



ILLOVO

is the leading sugar company on
the African continent.

Diversified sugar and downstream products company operating in **6 AFRICAN COUNTRIES.**



- **ILLOVO** annually makes significant direct and indirect contributions to the African economies in which it operates
- Produces in excess of **1.7 MILLION** tons of raw and refined sugar per year
- Assists in reducing Africa's reliance on imports
- Brings in much needed foreign revenue
- The multiplier effects and Illovo's impacts through its value chain far outweigh its direct impacts

WHY LAND MATTERS TO ILLOVO?

Sustainability:

- Land and people are the foundations to our business: without strong foundations our business will crumble
- Procure cane from 77,000ha of Illovo estate land & over 132,000ha of grower land
- The impact of poor foundations:
 - Operational
 - Financial
 - Social
 - Reputational



Creating Shared Value:



- Four of the countries of operation are LDCs which can mean challenges around:
 - Population growth – nationally & locally
 - Climate change / Natural resource scarcity
 - Socio – economic / Food security / Health
 - Varied cultures & broad stakeholder groups
 - Economic environment
- All of which can increase pressure on land and people....

WHAT ARE WE DOING?

Our approach to address land rights is:

Proactive

Practical

Transparent

- Group Guidelines developed in 2015
- Roadmap to guide implementation 2015 updated under Group Strategy in 2018
- Engagement with multiple stakeholders & experts - roundtable
- Partnerships with NGOs, CSOs & land rights experts
- Grievance mechanism development – across the group
- Project implemented:

DFID LEGEND Commitment to Practice:
Malawi, Mozambique, Tanzania and
Group

Landesa & Local CSOs

Focus on implementation of guidelines &
roadmap

Building capacity of Illovo & CSOs

Assessment – tools – issue
spotting/resolution

USAID Pilot & Phase 2: Mozambique -
Responsible Investment in Land Project
(RLP)

Cloudburst/Indufor/Terra Firma

Focus on community & grower land rights

Strengthens supply chain integrity & grower
investment

RESPONSIBLE INVESTMENT IN LAND PROJECT

Why focus on community land?

- The communities and growers around our estates are integral to our business
- Growers supply approximately 43,6% of cane to Maragra Açucar
- Securing and sustaining the supply chain requires investment into the growers and the land
- Growers are nervous of investing into land with informal or no tenure rights
- A focus on responsible investment and value chain development requires:
 - ✓ An understanding of land rights by the company, the growers, the communities
 - ✓ Capacity building in managing land and securing formal land rights and manage grievances
 - ✓ Ways and means to manage natural resources, commercial crops, infrastructure and food crops etc.



MAIN OUTPUTS

What does it mean to Illovo?

- Secured supply chain
- Improved understanding of land rights and issues faced by communities and growers
- Improved relationships with communities and growers
- Improved certainty and transparency in supply chain
- Reduced operational and reputational risk
- Good case study and learning to roll out across the group
- Increase focus on community land tenure before investment

What do we want to tell other companies?

- Whilst it can seem a daunting subject to address, its better to know the risks and build understanding
- There are willing partners and experts out there to help you
- There is a strong business case to support interventions around land rights
- There is no quick fix, it's a long and winding road but just get started



Annexes

GUIDING PRINCIPLES OF GROUP STRATEGY ON LAND & LAND TENURE

Resource stewardship:

Promote **responsible land use** on our estates and with the growers.

On all land, **not just cane** (Soil, forest, timber, conservancy, water, wetlands...)

Promote vertical expansion,

Mitigates **land pressure**

Requires significant **investment** in improved production best practices irrigation infrastructures (*more crop per drop*).

Support “commercialisation” of all growers:

Secure land tenure allows growers to access their collateral and **invest**

Allay fears of land **encroachment or confiscation** often endemic

Secure land rights are a prerequisite for any **financial investment**.



We are not an island of prosperity: we **collaborate** with communities, governments and CSOs.

ILLOVO SUGAR GROUP STRATEGY ON LAND & LAND TENURE

The journey ahead

Land management: to ensure we are responsible stewards of our land

Community engagement: build strong relationships with our surrounding communities to promote awareness on land rights

Grower land practices: support growers to establish secure land rights that will sustain continuous yield improvements

5 years: 2019-2024 – monitoring and adapting

ACHIEVEMENTS ALONG THE JOURNEY

USAID Responsible Land Based Investment program

Pilot 2017

- 1 842 parcels mapped
- Preliminary steps to request DUATs facilitated for 1 642 farmers
- 1 084 women among the 1 642 farmers
- Phase 2 underway

DFID LEGEND Commitment To Practice

2016 – 2019

- 60 staff trained across the Group
- Partnership with Landesa and local CSO established or strengthened (NADEC)
- Development of the Landassess tool

Other achievements at Maragra along the line

2016 – 2019

- Appointment of Land Champion
- Establishment of an improved Land Committee – cross operational
- Implementation of GRM underway
- Retracement exercise