

## **Ubombo Sugar Limited's Positive Economic Impact Reported at E3.1 billion**

*...creates jobs for 7 363 Swazi nationals and supports livelihoods of further 13 566 people...*

**13 March 2018:** Ubombo Sugar Limited today announced that during the past 2016/17 financial year, the company's total economic impact on the local economy has been estimated at E 3.1 billion, comprising E 574 million in direct impacts and the balance resulting from the multiplier effects of its business operations within the supply chain and wider economy. This is a 29% increase in the company's total contribution to Swaziland's economy compared in 2012/13 and is revealed in a report undertaken by Corporate Citizenship, an independent, global management consultancy specialising in social impact assessment, sustainability and corporate responsibility.

Oswald Magwenzi, MD of Ubombo Sugar 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 Swaziland, 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, spending on local suppliers has increased significantly to E 1.0 billion, payments to employees in the form of salaries, benefits and wages has increased by 79% to E 408 million and during the period, the company spent E 162 million on capital investments

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

### **Job creation**

- Directly employs 3 249 people, but is estimated to support at least a further 7 363 jobs in Swaziland through outgrower communities and wider multiplier effects.
- Supports the livelihoods of 13 566 people once families and dependants are taken into account

### **Building local communities**

- Invested E 47 million in a shared value project at St. Philip's, through which the company, community and government have come together to develop a 450 hectare sugar cane farm

### **Skills transfer and capacity building**

- Company provided significant technical, financial and capacity-building support to training our employees worth E 8.3 million in 2016/17.

### **Environmental stewardship**

- 96% of Ubombo's energy consumption is provided from renewable sources, primarily bagasse, and 78% of all water used is cleaned and returned to source.
- Invested R 29 million to the first phase of a project to convert existing irrigation systems to drip irrigation, which is more effective and efficient in terms of water use.

*"We identified critical areas such as job creation, supply/value chain development, community investment 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 Magwenzi.*

[Click here](#) for highlights infographic

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

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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](#)
- [Mozambique](#)
- [South Africa](#)
- [Tanzania](#)
- [Zambia](#)

### **About Ubombo Sugar Limited**

Illovo Sugar Africa has a 60% share in Ubombo Sugar Limited, with the balance of shares held on behalf of the Swazi nation by Tibiyo Taka Ngwane (Tibiyo). Ubombo is one of three sugar producers in Swaziland whose combined total sugar output of more than 580 000 tons is marketed and distributed by the Swaziland Sugar Association (SSA). Ubombo produces sufficient co-generated electricity from renewable resources to cater for all of its own factory, agricultural and other requirements and exports power to the Swaziland national grid on a commercial basis. Illovo Sugar Africa is the continent's largest sugar producer with extensive agricultural and manufacturing operations in six African countries.