



# CARBON AND WATER DISCLOSURE REPORT 2020

  
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**Tongaathulett®**





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## PREAMBLE

**This document represents Tongaat Hulett's disclosure to stakeholders on the group's carbon emissions and water consumption for the period 1 April 2019 to 31 March 2020, where "carbon emissions" refers to the calculated volume of carbon dioxide equivalents (CO<sub>2</sub>e), in metric tons, and "water consumption" refers to the net use of water abstracted from any/all sources.**

Historically, Tongaat Hulett's market capitalisation was such that the company was included in the Johannesburg Securities Exchange (JSE) list of "Top 100 Companies", and therefore was within the scope and boundaries of analysis by the Carbon Disclosure Project (CDP), as represented by South Africa's National Business Initiative (NBI). However, events over the past two years have seen Tongaat Hulett's market value fall short of that population sample, resulting in an absence of reasonable expectations from stakeholders to complete a CDP climate change submission. As such, Tongaat Hulett chose not to make such a disclosure in 2019, and is now disclosing in alignment with the CDP, rather than to the CDP.

In the absence of external pressure, Tongaat Hulett has decided to respect the seriousness of climate change, the rising interest in Environmental, Social, and Governance (ESG) transparency from various stakeholders, and the role accountability and transparency for climate change impacts plays in meeting the responsible investment interests of banks and other providers of financial capital. Therefore, the company has re-established the necessary policies, procedures, systems and controls to not only internally manage climate change issues, but to ensure that stakeholders are aware of the company's efforts.

To ensure that Tongaat Hulett is prepared for a return to JSE Top 100 status, and therefore inclusion in CDP and NBI reporting expectations, the company has opted to produce this report in alignment with the CDP process applied in our 2018 submission (excluding the supply chain module). We believe that the CDP provides reasonable potential for data comparability by our stakeholders, and supports our commitment to "best practice". However, the company is currently in a transition process from CDP to the reporting guidance provided by the Taskforce on Climate-related Financial Disclosure (TCFD). From 2021 onwards, we expect to publish an annual Climate Change Report (already in development).

NOTE: To the best of our ability, the section numbering of this report follows that of a standard CDP submission. However, some deviations have occurred where necessary, particularly with respect to water disclosure, towards the end of this report.



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## QUALIFICATION

The quantitative comparable information – the “data”, or “statistics” – contained within this report is presented in the absence of independent third-party assurance. However, internal assurance procedures have been applied, and external reviews have been completed by a third-party consultant who assisted with the completion of an updated carbon footprint, as well as another third-party consultant who assisted with the determination of Tongaat Hulett’s exposure to South African carbon taxation. In all instances, data quality improvement opportunities were identified as necessary to improve the overall reliability of fuels consumption data, thereby concluding that while the data as presented herein is deemed “as accurate as possible”, it is likely that the overall quality of data to be reported in future years may improve. Where identified, restatements of data will occur within future reporting.

## CO. INTRODUCTION

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### C0.1 Give a general description and introduction to your organisation.

Tongaat Hulett is a publicly traded company, listed on the JSE since 1952. The structure of the business in its current state arose from the merger of the Tongaat Group Limited and the Hulett Corporation Limited, and its operations date back to the late 1800s.

Tongaat Hulett is an African agri leader in the sugar, starch and glucose, ethanol, animal feeds and cattle markets with an unparalleled footprint. Through its sugar and starch operations, Tongaat Hulett produces a range of refined carbohydrate products from sugarcane and maize, with leading brands in all the regions in which it operates. The company is a high potential business with a significant asset base, which is focused on building a relationship with society based on shared value and prosperity.

Tongaat Hulett is a leading sugar producer and employer in many of the six African countries in which it operates. Its ongoing activities in agriculture have resulted in the company having a substantial land portfolio, within the primary growth corridors of KwaZulu-Natal with strong policy support for conversion at the appropriate time. Tongaat Hulett has one of the largest portfolios of premier commercial land in KwaZulu-Natal and South Africa. The starch operations have a diverse multinational customer base operating across various sectors, including food and beverages, paper manufacturing, pharmaceuticals, building materials and adhesives.

Tongaat Hulett’s vision is to be the most trusted partner in all that we do and our mission is to build our future by creating sustainable value for all our stakeholders. As a partner of government and society, their philosophy is to contribute towards improving the prospects of a better life for many – making a substantial, positive impact on transformation, attracting fixed investments, urban spatial integration, supporting food security, youth development, infrastructure establishment and inclusive rural development.

