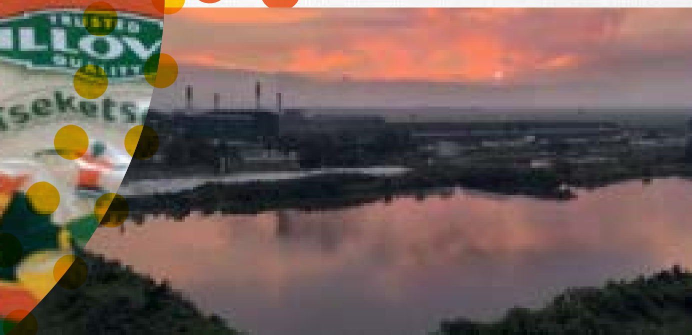
Annual Report 2023

SUGAR
ILLOVO
MALAWI

AN **ILLOVO SUGAR AFRICA** COMPANY



TOGETHER
WE CAN
PAMODZI
NDIZOTHEKA

ILLOVO
THRIVING
COMMUNITY

We believe that by working with our stakeholders together we can tackle key local ESG issues that drive positive impact.

Contents

Why We Exist

To create a thriving Malawian community through the provision of affordable food and energy.

What We Will Be

To be a sustainable, resilient, consumer and customer centric performance focused business that delivers outstanding value for all our stakeholders.

Core Values

INCLUSIVENESS
Embracing Diversity

INTEGRITY
Upholding Our Values

EMPOWERMENT
Empowering Our People

ACCOUNTABILITY
Delivery Focused

COMMITMENT
Working Collaboratively

Our Purpose

Illovo Sugar Malawi (ISM) recognises that for our business to be successful we must evolve alongside the **Malawi market**, whilst creating **shared economic value.**

We will ensure this through our commitment to fulfil our purpose in creating a **thriving Malawian community through the provision of affordable food and energy.**

Integral to this is ensuring the long-term sustainability of the business through its practices that will secure the **business's profit while safeguarding the planet and people.**

Our purpose is supported by the four purpose pillars: **Sugar Market Leader, Sustainable Agriculture, Value and Quality Driven Industry and Community Connected.**

Our impact on society, environment and economy are embedded within our Thriving Community purpose pillars and encompass ESG dimensions.

Purpose Pillars

SUSTAINABLE AGRICULTURE

Creating mutually-beneficial and commercial value from agricultural community projects.

Promote rural economic development and growth by sharing agricultural expertise and facilitating community access to resources, including water, power and farming inputs. We prioritise sustainable cane developments through inclusive growth models and shared value in our supply chain to bring mutual benefit to both business and society.

VALUE AND QUALITY-DRIVEN INDUSTRY

Encouraging innovative commercial community opportunities along our manufacturing value chain.

Unlock national growth in Malawi aligned to the Company's core agri-business expertise.

COMMUNITY CONNECTED

Collaborative and cooperative stimulation of economic activity.

Collective community engagement strengthens the growth and the development of the THRIVING MALAWIAN COMMUNITY, evidenced by increased opportunities which bring about positive socio-economic impact and benefit.

SUGAR MARKET LEADER

Quality branded products consistently delivered to vibrant local markets.

Positioned to serve and meet local customer and consumer needs. This underpins Illovo's market, financial & business sustainability, and license to operate.

ILLOVO
THRIVING
COMMUNITY

Key Indicators

Results (MWK Billions)

REVENUE	K272.5	46% GROWTH	FY'22 : K186.6
OPERATING PROFIT	K81.9	107% GROWTH	FY'22 : K39,.5
NET PROFIT	K56.8	113% GROWTH	FY'22 : K26.6
NET CASH	K77.2	1200% GROWTH	FY'22 : K15.2
CAPITAL INVESTMENT	K25.7	55% GROWTH	FY'22 : K16.6

Share Performance

SHARE PRICE (TAMBALA)	112 142	224% GROWTH	FY'22 : 50 000
HEADLINE EARNINGS (TAMBALA)	7 955	213% GROWTH	FY'22 : 3 733
DIVIDENDS (K'MILLION)	18 721	134% GROWTH	FY'22 : 13 955

Performance Statistics (K' Tons)

CANE CRUSHED	2 316.8	18% GROWTH	FY'22 : 1 970.3
PRODUCTION	264.1	15% GROWTH	FY'22 : 229.7
DOMESTIC SALES	225.4	6% GROWTH	FY'22 : 213.6
EXPORT SALES	29.4	-55% DECLINE	FY'22 : 65.7

About Illovo Sugar Malawi

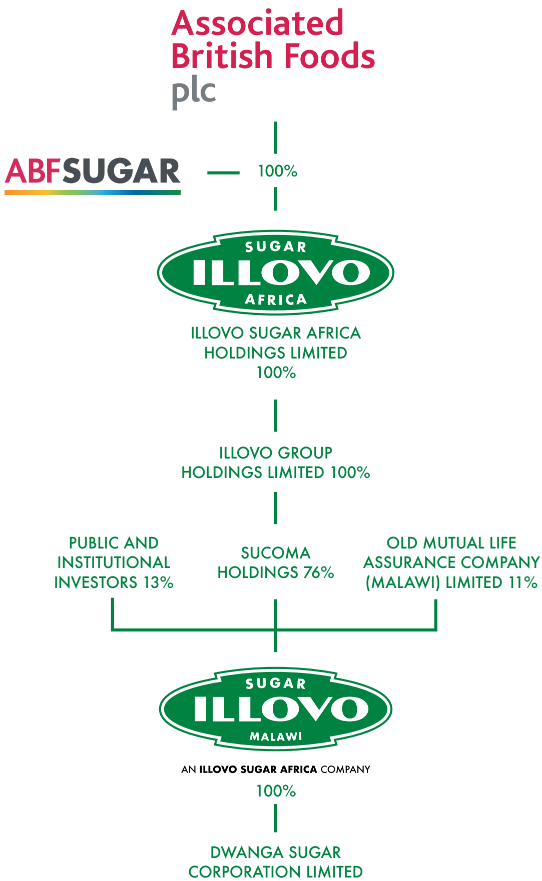
Welcome to Illovo Sugar Malawi

Illovo Sugar Malawi (The Group) was incorporated in Malawi as a private company, (The Sugar Corporation of Malawi (SUCOMA) Limited), on 31 May 1965 and then converted to a public company on 15 September 1997.

Illovo Group Holdings Limited (Illovo) through SUCOMA Holdings Limited, holds 76% of the issued share capital of Illovo Sugar Malawi with the balance of the shares being held by the public and other institutional investors.

The ultimate holding company is Associated British Foods plc (ABF), in the United Kingdom, which acquired full ownership of Illovo Sugar Africa in 2016.

Ownership Structure



Associated British Foods

is a diversified international food, ingredients and retail group with sales revenue of £ 19.8 Billion achieved in the year ended 31 August 2023.

ABF Sugar, which manages all of ABF's sugar interests, employs around 35,000 people and operates in 10 countries across 27 locations, globally. Its business units consist of AB Sugar China, Azucarera, British Sugar, Vivergo Fuels and Illovo Sugar Africa.

Illovo Sugar Africa is the largest sugar cane producer in Africa and has extensive agribusiness operations in six African countries, including Malawi.

Illovo Sugar Africa, through its business units and their respective operations, manufactures sugar and downstream products from cane supplied by its own agricultural operations and local growers.

Illovo Sugar Malawi aspires to create a thriving Malawian community through the provision of affordable food and energy. Illovo Sugar Malawi is the country's biggest producer of sugar and plays a significant role within the Malawian economy.

It has developed significant agricultural and milling assets at the Dwangwa Sugar Estate in the central region in Nkhotakota and at the Nchalo Sugar Estate situated in the south of the country in Chikwawa.

The Dwangwa factory produces refined and brown sugar, while the Nchalo factory produces brown and value-added specialty sugars. Both operations also produce molasses (a by-product of the sugar manufacturing process), which is currently sold as a fermentation raw material to the two fuel alcohol distilleries in Malawi.

Illovo Sugar Malawi is one of the country's largest single private-sector employer providing permanent, seasonal and casual employment opportunities for over 10 000 people and an additional 5 000 through our supply chain creating a total of 15 000 jobs. The company further supports an estimated 7 938 smallholder cane farmers through various smallholder schemes.

Many local industries are dependent upon Illovo for their viability, and the employment created by these businesses provides an income base for many families.

During the peak of the growing season, Illovo Sugar Malawi typically cultivates around 2 million tons of sugarcane across both estates, with Malawian growers contributing an average of 470,000 tons. However, during the year in review, lower sugar production was experienced due to Cyclone Freddy, which happened in mid-March 2023 and affected cane yields and quality.

Product Portfolio

Illovo Sugar Malawi produces a comprehensive range of products, offering the right product, at the right price, at the right location, to meet consumers' needs, as well as addressing affordability across our various consumer categories.

It is the only refined and specialty sugar manufacturer in Malawi, producing raw, brown, and refined sugar, as well as specialty sugars customized to meet customer specifications for domestic and export markets.

In the current financial year, almost 264 000 tons of sugar were produced, with 173 310 tons enriched with vitamin A sold into the local direct consumption market under the renowned Tseketseke brand.

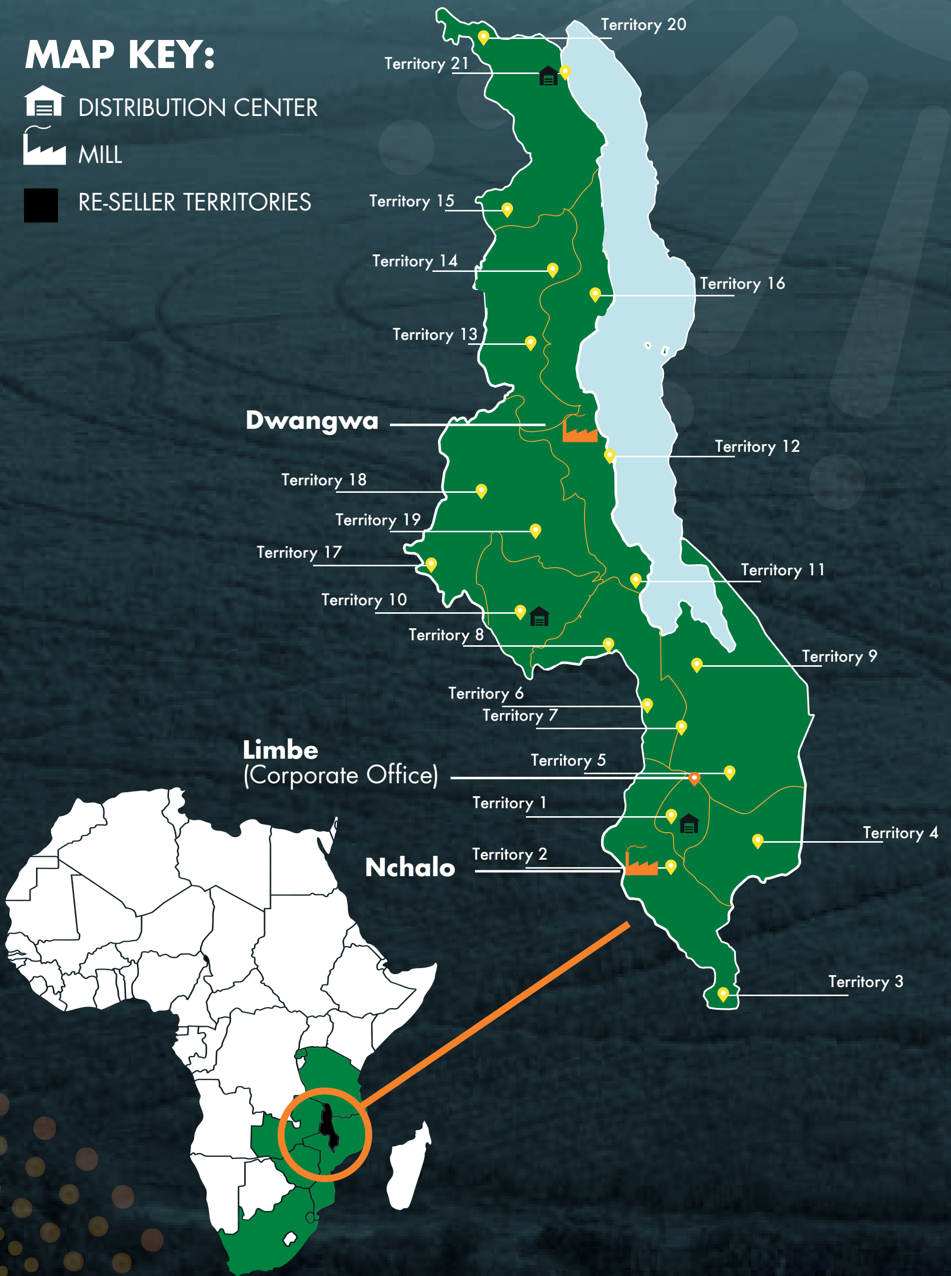
These sales, together with local artisanal and industrial market sales, were effected through the company's established distribution channels and reseller territories.

The balance of sugar produced was exported to regional African, European Union (EU) markets and markets in the United States of America (USA).

Illovo Sugar Malawi is a major contributor to the Malawian tax collections through direct and indirect taxes, and as an outcome of its export sales, it generates valuable foreign exchange for the country.

Our export market is mature, and we have been supplying our products to Botswana, Burundi, DRC, Kenya, Rwanda, South Africa, Tanzania, UAE, Zimbabwe, various European countries, the UK and the USA, for more than 50 years.

Operating Locations



Celebrations, Rewards & Recognition

In May 2022, we celebrated our 25th anniversary since we were listed on the Malawi Stock Exchange. Over the past 25 years, our Company has played a key role in the development of the capital market and has provided investment opportunities to the people of Malawi. We have also prioritized a sustainable financial future by implementing business practices that support economic growth, reduce environmental impacts, and enhance the well-being of our local communities. This achievement has been made possible through strong collaboration with various stakeholders.

The following achievements demonstrated the remarkable success and recognition received by our company in the 2022/23 financial year.

