



## SUSTAINABILITY ELEMENTS

# HUMAN RESOURCES

 <p><b>HUMAN CAPITAL</b></p>	<p><b>30 512 EMPLOYEES</b></p> <p>COMPARED TO 31 230 IN 2016</p>	<p><b>R45,8 MILLION</b></p> <p>SPENT ON TRAINING AND DEVELOPMENT</p>	<p><b>25 533 EMPLOYEES</b></p> <p>ATTENDED TRAINING PROGRAMMES</p>
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### KEY ELEMENTS

Leadership bench strength  
Employee-based transformation  
R45,8 million spent on training  
and development

### KEY PRIORITIES GOING FORWARD

Leadership capability and  
management development  
Transformation  
Technical training in core functions

Tongaat Hulett's human resource approach is aligned to and focussed on contributing towards the company meeting its strategic objectives. The view is both short and long term, focusing on managing the day to day requirements while building on the capabilities and capacity of the company for the future.

Total employees at the end of March 2017 was 30 512, compared to 31 230 in 2016. This includes full-time employees, contractors, seasonal and casual workers. The total number of employees during the peak of our milling season was 38 221 (2015/16: 40 858). The sugar operations shut down the mills between December and April/May, resulting in fewer seasonal employees, such as cane cutters, during this time.

The breakdown of Tongaat Hulett's employee base as at 31 March 2017 is as follows:

Operating country	Full-time (Permanent)	Fixed-term contractors	Seasonal and casual workers (Non-permanent)	Total	Employee total at the peak of the sugar milling season - 2016/17
South Africa	3 272	655	1 139	5 066	5 788
Mozambique	6 048	2 272	2 843	11 163	14 918
Zimbabwe	10 126	3 185	0	13 311	16 044
Swaziland	406	26	209	641	1 112
Botswana	104	0	13	117	119
Namibia	212	2	0	214	240
<b>Total</b>	<b>20 168</b>	<b>6 140</b>	<b>4 204</b>	<b>30 512</b>	<b>38 221</b>

## TRAINING AND DEVELOPMENT

Appropriate training and development programmes are an investment in both our employees and the long-term sustainability of the organisation. Tongaat Hulett's diverse operations rely on an extensive range of skills, some of which are specialised. This needs to be retained within the company while a pipeline is built to ensure future capacity. The following table shows the existing qualified skills base within the organisation. A focussed capability building model is implemented across the company, as detailed on the following page.

The business invested R45,8 million (2015/16: R42,5 million) on 31 284 training programmes (2015/16: 25 339) which were attended by 25 533 employees (2015/16: 20 515), with some employees attending more than one programme. An overview of training programmes follows and a comprehensive breakdown of these programmes can be found at [www.tongaathulett.com](http://www.tongaathulett.com) in the comprehensive sustainability report.

Programme categories	Number of employees who attended training from 1 April 2016 to 31 March 2017	Percentage of total training programmes
Safety and compliance training and certification	17 887	57,18
Operations/core functional skills training	11 315	36,17
Leadership and management development programmes	387	1,24
Talent development and career advancement	1 178	3,77
Graduate development programmes, entry-level skills training	371	1,19
Artisan training	146	0,47



# CAPABILITY BUILDING MODEL

PROGRAMME	PURPOSE	INITIATIVE
LEADERSHIP DEVELOPMENT	Aimed at developing an adequate pool of competence and engaged leaders to meet the organisation's present and future needs	<ul style="list-style-type: none"> <li>• Executive development</li> <li>• Senior management development</li> <li>• Management development</li> <li>• Supervisory development</li> </ul>
FUNCTIONAL TRAINING	Designed specifically for Tongaat Hulett functions and operations, such as milling, production and engineering	<ul style="list-style-type: none"> <li>• Process engineering and wet milling management development programme</li> <li>• Artisan and technical heirarchy training</li> <li>• Production Training</li> <li>• Discipline-specific technical training</li> <li>• Project management</li> </ul>
WORK INTEGRATED LEARNING PROGRAMMES	Structured programmes designed to expose individuals to institution-based learning and work exposure. This could be permanent employees or unemployed youth	<ul style="list-style-type: none"> <li>• Engineer-in-Training (EIT) programme</li> <li>• Apprenticeships</li> <li>• In-service training</li> <li>• Graduate programmes/placements</li> <li>• Work experience/vacation work</li> </ul>
SUSTAINABILITY INITIATIVES	Training programmes designed to develop personal effectiveness, life skills and skills essential to the organisation	<ul style="list-style-type: none"> <li>• Diversity inclusion programmes</li> <li>• SHE training</li> <li>• Wellness programmes</li> <li>• Legal compliance training</li> <li>• Study assistance: Part-time study</li> <li>• Bursaries for employees' children and previously disadvantaged students</li> </ul>

