



SUSTAINABILITY REPORT

Many Successes

- Decrease in LTIFR
- Level 3 BBBEE Rating
- Record level in VCT
- Inclusion in the JSE SRI index
- Ranked best BEE Food Company by Financial Mail

Introduction

Tongaat Hulett continues to build on its ongoing commitment to operating responsibly and supporting long-term sustainability through strong performance. The company considers the management of its environmental, social and economic risks and opportunities as being fundamental to its future success. This commitment has been reinforced through continued improvement in the company's engagement with stakeholders.

During the period under review, the following areas were identified for focus over the next five years:

- Ensuring that management continues to be empowered to address sustainability in all facets of the business
- Further improving the disclosure of relevant information
- Effectively managing the opportunities and risks created by Climate Change and responsible Carbon Management
- Responsible management of water resources
- Playing an active role in the renewable energy sector in the region

In the context of operating in an increasingly dynamic world, where issues such as climate change and renewable energy are taking on greater relevance, stakeholders continue to expect that Tongaat Hulett will act in a fair and responsible manner. Meeting this expectation is core to business sustainability and it is pleasing that the company is recognised as a leading manufacturer of a range of high-quality products. Tongaat Hulett recognises its responsibility to contribute to the health and safety of its employees and the principles of fairness, integrity and respect are core to the company's dealings with employees. It is committed to minimising the impact on the environment and regular reviews of existing initiatives and measurements of performance are the norm.

Continuing Opportunities

- Improved Carbon and Water Management
- Participation in the Carbon Disclosure Project
- Reviewing King III recommendations
- Enterprise Development initiatives
- Continued focus on safety improvement

Overview

Tongaat Hulett is an independent agri-processing business which includes integrated components of land management, property development and agriculture. With its established and growing operations, it remains well-positioned to benefit from the emerging global dynamics of increasing demand for agricultural products, food, renewable energy and land usage.

Tongaat Hulett Limited, previously known as The Tongaat Group Limited, evolved from a partnership between Edward Saunders and W J Mirrlees, which dates back to 1875. Tongaat Hulett has a primary listing on the Johannesburg Stock Exchange, which dates back to 1952, and a secondary listing on the London Stock Exchange, which dates back to 1939.

Tongaat Hulett's key focus areas of sustainability include safety, health, environment, broad based black economic empowerment, human resources and skills development, talent management, employment equity, indigenisation and, where applicable, socio-economic development and stakeholder engagement.

Tongaat Hulett employs over 35 000 employees and despite its continued commitment to safety, tragically there were eleven fatalities during the 15 month period to 31 March 2010. A single on site incident resulted in one fatality and two offsite incidents resulted in ten fatalities. The company continues to roll out its safety plan, which focuses on high risk areas, including the identification of high risk activities and additional interventions in order to minimise a recurrence of these types of incidents.

Tongaat Hulett uses the Global Reporting Initiative (GRI) guidelines on environmental, social and economic performance as a benchmark for its sustainability reporting. Sustainable development aims to meet the needs of the present without compromising the ability of future generations and Tongaat Hulett is firmly committed to advancing these principles.

A comprehensive explanation of Tongaat Hulett's operational structure is available in the 'Our Business' section of the company website (www.tongaat.co.za).

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Reporting Boundaries

Following the most recent report, published for the period of 1 January to 31 December 2008, this report covers all of Tongaat Hulett's operations in Botswana, Namibia, Mozambique, South Africa, Swaziland and Zimbabwe for the 15 months ended 31 March 2010. Tongaat Hulett's geographical presence is presented on the company website (www.tongaathulett.co.za/ob/geographical.asp).

External Recognition

In 2009, Tongaat Hulett was included in the JSE's Socially Responsible Investment (SRI) index for the sixth year in a row, was ranked among the thirty best performers and was noted as one of ten consistent best performers for the past three years.

Tongaathulett was ranked first in the Food & Beverages sector of the Financial Mail's Top Empowerment Companies 2009, for the second year in a row.

The Investment Analysts Society of Southern Africa voted Tongaat Hulett as the winner of the Best Reporting and Communication Award in the Consumer Products category in 2009, for the second year running.

The Maidstone sugar mill was rated by NOSA, out of 1 200 sites audited, as the best manufacturing facility in terms of Safety, Health and Environment (SHE) at their International Awards.

ENVIRONMENTAL STEWARDSHIP

Management Approach

Tongaathulett seeks to responsibly manage its impact on natural resources and reduce waste generation. Research is regularly undertaken to measure and monitor the impact of its operations on the environment and implement systems to ensure that resources are used in a sustainable manner.

Policies and practices are in place in Botswana, Namibia, Mozambique, South Africa, Swaziland and Zimbabwe to ensure that operations are managed within statutory and legal parameters and Tongaat Hulett's self-defined targets.

Key environmental risks have been identified and appropriate action is being taken to either eliminate or minimise the risks concerned. Environmental incidents and complaints are well monitored, reported and acted upon. Significant progress has been made during the reporting period with the recording of environmental data on emissions, energy consumption, waste quantification and resource conservation. Specific targets have been set at each operation and are being aligned to the ISO 14001, OHSAS 18001 and NOSA requirements. Objectives and targets will facilitate meaningful progress with regard to best practice in sustainable development. Accredited

auditors monitor the achievement of objectives and targets and operational targets have been set in respect of primary water use, energy use, air quality (sulphur dioxide emissions), land use and bio-diversity.

Tongaathulett's approach to property development is conceptualised and implemented around a sustainable development philosophy, which at its core, is aimed at achieving an appropriate synthesis between economic development, environmental enhancement and social upliftment. Actions continue to be taken to find ways of addressing social development objectives such as affordable and quality housing, appropriate densification and public transport, as well as environmental sustainability measures such as green buildings, reducing energy and water usage and developing ecological corridors and indigenous carbon sinks.

The undertaking of Environmental Impact Assessments (EIA's) and implementation of the respective Environmental Management Plans (EMP's) are entrenched and all operations strive to conduct themselves in an environmentally responsible manner.

Tongaathulett is evaluating its carbon and water footprint and developing new approaches to understanding and



dealing with the potential opportunities and consequences of both climate change and water shortages in the future.