Tongaat Hulett has seen the benefit of partnering with key stakeholders to achieve a “win all” outcome. These

relationships contribute towards achieving the business’s strategic objectives, while also meeting the objectives of its various stakeholders. These include shareholders, governments, private farmers and their representative bodies, communities, employees and people impacted by the company’s operations and its development activities. Tongaat Hulett’s approach to working with our key stakeholders continues to support our objective of being considered as a developmental partner of choice by governments in the SADC regions, in their journey to further growing their agricultural sectors.

Carbon emissions within Tongaat Hulett are primarily the result of direct consumption of fuels for boilers and other machinery used in the processing of agricultural inputs, as well as in vehicles used to transport employees (and contractors), raw materials, and processed and/or refined products. Secondary energy consumption is in the form of electricity consumption.

Tongaat Hulett chooses to report climate change data to its stakeholders in alignment with the CDP’s reporting template as a function of our commitment to overall business responsibility. While South African companies are encouraged to report CDP data, particularly the Top 100 JSE-listed companies (Tongaat Hulett does not currently fall within this group), the company is under no legal and/or regulatory duty or responsibility to provide a CDP submission and/or to make it public to our stakeholders. Rather, climate change disclosure is a core element within the company’s overarching sustainability strategy, noting that data transparency is but a small element within a much more comprehensive commitment to measure, monitor and reduce the company’s total carbon footprint.

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**C0.2 State the start and end date of the year for which you are reporting data.**

	Start date	End date	Indicate if you are providing emissions data for past reporting years
Reporting year	1 April 2019	31 March 2020	<ul style="list-style-type: none"> <li>• No</li> <li>• Prior year data was submitted in historical CDP submissions, the latest of which was submitted for the 2018 reporting period.</li> <li>• Due to ongoing restructuring processes within the company, Tongaat Hulett did not submit a CDP submission for the 2019 reporting period.</li> </ul>

**C0.3 Select the countries/areas for which you will be supplying data.**

- South Africa
- Zimbabwe
- Mozambique
- Eswatini
- Botswana
- Namibia

NOTE: Sugarcane growing, milling and refining occurs in South Africa, Zimbabwe and Mozambique. Operations in Botswana and Namibia are limited to sales and distribution, and Eswatini comprises sugarcane farming. Maize is milled in South Africa.

**C0.4 Select the currency used for all financial information disclosed throughout your response.**

South African Rands (ZAR), abbreviated as "R".

**C0.5 Select the option that describes the reporting boundary for which climate-related impacts on your business are being reported. Note that this option should align with your chosen approach for consolidating your Greenhouse Gas (GHG) inventory.**

Operational control

**C-AC0.6/C-FB0.6/C-PF0.6**

**Are emissions from agricultural/forestry, processing/manufacturing, distribution activities or emissions from the consumption of your products – whether in your direct operations or in other parts of your value chain – relevant to your current CDP climate change disclosure?**

Activity	Relevance
Agriculture/Forestry	Both direct operations and elsewhere in the value chain (Processing/Manufacturing/Distribution only).
Processing/Manufacturing	Both direct operations and elsewhere in the value chain (Processing/Manufacturing/Distribution only).
Distribution	Direct operations only (Processing/Manufacturing/Distribution only).
Consumption	No.

**Primary reason?**

Evaluated but judged to be unimportant

**Please explain:**

Emissions from the production of the products are comprehensively calculated and sold to consumers.

Thereafter, consumption emissions are no longer calculated.

This calculation only occurred once, when the company performed a cradle to grave assessment, and not on an annual basis.

**C-AC0.7/C-FB0.7/C-PF0.7**

**Which agricultural commodity(ies) that your organisation produces and/or sources are the most significant to your business by revenue? Select up to five.**

Sugar

Percentage of revenue dependent on this commodity: 73% (FY2020)

**Produced or sourced?**

Both

**Please explain:**

The company's total installed capacity for sugar production is 1.5 million tons of sugar per annum, using cane grown on more than 150 000 hectares of land in four countries within SADC.

The company's South African sugar operations include four sugar mills on the KwaZulu-Natal north coast and in the Zululand region, namely Maidstone, Darnall, Amatikulu, Felixton and a refinery south of Durban.

Cane is sourced from a combination of predominantly rain-fed own estates, large-scale commercial farms, small-scale private and land reform farmers in rural KwaZulu-Natal.

