

Sustainability report

Material sustainability topics

Diversity and equal opportunity

Omnia's transformational goals are informed by the principle of equitable representation of all races and genders within the workplace.

Employment equity

The diversity of Omnia's workforce is growing to reflect its transformational goals. A diverse workforce improves cross-cultural understanding, breaks down historical barriers and helps to advance the company's competitiveness in the regions and communities where it operates. Omnia continues to implement the objectives of its five-year plan. The plan is based on the following principles:

- Recruiting and appointing employees from all groups on the basis of equitable representation and fairness
- Offering equal opportunities to all employees, irrespective of race or gender

- Providing an enabling environment which allows people to develop to the full extent of their capabilities
- The payment of remuneration packages that take account of individual performance and union agreements
- The provision of a consultative environment for workforce representatives
- Fostering a sense of ownership
- Fostering an internal focus of responsibility.

Over the past few years, concerted steps have been taken throughout the Group to increase the representation of black (African, Coloured and Indian) women and black employees at management levels. Omnia's total workforce now comprises 68% black employees. Top management comprises 14% black men and 29% black women. Omnia's employment equity status for 2014 is reflected in the table below:

Occupational levels	Male				Female				Foreign national		Total
	A	C	I	W	A	C	I	W	Male	Female	
Top management	–	–	1	4	1	1	–	–	–	–	7
Senior management	–	1	–	9	1	–	1	–	–	–	12
Professionally qualified and mid-management	30	4	21	137	22	6	14	49	3	1	287
Skilled	252	31	25	377	48	20	34	119	3	1	910
Semi-skilled	746	51	32	81	154	42	25	177	3	–	1 311
Unskilled	268	13	–	15	27	1	–	–	–	–	324
Grand total	1 296	100	79	623	253	70	74	345	9	2	2 851

The above table relates to South African employees only.

Equity ownership

Omnia's employees own shares in the Group through the Sakhile1 and Sakhile2 share incentive schemes, which were introduced during 2007 and 2009 respectively. While Sakhile1 is aimed at a broad-based ownership by all qualifying Omnia employees resident in South Africa, Sakhile2 is specifically targeted at attracting and retaining skilled and talented black managers and employees. Through these schemes, employees collectively own a 13,5% stake in the Group. The total black ownership in Omnia is 26,9%, which includes the 13,5% stake owned by employees.

Investment and procurement practices

Omnia's investment decisions are made on a risk-based approach through which all capital investments are evaluated and informed by the potential risks to the Group. Factors taken into account include return

on investment (ROI), operational and resource requirements, safety and environmental issues and Group growth prospects.

Omnia procures specialised raw materials, chemical products and services, many of which are not available in South Africa. The Group's procurement policies are therefore informed by:

- Technical specificity and quality
- Best possible price available
- Sustainability and security of supply
- Service excellence.

In recent years the Group has centralised at divisional levels or at Group head office some of its procurement practices to better leverage its collective buying power to reduce costs and gain consistency of supply.

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Preferential procurement

Where possible, the Group seeks opportunities to increase procurement of products and services from accredited BBBEE suppliers. The total procurement percentage spent with BBBEE accredited suppliers for the year under review was 86% while 1,5% of total procurement was spent with suppliers who were 50% (or greater) black-owned suppliers. For the year ahead, a key focus area will be to achieve the higher targets required by the Codes of Good Practice, particularly by increasing the spend with suppliers that are at least 50% black owned or 30% black female owned. This remains a challenge for the Group given that we procure raw materials which are only available from a limited number of local or international suppliers. All suppliers and service providers to Omnia are required to meet certain minimum BBBEE requirements before supplying the Group.

Social performance

Socio-economic development

Omnia's BBBEE strategy is based on empowering internal stakeholders such as employees and their

families, our customers and communities where Omnia is based, which is done through key skills development and training initiatives.

Key socio-economic development projects include the following:

- The employee child bursary scheme
- HIV/Aids awareness training and support
- Primary healthcare and employee wellness programmes
- Continuous expansion of and training support to a number of schools such as Unobhala High School in the KwaZulu-Natal province
- Financial and human resource support for mathematics and science education to school pupils.