Energy, Climate Change and Carbon Management

In 2009, Tongaat Hulett participated in the Carbon Disclosure Project (CDP), an independent initiative encouraging transparency on all climate change related issues and providing details of emissions performance. As part of the CDP process Tongaat Hulett conducted its first carbon footprint analysis. The analysis was conducted according to the Greenhouse Gas Protocol, a widely used international accounting tool. Details of the company's actions are provided in the public response to the Carbon Disclosure Project (www.cdproject.net). The company

tracks and monitors its greenhouse gas emissions and will continue to improve the accuracy and reporting of its greenhouse gas footprint.

Direct or Scope 1 emissions are those arising directly from owned or company controlled sources. These include, for example emissions from combustion in owned or controlled boilers, furnaces, vehicles and emissions from chemical production in owned or controlled process equipment. Tongaat Hulett operations emitted 920 356 metric tons CO₂ (Scope 1 emissions). Indirect, or Scope 2 emissions are those emissions from the generation of purchased electricity consumed by Tongaat Hulett. The company purchased electricity that emitted 386 735 metric tons of CO₂. The total CO₂ for the period under review was 1 307 091 metric tons equivalent and the turnover was R11,1 billion, which equates to 118 grams of CO₂ emitted per rand generated.

Sugar from cane has a substantially lower carbon footprint than similar or comparable products produced from other agricultural products. The bulk of Tongaat Hulett's sugar mills and cane estates energy needs in the form of steam and cogenerated electricity are met utilizing bagasse from sugar cane which is a renewable fuel.

predominantly from bagasse. Other sources of fuel that are used include coal, diesel, petrol, gas and wood.

With the growing global drive to address the issue of carbon emissions and global warming on a more urgent basis, Tongaat Hulett continues to implement a number of initiatives and is investigating further avenues, which will positively reduce the impact of the carbon footprint and improve energy utilisation. The current and future projects include energy efficiency, further use of natural gas for more efficient steam generation, cogeneration of electricity from natural gas in the Starch operation and the expanded production of electricity from sugar cane bagasse.

The company is positioning itself to take advantage of the opportunities presented by renewable energy. Discussions are under way with national Government, renewable electricity traders and end users in order to facilitate a market for large-scale cogeneration of renewable electricity by the sugar industry. The company is also investigating the production of biofuels from a number of feedstocks and at different geographic locations.

Air Quality

Since sugar mills burn bagasse as a fuel, the flue gases from



The sugar cane plant converts CO₂, water and sun light into biomass. Tongaat Hulett's sugar mills routinely generate renewable electricity for sale into the national grid. Two of the mills sell this electricity to a "green" electricity trader, for resale as certified renewable electricity to consumers. A small amount of coal is burnt as a supplementary fuel at the sugar mills when required.

The central sugar refinery uses coal to supply steam and cogenerated electricity and the Starch operation uses coal or gas for steam and purchased electricity.

For the period to 31 March 2010 Tongaat Hulett used 483 346 MWh of electricity in all its operations and offices. It generated 360 142 MWh from its sugar mills

the boilers do not contain harmful levels of contaminants. Wet scrubbing technology is used to remove fly-ash from the flue gas to ensure that emissions meet the required standard.

The central sugar refinery in the Durban South Industrial Basin burns coal as a boiler fuel and therefore has a greater challenge in terms of emission reduction. The refinery is operating well within the permitted requirements and meets regularly with relevant environmental authorities and community groups to share the environmental performance of the plant. The significant capital investments implemented over the last five years have contributed towards improved plant efficiencies and reduction in emissions. In addition, the Refinery is evaluating alternative

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steam and power technology options for the plant in preparation for impending changes to emission legislation.

Biodiversity and Land Management

Tongaat Hulett owns some 24 750 gross hectares of land in South Africa of which approximately 13 863 hectares are considered to have potential for the transition from agriculture to other development uses on a phased basis at the appropriate time. Tongaat Hulett recognizes and understands the necessity for a sustainable approach to land management and the conversion of its agricultural landholdings. The company prides itself on implementing strategies, which aim to ensure and enhance the sustainability of its management and development activities. The natural environment is seen as being part of the land assets and incorporated into the land management, planning and development activities. It is a value-enhancing feature to which value is added through the protection of existing natural habitats, rehabilitation of land and the management and maintenance of these habitat areas. Over 5 500 hectares are being, and will be rehabilitated and brought into formal, sustainable management as a result of new development. Biodiversity and conservation are important components of all processes and are entrenched throughout the value chain in the most viable and sustainable manner possible.

The use of chemicals, fertilizers and pesticides is carefully monitored to avoid contamination and land degradation. The company proactively undertakes environmental due diligence audits, liability assessments and ad hoc inspections.

Water Conservation

Access to clean water is an issue of growing importance and a key challenge for sustainable development. Water is consumed in various forms, with the largest user being the agricultural operations. The sugar cane plant comprises 70 percent water and sugar mills are therefore net producers of water. Most of the sugar cane processed in South Africa is dependent on natural rainfall. In Mozambique, Swaziland and Zimbabwe, large-scale irrigation is practised via purpose-built canal systems with water extracted from rivers. The management of these canals and irrigation systems is in keeping with the highest agronomy and safety standards.

At Tongaat Hulett Starch, water usage is monitored on a daily basis and optimised to run at world standards for wet milling. Water quality is monitored on an ongoing basis at all operations. The company continues to identify business risks and opportunities for water access, reuse or recycling, efficient use and responsible waste water disposal.

Tongaat Hulett's reported water used in product manufacturing during the period under review as 23 222 688 m³, with a further 66 552 117 m³ being purified at various mills and supplied to local Municipalities as portable water. This metric, reported for the first time, provides a single, aggregated overview of water demand across all of the company's operations.

Effluent

Subsequent to the "zero effluent" philosophy that has been adopted by several operations to minimise the quantity of liquid effluent leaving each mill or plant, the sugar mills recycle and re-use water within the factory, while the remaining effluent undergoes biological treatment (aerobic and anaerobic) to reduce its chemical oxygen demand to acceptable levels before discharge. Water that is produced as part of the sugar milling process is used for the irrigation of sugar cane on adjacent estates. Effluent produced at the central sugar refinery is disposed of into the municipal sewer for treatment, and both the quantity and quality thereof is monitored carefully to ensure compliance with the relevant specifications.

