

Umbonowethu

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The First Word

Spring is in the 'air' with the welcome arrival of the rain. Although the rain impacts our milling performance it is critical to the sustainability of our cane supply and our growers viability, particularly our dry land small-scale growers (see page 2). Spring is also a time when USM is more than half way through the crushing season and plans are afoot to finalise the cane estimates and to start bedding down our offcrop maintenance planning. Our milling performance to-date has not been bad relative to historical performance but has been disappointing relative to requirements, with our crush budget of 1.180 million tons being revised down to a forecast of 1.157 million tons. Our sugar recoveries have been particularly disappointing and in this regard can I urge you to read Samkelo's article on page 4. We might all be individually committed to 'continuous improvement' but great things only start happening when the team starts working together. Vusi's article on page 5 unpacks this team dynamic further and the one-on-one time with your supervisor or manager is

another important aspect that will help us all make improved contributions to the team (see page 7). All the articles in this edition of the Umbonowethu are great and the happenings reported on instils in me a great sense of pride to be a part of this team. Nevertheless, the proof of a really great team is always measured by its results and collectively we have some work to do here! This is not just for the shareholders, its for us as a team, to be part of something great. It's also for the Mtuba Town, the uMkhanyakude District Municipality, the province of KwaZulu-Natal and our Rainbow Nation; USM is part of a bigger team that needs USM to be strong and vibrant! It's up to us, lets make it happen!

As always, work smarter, work together, have fun and be safe!

Adey



by Adey Wynne
(Chief Executive Officer)

Give a welcoming hello to the aloe

A visit to the Senekal Aloe Open Day on 16 July gave USM staff members a newfound sense of appreciation for one of South Africa's most protected plants.

The event, hosted by the Pongola Garden Club, allowed the company to collect specimens of the medicinal wonder plant for USM's entrance from the Elize Senekal garden. Of the 300 species of aloes found worldwide, 170 are found in our country, ranging from small miniatures to large aloe trees. They easily adapt to harsh climates - growing anywhere from mountains and deserts to grasslands and beaches. But the succulents are best known for being the most health-promoting plant species in the world. Dubbed the 'Plant of Immortality' by the Egyptians 6000 years ago and 'Wand of the Heaven' by the Greeks, aloe offers at least six natural antiseptics that can kill mold, bacteria, fungi and viruses. It is high in vitamins and minerals, packed with amino and fatty acids, improves digestion, helps to detoxify and alkalize the body and boosts the immune system.

Ten uses for aloe vera

1. Treat burns
2. Banish black and blue bruises
3. Take the sting or itch out of mosquito bites
4. Exfoliate feet - Mix half a cup of oatmeal, half a cup of corn flour, four tablespoons of aloe vera gel and half a cup of body lotion
5. Prevent scarring or stretch marks
6. Add to conditioner for silkier hair
7. A sip of aloe juice reduces symptoms of irritable bowel syndrome, bloating and discomfort
8. Aloe juice relieves heartburn, arthritis and rheumatism pain
9. Drink to lower blood sugar levels—especially for diabetics
10. Aloe vera toothpaste strengthen gums and promote strong, healthy teeth

ON THE COVER

Celebrating Heritage day in style was, Bongisiwe Mdletshe (Xcel) (back left), Winnie Khumalo (Creditors Clerk), Angel Msane (Xcel) and Thembisile Xulu (Time Office Clerk).

Full steam ahead

As of 1 September, the mill has crushed 678 407 tons of cane and have a balance of 472 057 tons (41.0%) to deliver at the time of going to print. Our target crush for the season is 1.15 million but due to the current dry conditions, our home mill estimate dropped from 1.254 million tons to 1.193 million tons.

