



Independent Assurance Statement to Tongaat Hulett Limited (Tongaat)

To the Board of Directors and Stakeholders of Tongaat

ERM Southern Africa (Pty) Ltd (ERM) was engaged by Tongaat to provide assurance in relation to the information set out below and presented in the Integrated Annual Report 2016 (the Report).

Engagement Summary	
Scope:	<p>1. Whether Tongaat 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 our engagement did not include verification of the reliability of the sustainability performance information and data in the Report.</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 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 does not adhere, in all material respects, to the AA1000APS (2008) principles of Inclusivity, Materiality and Responsiveness.

GRI 'B' Application Level Check¹

- Based on our assurance activities, nothing has come to our attention to indicate that the Application Level [B+] as stated in the "About this report" section and based on the GRI Content Index on the Tongaat website [<http://www.tongaat.co.za/annualreport2016/GRI.pdf>] is not consistent with the GRI criteria for this Application Level.

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Company Registration Number
2003/001404/07

Directors
Ian Bailey (UK) (Chairman)
Urmilla Bob (Non-Executive)
Linda Kumbemba
Tania Swanepoel
Marinda van der Merwe

**A member of the Environmental
Resources Management Group**

¹ Although we conducted the GRI application level check, we recognise that G3.1 is no longer valid for this reporting period.

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 to identify relevant sustainability issues in the reporting period;*
- *Interviews with relevant corporate level staff to understand Tongaat's sustainability strategy, policies and management systems, including a high-level review of the data management systems;*
- *Reviewing selected evidence at selected sites including Maidstone Sugar Mill, South Africa, Agricultural Operations in South Africa, Xinavane Sugar Mill and Cane Estates in Mozambique, Germiston Starch Mill, South Africa, and Triangle Sugar Operations in Zimbabwe, and at Group level related to the design, information collection, and production of the Report in accordance with AA1000 AS and GRI criteria;*
- *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 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 has numerous stakeholder engagement activities in place that are managed by Corporate Affairs at group level, and at operational level. The Company links its success to socio-economic development, and also mentions accountability to stakeholders in internal documents such as the Board Charter, Code of Business Conduct and Ethics, and Board meeting minutes. Additional resources at group level would enhance the formalisation of engagement within the company. Consistent with the previous assurance recommendations, Tongaat should develop a formal and documented stakeholder engagement strategy which is applied consistently 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 has a mature risk management system in place, which covers relevant sustainability topics. Independent risk assurance is undertaken at operational and group levels, and the system is seen to strongly influence company strategy. The connection and influence of stakeholder perspectives and expectations on the determination of material issues is however 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, and the company would benefit from formally documenting the process undertaken.

In relation to the Responsiveness principle:

Tongaat 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 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, including the Audit and Compliance Committee, also cover sustainability issues. ERM recommends that Tongaat develop a stakeholder engagement strategy that formalises feedback to stakeholders on how the Organisation responds to interests and expectations.

Other observations

Use of GRI G4 for future reporting

There are opportunities for improving the nature and detail of certain disclosures required by the GRI, in particular related to the report boundary, the process for identifying and selecting stakeholders, and the reliability of performance information. ERM recommends that Tongaat matures its integrated and sustainability reporting processes to further align with the IIRC's <IR> Framework, and to use GRI G4 as the basis for the development and content of future reports.

Assurance scope

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; 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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