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TongaatHulett®

SUSTAINABLE SUGAR POLICY



We succeed
through
excellence and
innovation



We grow and
win in teams



We take
accountability



Integrity and
ethics guide
our way



We care and do
our best



Safely home
every day

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1. Introduction

- 1.1 This Sustainable Sugar Policy confirms the expectation we have of ourselves, our third party supplying farmers (from smallholder to commercial), our contractors and our key suppliers to meet and commit to the standards we have set for sustainable sugar production.
- 1.2 The policy is based on prior practice within Tongaat Hulett, as well as insight gleaned from the South African Sugar Association (SASA), national and international legislation agencies (e.g., the Department of Trade and Industry, the Department of Agriculture, Land Reform and Rural Development, the International Labour Organisation, the World Trade Organisation, the International Organisation for Standards, etc.), leading consumers of sugar (e.g., Coca-Cola, Nestlé, Cadburys, etc.), the Global Compact and other key stakeholders.
- 1.3 We encourage all our employees, growers, contractors and suppliers to work towards the full implementation of this policy.

2. Purpose

- 2.1 Our purpose is to guarantee the ongoing viability of our business and to improve the quality of life for our many stakeholders today and in the future. To fulfil this purpose, we must ensure that our raw materials are sourced responsibly, that our farming and processing practices are both responsible and sustainable, that the sourcing of key goods and services, inputs from suppliers and our own internal processes focus on a shared commitment to sustainability. A sustainable supply chain is essential for the communities in which we operate, as well as for our business. Our approach to responsible sugar is founded on principles of ethical business practices, human and labour rights, occupational health and safety and environmental protection and we will actively encourage our supply chain to comply with these globally accepted principles.

3. Objective

- 3.1 With regard to our management practices, we:
 - 3.1.1. Acknowledge our responsibility to manage the land we own, lease, and/or cultivate in partnership with third party cane growing individuals and/or communities in an economically, environmentally and socially sustainable way, while combatting a unique set of agricultural and processing productivity challenges. Our cropping, livestock and processing practices all have direct and indirect impacts on ecosystems, natural landscapes and biodiversity while our businesses and local communities rely on fragile ecosystems for the provision of water, climate regulation, food production and employment opportunities.
 - 3.1.2. Comply with all applicable laws and are guided by relevant internationally recognised principles. In the agricultural and processing

landscapes where we operate, we aim to optimise yields and productivity while maintaining important biodiversity and ecosystem processes to continuously improve the resilience of our agricultural and processing activities, as well as the land, water sources and air surrounding our operations.

- 3.1.3. Understand that our agricultural process operations require sustainable stewardship of energy inputs, as well as land, air and freshwater ecosystems, inclusive of our third party supplying farmers, are part of a wider landscape, we will monitor and manage the following critical elements:

4. Business Ethics

- 4.1 Compliance with all applicable local laws and regulations by all directors, employees, contractors, suppliers and other business partners.
- 4.2 Compliance with all applicable Tongaat Hulett policies and procedures by all directors, employees, contractors, suppliers and other business partners.
- 4.3 Commitment to ensuring that all business is conducted with integrity, and that all business transactions with Tongaat Hulett are accurately and completely recorded by all directors, employees, contractors, suppliers and other business partners.

5. Product Quality and Safety

- 5.1 Commitment to all product quality and safety criteria by Tongaat Hulett, as well as its contractors, suppliers and other business partners.

6. Intellectual Property

- 6.1 Commitment to the protection of all confidential information by Tongaat Hulett, as well as its contractors, suppliers and other business partners.

7. Human Rights and Labour Conditions

- 7.1 Tongaat Hulett recognizes and adheres to local and international standards pertaining to the difference between “Child Work” and “Child Labour”, and acknowledges that each country may differ in terms of local thresholds for what constitutes “a child”.
- 7.2 Where standards differ in other countries, to the extent where persons younger than 15 may be deemed employable, Tongaat Hulett is committed to maintaining the South African standard.
- 7.3 Compliance with all applicable local laws and regulations by all directors, employees, contractors, suppliers and other business partners.
- 7.4 Acknowledgement and commitment to avoid any/all use of child, forced and/or compulsory labour.