*Nhlakanipho Dlodlo
(Cane Supply
Manager)*

The Cane Supply division have forecasted a further drop for the month of September owing to the drought and the total deliveries per supplier and balance to deliver are presented in the graph below:

	Mill crush week		23	(SASA week 27)		
	MGB Estimate/Mill Crush	% Allocation	Delivered to date	Balance to deliver	% Balance to deliver	
Trams						
LSG (Trams)	718,768	62.5%	431,424	287,344	40.0%	
SOG (Trams)	9,000	0.8%	5,444	3,556	39.5%	
		63.3%	436,868	290,900		
Road:						
UVS	233,299					
Cane Diversion	-155,000					
Further Diversion	-40,000					
Total Diversion to FX	-195,000	38,299	3.3%	41,100	-2,801	-7.3%
Senekals						
Cane Swop 1	125,000					
Cane Swop 2	30,000					
	-	155,000	13.5%	71,052	83,948	54.2%
Other LSG Road		52,292	4.5%	33,597	18,695	35.8%
SOG Road		155,105	13.5%	90,070	65,035	41.9%
Inward form PG		22,000	1.9%	5,720	16,280	74.0%
Mill Target Crush		1,150,464	100.0%	678,407	472,057	41.0%

We all stand together

*by Rose Woolmore
(Financial
Accountant)*

We start the spring season chirping with the birds and blooming with the buds. We are now a complete finance team will all our vacancies filled. We are ready for the last quarter of the calendar and say, "BRING IT ON"!

We have recently been challenged with the changing of bankers but thankfully the transition was almost seamless. The company now runs all its payments from Standard bank, this being Creditors, Cane Payments and Payrolls.

In terms of financial reporting, we are closely monitoring budget variances and encouraging "conscious spending" throughout the company. With off-crop and budgeting process fast approaching the finance team are also focusing their attention on maintenance expenditure, scrutinizing the details of costs.

We are very proud of our team in the finance division, who faced many challenges during the past few months due to vacancies and pressing deadlines. With true grid, the team surpassed all these challenges and are still focussing on continued improvements.

The team's new style of monthly reporting is improving and adding more value. The finance team's latest exercise is a more in-depth review of the company's bagging department which report will also add more value to the monthly reports.

The USM finance and administration team need to be congratulated for sticking together. To all the go-getters that were willing to dive in and MAKE IT HAPPEN – thank you. When the going gets tough, the USM finance team gets going!

A final word of gratitude to Rachel Pienaar, Syspro and CPS Administrator, who is responsible for the company's new Cane Payments System. Rolling out this new system was no easy feat, but with Rachel's determination and professionalism the end is in sight.

The finance and administration team will continue to demonstrate a positive attitude and grow its teamness with the USM values firmly in mind.



Mr Manqele (left) (Zone Chairperson) and Mr Dlamini (right) from Maswazini C busy harvesting they cane fields earlier this year.

Time to shine by paying more attention to detail

Although we would have liked to perform better at this stage a big hooray still needs to go out to our teams for achieving or exceeding weekly crush targets.

by Samkelo Matsebula, (Process Manager)

Attention to detail, good daily inspections and doing things right the first time are key in cutting down the mill's lost time available (LTA). With the rainy season around the corner every person need to do their part in order for the team to succeed as a whole, like the old saying goes; "Make hay while the sun still shines".

The boiling house recovery (BHR) is -3.33% from where it should be and this is causing a huge dent on the company's income and profitability. USM is all about people and how we use our equipment efficiently. We need to pay more attention to detail and implement good operational practices in order to positively affect our profitability.

Week 29						
Description	Wk Actual	Wk Budget	Wk Variance	To Date Actual	To Date Budget	To Date Variance
Tons Cane	36,887	36,334	553	751,162	887,105	-135,943
TCH	245	245	0	246	245	1
Extraction	96.72	97.23	-0.51	96.98	97.12	-0.14
Lost Time % Available (LTA)	2.52	6.02	3.5	13.93	6.38	-7.55
Tons Coal Burnt	0	32	32	6,633	2,934	-3,699
Boiling House Recovery (BHR)	85.54	89.92	-4.38	85.38	88.71	-3.33
Overall Recovery (OR)	82.73	87.43	-4.7	82.8	86.15	-3.35
Undetermined Loss (UDL)	3.68	1.8	-1.88	3.29	1.8	-1.49



During week 29 an excellent lost time available (LTA) of 2.52% was achieved and everyone at USM enjoyed a celebratory frozen chicken as a result of this. Nhlakanipho Sibiya and Drienie Humpfries seen here collecting their chickens.

