

# Summary Independent Assurance Statement

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## To the Board and stakeholders of Tongaat Hulett:

SustainabilityServices.co.za (SS) was commissioned by Tongaat Hulett to provide independent third party assurance (ITPA) over the sustainability content within the Sustainability Report section of their 2010 Annual Report (the 'Report', covering the period 1 January 2009 to 31 March 2010). The assurance team comprised primarily of Michael H. Rea, our principal Sustainability Assurance Practitioner, with 11 years' experience in environmental and social performance measurement, including sustainability reporting and assurance.

## AccountAbility AA1000S (revised, 2008)

To the best of our ability and significant experience in sustainability report assurance, this engagement has been managed in accordance with AccountAbility's AA1000AS (2008) assurance standard, where the format of the engagement was structured to meet the AA1000AS Type I (Moderate) requirements.

## Independence

SS was not responsible for the preparation of any part of this Report and has not undertaken any prior commissions for Tongaat Hulett. Responsibility for producing this report was the responsibility of Tongaat Hulett. Thus SS is, and remains, an independent assurer over the content and processes pertaining to this report.

## Assurance Objectives

The objective of the assurance process was to provide Tongaat Hulett's stakeholders an independent 'moderate level assurance' opinion on whether the sustainability content within the Corporate Responsibility section of Tongaat Hulett's Report, in its printed format, meets the AA1000AS (2008) principles of Inclusivity, Materiality and Responsiveness, as well as to assess the degree to which the Report has met the Global Reporting Initiative (GRI) G3 guidelines Application Level B reporting requirements.

## Assurance Approach and Limitations

The process used in arriving at this assurance statement is based on AccountAbility's AA1000AS (2008) guidance, the GRI's G3 Application Level requirements, as well as other best practices in sustainability reporting assurance. Our approach to assurance included the following:

- A review of sustainability measurement and reporting procedures at Tongaat Hulett's head offices to determine the context and content of sustainability management by the company;

- A review of the information and/or data collection, collation and reporting procedures undertaken by Tongaat Hulett, to define the content of the Report by looking at materiality of issues included in the Report, stakeholder engagement responses to issues identified, determination of sustainability context and coverage of material issues;
- A review of the approach of management to addressing topics discussed in the Report;
- A review of drafts of the Report for any significant errors and/or anomalies; and,
- A confirmation that the requisite number of performance indicators had been covered in the Report.

The process was limited to the content and assertions made within the Sustainability section of Tongaat Hulett's printed Report for the period under review, and did not extend to a comprehensive analysis of the accuracy, reliability, completeness and/or consistency of the data presented by Tongaat Hulett, either in the Report or on the internet. Rather, sustainability data presented within the Report was subjected to a series of reasonability tests during final proof editing. The process was further limited to reviewing policies and procedures for stakeholder engagements, and did not extend to the physical engagement of any stakeholders to arrive at our assurance opinion.

## Findings

Based on our review of the Report, as well as the processes employed to collect and collate information reported herein, it is our assertion that:

- Tongaat Hulett adequately adheres to the Accountability AA1000APS principles of Inclusivity, Materiality and Responsiveness, although room for improvement exists with respect to both proactive stakeholder engagement (i.e., 'Inclusivity') and feedback on stakeholder-specific concerns (i.e., 'Responsiveness')
- The Report adequately meets the GRI G3's requirements for Application Level B (responses to all required indicators, as well as no fewer than 20 Core indicators, with at least one from each of Economic, Environment, Human Rights, Labour, Society and Product Responsibility). However, it should be noted that some indicators were only covered in their GRI Content Index Table, rather than within the body of their Annual Report, which means that one must test

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GRI compliance relative to the Annual Report only in the presence of the table referenced on p.45. Moreover, it was found that the reporting of performance against some GRI G3 indicators continues to require either data quality improvements, or further detail in disclosure. These gaps are clearly identified with the GRI Content Index Table.

### Conclusions and Recommendations

Based on the information reviewed, SustainabilityServices.co.za is confident that this report provides a comprehensive and balanced account of Tongaat Hulett's environmental, safety and social performance for the period under review. The data presented is based on a systematic process and we are satisfied that the reported performance data accurately represents Tongaat Hulett's current environmental, safety and social performance, while meeting the AA1000AS (2008) principles of Inclusivity, Materiality and Responsiveness. Moreover, and although the quality or quantity of data of some GRI G3 indicators can be improved, this Report appears to meet the GRI G3's requirements for Application Level B (B+ with this assurance engagement).

However, the following recommendations have been identified:

- With respect to adherence to AccountAbility's AA1000APS principle of Inclusivity, Tongaat Hulett should ensure that stakeholder engagement continues to progress towards the active inclusion of all significant stakeholders, and that a regular review of stakeholders tests for completeness and relevance. With specific reference to sustainability matters, Tongaat Hulett should ensure that the proactive engagement of stakeholders occurs to confirm or refute Group assumptions regarding the materiality of key sustainability issues.

- With respect to adherence to AccountAbility's AA1000APS principle of Responsiveness, Tongaat Hulett should ensure that feedback to stakeholders on sustainability matters occurs in line with King III's recommendations for 'Integrated Reporting', such that all presentations of results – including interim results – include a reasonable discourse regarding Tongaat Hulett's most material sustainability issues.
- Tongaat Hulett should ensure that stakeholder engagement procedures include an assessment of whether or not this Report, and all future Reports, adequately reflects the reporting requirements of key stakeholders;
- Having addressed the requirements of GRI G3 Application Level B, it is our recommendation that Tongaat Hulett review the process followed in compiling the Report and, while making further improvements on the quality of data required for Application Level B, begin addressing the requirements of Application Level A.

For more information about the assurance process employed to assess the Sustainability section within Tongaat Hulett's 2010 Annual Report, email:

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Johannesburg



**SustainabilityServices.co.za**