Reserve at Ubombo being a great example.”

AGRICULTURAL SUSTAINABILITY TAKES A FRONT SEAT AT ILLOVO

SAI ACCREDITATION

The audit process commenced in 2022, which involved Group's estates at Nchalo, Dwangwa, Maragra, Kilombero, Nakambala and Ubombo. Additionally, audits were also undertaken with three independent growers in Malawi's Lower Shire Valley, including Phata Sugar Cane Outgrowers Cooperative and Kasinthula Cane Growers Association - both smallholder sugarcane growers - and also Kaombe Estate, a large-scale commercial grower.

The result of the audit conducted under FSA version 3.0 was the very credible achievement of "silver level" status for all of the estates and for the growers in Malawi, particularly at Phata which has since been awarded the inaugural FSA "Growing a Better Planet Award".

"We have a stewardship role over the resources that we manage and towards the communities in which we operate", says Andrew. "That means using best management practices in our farming, improving productivity to reduce our footprint and supporting our growers to do likewise, so that together we can positively impact our environment and communities."

And not leaving South Africa's cane estates out of the picture, Andrew went on to say that its agricultural operations there are currently certified under the ProTerra Social Responsibility and Environmental Sustainability Standard and also complete SUSFARMS self-assessments. "But, I'm incredibly pleased to say that last year SUSFARMS was benchmarked against the FSA, and with the addition of 13 FSA questions built into the tracker, SUSFARMS achieved a gold level equivalency with the FSA, which is great news for these teams. So this year, we have started the process of conducting our first official verifications of this benchmarked standard."



The storage and handling of herbicides at Kilombero shows good practice with secure containerised storage, non-absorbent materials and spill mitigation system in place.

“Finally, it is incumbent on us to implement sustainable agricultural practices, protect biodiversity through managed wildlife areas and contribute to thriving rural communities through an inclusive supply chain, health and safety, employment and capability building. Taking our growers on the same journey, we

want to champion agricultural sustainability equitably across our own and our growers’ cane operations. From small-scale growers to big estates, we should all have the inclusive support we require to implement sustainable agricultural practices, and FSA is a tool helping us to do that,” says Andrew.



Surveying and assessing soils in a grower field across our operations is key to management and correct nutrition of crops.



Earthworms are an indicator of a functioning and healthy soil biome.

UBOMBO SUGAR



AN ILLOVO SUGAR AFRICA COMPANY

AIDS COMMEMORATION

We are proud to share the impactful strides made by Ubombo Sugar, for World AIDS Day! Nearly 3,000 participants, including their dedicated employees, their families, the local community, and Ministry of Health officials, joined in commemorating this important day. This year's theme, "Let Communities Lead," resonates deeply with our commitment to empowering and supporting communities in addressing HIV.

Ubombo Sugar Hospital has provided HIV treatment to over 1,500 individuals in collaboration with the Ministry of Health and partnering NGOs. Remarkably, for the second consecutive year,

they report zero HIV-related deaths among their employees. Their Prevention of Mother to Child Transmission (PMTCT) services have also achieved a significant milestone with no child born with the virus among our clients. Initiatives like the Teen Club ensure that over 20 young people on treatment receive differentiated, age-appropriate care, leading to positive outcomes.

We remain dedicated to making a lasting impact in the fight against HIV and supporting the well-being of our employees and communities. Together, we stand strong in our commitment to health and community leadership.



UBOMBO SUGAR



AN ILOVO SUGAR AFRICA COMPANY

MEDIA DAY 2023

Ubombo Sugar recently held a media stakeholder engagement event that focused on showcasing the business' agriculture and factory operations, as well as the education facilities the Company provides. This event aimed at fostering relationships with the media and provide them with a better understanding of the Company, its positive impact on the national economy, and the communities around.

On 13th October 2023, Ubombo opened its doors to about 20 journalists from various media outlets and took them on a day long journey through the heart of its operations; starting with the agriculture operations, showcasing our cutting-edge technologies, sustainable farming practices, and commitment to environmental conservation. The tour of the agriculture operations also included the Lower Usutu Smallholder Irrigation Project – Phase II (LUSIP II). This is a partnership project with the Eswatini Government which aims to empower smallholder sugarcane farmers. Ubombo sources about 30% of its annual cane supply from smallholder sugarcane growers.

The journalists also had the opportunity to also witness first-hand the sugar production and electricity co-generation processes at the Ubombo mill.

To round off the day, the media visited one of the Company schools, Sisekelo High School, where they got to appreciate the Company's commitment to prioritising education. They met with the teachers and the school administration and had a chance to observe the nurturing learning environment.

Through this stakeholder engagement, the business hopes to build stronger relationships with the media and provide them with a comprehensive understanding of the Company's values, goals, and positive impact. An open and transparent relationship with the media enables the business to effectively communicate its story, more so, the transformative impact it has on the communities Ubombo operates in.



UBOMBO SUGAR



AN ILLOVO SUGAR AFRICA COMPANY

MEN'S CONFERENCE ON GBV

It's common for men to gather at church, the stadium for a football match, the bar, or a work conference. However, it's rare for men to come together to discuss men's issues. When Semusa Networks provided an opportunity for men to engage in such discussions, Ubombo Sugar didn't miss the chance and sent 15 male employees to participate.

This unique opportunity proved incredibly empowering for the team. The conference, themed "Personal Transformation for Men By Men," brought together professionals from various industries who presented and shared experiences on a wide range of topics. These included finances, entrepreneurship, men's health, relationships, and marriage, among others.