USM recently acquired and installed two polycomp boards to communicate and encourage production efforts by displaying the company's daily performance and targets at the entrance of the mill and in the canteen. Thanks to a multi-disciplined team effort to install and implement the boards from Ayanda Mthethwa, IT Engineer at Bytes Technologies and Jacques de Beer, USM Management Accountant, daily updates are now being generated and distributed for viewing on the boards by USM employees, Smangele Maphanga, Process Foreman-Lab and Simphiwe Nhleko, Lab Analyst.



USM Mill Entrance Make Over

Employment Equity Act lays down tougher laws

The new Employment Equity Amendment Act of 2013, signed by the President in January, has finally come into effect on 1 August 2014. We take a look at some of the Act's key amendments:

Discriminatory grounds expanded: The grounds for discrimination are no longer limited to those listed in section 6 of the Act, like race, gender, sex and pregnancy. Now it includes discrimination 'on any other arbitrary ground'.

Psychometric tests: Previously, psychological tests could be used on employees (including prospective employees) if they had been shown to be scientifically valid and reliable. Now, only psychometric tests, certified by authorised bodies like the Health Professions Council of South Africa, may be used.

CCMA (Commission for Conciliation, Mediation and Arbitration) jurisdiction: Judgement of all unfair discrimination claims use to fall within the exclusive jurisdiction of the Labour Court. Now employees must be able to refer the dispute to the CCMA for arbitration if the employee complains about sexual harassment. Any other discrimination claims by lower-paid employees may also be referred to the CCMA.

Work of equal value: A newly introduced section deals explicitly with unfair discrimination by an employer in respect of wages. This relates to equal conditions of employment for employees doing 'the same or similar work or work of same value'. A differentiation based on a ground envisaged by the Act will amount to unfair discrimination unless the employer can show that differences in wages or other employment conditions are in fact based on fair criteria such as experience, skill and responsibility.

Annual reports: All designated employers, including those with 150 and less employees, now have to submit their EE reports annually.

Enforcement procedures: Enforcement procedures have been shortened to promote more effective and efficient implementation. For example, a labour inspector would be able to issue a compliance order without first having to obtain a written undertaking from an employer.

Increased fines: The maximum fines that may be imposed for contraventions of the Act have been increased threefold to reflect the change in the value of money since 1998. In addition, an employer's turnover could be taken into account in determining the maximum fine that may be imposed for substantive failures to comply with the affirmative action provisions of the Act.



Alan



Esther



Jean



Johan



Lawrence



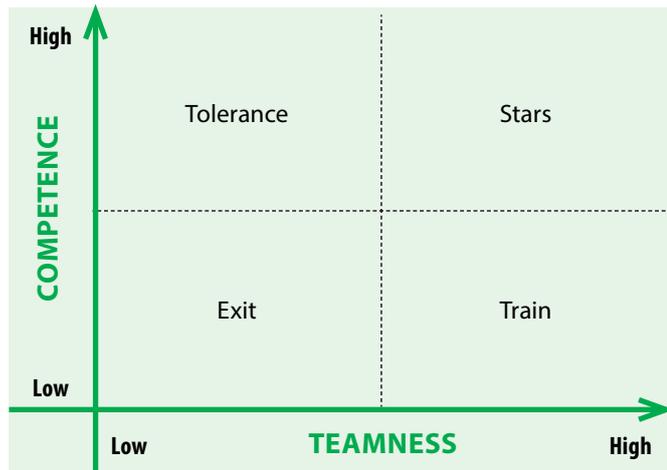
Mbali

*by Vusi Tembe,
(Human Resources
Executive)*

'Team' is the Mill's theme

The USM team's goal has always been to achieve a 'teamness' culture which can be embraced by everyone working towards a common goal. Highlighting this during a strategic session with his senior team, was CEO Adey Wynne who shared the company's philosophy on people. In a graph below which was presented to the senior team he indicated that competence alone is not enough to be considered a 'star employee'. The company would rather value a collaborative person, who is both competent and acts as a team player. Teamness is highly valued at USM and if the company feels that an individual has a high level of teamness, but lacks competence, they would train that employee and move him/her into the space reserved for 'Stars' staff members. A note should also go out to those that are not team players; there will be less tolerance for individuals who tend to frustrate or bring down their teams.

