

Independent Assurance Statement to the Board of Directors and Stakeholders of Tongaat Hulett Limited (Tongaat Hulett)

ERM Southern Africa (Pty) Ltd (ERM) was engaged by Tongaat Hulett to provide assurance in relation to the information set out below and presented in the Integrated Annual Report 2015 (the Report).

Engagement Summary	
Scope:	<p>1. Whether Tongaat Hulett adheres, in all material respects, to the three AA1000 AccountAbility Principles of Inclusivity, Materiality and Responsiveness.</p> <p>2. In addition we were asked to assess whether the GRI G3 Application Level B, as self-declared in the "About this report" section, is consistent with the GRI criteria for this Application Level.</p> <p>Please note that no verification of the reliability of sustainability performance information and data was conducted as part of this engagement.</p>
Reporting Criteria:	AA1000 AccountAbility Principles Standard (2008) criteria and those of the Sustainability Reporting Guidelines [G3.1] of the Global Reporting Initiative
Standard Used:	AA1000 Assurance Standard (2008) – Type 1
Assurance Level:	Moderate assurance
Respective Responsibilities:	<p>Tongaat Hulett is responsible for preparing the Report and for the collection and presentation of the information within it, including the maintenance and integrity of the website.</p> <p>ERM's responsibility is to provide conclusions on the agreed scope based on the assurance activities performed exercising our professional judgement.</p>

Our conclusions

AA1000APS (2008) Principles

- Based on our assurance activities, nothing has come to our attention to indicate that Tongaat Hulett does not adhere, in all material respects, to the AA1000APS (2008) principles of Inclusivity, Materiality and Responsiveness.

GRI 'B' Application Level Check

- Based on our assurance activities, nothing has come to our attention to indicate that the Report does not conform, in all material respects, to the GRI Criteria for the Application Level.

Our assurance activities

A multi-disciplinary team of sustainability and assurance specialists with extensive experience in sustainability reporting performed the following activities:

- A review of external media reporting relating to Tongaat Hulett to identify relevant sustainability issues in the reporting period;

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Company Registration Number
2003/001404/07

Directors
Ian Bailey (UK) (Chairman)
Urmilla Bob (Non-Executive)
Linda Kumbemba
Jeremy Soboil (Managing)
Tania Swanepoel
Bruce Walker

A member of the Environmental Resources Management Group

- *Interviews with relevant corporate level staff to understand Tongaat Hulett's sustainability strategy, policies and management systems, including a high-level review of the data management systems;*
- *Interviews with operational staff at the following two sites: Kliprivier Starch Mill, and Hulett's Sugar Refinery;*
- *Reviewing the presentation of information relevant to the scope of our work in the Report to ensure consistency with our findings.*

Our observations and recommendations

We have provided Tongaat Hulett with a separate management report. Without affecting the conclusions presented above, we have the following key observations and recommendations:

In relation to the Inclusivity principle:

Tongaat Hulett has numerous stakeholder engagement activities in place that are managed by Corporate Affairs at group level, and at operational level. It states that it sees the linkage between its success as a business and socio-economic development, and also mentions accountability to stakeholders in its Corporate Governance Report 2014 and in internal documents such as the Board Charter, Code of Business Conduct and Ethics. A new initiative conducted at operational level to identify stakeholders, map their expectations, and link it to company risk formalises stakeholder engagement, and should also be conducted at group level. Additional resources at group level would enhance the formalisation of engagement within the company. Consistent with the previous assurance recommendations, Tongaat Hulett should develop a formal and documented stakeholder engagement strategy which is applied across the company. This should ensure that outcomes of engagement influence the determination of material issues to be managed and reported on.

In relation to the Materiality principle:

Tongaat Hulett has a comprehensive risk management system in place, which includes independent assurance. Although operational stakeholder reviews conducted, the connection and influence of stakeholder perspectives and expectations on the determination of material issues is not made overtly clear, and the distinction between risks and material issues requires focus. In relation to the Report, additional detail on the materiality determination process should be provided.

In relation to the Responsiveness principle:

Tongaat Hulett has developed numerous policies and procedures appropriate to stakeholder and organisational interests and expectations, and while there is no approved sustainability strategy, SHE and social and ethics related issues are included in the Annual budget and Business Plan. There are numerous mechanisms for stakeholder feedback including investor presentations, socio-economic development activities with communities at operations, meetings with government authorities, and the publication of an Integrated Annual Report. At Board level, the Social and Ethics, Risk and SHE functions are integrated into a single committee. The Board meetings also cover sustainability issues. ERM recommends that Tongaat Hulett develop a stakeholder engagement strategy that formalises feedback to stakeholders on how the Organisation responds to interests and expectations.

There are opportunities for improving the nature and detail of particular disclosures as required by the GRI G3.1 guidelines. ERM recommends that

Tongaat Hulett matures its integrated and sustainability reporting processes to further align with the IIRC's <IR> Framework, and to use the GRI G4 Sustainability Reporting Guidelines, as the basis for the detail to be disclosed within future reports.

In terms of future assurance engagements, ERM recommends the following activities to ensure value is obtained from the assurance process:

- Broadening the scope of the assurance to include non-financial data verification;
- Assessing the adequacy of the ethics management system and the reliability of the ethics disclosures, as required by the King Code of Governance for South Africa; and
- Assessing the conformance of the Report with the GRI G4 'Core' In Accordance Option.

The limitations of our engagement

The evidence gathering procedures for moderate assurance are more restricted than for high assurance and therefore less assurance is obtained with moderate assurance than for high assurance, as per AA1000AS (2008). It is important to understand our assurance conclusions in this context. Our independent assurance statement provides no assurance on the maintenance and integrity of the website, or other sustainability disclosures, including controls used to achieve this integrity, and in particular whether any changes may have occurred to the information since it was first published.



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25 June 2015

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