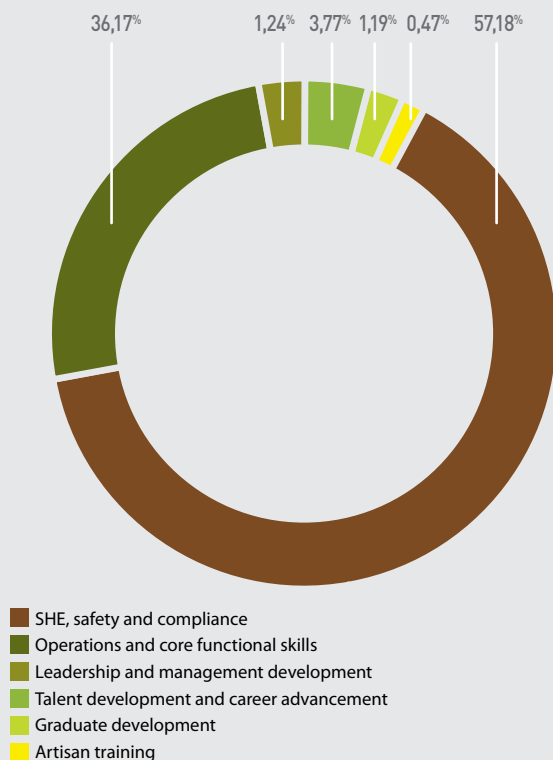
## TRAINING NEEDS ANALYSIS/ASSESSMENT

Functional competency acquisition framework/career ladders/foundational learning and competency/material development/blended learning





## TRAINING FOCUS AREAS AS A PERCENTAGE OF TOTAL TRAINING PROGRAMMES



## CASE STUDY ENGINEERING SKILLS UPLIFTMENT PROJECT



Tongaat Hulett's starch operations requires scarce technical skills, and as such training and development initiatives look to grow these skills and address succession and retention in these critical positions. The engineering skills upliftment project is an example of one such technical training initiative. In 2016, a gap assessment and closure project involved 62 participants, comprising artisans, technicians and co-ordinators. They each underwent skills gap assessments and specific personalised development plans were compiled. Based on these results, 23 gap closure initiatives were prioritised. The focus was to drive competency acquisition and demonstrate application of skills through performance measurement. The selected employees varied in age, gender, race and experience.

To read more go to [www.tongaat.com/2017/esup](http://www.tongaat.com/2017/esup)



While there was a year-on-year decrease in the number of artisans being trained, more investment was focused on existing engineering employees. This is demonstrated by a significant increase in the number of employees receiving engineering and technology training, from 247 in the previous year to 485 this year.

Other areas which saw a marked increase in the number of employees receiving training were SHE, which increased from 11 164 in 2016 to 12 798 this year, Agricultural skills which increased from 4 735 to 8 241 and Information technology which increased from 224 to 1 438 employees trained during the year.

Some of the highlights of the training programmes are as follows:

- Within the starch and sugar operations, a comprehensive programme to address artisans' skills gaps is underway, where skills gap assessments are completed and specific personalised development plans are compiled for each artisan. Training is already underway in some operations to address these gaps. Additionally, six unqualified artisans within the starch operations were identified and encouraged to volunteer undergoing recognition for prior learning. Four of these artisans have been trade tested and certified as

fitters and instrument mechanics. A further two are in the process of being evaluated.

- A partnership has been established between the Mozambican operations and the Eduardo Mondlane University in Maputo to source and create opportunities for final year students to complete their six-month workplace experiential training at the Xinavane mill, which creates a talent pipeline for the mill to select high potential students to participate in the three-year EIT programme.
- The apprenticeship programme in the Zimbabwe operations has attracted the attention of Government and other local blue chip companies, with organisations such as Delta and Mimosa Mines seconding their apprentices to the Zimbabwe operations on a full cost recovery basis, thereby ensuring that existing artisan development competencies are used to build on skills availability within Zimbabwe.
- The Namibian operations decided to provide across the board general upliftment training to all the production workers of the company. During the past year, a considerable portion of training budget was allocated to "Basic Money Sense" and "Life Skills" training provided to production workers. Positive feedback from employees includes the significant impact that the training has had on improving the quality of their lives.