The starch operations' effluent is treated at local authority treatment plants, with effluent quality being constantly monitored.

Waste

Some operations have re-engineered and refined services to reduce waste and increase resource productivity over the last few years. These initiatives have yielded significant savings, offering new revenue streams from the sale, exchange and recycling of waste products. Specific projects in the period to 31 March 2010 included the quantification of waste streams and the establishment of waste recycling programmes.

During the reporting period, 26 870 tons of general waste, 2 677 tons of scrap metal waste, 19 172 tons of hazardous waste and 34 947 tons of recycled waste was generated and disposed of in accordance with applicable legislation.

Food Safety

Tongaat Hulett continues to manage its maize requirements on a non-genetically modified basis using a sophisticated identity preservation system. This ensures the company's ability to meet the needs of its customers in the food industry. In addition, ongoing attention is paid to the requirements of ISO 9001, the Hazard Analysis Critical Control Point system (HACCP) and ISO 22000, in terms of quality and food safety standards at all operations and these systems are in various stages of being certified by the South African Bureau of Standards (SABS).

Environmental Compliance

There were no material incidents, fines or non-monetary sanctions for non-compliance with applicable environmental regulations during the year under review. The established community liaison forums between Tongaat Hulett and interested parties continue to address environmental related complaints. During the reporting period 116 level one and 11 level two complaints were received compared to 50 level one complaints received in 2008 and 113 level one complaints received in 2007. The increase was attributed to the increased level of awareness and reporting by employees.

THIRD PARTY CERTIFICATIONS

All operating companies have embarked on programmes to conduct third party audits and/or certifications. In this regard, targets have been set for third party audits and certifications associated with NOSA, OHSAS 18001, ISO 14001, ISO 9001 and HACCP/GMP. All South African operations are certified under the ISO 14001 Environmental Management Systems. All sugar operations were audited by NOSA on the integrated star rating system. All starch operations are ISO 9001 certified and also ISO 14001 certified. Germiston is OHSAS 18001 certified. The remaining starch operations are working towards certification by 31 March 2011. Mozambique and Zimbabwe operations have completed stage 1 of the ISO 14001 with the exception of Hippo Valley Estates, which has achieved certification. The Swaziland operation is certified to ISO 14001, ISO 9001 and NOSA. Certain of the starch and sugar operations have embarked on HACCP/ISO 22000 food safety assessments, Germiston, Kliprivier, Maidstone and Tongaat Hulett Sugar Refinery are ISO 22 000 certified.

SOCIAL PERFORMANCE

Management Approach

Ethical integrity and social responsibility are core principles of the manner in which the company conducts its business. Tongaat Hulett views the achievements of targets in this area as central to the organisation's continued success.

In light of this, executive directors' and management's annual bonuses are linked to, among other elements, the achievement of key business strategies and the company's safety targets. The company builds enduring relationships with its stakeholders that are characterised by mutual respect, active partnerships and long term commitment. Performance on social dimensions continued on a positive trend, from the previous reporting period, with notable progress on all dimensions: safety, health, talent management and people development.

SAFETY

Tongaat Hulett is striving to create a workplace free of fatalities and injuries. Substantial improvements continue to be achieved in safety performance at all operations, with a decrease in LTIFR from 0,11 in 2008 to 0,097 as at 31 March 2010, constituting a significant improvement when compared to 1,27 in 2003. LTIFR is the number of lost time injuries per 200 000 hours worked and includes all restricted work cases. The R25 million spent two years ago on new safety personnel carriers at sugar operations made a significant contribution to the improvement of safety performance.

Regrettably, eleven fatalities occurred in three incidents during the fifteen month period. A single on site incident resulted in one fatality and two offsite incidents resulted in ten fatalities. At the Xinavane mill, nine security officers were fatally injured in a motor vehicle collision that took place on a public road near the sugar mill and an employee who suffered hot water burns on site died from a subsequent infection. In Zimbabwe, another motor vehicle collision off site claimed the life of an employee.

The focus of the safety programmes throughout Tongaat Hulett over the reporting period has been on identifying the highest risk incidents or "near misses" and managing them at the same level as if they had actually resulted in a disabling injury. This approach is designed to progressively lower the risk of a fatality or injury at each operating site.

Executive SHE committees have been established in South Africa, Mozambique, Swaziland and Zimbabwe.

Period	Actual 12 months to 31 December 2007		Actual 12 months to 31 December 2008		Actual 15 months to 31 March 2010		Target 12 months to 31 March 2011	
	No. of LTI's	LTIFR	No. of LTI's	LTIFR	No. of LTI's	LTIFR	No. of LTI's	LTIFR
Sugar	62	0,13	53	0,10	51	0,09	45	0,08
Starch	9	0,66	4	0,28	4	0,27	3	0,21
Developments	0	0,00	0	0,00	0	0,00	0	0,00
Consolidated	71	0,14	57	0,11	55	0,097	48	0,08

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The Mozambique and South African committees are chaired by the CEO and meet quarterly to review progress of the Tongaat Hulett safety management programme. All operations continue to identify and re-evaluate their risks. Active monitoring, control and action are ongoing.

Underpinning the Safety Improvement Plan, all operations have programmes in place related to behaviour based safety, visible felt leadership, hazard identification and risk assessments, internal audits, management reviews and third party audits. Golden rules, standard procedures and safety training are key components of the safety improvement drive. Senior employees in operational areas are expected to ensure compliance with safety laws and remain responsible for taking steps considered to be practical to mitigate any potential hazards.

Benchmarking is used to measure standards against leading best practice. Relevant information and experience is shared across all operations and Tongaat Hulett SHE committee meetings are used as one of the vehicles to promote the implementation of leading practices and shared learning. In addition, inter-operational site visits form an integral part of the shared learning process whereby management teams have the opportunity to gain first hand information on SHE practices and access to innovative ideas. Incident learnings are also shared across the company.

HEALTH

Operations in South Africa comply with the requirements of the Occupational Health and Safety Act, or the country equivalent for its operations in Botswana, Namibia, Mozambique, Swaziland and Zimbabwe. Management in each of the operations is required to ensure that all legal requirements are complied with, and where legislation does not exist, leading practices identified and implemented. SHE audits are regularly conducted in order to ensure this compliance and the company is committed to exceeding the

minimum requirements of the legislation. Company clinics provide occupational and primary health care programmes, and there is a high quality company hospital in Zimbabwe. Health care programmes include risk assessment and control measures, hygiene surveys and medical surveillance.

