

KILOMBERO
SUGAR COMPANY
AN ILOVO SUGAR AFRICA COMPANY

KSCL NEWSLETTER

January 2022



TABLE OF CONTENTS

Message from the MD	01
MP For Kilombero Visits The Estate	02
1 st Illovo Sales Conference Conducted	03
IDTL Monde Selection Awards	03
Cane Supply Agreement Negotiations Closes	04
Negotiations With Union Closed	05
Thriving Communities Cause	05
20 th Annual Conference For Financial Institutions	05
Tanzania - UK Business Forum 2021	05
Recognition and Awards	06
Independence Day Commemorations	06
RC Visits the Estate	06
Ruaha Floods: Proactive Steps Taken By KSCL	07
Continuous Awareness On Covid-19	08
Did You Know?	08
Annual Safety and Security Engagement	09
Support to Kitete Orphanage Centre	09
KSCL Brightens Kidzcare	10
Nuturing Relations	10
Farewell and New Appointment	11
Share Your Feedback	12



MESSAGE FROM THE MD

“ Welcome to our third Edition of the KSCL Newsletter keeping you informed of the business progress, key projects, safety issues, key engagements and events undertaken from in and outside our company including key business highlights for 2021. I take this opportunity to thank everyone for their hard work in the previous year 2021, albeit with a few serious safety challenges; including Covid-19 pandemic which has continued to linger on. We are hopeful that the new year will be successful both for the business and for each one of you. I would like to highlight the following key issues:

Safety

A number of serious injuries and damage to property occurred during 2021, including one which resulted to the loss of our colleague, the late Vicent Chilunga. May his soul rest in eternal peace.

We have commenced the new year 2022 and I appeal to all of you to be more vigilant and focus on safety in each and every activity you do. All employees are urged to sustain and build a robust reporting system of near misses, unsafe conditions and unsafe practices by focusing on enhancing our reactivity to enrich our safety maturity level. Our approach must be pro-active and not re-active. Safety is more important than meeting our production targets, so please do not take short cuts in safety for the sake of production!

COVID-19, the global pandemic has continued to be a challenge, and has continued to deter some operational activities which involved travelling and impacted smooth supply of equipment and material from abroad. With new variants being identified, we need to continue taking precautionary measures. As a business we have remained agile in mitigating this challenge through continuous education and awareness creation on the preventive measures and the need for people to get vaccinated. Tackling Covid-19 or minimizing infection as well as severity of the disease once infected requires combined efforts.

I encourage all employees and the dependents over 18 to get vaccinated so as to protect yourselves from the possibility of ending up in hospital with severe health complications as a result of contacting Covid. Further it is important that you all continue taking precautions by adhering to the protocols and guidelines issued by the World Health Organization, Country and Company from time to time.

Business Update

The performance of the factories since season start in May 2021 has been good, helped by the sucrose pol percentage being higher than anticipated due to very dry conditions in the months of September, October and November. The lack of adequate rainfall has, however, impacted MCP cane yields. 2021/22 Season to date at 7 January 2022, 1,157,242 tons of cane have been crushed and 124,051 tons of sugar have been produced. The revised target for this season is to crush over 1,300,000 tons of cane from both MCP and Kilombero Growers and to produce >136,000 tons of sugar; good weather permitting. If we achieve this target it will be an all-time sugar make record for Kilombero Sugar.

Sugar sales rose slightly at the beginning of the year, mainly due to an increase in the demand for prepacks as a result of late arrival of imported gap sugar into the market. However, due to the higher than expected sugar production, all sugar storage facilities within the Estate are full requiring the need to store sugar in the K1 and KII community centres.

Production of Extra Neutral Alcohol (ENA) at the Distillery is progressing well. The targeted production for this season 2021/22 is to produce 12,205kL. As at 31st Dec 2021 year-to-date, Extra Neutral Alcohol (ENA) production was 12,771 kL which is well ahead of the plan by 28.7%. This improved performance is due to the installation of a new higher throughput PRC column during 2021 off-crop.

I'm excited about the new year as we complete the 2021/22 season with the strong possibility of breaking a sugar make record and as the business ventures into the new k4 expansion project which will bring about tremendous positive impacts to the surrounding community and the nation as a whole.

Wishing everyone a safe and successful new year 2022!

