



HUMAN CAPITAL REPORT 2015/16

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CONTENTS

MATERIALITY

EMPLOYMENT PROFILE AND STATISTICS

EMPLOYEE RELATIONS

REMUNERATION AND BENEFITS

EMPLOYEE HEALTH AND WELFARE

OCCUPATIONAL SAFETY

DIVERSITY AND EQUAL OPPORTUNITY

HUMAN RIGHTS

ASSURANCE

Illovo is a major source of employment for the many urban and rural communities in which it operates, offering direct employment through full, part-time and seasonal jobs across the spectrum of its agricultural and manufacturing activities. Our continuing strategy of striving to be an employer of choice within the southern African agri-business sector is coupled with a commitment to continued investment in our people in order to sustain the business and to maintain our position as an industry leader. Our human resource philosophy is based upon equal opportunity, and recognises excellence within our existing employee base to favour internal succession management.

The group's Values-Driven Leadership is a keystone of Illovo's strategic advantage by creating a sustainable and vibrant organisation driven by motivated and enlightened leaders. The Illovo Values of Empowerment, Inclusiveness, Commitment, Accountability and Integrity represent the organisational culture within Illovo.

Human resource management and associated operational strategies are then determined by the local business needs of the group's operating entities with direction from the corporate office. These strategies appropriately embrace the macro-environment prevailing in each country of operation, with alignment being achieved through the group's Strategic Intent. Ensuring that the operational strategies are met is a work ethic of continuous improvement which encourages focused, skilled employees to realise their full potential and to "make a difference" in their areas of operation.

Key areas of human resource focus include workplace safety; continuous improvement benchmarking; targeted manpower succession planning; talent and performance management; the maintenance of collaborative industrial relations; human resource development and business understanding; BEE-linked employment equity and localisation programmes and the health and welfare of employees and their dependants.

MATERIALITY

Issues that are addressed in this report are therefore those which demonstrate the commitments mentioned above, namely, striving to be an employer of choice within the southern African agri-business sector, a commitment to continued investment in our people in order to sustain the business and to maintain our position as an industry leader, equal opportunity as the basis of our human resources philosophy, recognition of excellence within our existing employee base to favour internal succession management, ensuring that the operational strategies are met through a work ethic of continuous improvement which encourages focus, skilled employees to realise their full potential and to make a difference in their areas of operation and the key areas of human resource focus which include, among others, workplace safety, employee succession planning, talent and performance management, the maintenance of collaborative industrial relations, etc.

EMPLOYMENT PROFILE AND STATISTICS

We provide substantial employment to 12 571 people, of whom 1 423 (11%) are women, employed on a permanent basis and 18 770 seasonal employees engaged on a fixed-term contract basis.

Total complement of permanent and peak non-permanent / fixed contract (seasonal) employees

	Malawi		Mozambique		South Africa	
	2016	2015	2016	2015	2016	2015
Permanent	5 657	5 646	941	972	1 976	2 071
Non-Permanent	3 706	4 247	4 355	4 806	1 617	1 567

	Swaziland		Tanzania		Zambia	
	2016	2015	2016	2015	2016	2015
Permanent	1 164	1 193	876	868	1 957	1 919
Non-Permanent	1 564	1 727	3 075	3 301	4 453	4 528

	Total	
	2016	2015
Permanent	12 571	12 669
Non-Permanent	18 770	20 176

Total permanent complement by country, gender and age

2015/16	Malawi		Mozambique		South Africa		Swaziland		Tanzania		Zambia	
Gender Age range	M	F	M	F	M	F	M	F	M	F	M	F
<30	516	67	76	14	202	88	55	16	69	22	194	52
30-50	3 776	178	453	112	899	302	620	105	442	48	1 177	154
>50	1 095	25	253	33	418	67	310	58	247	48	346	34
Total	5 657		941		1 976		1 164		876		1 957	

Our employment emphasis encourages diversity within both our local workforce and senior management positions in order to increase internal capacity building and promote the advancement of members of local communities. Members of our senior staff are appointed by executive management according to group policy guidelines and in line with specific country-based local hiring and employment equity/localisation policies.

During the year under review we employed 637 new employees.

Total permanent appointments by age group, gender and country

2015/16	Malawi		Mozambique		South Africa		Swaziland		Tanzania		Zambia	
Gender Age range	M	F	M	F	M	F	M	F	M	F	M	F
<30	135	8	6	1	18	9	5	1	15	14	44	19
30-50	172	5	6	2	23	8	15	6	38	3	56	16
>50	1	0	0	0	1	1	1	0	4	0	4	0
Total	321		15		60		28		74		139	

Although we employed 637 new employees, as can be seen above that there was a net decrease in the number of permanent employees from 12 669 in 2014/15 to 12 571 in 2015/16. This was due to a group-wide cost cutting exercise which included a review of staff needs, underpinned by an activity analysis, which resulted in some positions falling away. There were however, no retrenchments but some positions were not filled and in some cases employees were redeployed to other positions.