ILLOVO SUGAR MALAWI



AN ILLOVO SUGAR AFRICA COMPANY

COMMUNITY CONNECTED



ILLOVO SUGAR MALAWI PLC EXTENDS FLOOD RELIEF EFFORTS TO NCHALO AND BLANTYRE CONTRIBUTED BY WILFRED NTENGULA

Following an announcement by the Department of Climate Change & Meteorological Services regarding the potential threat of Cyclone Freddy to Southern Malawi in March 2023, Illovo Sugar Malawi Plc activated its flood victims support plan.

The Company allocated K100 million to complement the Government's ongoing efforts in providing emergency support, particularly in Nchalo and selected camps within Blantyre district. The Company donated a range of essential supplies to the affected areas. The donations included maize flour, soya pieces, cooking oil, salt, beans, soap tablets, buckets, mosquito nets, water guard, tents, sanitary pads and potable water.

In Blantyre, the support was extended to Mpapa Primary, Ndirande, and Lunzu. The Company spent K82 million on the donations, benefiting a total of 3,124 families.

Lekani Katandula, the Managing Director, gave assurance that the Company remains committed to creating a thriving Malawian community and supporting those in need during times of crisis.



EXCITING NEWS: MATIKI CLINIC ENHANCES HEALTHCARE SERVICES WITH UPGRADED XRAY ROOM CONTRIBUTION BY BENSON KHOBIDI

Illovo Dwangwa is buzzing with excitement as Matiki Clinic unveils its latest development. With the upgraded X-ray Room, Dwangwa Matiki Clinic is now equipped to deliver timely and accurate diagnosis, allowing for prompt treatment therefore eliminating delays in essential medical care. This donation will also have a profound impact on ISM staff members and the community, and it will significantly reduce costs incurred from long-distance referrals.

The new facility was commissioned in August 2023. This upgrade marks a significant milestone in Dwangwa's commitment to providing prompt and efficient health services for employees, their dependents, and the surrounding communities.



The Finance Director, Kondwani Msimuko hands over relief items to a representative from Mpapa Primary school.

ILLOVO SUGAR MALAWI

COMMUNITY CONNECTED



AN ILLOVO SUGAR AFRICA COMPANY

SUPPORTING THE COMMUNITY IN THE FIGHT AGAINST CHOLERA CONTRIBUTION BY EDNA KHAIYA

Nchalo Estate has actively worked to combat the cholera outbreak in the Nchalo community. The Estate clinics have conducted regular health talks on hygiene, with a specific focus on preventing cholera. The sessions aim to educate individuals on the importance of maintaining proper hygiene practices to prevent the spread of cholera.

To raise awareness and educate the communities about preventive measures, the clinics distributed cholera posters throughout the community. These posters serve as visual reminders, providing essential information on cholera prevention and symptoms. Additionally, the clinics have distributed chlorine stock solutions ensuring access to a vital resource for disinfection and water treatment.

The Estate management has implemented several preventive measures. These include temporarily banning the sale of precooked food on the estate premises, conducting Toolbox talks on cholera prevention, and providing handwashing facilities. These initiatives aim to equip employees with necessary knowledge and assistance to prevent the spread of cholera. Despite ongoing cholera cases in Chikwawa district, Nchalo Estate has successfully prevented any cholera cases within its premises. This achievement is attributed to the proactive efforts of medical services and the collective commitment of employees to follow preventive measures.

ILLOVO SUGAR MALAWI SUPPORTS MARY'S MEALS SCHOOL FEEDING PROGRAM, NOURISHING OUR COMMUNITY FOR A THRIVING FUTURE! CONTRIBUTED BY TALEETHA BOWLER

Illovo Sugar Malawi (ISM) entered into a sponsorship agreement with the Mary's Meals School Feeding Program, benefiting four schools in the Nchalo area. This sponsorship will enable Chimbiya, Namicheni, Mwanza, and Nambesa primary schools to provide meals to learners for one school year. The signing ceremony for this agreement took place on May 26th, 2023, at the Limbe offices.

Through a donation of K109,925,400, over 4,000 students will now have access to nutritious meals throughout the year. This partnership demonstrates the Company's commitment to fostering a thriving community by ensuring access to the nourishment required for the success of future generations.

The Company understands and acknowledges the vital role that nutrition plays in a child's overall development, both academically and physically. By providing regular meals, the students are likely to have the energy and well-being necessary to enable them to excel in their studies and personal lives.

ILLOVO SUGAR MALAWI



AN ILLOVO SUGAR AFRICA COMPANY

SUSTAINABLE AGRICULTURE

PRESERVING RESOURCES, MAXIMIZING YIELD: NCHALO ESTATE'S TRANSITION TO DRIP IRRIGATION

Nchalo Estate is transitioning from traditional irrigation to drip irrigation, a highly efficient and water-conserving system. Drip irrigation delivers water directly to the roots of plants, reducing water wastage through evaporation and runoff. This targeted approach promotes healthier growth and maximises productivity. Precision control over water distribution allows for tailored irrigation based on crop needs.

The system also improves plant health by minimising the risk of overwatering or underwatering. Drip irrigation requires less manual labor and can be customised for different terrains and crops. It aligns with environmental sustainability goals by conserving water and minimising chemical runoff. This transition is part of a global movement towards sustainable water management and improved agricultural practices. Overall, implementing drip irrigation at Nchalo Estate enhances efficiency and sustainability in their operations.

FROM DATA TO SUSTAINABILITY: EMPOWERING AGRICULTURE THROUGH THE SWIM TOOL

The implementation of the Smart Water Irrigation Management System (SWIM) Tool programme by our agriculture team is a crucial project aimed at improving our irrigation, water, and power usage in agriculture. This program utilizes remote sensing technology to

make data-driven decisions and promote sustainability in water and power usage.

