

### **“Practice for Change Programme” makes a real change!**

The Illovo Sugar South Africa’s mills at Sezela and Noodsberg recently partnered with international NGO Solidaridad to train contractors and growers on business and financial management, as well as the company’s Code of Conduct and Business Ethics. This benefitted more than 70 contractors and 350 growers in Kwazulu-Natal. Illovo understands that strengthening the business capability of our contractors and ensuring transparency throughout our supply chains is paramount to the sustainability of our own business as well as enhancing the economic development of our sugar cane communities.

**Fanie Horn, Cane Development Manager at Noodsberg** tells us more about this wonderful initiative.



**Fanie Horn, Noodsberg’s Cane Development Manager, joined on his left by Frederick Khanyisani Goba, a cane haulage contractor, and Humphrey Nxumalo, Sugar Cane Project Co-ordinator - Southern Africa region for Solidaridad.**

#### **The Context**

Illovo Sugar’s value chain is founded on the core values of integrity, empowerment, inclusiveness, commitment and accountability. These principles apply to all our business relationships with suppliers, contractors and service providers, and we expect them to develop the same level of integrity within their own respective supply chains. This ensures that our reputation for ethical behaviour inspires confidence in all our stakeholders.

Our Grower development team works with small-scale growers and contractors from remote rural communities. The contractors become a vital link between the growers’ cane in the ground and its delivery to our mills for processing. Getting this perfectly right contributes to viable and sustainable growers and contractors which in turn, ensures a secure and sustainable cane supply to our factories. We believe we have a fundamental role to play in creating an enabling business environment in which all three parties can thrive.

#### **The Programme’s Origins**

The collaboration between Illovo Sugar and Solidaridad Network began in 2018 through the “Practice for Change Programme” which aims to contribute to a more inclusive and sustainable sugarcane sector in the Southern African region. With Solidaridad’s training and financial support, together with funds made available via the Government’s Jobs Fund, Agri-IQ was approached to conduct a capacity building programme which would address the various challenges faced by cane contracting business owners and growers. Following the development of the training programme aimed at improving the harvesting, haulage and other agricultural service skills of the contractors and the cane growing expertise of the growers, the Practice for Change Programme was duly launched.

An important component of the initiative was that the training was made compulsory for the contractors. Benefitting both the local cane contracting industry in the Noodsberg and Sezela areas as well as strengthening their supply chain relationship with the company governed by adherence to our Code of Conduct and Business Ethics

## The Programme's Results



### Practice for Change Programme: "In Action!"

The focus was mainly on business understanding and financial management training for both the contractors and growers held at easily accessible venues. Seventy-three contractors in total benefited from the programme, 41 operating at Noodsberg and 32 at Sezela. From the growers' side, 365 growers benefited, 251 growers from four different locations around Noodsberg and 114 from four locations around the Sezela cane supply region.

The results were extremely positive, allowing both growers and contractors to sharpen their business skills and better understand the regulatory framework under which they operate. The training enabled the identification of potential gaps in the way they handle their businesses and financial compliance matters, both from their association with the company and with the people they work with directly. Importantly, a mutual understanding now exists between both sets of stakeholders which is beneficial in managing their ongoing contractual supply-chain relationships.

As commented by Gavin Massey, Illovo Sugar Africa's Small-Scale Grower Field Manager at Sezela: "The Jobs Fund has been an incredible opportunity for Illovo and our Small-Scale Growers. Through enabling the expansion of their sugarcane footprint, we have been able to create jobs and generate income from the cane proceeds for many families, uplifting the rural community around us. The project, in partnership with Agri-IQ and Solidaridad, has enabled the skills development of both our Growers and local contractors. This training has provided a solid base for them to lead sustainable businesses long into the future after the project has finished."

With the 2020 milling season now just about to start, the results of the training will be continuously monitored and measured to provide further feedback to the growers and contractors in order to further build on their newly-developed skills.

Ends

## About Illovo Sugar Africa

Illovo Sugar Africa (Pty) Ltd is a Pan-African consumer centric agri-business with roots in growing and making sugar and related products. It is Africa's largest sugar producer and has extensive agricultural operations in six southern African countries – Eswatini, Malawi, Mozambique, South Africa, Tanzania and Zambia - manufacturing sugar and downstream products from cane supplied by its own agricultural operations and independent growers. The group is a wholly-owned subsidiary of Associated British Foods plc (ABF), a diversified international food, ingredients and retail group operating in more than 50 countries. Illovo Sugar Africa employs more than 12 000 people in permanent positions across the group with a further 18 000 people employed on a temporary basis. In a recent independent socio-economic study, the company is estimated to support at least 71 443 jobs across the group and for each of Illovo's 29 663 direct employees, at least 1.4 additional jobs are estimated to be supported through grower communities and wider multiplier effects throughout the economy. Illovo has a proud history of significant contribution



An AB Sugar company

to local economies in which it operates and its positive social impact across this region on rural communities is substantial. Illovo's total economic impact, including direct, indirect and induced impacts, was estimated at R 23.8 billion in 2016/17