Percentage of local citizens employed in senior management

%	Malawi	Mozambique	South Africa	Swaziland	Tanzania	Zambia
2015/16	85	41	98	50	62	66
2014/15	73	40	100	55	57	72
2013/14	67	36	98	65	44	71

% Turnover (permanent employees)

	2015/16	2014/15	2013/14
Malawi	3.0	3.9	3.6
Mozambique	4.9	6.1	4.1
South Africa	6.0	5.4	6.9
Swaziland	3.5	4.7	4
Tanzania	7.1	6.2	6.3
Zambia	5.9	5.4	4.2
Group Total	4.6	4.8	4.5

In the different categories, employee turnover was as follows:

2015/16	Malawi		Mozambique		South Africa		Swaziland		Tanzania		Zambia	
Gender Age range	M	F	M	F	M	F	M	F	M	F	M	F
<30	3.68	1.49	0.0	0.0	4.17	7.14	0.0	6.25	17.39	18.18	4.12	5.77
30-50	2.30	1.69	4.19	1.79	3.80	3.98	1.61	1.90	5.20	4.17	3.23	1.95
>50	5.48	0	9.88	3.03	11.97	13.43	7.74	6.90	7.29	6.25	23.33	6.25

A total of 46 113 person days were lost during the season, amounting to 1.2% of total person days lost to absenteeism during the reporting period.

Talent and Skills Development

The group's values underpin its people management strategy and define leadership characteristics framing an organisational culture of openness and integrity. Employees are encouraged to participate fully in their areas of expertise and to take ownership of their development opportunities.



We invested approximately R58 million in skills development in the year under review

The group's talent management is a set of integrated and strategically-linked organisational processes that are designed to attract, develop, motivate and retain productive and engaged employees in order to create a sustainable organisation that meets its strategic goals and objectives.

Another important area of talent management is the area of performance management as this is one of the key processes that assists the organisation in achieving annual objectives that are linked to the strategic goals of the business. It requires all employees to take full responsibility of not only their annual performance objectives but also their current and future development needs linked to their careers. In order to facilitate this process, Illovo has its own custom-made performance management system available across all its operations. Results from the financial year ending March 2016 indicated that 80.2% of management employees went through a formalised annual performance review.

Group-wide, all First Line Management and above (Paterson grade C4 upwards) undergo regular performance and career development reviews.

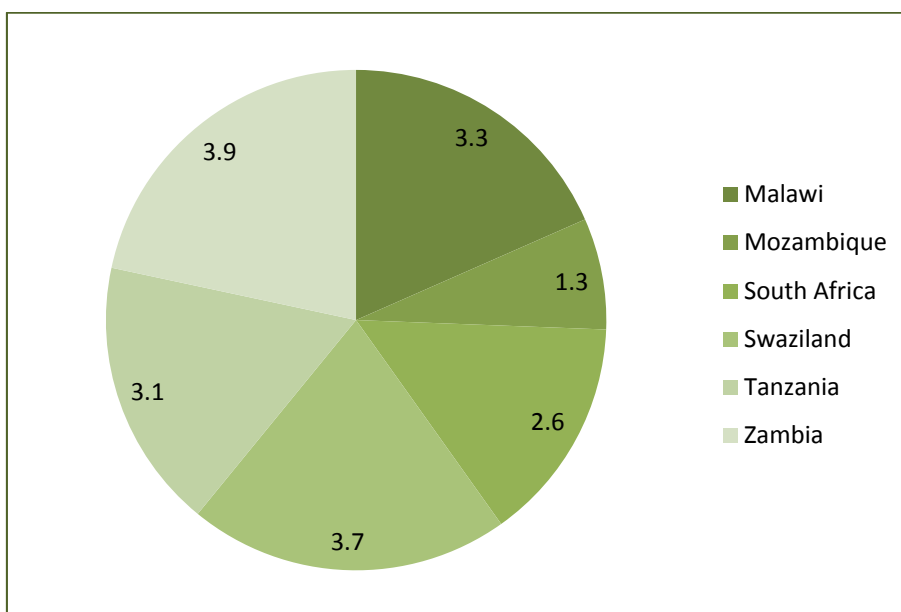
In terms of retaining and deploying employees, our approach to career development and talent management continues to lead to structured individual development plans which contribute to both the succession and retention of key personnel.

Succession planning remains a strategic driver in our development and retention of key managerial and critical skills within the organisation. This process is an essential enabler for our business to deliver on its current business targets as well as its longer-term sustainability and growth. This is one of the central processes underpinned by the group's talent management function which lends structure to this process ensuring robust talent pipelines and plans are in place throughout the business.