One key benefit of the SWIM Tool programme is its effective scheduling of irrigation events, saving up to 30% of water usage through precise timing. It also helps us accurately measure the water balance in our fields, identifying water losses and crop utilisation. This data enables us to make informed decisions about water usage and improve efficiency. Furthermore, the SWIM Tool programme allows us to monitor crop performance in real-time, optimising crop yield and saving water by ensuring efficient utilisation.

Overall, the SWIM Tool programme is a game-changer for water conservation in our Company, reflecting our commitment to sustainability. It not only saves costs but also contributes to environmental conservation efforts and operational excellence. By prioritising water reduction, we demonstrate our responsibility to conserve resources and protect the planet.



Generator room in Dwangwa

ILLOVO SUGAR MALAWI



AN ILLOVO SUGAR AFRICA COMPANY

SUSTAINABLE AGRICULTURE

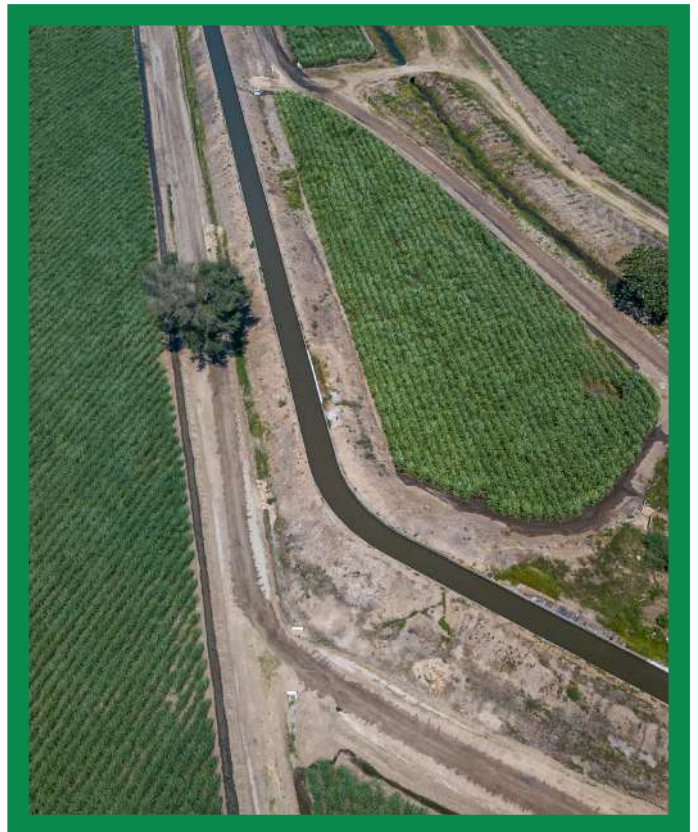
UNITRANS DWANGWA BUSINESS UNIT SETS NEW SAFETY STANDARDS AND EARNS PRESTIGIOUS NOSA EXCELLENCE AWARD

Unitrans Dwangwa business unit, a contractor for Illovo, recently achieved significant milestones in terms of safety. They successfully attained the Five National Occupational Safety Association (NOSA) result and received the NOSA Excellence Award for the Eastern region of Africa in the fiscal year 2022/2023. This achievement demonstrates their commitment to safety and highlights their disciplined execution, adherence to regulatory requirements, governance, and continuous improvement.

The contractor has actively addressed and resolved any outstanding audit findings from previous assessments, showcasing their dedication to rectifying safety gaps. They have maintained an exemplary record of no disabling incidents, indicating their efforts to create a safe working environment. In addition, the contractor's infield operations and ground validation processes have been praised for their management

and implementation of safety protocols. Efficient management of maintenance activities, including regular inspections, timely repairs, and adherence to maintenance schedules, ensures that equipment and facilities are in optimal working condition.

These accomplishments emphasise the importance of safety as a fundamental pillar of Illovo productivity and showcase the contractor's dedication to maintaining a safe working environment. The achievements of Unitrans Dwangwa business unit highlight their unwavering commitment to safety and serve as an example for other ISM contractor organisations.



ILLOVO SUGAR MALAWI



AN ILLOVO SUGAR AFRICA COMPANY

WOMEN IN LEADERSHIP

ILLOVO SET TO ACHIEVE 30 PERCENT WOMEN LEADERS' REPRESENTATION BY 2026

We're proud to support Illovo Sugar Malawi's Human Resource Director, Khumbo Mtambo Banda, in emphasising the need to improve mentorship and sponsorship programs for women. This focus is vital in helping women advance into leadership roles, aligning with our goal of achieving 30 percent representation of women in leadership by 2026.

Khumbo conveyed this at the Illovo Women in Leadership (IWIL) forum in Blantyre, aimed at promoting equality in leadership roles. She highlighted IWIL's launch in October 2022 as a platform dedicated to advancing gender equality in leadership within our operations.

She stressed IWIL's primary objective: "IWIL aims at driving women in leadership positions within our business focusing on understanding how best we can influence women to develop in the business, how they are brought into the business through recruitment and how we can help and mentor them into managerial positions with the aim of achieving at least 30 percent representation of women leaders by 2026."

Chikondi Ng'ombe, Country Director for Bayer Malawi, encouraged women to pursue leadership roles, emphasising their potential and role in fostering diversity. She noted the importance of adapting and continuous learning for sustained success. Ng'ombe urged other institutions to follow Illovo Sugar

Malawi's lead in integrating women through initiatives like IWIL. During the session, Ng'ombe shared her experiences, offering an inspiring moment for women to learn from her significant impact in the corporate sphere.