Guy Williams
COUNTRY MANAGING DIRECTOR

MP FOR KILOMBERO VISITS THE ESTATE

On the 5th August 2021, the Member of Parliament for Kilombero District Hon. Abubakar Assenga visited the Estate. The objective of the visit was to provide the newly elected Member of Parliament with a holistic understanding of the business including the expansion project and manage the misconceptions and misinformation that have been publicly announced by third parties.

Hon. Abubakar commended KSCL Management for initiating the Project which will bring about significant changes to the valley and on the same note promised to provide support where needed to ensure it is successful.



Mr. Stuart Watson -Expansion Project Director and Mr. Denis Mwasalla - Expansion Project Execution Manager with Hon. Abubakar Assenga MP for Kilombero.



1ST ILLOVO SALES CONFERENCE CONDUCTED

The first ever Illovo Sales Conference was held virtually from the 13th - 14th July 2021 with more than 130 attendees. The conference brought together for the first time the full sales teams from across Illovo Sugar Africa and a few representatives from various other functions were also invited to join. The theme for the Sales Conference was "Ready, Set, GROW" where it's main Objective was to reflect on the sales journey so far reached and identify gaps as well as opportunities for growth by individuals, teams and organisations.



Emmanuel Sylvester
Central Region Sales Rep



Managing Director - Guy Williams (left) and Commercial Head, Fimbo Butallah (right) presenting gifts to the central zone sales representative- Emmanuel Sylvester.

All operations also got an opportunity to nominate their best sales representative dubbed the Balozi Awards. Where Emmanuel Sylvester who is the sales representative covering the Central Region won the best Sales Representative award from Tanzania.

Emmanuel has been with the business for two years. He is very passionate about his work with excellent customer relationship skills. Well done to Emmanuel!

The "Balozi Awards" were named after Mr. Ephraim Balozi Mafuru who during his tenure as Group Head of Sales championed Sales Organization design across Illovo Sugar Africa, designing an Effective Route to Consumer model across all domestic markets and leading the Sales Capability strategy design and implementation across our domestic markets. The culmination of this journey was marked at the first ever Sales Conference where the awards were announced and winners from each country were presented with a certificate, a trophy and a watch engraved with their names at the back. The Balozi Awards will be an annual event to celebrate best performers in sales across Illovo Sugar Africa domestic markets.

The event was successful in connecting teams, sharing learnings, experiences and engaging on important topics and ideas that are needed to ensure collective and continued growth.

IDTL MONDE SELECTION AWARDS

For the 5th time now the Illovo Distillers Tanzania Limited (IDTL) has managed to secure the famous Monde Grand Gold Medal Award for production of high quality Extra Neutral Alcohol (ENA) as per the international standards set. This ranks IDTL among one of the companies that produces high quality ENA that is acceptable worldwide. Well done to the IDTL team!



Some members of the IDTL team led by the Distillery Manager, Oscar Mwasanga.



CANE SUPPLY AGREEMENT NEGOTIATIONS CLOSE

KSCL have managed to firm up a two years agreement with the Kilombero Growers for supply of cane to the mill for the 2021/22- 2022-2023 Season. This comes after lengthy discussions which commenced late last year.

The Growers are key stakeholders to the business due to currently supplying over 45% of the cane to the mill. The percentage is however expected to increase after the expansion which has been approved by the shareholders. In her closing remarks to the negotiation team, the Chairperson Ms. Willa Haonga thanked all members including the observers from the Sugar Board Tanzania (SBT) and the Tanzania Cooperative Development Commission (TCDC) to what she termed as their un-waivered support throughout the whole negotiation process despite their many other competing priorities. She requested the members' continued support in the upcoming post expansion negotiations where parties are expected to conclude a mutual agreement which will ensure that our business will continue to be sustainable for years and years to come.



NEGOTIATIONS WITH UNION CLOSED

Annual negotiations between Management and Workers representatives Union (TPAWU) for year 2021/2022 were concluded in September 2021 following a series of meetings. An Agreement was finally reached of increasing the wage by 4.2%. The increase was effected in September 2021.

THRIVING COMMUNITIES CAUSE

In its pursuit to ensure that the community we live in thrives, KSCL contributed 100 bags of cement to the District Commissioner for Kilosa. The bags of cement are to be used in construction of additional classrooms at Mikumi Secondary School, hence resolve the current challenge of inadequate classrooms. Mr. Bruno Daniel, -KSCL's Business Affairs Manager, represented the Company during the handover ceremony.

The handing over ceremony was conducted on the 23rd November at Mikumi Secondary School situated in Mikumi Township.