Skills Development

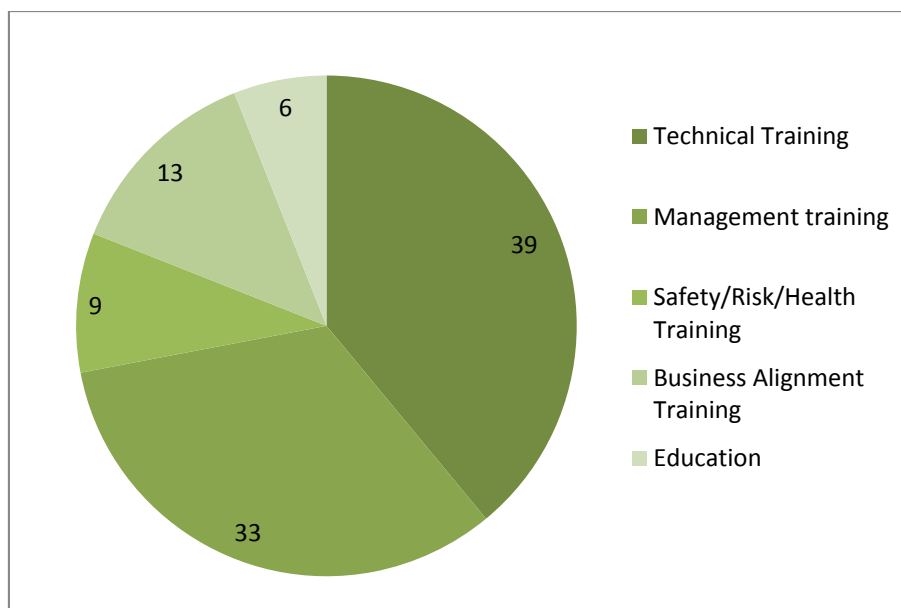
Illovo prides itself in investing in building the capability of our employees. We have a variety of training and development initiatives which ensure employees at all levels have the opportunity to be up-skilled. We invested approximately R58 million in the year under review. This represents 2.95% of the total group payroll comprising more than 30 000 permanent and non-permanent employees.

Training spend by country as a % of payroll:



%	Malawi	Mozambique	South Africa	Swaziland	Tanzania	Zambia
2015/16	3.3	1.3	2.6	3.7	3.1	3.9
2014/15	4.0	2.1	6.3	3.6	1.6	2.9
2013/14	4.3	2.1	3.9	4.0	2.2	3.2

Training spent by category as a % of total training



%	Technical Training	Management training	Safety/Risk/Health Training	Business Alignment Training	Education
2015/16	39	33	9	13	6
2014/15	40	30	13	10	7
2013/14	26	26	5	9	5

Context

The year 2015/16 season was a difficult year, not just for the industry but for the agricultural sector in general due to the impact of the drought across the southern African region.

This required tough but sound business decisions which resulted in the organisation focusing predominantly on key strategic training interventions only, i.e., those that would have the maximum contribution or impact on the company in a tough economic environment.

The outcome was a reduction in group training spend from 3.88 % in 2014/15 to 2.95% in the year under review. Year-on-year, group payroll costs decreased by 6.0%.

Overview of training programmes in 2015/16:

- Focusing on efficiency improvements across the group, we continued to build on the past achievements of Illovo's Continuous Improvement initiative, focusing on effective team work, improvement and profit improvement project training;
- Formal training programmes to develop future potential leaders were attended by more than 100 company employees, underlining the group's robust succession planning processes;
- During the year, 90 apprentices and 44 in-service trainees underwent technical and operator capability training while capability and skill development tutoring of "first line" to upper-management remains an area of focus;
- A total of ten Illovo high-potential graduates employed around the group were deployed for further career development to AB Sugar businesses in China, England and Spain while the company in turn, played host to three similarly-qualified graduates from Spain and England;
- "Taking charge of our business, together" was the theme of the group's customised annual Business Understanding Programme which was attended by around 20 000 permanent and non-permanent employees during the year. Topics covered included the group's business strategies

and consequent expectations of employees in terms of performance and values-driven behaviours in implementing the strategies; employee success stories; the company's involvement in the communities in which it operates; continuous improvement; safety; quality and markets;

- Full bursaries were offered to more than 45 students to further their education with the possibility, upon successful completion of their studies, of joining Illovo's Management Trainee Programme;
- In continued efforts to encourage employees to further their own education, we provided financial assistance to 180 staff members while at the same time, offered monetary support to over 270 children of our own employees to cover educational costs;
- As a direct consequence of extremely difficult economic conditions, together with concern for the financial well-being of employees negatively impacted by unscrupulous money-lenders, garnishee orders, inadequate retirement planning and a variety of other financial challenges, we launched our own financial awareness training programme which was attended by 850 employees during the year. The initiative is to be launched group-wide.

Illovo Technical Academy

In a major new initiative to enhance the group's factory and agricultural skills base, the new Illovo Technical Academy opened at Eston sugar factory in South Africa in July 2015, with its first intake of 12 factory delegates. In addition to providing state-of-the-art training facilities to Illovo employees, every course offered is customised for group-specific factory and field conditions, providing the ideal balance between theoretical and hands-on training. Full board and lodging in a modern environment is offered for the full duration of courses to all "trainees".



The new Illovo Technical Academy at Eston in South Africa

A key part of successful skills transfer is on-the-job practical assignments which are undertaken by the trainees once they return to their work place, with mandatory follow-up evaluation processes involving the Academy, work-place supervisors and management, and the trainees. Company line managers and engineering and process specialists have provided expert and strategic support in the facilitation of academy modules.