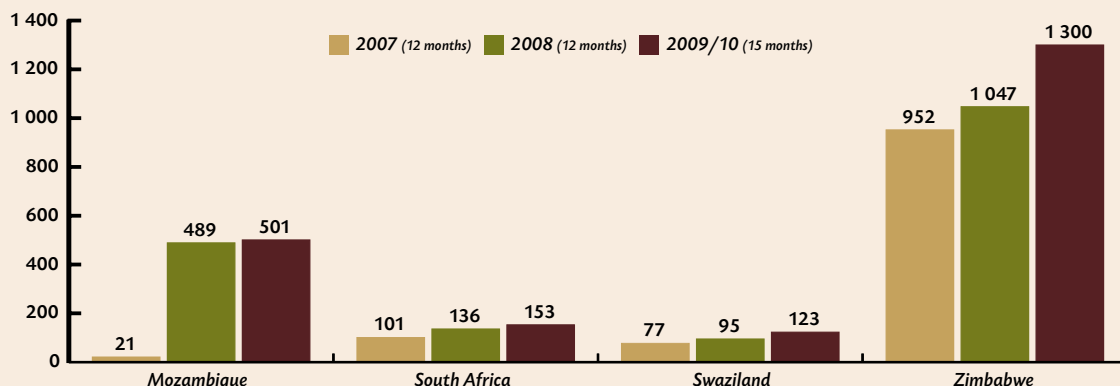
HIV and AIDS

In recognition of its responsibility towards managing HIV and AIDS, there is a Board approved HIV and AIDS policy, which encourages training and education, voluntary counselling and testing, and ensures the fair, compassionate and non-discriminatory treatment of those who may be affected by the disease.

Holistic and comprehensive HIV and AIDS management programmes are in place with the key elements being awareness, prevention, encouraging employees to know their status through Voluntary Counselling and Testing (VCT) treatment that includes Anti-retroviral Treatment (ART), care and support. Due to requirements of confidentiality and privacy, as well as medical and clinical expertise when treating HIV and AIDS patients, the company makes use of external service providers in certain operations to co-manage the workplace programmes. Where appropriate, successful wellness programmes are offered in various operations. The key components of these wellness programmes include healthy lifestyle education and personal health assessment, including VCT.

Good progress is being made with the number of employees knowing their HIV status. 87 percent of the employees in South Africa, 70 percent in Swaziland, 87 percent in Mozambique and 77 percent in Zimbabwe know their status. In Mozambique, progress continues to be made in respect of HIV and AIDS programmes, including VCT in conjunction with the Government of Mozambique. Strategies to ensure a further increase in the number of employees participating in VCT are in place,

Number of employees on Anti-retroviral Treatment



such as linking VCT to occupational medical surveillance programmes, general wellness programmes and HIV and AIDS commemorative events such as World AIDS Day. By 2011 more than 87 percent of the employees in South Africa and 75 percent of the employees in the other countries should know their status.

The company's ART programme is progressing well with 2 077 employees (153 in South Africa, 501 in Mozambique, 123 in Swaziland and 1 300 in Zimbabwe) currently receiving ART.

Occupational Diseases

Ongoing occupational health programmes are in place at all operating centres to eliminate priority health risks such as noise induced hearing loss and occupational diseases such as asthma and dermatitis. Risk assessments, hygiene surveys, risk control measures, medical surveillance and audits are conducted periodically to address exposures to health hazards at the workplace. Further occupational health audits were conducted during the reporting period, building on the solid platform that has been established.

Malaria

Malaria is still a significant health risk in the Mozambique, Swaziland and Zimbabwe operations. Integrated malaria control programmes to mitigate the impact of the disease are in place at the respective operating centres. The key elements of the programmes are vector control with insecticides, prevention of mosquito bites with personal protective measures and the treatment of established cases of malaria. The number of malaria cases amongst employees in the reporting period to 31 March 2010

resulted in Tongaat Hulett experiencing major challenges in order to recruit, develop and retain key skills in a fiercely competitive environment for scarce talent. There is a need to ensure an appropriate pipeline of skilled people to meet future skills requirements and for succession planning purposes. Programmes are in place at all operations to attract, develop and retain valuable skills. Targeted recruitment and market-related remuneration practices, coupled with effective performance and talent management, play an integral part in this regard. Where appropriate innovative strategies are being used to retain people with key skills.

Training related information in respect of the South African operations for the period 1 January 2009 to 31 March 2010 is as follows:

- Total training spend R47,1 million
- 1 percent skills levy R11,1 million
- Training spend % leviable amount 4,2%
(excluding 1% skills levy)
- Number of people days trained 15 269
- Number of people days available 1 893 057
- % trained people days 0,8%

Recruitment strategies have been improved, including the use of psychometric assessments and web-based recruitment linked to Career Junction. Partnerships and relationships with education institutions have been strengthened with institutions such as the University of Witwatersrand (Wits) (Electrical

	<i>Number (as at 31 March 2010)</i>	<i>Average Age (as at 31 March 2010)</i>	<i>Number Terminated (1 January 2009 to 31 March 2010)</i>	<i>Number Appointed (1 January 2009 to 31 March 2010)</i>
Graduates/ Diplomates	1 075	40	61	75
Artisans	445	38	47	101

was 868, with 474 cases reported in Mozambique, none in Swaziland and 394 in Zimbabwe. In 2008 there was a total of 1 621 cases, with 1 011 cases reported in Mozambique, 1 in Swaziland and 609 in Zimbabwe.

TALENT MANAGEMENT AND PEOPLE DEVELOPMENT

To achieve superior performance, which is key to success in a challenging business environment, skilled staff of the highest calibre are required. A shortage of skilled people, particularly in technical and engineering disciplines, has

Engineering/Process Control), the University of KwaZulu-Natal, Mangosuthu Technikon and the Durban University of Technology.