- 7.5 Absence of discrimination based on nationality, race, religion, gender, age, sexual orientation, disability, etc., by all directors, employees, contractors, suppliers and other business partners.
- 7.6 Respect for the right of employees to freedom of association and an employee grievance process by all directors, employees, contractors, suppliers and other business partners.
- 7.7 Compliance with relevant International Labour Organisation (ILO) standards by Tongaat Hulett, as well as its contractors, suppliers and other business partners.
- 7.8 Provision of safe and healthy working conditions for all employees of Tongaat Hulett, as well as its contractors, suppliers and other business partners. At all turns, prevention is targeted in an attempt to guarantee “Zero Harm”, with the focus always being “beyond compliance”.
- 7.9 Application of all relevant policies and procedures for the prevention, monitoring, investigation and reporting of any workplace injuries sustained by employees of Tongaat Hulett, as well as its on-site contractors, suppliers and other business partners.
- 7.10 Provisions of appropriate wages and working hours, according to all applicable laws and/or regulations, for all employees of Tongaat Hulett, as well as its on-site contractors, suppliers and other business partners.
- 7.11 Provision of contracts or equivalent documents, in a language of full comprehension, to all employees of Tongaat Hulett, as well as its contractors, suppliers and other business partners.

8. Education, Skills Development and Training

- 8.1 Commitment to investing in Tongaat Hulett employees by providing access to skills and aptitude development in order to achieve their maximum individual potential for the shared benefit of the company by contributing to the success and competitiveness of the company.
- 8.2 Employees are evaluated for advancement potential, and a talent pool of specific candidates is identified for the creation of personal development plans with targeted senior operational and/or management positions in mind.
- 8.3 Ongoing workplace awareness and training events are designed and implemented to improve technical production performance, as well as to improve organisational health and safety in the workplace.
- 8.4 Investments in higher learning are afforded to employees through targeted loan, study assistance and/or bursary schemes, including support for children of employees.
- 8.5 Company-sponsored bursaries are provided to successful candidates, with a specific focus on closing gaps on hard-to-fill vacancies and/or forecasted skills recruitment challenges. Where possible, bursaries are specifically targeted to beneficiaries from within the communities in which Tongaat Hulett operates.

9. Environment

- 9.1 Compliance with all applicable local laws and regulations by Tongaat Hulett, and the business will encourage its supply chain to comply with all relevant laws in this regard.
- 9.2 Presence of current licenses for water, air emissions, waste disposal and land use by Tongaat Hulett, as well as its contractors, suppliers and other business partners.
- 9.3 Commitment to continuous improvement of environmental performance by improving operational efficiencies for the use of raw materials, energy and water, as well as the production of waste by Tongaat Hulett. The business will encourage its supply chain to commit to consistently improving its environmental performance.
- 9.4 Commitment of Tongaat Hulett to the monitoring, measurement and management of greenhouse gas emissions, inclusive of, but not limited to, the following:
 - 9.4.1 Direct and indirect NO_x, SO_x, Carbon and particulate matter emissions from operations, inclusive of all relevant contractors, suppliers and other business partners; and,
 - 9.4.2 Direct and indirect carbon emissions from agricultural operations, inclusive of all relevant contractors, suppliers and other business partners.
- 9.5 Commitment to the calculation and payment of all relevant carbon taxes as per legislated timelines and taxation rates.
- 9.6 Commitment to, wherever possible, the development and/or support of projects designed to reduce Tongaat Hulett's carbon footprint through carbon capture and/or storage, inclusive of at operations not directly affected by national carbon taxes.
- 9.7 Commitment to ensuring that crops and/or livestock is not farmed on areas defined internationally or nationally as legally protected, are of high biodiversity and/or conservation value, are of high carbon stock, or have been officially designated as being of significant historical, cultural and/or spiritual heritage by Tongaat Hulett, as well as its contractors, suppliers and other business partners i.e. the business will ensure that all country specific environmental legislation is complied with.

10. Climate Change Risk

- 10.1 Commitment to the identification, prioritisation and mitigation of all direct and indirect climate change risks that may impact on Tongaat Hulett's local, national and/or global operations.

11. Land and Water Rights

- 11.1 Commitment that Tongaat Hulett, as well as its third party supplying farmers, can demonstrate clear appropriate/relevant evidence of right of use to land and water in accordance with national practice and law.
- 11.2 For expansion and/or the development of new agricultural and/or agri processing projects, Tongaat Hulett ensures that transparent, consultative and participatory processes to address cumulative and induced effects via environmental and social impact assessments occur, and expect the same of all contractors, suppliers and other business partners.