In addition to providing a venue for other company and external-partner events, consideration is also being given to allocating "spare" Academy space to community-based initiatives such as outgrower development programmes, involving small and medium-scale growers.

EMPLOYEE RELATIONS

Success in a competitive industry cannot be achieved without a motivated, committed and unified workforce that is focused on achieving common objectives. To this end, we strive to create an environment in which our employees feel valued and aligned to the company's values, strategies and priorities.

With diverse and widespread senior management teams operating across six countries, regular communication forums and executive-led site visits are also undertaken. At group and country

management team level, formal management forums are held, aimed at reviewing operational performance and engagement in strategic planning processes.

In our observation of the UN Global Compact, and the ILO Declaration on Fundamental Principles and Rights at Work, we comply with internationally recognised labour practices as legislated in our countries of operation, ensuring that sound employee relations prevail. Freedom of association is acknowledged and where our employees have adequate representation, recognition agreements are put into place. Collective bargaining forums, which determine the levels of wage rates and other substantive employment conditions via negotiated collective agreements, are established in all countries of operation. The management of collaborative relationships with trade unions, along with open communication forums, allows for internal issues to be dealt with as effectively as possible.

During the year under review collective bargaining around wages rates in all the company’s bargaining forums was concluded without any strike action.

While management/union relationships remained cordial across the group, unfortunately one of our operational entities, Noodsberg sugar factory in South Africa, endured wild-cat protest action involving a number of casual employees who are employed on an infrequent and short-term duration. An unfortunate consequence of the action was the fatal shooting of one of the protesters by a Noodsberg security officer who acted in self-defence after being attacked on company premises. Company property was also damaged during the incident. The dispute between Noodsberg and the casual employees was resolved via the signing of an agreement facilitated by a Commissioner from the Commission for Conciliation, Mediation and Arbitration. Criminal proceedings were also instituted by the South Africa Police Service against some of the casual employees implicated in the destruction of property.

Standard notice periods for employees are covered within the employment policy of each country of operation. Regarding operational restructuring, if applicable, the notice periods of the affected employees are determined with input from relevant employee representative bodies.

Trade union involvement is a normal part of this process and on average 83% of our employees are unionised.

Trade Union Membership (as a percentage of employees per operation)

%	Malawi	Mozambique	South Africa	Swaziland	Tanzania	Zambia
2015/16	83	87	80	95	79	80
2014/15	85	96	80	96	80	80
2013/14	95	98	80	96	80	91

REMUNERATION AND BENEFITS

Ilovo’s remuneration packages are merit-based and market-competitive. These packages are reviewed annually, as are the range of short and long-term incentives such as performance-related bonuses, share purchase and share option schemes.

Aligned with our objective to be an employer of choice, we offer competitive wages, which exceed country-based standard minimum wages, and are determined through negotiations with relevant country labour unions, via collective agreements and bargaining councils. All labour-related practices are framed within the context of the ILO Decent Work Agenda, to which most countries of operation are signatories.

During the year under review, the group spent approximately R198 million on the provision of benefits to our employees, such as accommodation and amenities, health care, educational assistance and community projects. Given the challenges of poverty, lack of infrastructural development, non-delivery of basic services including health and education, and the rural location of many of our operations, there is significant “below-the-line” transfer of employee benefits to local communities across the regional footprint of the countries within which we operate. We also offer our employees additional benefits based on factors such as performance.



The group spent R30 million on education-related initiatives in 2015/16

Some examples of additional benefits offered to employees

Retirement funds	<ul style="list-style-type: none"> Contribution towards post-retirement benefits (includes risk benefits such as death, disability and critical illness)
Accommodation	<ul style="list-style-type: none"> Predominantly on our sugar estates outside of South Africa, combined with associated utilities. The accommodation that we offer our employees and their families varies between formal staff housing, villages and hostel dwellings for fixed-term contract employees. The accommodation includes the provision of utilities such as potable water and electricity, together with day-to-day maintenance e.g., sanitation management The recent introduction of group minimum accommodation standards, as informed by the International Finance Corporation (World Bank) guidelines
Health care	<ul style="list-style-type: none"> Group-run primary health care clinics / hospitals (the use of which extends to employees' direct dependants), or medical aid / insurance Public health services (provision of potable water and the proactive prevention of communicable diseases e.g., malaria via co-ordinated spray and educational programmes)
Educational facilities / assistance	<ul style="list-style-type: none"> As part of our continuing commitment towards social upliftment, our estates embrace community-based educational activities, extending from pre-school through to secondary school levels. This includes support for local projects to upgrade schools, such as classroom-building, and to provide assistance to improve school administration and management. In many instances, these entities are funded entirely by Illovo. Financial assistance for employee dependants' education is available to eligible staff members. An allocation of bursaries, grants and loan funding for higher/further education is also administered in all countries of operation.
Utilities	<ul style="list-style-type: none"> Includes the provision of amenities such as potable water, sanitation, electrification, sewerage disposal and refuse removal.
Community	<ul style="list-style-type: none"> Estates provide club and community centres, estate community policing, sport and recreational facilities along with sponsorship

These benefits, with a number of variations, are available to both permanent and non-permanent employees. The only exception, i.e. benefits which are not available to non-permanent employees, is educational assistance and membership of retirement funds.