Existing Skills

In the sugar operations, managers attend leadership and management development programmes offered by Treetops. The starch operations have formed a partnership with the Wits Business School to address their unique requirements of management development and supervisory training respectively. In addition to formal

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training and development programmes, there has been further improvement in performance management, talent management, coaching and mentoring processes. Coaching skills training is done through Wits Business School and UCT Business School. Where appropriate, reasonable accommodation of work/life balance, for example in the form of flexible work arrangements, is being used as one of the ways to accommodate the needs of particular employees, which would contribute to the retention of talent.

Bursaries, scholarships, trainee programmes and learnerships continue to be sponsored by the company to assist with sourcing and developing bright young minds in anticipation of future skills requirements. To support these programmes, strong partnerships have been formed with select educational institutions and Sector Education and Training Authorities (SETAs). Workplace skills plans and implementation reports are submitted to the relevant SETA on an annual basis. In all countries, the number of learnerships was 384 as at 31 March 2010, which include in-service trainees, apprentices and graduate trainees. More than 8 434 employees participated in training programmes and 175 employees participated in the company's study aid scheme for the 15 month period (1 January 2009 to 31 March 2010), which is aimed at

assisting employees with part time tertiary education. Thirty-two bursaries for tertiary education (degree or diploma) are currently being sponsored by the company, and 273 apprentices were in training as at 31 March 2010.

Employment Equity and Indigenisation

Tongaat Hulett values the dimensions that a diverse human resource base brings to its businesses. Employees in the Swaziland and Zimbabwe operations consist almost exclusively of local citizens. Mozambique continues to experience a skills shortage, resulting in more foreign nationals being employed in that country than might be expected. Plans are being developed to further employ and train local citizens to gradually replace foreign nationals in Mozambique.

In South Africa, where there is a particular need to address the imbalances of the past, a strong employment equity culture has been fostered over many years. Actions are continuing to improve the representation of designated groups, with particular emphasis on Africans, black women and persons with disabilities, with the intention to align the workforce profile

Employment Profile as at 31 December 2008 submitted to the Department of Labour

<i>Occupational Levels</i>	<i>Male</i>				<i>Female</i>				<i>Foreign Nationals</i>		<i>Total</i>
	<i>A</i>	<i>C</i>	<i>I</i>	<i>W</i>	<i>A</i>	<i>C</i>	<i>I</i>	<i>W</i>	<i>Male</i>	<i>Female</i>	
Top management	4	0	1	14	2	1	1	0	1	0	24
Senior management	20	4	21	63	2	1	5	3	2	0	121
Professionally qualified and experienced specialists and mid-management	52	6	43	78	29	4	18	24	3	4	261
Skilled technical and academically qualified workers, junior management, supervisors, foremen, and superintendents	315	53	232	149	143	17	56	71	11	4	1 051
Semi-skilled and discretionary decision making	1 015	22	185	6	164	7	30	11	1	1	1 442
Unskilled and defined decision making	1 367	0	15	2	1 098	0	2	0	1	0	2 485
TOTAL PERMANENT	2 773	85	497	312	1 438	30	112	109	19	9	5 384
Temporary employees	89	1	3	3	56	3	5	0	0	1	161
GRAND TOTAL	2 862	86	500	315	1 494	33	117	109	19	10	5 545

Note: A = African C = Coloured I = Indian W = White

with the underlying demographics of the country. As at 31 March 2010, 54,7 percent of management and 80,5 percent of skilled and supervisory positions are filled by black employees. Within the South African operations, 72,4 percent of the 616 graduates and diplomate employees are black, with women constituting 38 percent.

Employment equity plans are in place to meet the employment equity goals that have been set for December 2011. These plans include targeted recruitment and placement, coupled with talent and performance management, training and development, coaching and mentoring and managing cultural diversity. Recommendations have been received from the Department of Labour (DoL), following their review of the Tongaat Hulett employment equity practices and action plans are in place to implement the recommendations.

The Tongaat Hulett Employment Equity Committee is chaired by the CEO. The broad composition of this committee ensures that it benefits from company wide experience and expertise in achieving its objectives. Its main objective is to set targets and review progress on all employment equity related matters and where necessary, to make recommendations to the board on the

	Actual as at 31 December 2007	Actual as at 31 December 2008	Actual as at 31 March 2010
Top Management	36%	38%	38%
Senior Management	42%	44%	46%
Middle Management	55%	58%	60%
Skilled and Supervisory	77%	78%	81%

The table opposite reflects the employee profile of the company's South African operations as at 31 December 2008, which was part of the Tongaat Hulett report submitted to the DoL.

The overall proportion of blacks in management as at 31 March 2010 was 54,7 percent of permanent staff at this level, compared to 52,7 percent at 31 December 2008. It is envisaged that by 2012, black representation at management level (D band and above) will exceed



implementation of employment equity policies. These policies are based on equal opportunity for all within a diverse workforce with a substantial number of members of designated groups at all levels. The implementation of these policies is facilitated by appropriate performance and talent management processes, recruitment targets, development and training programmes, coaching and mentoring and innovative management development practices.

These programmes, targets and practices enjoy priority as a key business objective and constitute an integral part of management's performance assessment.

60 percent. The table above reflects a year on year comparison of black employee representation in proportion to permanent staff at various levels as at 31 March 2010.

As at 31 March 2010, the proportion of black females in top management was 16,7 percent which was the same as at 31 December 2008 and black females in management increased from 15,5 percent to 16,8 percent in March 2010. There were 62 employees with disabilities as at 31 March 2010, which constituted 1,0 percent of the employee complement compared to 0,9 percent as at 31 December 2008.

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Labour Relations

The company has always strived to maintain a constructive relationship with unions and a general climate of industrial peace has prevailed over the past few years. There are recognition agreements with 13 different unions as at 31 March 2010 and approximately 67 percent of permanent employees are members of unions. Senior management are involved in union negotiations, with senior human resources staff playing a key role in this regard.

Disciplinary codes and procedures have been implemented after negotiations with unions concerned. There was no industrial action during the 15 month period. Two minor work stoppages of short duration, involving a small number of employees with minimal cost impact occurred during the 15 month period.

STAKEHOLDER ENGAGEMENT

Tongaat Hulett acknowledges that it has a range of environmental, social and economic impacts. Determining how these impacts are prioritised and defining which ones are “material”, through the effective application of meaningful stakeholder engagement policies and procedures, is an important strategic step in addressing them. Tongaat Hulett recognises that stakeholder engagement is the process of ensuring that it creates transparent dialogue between itself and internal and external parties about its operations and their consequences. The objective of the company’s stakeholder engagement processes is to build long-term, stable and mutually-beneficial relationships with its stakeholders. In progressing this significant objective, Tongaat Hulett has identified the following key stakeholders and the various initiatives in place to communicate with each group.

