

Independent Assurance Statement

To the Board and stakeholders of Tongaat Hulett:

Integrated Reporting & Assurance Services (IRAS) was commissioned by Tongaat Hulett to provide independent third party assurance (ITPA) over the sustainability content within the sustainability section of the 2014 Integrated Annual Report (the 'Report', covering the period 1 April 2013 to 31 March 2014). The assurance team comprised primarily of Michael H. Rea, our Lead Certified Assurance Practitioner (CSAP), with 15 years' experience in environmental and social performance measurement, including sustainability reporting and assurance, and Jordan Pruner, an Associate CSAP with two years of assurance experience.

AccountAbility AA1000S (revised, 2008)

To the best of our ability and significant experience in sustainability report assurance, this engagement has been managed in accordance with AccountAbility's AA1000AS (2008) assurance standard, where the format of the engagement was structured to meet the AA1000AS Type I (Moderate) requirements.

Independence

Previously, **IRAS** provided ITPA over Tongaat Hulett's 2010 through 2013 Annual Reports, but has not undertaken any other commissions that would compromise our independence, nor has **IRAS** been responsible for the preparation of any part of the Report. Responsibility for producing the Report was the responsibility of Tongaat Hulett. Thus **IRAS** is, and remains, an independent assurer over the content and processes pertaining to the Report.

Assurance Objectives

The objective of the assurance process was to provide Tongaat Hulett's stakeholders an independent 'moderate level assurance' opinion on whether the sustainability content within the Corporate Responsibility section of Tongaat Hulett's Report, in its printed format, meets the AA1000AS (2008) principles of **Inclusivity**, **Materiality** and **Responsiveness**, as well as to assess the degree to which the Report has met the Global Reporting Initiative (GRI) G3 guidelines Application Level B reporting requirements (B+ with this assurance statement).

Assurance Approach and Limitations

The process used in arriving at this assurance statement is based on AccountAbility's AA1000AS (2008) guidance, the GRI's G3 Application Level requirements, our own Sustainability Data Transparency Index (SDTI) process, as well as other best practices in sustainability reporting assurance. Our approach to assurance included the following:

- A review of sustainability measurement and reporting procedures at Tongaat Hulett's corporate offices to determine the context and content of sustainability management by the company;
- A review of the information and/or data collection, collation and reporting procedures undertaken by Tongaat Hulett, to define the content of the Report by looking at the materiality of issues included in the Report, determination of sustainability context and coverage of material issues;
- A review of Board and Committee meeting minutes, as well as media reports, to assess the accuracy and/or completeness of Tongaat Hulett's materiality assertions;
- A review of the approach of management to addressing topics discussed in the Report;
- Reviews of drafts of the Report for any significant errors, anomalies and/or potentially unsupported assertions;
- SDTI gap analyses to determine whether the Report provides adequate coverage of reasonably expected sustainability data (i.e., quantitative performance metrics) to allow stakeholders the opportunity to gauge the company's progress towards sustainability monitoring and management; and,
- GRI G3 gap analyses to determine whether the requisite numbers of profile and performance indicators have been reasonably covered within the Report to meet Tongaat Hulett's GRI G3 Application Level assertion (B+).

The process was limited to the content and assertions made within Tongaat Hulett's printed Report for the period under review, and did not extend to a comprehensive analysis of the accuracy, reliability, completeness and/or consistency of the data presented by Tongaat Hulett, either in the Report or on the internet. Rather, sustainability data presented within the Report was subjected to a series of reasonability tests during the assurance process, up to and including final proof editing. The process was further limited to reviewing policies and procedures for stakeholder engagements, and did not extend to the physical engagement of any stakeholders to arrive at our assurance opinion.

Findings

Based on our review of the Report, as well as the processes employed to collect and collate information reported herein, it is our assertion that:

- Tongaat Hulett's 2014 Integrated Annual Report demonstrates year-on-year improvements in the form and function of the policies, procedures and systems deployed to meet reasonable integrated reporting expectations. These include, but are not limited to, continued improvement in the systems employed to collect, collate and report key sustainability performance indicator data.
- Tongaat Hulett continues to demonstrate reasonable adherence to the AccountAbility principles of *Inclusivity*, *Materiality* and *Responsiveness*. While further improvement in the formalisation of stakeholder engagement systems and controls are still recommended, it has been determined that improvement continues for stakeholder engagement (*Inclusivity*) and feedback on stakeholder-specific concerns (*Materiality* and *Responsiveness*).
- The Report adequately meets the GRI G3's requirements for Application Level B (responses to all required indicators, as well as no fewer than 20 Core indicators, with at least one from each of Economic, Environment, Human Rights, Labour, Society and Product Responsibility). The reporting of performance against some GRI G3 indicators continues to require either further detail in disclosure, or improvements in the quality and/or quantity of comparable data.
- The Report demonstrates a significant improvement in the overall transparency of sustainability data – roughly 20% above the 2013 Report – both in terms of the availability and comparability of reported performance information, as measured by the Sustainability Data Transparency Index.

Conclusions and Recommendations

Based on the information reviewed, **IRAS** is confident that this report provides a reasonably balanced account of Tongaat Hulett's environmental, safety and social performance for the period under review. The information presented is based on a systematic process and we are satisfied that the content of the Report adequately represents Tongaat Hulett's adherence to the AA1000AS (2008) principles of *Inclusivity*, *Materiality* and *Responsiveness*. Moreover, and although the quality or quantity of data of some GRI G3 indicators can be improved, this Report appears to meet the GRI G3's requirements for Application Level B (B+ with this assurance engagement).

The following recommendations have however been identified:

- Although significant improvement has been noted with respect to adherence to AccountAbility's principle of *Inclusivity*, including the presence of stakeholder engagement systems and controls, Tongaat Hulett should continue to ensure that stakeholder engagement progresses toward the active inclusion of all significant stakeholders, and that systems and controls consolidate stakeholder concerns for consideration at the relevant management and/or Board levels. Moreover, the Report should ultimately reflect how engagement is deployed throughout the organisation to affect – where necessary – business decision-making processes and/or controls.
- With respect to adherence to AccountAbility's principles of *Materiality* and *Responsiveness*, Tongaat Hulett should continue to ensure that feedback to stakeholders on sustainability matters occurs in line with King III's recommendations for 'Integrated Reporting', including reasonable discourses regarding Tongaat Hulett's most material sustainability issues (e.g., Land ownership and use).
- Although significant improvement has been noted with respect to the disclosure of key sustainability data points – as per our Sustainability Data Transparency Index (SDTI) benchmarking process – more can still be done to ensure that stakeholders are provided with comparable quantitative data on additional indicators.

For more information about the assurance process employed to assess the sustainability section within the Report email michael@iras.co.za.



Integrated Reporting & Assurance Services
Durban
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