Company expenditure per employee benefit category, excluding contributions to retirement funds

Categories	2015/16		2014/15		2013/14	
	Rm	%	Rm	%	Rm	%
Accommodation	92	40	89	32	119	49
Health Care	96	42	97	33	74	30
Education	30	13	27	10	27	11
Community	3	4	53	9	17	7
Environmental	7	3	16	6	8	3
Total	228	100	282	100	245	100

Retirement Funding Schemes

In addition to the benefits of legislated national retirement funds, we offer membership of a number of provident and defined contribution pension funds. Elected employee trustees represent the interests of members and assist with the prudent management of the various funds. The benefits associated with our retirement schemes include, inter alia, retirement, death, disability, funeral, critical illness and life insurance.

Employee Share Purchase Schemes

As a listed entity on the JSE Limited, the company administered a share purchase scheme which provided assistance to employees of our South African and Swaziland businesses to purchase shares in the company, providing them with the opportunity to share directly in the continued profitability and growth of the business. Subsequent to the approval by minority shareholders on 25 May 2016 of an offer to acquire all of the ordinary shares of Illovo it did not already own, the group has become a wholly-owned subsidiary of ABF, and this Share Scheme has been settled with payout of R10 million for shares owned by employees. A separate share purchase scheme operates in relation to our listed subsidiary in Malawi for the employees of that company.

EMPLOYEE HEALTH AND WELFARE

Illovo Sugar operates in Least Developed Countries (LDC's) with significant developmental challenges. Providing a working environment in which our employees can operate in a healthy, energised and engaged manner is vital to maintaining personal development and critical to our business success. We strive to provide a workplace free from undue health risk emanating from our core activities. We reduce workplace health risks by anticipating, assessing and managing health hazards, and providing access to quality health promotion and healthcare services. Our clinics are often the only medical facilities of their type in the countries in which we operate and are typically regular recipients of awards for excellence from respective health authorities.

Healthcare Services

Access to health care is provided to all our employees and their dependants, either through a self-funded network of group-run primary health care clinics and hospitals, or through the provision of medical insurance schemes. Total spend on employee health in 2015/16 amounted to R96 million. Where no other suitable public medical facilities exist, these services are extended to members of our surrounding communities at nominal cost. In support of these activities, the company also provides public health services not supplied by government such as potable water, sanitation and refuse removal.

We operate 25 primary health care clinics and four hospitals, staffed with nine full-time and ten part-time doctors, together with other clinical and auxiliary staff. The focus of the health care service is on health promotion, preventative services and primary health care.

Occupational Health

Occupational health is a primary function of medical services delivered at all of our operating sites. Qualified nursing practitioners and doctors deliver these services. At least one doctor on every site is a graduate of the Illovo Occupational Health Development Programme, an initiative by the company to ensure that every doctor on site has a recognised qualification in Occupational Health. Employees who work in demarcated risk areas are subjected to baseline medical examinations on engagement and routinely monitored during their career at Illovo. Our Group Medical Consultant is engaged in matters of occupational health and safety and takes particular responsibility for ensuring that the more significant health hazards are appropriately managed in the workplace.



Zambia Sugar's state-of-the-art medical centre which, complemented by a team of medical doctors and medical staff, together with a fully-fledged operating theatre, provides world-class treatment to our own employees and their families, as well as community members

Communicable diseases

The group continues to take a proactive stance against life-threatening epidemics such as HIV and AIDS, tuberculosis and malaria and these are being managed, on a preventative and therapeutic basis, to minimise their impact on our employees and ultimately the business.

HIV and AIDS

Our business strategy is aligned with that of UNAIDS, referred to as the "Triple Zero" strategy. These are: zero new cases of HIV; zero deaths among people living with HIV and AIDS, and zero discrimination. Our efforts are thus aimed at identifying and maintaining the negative status of the majority of our employees, determining which employees are HIV-positive and ensuring that they are on suitable medical management programmes, and work to reduce stigma and discrimination around HIV and AIDS. Voluntary counselling and testing is routinely offered on of all our sites, and we recorded 29 900 HIV tests during the season.

Tuberculosis

Tuberculosis is a focus of our medical services, particularly in areas of high HIV prevalence. Our efforts are directed at prevention in HIV-positive individuals through prophylaxis and the early diagnosis and treatment of tuberculosis in all employees. We continue to apply the successful Directly Observed Treatment Short-course – "DOTS" strategy, which lends itself very well to workplace health services.

Malaria

Malaria remains a key challenge at our operations in Mozambique, Malawi and Tanzania. We are confident that - building on our successes in South Africa, Swaziland and Zambia where we believe we have virtually eliminated malaria transmission on our estates - we will also achieve the same outcome in these countries. We have reviewed our Integrated Malaria Control Strategy at these operations and are

implementing new programmes. Effective malaria control programmes in Mozambique continue to provide protection to our own employees and surrounding communities.