In FY2020, the South African operations produced 602 000 tons of high-quality sugar, as well as a range of high-intensity sweeteners.

The Zimbabwe sugar operations comprise Hippo Valley and Triangle Estate.

In FY2020, the Zimbabwe operations produced a total of 439 300 tons of sugar.

The Mozambique sugar operations comprise the expanded sugar mills and estates surrounding Xinavane and Mafambisse.

In FY2020, the Mozambique operations produced a total of 204 700 tons of sugar.

Eswatini grows sugarcane on 3 767 hectares of land that produces 62 000 tons of sucrose annually.

Operations in both Botswana and Namibia are limited to sales and distribution of product - no growing and/or milling activities occur in these countries.

**C-EU0.7 Which part of the electric utilities value chain does your organisation operate in? Select all that apply.**

Electric utilities value chain: No

Electricity generation: Yes



Other divisions: No

**Please explain.**

While all operations are consumers of electricity for one purpose or another, some mills are also producers and/or exporters of electricity.

During the crushing season, when cane is harvested and processed by mills to produce sugar, the primary by-product of extracting sugar from cane is bagasse, or the fibrous stalk material.

Bagasse is dried and burned within furnaces to generate heat and steam that is used not only within boilers for sugar refining, but within generators to produce electricity for an array of stationary machinery.

In peak season at some mills, a surplus amount of electricity is produced by the mills and exported to local communities and/or national grids, resulting in those operations being deemed "Net Electricity Exporters".

**C1.3 Do you provide incentives for the management of climate-related issues, including the attainment of targets?**

Yes

**Who is entitled to benefit from these incentives?**

All employees.

**Types of incentives?**

Recognition (non-monetary).

**Activity incentivised?**

Behaviour change-related indicator.

**Comment**

Communicating climate change issues.

Every employee is encouraged and empowered to address sustainability matters in their facet of the business.

## C1. GOVERNANCE

**C1.1 Is there Board-level oversight of climate-related issues within your organisation?**

Yes.

The Risk, Safety, Health and Environment (SHE), Social and Ethics Committee are responsible for oversight of all environmental impacts and opportunities within the group, inclusive of climate-related issues.

**C1.2 Provide the highest management-level position(s) or committee(s) with responsibility for climate-related issues.**

The Business Assurance Executive is responsible for all sustainability and climate-related issues.

**C1.2a Describe where in the organisational structure this/these position(s) and/or committees lie, what their associated responsibilities are, and how climate-related issues are monitored (do not include the names of individuals).**

Position of individual(s)	Please explain	
Board/Executive Board	The Business Assurance Executive reports directly to the Chief Executive Officer (CEO) and is responsible for climate change. The CEO is responsible at Board-level for the implementation of the environmental policy approved by the Board, which applies to all operations within Tongaat Hulett. This policy includes Climate change, energy efficiency and water resources management. The Risk, SHE, Social and Ethics Committee is chaired by an Independent non-executive director. This committee is a statutory committee of the Board, which considers all aspects of environmental stewardship, including climate change.	
Frequency with which climate-related issues are a scheduled agenda item	Governance mechanisms into which climate-related issues are integrated	Please explain
Scheduled – all meetings	Reviewing and guiding strategy. Reviewing and guiding major plans of action. Reviewing and guiding risk management policies. Reviewing and guiding business plans. Monitoring and overseeing progress.	The Risk, SHE, Social and Ethics Committee is constituted as a statutory committee in respect of its obligations prescribed by the Companies Act, and as a committee of the Board in respect of all additional duties assigned to it by the Board. In every management and Board meeting, climate-related issues are addressed. The Board's Risk, SHE, Social and Ethics Committee meetings are held at least twice a year, Board meetings four times a year and executive management meetings are held at least monthly.

## C2. RISKS AND OPPORTUNITIES

**C2.1 Does your organisation have a process for identifying, assessing, and responding to climate-related risks and opportunities?**

Risk management is defined as a process of identifying, assessing, managing and controlling potential events or situations so as to provide reasonable assurance regarding the achievement of the organisation's objectives.

Annually, a risk assessment is performed for each operation, which includes assets, social, environmental, information technology (IT), continuity and legislative risk exposure.

As part of its risk strategy, Tongaat Hulett regularly assesses its operational risks at each of its major centres. This is to ensure that the risk management and risk governance processes keep pace with the company's growth strategy.