Employees are empowered in order to attract and retain talent, improve competence and skills and enhance value and commitment. Staff is kept abreast of local and corporate business development via internal newsletters, company intranet, briefings and internal memos. The bi-annual results presentations are made available to staff by invitation and also through the company intranet.

Customers, suppliers and service providers are engaged in order to determine their needs, evaluate perceptions, enhance Tongaat Hulett’s brands, grow revenue and deliver new products. Each operating area has a marketing and procurement unit, which meets with customers, suppliers and service providers on an ongoing basis.

Tongaat Hulett engages with shareholders, investors, analysts and the media in order to create more accurate expectations, informed perceptions and market the business. Communication takes place through meetings with management, telephonic conversations, internet and email. A well entrenched investor relations team exists with a focus on communicating with all stakeholders and ensuring adherence to corporate disclosure requirements. In addition, annual and interim results presentations are held in Johannesburg, Cape Town and Durban in order to explain the company’s performance and prospects. Engagement with the media takes place on a formal as well as informal basis with media briefings, press releases, SENS announcements and publishing of relevant information on the Tongaat Hulett website. Shareholders are also encouraged to attend the company’s Annual General Meeting.

Government authorities and regulators play a vital role in the company progressing its initiatives in the countries in which Tongaat Hulett operates. The company interacts with these stakeholders in order to further optimise opportunities and assess matters relating to regulatory compliance, within the relevant country. During the reporting period to 31 March 2010, the development operations signed a cooperation agreement with eThekweni Municipality to collaborate on the planning of Cornubia affordable housing development. In addition, numerous engagements have occurred with the Department of Transport for the provision of infrastructure. The new King Shaka International Airport presents further opportunities for partnering with provincial and local authorities on planning for the provision of land for commercial purposes in the vicinity of the airport. The starch and sugar operation interact with the Department of Agriculture, Forestry & Fisheries on agri-processing and

STAKEHOLDERS

•EMPLOYEES	•CUSTOMERS •SUPPLIERS •SERVICE PROVIDERS	•SHAREHOLDERS •INVESTORS •ANALYSTS •MEDIA	•GOVERNMENTS •REGULATORS	•TRADE UNIONS	•LOCAL COMMUNITIES
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land issues and the corporate office has engaged with the Department of Labour regarding employment equity and transformation matters.

Managers in all our operations interact with trade unions on relevant employment issues with collective bargaining taking place where appropriate. The sugar and starch operations are the most labour intensive businesses and structures are in place to engage with various unions.

Local communities are engaged in order to develop a broader understanding of their concerns, align priorities and allocate corporate social investment in areas where there will be maximum impact. Community related programmes include enterprise development, socio-economic development, training, employment, environment protection, cultural heritage and support for recreation through community trusts. In November 2010, various local communities of Indian origin will celebrate the arrival of indentured labourers in Durban 150 years ago. Many of these labourers left India to work in the sugar industry in South Africa, and today their descendants form part of one of the largest Indian populations outside of India. Tongaat Hulett recognises the contribution made by indentured labourers many years ago, in contributing to the growth of the industry and the role that so many people of Indian origin continue play in the success of the company today.

ECONOMIC SUSTAINABILITY

Management Approach

The company's continuing financial resilience depends, among other factors, on its ability to focus on sustainable BBBEE and indigenisation in the agriculture sector through the development of local farmers in Mozambique, Zimbabwe and South Africa, including post settlement solutions in the land reform programme. Tongaat Hulett uses its expertise to harness these resources, creating prosperity for its stakeholders.

Broad Based Black Economic Empowerment

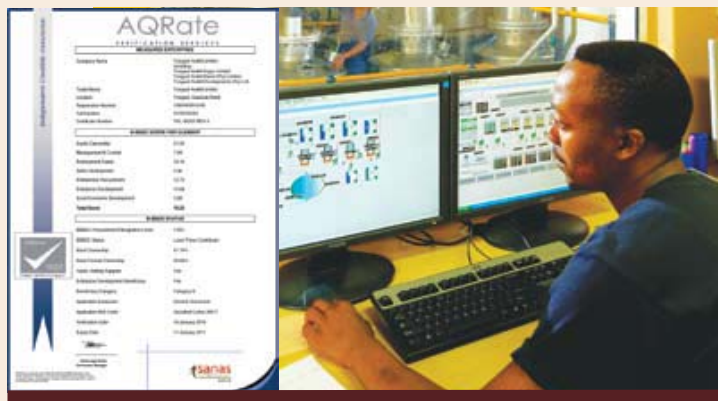
Tongaat Hulett continues to make good progress by building on its proud history of numerous meaningful and sustainable broad based Black Economic Empowerment (BBBEE) initiatives for the benefit of all stakeholders. Steps continue to be taken to ensure that processes and measurements within the company are aligned with the relevant regulatory requirements and the South African Department of Trade and Industry's (DTI) Codes of Good Practice. Where applicable, operations have been involved in the formulation of relevant industry/sector scorecards.

Transformation, equal opportunity, the creation of a diverse employee profile and indigenisation remain key

performance areas in every geographical region where Tongaat Hulett operates.

Tongaat Hulett established the ESOP and MSOP employee ownership schemes for the benefit of all South African

BBBEE Scorecard	Score		
	2007	2008	2009/10
Equity Ownership	21,63	19,05	21,59
Management & Control	6,99	7,83	7,80
Employment Equity	9,16	9,78	10,18
Skills Development	6,34	4,39	5,96
Preferential Procurement	12,32	9,33	12,70
Enterprise Development	13,73	15,00	15,00
Socio Economic Development	5,00	5,00	5,00
Total	75,16	70,38	78,23
BBBEE Level Rating	3	4	3



black employees and senior black management respectively, effectively placing a collective interest of 7 percent in the hands of such employees. The overall objective of the schemes is to retain and attract high calibre black employees at every level of the business and to create a sense of ownership amongst employees, as well as to entrench an ownership culture within the greater Tongaat Hulett workforce. The introduction of BBBEE equity participation in 2007, included an 18 percent participation by two BBBEE groupings, Ayavuna Women's Investments, as an anchor partner, combining with the Mphakathi Trust, which benefits the communities surrounding the Tongaat Hulett property developments and Sangena Investments, as an anchor partner, combining with

SUSTAINABILITY REPORT CONTINUED

the Masithuthukisane Trust, which benefits the small scale cane grower communities surrounding Tongaat Hulett's four South African sugar mills.