Other public and community health initiatives

Illovo continues to provide clean water and sanitation to employees living on company estates, thereby reducing the transmission of waterborne diseases. We continue to provide services in respect of maternal and child health, reproductive health and neglected tropical diseases, e.g., bilharzia. We play an active role in the communities that adjoin our estates, at a local, regional and national level, participating in health governance structures and serving as an active donor to public and private health services.

In times of national disaster, for example, during the floods in Malawi in 2015, we were able to supply potable water, housing and medical services to affected communities in partnership with the government and non-governmental organisations. Our malaria programme around the Maragra Açúcar sugar estate in Mozambique extends to communities in the immediate vicinity (within an average radius of five kilometres). Similar programmes exist on our other estates.

Non-communicable diseases

Conditions and diseases such as obesity, high blood pressure, smoking, diabetes mellitus and various cancers are emerging healthcare issues in developing countries. We are implementing control programmes at all our operations in this regard.

Health and Safety Management Systems

The first baseline integrated assurance audits (Project Totus) that encompassed all aspects of enterprise risk management, sustainability, health, safety, environment, product quality and food safety were completed at all operations during the year under review. The outcomes from these assurance audit reports will be used to develop an Integrated Illovo Risk Management System (IRMS) which will improve performance and reduce duplication. The IRMS will satisfy the requirements of various certification programmes such as ISO 9001, FSC 22000 and ISO 14001 as well as global best practices for integrated risk management.

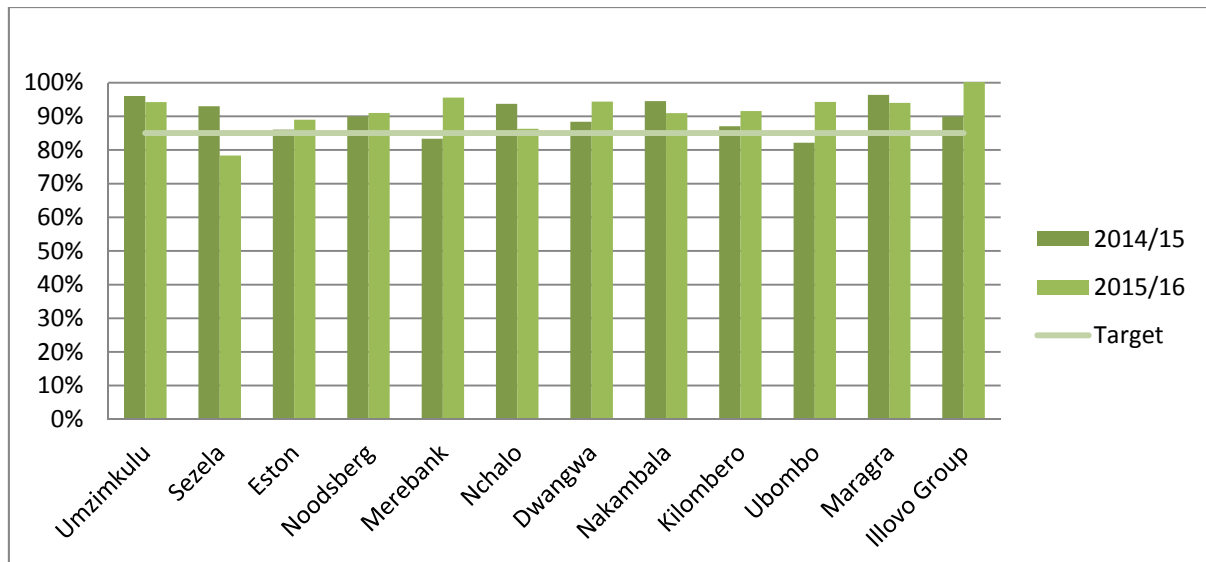
At all the company's sites there are formal joint management and employee health and safety committees, representing all employees, that help monitor and advise on occupational health and safety programmes.

OCCUPATIONAL SAFETY

Our overall safety performance continues to show a positive downward trend with significant year-on-year improvements recorded at our operations. During the period under review seven operations worked for 12 months or longer without a lost time injury. The group 12 month rolling disabling injury frequency rate (DIFR) reduced by 40% from 0.10 to 0.06 and the total injury frequency rate (TIFR) decreased by 29% from 1.73 to 1.23. The recordable case rate (RCR) improved by 42% from 0.45 to 0.26.

The focus on promoting a safety culture amongst all employees and contractors has contributed to this improvement. SHERQ Scorecards that measure both lag indicators (incident statistics) and lead indicators were implemented across all operations to represent behaviour and proactive management practices.

Safety scorecard combined – by operation:



Regrettably, one employee and one contractor were fatally injured whilst performing routine activities. The root cause of these incidents was identified in a robust senior manager-led incident investigation process following which preventive measures were implemented and shared throughout the group.