33rd Malawi International Trade Fair (May 2023)

- Best Exporter
- Best Manufacturer

Employers Consultative Association of Malawi (ECAM) Employer of the Year Award (December 2022)

- Managing Crisis
- Safety In the Workplace
- Corporate Social Responsibility
- Youth Employment and Skills Development
- Largest Employer
- Best Employer of the Year Award

18th National Agricultural Fair (Oct 2022)

- Best Agro Processor Award

Illovo Group Performance Awards (September 2023)

- Human Resources
- Commercial Award
- Edward Namboya Financial Management Award
- Best Agricultural Performance Award
- Best Country Award

ESG at Illovo Sugar Malawi Plc

Our ESG priorities, derive from the ABF Sugar Global Mind, Local Champions framework, which aims to create a global mindset, by leveraging on the ABF Sugar group business network to tackle key local, ESG issues that drive positive impact. The Global Mind, Local Champions framework is built on the premise of three guiding pillars that are: building rural economies, creating thriving and healthy communities, and consuming resources responsibly.

We aspire to create high-quality food and energy products that serve as catalysts to drive environmental, social, and economic benefits within Malawi. We believe this can be realised by delivering on our purpose to create a Thriving Malawian Community which is upheld by four key pillars: ensuring **Sustainable Agricultural** Practices, becoming **Sugar Market Leader**, ensuring **Value and Quality Driven Industry**, and remaining **Community Connected**.

The Company's ESG impacts are embedded within our Thriving Community purpose pillars and our reporting is intended to provide all stakeholders with an understanding of our commitment to addressing ESG issues within our operations as we pursue the fulfillment of our purpose.

We are committed to fostering sustainable development and creating a better future for our business, customers, and greater Malawian community. In 2022/23, we focused on activities that were geared towards addressing these key areas:

1. Engaging and supporting our employees, which includes a drive towards diversity and inclusion.
2. Prioritising the safety, health, and wellbeing of our employees.
3. Provision of safe and affordable products.
4. The reduction of end to end supply chain water and CO2 footprint in line with ABF Sugar's commitment to reduce these by 30%.
5. Building vibrant and diverse working environments that enhances prosperity within the Malawian community by aligning our efforts to Malawi vision 2063 agenda for industrialization, agriculture productivity and commercialization.
6. Tackling of plastic and waste management.

The Illovo Sugar Africa group of companies also recently commissioned an independent sustainability consultancy, to undertake an update of the socio-economic impact assessments carried out for Illovo Sugar Africa and its subsidiaries in 2013, 2017 and 2021. These assessments form a deeper understanding of the Company's impact in its communities and these have been used as basis for validation of key impact areas to be reported on for FY 2022/3. These impact assessments can be accessed through www.illovosugarafrica.com/socio-economic-impact .

Unifying for excellence: serving customers, consumers and empowering communities. Together we can achieve more.

Sugar Market Leader

Illovo Sugar Malawi's purpose goes beyond building market preference; it extends to providing safe, nutritious, and affordable food to consumers. Through rich commercial insights and collaborative efforts with production and distribution partners, the Company ensures that its products not only meet market demands but are also affordable, safe and of high quality. By consistently serving customers with quality products in the formats they require and at a price they can afford, Illovo Sugar Malawi fulfills its purpose of delivering food that is delicious, fortified with Vitamin A and accessible to all. This commitment enhances the Company's market, financial, and business sustainability, as well as its license to operate.

In addition, Illovo Sugar Malawi is committed to aligning its sustainability agenda with Malawi's 2063 agenda, specifically focusing on the pillars of industrialization, agriculture productivity, and commercialization. In the 2023 financial year, the company has made significant progress in advancing this agenda. Despite facing climate challenges like flooding, the Company's steady production growth and financial performance have significantly contributed to the country's economic growth through its tax contributions, revenue performance in the domestic market, distribution channels, innovations and provision of employment opportunities.

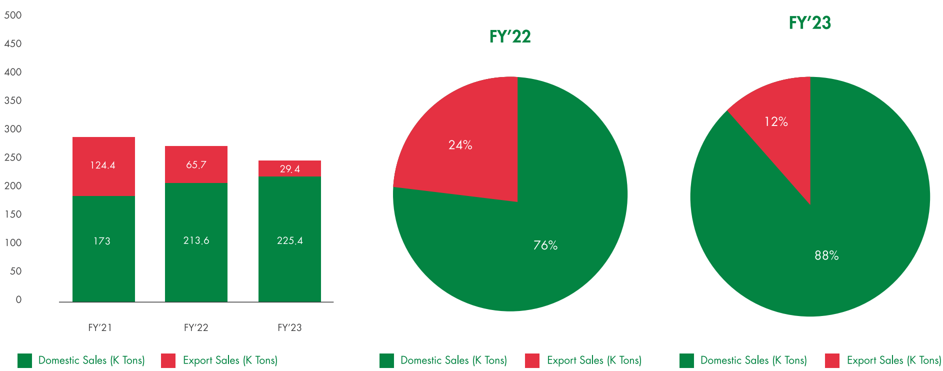
Commercial Highlights

Revenue Performance

Despite facing severe challenges such as volatile exchange rates, fuel shortages, rising costs, and flooding, Illovo Sugar Malawi's revenue has grown consistently over the past three financial years.

This consistent performance has enabled the Company's stable financial position, which has allowed it to provide economic opportunities for its employees, growers, and other stakeholders in the value chain.

Sales by Market



Providing Fortified and Affordable Food

We believe that our products have a role to play as part of a healthy balanced diet and as such, we fortify our sugar with vitamin A, which is an essential micro-nutrient which assists the body to function properly – from enabling the function of sight, growth and development through to skin maintenance, immune functions and reproduction. In the 2022/23 financial year Illovo Sugar Malawi spent K 1.18 billion on this ongoing fortification initiative.

In addition Illovo Sugar Malawi values the importance of educating consumers about sugar and health. We launched a Making Sense of Sugar website, a dedicated resource for all Malawians, which informs about the facts on sugar and the role it can play as part of a healthy balanced diet. This based on current and robust science. The website can be accessed through https://makingsenseofsugar.com/mw/

Generating Market Opportunities through our Route to Consumer

We have successfully redesigned our route to market to put customers' needs at its heart. We have developed tailored routes to market, which are less reliant on third parties and therefore more direct to consumers, enabling us to minimise price variations across different regions and improve connections with distributors and stockists. The result is a significant increase in sugar sales to both consumers and industrial customers across the country.

For the first time, we have developed and implemented a standardised process to replace the varying routes to market across the country. One of the most important changes is our improved delivery network. This has eliminated the need for customers to travel to our warehouses to collect stock, mitigating price disparities arising

from transportation costs being added to the selling price of our sugar.

We have also expanded our geographic footprint by appointing new distributors, opening new containers in strategic locations, and significantly scaling up our secondary distribution. This combination of improved delivery and an expanded footprint has transformed market penetration and ensures easier and more reliable access in rural areas.

These improvements have resulted in a significant increase in our domestic sales, which increased by 40% over the last three years.

Looking ahead, we are committed to refining our processes to promote closer and stronger relationships with our customers, improve the availability of sugar in the domestic market and grow volume and value for our stakeholders.

Introducing the 90g "Shuga Mtape" Prepack

In response to economic challenges and high inflation rates in Malawi, in the 2023 financial year, we introduced a 90g mini pack called 'Shuga Mtape' on November 16, 2022. This pack specifically targets the lowest income consumer segment, ensuring affordability for this segment. One of the key motivations behind this innovation was to address the hygiene risk associated with the manual repacking process used by traders to transfer sugar from larger bags into smaller tie bags. By offering pre-packaged 90g servings, we have effectively eliminated these hygiene concerns.

This breakthrough has not only improved sugar penetration into rural households but also represents our first venture into mini pack formats and strip pack solutions. The successful launch of 'Shuga Mtape' exemplifies our unwavering commitment to innovation and meeting the diverse needs of consumers across different segments.

Marketing and Advertising Initiatives

As a customer and consumer-centric business, we are dedicated to running various marketing initiatives that aim to build brand awareness, boost overall sales, and foster an emotional connection with our brand.

To enhance our presence and effectiveness, we have increased our advertising efforts on radio, TV, and billboards through spot buying. This has resulted in significant improvements in our effective equity score, which according to our brand health tracker, has been growing year on year for the past three years.

To drive annual sales growth, we have been executing impactful campaigns that target customers and consumers across different key segments. One of our current campaigns, known as the 'Tseketseke kuma last ndi Illovo Promotion,' has not only rewarded over 10,000 participants with various prizes but has also strengthened the bond between Illovo and our customers and consumers.

Our consumer campaign, 'Everyday Chef' has also played a vital role in cultivating brand loyalty and promoting product usage. Through this campaign, we aimed to position ourselves as an essential ingredient in everyday cooking. We utilized various marketing channels, including digital media, print advertisements, and targeted promotions.

These marketing initiatives have not only facilitated direct engagement with our customers and consumers but have also expanded our brand reach and presence. By leveraging technology and implementing offline activations, we successfully transcended geographical barriers and achieved simultaneous engagement across the country.

Looking ahead, we remain committed to innovative marketing strategies that resonate with our target audience and drive brand growth. These initiatives align with our objective of delivering sustainable value to our esteemed investors and stakeholders.

Our Commitment to Quality

Illovo Sugar Malawi has internal quality control systems that are designed in line with the Malawi Bureau of Standards (MBS) and relevant international standards requirements to ensure consistent checks and balances. Both our mills are certified to a Global Food Safety Initiative (GFSI), Food Safety System Certification (FSSC 22000). In addition, the sites have Kosher and Halaal certification. Our products exported to the United States of America comply with the US Food and Drug Administration (FDA) standards.

Illovo Sugar Malawi strives to be a customer-led business which consistently delivers a secure supply of products that are quality assured, safe to consume and that meet our customers' needs.

Across our operations and value chain, an all-encompassing culture built on quality and food safety has been embedded with a clear focus on the continual improvement of management systems and processes. This is underpinned by a rigorous approach that targets assurance and control for product quality and food safety, regular auditing and reviews, education, training, and investment.

In the past year, Illovo Sugar Malawi has implemented the 'Quality Way' to drive a step change in ways of working and behaviours. This has delivered a major improvement in 'Right First Time' quality for our business, resulting in enhanced on-shelf presence for retail packs and significant reductions in the level of customer complaints received.


ILLOVO
ALINAFE DISCOUNT SHOP
ILLOVO
ndi Illovo


Russell Hobbs

Economic Impact

Illovo Sugar Malawi plays a crucial role in contributing to Malawi's economy. The Company contributes towards significant economic impact by providing numerous opportunities along its value chain. These include not only opportunities for our sugar cane growers but also the supporting industries that supply Illovo Sugar Malawi and the small local businesses that have emerged around the sugar estates (such as transportation, harvesting, and retail).

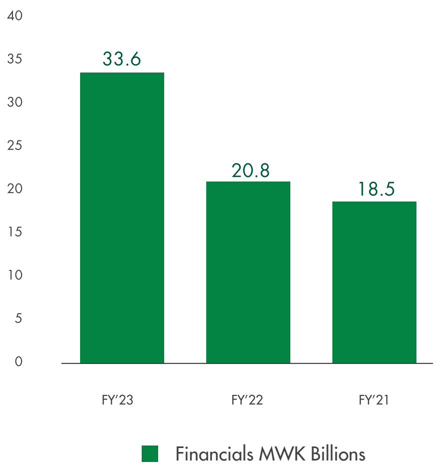
The Company provides significant employment opportunities within our own operations and along our supply chain, as well as having wider impacts in the communities where we operate and the Malawi economy. Our impacts include the employment of workers on Illovo Sugar Malawi's farms and factories, as well as the Company's tax payments, interest spending, shareholder dividends, investments, and other financial contributions. Impacts in the value chain is the large number of independent growers in our supply chain. These growers deliver their cane to our mills through cane supply agreements and are paid for their produce.

Illovo Sugar Malawi in the 2022/23 financial year employed a total of 10 457 employees. Out of our total workforce of 10,457 employees, 4,994 are permanent employees, representing approximately 48% of the total, while 5,463 are seasonal and contracted workers, making up approximately 52% of the total.

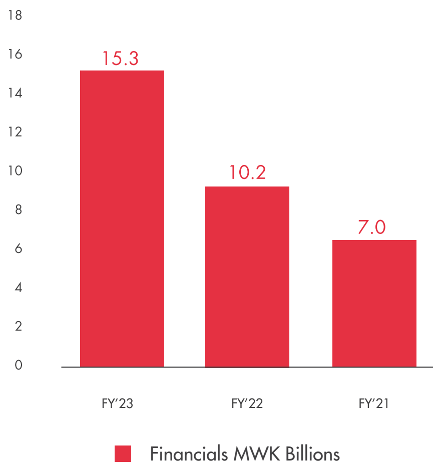
Other impacts include payments to other suppliers and distributors, as well as the effects on businesses that sell Illovo Sugar products or use them in their operations. In addition, the spending by both direct and indirect employees, leads to increased consumption and employment in other sectors of the economy. Illovo's impacts also encompass the employment opportunities provided in the rural economy as an indirect result of the Illovo value chain and include the creation of Small to Medium-sized (SME) service providers, themselves also rural employers.

Economic Impact Highlights

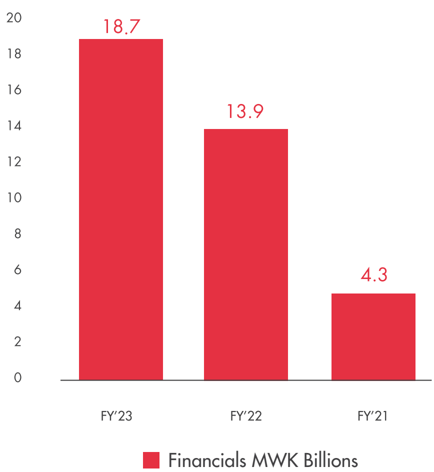
Payments to Growers



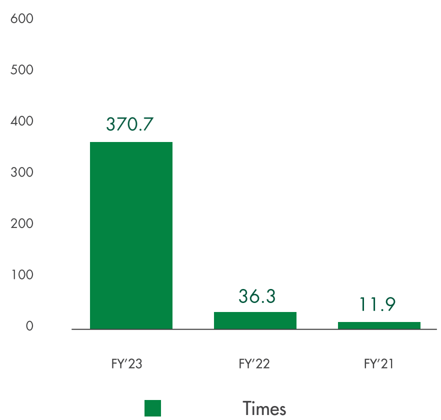
Incentives to Distributors



Dividends Paid



Interest Cover



We continue to priorities quality and aim to encourage innovative commercial community opportunities along our manufacturing value chain to unlock national growth.
Together we can create shared value.
Pamodzi ndizotheka.