The third BBBEE rating audit by AQRate was conducted in 2009 with Tongaat Hulett being categorised as a Level Three Contributor, with an overall score of 78,23 percent compared to the previous year's score of 70,38 percent. The detailed comparative scorecards are shown on the previous page.

This means that entities purchasing from Tongaat Hulett may recognise 110 percent of the value of their Tongaat Hulett purchases in the procurement element of their scorecards. Going forward, reporting systems and targets will continue to be reviewed to ensure maximum alignment with the elements of the DTI Codes of Good Practice. The highlights of the accreditation is the improved scoring in preferential procurement, equity ownership, employment equity and skills development elements. Management will continue to work towards the improvement of scorecard points where possible. Tongaat Hulett believes that BBBEE is essential to the sustainability of its South African operations, as well as the prosperity of South Africa and its people.

Intellectual Property

Tongaat Hulett's intellectual property is protected through employment contracts and confidentiality agreements and/or license agreements with external parties. These agreements establish ownership of and rights to trademarks, copyright, trade secrets, innovations and inventions resulting from any dealings with the company. In the sugar operation, a portfolio of patents is managed by a knowledge management specialist in consultation with patent attorneys. Protection of patentable ideas is achieved by immediately taking out provisional patents, with targeted national and international patenting.

Preferential Procurement

The objective of Preferential Procurement under the DTI's current Codes of Good Practice includes the promotion of BEE compliance by all entities and targets for procurement from Exempted Micro Enterprises (EME's), Qualified Small Enterprises (QSE's), black-owned and black women owned enterprises. Furthermore, with enhanced recognition given for Preferential Procurement from value adding suppliers and enterprise development beneficiaries, the procurement of locally produced goods and services is actively supported to assist in developing sustainable income streams for such new entities thereby.

In respect of the Procurement Scorecard for Tongaat Hulett and based on 2008 expenditure, out of

a total available spend (defined as total procurement spend less spend on parastatals and the importation of goods not locally produced) of R5,637 billion, BEE procurement spend from all suppliers based on BEE procurement recognition levels as a percentage of total measured spend was R2,313 billion (41,04 percent).

Spend with companies which are more than 50 percent black owned totalled R259 million, whilst spend with QSE's or EME's totalled R798 million. The spend with companies which are more than 30 percent owned by black women was R90 million.

Enterprise Development and Transformation in Agriculture

Tongaat Hulett's enterprise development initiatives are underpinned by promoting entrepreneurship as the sustainable means to business development. They have influence across the communities in which they operate creating jobs and opportunities for growth. Enterprise development has occurred, for an example, through the sale of businesses to new black shareholders. Major BEE transactions concluded by the company include the listing and unbundling of Hulamin with a BBBEE equity participation element.



Tongaat Hulett has identified transformation of the agricultural sector in the countries within which it operates as a key imperative for long-term sustainable growth. Building on the strong platform, which was established through the sale of some 11 871 hectares of Tongaat Hulett sugar cane land to 98 BEE medium scale farmers in South Africa since the commencement of the sugar operation's programme in 1995 to transfer sugar cane farming skills and farms to previously disadvantaged emergent farmers, the company has implemented a number of models, which vary from country to country.

This land redistribution programme forms a major component of the company's Enterprise Development

Programme and is supported by the South African Department of Agriculture, Forestry & Fisheries, the Department of Rural Development and Land Reform and the Sugar Industry. The sale of farms to medium scale farmers equates to about 50 percent of the company's land holdings in South Africa, compared to the Government's target of 30 percent for transfer to black farmers by 2015. The recent focus in South Africa has been on the post settlement aspect of the land reform process for sugar cane land supplying its mills. This entails working with the claimant communities in order to assist them with business management and the development of successful farming practices, both during the transitional period prior to the settlement of the claim and once the claimant community have taken ownership of the land. In addition to the mentoring and support services provided to emergent farmers, Tongaat Hulett Sugar plays a leading role in the land reform initiative (Inkezo) of the South African Sugar Industry.

Operation Vuselela (revival in Zulu) is a partnership between Tongaat Hulett Sugar and KZN Department of Economic Development and Tourism (KZN DED&T). As part of this partnership 3 500 hectares of cane will be planted over a three year period commencing in the

be given to local SMME's who are run by target groups including woman, local people and the youth. These contractors will be appointed using all the government systems and guidelines for the appointment of contractors and service providers. The Tongaat Hulett Buying Office will be assisting the project with the procurement of inputs such as fertilizer and chemicals.

The underlying aim of Operation Vuselela is to create employment and general economic development opportunities in the targeted rural areas. The active part of the whole project is in the Small Scale Grower areas in tribal areas of rural KZN. This is part of Tongaat Hulett Sugar's effort of securing and increasing cane supplies to the mills while uplifting the rural communities.

The starch operation continues to be involved in the Ithuba Farming Project for the development of commercial black maize farmers. The project now encompasses three farms and twenty-seven farmers from previously disadvantaged backgrounds. In addition to the small training farm at the Kliprivier plant, the project has now leased and equipped two large maize farms in the Balfour area of Mpumalanga from the Department of Rural Development and Land Reform. A search for one more farm continues with the Department, the lease of three



2010/2011 planting season. Impaphala Trust farm will also be rehabilitated as part of this initiative. More than 2 500 small medium sugar cane growers will be established. In addition to this at least 726 permanent jobs and more than 6 000 seasonal jobs will be created over a ten year period.

Over the three year period, a total amount of R46,7 million will be contributed by the KZN DED&T. Tongaat Hulett Sugar will make a direct contribution of R10,1 million as well as an indirect contribution in excess of R20 million in the form of technical, managerial and logistical support.

