

CORPORATE GOVERNANCE: WHAT KING V MEANS FOR SMALL-SCALE SUGARCANE GROWERS

Introduction

The Eswatini Sugar Technical Services continues to strengthen support for growers on **corporate governance**, especially small-scale growers whose business success increasingly depends on strong management systems. With the release of the **new King V Corporate Governance Code**, growers now have an updated and simplified guide for running their enterprises ethically, transparently, and sustainably.

Why King V?

King V has been introduced to modernise governance practices and respond to today's realities, such as technological advancements, increasing sustainability expectations, and the growing demand for transparency in leadership and decision-making. The updated code simplifies governance principles, strengthens accountability, and places greater emphasis on achieving meaningful outcomes rather than simply following processes.

Key Changes in King V

- **Simplified code and principles**
- King V reduces the governance principles from **17** to **13**, using simple language that makes it easier for growers to understand and apply.
- **A Dedicated Disclosure Framework**
Growers, especially those organised in associations or groups, must be open about how they make decisions and manage funds. If a governance principle is not applied, leaders must explain why.
- **Double Materiality Reporting**
Sustainability reporting must now consider both the financial impacts on the organisation and the organisation's impacts on farmworkers, stakeholders and the environment.
- **AI Governance Requirements**
As growers increasingly use digital tools (e.g., information management systems and drones), King V introduces expectations for ethical and responsible use of technology.

These improvements are designed to enhance gov-

ernance quality, build stakeholder trust, and support long-term organisational resilience.

What Does This Mean for Small-Scale Growers?

While the King Code is not a legislation, its recommendations carry substantial influence. In practice, the Code has become a widely accepted standard of good corporate governance and is frequently referenced by courts and dispute-resolution bodies. Courts often rely on the principles of the King Code when addressing matters related to governance, fiduciary duties, accountability, and ethical leadership. As such, small-scale growers are encouraged to familiarise themselves with King V and align their operations accordingly.

Adopting King V will help growers:

- Improve transparency and accountability in leadership and decision-making.
- Strengthen management systems and internal controls.
- Demonstrate commitment to ethical, sustainable, and responsible business practices.
- Build trust with partners, customers, and certification bodies e.g., Fairtrade, Bonsucro, and Farm Sustainability Assessment (FSA).
- Enhance long-term sustainability, competitiveness, and reputation.
- Minimise social conflicts by fostering fair and transparent governance structures.

A Call to Action

Eswatini Sugar encourages all small-scale growers, whether operating individually, in cooperatives, or in associations, to begin aligning their governance practices with King V. Eswatini Sugar will continue to provide training and support to help growers modernise their governance systems and meet the expectations of a dynamic industry. The King code is available on the link: <https://www.iodsa.co.za/page/king-v>.



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King V has been introduced to modernise governance practices and respond to today's realities

CLIMATE CHANGE EFFECTS ON THE SUGAR INDUSTRY: A TEN-YEAR REVIEW

Introduction

The Technical Services department of Eswatini Sugar conducted a preliminary analysis of the impacts of the El Niño and La Niña conditions experienced between 2014 and 2024. El Niño, the warm phase of the El Niño Southern Oscillation (ENSO), is associated with drought, while La Niña, the

El Niño Effects (2014-2016)

The drought period was characterized by warmer temperatures, lower rainfall, increase in insect attacks and disease infections and drastic depletion of water resources (rivers and dams). These resulted in disruption of replant programs and abandonment of some sugarcane fields. Quantity of seedcane

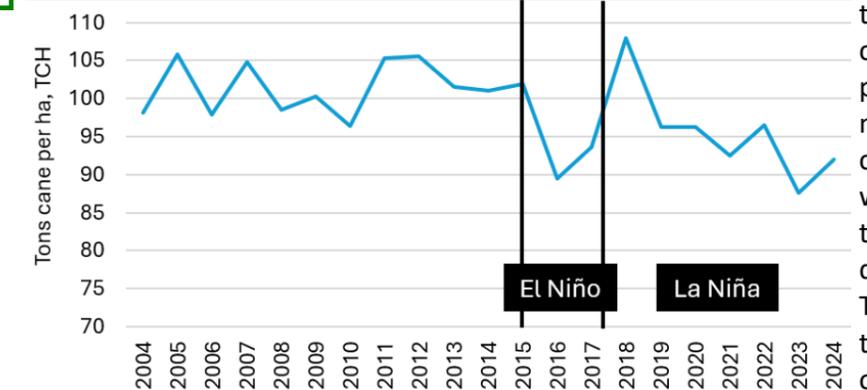


Figure 1: Industry cane yield trends for a ten-year period (2014-2024)

cold phase of ENSO, is associated with above normal rainfall. The industry encountered El Niño from 2014 to 2016, and La Niña from 2021 to 2024. Both drought and above normal rains resulted in severely depressed yields (Figure 1). The purpose of the investigation was also to document and establish how the sugar industry responded to these phenomena to inform future initiatives and interventions for climate change resilience.

adopted several adaptation practices which included restricted irrigation (i.e., water rationing), deferring replanting, intensified scouting of pests and diseases, adjusting some agronomic practices (i.e., chemical ripening, fertilizer applications and green cane harvesting), organizing grower seminars to heighten sensitization, drafting and distribution of drought management guidelines, and prioritization of harvesting of heavily stressed

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CLIMATE CHANGE EFFECTS ... *continues*

and eldana infested fields with millable stalks. To accelerate the availability of seedcane post-drought, a total area of 103 ha was added to secondary nurseries.