The Human Resources Director, Khumbo Mtambo giving her opening speech as IWIL sponsor



Dwangwa IWIL committee members



ILLOVO SUGAR MALAWI



AN ILLOVO SUGAR AFRICA COMPANY

COMMUNITY CONNECTED

ILLOVO SUPPORTS EDUCATIONAL AND HEALTHCARE INFRASTRUCTURE IN DWANGWA CONTRIBUTED BY CHIFUNDO CHIUNJIZA

The recently completed construction of two fences at Nkhunga Community Day Secondary School and Nkhunga Health Centre in Dwangwa at a total cost of MK81 Million demonstrates the commitment of Illovo to support the surrounding communities. The handover for both fences took place on 27th February 2023 in Dwangwa.

These initiatives by the Company align with the Government's goals of developing educational and health infrastructure in Malawi specifically to create a safe and inclusive learning environment.

Through these donations, Illovo seeks to foster an environment that encourages educational excellence and good healthcare. These initiatives emphasise the importance of investing in the well-being of local communities, paving the way for a brighter and more prosperous future for Malawi.



Official handover of pit latrines and bathrooms at Limbe health centre



Entrance to Nkhunga Health Centre



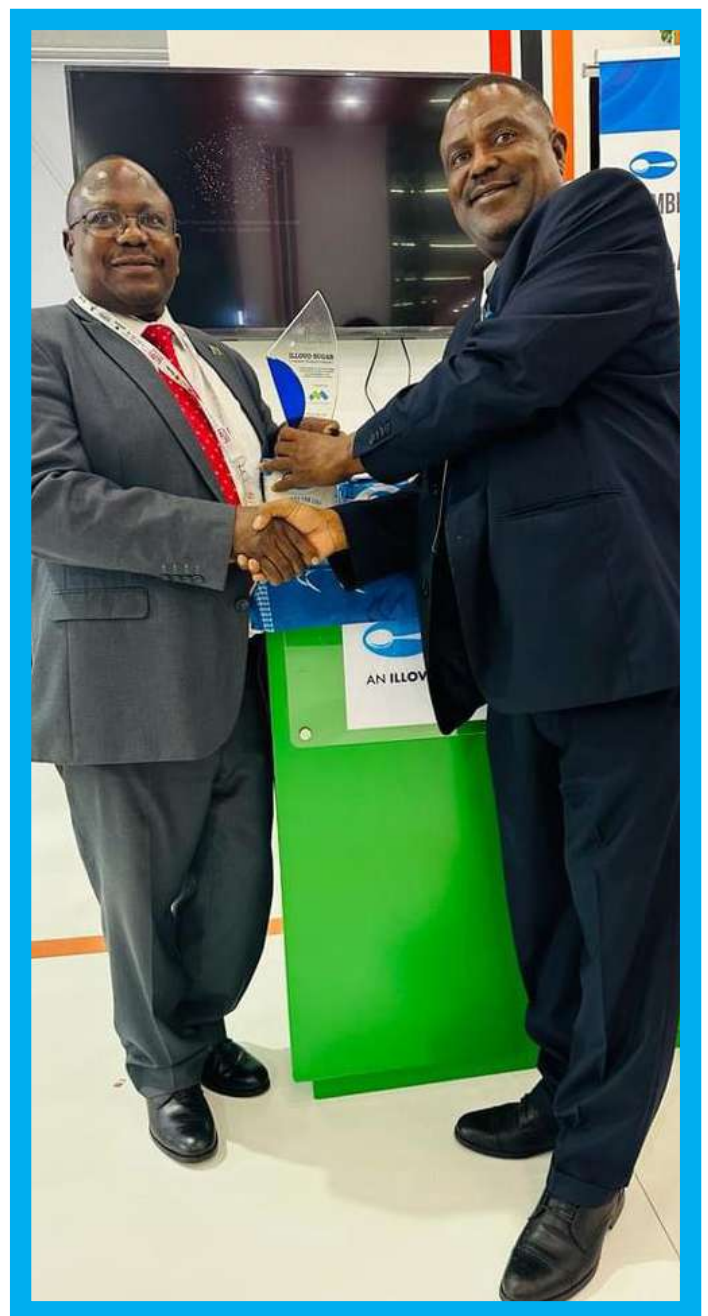
The Managing Director, Lekani Katandula signs off an MOU with the CEO of Marys Meals, Angela Mkandawire

ZAMBIA SUGAR

AFRICA EXPORT AWARDS

We are proud to announce that our Zambian business, Zambia Sugar Plc, has clinched the prestigious Africa Export Award in the Consumer Product Category at IATF2023. The Company is one of the leading contributors to growing the country's Non-Traditional

Exports (NTEs). This recognition underscores commitment to export excellence and contributing to Africa's economic growth. Congratulations to the entire team at Zambia Sugar.



ZAMBIA SUGAR



AN ILLOVO SUGAR AFRICA COMPANY

1ST FEMALE CHEMICAL EIT GRADUATE

“To the youths, success is only the tip of the iceberg, hidden underneath is effort, challenges, self-doubt, sacrifice and a spirit that choses to not give up. ”

- Muchimba Muunya

Growing up from a humble background, I grew up with a mentality that to have something, you must work for it. If one needed a new pair of shoes or clothing, you had to participate in making ice blocks and scones at home and sell them on the roadside on Sundays when people were knocking off from church; the proceeds were then shared amongst us and “banked” with mum to be used for shopping later when the “savings” were substantial.

As a child, my aspiration was to become a nurse. However, I pursued a Bachelor’s in Chemical Engineering, leading me to join the Management Training Program at Zambia Sugar after graduating from Copperbelt University. Prior to my role as a management trainee, I started my career as a field agent for a telecommunications service provider, working in markets to promote the company’s products. This role was far from my area of study, and initially, I assumed it wouldn’t provide valuable experience, marking the lowest point in my career thus far.