Tongaat Hulett Sugar is the implementing agent for Operation Vuselela and in line with the spirit of the proposal all goods and services will be outsourced. Preference will

commercial farms would enable the project to accommodate successive groups for training periods of four years. Each group would spend one year at the Kliprivier farm prior to moving to one of the commercial farms for a further three-year period. After the four years, the farmers would apply to the Department to lease their own farms and the mentoring relationship would continue on a lesser scale. Being granted a perpetual lease of three farms will enable Tongaat Hulett Starch to fully equip and improve each farm in successive years, which should result in better planning and production by the trainee farmers.

During 2009, the Graduate Farmers Group 2007 of ten farmers harvested just short of 5 000 tons of maize at the

SUSTAINABILITY REPORT CONTINUED

Grootvlei farm. The Sisonke Farmers Group 2009 of eight harvested 664 tons at the smaller Kliprivier training farm and after the harvest they were transferred to the Tweefontein farm close to the Grootvlei farm.

A new group of ten student farmers were selected from thirteen applications in September 2009 and were installed at Kliprivier where they planted 130 hectares of maize by mid December.

Any profit from the sale of maize is deposited into a trust account on behalf of the farmers. These funds will be incremented by income from each subsequent harvest during the mentorship period and will provide capital to be used in the eventual establishment of their own farming businesses.

Two experienced mentors have been engaged, one for the two groups in the Balfour area and one for the trainees at Kliprivier. An improved theoretical training program has been introduced. The structure and organization of the project is being improved and fine tuned as the team members gain experience.

VALUE ADDED ANALYSIS

for the 15 month period ended 31 March 2010

Rmillion	15 months to 31 March 2010	12 months to 31 December 2008
Revenue	11 136	7 106
Bought-in materials and services	(7 453)	(4 968)
VALUE ADDED BY OPERATIONS	3 683	2 138
Dividends and other income	212	287
Capital profit on land	52	22
Capital profit on other fixed assets	13	49
TOTAL VALUE ADDED	3 960	2 496
Applied as follows:		
TO PAY EMPLOYEES		
Salaries, wages and benefits	1 648	1 002
TO PAY PROVIDERS OF CAPITAL	772	680
Interest on borrowings	489	325
Distributions to shareholders	283	355
TAX	208	212
RE-INVESTED IN BUSINESS	1 332	602
Depreciation	521	244
Retained earnings after distribution to shareholders	811	358
	3 960	2 496

The Zimbabwe consolidation take-on gain and the BEE IFRS 2 charge and transaction costs have been excluded from this schedule.

The Zimbabwe operations are progressing with the plough-out and replanting programme of some 600 private grower cane fields starting with 1 200 hectares in 2010, and progressively increasing by 7 000 hectares in 2011 and a further 7 000 hectares in 2012 with Adaptation Funds amounting to €45 million availed by the European Union. This rehabilitation programme will result in yield improvements from the current 78 tons per hectare to an average of 100 tons per hectare by 2014.

The small scale growers program at Xinavane comprises eleven new associations with a total of 1 170 farmers. Four of these are medium scale farmers with hectares per member ranging from twelve to forty-five. The seven associations have many farmers each owning a share of land ranging from 0,43 to 2,0 hectares. The program aims to develop 1 616 hectares under sugar cane for small growers, of which 1 263 hectares have already been developed. Xinavane is doing the development and planting for the small growers and provides the necessary technical assistance. Ten percent of the developed land is set aside for food crops under irrigation to ensure food security. The Mafambisse program has developed 285 hectares involving seven farmers.

In partnership with Umhlanga Ridge Newtown Centre



Management Association, TH Developments embarked upon a community-driven enterprise development program aimed at imparting cobbling skills to the small enterprise in the Waterloo community. A local small enterprise was identified for training after consultation with the local community development organization. Waterloo Primary School was identified for cobbling work, with Tongaat Hulett providing project management and community facilitation skills.

SOCIO-ECONOMIC DEVELOPMENT

Tongaat Hulett continues to promote sustainable development through constructive Socio-Economic Development (SED) initiatives, which are aimed at building

and enhancing the quality of life of people, with emphasis on previously disadvantaged communities within which Tongaat Hulett operates. A well-entrenched SED policy exists within the company, with guiding principles on key focus areas for social responsibility activities. SED spend is mainly directed at education, health, community skills upliftment, charitable organisations, environmental needs and crime prevention.

The reporting period highlighted the significant contribution that Tongaat Hulett makes to the welfare of its employees and the communities surrounding the operations in countries like Zimbabwe, Swaziland and Mozambique and consequently some 85 percent of its total spend was incurred in these operations. During the reporting period R29,7 million was spent on health activities which includes costs associated with a hospital at Triangle Estate and spend on cholera and malaria prevention at its operations. A further R51 million was spent on matters related to housing, maintenance of the villages and refuse collection.

Numerous schools are located in and around the operations and some R9,9 million was spent on Education which included costs for repairs to schools, stationary and education support.

SED initiatives are linked with business objectives through a corporate social partnership approach, to ensure that the company's involvement is in line with community priorities. The total SED spend for the 15 months to 31 March 2010 including the cost of company sponsored occupational and primary health care services was R130,7 million. This was above the company's commitment to allocate one percent of annual headline earnings to SED on a company wide basis annually.

INDEPENDENT ASSURANCE STATEMENT

Sustainability Assurance (SA) was commissioned by Tongaat Hulett to provide independent third-party assurance over the 2010 Sustainability Report (the report, covering the period 1 January 2009 to 31 March 2010) contained in Tongaat Hulett's integrated annual report.

Refer to www.tongaat.co.za/annualreport2010/assurance.pdf for details on the assurance statement.

FEEDBACK

All stakeholders are encouraged to share their views on this sustainability report with us, either by posted mail or email.



Spend in the South African operations accounted some 15 percent of total spend with the largest contributions being made by way of company sponsored occupational and primary health care services and contributions of R2,9 million to education. In this regard, an amount of R1,5 million was used to donate lap desks to schools mainly in the rural areas and R727 000 was spent on bursaries. The company continued its association with the National Business Initiative and contributed R213 000 during the reporting period.

In addition to the donation of funds to worthy projects, expertise is made available by company management to guide community projects. Where appropriate,

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GRI INDEX

For detailed Global Reporting Initiative G3 sustainability reporting indicators:

Refer to www.tongaat.co.za/annualreport2010/gri.pdf