The Audit and Compliance Committee is responsible for a Risk Management Assessment Programme at a company-wide level, at an operational level, and at the asset level, referred to as the Operational Risk Assurance Programme (ORAP). An internal audit assessment of the ORAP is performed annually in accordance with the Internal Audit Plan of Tongaat Hulett Limited as approved by the Audit and Compliance Committee. The approved plan is informed primarily by the key risks of the organisation.



Addressing climate change is a key strategic objective.

Tongaat Hulett believes climate change has the potential to impact on the availability of clean water and hence the long-term provision of continuous, safe, high-quality, raw materials. Predictions from the Intergovernmental Panel on Climate Change (IPCC) state that increasing temperatures and reduced rainfall are to be expected in our growing areas, which could potentially severely impact our production.

We measure and monitor our carbon emissions to inform our mitigation strategies. Tongaat Hulett believes society and the company must take measures to mitigate carbon dioxide (CO<sub>2</sub>) emissions and to adapt to climate change.

We also have opportunities to create circular economy opportunities from our waste streams. A good example is the bagasse power plant, through which we export excess electricity back into the South African power grid.

The company has identified potential risks and opportunities due to climate change and is taking action to mitigate and adapt to these risks, whilst simultaneously taking advantage of emerging opportunities. These risks and opportunities are embedded into the company strategy with respect to our energy efficiency and carbon emissions reductions targets. In the short-term (current to five years), the business is committed to lowering the Greenhouse Gas (GHG) emissions associated with the production and distribution of our products. In addition, we are focused on working to improve the energy efficiency of operations, which includes switching to cleaner fuels where possible.

The generation of renewable electricity from bagasse and the blending of biofuel with petrol and diesel will help consumers to lower their own GHG emissions.

The business continues to work with private farmers to improve their resilience to climate change over the long-term (greater than ten years).

Tongaat Hulett's climate change strategy recognises the importance of proactively managing the impacts of climate change, and positively commits the business to implementing both mitigation and adaptation programmes where appropriate. It strives to promote sustainable agriculture and to this end has been successful in ensuring minimal soil erosion, minimal tillage and the retention of soil nutrients in the ground. This is part of a whole systems-approach to sustainable agriculture and will lead to our farmers being more resilient to the effects of climate change.

Tongaat Hulett's property development activities make use of both mitigation and adaptation measures towards proactively responding to climate change realities. These measures include appropriate and sensitive land use and spatial planning, a compact city approach to density and intensity, appropriate storm water management, extensive rehabilitation and management of natural habitats, and water and energy demand management measures. The property development activities also include measures to maintain (or improve) biodiversity and ecosystems, both of which are critical to the functioning of a healthy society.

Our climate change management activities enhance resilience and should enable Tongaat Hulett to continue business activities in a Volatile, Uncertain, Complex and Ambiguous (VUCA) operating environment. Our competitors may not prove to be as adaptable and resilient as Tongaat Hulett is, giving us a medium- to long-term strategic advantage over them.

The most essential business decision made to date was to link strategic non-financial interventions to monetary

rewards of the executive leadership team. This includes Key Performance Indicators (KPIs) for energy efficiency and CO<sub>2</sub> emissions reductions, cementing the link between business strategy and emissions reductions targets.

## C2.1a How does your organisation define short-, medium- and long-term time horizons?

Level	From (years)	To (years)	Comment
Short-term	1	5	As crops are harvested annually, one year is deemed to be a long time in this business, particularly by our small-scale grower partners.
Medium-term	5	10	
Long-term	10	100	

## C2.2 Have you identified any inherent climate-related risks with the potential to have a substantive financial or strategic impact on your business?

Yes

### Where in the value chain does the risk driver occur?

Direct operations

### Risk type:

Physical risk

### Primary climate-related risk driver:

Acute: Other

### Type of financial impact driver:

Reduced revenue from decreased production capacity (e.g. transport difficulties, supply chain interruptions)

### Company-specific description:

Drought, directly leads to decreased production capacity

### Time horizon:

Short-term

### Likelihood:

More likely than not

### Magnitude of impact:

Medium-high

### Potential financial impact:

N/A

### Explanation of financial impact:

Reduced productivity leads to reduced revenues and lower profitability.

### Management method:

Tongaat Hulett employs various management methods such as Best Practice, Innovation, Empowerment and Fairness.

### Cost of management:

N/A

### Comment:

Best practice is successful as it is rooted in consistency and innovation, which empowers employees to think on their feet, and make sound contributions and decisions.