## CURRENT AND FUTURE LEADERSHIP

Tongaat Hulett is focused on building and strengthening leadership capability and bench strength, as well as succession planning and talent management. After the 2015 management development programme (MDP) and the senior management development programme (SMDP), some of the participants have been promoted. Others have been earmarked for possible promotions or enlarged roles with some featuring in succession plans for critical roles. The identified high potential and high performance individuals are receiving due attention and further personalised development and coaching actions have been put in place. In addition, a few of the key business improvement projects completed by the participants during the MDP and SMDP have been selected for adaptation and implementation to resolve identified business challenges. The next MDP commenced in May 2017.

Succession planning for all pre-retirement employees aims to ensure that enough time and resources are allocated to ensure that there are suitably trained and skilled employees available to succeed them when they retire. Where gaps are identified, recruitment initiatives look to identify, attract and hire highly talented individuals to build the strength of the succession pool. Further to this, talent management practices exist to retain and grow high potential individuals across the company.

### CASE STUDY SHARLENE NARRAIDU



Tongaat Hulett is committed to creating an environment for its employees to learn and grow. Sharlene Narraidu's career at the company is an example of this commitment in action. Prior to joining the company in November 2000, her first job was with Legend Security as a security guard at the Tongaat Hulett Maidstone mill. Her responsibilities included access control, patrolling the mill and searching sugar trucks. Her time at the company has seen her grow from a senior recruiting clerk/secretary/receptionist at sugar's agricultural operations to the technical skills development manager for the South African sugar operations.

To read more go to [www.tongaat.com/2017/sn](http://www.tongaat.com/2017/sn)

## SELECTED ORGANISATIONAL RENEWAL, REORGANISATION AND ORGANISATIONAL CAPABILITY INITIATIVES

The company continues to review business structures and processes to ensure that these are optimised for future success. During the past year, the development operation embarked on an organisational renewal process in response to the need to shift from a largely project management centric approach to a more empowered, agile and entrepreneurial platform. This process adopted a multi-step progression including diagnostic, design and build, implementation, transitioning teams and individuals and embed. Agreement was reached on the business strategy, operating model and the design of a new organisational structure, which is being resourced using a comprehensive battery of selection processes. Further learning and development initiatives will assist in transitioning the teams and individuals. Key benefits emerging from this process include the following:

- Business re-alignment and role definition with better and sharper focus on development's ability to fulfil its operational and strategic business imperatives.
- Transformation at individual and organisational levels, positively impacting on the socio-economic landscape within which the company operates.

## ACCELERATING EMPLOYEE TRANSFORMATION

Aligned with the strategic intent of creating value for all stakeholders, Tongaat Hulett understands the significant value that can be unlocked through transformation. Diversity and transformation goals are embedded in all human resource interventions rolled out across the company and management are committed and equipped to achieve success. The focus on transformation includes the upliftment of women in all countries in which Tongaat Hulett operates. Within the South African context, all relevant transformational legislation, relating to employment equity, affirmative action, B-BBEE, skills development and other applicable laws, are complied with.

The company's stable workforce, with very low employee turnover affects the pace of transformation, however various avenues to accelerate this are being investigated on an ongoing basis, and where appropriate, pursued. Tongaat Hulett has achieved a steady improvement over time, through focused interventions and processes, including attracting, retaining and advancing the careers of women throughout the business, localisation of skills in Mozambique, and the advancement of designated groups in South Africa, particularly African women.



In the South African operations, as at 31 March 2017:

- 65,1 percent of management are black employees (2015/16: 64,3 percent).
- 87,9 percent of skilled and supervisory positions are black employees (2015/16: 86,5 percent).
- 80,1 percent of the university and college qualified employees are black (2015/16: 77,5 percent).
- 49,4 percent of the university and college qualified employees are women (2015/16: 48,1 percent).
- 32,1 percent of the workforce across South African operations are women (2015/16: 32,1 percent).
- 21,1 percent of senior management level are women (2015/16: 18,9 percent).
- 24,9 percent of management are black females (2015/16: 24,2 percent).
- 33,3 percent of top management are black females (2015/16: 29,2 percent).