Value and Quality Driven Industry

Illovo Sugar Malawi plc is committed to driving value and quality in the industry through our operations. We firmly believe in creating innovative opportunities within our manufacturing value chain to foster a value-driven industry. Our core expertise lies in agri-business, and we actively use these to promote national growth in the country in order to unlock its potential.

To achieve our ESG goals, it is crucial that we engage and support our employees, prioritizing their safety, health, and wellbeing. We are dedicated to fostering a diverse and inclusive work environment, where everyone can thrive. Furthermore, we are committed to reducing plastic waste and minimizing our supply chain's environmental footprint. We make it a priority to address issues such as water usage and CO2 emissions within our operations. Through these efforts, we aim to ensure our operations align with our purpose-driven approach, creating value along our supply chain while also addressing social and environmental impacts.

Our People

We firmly believe that people are the cornerstone of our business success, and their safety, well-being and development remain our utmost priority. As we strive to create long-term value for our investors, it is imperative to recognize that our employees' skills, capabilities, and dedication are the foundational elements that drive innovation and foster growth.

Our Approach to Safety

To ensure Illovo Sugar Malawi plc is a safe place to work and live, we put in place measures such as safety hazards identification, safe work procedures, safety engagements (PTO, coaching, awareness, training). These measures help to ensure that our employees adhere to our safety standards and consistently behave in a safe manner.

Our further aim is to engage and share our Safety Journey message directly with all our employees so as to ensure that safety becomes everyone's business.

By making safety a priority we strive to achieve:

- Zero fatalities
- Zero overdue safety actions
- Zero non-compliance

Our Safety Performance this Year

We have always been serious about safety, and it is imperative that our operations must be a safe place to work and live. Despite our efforts, we sadly still suffer fatalities and Lost Time Injuries. We are deeply saddened that we have lost one employee at our Nchalo estate, who died whilst working for us this year. We keep our lost colleague in our thoughts and extend sympathies to his family.

This year the Company's Lost Time Injury (LTI) rate for Dwangwa, Nchalo and Olivewood sites have reduced. Nchalo and Olivewood LTI rate has reduced with 0,04 of the full-time employees experiencing LTI compared to 0,11 in 2022. While Nchalo employees LTIs reduced by 75% from 8 to 2. At Dwangwa lost time injury rate reduced from 0.07 to 0.03 this financial year representing 52%. While the number of LTI reduced from 4 during the 2022 financial year to 2 during this financial year.

To improve on our safety measures, we have enhanced our focus on the importance of safety across all our operational sites. Key actions already taken include the appointment of a local safety champion who is an executive member of the management team. Their role is to ensure the implementation of our enhanced Safety Strategy. For this to be realised it is important to develop a culture of zero compromise towards safety.

In addition, 67 senior and executive managers underwent a psychological safety Linked in training and 69 participated in-person workshop conducted during the Company's annual leadership conference. This represented 100% of the senior and executive managements cohort. Furthermore, all employees and contractors are encouraged to speak up when they see something potentially unsafe and challenge anyone regarding a risky decision or process. This is being championed by the Managing Director with support from the rest of the leadership team through routine Gemba walks across all sites, where employees are encouraged to speak up and concerns raised are addressed accordingly.

The business together with the other businesses within the ABF Sugar group has been working collaboratively to improve safety performance and protect all employees from injury. This included a cross-business collaboration to identify 'critical to life risks', with 10 risks prioritised for further action.

Safety Regulatory Involvement

This year the business received 1 health and safety fine which related to labeling requirements and the fines totaled K 663,930.05. The business also received two health and safety (product non-compliances) notices from Malawi bureau of standard in relation to vitamin A dosing and 50kg industrial sugar bag labeling. All issues were resolved through engagement with the regulator and remedial measures put in place.

Safety Mitigations

All our sites adhere to Food safety standards and possess certification accordingly. In addition to these measures our Nchalo Estate has achieved a remarkable 4-star rating during a recent NOSA audit, conducted by a South African company specializing in occupational health, safety, and environment. This audit, based on the internationally accredited CMB 253 Version 7.1 standard, evaluates various aspects of health and safety practices. Nchalo Estate is the first site within the Illovo Group to undergo a NOSA grading audit in the past 8 years.

In the last financial year, we have spent a total of K 987.1 million on health and safety risk management at all sites.

Employee Wellbeing

We are invested not only in the physical safety but also wellbeing of our employees, including their health, financial, mental and overall wellbeing. This is why we have in place various programmes and initiatives focused on specific needs as identified from time to time to ensure appropriate support is available when and where required.

To ensure the health and well-being of our employees, our business provides medical services at the Nchalo and Dwangwa sites.

These services are available to both employees and the community. In Nchalo, there are 5 clinics, while Dwangwa has 2 clinics and 1 hospital. The hospital in Dwangwa is equipped with 36 beds for in-patient use, while there are 36 beds available in Nchalo for short-stay patients.

In addition to general healthcare services, the clinics also offer specific screening tests for employees who are exposed to dust and fumes, such as lung functionality tests. For those exposed to excessive noise, hearing tests are provided. All the clinics are supervised by qualified medical personnel, including a doctor at each site. In Nchalo, there are 11 nurses, while Dwangwa has 15 nurses.

Supporting the medical staff are 6 clinical technicians/officers (3 at each site) and 8 medical assistants (6 in Nchalo and 2 in Dwangwa). Additionally, there are 60 support staff members who assist with various tasks, including patient attendants, pharmacy services, laboratory work, and other related duties. In Dwangwa, there are 41 support staff members, while Nchalo has 29.

While employees based at our Limbe head office, Olivewood packing station as well as distribution centres in Limbe, Lilongwe and Karonga are all provided with medical aid with 80% of the cost covered by the Company for junior to executive management and 100% for non-managerial positions.

In terms of payment the company currently offers a take home pay that 100% above the current country minimum pay with minimum gross wage of K 127,000.00 that includes basic pay, food allowance and live out allowances. In general, the Company's remuneration policy subscribes to the following basic principles; affordability, market relevance, equity, alignment of guarantee pays to the market median as well as variable pay schemes such as short-term incentives and performance related bonus.

Engaging, Supporting and Developing Our People

Illovo Sugar Malawi, plc is committed to rewarding and developing our people. In order to position the business for growth we have included building capability across our supply chain as a strategic priority embedded within our business strategy. In order to realise this ambition, we engage our employees to understand their most pressing needs as well as run various training and developmental programs.

Engaging Our Employees

Engaging our employees is not only the right thing to do but also a strategic imperative. It fosters a positive workplace culture, enhances productivity, and ultimately contributes to the long-term success and value creation of our organization. We have made significant progress in employee engagement.

Our efforts in engagement have shown remarkable results, with a notable increase of 8% in our recent employee engagement survey compared to 2020. This surpasses the engagement levels of the Food and Beverage Manufacturing norm. We have identified three key components of sustainable engagement: Energy, Engagement, and Enablement. While Energy has slightly decreased, Engagement and Enablement have seen significant improvements. Energy, which encompasses physical, interpersonal, and emotional wellbeing at work, stands at an impressive 97%. Engagement, reflecting attachment to the Company and willingness to give discretionary effort, is at 94%. Enablement, which measures the work environment's support for productivity and performance, has seen the most substantial increase of 28%, reaching 89%.

From our employee survey the segments analysis reveals that 63% of our employees are highly engaged, demonstrating above-average ratings on all three components of sustainable engagement.

This represents a remarkable 22% increase compared to 2020 for the front-line management layer.

Additionally, we have effectively reduced the number of unsupported and disengaged employees, indicating notable progress in overall employee engagement.

To achieve these results, we have implemented several initiatives. Regular quarterly business updates serve as a platform for effective communication, allowing management to provide feedback on business progress and objectives while encouraging insightful input from managers.

This transparency and alignment enable employees to understand their contributions to our organisation's success. We have also prioritised employee input and ideas, actively seeking them to drive innovation and continuous improvement. By tapping into the diverse perspectives and expertise of our employees, we foster a culture of collaboration and creativity. We have also equipped our managers with the skills and knowledge necessary to effectively lead and engage their teams by offering leadership development programs.

By prioritizing employee engagement, we are confident in our ability to build long-term value and success. Our commitment to creating a positive workplace culture, encouraging employee input, and nurturing effective leadership is the foundation for driving innovation, enhancing productivity, and ultimately creating value for our organization.

Developing Our People

In the 2022/3 financial year we provided technical functional, core business, leadership, safety, health, environment and quality (SHERQ) trainings to 4 132 employees which is 20% above 2021/22 financial year. The average training days per employee for the same period was 3 days. Technical functional trainings accounted for 51% of the trainings conducted, with 32% specifically targeted for Safety, Health, Environment and Quality (SHERQ), 14% core business trainings and 3% leadership training.

The business also runs a Management in Training program which seeks to develop talent for future leaders. This year a total of 16 management trainees were enrolled into the program and 5 completed the course and with 3 placed into middle management positions and 2 into front line management positions. Other opportunities for development are provided through apprenticeships, operational leadership development, continuous professional development and skill upgrading studies. This year this included:

- 31 apprentices for different disciplines including Fitting, Welding &, Fabrication and Electrical Installation. The apprentices are undergoing industrial attachment in Illovo for a period of 12 months (January – December 2023)
- 62 Factory Front Line Managers enrolled on the Operation Leadership Development program and will be finishing by end of October 2023.
- 38 Employees enrolled on the Continuous Professional Development and are at various stages of their study programs.
- 24 employees undergoing upgrading studies with technical colleges as part of the MOUs with colleges and Universities.

Top learning interventions for the sites include quality and food safety, safety training (Illovo Safe, fire fighting, first aid, height rescue), technical operating procedures training, Success Factors training, pan boiling training and modern-day slavery awareness.

Championing Diversity, Equity, Inclusion & Belonging

Our business believes that in order to thrive we must create an environment that ensures Diversity, Equity, Inclusion and Belonging (DEIB). By leveraging on our people, we will be able to ensure continued positive business performance, innovation, as well as attract and retain talent. This year we focused primarily on women and women empowerment. In the 2023 financial year, women represented 19% (1 697) of the workforce, marking a 7% increase from previous financial year. This includes an increase in the number of women in management positions.
This increase in women in workforce is a direct result of management's commitment towards women and women empowerment. As further action in supporting the increase in women in workforce, the Company also launched its Illovo Women in Leadership Programme (IWIL), which is spearheaded by a committee of women to tackle issues that are barriers to women inclusion within the business. Furthermore, the Company has a deliberate development program for its female senior management leadership.

The leadership is also looking into how to remove barriers to belonging that were identified through a special challenge given to the Illovo Sugar Africa Millennial Board. The Illovo Millennial Board is a six-month programme which was created as a platform for younger generations within the business to come together and leverage their diverse expertise and backgrounds to solve complex business challenges. It is also a development opportunity for high potential and high performing individuals.

This year's board ran from July to December 2022 and consisted of classroom-based skills built sessions, workshops with DEI experts, coaching support, virtual working tools, and board meetings with the Illovo Sugar Africa Executive Committee. Of the nine millennial board members, Illovo Sugar Malawi was represented by two members. One of whom assumed the chairperson position making it the second consecutive time Malawi has chaired this board, both times by female representatives from the business.

Our Operations

Climate change remains a pressing and material issue for Illovo Sugar Malawi, as evidenced by the destructive Cyclone Anna in 2022 and Cyclone Freddy in 2023. These extreme weather events have underscored the urgency to address our carbon footprint and mitigate the impact of climate change.

Recognising the challenges posed by climate change, Illovo Sugar Malawi is actively seeking solutions and opportunities to reduce its carbon emissions. We have dedicated significant efforts to comprehensively understand the challenges and opportunities we face, allowing us to develop robust decarbonisation plans.

As part of our commitment to sustainability, Illovo Sugar Malawi plans to invest a substantial amount into two key projects aimed at addressing our carbon footprint. These projects will focus on implementing innovative technologies and adopting sustainable practices throughout our operations. By doing so, we aim to significantly reduce our greenhouse gas emissions and minimise our ecological impact.

Through these decarbonisation initiatives, Illovo Sugar Malawi aims to not only mitigate the environmental risks associated with climate change, but also contribute to the broader global effort in achieving a low-carbon future. We understand that transitioning to a sustainable business model is crucial for the long-term success of our operations and the well-being of the communities in which we operate.

MAJOR DECARBONISATION PROJECTS

Shire Valley Transformation Project (SVTP)

$50 million invested in reconfiguration of ISM water system that irrigates 10,000 hectares of Nchalo Cane Estate, in conjunction with the construction of an irrigation canal system by the Malawian government. The current irrigation system requires water to be pumped from the Shire River to the cane fields, but this will be replaced with a gravity-fed system from a new canal above the estate, giving ISM a 17% improvement in water efficiency.

Drip Irrigation

$34 million capital project to transition from traditional irrigation to drip irrigation, a highly efficient and water-conserving system. This will lead to a 40% reduction in energy usage, 25% increase in in-field water application efficiency, and a 35% reduction in the amount of water required to produce each tonne of sugar cane. Helping to reduce CO2 emissions through conserving water, saving energy, optimising fertilizer and chemical use, promoting soil health, and supporting sustainable farming practices.

Cogeneration Projects

$106 million capital project for the installation of a 17-Megawatt and 35 Megawatt generators in Dwangwa and Nchalo, respectively, to enhance power generation. Using the existing boilers to improve Estate power supply security by replacement of imported power during crushing season with self-generated power. Currently, both Nchalo and Dwangwa mills generate enough energy for the factory only and import power for irrigation during the milling season. The aim is to optimise energy efficiencies in the sugar factory by utilising steam to generate power for estate usage, and with the possibility of surplus for export to the national grid. The project will lead to significant environmental improvements, with reduction of emissions through reducing diesel usage by the diesel generators. This will also pave the way for future projects that improve power self-sustainability, allow for water usage reduction projects and community electrification.