12. Good Agricultural Practices

- 12.1 Commitment to managing key environmental issues through an appropriate and implemented environmental impact and management plan, aimed at managing natural resources in a responsible and sustainable manner. All plans should address biodiversity, ecosystem services, soil, water, air, climate change, use of agrochemicals, and use of artificial fertilizers, cane burning, noise and dust.
- 12.2 Endeavour to discourage the use of banned agrochemicals within the agricultural operations of Tongaat Hulett.
- 12.3 Commitment to ensuring that Tongaat Hulett will and encouraging supplying cane growing partners to minimize air, soil and water contamination through the use of agrochemicals.
- 12.4 Commitment to ensuring that Tongaat Hulett will and encouraging supplying cane growing partners to manage biological pest control in a manner seeking to limit the use of agrochemicals.
- 12.5 Commitment to ensuring that Tongaat Hulett will and encouraging supplying cane growing partners to manage the disposal of empty fertilizer, pesticide and herbicide packaging, adopting appropriate procedures for cleaning rigid containers, as well as for storage and final disposal, in accordance with all relevant legislation.
- 12.6 Encouraging supplying cane growing partners to maintain a soil conservation plan that addresses soil degradation, erosion and biodiversity.
- 12.7 Commitment to ensuring that Tongaat Hulett will and encouraging suppliers cane growing partners maintain a water conservation plan aimed at increasing water use efficiency and limiting water quality impacts from over-abstraction from constrained sources, wastewater discharges, erosion and agrochemical and nutrient runoff.
- 12.8 Commitment to minimize effluent and waste from operations and cane fields to protect ground and surface water sources and ecologically sensitive areas from pollution, as well as to ensure equitable water management and use in the catchment area.

- 12.9 Commitment to providing good agricultural and husbandry practice advice and/or training for emerging supplying growers through agricultural extension to help them improve yields, and therefore sustainable livelihoods.

13. Stakeholder Engagement

- 13.1 Commitment to ensuring that Tongaat Hulett employs effective stakeholder engagement policies, procedures, systems and controls, inclusive of formal stakeholder identification, prioritisation and engagement plan, to create and enhance good relationships with stakeholders.
- 13.2 Commitment to ensuring that stakeholder engagement accommodates for the regular reporting of company performance to stakeholders, as well as to allow stakeholders to raise concerns with the company for consideration and appropriate response.
- 13.3 Commitment to ensuring that stakeholders are aware of procedures to report impacts affects and concerns to executives and/or the board, inclusive of anonymous reporting systems, without fear of recrimination.

14. Socio-economic Development

- 14.1 Commitment to promote and support cultural traditions, transformative education, good health, skills development and entrepreneurship within the communities in which the company operates.
- 14.2 Commitment to promote and support the development and sustainability of small and medium-sized enterprises through access to procurement opportunities within the company.
- 14.3 Commitment to supporting a sense of social consciousness among employees, and encourage a culture of shared value through participation in volunteerism activities.
- 14.4 Commitment to directing sugar production process by-products, wherever possible, to support community development projects for the benefit of the communities in which the company operates.

15. Security

- 15.1 Commitment to ensuring that all persons, property and assets are afforded due care and consideration with respect to physical harm, theft, damage and/or mismanagement.

16. Responsible Consumption

- 16.1 Creating and/or supporting awareness industry campaigns for illnesses related to over-consumption of sugar, such as Diabetes, and obesity (inclusive of child obesity).
- 16.2 Support for, and engagement with, government on the development of national Responsible Sugar policies, inclusive of South Africa's "Sugar Tax".

17. Contractor & Supplier Compliance

- 17.1 Commitment to ensuring that all contractor and suppliers are duly informed of Tongaat Hulett's transparency and accountability expectations, inclusive of the potential for being subjected to compliance audits.

18. Reporting and Assurance

- 18.1 Commitment to ensuring that stakeholders have access to no less than annual reporting of all aspects of the company's sustainability performance via the Integrated Annual Report, Annual Sustainability Report, Annual Climate Change Report, online sustainability case
- 18.2 Commitment to ensuring that stakeholder requests for information are duly processed for consideration and response within a reasonable timeframe.
- 18.3 Commitment to ensuring that environmental, social and governance (ESG) performance is subjected to internal and/or external assurance in accordance with the company's Combined Assurance Model.

19. Non-compliance

- 19.1 Non-compliance with this policy and the procedures associated with it may result in disciplinary action and even dismissal and in the case of suppliers the company can stop purchases of product.

20. Communication of Policy

- 20.1 In order for the policy to be sustainable, it must be supported by a structured education, communication and awareness programme.
- 20.2 This policy is to be communicated to all employees through awareness campaigns and/or specialised training for those employees who are directly responsible for assisting in the monitoring, measurement and reporting of the business objectives in relation to its sustainable sugar strategy.
- 20.3 This policy will be made available to all stakeholders via the Sustainability portal on the company's website (www.tonga.com).

21. Administration


- 21.1 Tongaat Hulett has the overall responsibility for the maintenance and operation of this policy.

22. Policy Review

- 22.1 This policy shall be reviewed annually and as and when required to factor in any changes in legal frameworks, organisational development and economic trends.

23. Implementation date

23.1 This policy will come into effect on the date of signature by the Chief Executive Officer.



SIGNATURE OF CHIEF EXECUTIVE OFFICER

7/12/20

DATE

SUSTAINABLE SUGAR POLICY

DOCUMENT CONTROL DATA

VERSION 1

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APPROVAL RECORD

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