

Stakeholder Engagement

Illovo is cognisant that its long-term sustainability objectives are supported through engaging with its relevant stakeholders to address matters of mutual interest, and is aware that its corporate reputation is based on how well it performs compared with the legitimate interests and expectations of stakeholders, and that their support or lack thereof, may influence the group's performance. The type of stakeholders with which the group interacts and the nature of the interaction are products of the operating environment and consequently vary from country-to-country. However, the group's stakeholder engagement is underscored by management's responsibility to maintain its visibility to and accessibility by its stakeholders, with clear commitment not to profit at the expense of the environments and communities in which it operates.

The table below sets out the key stakeholders which have generally been identified across the group, and includes a brief explanation of the relevant interactions.

KEY STAKEHOLDER	TYPE OF INTERACTION
Employees	An array of internal communication channels are used to reach employees across the group regarding ongoing business-related information and strategy, through to training and personal development, including group-wide staff magazines, intranet, a customised Illovo business understanding programme, MD briefs, notice boards, etc.
Trade unions	Approximately 84% of all Illovo employees are unionised and the group interacts across a range of labour forums, e.g. regular union meetings, collective bargaining forums, etc., to ensure sound employee relations and compliance with internationally recognised labour practices.
Shareholders; investors; analysts	Investor/analyst presentations; one-on-one meetings; site visits; regular operational and financial communications; annual general meetings.
Media	Regular interaction with all forms of media to communicate developments, successes, strategy, financial results and to deal with issues which are reported in the public domain. Interaction includes one-on-one interviews, site visits, media statements and general contact to promote understanding.
Regulators: The JSE Limited; Lusaka Stock Exchange; Malawi Stock Exchange and other regulators	The company and its subsidiaries comply with the various regulatory requirements in the countries in which they operate, including regular contact and interaction with these regulators and relevant government departments.
Customers	Trade market: Ongoing interaction with supermarket chains and wholesalers; promotion of sugar distribution and depot system amongst existing/potential entrepreneurs; direct consumer stakeholder contact; involvement in community-based initiatives; support of annually sponsored sporting events. Industrial market: Customer interaction in respect of both sugar and downstream products; focus on specific technical and operational requirements of the customer with ongoing liaison through various channels.
Raw material suppliers: providers of sugar cane	Ongoing communication at both industry and local level with grower associations and member groups; operational discussions of mutual concern; contact through industry structures, e.g. SA Sugar Association, Tanzania Sugar Producers' Association, etc.
Suppliers and service providers	Support of local industry suppliers; development programmes to identify and maintain strategic group suppliers; annual recognition of top performing suppliers via awards programmes; business and operational up-date meetings; negotiation of service level agreements.
Governments	Ongoing discussion at industry and company level with government departments and industry bodies relating to sugar cane growing and milling, together with other departments dealing with land reform, rural development, etc; regular contact to up-date government representatives on state of ongoing business, strategy, capacity expansions, etc.
Communities; traditional and civic society	Strong identification and communication with communities surrounding operations relating to cane development, community/company projects of mutual interest; support of community-based social investment requirements; provision of community infrastructure and advocacy of community issues.

The company participates in relevant public policy development through sugar industry structures, tripartite business, labour and government public policy development structures, and other business associations. Its involvement in the facilitation of broader national strategic objectives continues through participation in organisations such as the National Business Initiative and the Business Trust in South Africa, along with its membership across the group of other private and public forums to promote and facilitate the economic business landscape in the various countries of operation.

In its employment practices, the group remains committed to human rights and fair treatment of its employees in line with International Labour Organisation Conventions on employment, which in most countries of operation are also enshrined in the employment-related legislation. The group's employment policies are explicit in their commitment to equity ensuring that forced and child labour do not take place at any of its operations.

As a consequence of this commitment to human rights and fair employment practices, for the year under review, the group did not incur any fines for non-compliance with relevant legislation in any of the countries in which it operates.