Nevertheless, I learned to see the positives and seized learning opportunities from the job. A significant lesson was enhancing my ability to interact with people. Building relationships with customers to meet daily quotas became crucial - a skill that proved invaluable in my current position.

My proudest moment in my career is successfully completing the Manager-in-Training (MIT) program, making me the first female EIT in Chemical Engineering to successfully complete the programme at Zambia Sugar. What makes me even more proud is the fact that despite the challenges along the way I stood focused on the goal and achieved it. Through the course of the training programme, I adopted the phrase which says, “setbacks are setups for comebacks.” Many times, the setbacks we face knock us down and we give us many reasons to give up on our goals and ambitions, but it is important to pick yourself up, rub off the dirt and keeping walking with your head held high. This is resilience, and it is an attribute of mine that has helped me to get to be the leader I am today.



Muchimba Muunya

The programme required my undivided time and attention, making it difficult to balance between work, family, and friends. However, I would always maximise my free time by having family over during holidays and finding relaxing activities to do with my friends. In my free time I also like to read and jog to keep fit because it gives me chance to listen to my favourite music. I currently do not play any sport, but I used to run long distance, something now replaced by the many stairs in the factory.

Given an opportunity to change Zambia's social landscape, I would address the stereotypes and biases that surround women in relation to their abilities and roles at the workplace and in society.

In my lifelong experience, if I were to author a book about leadership and business, I would write about "How to effectively manage change." In a world where change is an inevitable constant for

sustainability, it is important that the impacts that the change comes with are effectively anticipated, mitigated for, and managed to minimise loss in productivity especially during implementation stages.

In my career journey, I have gained inspiration from countless leaders locally and on a global scale. To name one, I have gained inspiration from Mary Barra (CEO of General Motors), who made history as the first female CEO of a major automaker; an industry that is male dominated.

Failures are a norm on the journey, instead of fearing to fail, embrace failure and the lessons that come from it. Failure is part of the process and accepting it, makes it easier to not give up. Also, find support from friends, family or any activity that helps you forge ahead in the middle of challenges without losing focus on the goal ahead.

L-R: Brenda Sihoka, Chishala Musonda, and Muchimba Muunya



ZAMBIA SUGAR



Zambia Sugar

AN ILLOVO SUGAR AFRICA COMPANY

NEW SYNERGISTIC FARMING SYSTEMS

A CONTRIBUTOR TO SUSTAINABLE RESOURCE STEWARDSHIP AND IMPROVED CANE YIELD

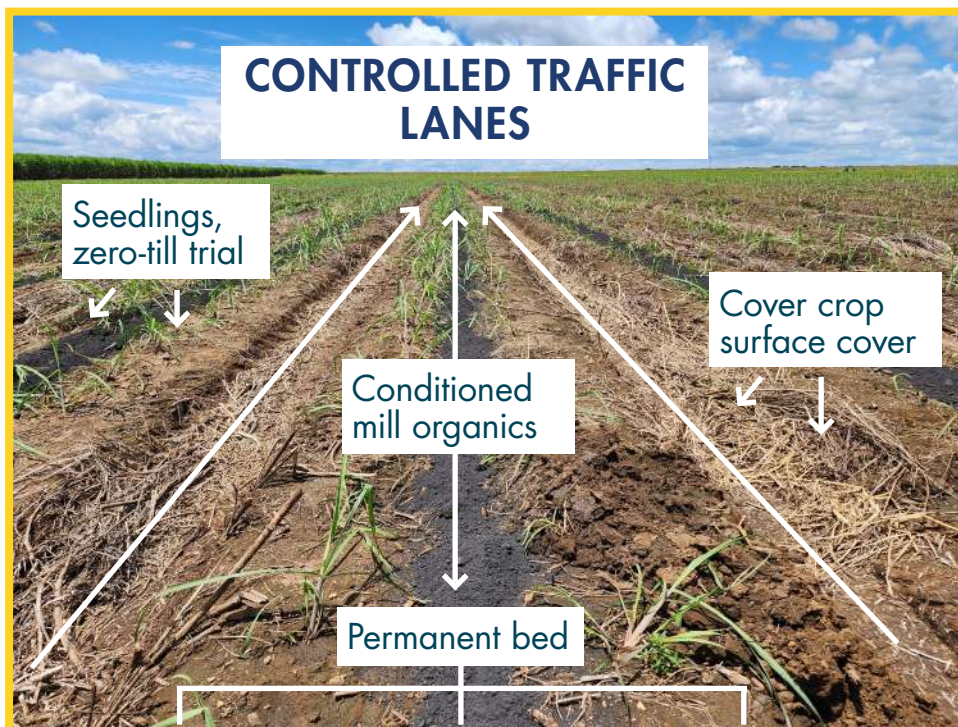
In a strategic initiative to make substantial improvements to both resource stewardship and agricultural profitability, our Nakambala sugar cane estate in Zambia is adopting a “New Synergistic Farming System,” simply termed NSFS. Says Neil Lecler, Illovo’s Farming Systems and Innovation’s Manager: “Exceptionally high yields close to 200 tons of cane per hectare have been achieved on fields where key components of the new farming system have been adopted, indicative of substantial improvements in soil health, among other things.”

Important components of the synergy chain inherent in the NSFS include planting the crop between February and April following a summer rotation crop, which is also known as a green manure crop. This planting period coincides with the end of the Southern African rainy season, which creates challenging planting

conditions which in turn require excellent surface drainage, controlled-traffic and innovative minimum tillage re-plant systems. Improved surface drainage is facilitated through GPS machine-control on specialist land-forming equipment and advanced design software.