## C2.3 Have you identified any climate-related opportunities with the potential to have a substantive financial or strategic impact on your business?

No



### C2.3b Why do you not consider your organisation to have climate-related opportunities?

Opportunities exist, but none with the potential to have a substantive financial or strategic impact on business.

Focus in the current reporting period has been on more important operational matters.

## C3. BUSINESS STRATEGY

### C3.1 Have climate-related risks and opportunities influenced your organisation's strategy and/or financial planning?

Yes

Element	Impact	Description
Products and services	Impacted for some suppliers, facilities, or product lines	Looked into and taken into consideration
Supply chain and/or value chain	Impacted for some suppliers, facilities, or product lines	Looked into and taken into consideration
Adaptation and mitigation activities	Impacted	Reported and activities adapted and integrated into the business
Investment in research and development (R&D)	Not yet impacted	Still ongoing, such as drought-resistant crops
Operations	Impacted	Monitored and reported on an annual basis

Element	Relevance	Description
Revenues	Impacted	Drought does have an impact on the business
Operating costs	Impacted	These are increased as more electricity is used for irrigating the fields
Capital expenditures/capital allocation	Impacted	This increases whenever there are external factors at play
Acquisitions and divestments	Not evaluated	Not applicable, as there were no acquisitions and divestments
Access to capital	Impacted	Incorporated into the budget and business plan process
Assets	Impacted	As part of the budget and business plan
Liabilities	Impacted	As part of the budget and business plan
Other	Not evaluated	Consideration will be given and reported on accordingly

## C4. TARGETS AND PERFORMANCE

### C4.1 Did you have an emissions target that was active in the reporting year?

Yes

An absolute target

### C4.1a Provide details of your absolute emissions target(s) and progress made against those targets.

#### Target reference number:

Abs 1

#### Scope:

Scope 1

#### Percentage emissions in Scope:

100%

#### Percentage reduction from base year:

10%

#### Base year:

2013

#### Start year:

2013

**Base year emissions covered by target (carbon dioxide equivalents (CO<sub>2</sub>e) in metric tons):**  
885 976 tCO<sub>2</sub>e (2013)

#### Target year:

2020

#### Is this a science-based target?:

Yes

#### Percentage achieved (emissions):

18.9% reduction from baseline

#### Target status:

Achieved

#### Please explain:

In 2020, total Scope 1 emissions were 718 387 tCO<sub>2</sub>e, compared to the 2013 baseline of 885 976 tCO<sub>2</sub>e

#### Target reference number:

Abs 2

#### Scope:

Scope 2 (location-based)

#### Percentage emissions in Scope:

100%

#### Percentage reduction from base year:

10%

#### Base year:

2013

#### Start year:

2013

**Base year emissions covered by target (CO<sub>2</sub>e in metric tons):**  
360 254 tCO<sub>2</sub>e (2013)

#### Target year:

2020

#### Is this a science-based target?:

Yes



**Percentage achieved (emissions):**

27.9% reduction from baseline

**Target status:**

Underway

**Please explain:**

The FY2020 total Scope 2 emissions were 259 586 tCO<sub>2</sub>e, compared to the 2013 baseline of 360 254 tCO<sub>2</sub>e

**C4.2 Did you have any other climate-related targets that were active in the reporting year?**

No

**C4.3 Did you have emissions reduction initiatives that were active within the reporting year? Note that this can include those in the planning and/or implementation phases.**

No

**C4.4 Do you classify any of your existing goods and/or services as low-carbon products or do they enable a third-party to avoid GHG emissions?**

No

**C-EU4.5****Describe your organisation's efforts to reduce methane emissions from your activities.**

Methane emissions are limited to waste management and fuels consumption.

At present, efforts to reduce methane emissions are limited to reducing non-renewable fuel consumption (i.e. petrol and diesel).

