

Zambia Sugar Plc's Positive Economic Impact Reported at K3.8 billion

...creates 11 474 jobs in Zambia and supports livelihoods of further 34 074 people...

4 April 2018: Zambia Sugar Plc today announced that during the past 2016/17 financial year, the company's total economic impact on the local economy amounted to K3.8 billion, comprising K1 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 a 33% increase in the company's total contribution to the Zambia's economy compared to 2012/13. This is revealed in a report undertaken by Corporate Citizenship, an independent, global management consultancy specialising in social impact assessment, sustainability and corporate responsibility.

Rebecca Katowa, MD of Zambia 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 Zambia, 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 increased significantly to K2.3 billion, payments to employees in the form of salaries, benefits and wages increased by 41% to K461 million and during the period, the company spent K849 million on capital investments.

Total direct tax paid by the company in 2016/17 amounted to K20.3 million, while indirect taxes totalling K213.8 billion were collected on behalf of the government.

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

Job creation

- Directly employs 6 310 people, but is estimated to support at least a further 402 jobs in Zambia through outgrower communities, 385 of which are small-scale farmers
- Supports the livelihoods of 34 074 people once families and dependants are taken into account

Supply/value chain development

- Manyonyo Outgrowers Scheme comprising 147 smallholder farmers on 595 ha of land celebrated 1st harvest delivery to Nakambala Mill

Supporting Zambia's manufacturing/industrialisation agenda

- K708 million refinery project opened with total annual sugar production capacity increased to 450 000 tons, making it the largest capacity sugar production facility in Africa.

Skills transfer and capacity building

- Company provided significant technical, financial and capacity-building support to train our staff worth K1.8 million 2016/17.

Environmental stewardship

- 91% of Zambia sugar's energy consumption is provided from renewable sources, primarily bagasse, and 80% of all water used is cleaned and returned to source.

"We identified critical areas such as job creation, infrastructure investments, supply/value chain development 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 Katowa.

Zambia Sugar is Zambia's largest sugar producer.

[Click here](#) for highlights infographic

[Click here](#) for access to the full Zambian 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, smallholder 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](#)
- [Swaziland](#)
- [Tanzania](#)

About Zambia Sugar Plc

Zambia Sugar Plc is the country's largest sugar producer with its production and management operations based at Mazabuka, Southern Province. The company is listed on the Lusaka Stock Exchange (symbol: ZSUG)[1] with 75% of the shares held by Illovo Sugar Africa (Pty) Ltd (a subsidiary of Associated British Foods) and the balance by institutional and private shareholders in Zambia.