TACKLING PLASTIC AND PACKAGING

We acknowledge the detrimental impact of plastics on the ecosystem and accordingly, our business remains committed to ensuring that our packaging is recyclable. In the financial year 2022-2023, we successfully achieved 100% recyclability of plastic used in our packaging. Moreover, we implemented reusability measures for our 1-tonne bags by repurposing them into tarpaulins to be used during sugar distribution.

Furthermore, we took steps towards employing reusable PP bags for 90% of our prepack secondary packaging baler bags, with the remaining 10% being made from recyclable LDPE plastic. Additionally, the Illovo Sugar group has dedicated over 10 workstreams for exploring packaging solutions, experimenting with innovative materials, and facilitating customer recycling.

In line with this initiative, Illovo Sugar Malawi has established contracts with manufacturing companies that employ plastic in their production process, enabling the collection, recycling, and reutilization of such plastics in the manufacturing of other products, for instance, roofing sheets.

VALUE CHAIN ECONOMIC IMPACT

Local Procurement spend

Illovo Sugar Malawi places great importance on sourcing locally and has implemented a proactive policy to support this strategy. The Company actively seeks to procure goods and services from local suppliers whenever possible. In 2022/23, a significant amount of K 122.96 billion was allocated to local suppliers, accounting for 77.7% of the total procurement spend. In addition, the Company also spent K 33,6 billion on cane from growers which is a 62% increase from previous financial year. These payments have been contributed to the sustainability of domestic employment and economic activity.

Working with our growers, we create mutually-beneficial and sustainable agricultural community projects, promoting rural economic development and growth by sharing expertise and facilitating access to resources. Together we can cultivate a thriving future.

Sustainable Agriculture

By utilising local agricultural resources, there is an opportunity for various stakeholders to benefit from commercially focused community projects. Illovo Sugar plays a crucial role in this by sharing knowledge and helping communities gain access to limited resources. As a result, sugarcane, along with other agricultural crops, becomes a significant contributor to rural economic development. Furthermore, there is a commitment by the business to reduce the water and CO2 footprint in line with the ABF Sugar Commitment of 30% by 2030

Illovo Sugar Malawi recognises the significance of a productive, high-yielding, and resilient agricultural supply chain for its success. However, the agriculture industry faces increasing challenges due to the uncertainty brought by changing weather patterns and environmental factors.

To address these challenges and build a more resilient and sustainable supply chain, Illovo Sugar Malawi is making significant investments in sustainable agriculture approaches. As part of our commitment to sustainability, we are actively engaged in initiatives aimed at driving positive change in the industry.

Illovo Sugar Malawi, through our ABF Sugar membership, is an active member of the Sustainable Agriculture Initiative (SAI), a global food and drink industry platform dedicated to developing sustainable agriculture solutions. Additionally, we are proud to be a founding member of the SAI Regenerative Agriculture Platform, which focuses on promoting regenerative farming practices.

As part of our commitment to continuous improvement in on-farm sustainability, Illovo's estates are utilising the SAI Platform Farm Sustainability Assessment (FSA) tool 3.0. This tool allows us to assess our operations and benchmark against industry standards, driving ongoing progress in sustainability. Notably, the Phata cane growers' association that supplies the Nchalo estate has achieved the FSA Silver level and was awarded the prestigious FSA Growing a Better Planet Award in 2023.

In collaboration with growers and research institutions like the South African Sugarcane Research Institute (SASRI), Illovo Sugar Africa is actively involved in trailing new cane varieties. This research aims to enhance the resilience and productivity of our crops while reducing environmental impact.

Furthermore, Illovo Sugar Malawi is currently conducting an analysis of agricultural emissions data, assessing nature-related dependencies, and evaluating impacts in the field and surrounding areas. This analysis is informed by global modelling techniques and supplemented by primary data obtained through in-field data systems. By understanding and addressing these factors, we aim to minimize our environmental footprint and promote sustainable practices throughout our operations and supply chains.

Water Stewardship

Illovo Sugar Malawi recognises the importance of water security in the face of future climate concerns. While most of Malawi's agricultural production relies on rain, all of Illovo Sugar Malawi's cropland is irrigated using various methods. To enhance its water resilience, the ABF Sugar has set a goal to reduce its overall water footprint by 30% by 2030, starting from a base year of 2018. As part of this objective, Illovo Sugar Malawi is in the process of converting its existing irrigation systems to more efficient technologies.

The Company plans to convert 4,700 hectares of land to drip irrigation over a period of ten years. The first phase, covering 2,200 hectares, began in 2017 and is scheduled to be completed by the seed cane season in 2022. The remaining 2,500 hectares will be converted between 2023 and 2028. This conversion will help improve water usage and contribute to Illovo Sugar Malawi's water resilience goals. To further increase water efficiency in crop irrigation, Illovo Sugar Malawi is delivering a new drip irrigation system. These improvements will lead to 40% reduction in energy usage, 25% increase in in-field water application efficiency, 55% reduction in the amount of water required to produce each tonne of sugar cane.

Grower Relations

Illovo Sugar Malawi is committed to promoting sustainable practices in collaboration with its growers. In the fiscal year 2022/23, we actively engaged with grower associations that represent 7 938 growers through our grower development programs, which were facilitated by our dedicated support teams at both the Nchalo and Dwangwa estates. Furthermore, we extend our support to the cooperatives that supply us with cane by providing various forms of assistance.

We conduct trainings and workshops to enhance growers' knowledge of best agricultural practices and encourage environmentally friendly approaches. In the 2022/23 financial year, we successfully trained 183 growers. Additionally, we strive to ensure access to essential resources for our growers. This includes providing water for irrigation systems and offering lower prices for fertilizers and chemicals.

In line with our commitment to sustainable practices, we have also facilitated connections between our growers and markets that offer Fair Trade premiums for smaller growers. By obtaining Fair Trade certification, our growers can benefit from various forms of support and advantages for their businesses.

Through collaboration and social investment, we can build a thriving, sustainable Malawian community - together, we can achieve it. Pamodzi ndizotheka.

Community Connected

To achieve our goal of creating a thriving and diverse working environment that benefits our community, we believe in collaborating and cooperating with various stakeholders, including the people, civic structures, and local governments. This collective effort strengthens the growth and development of Malawi. By aligning our endeavours with Malawi's 2063 agenda, we aim to create opportunities that contribute to the overall progress of our country. As a company, we are committed to investing in our relationships with communities and key stakeholders. Our estates are deeply connected to the communities where we operate, and we actively support our workforce and our communities by providing clinics, schools, and other local services.

It is crucial for Illovo Sugar Malawi to actively participate in the communities surrounding its estates by engaging with stakeholders regularly to comprehend their concerns and challenges. Additionally, the Company tackles issues such as human rights, child labor, and gender diversity within our own operations and plays an influential role to encourage the same within our value chain.

Human Rights Within Our Operations

Human rights and modern slavery are an area of concern within our operations and supply chain. Globally, human rights and modern slavery risks are prominent in agricultural supply chains because they rely on a significant workforce in low paid, labour intensive and seasonal jobs, such as weeding, planting, cane cutting and harvesting.

The values and standards of our Supplier Code of Conduct guides both our operations and supply chain. The business expects all external partners to follow our Code of Conduct. Based on risk assessments, the most significant risks in the business's footprint are child labour and forced labour. To ensure that this practice is curbed, the business requires all its suppliers and growers to employ staff over the age of 18 as part of the contractual terms.

Alongside the Code of Conduct, Illovo Sugar Malawi uses the ABF Sugar Modern Slavery and Human Trafficking Statement. Additionally, Illovo Sugar Malawi, has its own sexual harassment policy.

Each policy is managed, reviewed and communicated with executive committee approval. Furthermore, Illovo Malawi is working on a living wage diagnostic tool to utilise various global standards and develop a 'fit for purpose' wages model for the business and supply chain.

This year we trained 87 staff members within the Malawi management team with an aim to reach 357 staff members which includes junior and middle management team.

Supporting our Communities

Illovo Sugar Malawi provides various benefits, resources and services that not only benefit our employees but also the wider community outside the estates. In addition, the Company invests in numerous corporat social responsibility activities. In FY 2022/23 the Company invested a total of over K 1 billion in various projects that benefitted the communities.

The Projects Committed to were as Follows:

EDUCATION **K 423.1 Million**	HEALTH **K 83.9 Million**	INFRASTRUCTURE **K 66.7 Million**
NATURAL DISASTER **K 122.1 Million**	PORTABLE WATER **K 299.3 Million**	OTHER **K 18.6 Million**

TOTAL SPEND **K 1.01 Billion**

Emergency Relief: Our Response to Cyclone Freddy

Malawi experienced extreme weather events this year, leading to subsequent challenges related to damaged infrastructure and displaced people. The business worked with communities and local partners to provide support in the aftermath of Cyclone Freddy, ensuring that more than 2,000 people displaced by the floods received vital help. Working with the Red Cross Society, a temporary site was set up on Illovo's Nchalo estate to accommodate over 1,200 people displaced by the floods and provide shelter, blankets, clothing, food and chlorinated water. The Company spent over K 82 million in support of those affected.

Tackling Malawi's Deadliest Cholera Outbreak

Malawi is experienced the deadliest cholera outbreak in the country's history, with close to 60,000 cases and 1,700 deaths reported between March 2022 and 3rd September 2023. The government declared the cholera outbreak a public health emergency. Illovo Sugar Malawi prioritised reducing the risk of cholera by ensuring employees and their families in Nchalo and Dwangwa have access to clean water and followed the WASH (Water, Sanitation and Hygiene) prevention steps.

It also helped local communities by administering over 15,000 cholera vaccinations from its medical facilities, and distributing critical hygiene kits, disinfectant and soap. It also increased access to treated water in cholera hotspots in communities surrounding its operations by scaling up chlorination at both point-of-source water points and at the household level.

Corporate Information

Secretary:	M S Kachingwe
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E-mail address:	illovomalawi@illovo.co.za
Website address:	www.illovosugar.com
Transfer secretaries:	Standard Bank Malawi plc Transfer Secretaries, Transactional Products and Services, Kaomba Centre, corner Sir Glyn Jones Road & Victoria Avenue, Blantyre, Malawi
Telephone	+265 (0)1 820 144
E-mail address:	custodymalawi@standardbank.co.mw
Auditors:	Ernst & Young (EY)
Principal attorneys	Ritz Attorneys Banda Banda and Company Mbendera and Company; Nkhono Associates Knight and Knight Attorneys MTM Law Chambers Tembenu; Kilembe and Company; John Tennyson, Kawelo Associates Chizumila Msiska and Company
Bankers:	National Bank Plc Standard Bank plc First Capital Bank plc NBS Bank plc Ecobank CDH Investment Bank FDH Bank

The Board

J K Lipunga (60)

Chairman | *FCCA , CA, Certified PPP Specialist*

Mr Jimmy Lipunga was appointed as a Director of Illovo Sugar Malawi on 19 August 2021. As a Chartered Accountant, Jimmy joined Deloitte and Touche (previously known as Deloitte Haskins and Sells) in July 1983. He worked in various roles including the final position of Supervising Senior. In March 1993, he joined Ethanol Company Limited as its Finance Manager providing leadership to the entire finance department. In August 1996, he transitioned into the public sector and joined the then Privatization Commission as a Director of Finance. In this role, Jimmy was responsible for financial analyses and due diligence reviews for state owned enterprises earmarked for privatization. He was a key player in valuation of shares and assets for such enterprises. Jimmy oversaw the first five IPOs on the Malawi Stock Exchange including Illovo Sugar (Malawi)Plc. In 2004, he was promoted to Transactions Director, a position he served in for one year before ascending to the position of Chief Executive Officer in 2006. He was the key player in the transition from the privatization framework to the public private partnership paradigm. He retired in August 2019 after serving as Chief Executive Officer for a period of 14 years.

Jimmy is a past President of the Institute of Chartered Accountants in Malawi (2004-2006). He is also a past Chairman of the Malawi Accountants Board. He has served on several high-profile boards including Old Mutual Malawi Plc, Reserve Bank of Malawi, Malawi Revenue Authority, Competition and Fair Trading Commission, Malawi Airlines, Lafarge Malawi Limited, Sunbird Tourism, MPICO Limited and Power Market Limited. He is also the Chairman of National Bank of Malawi plc a bank which is registered on the Malawi Stock Exchange.

G B Dalgleish (57)

BScEng(Chem), MScEng(Chem)

Gavin was appointed as a director of Illovo Sugar Malawi in November 2011 and assumed the position of Chairman in August 2013. He holds a master's degree in chemical engineering and first joined the Illovo Sugar Group (Illovo) in 1988 as a postgraduate student. He has since held a number of technical, business-development, operational and general management positions in Illovo. He also spent three years leading the Australia-based global technology unit of AB Mauri (a yeast business which is a subsidiary of Associated British Foods plc), before returning to Illovo in December 2010. Gavin assumed the position of Operations Director of Illovo in 2012, and was appointed Managing Director of Illovo with effect from 1 September 2013.

L L Katandula (48)

Managing Director | *BAcc, FCCA, CA(Mw), CFA, CISA, MBA*

Lekani joined Illovo Sugar Malawi in August 2015 as Financial Director and served in this capacity until 1 December 2017 when he was appointed Human Resources Director. Effective 1 April 2020, Lekani assumed the role of Managing Director for the Malawi business. Prior to joining the Group, Lekani was employed by Deloitte Malawi for 19 years, where he was Audit and Advisory Partner in the final 11 years. He has a wealth of knowledge and experience in financial management, reporting and control, and leadership having operated in senior managerial and partnership levels in a reputable external audit practice. Lekani previously served as a Non-Executive Director at First Capital Bank Malawi. He chaired the credit committee and also served as Chairman of the board of Trustees at Phoenix International School until June 2019. Additionally he served as a Chairman of the Public Private Partnership Commission until September 2023. Currently Lekani serves on the Board of Telkom Networks Malawi where he chairs the audit committee. He also serves as President of the Malawi Confederation of Chambers of Commerce and Industry (MCCCI); a member of the Monetary Policy Committee (MPC) of the Reserve Bank of Malawi and also serves as a member of the Presidential Private Sector Council.

K Ntambo-Banda (35)

BSoc, BA(Psych), MA(HRM), CTP, MCIPD

Khumbo joined Illovo Sugar Malawi on 1 August 2018 as Organisation Development Specialist and was later appointed into the role of Organisational Effectiveness Manager as part of the Business Improvement team. Khumbo was appointed Human Resources Director in April 2020.