People Philosophy



Let's reflect on this graph and embrace the teamness culture we try to encourage within USM. Our actions will determine whether we fall in the 'Tolerance', 'Star', 'Exit' or 'Train' box.

LEADERSHIP DEVELOPMENT

USM has engaged the services on a consulting leadership specialist to develop a leadership culture during 2013. This year, we agreed to take the development training even further. Managers and supervisors attended training on one-on-one sessions to learn how to conduct meetings to develop a thinking culture. The concept has been communicated to USM staff and we encourage managers and supervisors to embrace this initiative to enhance communication. Everybody has a role to play in the success of this initiative.

EMPLOYMENT EQUITY (EE)

We would like to encourage USM employees to make use of our Employment Equity Committee members and to raise any employment equity matters to these members. If a matter needs urgent attention, it can be referred to EE Committee Chairperson, Alan Williamson, or EE Manager, Vusi Tembe. USM will always do its best to comply with South African labour legislations and will continue to align employment practices in accordance with the Employment Equity Act. To improve communication, we will update employees on all EE matters. The Act ensures equity in the workplace by promoting equal opportunities and fair treatment. It also eliminates unfair discrimination and implements affirmative measures.

EE AUDIT

To ensure that we comply with the Act, a consulting specialist company was tasked to perform an EE audit during October 2013. After the nomination of new Employment Equity members in August, the members also attended training on Employment Equity Awareness. On 1 October, the committee attended a Diversity Management workshop to provide them with an understanding of the language of diversity, equity and affirmative action. The next Employment Equity meeting has been scheduled for 10 October 2014. During this meeting, the USM Employment Equity Plan and Employment Equity Constitution will be presented for discussion.

THE EE COMMITTEE

The USM EE Committee comprises of the following individuals:

- Alan Williamson – Chairperson/Senior Manager
- Vusi Tembe – EE Manager /HR/Senior Manager
- Jean Erasmus – Senior Manager
- Esther Bwambale – Scriber/HR
- Peter Chitopo – Artisan
- Lawrence Gengan – Male designated Group/Shift Foreman
- Ranj Rammaryian – Female Designated Group/Indian Female
- Johan Bester – Day Shift Foreman
- Smangele Maphanga – Black Female/ Junior Manager
- Mbali Nhlenyama – Black Female / operators
- Zamandaba Zulu – PDW/Black female/ clerks
- Sylvia Zulu – EE Administrator / Black female
- Xolani Manqe – Black Male / Maintenance Workers
- Vacant – Black Male/ Unions

We are currently expecting two more members from EUASA and NASARAEU. Union representatives on this committee will only deal with EE matters. Any other labour issues will be dealt with by union representatives who are not part of this committee.

We would like to welcome all new employees who have just joined USM. We wish you a long and rewarding stay at USM. Congratulations to all those who have received promotions, keep up the good work!



Ranj



Peter



Smangele



Sylvia



Vusi



Xolani



Zamandaba

Thanks to our artful artisans

Sugar is our sweet business, but it would not be possible without USM's skilled artisans.



This month, the Mill would like to celebrate our craftsmen who employ plates of steel, wires, physics and designs to turn raw materials into parts the company cannot do without.

From our Boilermakers to our Electricians and Mechanical Engineers, each person has dedicated countless hours to learn and perfect their specialised skills using little more than their bare hands.

With a rich history drawing back to medieval times, artisans have changed the face of science, culture and manufacturing. And although today, mass production of products have replaced the many skilled crafters, USM understands that machinery could never always replace the high levels of quality produced by these exceptional capable individuals.