**C5. EMISSIONS METHODOLOGY****C5.1 Provide your base year and base year emissions (Scopes 1 and 2).****Scope 1**

Base year start: 1 April 2012  
Base year end: 31 March 2013  
Base year emissions: 885 976 tCO<sub>2</sub>e

**Scope 2 (location-based)**

Base year start: 1 April 2012  
Base year end: 31 March 2013  
Base year emissions: 360 258 tCO<sub>2</sub>e

**C5.2 Select the name of the standard, protocol, or methodology you have used to collect activity data and calculate emissions.**

Defra Voluntary 2017 Reporting Guidelines

ISO 14064-1

The Greenhouse Gas Protocol: A Corporate Accounting and Reporting Standard (Revised Edition)

**C6. EMISSIONS DATA****C6.1 What were your organisation's gross global Scope 1 emissions in metric tons CO<sub>2</sub>e?**

Gross Global Scope 1 emissions for year ending 31 March 2020 were 718 387 tCO<sub>2</sub>e

**C6.2 Describe your organisation's approach to reporting Scope 2 emissions (location-based or market-based).**

Location-based

**C6.3 What were your organisation's gross global Scope 2 emissions in metric tons CO<sub>2</sub>e during the reporting year?**

Gross Global Scope 2 emissions for year ending 31 March 2020 were 259 586 tCO<sub>2</sub>e

**C6.4 Are there any sources (e.g. facilities, specific GHGs, activities, geographies, etc.) of Scope 1 and Scope 2 emissions that are within your selected reporting boundary but which are not included in your disclosure?**

No

**C6.5 Account for your organisation's gross global Scope 3 emissions, disclosing and explaining any exclusions.**

Due to data collection, collation and/or reporting limitations, Tongaat Hulett has decided that rather than report limited known Scope 3 emissions, the company will wait until improved data management systems and controls are in place, either within the company or within key suppliers before reporting on Scope 3 emissions

**C6.6 Are CO<sub>2</sub> emissions from biogenic carbon relevant to your organisation?**

No

**C6.7 Describe your gross global combined Scope 1 and 2 emissions for the reporting year in metric tons CO<sub>2</sub>e per unit currency total revenue and provide any additional intensity metrics that are appropriate to your business operations.**Scope 1 and 2 emissions: 977 973 tCO<sub>2</sub>e

Total revenue\* (Rands): R19 656 000 000

Intensity 1: 20 099 R/tCO<sub>2</sub>eScope 1, 2 & 3 emissions: 1 000 722 tCO<sub>2</sub>e

Total sugar produced: 1 250 000 tons

Intensity 2: 0.81 tCO<sub>2</sub>e/t of sugar produced

\* Including discontinued operations



## C7. EMISSIONS BREAKDOWNS

### C7.1 Does your organisation break down its Scope 1 emissions by GHG type?

Yes

Emissions are reported in terms of tCO<sub>2</sub>e per fuel source

### C7.2 Indicate which gross global Scope 1 emissions breakdowns you are able to provide.

By country

By facility/operation/site

### C7.3 Break down your total gross global Scope 1 emissions by country/region.

South Africa:	495 663 tCO <sub>2</sub> e	69.97%
Zimbabwe:	179 597 tCO <sub>2</sub> e	25.35%
Mozambique:	29 454 tCO <sub>2</sub> e	4.16%
Eswatini:	2 874 tCO <sub>2</sub> e	0.41%
Namibia:	467 tCO <sub>2</sub> e	0.07%
Botswana:	323 tCO <sub>2</sub> e	0.05%

### C7.4 Break down your total gross global Scope 1 emissions by business facility.

Available upon request

### C7.5 Indicate which gross global Scope 2 emissions breakdowns you are able to provide.

By country

By facility/operation/site

### C7.6 Break down your total gross global Scope 2 emissions by country/region.

South Africa:	199 746 tCO <sub>2</sub> e	76.94%
Zimbabwe:	15 158 tCO <sub>2</sub> e	5.84%
Mozambique:	39 402 tCO <sub>2</sub> e	11.33%
Eswatini:	14 985 tCO <sub>2</sub> e	5.77%
Namibia:	298 tCO <sub>2</sub> e	0.11%
Botswana:	6 tCO <sub>2</sub> e	0.00%

### C7.7 Break down your total gross global Scope 2 emissions by business facility.

Available upon request

### C7.8 How do your gross global emissions (Scope 1 and 2 combined) for the reporting year compare to those of the previous reporting year?

FY2020 Scope 1 and 2 emissions:	977 973 tCO <sub>2</sub> e
FY2019 Scope 1 and 2 emissions:	1 019 432 tCO <sub>2</sub> e
Change in Scope 1 and 2 emissions:	41 459 tCO <sub>2</sub> e
Percentage change:	4.079% decrease

### C7.9 Identify the reasons for any change in your gross global emissions (Scope 1 and 2 combined) and for each of them specify how your emissions compare to the previous year.