Prior to joining Illovo, Khumbo was employed by Unilever for a period of 6 years, as Human Resources Business Partner for the Supply Chain function for the South African Business. Prior to this, Khumbo served as a member of the Southern African Leadership team for the Unilever Southern African Business covering Malawi, Mozambique Zimbabwe and Zambia as Human Resources Business Partner for the region. She also worked in several other Multinational organisations such as Airtel Malawi and Carlsberg in Malawi prior to joining Unilever in various capacities in the Human Resources and Management Field.

Khumbo is a chartered member of the Chartered Institute of People Development (CIPD),and a Certified Talent Practitioner (CTP). She holds a Master's in Global People Management from the University of Liverpool, a Bachelor of Arts, Industrial Psychology Degree from the University of Kwa- Zulu Natal, and Bachelor of Social Science Degree from the University of Malawi.

The Board

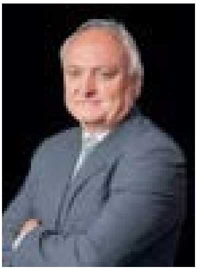
A R Mpungwe (72)

BA(Hons), PGD International Law and Diplomacy, SMP, LCP

Ami spent 25 years in the Tanzanian diplomatic service and has consequently during this time accumulated a wealth of political and commercial experience from operating on the African continent. He was the first Tanzanian High Commissioner to South Africa and retired from the service in 1999. He was a previous non-Executive Director of Illovo Sugar Africa Proprietary Limited and in addition to being appointed as a Non-Executive Director of Illovo Sugar Malawi in October 2006, he also still remains on the boards of Illovo's operating subsidiaries in Zambia - at Zambia Sugar Plc, which is listed on the Lusaka Stock Exchange and in Tanzania, at Kilombero Sugar Company Limited. He is also a director of a number of other companies in Tanzania.

A Lubbe (60)

B.Com (Marketing) Bus Admin (Hons)



Andre was appointed to the Board of Illovo Sugar Malawi (plc) in February 2020. He holds an Honours Degree from the University of Stellenbosch (SA) in Business Administration and first joined Illovo Sugar Africa in January 2017 as Group Commercial Director, a position he still holds. Prior to joining Illovo Sugar he spent over 25 years with SABMiller in South Africa and Africa holding various senior leadership positions. Before re-joining SABMiller Africa in 2011, he spent 3 years as Divisional Manager at Parmalat (SA). He also had the opportunity to work as Commercial Director for SABMiller in Nigeria for two years before returning to South Africa, where he joined the Africa office in Johannesburg as Head of Distribution and Route-to-Consumer Development with SABMiller Africa. Andre has extensive commercial & general management experience in FMCG and is passionate about brands and consumers. Andre is a member of the following boards: Illovo Sugar (South Africa) (Pty) Ltd, Kilombero Sugar Company Limited, Illovo Distillers (Tanzania) Limited, Zambia Sugar PLC Illovo Sugar Africa (Pty) Ltd and C. Czarnikow Limited.

K Msimuko (40)

FCCA, CA (M)

Kondwani assumed the role of Finance Head at Illovo starting from September 1, 2021. Before his tenure at Illovo, he held positions at Deloitte Malawi, where he served as an Audit Partner and Professional Practice Director. In his role as an Audit Partner, he had the responsibility of providing audit and assurance services across various sectors of the economy. As a Professional Practice Director, he took charge of promoting high-quality financial reporting and audit standards through various formal initiatives. He also served as a key point of contact for accounting, audit, and regulatory consultations within the firm. His tenure with the firm spanned over 11 years.

In 2016, he was seconded to the Accounting & Audit Technical Department of Deloitte Africa, where his responsibilities included advising and training audit teams throughout Africa on matters related to technical and audit quality.

Kondwani is a Fellow of the Association of Chartered Certified Accountants (FCCA) and a Practising Resident Member of the Institute of Chartered Accountants in Malawi (ICAM) and the Malawi Accountants Board (MAB). Additionally, he is a Certified Information Systems Auditor (CISA).

R Savjani (34)

BSc(Hons) Economics, ACMA, CGMA

Ravi was appointed as a Director of Illovo Sugar Malawi in May 2018. He holds a BSc First Class Honours Degree in Economics from the University of Warwick. He trained in finance and corporate finance at Deloitte in London where he also commenced his accountancy qualification, which he completed soon thereafter. Ravi subsequently held a number of roles in the private equity and financial services industries, primarily in London. He was formerly acting CEO for LifeCo Holdings Limited until December 2022, and is now pursuing other endeavours in the financial services industry.

V Chanza-Santhe (50)

M. Phil Development Finance, FCCA, BAcc

Violette Chanza -Santhe is an experienced Development Finance Consultant, Digital Finance Specialist, Banker and Chartered Accountant. She is a holder of Master of Philosophy in Development Finance with the University of Stellenbosch Business School, RSA / Université Laval, Canada and a Bachelor of Accountancy Degree from the University of Malawi, The Polytechnic. She is a fellow of the ACCA (UK) and is also part of the European Centre of Technology (ECT) Professional Membership Programme having attained the Galileo Master Certification (GMC) in Renewable Energy Management and Finance. She also holds European Energy Centre(EEC) Membership of the EnergyCPD Renewable Energy Professional Membership programme. As a Digital Finance specialist, Violette has attained certification in Blind Spots: Gender in Digital Financial Services, Instant and Inclusive Payments and Digital Money with Digital Frontiers Institute.

Violette has over 25 years of professional experience in both the public and private sectors, particularly the financial industry in the following portfolios: Executive management, Finance, Credit, Treasury management and international banking, Internal audit, Trade Finance, stockbroking and project management. Violette has also carried out a number of consultancy assignments in various set ups both in the private and public entities including NGOs. She has previously worked as the Malawi Country Coordinator for The Renewable Energy and Energy Efficiency Partnership (REEEP) in conjunction with Private Finance Advisory Network(PFAN) – (Vienna, Austria) and is currently the Advisor for PFAN and Get.invest (Amsterdam, The Netherlands) on clean energy and climate adaptation projects as well as Bankers Without Boundaries(BwB) Consultant – (United Kingdom). As both financial and transaction advisor she has a track record in project origination, development pipeline, investment facilitation and financial mobilisation in emerging markets, especially the Sub-Saharan Africa. She has broad experience and an extensive network in the development finance institutions, the commercial banking sector, private equity funds, and of renewable power and impact investors. Her thematic expertise includes renewable energy, energy efficiency, energy access (off-grid/mini-grids), climate change mitigation and adaptation, development finance, blended finance, digital finance, sustainable finance, innovative finance and inclusive finance.

Violette has provided strategic leadership as a board director for the following institutions: Sunbird Malawi Ltd, Broll Malawi, Easy Loans Ltd, the SADC Banking Association-RSA and ISO's financial services committee. In addition, she has also sat on a number of different technical committees in the Ministries of Finance, Trade, Agriculture and the Reserve Bank of Malawi. She currently sits on the board of Illovo Sugar (Malawi).

The Board

A M Malata (59)

(PhD, MSc, BSc, FAAN)

Professor Address Mauakowa Malata holds position of Vice-Chancellor at the Malawi University of Science and Technology, first woman to hold a position of Vice Chancellor of Public University in Malawi; NYU Rory Meyers College of Nursing Courtesy Appointment, October 2023. former Vice President of International Confederation of Midwives, former President of Africa Honor Society of Nursing of Sigma Theta Tau International; former Principal of Kamuzu College of Nursing and spearheaded it to become a World Health Organization Collaborating Centre for Inter Professional Education and Leadership in 2016.

She has spearheaded the Development and implementation of various Undergraduate and Postgraduate in the fields of Nursing, Midwifery, Health, Science, Innovation and Technology and has facilitated capacity building for faculty and other staff in various fields. A renowned international speaker, author and editor of various journals in the field of health, nursing, midwifery, and health workforce. She serves on various international, regional and national boards. She is an advocate for girls and women empowerment through education. Her research work focuses on maternal and new-born health, quality of care, health workforce and innovation and technology.

She is a Virginia Henderson Fellow of Sigma Theta Tau International (STTI), an Adjunct Professor at Michigan State University, a Fellow of the American Academy of Nursing (FAAN); a Global Health Fellow at University of California San Francisco University; an Adjunct Professor in the Department of Obstetrics and Gynaecology, Baylor College of Medicine. She was awarded a Doctor Honoris Causa by University of Oslo in Norway, 2018 ECU Distinguished Alumni and ECU Honorary Award of Doctor of Nursing honoris causa, 2019 in Australia. She was in 2022 nominated as one of the Champions for Malawi Vision 2063 under Enabler, Human Capital development. In 2023 she was in receipt of National Outstanding award (Educational Achievements, women change Makers Science and Research) under Pan African Learning and Global Network and Plan Malawi International.

G Kabango (65)

PhD (Economics), MPhil. (Development Economics), Post-Graduate Diploma (Development Policy, BSoc.Sc. (Economics)

Dr Kabango was appointed as Director of Illovo Malawi on 22nd November 2022. An economist with over 40 years of experience in the Reserve Bank of Malawi, and appointed Deputy Governor for two consecutive 5-year terms: First Term, May 2012 – April 2017, as Deputy Governor responsible for Supervision of Financial Institution's, second term, May 2017 – April 2022, as Deputy Governor responsible for Economics and Regulation.

Prior to being appointed as Deputy Governor, Kabango served in various other senior positions in the Reserve Bank of Malawi, including as Senior Economist covering Balance of Payments and External Debt, Divisional Chief responsible for Foreign Exchange Reserves Management and Exchange Control Operations, Director of International Operations, Director of Research and Statistics, Executive Assistant in the Governor's Office, and General Manager, Economic Services.

During his career in the Reserve Bank of Malawi, Kabango contributed to the various stages of macroeconomic and Development Policy Formulation and Implementation, through research and technical analyses of economic information pertaining to price and financial stability.

Kabango holds a PhD (Economics), an MPhil. (Development Economics) and a Post-Graduate Diploma (Development Policy), all from the University of Glasgow in Scotland, United Kingdom; as well as a BSoc.Sc. (Economics) Degree from Chancellor College, University of Malawi. He is also a recipient of various accolades covering myriad facets of economics and finance from international financial institutions, which include the World Bank, International Monetary Fund, Federal Reserve System, Bank for International Settlement, and Citigroup. He has further been involved in research in various fields of economics and has co-authored, presented, and published a number of articles in international academic journals. Kabango retired from the Reserve Bank of Malawi in April, 2022.


TOGETHER
WECAN
PAMODZI
NDIZOTHEKA

Key Management Personnel

L L Katandula (48)
Managing Director
BAcc, FCCA, CA(Mw), CFA, CISA, MBA

* See full Bio in Board section

K Ntambo-Banda (35)
Human Resources Director
BSoc, BA(Psych), MA(HRM), CTP, MCIPD

* See full Bio in Board section

K Msimuko (40)
Finance Director
(FCCA)

* See full Bio in Board section

S Cuthbert (60)
Business Improvement Head
QFC (Level 7), HNC (Mechanical & Production Engineering)

Steve was appointed as Head of Business Improvement for Illovo Sugar Malawi on 8th November 2019 having joined the Malawi team in 2017 as Organisation Effectiveness Manager.

A senior leader with a broad experience in manufacturing and supply chain management across the food industry, Steve has over 35 years' experience in various technical, management and leadership positions with Associated British Foods including AB Sugar China where he worked as Continuous Improvement Director/ Operations Development Director. He was responsible for the delivery of Agricultural and Operational Continuous Improvement across multiple sugar beet and sugar cane sites in both the North and South of China and was accountable for all aspects of Health & Safety, Environment & Quality. Prior to this post in China, he was Head of Operational Capability at British Sugar and Factory Manager for British Sugar (Bury Factory).

Steve holds a CMI Level 7 Certificate in Strategic Management & Leadership (QFC) and a HNC in a Mechanical & Production Engineering from Peterborough Technical College.

M Kachingwe (57)

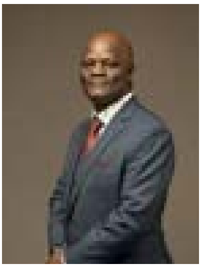
Company Secretary, Legal Council & Head of Corporate Affairs

LLB (Hons), MBA

Maureen is currently Company Secretary, Legal Counsel & Corporate Affairs Head of Illovo Sugar Malawi since December 2019 having joined Illovo in July 2017 as Company Secretary.

In her current role Maureen heads the legal department, stakeholder engagement and industry affairs and is a member of the executive management team. Maureen previously worked for Sunbird Tourism Limited where she had a successful career for 23 years in the areas of compliance, securities law, corporate law, governance, risk management and Company Secretarial with responsibilities over Human Resources and Procurement. In 2002 Maureen was part of a team of experts which successfully delivered the listing for Sunbird.

Over the years Maureen has served on the boards of financial institutions, pension trusts, parastatals, insurance company, as well as serving as Secretary for the Malawi Law Society, President for the Women Lawyers Association and Council member of the Council for Higher Education among other responsibilities.



N Msowoya (53)

Export Manager Refined & Speciality Sugar

BBA, MBA

Nestor was appointed into his current role as Export Manager Refined & Speciality Sugar on 1st September 2017 having joined Illovo in October 2016 as Regional Commercial Manager.

Prior to joining Illovo, Nestor worked at Larfargeholcim Malawi as Business Development Manager where he was responsible for strategy development aimed at generating new business ad driving the business to uncontested markets which also included capacity extension and investment projects. He was also previous a Commercial Director for Air Malawi Ltd where he was responsible for all commercial activities of the airline which included interlining, ticketing, planning and scheduling, sales and marketing including outstation destination management.

Nestor holds a Master's Degree in Business Administration obtained from Bradford University School of Management, a Postgraduate Diploma in Marketing with the Chartered Institute of Marketing and a Bachelor of Business Administration.