Not only do they have the creative imagination to bring their raw, innovative ideas into reality, but their products uniquely suit the mill's requirements at every turn. Thanks for your hard work and contribution to ensure this company continues to grow from strength to strength.

Stay happy- happy

*by Sister Rachel Calitz
(Occupational Health
Practitioner)*

Happiness and health is not about being wealthy, gorgeous or popular. It's about being real, grateful, kind, strong and able to share who you truly are as a person with others. It's about being able to touch and be touched by those around you - never about ego versus ego. When you're able to accomplish this, then you'll be content, because you'll be living with authenticity, love, meaning and purpose.

Think before you talk and ask yourself beforehand if your words could cause pain rather than happiness. This is a good start to teaching ourselves to be positive. And positivity is contagious. When you are positive, people around you become positive and everyone ends up enjoying their work a whole lot more. Moreover, employees who are happy at work go home and spread the smiles among their families. Remember, they wait for you to come home wearing a happy face, because we don't work for any mill. We work for UMFOLZOZI SUGAR MILL!

Start Me

by Robin Pillay (Buyer)

I was captured by this brilliant acronym 'Start Me' used in one of the presentations at the company's recent strategy planning session. This acronym is so profound and every person should have this up somewhere in their workspace as a reminder of how important simplicity, time, accountability, resources, tracking, melioration (making something better) and emotions are in everything we do.

START ME

- S – Simplicity
- T – Time
- A – Accountability
- R – Resources
- T – Tracking
- M – Melioration (making something better)
- E – Emotions



Ready to get "started" are, Lethinlanhla Myeni (Electrical Apprentice) (left), Johan Mkhwanazi (Stores Issuer Clerk), Ravi Vandayar (Technical Manager) and Robin Pillay (Buyer)

Keep each other safe

by Karin Kruger
(Risk Control Officer)

Having Safety Representatives at USM is not just a steadfast legal requirement at the workplace. A low Disabling Injury Frequency Rater (DIFR) contributes towards each and everyone's safety, health and welfare. It also enables greater efficiency and productivity from which we all benefit at the end of the day.

USM's Disabling Injury Frequency Rate (DIFR) is under 0.91

An effective safety programme is beneficial to both you and the Company. It means efficient loss control that minimizes accidents that cause damage to machinery, plant and products as well as our personnel. Safety also means less chance of disabling accidents that could cause permanent injury or disablement. Safety Representatives have a vital role to play in promoting safety at USM and everyone should be committed to reaching the highest safety standards. Let's keep our focus on safety – the company is currently making the 10% safety tub!

Focus on USM's Safety Stars, their Safety Representatives;

What are the requirements for being a safety representative?

Besides being an employee, you are expected to be fully acquainted with the working conditions at your designated workplace to be appointed as a Health and Safety Representative.

How can you best function as a health and safety representative?

You need to take practical steps to keep yourself informed on matters including:

- Legal requirements relating to the health and safety of colleagues.
- Hazards at work like unsafe conditions and the measures necessary to eliminate potential risk before an accident or incident take place.
- Understanding the written procedures and standards set for working conditions, especially for listed hazardous tasks.
- Encouraging employees to communicate and cooperate with one another by setting good safety examples, such as wearing personal protection equipment.
- Ensuring that your attitude towards your own job and the organisation is correct.
- Knowing the Company Safety Policy and the procedures set by Management to fulfil it.

When should safety inspections be done and to whom does the report get submitted?

You will be required to carry out your Safety Inspections monthly. All reports must be in writing, signed and submitted to your Health and Safety Committee every month.

What must be reported? Any unsafe act or conditions, which have either already resulted in, or have the potential to cause injuries, damages or business interruptions.

Who should investigate accidents/incidents? The Health and Safety Representative may help investigate any accidents required, but all incidents will be investigated by the appointed investigators to determine the cause so that action can be taken by the Employer to prevent a recurrence.

