

Maragra Açúcar Positive Economic Impact in Mozambique is MZM 4.636 billion

...supports at least 8 694 jobs in Mozambique and 473 outgrower farmers...

7 March 2018: Maragra Açúcar SA today announced that during the past 2016/17 financial year, the company's total economic impact on the local economy has been estimated at MZM 4.636 billion, comprising MZM 1.245 billion in direct impacts and the balance resulting from the multiplier effects of its business operations within the supply chain and wider economy. This is revealed in a report undertaken by Corporate Citizenship, an independent, global management consultancy specialising in social impact assessment, sustainability and corporate responsibility.

Filipe Raposo, MD of Maragra Açúcar says, *"As a business, we endeavour at all times to deliver on our shared value mandate, while actively supporting the government's social and economic development agenda. We are committed to the transformation of our business in Mozambique, but recognise that to keep ourselves focused and on track, we need an independent benchmark against which to measure our real contribution. The last report was completed in 2012/13 and we have assessed our progress against this to ensure we identify gaps – or areas of improvement – early as well as take the time to celebrate achievements."*

For example, in 2016/17 spending on local suppliers increased significantly to MZM 1.823 billion, the small-scale farmer programme increased by 42% to include 473 growers and during the period, the company spent MZM 52.5 million on local staff training, a 200% increase on the previous 2012/13 figures.

Total direct tax paid by the company in 2016/17 amounted to MZM 70 million, while indirect taxes totalling MZM 121 million were collected on behalf of the government.

Some of the reported highlights from the 2016/17 period include:

Job creation

- Directly employs 5 092 people, but is estimated to support at least a further 8 694 jobs in Mozambique through outgrower communities and wider multiplier effects.
- Supports the livelihoods of 25 000 people once families and dependants are taken into account

Health

- Malaria vector control programme has resulted in the number of Malaria cases in children under five dropping from 3 204 five years ago to 277 in communities surrounding Maragra Açúcar estates
- Maragra Açúcar is working with the Mozambique government on fortification of sugar with Vitamin A to help eliminate micronutrient malnutrition, particularly in children

Building local communities

- Provided access to water close to by drilling six boreholes which benefit about 4 100 people in the communities around its operations
- Provided access to education close to home by building new classrooms or rehabilitating existing ones to provide a conducive learning environment

Environmental stewardship

- 94%of Maragra's energy consumption is provided from renewable sources, primarily bagasse, and 79% of all water used is cleaned and returned to source.

"We identified critical areas such as job creation, community investment, capacity building and skills transfer and environmental stewardship as key to our own success - and that of the local and national economy. We were very pleased to note that we have made solid progress in meeting our commitments and feel confident that our ongoing transformation strategy and shared value agenda will continue to deliver results," concludes Raposo.

[Click here](#) for highlights of impact on people infographic

[Click here](#) for highlights of impact on economy infographic

[Click here](#) for access to the full Mozambique report

Or go to our Socio-Economic Impact page for all country [highlights](#)

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Notes to Editors

Methodology

Country reports were compiled through desk-based research and the analysis of financial and management information provided by each Illovo country team. This was followed by site visits to South Africa, Malawi and Zambia as well as interviews with senior management and key stakeholders. The stakeholders interviewed varied by country but included sugarcane farmers, small-

holder association representatives, employees, trade union representatives, local suppliers, doctors, teachers and other beneficiaries of Illovo's social investment spend. A detailed methodological note is available as an appendix to the full report.

Additional country reports are also available for download:

- [Illovo Sugar Africa \(consolidated Group Report\)](#)
- [Malawi](#)
- [South Africa](#)
- [Swaziland](#)
- [Tanzania](#)
- [Zambia](#)

About Maragra Açúcar SA

Maragra is 90%-owned by Illovo Sugar Africa with the balance of shares owned by a private minority investor. Maragra is situated adjacent to the coastline of Mozambique, approximately 80 kilometres north of Maputo. Illovo Sugar Africa is the continent's largest sugar producer with extensive agricultural and manufacturing operations in six African countries.