Key Management Personnel

R Pillay (53)

Supply Chain Head

BCOMM, NDIPP CIMMA

Ricky joined Illovo Sugar Malawi in 2016 as Supply Chain Manager and was appointed into his current role as Supply Chain Head in November 2019. He has been with the business for over 30 years holding different positions across the Illovo Sugar Africa Group. He worked as Operations/ Supply Chain Manager- Commercial for Illovo Sugar South Africa-Head Office where he was responsible for Sales and Operations Planning activities by developing, leading and executing Illovo's SIOP (Sales, Inventory and Operations Planning) strategy as Master Planner. Prior to this post, he was Production Planner responsible for production and planning of sugar across the mills in Umzimkulu, Sezela, Easton, Noodsberg, Gledhow and Pongola. Ricky was also once the Business Development Planner and Management Accountant, all positions held at Head Office.

Ricky holds a Bachelor's Degree in Commerce obtained from the University of South Africa and an NDipp Information Technology from ML Sultan Technikon.

M Debwe (49)

General Manager Dwangwa Estate

BSc Chemistry, BSc (Hon) Chemistry, Dip Mgt

McLean was appointed as General Manager for Dwangwa Estate on 1st April 2023 after serving 24 years performing various senior management roles within the Illovo Sugar Africa Group.

A leader with a broad experience in leadership, manufacturing, quality management and business improvement across the sugar industry. McLean has 25 years' experience in various technical, management and leadership positions within the Illovo Group. He joined the Illovo Group as a Management Trainee and has since held various positions in Manufacturing as Refinery Manager, Raw House Manager, Production Manager and Factory Manager within the Malawi business. He further worked as Factory Manager for Zambia Sugar. He also served as Continuous Improvement Manager for the Nchalo Estate where he was responsible for delivery of improvement projects in Agricultural, Manufacturing as well as Safety, Health, Quality and Environment. He also led the Workforce Transition for Dwangwa Estate during the Business Transformation program.

McLean holds a BSc in Chemistry, BSc (Hons) in Chemistry from University of Malawi and Diploma in Management Studies from University of Bolton.

G Trott (55)

General Manager Nchalo Mill

B.Sc. Engineering (Agric)

Geoff was appointed General Manager for Illovo Sugar Malawi Nchalo estate in February 2021 after serving 22 years performing various senior management roles within the Illovo Sugar Africa Group. He has a wealth of expertise in the Sugar & Logistics industry operational and technical environment and also has experience across multiple African countries and companies.

M Njowoka (39)

Commercial Head

BBA

Maurice joined Illovo Sugar Malawi as Commercial Head from 1st March 2020.

Prior to joining Illovo Sugar Malawi, Maurice worked with Illovo Sugar Africa (Pty) Ltd Group office in Durban, South Africa as Group Route-To-Consumer Manager where he championed development of multi country Route-To-Consumer strategies based on data and insights from a range of market potential surveys, thereby supporting top-line revenue growth. He also supported a change process that will bring about major improvements to the way the Company sells, distributes and makes products available to customers and consumers across Zambia, Malawi, Tanzania and South Africa.

Before joining Illovo, Maurice worked with Coca-Cola East & South Africa Business Unit and Serengeti Breweries Ltd (a Diageo Plc and East Africa Breweries Plc affiliate in Tanzania) in areas of Commercial Execution, Sales and Marketing. He has over 13 years of hands on Commercial Execution experience.

Maurice is a holder of Bachelor of Business Administration degree (Economics major), from University of Iringa (Tanzania) and he is currently an MBA candidate at East & Southern African Management Institute (ESAMI). Maurice has attended Leadership Development Programs at both Georgia Institute of Technology (USA) & Gordon Institute of Business Science (GIBS) Business School in South Africa.

Directorate Attendance

Attendance at board and committee meetings during the year ended 31 August 2023

DIRECTOR	Board Meeting		Audit Committee Meeting	
	A	B	A	B
K Kaphweleza-Banda	4	4	N/A	N/A
G B Dalgleish	4	3	1	1
D N Kasambala	4	3	2	2
L L Katandula	4	4	2	2
A Lubbe	4	4	N/A	N/A
A R Mpungwe	4	4	N/A	N/A
K Msimuko	4	4	2	2
R Savjani	4	4	N/A	N/A
J Lipunga	4	4	N/A	N/A
G P Kabango	4	3	2	2
V Chanza - Santhe	4	3	1	1
A M Malata	4	4	N/A	N/A

Column A indicates the number of meetings held during the year and column B indicates the number of meetings attended by the Director whilst a member of the board/committee.

NOTE:

- Violette Chanza – Santhe joined the Risk Committee in November 2022 but moved to the Audit Committee in February 2023
- Douglas Kasambala resigned in July 2023.

Risk Committee Meeting	
A	B
N/A	N/A
2	1
2	2
2	2
2	N/A
2	N/A
2	2
2	N/A
2	N/A
2	2
2	1
2	N/A

Remuneration / Nomination Committee Meeting	
A	B
3	3
3	2
3	2
3	3
3	N/A
3	3
3	N/A
3	N/A
3	????
3	N/A
N/A	N/A
3	3

Annual General Meeting	
A	B
1	1
1	1
1	1
1	1
1	1
1	1
1	1
1	1
1	1
1	0
1	0
1	1

"The Illovo way is to innovate and optimize our diverse talent pool and yield extraordinary and sustainable results to positively impact our stakeholders and thriving communities"

Chairman's Report

Operating Environment

I took over as Chairman of Illovo Sugar Malawi (ISM) at the last Annual General Meeting in February 2023 to demonstrate the Group's commitment towards diverse and inclusive leadership. On behalf of the ISM Board of Directors, I am very pleased to proclaim our remarkable performance in the financial year ended August 2023 notwithstanding the volatile macro and geopolitical environment that we faced throughout the review year. The Group delivered significant growth and consequently made a positive impact on its stakeholders. In terms of revenue, the Group reported a remarkable K 272 billion in the year, setting a new record-high for The Group, representing a noteworthy 46% increase over prior year. Profit before tax reached K 81.8 billion, representing an impressive 113% growth over the previous year which also indicates that our strategies were well-executed and aligned with our values.

This improved performance was achieved mostly through increased domestic sales volumes by 11,882 tonnes, cost management efforts and optimisation of operational efficiencies. The impressive sales were largely supported by the Route to Consumer initiative aimed at delivering sugar to the last-mile customer.

As the factories recovered from the impact of the two cyclones of 2022 and 2023, efforts were made to progressively produce for the export market and contribute to the country's foreign currency generation. Some export volumes were achieved, albeit below the initial plan. The Group intends to build on this trajectory to ensure the availability of the required foreign currency for its operations and the country.

These outstanding results were attained despite the group facing complex operational and environmental challenges, as elaborated below.

Agricultural operations progressed satisfactorily in the later part of the season, towards August 2023, rebounding from the adverse effects of inclement weather patterns between February and April 2023. Cyclone Freddy had a widespread impact on the southern region, particularly hampering field activities in Nchalo, especially cane harvest and haulage. Intermittent power supply and consistent rainfall, especially in March 2023, affected irrigation and cane quality. The carryover cane in Nchalo negatively impacted on overall recovery and production in the early part of the 2024 season. Factory startup was delayed by a few weeks, until late April 2023, consequently affecting cane harvesting, replanting, weeding, and the application of fertilizer and pesticides. The delivery of both own and grower cane had to be temporarily halted until the fields dried out. Throughout this period, The Group continued to support and collaborate with growers to mitigate further negative impacts.

Both mills had extended the previous crushing season to December 2022 and had planned extensive plant rehabilitation during the off crop period. This extended crushing season potentially impacted the subsequent cane growing season especially in terms of cane age, but mitigating plans were put in place. Despite late receipt of some off crop materials due to foreign currency shortages and a prolonged wet season, production ultimately began in late April 2023. The Nchalo mill in particular, experienced significant plant reliability issues due to late off crop material deliveries, which affected overall factory throughput. The impact of Chiperoni wet weather on cane supply in the months of June and July 2023 further lowered production. Fortunately, the Dwangwa mill achieved relative stability afterwards, achieving exceptional crush rates as high as 203 tonnes of cane per hour compared to the average of 190 tonnes of cane per hour.

Despite these challenges, the business ensured the continuous availability of sugar in the domestic market throughout the year. The Group recognised the impact of price arbitrage at the Malawi borders on domestic sugar sales and the importance of engaging with stakeholders. Relevant authorities were engaged in order to

share challenges, especially in ensuring the availability of all product pack sizes and formats in the primary domestic market.

Other challenges during the year were: government pressure on sugar pricing, threats and actual issuance of import licenses and a finding of unconscionable conduct by the Competition and Fair-Trade Commission (CFTC) which we are challenging in the courts. The decision to introduce price increases responsibly, in the wake of record high input cost inflation and cross border arbitrage proved to be strategically correct. It enabled the Company to continue with uninterrupted supply of sugar in the domestic market but also enabled Illovo to protect the overall shape of its performance and continue to invest in the long-term drivers of growth. Protracted negotiations on the Irrigation Water Purchase Agreement (IWPA), though surmountable, could potentially derail the gains built into our plans for converting to gravity fed irrigation water from the Shire Valley Transformation Project (SVTP). On the regulatory front new Land laws and regulations were introduced some of which had the potential to negatively impact our operations in terms of land tenure in addition to the potential negative impact on Foreign Direct Investment (FDI) into the country. Fortunately, the process of continuous engagement between the government and the business community led by the Malawi Confederation of Chambers of Commerce and Industry (MCCI) bore some positive results to the extent that the amended versions were much more acceptable to businesses. During the year it was not possible to conclude consultations on the much anticipated Sugar Bill being driven by the Ministry of Lands. Due to its importance in regulating the sugar industry, which remains unregulated contrary to other jurisdictions, we hope that the passing of the Bill will be prioritised.

Strategy

Illovo Malawi has a robust strategy guided by its Vision to be a sustainable, resilient, consumer and customer centric performance focused business that delivers outstanding value for all stakeholders. This is coupled with a strong purpose statement to create a thriving Malawian community through the provision of affordable food and energy. Illovo Sugar Malawi, just like

the other sister businesses within Illovo Africa, plays a very vital role in the country. Apart from providing food, specifically sugar which in most countries where we operate is an important part of the daily diet, Illovo contributes a significant amount to the fiscus and provides employment and social amenities in the areas where our businesses exist among other contributions. As part of Illovo's commitment to government's initiative to address micronutrient malnutrition, particularly in children, Illovo fortifies all its domestic consumption sugar with vitamin A.

Illovo's strategic priority is to be "A Safe Place to Work and Live". Other strategic focus areas are: efficiency improvement, domestic market focus, export value realization, downstream value creation, proactive advocacy and capability through People, Process and Plant. The domestic strategy aims to enhance our Route to Consumer (RtC) while continuing to invest in pre-packs and focusing on quality through the Illovo Quality Way. With the growth in domestic demand our approach to the export market is to focus on enhancing our capability on understanding our cost to serve in order to maximize growth of high margin products/customers. Improving mill performance and agricultural yields remains another top focus area as it will lead to efficiency gains while focusing on 'Tiwale' initiatives for cost management. We have an ambitious diversification project which will be realised through power Co-Generation exploring and alternative crops. Recognising the importance of staff development, we intend to focus on capability development while embracing technology as a business enablement tool.

Safety

Once again it was not a good year for Illovo Sugar Malawi in terms of safety. In April 2023 a devastating electric shock incident in the agricultural operations resulted in the death of one employee Simion Zakaria, an electric linesman who died in the course of duty from a suspected cardiac arrest after being exposed to an electric shock whilst changing electric poles. Another employee Chisomo Daisi who was working with Simion suffered electrical burns during the same operation. Fortunately, Chisomo subsequently recovered. The Illovo family is profoundly saddened by this fatality and has doubled its commitment to safety amongst employees, contractors and other visitors to its sites.

On a more positive note, it was gratifying to note that we continued to do well on the quality front with the declining trends on quality complaints continuing throughout the year under review. Illovo Sugar (Malawi) has internal quality control systems that are designed in line with the Malawi Bureau of Standards (MBS) and relevant international standards requirements to ensure consistent checks and balances. As part of its governance role the board will, among its other oversight roles, specifically exercise an oversight role on health and safety initiatives. The board is committed to support management to achieve good workplace health and safety practices and will ensure that safety remains a top strategic priority and that appropriate systems and processes are in place to support the Illovo Safety Journey .

Stakeholder Engagement & Creating Shared Value

Stakeholder engagement is very important for the business and the challenges that we faced during the year as reported above only go to confirm the increasing need for management to consider stakeholder issues and concerns when making decisions. Experience shows that trust and relationships take time to build but are valuable assets. The Board has been pleased with management's proactive engagement with various stakeholders including the government on various issues of mutual interest. To the extent possible, and while allowing management to run the day-to-day affairs of the company unimpeded, the Board stands ready and welcomes any opportunity to participate in continuous dialogue with the company's stakeholders to seek their input on, and keep them informed about, the company's activities. The diversity of skills and backgrounds that exist on the board lend themselves very well to adding value to any stakeholder engagements.

Illovo Sugar Malawi has an established protocol of engaging shareholders and financial analysts twice every year to update them on the Company's performance as well as strategies. The engagements provide a very good platform for receiving feedback from the shareholders as well.

The Group remains committed to investing significant effort and resources in ensuring the continued enjoyment of its quality products by all customers. It also commits to making significant contributions to the Malawi fiscus through the payment of various taxes and regulatory commitments. The Group takes its role seriously in helping create a thriving Malawian community by providing employment and making social investments in the communities where its operations are located. In line with this commitment, the business contributed to the recovery efforts following Cyclone Freddy and the cholera outbreak, made donations to affected communities, and supported various educational, health, and social initiatives in the country. Total spend on these activities for the year was K 1.01 billion. In addition the Group made a deliberate decision to purchase most of its quality inputs from eligible local suppliers.

Share Price

The share price for Illovo Sugar Malawi Plc at the beginning of the financial year was at K500 with a market capitalisation of K 356.72 billion. At the close of the year, the share price had jumped to K 1,121.42 while the market capitalisation had appreciated to K 800.07 billion. This exceptional movement in share price is supported by continuing financial performance improvements in the business. It is our intention to continue creating long term value for our shareholders as we grow together.

Dividends

Considering the excellent business performance for the year ending on August 31, 2023, the Directors are pleased to declare a second interim dividend of K 12.60 per share, in addition to the first interim dividend of K10.80 per share. A final dividend of K 5.80 per share will be presented to the Shareholders at the AGM for their approval by Directors and will be paid in March 2024. This will bring the total dividend for the year to K 29.20 per share, compared to the previous year's full dividend of K 21.00 per share.