Book your one-on-one time with your supervisor or manager

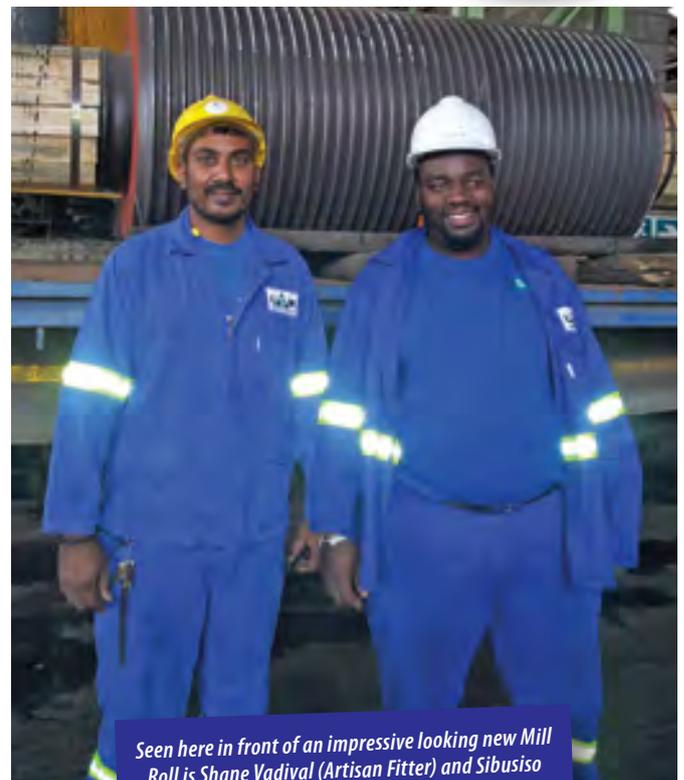
Bearing in mind that its employees spend most of their waking lives at work, USM has launched a campaign to better understand how people experience the workplace and the roles they play by creating the opportunity for each and every employee to talk with his or her superior about what would make coming to work a more satisfying space. These discussions are called one-on-ones.

It might seem strange to formalise a process just to have a regular conversation, but according to Anne Heslop, Life Coach and leadership Trainer, this is a phenomenon that has been observed in companies all around the world since most of the communication in most organisations is about operational issues – not people.

Asking important questions like 'how are you?'; 'what's going well?'; 'where are you finding it hard to carry out your responsibilities?' and 'what might help?' are facilitated through one-on-one conversations in that they afford employees in the company to get to know each other better.

According to Heslop these chats aim to improve understanding, build better bridges of communication, form stronger teams, and see happier people at work. Her advice to every employee at USM; "Participate actively in your one-on-ones and you will be most likely to enjoy them. This is your own time with your supervisor or manager to talk about what is important to you."

One-on-ones are not performance reviews, but rather two people who have not seen each other for a while catching up with what has been happening in each other's worlds.



Seen here in front of an impressive looking new Mill Roll is Shane Vadival (Artisan Fitter) and Sibusiso Ncube (Multi-Carrier Operator).

Quality Check

USM carried out successful audits on both their Quality Management System (ISO 9001) on 19 June and their Food Safety System Certification (FSSC 22000) on 9 and 10 July 2014.

by Julie Gengan (QA Controller)

An RvA (Raad Voor Accreditatie) assessor from the Dutch Accreditation Council and Local Technical Expert accompanied SABS Auditors for the FSSC 22000 audit, which put quite a bit of pressure on both the SABS auditors and USM employees. The RvA and Local Technical Expert assessed SABS auditors on how they carry out audits at clients' premises. Customer audits from Heinz Foods and Nestle also took place in July and August.

Heritage Day 2014



USM celebrated Heritage Day in "style" on Tuesday 23 October at the USM Village (ex Hostel) by planting the tree of the year, Lavender Tree.

Mandela Day 2014



Each year, USM volunteers become Mandela Day Change makers by giving back 67 minutes of their time to better the lives of others. This year USM volunteers revamped the very sad looking and dilapidated jungle gym of the Simunye Crèche in the Dukuduku area.

This energetic bunch of employees showed that actions speak louder than words and that the time and effort dedicated to this annual event makes a change in the lives of those giving as much as it does to those receiving.