DC for Kilosa Hon. Majid Mwanga thanked the Company for the contribution which portrayed its support to the neighbouring community.



Business Affairs Manager - Bruno Daniel second left presenting a bag of cement to the District Authorities in Kilosa to signify handing over of the bags of cement.

20TH ANNUAL CONFERENCE FOR FINANCIAL INSTITUTIONS

KSCL attended the 20th Annual Conference of Financial Institutions which was organised by the Bank of Tanzania from the 25th and 26th November, 2021. The theme of the event was "Tanzania economy: Recovery from COVID-19 pandemic and beyond". Mr. Mafuru who represented the private sector in the conference got an opportunity to present on the investment cases pursued by private entities for economic growth, focusing on the Kilombero's Expansion Project.



TANZANIA-UK BUSINESS FORUM 2021

Being part of a UK Business KSCL was invited to participate in the Tanzania UK Business Forum 2021 held on 17th November 2021. The forum was organized by the British High Commission in partnership with Government of Tanzania. The theme of the event was "Strengthening Mutual, Sustainable & Economic Prosperity."

Hon. Kassim Majaliwa, Prime Minister of Tanzania and UK Prime Minister's trade envoy to Tanzania John Woodcock attended the event as the Guest of Honour.

The rationale of the forum was to provide a platform for UK businesses operating in Tanzania to share their experiences, opportunities and challenges and recommend mitigation measures to the Government with a view of creating a conducive environment for doing business, while fostering sustainable economic prosperity between the two countries.

Being part of a UK Business, the Managing Director got an opportunity of sharing KSCL's experience with other business entities.



Participants attending the UK-TZ business Forum.



RECOGNITION AND AWARDS

On the 25th Nov 2021, KSCL received a certificate of appreciation from NMB Bank PLC.

The handing over ceremony was conducted at the Company's main office Boardroom. The certificate was issued by the Branch Manager of NMB Kidatu Ms. Rehema Kiputiputi in recognition of being a outstanding customer.

INDEPENDENCE DAY COMMEMORATION

On 8th December, 2021 Morogoro Region Commemorated Tanzania's 60 years of Independence. KSCL had an opportunity to join other institutions in Ifakara Township - Kilombero District in the celebrations. The Guest of Honor was the Regional Commissioner for Morogoro Hon. Martin Shigella. The theme of 2021 Commemoration was "Tanzania Imara Kazi lendelee".



RC Morogoro Hon. Martin Shigella left, MD KSCL Guy Williams, the then Corporate Affairs Head, Joseph Rugaimukamu and DC for Kilombero, Hon. Hanji Yusuph Godigodi sharing a light moment at the K4- project site.

RC VISITS ESTATE

On the 7th December 2021, the Regional Commissioner for Morogoro, Hon. Martin Shigella, paid a brief visit to the Estate while on his way to Ifakara to commemorate 60 years of Independence. The Objective was to get an update on the Expansion project progress.

Interestingly to note is that commencement for construction of KI factory was in 1961 and was commissioned in 1962.

The K4 factory will be more than four (4) times bigger than KI factory.

Construction is being undertaken by a contractor namely TSK under turnkey basis and commissioning is expected in June 2024.



MD-Guy Williams (left) with RC-Morogoro Hon. Martin Shigella (centre) with the Expansion Project Execution Manager, Denis Mwasalla (far right) at the K4 site.

RUAHA FLOODS: PROACTIVE STEPS TAKEN BY KSCL

Ruaha village is famously known for its vibrancy due to various economic and social activities. The village has however faced various challenges including pressure on land due to its dense population but most commonly are floods which have affected it in the recent years but was extremely bad in 2019 and led to flooding our low level bridge and threatened collapsing of the public bridge.

In order to proactively mitigate any upcoming challenge which may be caused by floods, the company decided to support the village through clearing the water ways to avoid water running into the villagers houses and ultimately flooding the area. The exercise also includes construction of culverts to assist villagers in connecting from one area to another. This undertaking will cost TZ 32,113, 029 Million.



CONTINUOUS AWARENESS ON COVID-19

With the identification of the new covid-19 virus in South Africa (Omicron), COVID-19 pandemic has continued to be a health concern affecting all our people. The communities we serve are now faced with multiple challenges - from the risk of contracting the virus itself and its impact on overstretched health services, to the knock-on repercussions from containment measures on health, and livelihoods systems.