Illovo safety statistics for the period to 31 March 2016

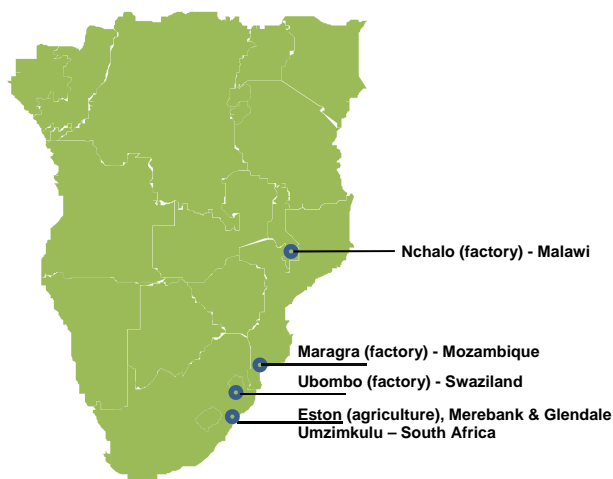
Disabling Injury Frequency Rate						
Operation	2015/16		2014/15		2013/14	
	Actual	Target	Actual	Target	Actual	Target
Malawi	0.08	0.25	0.09	0.35	0.11	0.35
Mozambique	0.05		0.07			
South Africa	0.14		0.14			
Swaziland	0.06		0.18			
Tanzania	0.07		0.10			
Zambia	0.07		0.12			
Group	0.06		0.10			

The statistics presented exclude contractor injuries that are measured separately. During the review period a total of 11 contractor lost time injuries and one fatality were recorded, compared to 12 lost time injuries and one fatality the previous year. Illovo employs approximately 10 000 contractors.

Other safety performance statistics are indicated below:

Description	2015/16	2014/15
Number of Fatalities (i.e., injuries on duty leading to death, excluding the deaths of workers not occurring 'at work')	1	1
Number of First Aid Cases (FACs, i.e., injuries on duty leading to minor treatments, such as a plaster or a pain tablet)	390	489
Number of Medical Treatment Cases (MTCs, i.e., injuries on duty leading to medical treatment, but no lost days)	74	131
Number of Lost Time Injuries (LTIs, i.e., injuries on duty leading to at least one lost day)	23	37
Total Number of Recordable Injuries, including MTCs, LTIs and Fatalities - Reported	96	168
Fatal Injury Frequency Rate (FIFR, i.e., number of Fatalities per 200 000 person hours worked)	0.0027	0.0027
Lost Time Injury Frequency Rate (LTIFR, i.e. Number of LTIs per 200 000 person hours worked)	0.06	0.10
Total Recordable Injury Frequency Rate (TIFR)	0.26	0.45
Does the company report a LTIFR and/or TIFR target?	Yes 0.25 & 2.5	Yes 0.25 & 2.5
Total Number of Employees & Contractors receiving Voluntary Counselling and Testing (VCT) for HIV/AIDS (i.e., counselled)	29 900	17 239
Total Number of Employees Tested for HIV/AIDS	5 571	9 783
HIV/AIDS Prevalence Rate amongst employees	21%	21%

Operations that achieved zero 12 month rolling DIFR



All injuries to employees and contractors, irrespective of severity, are recorded by site SHERQ offices at each operation. Clinic records are used to classify the incidents in accordance with group definitions. The accuracy, consistency, completeness and reliability of safety data is independently assured by a third party as well as during the Illovo Integrated Assurance (IIAP) Programme launched as Project Totus.

DIVERSITY AND EQUAL OPPORTUNITY

In line with the UN Global Compact Principle and the ILO Declaration on Fundamental Principles and Rights at Work, Illovo is not only committed to the principle of upholding the elimination of discrimination in respect of employment and occupation, but is also committed to eliminating the effects of past discriminatory practices in this regard.

To realise fully the growth of our organisation, we work towards ensuring that our workforce sufficiently reflects the demographic profile in terms of race and gender of the economically active population of the regions in which we operate. While abiding by local laws and regulations, we actively promote equal opportunity and fair treatment in employment through the elimination of unfair discrimination. We also encourage inclusiveness with regard to human resource practices, irrespective of race, gender, nationality or religious affiliation in an effort to promote global diversity throughout our workforce. For instance, there is no arbitrary distinction on remuneration levels based on any of these grounds and any differentiation is based on objective grounds largely related to performance and market considerations, although in some cases, it is based on length of service as a product of past agreements with trade unions.

In South Africa, Illovo is committed to contributing to, and promoting, social transformation in the interest of nation building, most notably through the continued advancement of B-BBEE initiatives. Employment equity is a socio-economic and business imperative that strives to ensure that South Africans from all cultural backgrounds are able to participate in, and benefit from, the activities of the economy in a fair manner. We submit annual employment equity and income differential reports to the Department of Labour and the Employment Equity Commissioner respectively, which detail progress made in respect of the company's Employment Equity Plan, a key pillar of our B-BBEE programme. Progress is monitored through a group Central Co-ordinating Forum which includes representation from local consultative forums at the various operations.

Relevant statistics in respect of designated employees are shown in the table below for the period under review and the preceding two financial years, noting the consistently high training levels of designated persons.