Another component of the chain leading to substantially increased yields over time rests on ensuring that newly planted cane is aged to greater than 12 months. This is especially beneficial for early-season cane because growth increments in the 13th and 14th months can be nearly double the average monthly increment over the first 12 months.

To improve soil health, fields are more frequently rotated with cover crops such as sunn hemp, and infield compaction caused by agricultural machinery is limited to permanent in-field traffic lanes. Minimising infield



Key characteristics of New Synergistic Farming Systems



traffic and limiting it to specific zones on as small an area as is practical, is achieved through better vehicle and row spacing design, and GPS machine-control auto-steer systems. "With improved soil health, more frequent re-planting and rotation crops, reduced compaction and improved drainage, pest and disease issues - both above and below ground - are also very much reduced. Sustaining yields at higher levels also results in substantial improvements in water use productivity, that is sugar yield per unit of irrigation water applied," says Neil.

Since the cost of seed-cane is a major component of re-planting costs, the continued refinement of existing

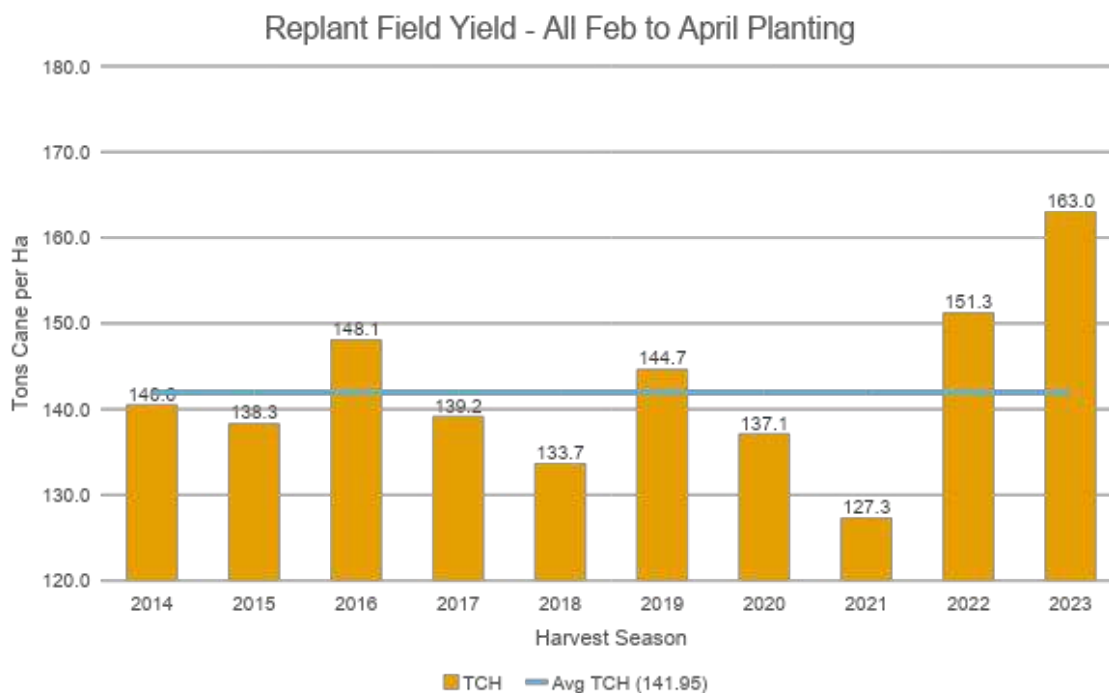
re-plant systems and implements not only helps facilitate planting in the challenging autumn period, with minimum tillage, but also at a substantially reduced cost and with better overall resource stewardship.

In closing, Neil says: "While more effective drainage, irrigation, properly controlled traffic and better crop nutrient management, especially nitrogen, remain work in progress, there is strong evidence that the new synergistic farming system deployed at Nakambala is an important contributor to sustainable resource stewardship and improved yields.

GRAPH:

Cane yield data collected on one of the fields where NSFS has recently been deployed show that a plant crop in the NFS yielded 205 t/ha when the previous plant crop, planted in spring yielded only 130 t/ha, a 54% difference. Before replanting under the new system, the previous ratoon crop on this field, yielded only 74 t/ha.

REPLANT YIELDS – TCH – FEB-APRIL PLANTING MONTHS



ILLOVO SUGAR KIGALI



AN ILLOVO SUGAR AFRICA COMPANY

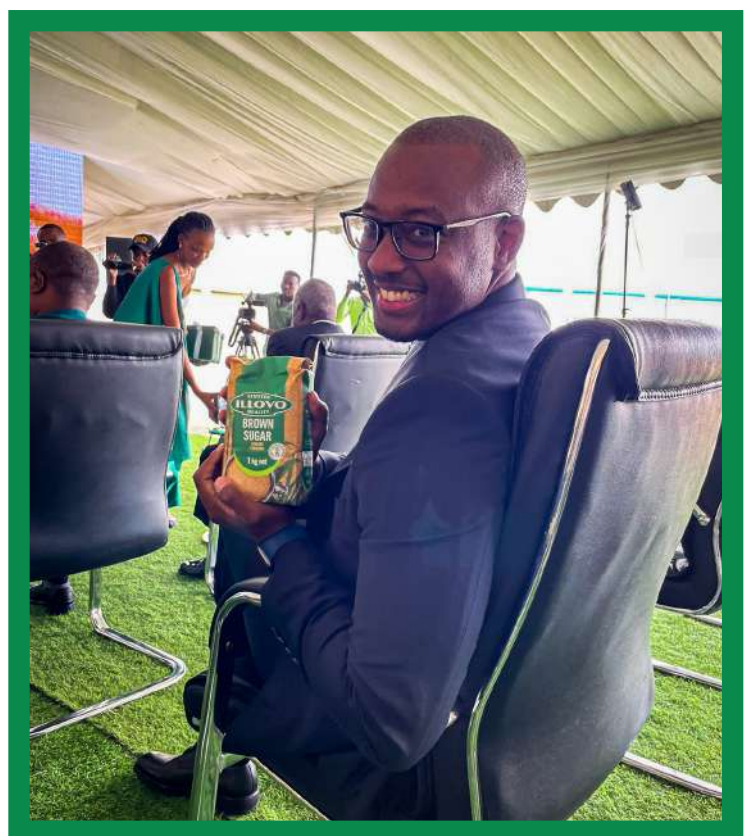
1KG PRE PACKS HIT THE MARKET

ILLOVO SUGAR KIGALI'S 1KG PRE-PACKS HAVE HIT THE MARKET.