The Board

During the year Douglas Kasambala resigned from the Board. On behalf of the Board, I wish to thank Doug for his dedication, leadership, and passion during the time he was on the board. Doug was full of wisdom and was always ready with guidance. The Board and management benefitted immensely from Doug's experience and insights, and we wish him all the best in his future endeavours. At the time of writing this report the vacancy left by Doug has not yet been filled. During the year Professor Address Malata took over from me as Chairperson of the Remuneration and Nomination Committee.

The Board believes that diversity is important to the work culture of any organisation. In particular, a diverse Board, among others, will enhance the quality of decisions by utilizing different skills, qualifications and professional experience for achieving sustainable and balanced development. I am pleased to state that we have a diverse board with three female members and eight males all with a wealth of experience in different fields.

Outlook

The ongoing depreciation of the local currency against major trading currencies, increases in electricity and water tariffs, global supply chain disruptions for essential commodities on account of geo-political tension, adverse economic and climatic factors, regulatory changes, and other external shocks will continue to impact the business's profitability in the foreseeable future. The group will persist in implementing strategies to ensure resilience and growth remain fundamental to its operations, with a particular emphasis on safety as a foundation for achieving these objectives.

Conclusion

I would like to thank you, our shareholders, for placing your faith and confidence in us and for your continued support. We wish to assure you that the Board and the Executive team will continue to drive our strategy in pursuit of our growth rooted in strong corporate governance principles. Many thanks to our customers, contractors, suppliers and growers for their loyalty and contribution to the Group but also to the country. **Together We Can.**

The Board acknowledges the valuable contributions of its people and will continue to invest in talent growth and development for the benefit of both the business and the Malawian community.

JIMMY KAJANIKE LIPUNGA
CHAIRMAN


TOGETHER
WECAN
PAMODZI
NDIZOTHEKA

Managing Director's Report

Lekani Katandula
Illovo Sugar Malawi MD

OUR PEOPLE ARE OUR MOST VALUABLE ASSET AND ARE THE KEY TO THE COMPANY'S SUCCESS

Group Performance

The financial year ended August 2023 was quite challenging due to deteriorating economic environment on the back of the negative impact of Cyclone Freddy on our operations. Some of the notable challenges were the lack of availability of forex which impacted the availability of key products and the escalation of prices of commodities from our key suppliers, the devaluation in the domestic currency in May 2022 and high interest rates. The forex scarcity was exacerbated by the maintenance by the Reserve Bank of Malawi of the export proceeds rules. Inflation rates accelerated from 25.4% in December 2022 and reached 28.6% by August 2023. Through our Tiwale project we were able to contain some of the costs in order to remain affordable to our customers

One of the notable challenges to our operations was the investigation commenced by the Competition and Fair-Trade Commission (CFTC) relating to our pricing followed by an adverse finding which we are challenging in the High Court. This was being pursued almost in parallel with the issuing of an import license by the Ministry of Trade and Industry.

Agriculture

The 2023 financial year was marred by the effects of significant weather events from both tropical storms Ana and Freddy with the most devastating effects being experienced at Nchalo and surrounding areas. The combination of these flood events affected our farming operations with high direct repair costs plus additional business interruption losses which impacted both cane quality and cane yield. These flood related business interruption losses affected both our own estate and grower farming operations and left the farming operations with cane that could not be crushed in the 2022 season requiring to be carried over for crush in the 2023 season. To the contrary Dwangwa had higher than normal rainfall leading to sustained water availability for irrigation resulting in improvement in cane yields by 30 955 tons compared to last season; however Dwangwa experienced plant reliability gaps which led to carry over cane. Dwangwa grower performance for the year was equally impacted by climatic potential and excessive rain resulting in a reduction in cane harvested by 32 740 tons.

Agriculture operations were further impacted by diesel shortages that delayed and reduced replant and other farming operations and also delayed the completion of infrastructure related repair works resulting from the 2022 tropical storm Ana. The delayed flood recovery was followed in March 2023 by further storm damage to the same infrastructure caused by another tropical storm Freddy.

As a result of the flood damage and delayed farming activities there was a reduction in cane and sucrose volumes especially in the cane from Nchalo in the season under review compared to the prior season. The majority of this impact will be seen in reduced volume of cane and sucrose production in the next reporting period.

Nchalo has continued with the strategic initiative to replace sprinkler irrigation with the more efficient drip irrigation systems targeting yield and input efficiency improvement. At the end of the first quarter of this reporting period, the estate had converted 2068 hectares (2068ha) of sprinkler to drip irrigation.

Dwangwa is currently pursuing growth through debottlenecking and alternative revenue streams while ensuring compliance to environmental regulatory requirements in line with the overall ISM business strategy and ESG agenda. To this effect, the key focus areas have been co-generation which is intended to achieve in season additional power generation to enable export into the grid in the year 2026. This would involve installation of a 17MW back pressure turbine while replacing existing inefficient ones. However, moderate progress has been made on the Independent Power Producers (IPP) process partly due to the impact of the change from Power Market Limited (PML) to ESCOM. Other projects are debottlenecking, and Boiler emission abatement to bring flue gas emissions within acceptable air emission levels on particulate matter, and carbon monoxide during the transitions period. The Malawi Environmental Protection Authority (MEPA) is constantly being engaged. The debottlenecking project will determine the various equipment that hold the plant from operating at the boiler installed capacity and come up with sustainable interventions.

Factory

Factory operations were equally impacted especially at Nchalo by the combined effect of Cyclone Ana and Cyclone Freddy in consecutive rainfall seasons. Sugar production in the first half of the reporting period to March 2023 continued to be impacted by unsteady operations due to the impacts of high ash levels in the harvested cane, which resulted in higher-than-normal plant stoppages to replace and repair equipment in high wear zones, as well as ash build up in boilers that impacted steam pressures. This reflected in reduced processing time due to frequent stoppages for maintenance in addition to cane supply shortages. As a result of this, about 100 000 tons of cane was carried over into the second half of the production season at the beginning of 2023. This introduced abnormally low cane quality in terms of sugar content in cane and also made factory sugar recovery more difficult due to higher impurity levels in the sugarcane.

Financial Performance

In the financial year ended 31st August 2023, the Group registered significant growth in performance over prior year; the K 272 billion in reported revenues were 46% above prior year. Profit before tax of K 81.8 billion represented a 113% growth over prior year. These excellent results were achieved against a backdrop of complex operational and environmental impacts as explained above.

The main driver of this solid performance was the growth in domestic sales which was largely attributable to a stable market environment not pressured by infiltration of illegal sugar inflows supported by derived positive arbitrage when Illovo Sugar Malawi selling prices are compared to the two neighbouring countries of Zambia and Mozambique. In addition, our solid commercial agenda has been driven through our expanded Route-To-Consumer (RTC), carefully designed sales executions, promotions, trade marketing and brand building. There is continued drive to accelerate our footprint by adding depth and reach into the rural markets.

As a way of addressing consumer affordability issues aggravated by the challenging economic environment, we introduced a new 200g pack retailing at the recommended price of MWK 350.

On the export front despite all the favourable conditions in the market, Illovo Sugar Malawi continued to experience the effects of cyclone Ana, Gombe and Freddy. The mills struggled to produce sugar as planned. On several occasions, the production plan had to be reduced significantly affecting export volumes in FY23 and FY24. Going forward we intend to focus on generating the best value with the limited available stocks by supplying the most attractive markets and customers in the primary regional market while maintaining sales of the high margin speciality sugar which will position us well to generate the much-needed foreign exchange.

Health, Safety and Quality

There was an improvement in Lost Time Injuries (LTIs) in the year under review compared to the previous year from 8 to 2 respectively, a reduction of 75%. Similarly, there was a reduction in Medical Treatment cases from 8 to 5, a drop of 38%. In terms of First Aid Cases (FAC), there was an increase from 15 to 22, an increase of 47%. We will spend our efforts in trying to get to the root causes of the frequency of FAC's and deploy appropriate interventions to improve the situation.

Sadly, in March 2023 Tropical Storm Freddy set a train of events that resulted in a fatality where an employee, Simion Zakaria, an electrical linesman, aged 24 years lost his life whilst repairing a storm damaged high voltage power line. A second linesman, Chisomo Daisi survived but suffered electrical burns and injuries to his left leg and arm. The safety theme of "We need you, please work safely" was launched at Nchalo on the back of the fatal incident.

The strategic importance of safety has been raised to the number one priority across our Malawi Operations. The aim is to elevate the safety priority to ensure we provide a safe place to work and to live for our employees and stakeholders through building a culture of zero compromise towards safety. This has commenced in the form of a safety journey with 5 key areas of action which include vision and organisational design, safe behaviours, and competence through governance, key performance areas, audits and inspections. We are planning to enhance our systems to be more integrated and real time while our fifth action area aims to enhance fatal risk management.

In July 2023, Nchalo was the first site in the Illovo Group in recent years to achieve a 4 Star integrated NOSA safety certification. The NOSA system focuses on providing an integrated systematic and structured set of governance systems for health, safety and environment. Chalo's baseline risk assessment was also reviewed with assistance from NOSA in the first quarter of the reporting period to strengthen risk-based thinking amongst employees and contractors.

Management has once again made a strong commitment to focus on safety at work and at

home until we inculcate in our employees a culture of zero compromise towards safety. We owe it to our employees and their families to achieve zero fatalities at Illovo Sugar Malawi. We join Paul Kenward, CEO ABF Sugar, in committing to keep working on our plans to eliminate fatalities and reduce serious harm to our employees and contractors. We will also keep engaging with our communities and stakeholders regarding the dangers in our operations.

Quality

The reduction in food quality complaints is largely attributed to implementation of Illovo Quality Way initiative since October 2021 which seems to be registering pleasing gains. This program continues to focus on building a holistic and sustainable quality and food safety system through employee engagement, training, improved processes, infrastructure re-design and, in general, focus on building a quality culture. The program is still in progress and is considered a strategic journey that will remain a key business driver. The initial five priorities of quality management system; 5S principles to organise workspaces; aligned key performance indicators and objectives; cross functional thinking and; appropriate infrastructure - are still being enhanced, aiming at achieving robust maturity before moving to the second phase of priorities.

Health

During the period under review Malawi registered significant cholera prevalence. The estates managed to put in place measures to mitigate the spread of cholera on the estate but also to the surrounding villages through the provision of safe potable water, chlorine and enhancing sanitation facilities. In addition, the estates were able to contain the spread of cholera due to the vaccination campaign ran by the estate clinics with most people willingly taking up the vaccination.

People

Our people are our most valuble asset and are the key to the Company's success. Therefore, their performance, well-being, and personal development have a significant impact on us achieving our goal of being a safe place to live and work and the achievement of a sustainable, resilient, consumer and customer centric performance focused business that delivers outstanding value for all our stakeholders. To this end, several initiatives were put in place during the year under review aimed at developing the talent of our people within a diverse and inclusive environment where we can empower them to be their best.

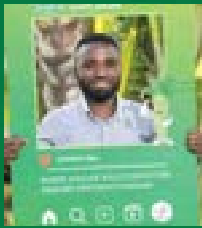
The average headcount for the year ending in 2023 stood at 10,041, with the highest recorded headcount of 18,363. Within this workforce, male employees comprised 84.8%, amounting to 8,408 individuals, while female employees accounted for 15.2%, totalling 1,697 individuals. We remain committed to embracing diversity and promoting gender balance.

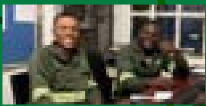
Throughout the year under review, we advanced 142 internal promotions, fostering professional growth within our organization. In our dedication to fostering inclusivity, we continue to support employees with disabilities, with one individual benefiting from this initiative. We have established the Women in Leadership Initiative which is an initiative to prioritise the recruitment, development, advancement, and retention of women within our organization with the strategic aim of achieving a 30% representation of women in leadership roles by 2026.

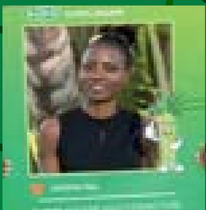
Key Human Resources Projects during the year included; Success Factors (SF) a process of transition from transactional HR support to a strategic partnership, Employee Value Proposition (EVP) initiative which seeks to create a meaningful, employee-centered approach aligned with our business strategy founded on the principles of mutual growth and a positive impact on people's lives. We also had the Procurement and Inventory Project which has brought substantial improvements to the procurement and inventory management. Enhancements to the Manufacturing Operating Model introduced new roles and adjustments to existing positions. Cognisant of the fact that we have a lot to gain from understanding the well-being of our employees committees have been established, and mental health initiatives have been prioritized. A Well-being calendar and a policy have been developed, fostering a supportive and health-conscious work environment.

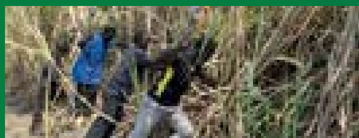
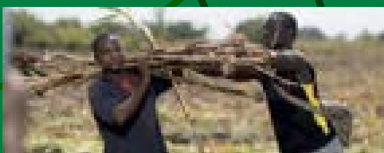
Significant efforts were invested in addressing identified skills gaps. These initiatives centered on functional and safety training, leadership development, artisan skills enhancement, and operator training. Safety received special attention, with all front-line management and higher-ranking employees undergoing retraining and certification through the Illovo Safe Academy. Quality and food safety training remained paramount in our development efforts.

We continued with employee engagement through conducting the engagement survey, results of which were disseminated to respective teams, leading to the development of actionable plans to address identified gaps. In addition, our engagement extends to the union which in the year under review culminated into a wage agreement in April 2023. We maintain open communication with the government ministries of Labour, Homeland Security, and Immigration further bolstering our relationships.

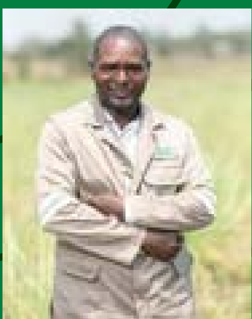








Creating Shared Value (CSV)/ Corporate Social Responsibility (CSR)

The Thriving Community Foundation (TCF) was established in the year to pioneer a private sector partnership approach to social development in the communities hosting Illovo's operations. The TCF commenced with a pilot phase working with several partners at Nchalo and in this phase has demonstrated the efficacy of the model in securing diverse funding, building essential capabilities, and multiplying the impact of social development initiatives. Post the pilot phase, the TCF has formally been registered as a non-profit organisation and established its governance processes, including hosting its first board meeting. Multiple opportunities are being worked on for community and district enhancement in the areas of healthcare, potable water supply, business acceleration, agriculture, housing and related supply chain enhancement, security and governance and stakeholder networks.