La Niña Effects (2021-2024)

On the other hand, La Niña was characterized by above-normal rainfall, significant drop in cane quality associated with unprecedented increases in fibre content, excessive cane lodging due to heavy rains and strong winds, increased hailstorm events, disruptions of field operations such as land preparation, replanting and harvesting, increased in volume of cane carried over to following years, increased eldana infestations, and damages in irrigation infrastructure (i.e., pump houses, pumps and motors) adjacent to rivers.

Due to the nature of wet seasons, adopting to these conditions proved difficult for the industry compared to the drought conditions. Interventions implemented during this period included increased maintenance of field drainage infrastructure, increased leaf sampling, strict irrigation scheduling to

avoid unnecessary irrigation, and increased pest and disease monitoring. Other interventions such as extending milling period and carrying over unharvested fields created unfavourable secondary effects such as increased eldana infestation and poor cane quality.

Conclusion

Apparently, adapting to drought conditions proved easier than it was to adapt to wet conditions. The findings of this investigation will inform the industry climate change adaptation and mitigation strategy. Other considerations include: the need for permanent solutions for growers affected by river overflows during La Niña; new growers should consider flood risks in farm planning; industry needs to invest in technologies for cane extraction during wet seasons; and, the urgent need to adopt practices aimed at reducing eldana presence and effects.



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SUSTAINABILITY INSIGHT: THE "AUDIT-READY" EDITION

Introduction: Compliance is No Longer Optional

In a world of tightening regulations and rising consumer expectations, "sustainability" is no longer just a nice philosophy—it is a license to operate. However, navigating the mountain of standards, laws, and indicators can feel overwhelming.

To cut through the noise, Eswatini Sugar developed two essential checklists. These are not just more paperwork; they are your "cheat sheets" to passing audits, protecting grower reputation, and building resilient businesses.

Next is a detail on why they are needed and how they save growers' time.

PART 1: The "Mirror Test" – Are You Compliant?

Think of your farm or mill as a high-performance engine. If one part fails—safety, contracts, or

environmental management—the whole machine stops. **Part 1 Sustainability Compliance Checklist** is your diagnostic tool. It simplifies the complex sustainability standards and legal requirements into a clear "Do/Check" list.

Why You Need This Checklist?

- **Governance is Your Shield:** Did you know that without a signed **Sustainability Management Plan (SMP)** by top management, your entire operation is non-compliant before the auditor even steps into the field? This checklist ensures your "paper trail" protects you.
- **The "20% Rule":** For mills, supply chain due diligence is the new frontier. Our checklist guides you on how to start assessing **20% of your...**

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supply base annually, breaking a massive task into a 5-year achievable goal.

- **Social Risk is Business Risk:** From grievance mechanisms that guarantee anonymity to ensuring 18 years is the strict minimum age for hazardous work, this tool highlights the "red flag" areas that most commonly cause audit failures.

What's Inside?

- **The "Governance" Section:** Helps to set up your Legal Compliance System and Internal Monitoring so you are never caught off guard.
- **The "Social" Section:** A simplified guide to Occupational Health and Safety, including the mandatory **Health & Safety Management Plan** and the non-negotiable provision of **free personnel protective equipment (PPE)**.
- **The "people" Section:** Crucial reminders on **Employment Contracts** (must be understood, not just signed!) and **Piece-Rate** calculations to ensure minimum wage compliance.
- **Action:** Don't wait for the audit or customer assessment finding. Download the full **Part 1 Checklist** and run a self-assessment today.



Download Link: [Sustainability Compliance Checklist Part 1.pdf](#)

PART 2: The "Hidden Risk" – Managing Your Contractors

You might run a perfect operation, but if your contractors cut corners, **their risk becomes your risk**. Under sustainability standards, you are responsible for the working conditions of everyone on your property, regardless of who pays them.

The **Contractor Compliance Checklist** is your shield against third-party liability. It is designed to be handed directly to your service providers or used by your farm managers/supervisors to vet them.

Why You Need This Checklist

- **The "Liability Trap":** Did you know that if a contractor's employee is injured on your farm and wasn't provided PPE, **you** could be held liable

under sustainability standards? This checklist ensures your contractors are providing **required, approved, and adequate PPE** free of charge.

- **The Accommodation Standard:** Many contractors provide housing. The checklist details the **19 critical points** for safe accommodation—from separation of genders to specific ratios for toilets (1:15) and showers (1:10).
- **The Wage Gap:** Piece-rate workers are often the most vulnerable. This tool gives you the formula to check that your contractors are upgrading piece-rates to meet the **legal minimum wage** if productivity is low.

What's Inside?

- **Health & Safety Non-Negotiables:** From **induction training** for new workers to ensuring that **first aid supplies** are sufficiently stocked and accessible.
- **Living Standards:** A deep dive into contract legality (must be in the worker's own language) and strict rules on overtime (voluntary and paid at a premium).
- **Zero Tolerance:** Clear indicators on forced labour, child labour, and harassment. If your contractor violates these, your business is at risk.

Action: Protect your business. Download the **Contractor Compliance Checklist** and attach it to your next service agreement.



Download Link: [Contractor Compliance Checklist.pdf](#)

Summary: From Checklist to Culture

These documents are living tools. By using them in your monthly management meetings, you move from "scrambling for compliance" to a culture of **continuous improvement. Compliance is the floor, not the ceiling. Let's build up from here.**



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