We are adapting our work to respond to these new challenges - both now and in the longer-term, while ensuring that we continue to work towards our objectives.

One of the most effective ways we can help combat the spread of COVID-19, and limit its impact, is by building people's knowledge and awareness. We're promoting preventative action to our employees and in communities, including practising good hygiene and physical distancing measures, in line with national government guidelines and recognised best practices.

All employees and dependents above 18 years of age are eligible to take the vaccination to help protect against COVID-19 and the complications related to it. Vaccination is now being provided at our health facility.

All those who are yet to be vaccinated are encouraged to do so, to prevent adverse effect which may occur once one has contacted the virus.

Please be advised to seek medical advice whenever you are unwell/ill by calling the hospital emergency number +255 784 386 255.



Did You Know?

1 Approximately four million people are disabled at work every year

2 Safety signs that inform you of danger can reduce workplace accidents by up to 80%

3 If you drive after being awake for 24 hours, your response times are as bad as someone who is over the drink-driving limit.

4 For every 1 km/h reduction in the speed limit, there is a 2% reduction in the number of average crashes.

**STOP!
THINK!
ACT!**



ANNUAL SAFETY AND SECURITY ENGAGEMENT

On the 16th Dec 2021 the company held the Annual Safety Engagement with its stakeholders surrounding the Estate. The stakeholders included neighbouring entities, Ward Executives (who by virtue of their offices are chairpersons of the Safety and Security Committee) operating near the Estate and Police posts for Ruembe, KI and Kidatu.



A cross-section of members in the meeting

The Objective of the engagement was to review and discuss issues of safety for the year by identifying challenges, and mitigations.

Members also discussed the safety challenges which stakeholders surrounding the entity could likely encounter when construction of the new factory gains momentum. Members agreed that collaboration of all stakeholders surrounding the estate would be crucial to mitigate those challenges.



Members of the forum in a picture together

SUPPORT TO KITETE ORPHANAGE CENTRE

The end of year is usually a time filled with festivity as everyone celebrates the achievements made and reflects the challenges encountered throughout the year and also begin preparation and plans for the year ahead. Throughout the years, individuals, families as well as companies have had different ways of showing their appreciation to the less fortunate during winding up the year. This year KSCL together with UNITRANS teamed up to give back to the community through supporting Kitete Orphanage centre.



KSCL's Acting MD Etienne Roseau and the then CA Head handing out gifts to children.

The support included construction of toilets by KSCL and Girls Dormitory and a football pitch by Unitrans. The handover ceremony was preceded by various fun activities which included a 20 minutes football and netball match between KSC and Unitrans employees with the children to signify handing over the pitches. On behalf of KSCL Managing Director Mr. Etienne Roseau - Manufacturing Head together with Unitrans's Managing Director, Mr. Rudolf Greyling participated in the colourful event.

This noble cause was held on the 22nd of December 2021 at the Kitete Orphanage Centre.



The then KSCL's CA Head and Hennie Greyling from Unitrans participating in a game of football.

KSCL BRIGHTENS KIDZCARE

On the outskirts of Dar-es-Salaam is a school and orphanage which is run by Kidzcare Tanzania, a non-profit organisation. The orphanage provides a home for up to 36 children from the area. For the past 4 years, at Christmas time, Kilombero Sugar Company (KSC) has helped ensure that the children at this orphanage have enjoyed a Christmas party, provided much needed sporting equipment for the home and ensured that the necessary school supplies were ready for the new school year.

During a very rainy visit to the home in 2020 it was realised that the home itself was in desperate need of repairs and maintenance, with the roof leaking heavily, windows desperately needing maintenance and the whole house needing a coat of paint to lighten up the rooms and preserve the walls. Last year in November 2021, the amazing KSC maintenance team went to the Kidzcare orphanage with all the necessary material to repair and paint the home - 4 weeks later - the home had been transformed! On December 18th 2021, a small Christmas party was held to celebrate the new repaired home and provide each child with a new pillow and sheet. It was truly a special Christmas this year at Kidzcare!



Civils team from Kilombero Sugar Co.



A cross section of the orphanage building being maintained



Business Affairs Manager-Bruno Daniel handing the Christmas hamper to DC Kilombero - Hon. Hanji Yusuph Godigodi



Admin Assistant from KSCL-Sylvia Anthony handing over gift hamper to Principal-National Sugar Institute.