Illovo Sugar Kigali's presence across Rwanda has increased, a market that had no controlled food safe pre-packaged sugar before Illovo's product arrived. Within a year, ISK has produced and sold over 3,000MTs of 1kgs, added a 2nd shift and are now looking at a 3rd shift in Q1 of 2024 with the plan to introduce more lines in the near future. It's an exciting prospect led by the ever consummate site manager, Richard Gatere. With the recent arrival of Grant Njema, as the ISK Sales Manager, joining the

team from Malawi on a 1 year secondment, we will have the selling muscle to complement our packing aspirations.

A recent visit to a rural market in northern Rwanda (Musanze) was made to determine the reach and successes of the prepacks being sold ex-warehouse Kigali. The team saw Grocers have started cutting our 1kg bags in half to sell half bags at a premium - the markets way of telling the Business that it's time to invest in our next SKU...Consumer pull is making the calls and Illovo Sugar Kigali is ready to react!





1000 HILLS Facility Opening & Prepack Launch
16 November 2022 at DP World, Masaka, Kigali, Rwanda

ILLOVO SUGAR SOUTH AFRICA

DUBAI 2023 EXHIBITION



AN ILLOVO SUGAR AFRICA COMPANY

ILLOVO SUGAR SOUTH AFRICA TOOK THE SWEETNESS TO DUBAI

ISSA recently grabbed the opportunity to showcase its products on a world stage when it joined 200 manufacturers from across the globe at the world's biggest food exhibition in Dubai.

The Private Label Middle East was held from 7 – 9 November at the Dubai World Trade Centre. The Expo is Middle East and North Africa region's biggest event for private label and contract manufacturing. Over 600 private label brands, 8000 distributors, retailers, importers, brand developers and 200 manufacturers and suppliers from 40 countries.

Illovo had the opportunity to showcase its most trusted quality brand of different ranges of syrup and chocolate sauces product with a view of identifying private label and distributors in the Middle East market.

The Private Label Middle East event is an unparalleled opportunity for industry professionals seeking to elevate their brand offerings, increase profitability and seize a competitive edge in the evolving Middle East and African retail market. It is a one of a kind valuable opportunity for the business to build new relations, expanding its network, and a great platform for showcasing our products and services to the world, connect with potential customers, and establish partnerships worldwide to drive business growth.

Nestor Msowoya, the Commercial Manager for Syrup Exports who represented ISSA further emphasised that as ISSA "We are proud to say that we have identified well over 50 sales leads and these are vigorously being pursued for possible sales closure."





ILLOVO SUGAR SOUTH AFRICA



AN ILLOVO SUGAR AFRICA COMPANY

MUTUAL RISK GROUP FIRE TEAM COMPETITION

EXTINGUISHING THE RISK AND SHOWING WHO IS THE BEST

In a display of extraordinary resilience and teamwork, Illovo South Africa's team of firefighters which includes Merebank, Noodsberg, Glendale, Eston, and Sezela, gathered on Friday, 06 October to compete in the gruelling Mutual Risk Group Fire Team competition held under the scorching hot weather.

THE SCOPE OF THE COMPETITION WERE 3 SEPARATE CHALLENGES:

- Team Building.
- DCP fire extinguisher live fire drill.
- Live fire hose drill with obstacles.

This competition was held at the Rural Metro Firefighters Training Academy in Greytown, where 17 teams from various companies all over KZN competed to prove who is the best in the province. Despite the challenging conditions, these brave men and women showcased their dedication, skills, and unwavering determination.



These challenges had point allocations, the allocations were on various techniques, time,

leadership and teamwork. All our teams successfully finished each challenge with determination.



THESE WERE THE END RESULTS FOR ILLOVO SUGAR SOUTH AFRICA:

TEAM	PLACE
Merebank	3rd place and qualifying for the Finals which will take place in April 2024.
Eston	5th Place
Sezela	6th Place
Glendale	10th Place
Noodsberg	14th Place

Thank you to all our teams who inspired us all with their dedication and unwavering spirit during the competition!

ILLOVO SUGAR SOUTH AFRICA

MORE UPDATES FROM ISSA



AN ILLOVO SUGAR AFRICA COMPANY

ILLOVO SUGAR LAUNCHES THE NEW "ALISHONI" 70G BROWN SUGAR STRIPS

Illovo, a proudly South African brand known for its commitment to quality and community development, has launched a revolutionary 70g strip pack of Illovo Brown Sugar. This exciting addition to the Illovo product line-up is a groundbreaking development in the South African sugar industry. Called Alishoni because of its size, the strip pack will be sold in a trader pack containing five (5) strips, each with 10 units, offering 70g of high-quality brown sugar. Perfect for resellers, grocers, and spaza shops purchasing for resale in their outlets, the strip packs meet customer needs while delivering on Illovo's century-old legacy and promise of quality.

