

# Independent ASSURANCE STATEMENT

## TO THE BOARD AND STAKEHOLDERS OF TONGAAT HULETT:

SustainabilityServices.co.za (SS) was commissioned by Tongaat Hulett to provide independent third party assurance (ITPA) over the sustainability content within the Sustainability section of their 2011 Integrated Annual Report (the 'Report', covering the period 1 April 2010 to 31 March 2011). The assurance team comprised primarily of Michael H. Rea, our principal Sustainability Assurance Practitioner, with 12 years' experience in environmental and social performance measurement, including sustainability reporting and assurance.

## 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, SS assisted Tongaat Hulett with the provision of ITPA over their 2010 Annual Report, but has not undertaken any other commissions that would conflict with our independence, nor has SS been responsible for the preparation of any part of this Report. Responsibility for producing this report was the responsibility of Tongaat Hulett. Thus SS is, and remains, an independent assurer over the content and processes pertaining to this 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 Sustainability 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.

## 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, 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;
- A review of drafts of the Report for any significant errors, anomalies and/or potentially unsupported assertions; and,
- A GRI G3 Gap Analysis assessment to determine whether the requisite numbers of profile and performance indicators were reasonably covered within the Report.

The process was limited to the content and assertions made within the Sustainability section of 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, in the Report. Rather, sustainability data presented within the Report was subjected to a series of reasonability tests during 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 adequately adheres to the Accountability principles of Inclusivity, Materiality and Responsiveness, although room for improvement exists with respect to both proactive stakeholder engagement (i.e., Inclusivity) and feedback on stakeholder-specific concerns (i.e., Responsiveness).
- Although significant progress has been made with respect to the monitoring, measurement and reporting of key sustainability performance indicator data over the reporting period, the lack of adequate comparable data – in some areas – serves to reinforce the need to ensure that Tongaat Hulett continues to improve systems, processes and controls for data collection, collation and reporting.
- The Report adequately meets the GRI G3's requirements for Application Level B (responses to all required indicators disclosures on management approach, 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). However, it should be noted that some indicators were only covered in the GRI Content Index Table, rather than within the body of the Annual Report. Moreover, it was found that the reporting of performance against some GRI G3 indicators continues to require either data quality improvements, or further detail in disclosure. These gaps are clearly identified with the GRI Content Index Table.

## CONCLUSIONS AND RECOMMENDATIONS

Based on the information reviewed, SustainabilityServices.co.za is confident that this report provides a reasonably comprehensive and 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:

- With respect to adherence to AccountAbility's principle of Inclusivity, Tongaat Hulett should ensure that stakeholder engagement continues to progress towards the active inclusion of all significant stakeholders, and that systems and controls formally consolidate stakeholder concerns for consideration at the relevant management and/or board levels. With specific reference to sustainability matters, Tongaat Hulett should ensure that the proactive engagement of stakeholders occurs to confirm or refute the company's assumptions regarding the materiality of key sustainability issues.
- With respect to adherence to AccountAbility's principle of 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', such that all presentations of results – including interim results – include a reasonable discourse regarding Tongaat Hulett's most material sustainability issues.
- Having been subjected to two consecutive AA1000AS Type I (Moderate) assurance cycles, and noting that the company has made significant strides in improving systems for collecting, collating and reporting key performance indicator data over the past two years, Tongaat Hulett should consider undergoing a Type II (Moderate) assurance process for the 2012 Annual Report, including the quality testing of data for no fewer than 10 key sustainability performance indicators.

For more information about the assurance process employed to assess the Sustainability section within the Report, email [michael@csap.co.za](mailto:michael@csap.co.za).



SustainabilityServices.co.za  
Durban  
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