Reduction in production

Decrease in electricity purchased in Zimbabwe due to constrained supply.

Increase in consumption of renewable energy per ton of cane harvested and milled.

Increase in self-generated electricity, resulting in a decrease in purchased electricity per ton of cane harvested and milled.

Corrections to prior year data (restatements), including improved carbon conversion factors.

### C7.10 Are your emissions performance calculations based on a location-based Scope 2 emissions figure or a market-based Scope 2 emissions figure?

Location-based

## C8. ENERGY

### C8.1 What percentage of your total operational spend in the reporting year was on energy?

More than 0% but less than or equal to 5%

### C8.2 Select which energy-related activities your organisation has undertaken.

Consumption of fuel:	Yes (petrol, diesel, natural gas, liquefied natural gas (LNG) and liquefied petroleum gas (LPG))
Consumption of purchased or acquired electricity:	Yes
Consumption of purchased or acquired heat:	No
Consumption of purchased or acquired steam:	No
Consumption of purchased or acquired cooling:	No
Generation of electricity, heat, steam, or cooling:	Yes (electricity)

### C8.3 Report your organisation's energy consumption totals.

See Appendix (page 12)



**C8.4 Provide details on the electricity, heat, steam, and cooling your organisation has generated and consumed in the reporting year.**

See Appendix (page 12)

**C8.5 Provide details on the electricity, heat, steam and/or cooling amounts that were accounted for at a low-carbon emission factor in the market-based Scope 2 figure reported in C6.3.**

Electricity consumption supplied by national suppliers in Zimbabwe, Mozambique and Eswatini are at a lower carbon emission factor than for South Africa due to the significant presence of hydro-generated electricity in those countries.

**C-EU8.6**

**Does your electric utility organisation have a transmission and distribution business?**

No

While surplus electricity is returned to the national grid in some locations, this is not deemed a "business", but rather a function of the supply agreements with the relevant national electricity suppliers.

## C9. VERIFICATION

**C9.1 Indicate the verification/assurance status that applies to your reported emissions.**

For the 2020 reporting period, independent third-party assurance was obtained for the calculation of carbon emissions for reporting and taxation purposes (this occurs on an annual basis)

**C9.1a Provide further details of the verification/assurance undertaken for your Scope 1 and/or Scope 2 emissions and attach the relevant statements.**

Verification or assurance cycle in place:	Annual process
Status in the current reporting year:	Complete
Type of verification or assurance:	Moderate assurance
Assurance statement:	Available upon request
Relevant standard:	A1000AS
Proportion of reported emissions verified:	100%

**C9.2 Do you verify any climate-related information reported in your carbon disclosure other than the emissions figures reported above?**

No

## C10. CARBON PRICING

**C10.1 Are any of your operations or activities regulated by a carbon pricing system (i.e. Cap & Trade or Carbon Tax)?**

Not for the current reporting period, but as per recent policy change in South Africa, carbon taxes are applicable as from FY2021.

**C10.2 What is your strategy for complying with the systems in which you participate or anticipate participating?**

The company has been monitoring and improving on its data management and ensuring that third-party verification is conducted on an annual basis.

**C10.3 Has your organisation originated or purchased any project-based carbon credits within the reporting period?**

No

**C10.4 Does your organisation use an internal price on carbon?**

Carbon pricing as from FY2021 is as per the South African Revenue Service (SARS) guidelines.







# WATER

## W1. TARGETS AND PERFORMANCE

### W1.1 Did you have a water consumption target that was active in the reporting year?

No

Although operations actively manage water consumption on a daily basis, mostly for the purposes of ensuring that water abstractions from rivers, dams and other sources do not exceed permit levels, the group has not yet established water efficiency targets.

Water consumption data has been reported within the Integrated Annual Report since at least 2010.

### W1.2 Did you report water consumption reduction initiatives that were active within the reporting year? Note that this can include those in the planning and/or implementation phases.

Yes

Projects are in place at all agriculture operations to reduce irrigation through soil hydration monitoring.

### W1.3 Do you classify any of your existing goods and/or services as low-water products?

No

## W2. WATER CONSUMPTION DATA

### W2.1 What was your organisation's total water consumption in megalitres (ML)?

Gross global water for year ending 31 March 2020 was 1 057 922 ML.

### W2.2 Describe your organisation's approach to reporting water consumption (location-based or market-based).

Location-based

### W2.3 Are there any sources (e.g. facilities, activities, geographies, etc.) that are within your selected reporting boundary but which are not included in your disclosure?