NURTURING RELATIONS

The end of the year is a time well known for its festivity where people eagerly wait to celebrate Christmas and wind up the year. For businesses, it is also a time where we use to appreciate the support we get from our stakeholders in accomplishing our goals or supporting our endeavours. As a token to appreciate our stakeholders, KSCL remembered its stakeholders by provision of small gifts - Christmas hampers to thank them for their contribution and support to the business as well as wish them the best in the new year.

ASANTENI SANA!

FAREWELL AND NEW APPOINTMENT

KSCL bids farewell to its senior employee Mr. Joseph Rugaimukamu - Corporate Affairs Head who retired on 31st December 2021. Mr Rugaimukamu retires after 40 years of service to the company and has played a big role in the successful growth of Kilombero Sugar during his time.

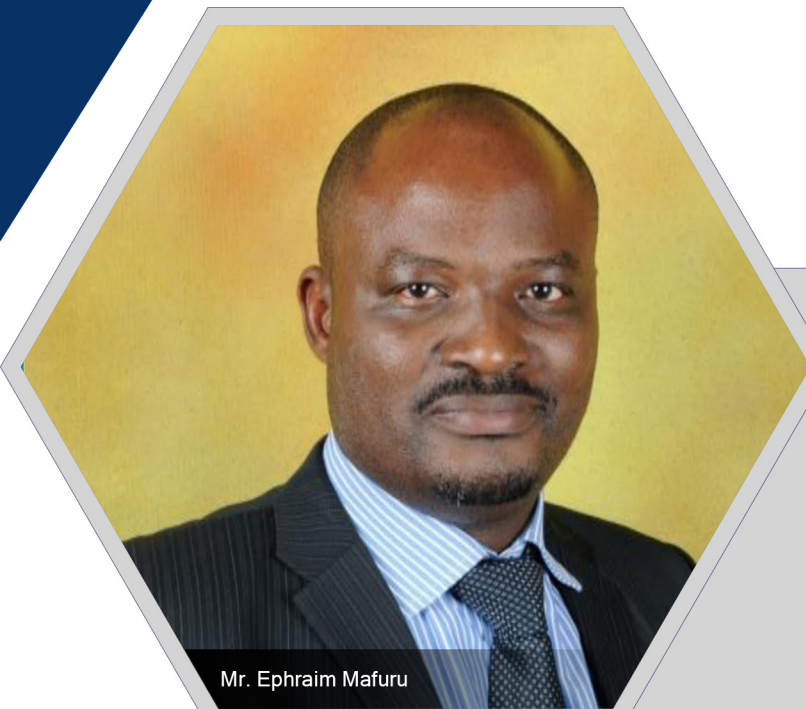
During his service with the Company, Mr. Rugaimukamu served in Estate Agriculture, Human Resources, Factory, Estate Support and finally Corporate Affairs Departments.

On behalf of Management we would like to thank Mr. Rugaimukamu for his commitment, dedication and commendable contribution to the business throughout his tenure of service.

His energy and good sense of humour will most certainly be missed. Management wishes him and his family well, for the future.



Mr. Joseph Rugaimukamu



Mr. Ephraim Mafuru

Consequentially, Mr. Ephraim Mafuru has been appointed as Corporate Affairs Head of Kilombero Sugar Company Ltd (KSCL) reporting to the Country Managing Director with effect from 1st January 2022.

Prior to this appointment, Ephraim worked with KSCL as the Corporate Affairs Director, Commercial Director before joining the Group Head Office in 2017 as Group Head of Sales from August 2017 to December 2021.

As Corporate Affairs Head, Ephraim will lead the business in rebranding KSCL image, stakeholder relations and championing advocacy issues of the Company.

Ephraim has over 22 years work experience in Marketing, Commercial and Corporate Affairs from Kibo Breweries Ltd, Tanzania Breweries Ltd, Vodacom Tanzania Ltd and Serengeti Breweries Ltd. He holds a Bachelor of Commerce & Management (Marketing) degree and an MBA in Marketing from the University of Dar-Es-Salaam Business School and he is a registered member of various National and International Institutions in the marketing profession.

Management welcomes Ephraim to the team and wishes him the best in his new role.



Joseph Rugaimukamu (centre) receiving a gift from a members of the Admin Block.



Joseph Rugaimukamu (center) in a photo with some members of the Admin Block.



What **topics** would you like
to see in our **next edition**?

Share your feedback by sending your email to:
corporatecommunications@ilovo.co.tz

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