Representative areas

	Designated %		
	2015/16	2014/15	2013/14
Senior management (SM) and above	49	49	45
Management, all levels	70	69	68
Skilled level	93	93	93
Management trainees	82	81	73
All trainees	93	94	93
Recruitment & Promotions (SM and above)	45	64	39
<i>Recruitment & Promotions (Management all levels)</i>	78	74	66
<i>Recruitment & Promotions (Skilled)</i>	94	98	96

We continue to give overall focus to designated appointments in the more senior levels of management.

As at the end of the period under review, 92% of the company's employees in South Africa were historically disadvantaged South Africans.

In a new development, our B-BBEE performance from 2013 was measured against the AgriBEE sector charter which recognises land ownership. Building on the previous year's good performance, (largely due to the high score under the new land ownership element), our score increased to 85.85%, which is representative of a BEE Contribution Level 2.

The component B-BBEE verified scores were as reflected in the table below:

ELEMENT	SCORE (%)		MAXIMUM POSSIBLE SCORE (%)	
	2015	2014	2015	2014
Ownership equity	N/A	N/A	20	N/A
Land ownership	25	25	20	20
Management control	5.02	5.09	10	10
Employment equity	6.39	5.91	10	10
Skills development	14.68	10.02	20	20
Preferential procurement	13.76	16.38	20	20
Enterprise development	10	10	10	10
Socio-economic development	11	11	10	10
Aggregate	85.85	83.41	120	100

The company retained the status of an “empowering supplier” in terms of the new B-BBEE codes. An empowering supplier is one which meets at least three of the criteria indicated below, of which we met all four:

- at least 25% of cost of sales, excluding labour cost and depreciation, must be procured from local producers or local suppliers in South Africa.
- 50% of jobs created must be for black people, provided that the number of black employees since the immediate prior verified B-BBEE measurement is maintained.
- at least 25% transformation of raw material/beneficiation which includes local manufacturing, production and/or assembly and/or packaging.
- at least 12 days per annum of productivity spent in assisting black EME (exempt micro-enterprises with annual revenue of R5 million or less) and QSE (qualifying small enterprises with annual turnover between R5 million and R35 million) beneficiaries, to increase their operational or financial capacity.

HUMAN RIGHTS

We are distinctly aware of the diverse cultures and the differences in laws, norms and traditions which the business needs to acknowledge and respect. Illovo is guided by the values of the international community, in particular the UN Universal Declaration on Human Rights, the UN Global Compact Principles, the ILO Tripartite Business Declaration of Principles concerning Multinational Enterprises and Social Policy, the ILO Core Conventions on Labour Standards, and the ILO Declaration on Fundamental Principles and Rights at Work.

In upholding international norms, Illovo supports and respects the protection of internationally proclaimed human rights and endeavours to ensure that we are not complicit in human rights abuses. We do not tolerate discrimination of any kind, nor any form of forced or child labour. We take measures to address the risk of child and forced labour in our supply chain, by requiring our suppliers contractually to adopt a zero tolerance approach to these. In the year ahead, educational programmes and awareness initiatives will be implemented with grower associations and other suppliers, to inculcate a culture in our supply chain that promotes human rights and is committed to abolishing child and forced labour and other human rights violations. Fairtrade audits assist us to monitor and embed compliance with these imperatives.

We strive to provide fair working conditions and maintain a safe and healthy working environment. Open communication is encouraged to resolve workplace issues between team members or between our employees and management. Where employee issues cannot be resolved by direct line management, various dispute resolution mechanisms are utilised. Permanent employees receive training in these values, which include unfair discriminatory practices and employee and trade union rights, as part of

induction upon commencement of service. Human rights principles are also included in Illovo's labour relations policies pertaining to safety, health and environment, and corporate social responsibility.

In South Africa, human rights abuses are monitored by the South African Human Rights Commission, under the auspices of the Human Rights Commission Act 54 of 1994. Outside of South Africa, communications relating to human rights abuses are generally directed through the relevant labour unions.

The company has a robust, independently managed anonymous reporting facility, "Tip-offs Anonymous", which employees and people outside the of group may utilise to report any wrong-doing anonymously.

In order to embrace best practices, we participate in the training sessions conducted by the UN Global Compact through its partner in South Africa, the National Business Initiative (NBI), of which we are a member. These training sessions relate to the implementation of good human rights practices in our operations, business relationships and supply chain. The knowledge acquired from this training is implemented into policy development and practical embedding of human rights practices by the company.

During the year under review, no incidents of discrimination, limitation or violation of employees' rights to exercise freedom of association and collective bargaining, or of forced, compulsory or child labour, were reported by any Illovo employees or any other persons.

There were also no violations of the rights of indigenous people, and none of the operations were identified as posing any significant risks in this regard.

ASSURANCE

The contents of this report have been externally assured by an independent external assurer, Integrated Reporting and Assurance Services (IRAS), whose assurance statement appears on our website at <https://www.illovosugar.co.za/UserContent/documents/2016-Assurance-Statement.pdf>