No

### W2.4 Describe your gross global water consumption for the reporting year in ML per unit currency total revenue.

Water consumed:	1 057 922 ML
Total revenue:	R19 656 000 000
Intensity (litres/Rands):	54 l/R



### W3. WATER BREAKDOWNS

**W3.1** Indicate which gross global water consumption breakdowns you are able to provide.

By country

**W3.2** Break down your total gross water consumption by country/region in cubic metres (m<sup>3</sup>).

South Africa:	13 006 310 m <sup>3</sup>	1.23%
Zimbabwe:	804 636 439 m <sup>3</sup>	76.06%
Mozambique:	199 405 287 m <sup>3</sup>	18.85%
Eswatini:	40 871 801 m <sup>3</sup>	3.86%
Namibia:	1 059 m <sup>3</sup>	0.00%
Botswana:	1 105 m <sup>3</sup>	0.00%

**W3.3** How does your gross global water consumption for the reporting year compare to that of the previous reporting year?

FY2020 water consumption:	1 057 922 000 m <sup>3</sup>
FY2019 water consumption:	955 235 000 m <sup>3</sup>
Change in water consumption:	102 687 000 m <sup>3</sup>
Percentage change:	10.8% increase

**W3.4** Identify the reasons for any change in your gross water consumption from the previous year.

Reduction in production.

Increased water usage in Eswatini due to decreased rainfall in the region.

Increased water usage as the new Xinavane refinery ramped up production.

Increased area under cane in Zimbabwe, requiring additional irrigation.

Corrections to prior year data (restatements).





## APPENDIX

### Calculation of energy consumption by country

Tongaat Hulett - Calculation of FY2020 Carbon Emissions								
Group consolidation		Group	South Africa	Zimbabwe	Mozambique	Eswatini	Botswana	Namibia
<b>Scope 1</b>			<b>70.4%</b>	<b>25.0%</b>	<b>4.1%</b>	<b>0.4%</b>		
Diesel - own consumption	Litres	12 742 579	525 324	9 290 319	2 422 973	466 274	35 769	1 920
Diesel - contractor consumption	Litres	7 142 065	1 891 814	2 690 088	2 199 853	360 310	0	0
Petrol - own consumption	Litres	897 096	78 484	646 331	95 927	61 453	2 360	12 542
Petrol - contractor consumption	Litres	2 410	2 410	-	0	0	0	0
Coal	tonnes	249 927	195 553	52 677	1 697	0	0	0
Bagasse	tonnes	3 184 594	1 511 370	1 065 074	608 150	0	0	0
Wood	tonnes	11 020	10 950	70	0	0	0	0
Natural gas - stationary	GJ	361 595	357 556	-	0	0	0	4 039
Liquified petroleum gas - stationary	kgs	6 067	5 849	-	0	0	0	217
Liquified petroleum gas - mobile	kgs	0	0	-	0	0	0	0
Acetylene	kgs	0	0	-	0	0	0	0
<b>Scope 1 emissions</b>	<b>tCO<sub>2</sub>e</b>	<b>719 175</b>	<b>506 390</b>	<b>180 056</b>	<b>29 600</b>	<b>2 753</b>	<b>118</b>	<b>258</b>
<b>Scope 2</b>								
Electricity self-generated (no reportable CO <sub>2</sub> e)	MWh	468 565	217 605	176 130	74 829			
Electricity purchased	MWh	420 609	230 385	46 607	125 816	17 379	208	214
Electricity exported (sold or donated to third-parties)	MWh	37 543	32 822	3 887	834	0	0	0
Total electricity consumed	MWh	851 631	0	-	0	0	0	0
<b>Net electricity consumption (reportable CO<sub>2</sub>e)</b>	<b>MWh</b>	<b>383 066</b>	<b>197 563</b>	<b>42 720</b>	<b>124 982</b>	<b>17 379</b>	<b>208</b>	<b>214</b>
Country-specific carbon conversion factor	tCO <sub>2</sub> e/ MWh		1.040	0.365	0.242	0.887	1.479	0.027
<b>Scope 2 emissions from net electricity consumption</b>	<b>tCO<sub>2</sub>e</b>	<b>267 032</b>	<b>205 466</b>	<b>15 593</b>	<b>30 246</b>	<b>15 415</b>	<b>307</b>	<b>6</b>



## CONTACT

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