A total of R30,7 million, of the overall training costs of R45,8 million, was spent on the South African operations in the past financial year. As required by legislation, a breakdown of this training, from 1 April 2016 to 31 March 2017, including the different categories of spend, are detailed in the table below:

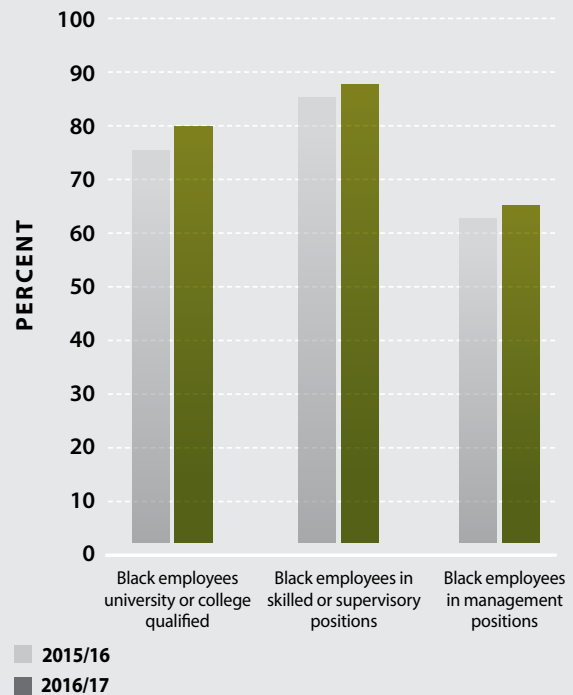
1 percent skills levy	R14 238 278
Training spend as a percentage of leviable amount	2.2%
Number of person days trained	43 267
Number of person days available	976 329
Percentage trained person days	4,43%
Number of persons trained	1 691
Expenditure on African, Coloured and Indian employees	R 27 318 661
Expenditure on African, Coloured and Indian women	R 14 725 267
Expenditure on employees with disabilities	R 25 720

#### PERSONS WITH DISABILITIES

Persons with disabilities continue to add value to the company. High unemployment rates exist among people with disabilities and as such, supporting transformation objectives, the business aims to create an enabling work environment for persons with disabilities. Aligned with legislated reporting requirements, there were 50 employees with disabilities as at 31 March 2017 (2015/16: 57) in the South African operations. This constituted 1 percent of the total employee complement (2015/16: 1,1 percent).

The decrease in employees with disabilities was due to employee attrition, and the reduction in new hires resulted in limited opportunities to recruit employees with disabilities in the past year.

#### PROGRESS IN REPRESENTATION BY DESIGNATED GROUPS IN SOUTH AFRICAN OPERATIONS





## EMPLOYEE VALUE PROPOSITION

Tongaat Hulett is working to position itself as an employer of choice, to attract, retain and grow employees within the company, with focus on high potential and skilled people, aligned with transformational objectives. The value proposition is being reviewed across the organisation, which includes elements of employee benefits, remuneration and career development initiatives. Read more about this in the Remuneration report, starting on page 73.

## HR MANAGEMENT INFORMATION SYSTEMS

To standardise systems and simplify reporting across the company, SAP ERP is being implemented across all sites. This has been a multi-phased project, with the human capital management (HCM) module having gone live in the South African, Swaziland and Zimbabwean operations in the past financial year. This includes employee and management self-service, organisational management, time and leave management and personnel administration. The other countries are due to go live in the next financial year. While initial teething challenges have been experienced, these continue to be addressed and overall, this project looks to unlock future value for Tongaat Hulett.

## FREEDOM OF ASSOCIATION AND COLLECTIVE BARGAINING

The right of workers and employers to form and join organisations of their own choosing is a basic human right. As indicated in the table below, there are formally recognised unions in all six countries in which Tongaat Hulett operates and the business strives to maintain constructive, respectful relationships with these 12 unions. Should employees or unions believe that these rights are being contravened, the company has a formal grievance procedure, as detailed on page 45, which aims to address, and if necessary escalate, their grievance.

