



NO IMPACT FROM COVID-19 ON ITS LOCAL PRODUCTION OF ETHANOL SAYS ILLOVO SUGAR SOUTH AFRICA

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Illovo Sugar South Africa (Illovo SA), which produces high-grade ethyl alcohol (ethanol) at its Merebank Downstream Factory south of Durban, is aware of claims being made of shortages of ethanol in the country by various local market players producing products such as hand sanitisers, which are critical to support efforts to prevent the spread of COVID-19.

Illovo SA can categorically confirm that there has been no impact from COVID-19 on its local production of ethanol, and understands that the Ethanol Producers Association of Southern Africa, which includes producing members within South Africa, Eswatini and other African countries, would confirm that the same position applies for the industry as a whole.

Illovo SA produces in excess of 50 million litres of ethanol annually, serving both local and export markets. Says Mamongae Mahlare, Managing Director of Illovo SA, "Whilst we continue to produce at our current levels, and against the background of our stated commitment to help contain the spread of COVID-19, we have refocused our business plans in order to quickly respond to sanitiser-producing companies who are calling for growing volumes of ethanol for use within their products. This includes working with existing customers in order to redirect already committed volumes."

The company's supply position has been further augmented following the published amendments to the Customs and Excise Act by the South African Revenue Service late last week, allowing for the use of undenatured ethanol, by registered manufacturers, for the production of disinfectant.

"At this time of critical need we urge all participants in this supply chain to price responsibly and in line with the requirement of scheduled products within the Disaster Management Act," says Mahlare.

Ends

About Illovo Sugar South Africa

The operations of Illovo Sugar (South Africa) (Pty) Ltd (Illovo SA) span over 4 districts and one metropolitan out of 10 municipalities in the KwaZulu-Natal Province, a wholly-owned subsidiary of the Illovo Sugar Africa group, in the cultivation of sugar cane and production of raw and refined sugar, syrup together with, the downstream products of furfural, furfuryl alcohol, ethanol and lactulose. Illovo's sugar markets are largely domestic, with sales to the world raw sugar market.

Downstream products are both local and export focused. The company also operates a state-of-the-art sugar warehouse and distribution centre providing a strategic link between its sugar factories in KwaZulu-Natal and its nationally based customers.

Business Profile

- Situated in KwaZulu-Natal
- Three agricultural estates; four sugar factories; one refinery; three wholly owned downstream plants / 50% share in a distillery
- 30% investment in a further sugar factory and refinery
- Produces raw and refined sugar, syrup and downstream products
- Internal electricity generation
- A "Level 1" BEE Contributor with have a track record of meeting, or exceeding, its BBBEE target scores in the categories of Land Ownership, Enterprise Development and Socio-economic Development.



It is responsible for empowering the only black owned millers in South Africa – Gledhow, with 30% shareholding in the business and holds an existing management contract day-today. The company prides itself as an invested Agri-processing business, and a long-term contributor to the South African economy, a committed partner to the continuing transformation of the sector. It plays an integral role in the creation sustainable formal employment opportunities; as well as opening up platforms to support and enable businesses. It supports local successes by leveraging its diverse footprint, long-term partnering in agriculture and manufacturing, while also playing a leading role in advancing sugar cane out grower and smallholder farmer development.

For further information please contact:

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