ESTON AUDIT OUTCOME SETS THE GOVERNANCE BAR HIGH

The Eston Sugar Mill and Eston Syrup Plant has set the governance bar high by recording zero findings during a recent audit. The audit of Production Recording and Syrup Plant Customer Returns was conducted by Illovo Africa Internal Audit as part of the approved annual Internal Audit plan.

The scope of the audit included Sugar Production Recording and Syrup Plant Customer Returns. The former focused on the production reconciliations and the various data inputs used, an examination of the existing controls aimed to minimize the potential for inaccurate, missing, or erroneous figures and balances within the Production report. The second component of the audit focused on assessing the effectiveness of controls in the customer return process to determine if they are sufficient in ensuring the validity, accuracy, and completeness of returns.

The audit outcome has been categorized as Grade 4, meaning there were no findings / weaknesses. Finance Head Brendan Paulse says the Eston team's achievement is extraordinary. "We congratulate the team for setting a new benchmark that will inspire the ISSA business to new world-class standards. Thank you and well done to all of them! They have set a challenge for the rest of the ISSA business. The question that remains now is: which site will be next," said Brendan. The bar has indeed been raised, and we have no doubt that the rest of the sites across the business will follow suit.



AROUND HERE WE ENABLE SUCCESS

It was a proud moment when four of ISSA's senior managers graduated from the Gordon Institute of Business Science (GIBS) recently.

Edgar Bruggemann (GM for Merebank Distillery), Duduza Madlala (GM for Noodsberg Sugar Mill), Mandla Mbelu (Head of Agriculture) and Khalid Mohamed (Lacsa General Manager) graduated on the 23rd of November after completing the rigorous General Manager Development Program which is offered through the elite Business School.

The programme is part of ISSA's extensive suite of leadership development programmes through which the business aims to attract, retain and engage talent, elevate the strategic capability of ISSA GMs, enable success in navigating change and ultimately improve the bottom line.

Celeste Mdletshe, ISSA Head of Human Capital says the programme is one of many ways that ISSA accelerates the development of leaders. "Primarily, the programme supports managers who are making the transition from leading a function to leading a leadership team. We are very proud of this cohort of leaders. They embraced the programme and made the most of it," says Celeste.

Proud graduate Mandla says for him one of the most exciting aspects of the programme was the focus on self-mastery. "For anyone to lead others competently they must be able to lead themselves well, so the programme was a great opportunity not just for

leadership development but for self-development as well."

Other aspects of the programme included mentorship by executive team members, networking with course delegates from different industries and opportunity for further 1 on 1 coaching from GIBS coaches.

Congratulations, gentlemen!



KILOMBERO SUGAR

KILOMBERO SUGAR COMPANY
AN ILLOVO SUGAR AFRICA COMPANY

CONSUMER CHOICE AWARDS AFRICA

Consumer Choice Awards Africa are prestigious awards in Tanzania that incorporates categories that tap into different industries across Africa and nominees across Africa. The process requires Consumers/Public to nominate participants per category through the Awards Website and later voting opens for public to vote for their favourite nominees for each category. Bwana Sukari was

nominated this year, and we won the category for the Best Sugar Manufacturer in Tanzania. Kilombero Sugar, is privileged to win this award as it proves to us that Bwana Sukari is a top-of-mind brand when consumers think of sugar manufacturers in Tanzania. But also, it's a good platform and an opportunity to continue driving awareness around our product and corporate brands accordingly.



The Guest of Honor for the event was the Honourable Deputy Prime Minister of United Republic of Tanzania, Dotto Biteko and Distinguished Guest was the Minister

for Industries and Trade for United Republic of Tanzania, Hon Ashatu Kijaju.



IN CASE YOU HAVEN'T SEEN

SAFETY JOURNEY UPDATE



A NOTE FROM ABF SUGAR SAFETY DIRECTOR

GREAT LEADERS ASK FOR FEEDBACK

Establishing a genuine feedback culture stands as a cornerstone in strengthening workplace safety programs and reshaping safety norms, particularly within Illovo. Sadly, several reasons hinder employees from speaking up about safety issues, including the fear of judgment, potential repercussions, or not feeling understood by colleagues. Consequently, employees tend to withhold their safety concerns.

As leaders, our primary goal is to encourage employees to share their safety concerns and provide suggestions on how to address these issues or manage job-related hazards effectively.

HOW DO WE ENCOURAGE FEEDBACK?

Asking for feedback marks the initial step. It's crucial to acknowledge and thoroughly assess employees' feedback to determine whether action should be taken. Most importantly, the

outcomes of these assessments must be shared with the original sources. This not only encourages them to continue contributing but also serves as a learning experience for future occurrences.

Furthermore, when an employee-sourced report identifies and prevents a potential safety hazard from escalating into an incident, it becomes a valuable learning opportunity for all employees. This successful prevention also merits recognition for the employees involved through the ABF Sugar Safety Recognition Programme.

It's crucial that leaders handle feedback effectively to encourage employees to speak up. Often, employees possess a deeper understanding of their day-to-day working environments than our leaders do. Let's actively listen to what they have to say.



CLINTON LEE
ABF Sugar Safety Director

5 WORKSTREAMS OF THE SAFETY JOURNEY

SAFETY VISION & ORGANISATIONAL DESIGN →

GOVERNANCE, KPI'S, AUDIT & INSPECTION →

FATAL RISK MANAGEMENT →

BEHAVIOURAL SAFETY & COMPETENCE →

INTEGRATED SAFETY MANAGEMENT SYSTEM →



Happy Holidays!

**Wishing You and your family a wonderful
break over the festive season, and to our
Christian readers - a very Merry Christmas!**





INN

INTERNAL NEWS
NETWORK



KILOMBERO
SUGAR COMPANY