Good progress was made especially in developing agricultural climate resilience projects in partnership with USAID. The furrow and drip irrigation schemes at Mwanakakula and Bester respectively have enhanced the livelihoods of 438 households on our boundaries.

Illovo has also started investigating the possibility of developing alternative value chains such as cotton and lint in support of the opportunities presented through the Shire Valley Transformation high level canal Project.

During the year there has been exciting foundation work done in collaboration with Catholic Relief Services to develop sustainable and affordable housing and related supply chains for local communities. This project is set to start building pilot houses in the coming year and scaling of affordable homes thereafter.

Looking ahead, the vision for TCF is to continue delivering and expanding initiatives in Nchalo, with the establishment of the Dwangwa chapter on the horizon. In the year under review Dwangwa Kakuyu promoted the Kakuyu Community Farming CSV project where the community was granted a licence to operate on 270 hectares for planting of rice. Land preparation has been sponsored by Illovo in partnership with Unitrans. K 500 million was invested in the education sector and K 126 million in the health sector.

Prospects

We are confident of making progress with the Public Private Partnership (PPPC) and the Ministry of Agriculture which will lead to the conclusion of an Irrigation Water Purchase Agreement (IWPA) and commencement of the construction works for the MC3 intake which will supply water to our Nchalo Estate. This will be a game changer for the business as it will lead to a reduction in the cost of production for Nchalo by reversing the existing irrigation infrastructure from an electricity intensive lift pumping system to a gravity water feed system. The project will also lead to saving of irrigation bulk water consumption due to the change to embedded pipeline from open canals.

Although ESCOM announced in July 2023 that they had suspended the signing of any Power Purchase Agreements (PPAs) affecting progress on our energy projects at both estates we will meanwhile proceed with plans to remain energy efficient by proceeding with a reduced project scope which will focus on addressing current boiler stack emission non-compliance and also safety issues by replacing outdated boiler equipment in order to remain compliant with environmental management requirements.

We are also confident that Malawi will sign the ECF soon which will lead to restoring macroeconomic stability, building a foundation for inclusive and sustainable growth among other benefits.

The business will strive to continue supplying its valued customers with quality sugar in various affordable pack sizes and formats both on the domestic and export front. Various commercial initiatives and promotions will be undertaken to support the Route to Consumer efforts both domestically and internationally and ensure revenue and profit growth into the foreseeable future.

Noting the weather patterns that have continued to negatively affect our production we will continue to assess and strengthen our flood defences and resilience checks and planning as we gradually become more resilient to better cope with the flood impacts going forward. We will also continue to support the surrounding flood prone communities with climate resilience and programs aimed at reducing the risk of flooding besides providing irrigation support for food sustainability and cash crops.

Availability of foreign currency, inflation, bank interest rates and exchange rates for the Malawi Kwacha against major trading currencies will continue to have a notable impact on profitability for the business. The Group intends to continue applying significant effort to ensure that cost management and efficient operations continue to be focused on for the benefit of the ultimate consumers.

Safety Leadership, capability development and stakeholder engagement remain our key enablers for executing our strategy. We intend to proactively drive these enablers led by the executive team.

Conclusion

I wish to thank the Board for their support, guidance and active engagement during the year and I have every confidence that going forward they will continue to offer counsel, direction, and support as we deal with a very challenging economic environment but also to engage our diverse stakeholders. The strong performance which we have achieved despite the challenging economic environment is a great testament to the robustness and agility of our strategies coupled with the solid guidance we continue to get from the Board.

Let me also take this opportunity to sincerely thank members of staff for their dedication to duty, hard work as well as professional conduct. Despite the many challenges our industry continues to face, I have never doubted your commitment and desire to see us succeed together with the sense of grace and grit that defines Illovo Sugar Malawi. As our tagline goes **"TOGETHER WE CAN."**

LEKANI KATANDULA
Managing Director

TOGETHER
WECAN
PAMODZI
NDIZOTHEKA

Corporate Governance

At the Illovo Sugar Group we do business the right way. Good governance and ethical behaviour are at the heart of our agenda. The Company endeavours to protect the interests of all its stakeholders by implementing and complying with best corporate governance practices as enshrined in the Companies Act 2013 (The 2013 Act) and regulations made thereunder, good corporate governance principles along the lines of the Code of Best Practice for Corporate Governance in Malawi – The Malawi Code, and the Malawi Stock Exchange Listing Requirements (MSELR), which have recently been revised. The directors have implemented all the statutory codes and policies by the Board to ensure better corporate governance in all the spheres of the organisation, and as far as it concerns the business of the group, the directors have adhered to the 2013 Act, the MSELR and The Code in all material respects for the year ended 31 August 2023.

Annual Financial Statements

The following statement, which should be read in conjunction with the Auditor's Report, is made for the purpose of clarifying to members the respective responsibilities of the directors and the auditors in the preparation of annual financial statements.

The directors are required by the Companies Act, 2013, to prepare financial statements for each financial year, which give a true and fair view of the situation and profit or loss of the group. The directors consider that, in preparing the financial statements, appropriate accounting policies are consistently applied and supported by reasonable and prudent judgements and estimates, and confirm that all applicable accounting standards have been followed.

After making appropriate enquiries, the directors have a reasonable expectation that the Group has adequate resources to continue in operational existence in the year ahead. For this purpose, they continue to adopt the going-concern basis in preparing the financial statements. The external auditors concur with this opinion.

The directors have responsibility for ensuring that the Group maintains accounting records which disclose with reasonable accuracy at any time, the financial position of the Group and which enable them to ensure that the financial statements comply with the requirements of the Companies Act, 2013.

The directors also have responsibility for safeguarding the assets of the Group and for the prevention and detection of fraud and other irregularities.

Board of Directors

The Group has a unitary board of directors that is balanced between executive and non-executive directors. The Board directs the affairs of the company and is committed to sound principles of corporate governance.

In doing so, the Board always acts in the best interests of shareholders. The Board provides effective leadership and exercises enterprise integrity and judgment in directing the Company so as to achieve its Strategic Intent, goals and objectives in a manner based on accountability and responsibility and an ethical foundation.

The Board meets at least once in each quarter with additional meetings held when appropriate.

At each board meeting a complete update on the affairs and business of the Group is presented by executive management.

In addition, the articles of association provide for decisions taken between meetings to be confirmed by way of directors' resolutions.

The roles of the Chairman and the Chief Executive are separated, and the Chairman is a non-executive director. The Board has three executive directors and nine non-executive directors, six of whom are independent.

The Board recognises that Boards that are diverse in experience, skills, gender, age, and qualifications, have a positive effect on the quality of governance, and such boards often present a good indication of a well-run company. The Board is well balanced in terms of diversity. Nonetheless the Board continues to engage itself in conversations on diversity and inclusion issues, mainly focusing on gender, with the aim of achieving gender diversity in its Board composition. Competency of the Board of Directors is provided in the Report on Corporate Governance forming part of this report.

The list of key skills, expertise and core competencies of the Board of Directors, is provided in the Report on the composition of the Board forming part of this report. The shareholding status of directors in the Company are furnished in the Financial Statements Report on page 89.

Executive Management

There were no changes to the executive management team. Profiles of the team are contained in this report on pages 42 to 51.

The Executive management meets regularly to discuss issues material to the operations of the group. The Group's strategy and business model are developed by the Managing Director and the executive team and approved by the Board. The management team, led by the Managing Director, is also responsible for implementing the strategy and managing the business at an operational level.

To ensure that there is adequate interaction between management and the Board, three members of executive management are directors.

Audit Committee

The audit committee comprises of four directors, all of whom are non-executive, and is chaired by Dr Grant Kabango, the committee meets twice a year with management and has both external and internal auditors in attendance.

The committee sets materiality and reviews annual audited financial statements, the interim financial results and the external and internal auditors' reports and details its findings to the Board for consideration when approving the financial statements for delivery to the shareholders.

The audit committee, on behalf of the board, reviews the scope and coverage of internal audit together with its findings.

In terms of section 4 103(e) of the Malawi Stock Exchange listing requirements, the audit committee has considered the appropriateness of the experience and expertise of the Financial Director and will report at the annual general meeting of members that they are satisfied that Kondwani Msimuko has the relevant experience and expertise in this role.

Risk Management Committee

The risk management committee is chaired by Andre Lubbe a Non-Executive Director. A comprehensive risk assessment audit is undertaken twice per annum of factors which could have a material impact on the Group results.

The role of the Committee is to assist the board to ensure that the Company has implemented an effective policy and plan for risk management that will enhance the Company's ability to achieve its strategic objectives and also that the disclosures made by management with regard to the Company's risk management processes are comprehensive, timely and relevant. A comprehensive enterprise risk management strategy has been adopted by the Group with robust risk improvement plans developed and business continuity planning and testing regularly undertaken.

Nomination/Remuneration Committee

The remuneration and nomination committee comprises of four non-executive directors and is chaired by Professor Address Malata. The committee is responsible for reviewing compensation of the executive directors and executive management of the Group, and recommending the appointment/reappointment of directors.

Ethical Standards

The Group has adopted a code of management practices that applies to the Group's management and staff. The code provides a benchmark against which employee conduct can be assessed to ensure that the highest ethical standards are met.

Fraud Control

Speak – Up is the group's programme aimed at providing a mechanism for employees to report if they become aware of any inappropriate, improper, dishonest, illegal or dangerous behaviour. In addition to reporting to a Line Manager or other alternative contacts, the Group has an established and well-publicised phoneline and webservice that they can use.

The Group has implemented a comprehensive anti-bribery and corruption policy, which has been implemented throughout the organisation to all officers and employees, has adopted a zero-tolerance approach to corruption and fraud.

Internal Control

The board has overall responsibility for the group's systems of internal control and for monitoring their effectiveness. The systems are designed to safeguard the group's assets and shareholders' investments.

The Group's external auditors are granted unrestricted access to all information that may be required in the execution of their duties. Reports from the external auditors are regularly monitored to assess the effectiveness of the Group's systems of internal control.

The directors and external auditors have not detected any adverse information that would indicate a material breakdown in systems of internal control during the year under review.

Performance Evaluation of the Board

In order to ensure that the Board and Board Committees are functioning effectively and to comply with the statutory requirements, the annual performance evaluation of the Board, Board Committees and Individual Directors are conducted during the year. The evaluations are carried out based on the criterion and framework approved by the Nomination and Remuneration Committee.

Financial Statements

Despite many challenges, Illovo Sugar Malawi registered significant year on year growth primarily as a result of strong domestic market sales.

SUGAR ILLOVO MALAWI

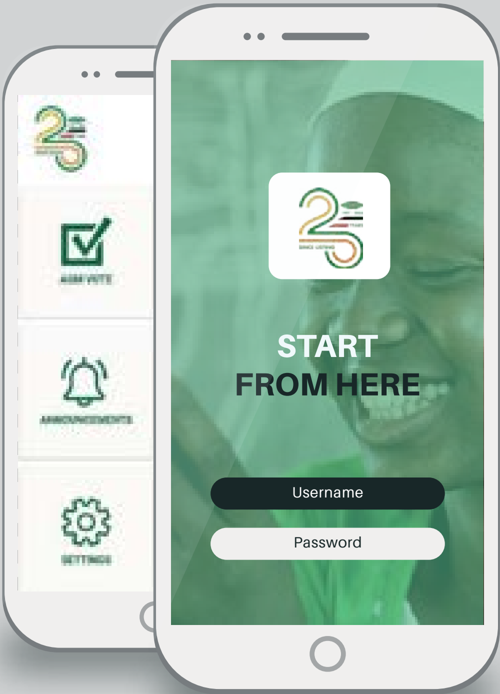
AN **ILLOVO SUGAR AFRICA** COMPANY

ISM AGM APP

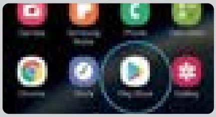
Download on the App Store | GET IT ON Google Play

HERE IS AN EASY STEP BY STEP GUIDE ON THE VOTING PROCESS TO THE 2023 ISM AGM.

While we will do a short demonstration of the voting during the AGM, it is advisable that you should **download the App before the meeting**. Please note that you will need **a smart phone in order to vote**.



HOW TO INSTALL THE APP



1 Open **Google Play Store** or **Apple Store** on your phone and search for " ISM AGM App"

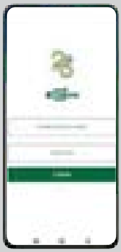
2

3

INSTALL

Install **Mobile App** to device

HOW TO LOGIN



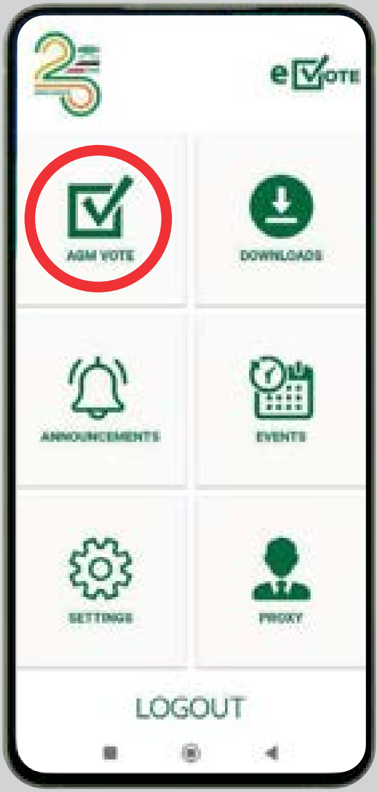
2 Once you open the app you will be prompted to select your role **Proxy or Shareholder**

2 To access the app you will need the following:

1. **Shareholder certificate number**
2. Default Password. **"12345"**

Once you login for the first time using the default password, you will be requested to change it before you proceed

HOW TO VOTE DURING THE AGM



1. To vote for the AGM resolutions select **"AGM VOTE"** icon then proceed to select the active AGM on the list.

2.

3.

DOWNLOAD

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Scan the QR code to download the digital Annual Report

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