A total of 26 084 employees are covered by collective bargaining agreements. These stipulate the minimum terms and conditions of employment that will govern the employment relations in the respective countries. The minimum notice, which will be provided to employees and their elected representatives prior to the implementation of significant operational changes that could substantially affect them, depends on the country in which they are based, and ranges from three weeks to three months. In some instances, these provisions are included in the collective bargaining agreements. The formally recognised trade unions are as follows:



Country	Recognised Unions
South Africa	African Meat Industry and Allied Trade Union (AMITU) Food and Allied Workers Union (FAWU) National Sugar and Refining and Allied Industries Employees Union (NASARIEU) Southern African Equity Workers Union (SAEWA) United Association of South Africa (UASA)
Zimbabwe	Zimbabwe Hotel and Catering Workers Union (ZHCWU) Zimbabwe Sugar Milling Industry Workers' Union (ZISMIWU) Sugar Production and Milling Workers' Union of Zimbabwe (SPMWUZ)
Mozambique	Sindicato Nacional dos Trabalhadores da Industria Do Açúcar e Afins (SINTIA)
Swaziland	Swaziland Agriculture and Plant Workers Union (SAPWU)
Botswana	Cashiers Shop Assistant and Allied Workers Union (CASAWU)
Namibia	Namibian Food and Allied Workers Union (NAFAU)

In Swaziland, SAPWU members comprising 94 percent (958 employees) of the workforce, embarked on a 42-day wage related industrial action from 29 July to 9 September 2016, which cost the company R6 million. The employees requested a 12,5 percent increase, with a two-year wage increase agreement finally being reached.

Some 65 Mozambican employees embarked on an illegal four-day strike at a cost of R135 328.75. The Mafambisse-based tractor drivers requested an upgrading of their job grades, but based on the findings of a previously completed job grading review, this was not granted. Union and Ministry of Labour representatives assisted in resolving the matter. The employees faced disciplinary action for participating in an illegal strike as stipulated in Mozambican Labour Law. With a compliment of over 11 000, the participation in the strike equated to less than 1 percent of the Mozambique workforce.

## DISCIPLINARY PROCEDURES

Disciplinary codes and procedures must be fair, non-discriminatory, equitable, consistent and guided by the relevant labour legislation. These codes and procedures form the foundation of corrective behaviour. As part of the disciplinary procedure, employees are:

- Notified timeously of their hearing
- Receive clarification of the charges against them
- Afforded an opportunity to be represented
- Afforded an opportunity to call their own witnesses
- Afforded an opportunity to cross-examine witnesses
- Guaranteed that proceedings are chaired by a neutral person
- Afforded the right to an appeal process

Disciplinary codes and procedures have been implemented at local operations, after negotiations with the relevant trade unions.

## GRIEVANCE PROCEDURES

Good employee relations are further enhanced through grievance procedures by facilitating prompt and fair action by the company in response to legitimate complaints by employees. The procedure aims to secure mutually acceptable resolutions to grievances through a framework for all employees to deal with grievances raised effectively, and to facilitate their resolution as near to their point of origin as possible, and within a reasonable timeframe. Through internal communications, employees are:

- made aware of the opportunity to express grievances.
- encouraged to voice their grievances without the fear of victimisation, intimidation or prejudice.
- encouraged to use the procedure, but also warned not to abuse it with false grievances.

## HUMAN RIGHTS

Tongaat Hulett is a signatory to the Universal Declaration of Human Rights and is committed to supporting freedom of association and collective bargaining at its locations. It is also committed to preventing child labour and does not tolerate the inhumane treatment of employees, including any form of forced or compulsory labour, physical punishment or other abuse. Human rights principles are incorporated in the company's practices and are included in the Code of Business Conduct and Ethics. All new employees are familiarised with and become signatories of the code upon joining the company.

Management processes assist in monitoring adherence to these commitments and ensuring that there are no contraventions. Company operations in all six countries only hire employees 18 years and older. Employment records, including identification numbers, are monitored to ensure compliance with this requirement.

Formalised employment contracts, collective bargaining agreements and union participation ensures fair labour practices and prevents any form of forced or compulsory labour. In addition to formalised procedures to address grievances, including any human rights abuses, the company subscribes to a Tip-Offs anonymous service, which is well communicated at each site, and with full investigation of all reported incidents. Any employee who is found to behave in contravention to the Code of Business Conduct and Ethics faces disciplinary action which could result in termination of their employment, and where applicable, they could face legal action.

## ANTI-BRIBERY AND CORRUPTION

Aligned with its commitment to a policy of fair dealing, honesty and integrity in the conduct of its business, Tongaat Hulett actively works to prevent corruption and bribery, including procedures that provide guidance on areas such as dealing with gifts and donations. Employees of Tongaat Hulett who do not comply with the company's Code of Business Conduct and Ethics face disciplinary action, including dismissal.