Omnia's total socio-economic development expenditure for 2014 represented 0,3% of net profit after tax, against a target of 1%. The accompanying table shows the Group's total socio-economic development spend for 2014 and the previous three reporting periods:

	2014 Rand	2013 Rand	2012 Rand	2011 Rand
Head office	498 000	273 000	360 500	353 240
Chemicals	1 176 315	1 054 349	938 073	912 406
Mining	203 679	150 643	100 643	142 406
Agriculture	1 038 881	506 682	146 360	119 267
Total annual spend	2 916 875	1 984 674	1 545 576	1 527 319

In addition to the above, the Group annually contributes R330 000 to Business Against Crime and the World Wildlife Foundation.

Community and enterprise development

Omnia understands that contributing to the development of the communities in which we operate not only makes good business sense, but is critical to community upliftment. Communities lacking resources are heavily dependent on these economic lifelines from companies such as Omnia. In its 61 years of operation, Omnia's agriculture business has earned a strong reputation as a champion of the farming community and plays an active role in developing the domestic agriculture sector. Omnia focuses on developing emerging farmers and actively contributing to agriculture and environmental education. In this way, Omnia supports the sustainable development of African

agriculture at both formal and informal levels by transferring skills and best practice. In the past year, Omnia invested more than 3% of its NPAT on emerging farmer development. As a consequence of the critical work that it does in this area, Omnia was ranked 5th in the *Sunday Times* Top 100 Companies' CSI category published in October 2013.

Emerging farmer development

It is Omnia's Agriculture division's objective, through a business unit entirely dedicated to the business of emerging farmers, to proactively bring back hectares lost due to land redistribution failures. This unit aims to bring such agricultural land back into production and to develop a new generation of commercial farmers. Omnia's Agriculture division, being a leading supplier of fertilizer and agronomic expertise, has earned a strong reputation as a champion in emerging farmer

development. The farmers receive the full Omnia Nutriology® benefits, skills transfer and training on best farming practices. To date at least 921 emerging producers are recorded to have directly benefited from the Omnia farmer developmental schemes.

Key projects include:

The Peppadew Project

Partnership on a risk-sharing basis between Omnia and Peppadew International has seen 10 farmers in the Limpopo province benefiting by planting Piquanté Peppers and supplying it to the Peppadew International factories in Nkawkowa Tzaneen on an offtake agreement basis. Omnia assists with technical skills, training, supply of fertilizer and research.

The Colin Forbes Story

Dr Colin Forbes is a commercial farmer in Amsterdam (Piet Retief) who allocated 60 hectares of his farmland to his 60 employees on an employee empowerment scheme. It is for this reason that Omnia chose to become involved and has been party to funding input costs equivalent to the 60 hectares for the employees with Colin acting as a mentor to the employees – a truly life-changing story, especially if the plans to acquire a farm for the employees can be realised, then they will be as ready as any farmer to farm commercially.

This scheme has been harvesting on average 9 to 10 tons/ha dry land maize and 3 tons/ha soya. The hectares relative to the number of beneficiaries may sound small in terms of economies of scale but conceptually it provides good training to position employees-turned-farmers into goal-oriented individuals. Such futuristic-minded farmers like Colin Forbes need to be supported and commended for their efforts as successful commercial farming takes a long time, if not generations, to be realised.

Just Veggies, vegetable scheme

The Just Veggies agri-processing facility is situated in Coronation (a defunct coal mining town), just outside Vryheid. With its good soils, sufficient rainfall and suitable weather, Vryheid is an ideal place for vegetable production. Together with Just Veggies, Omnia, McCain and Bayer Crop Science, a vegetable production partnership, has been established to return unproductive land back into production, which will result in job creation and community upliftment.

This is a PIC-funded project (R100 million) and the community is a shareholder in the business.

SAB/Farm Wise/Omnia Initiative

Omnia is involved in this unique initiative, where at least 1 000 beneficiaries participate in the SAB/DTI-funded project across the Underberg (Bergville/Winterton) region stretching through to the midlands of KZN (Newcastle/Utrecht). Currently maize has been planted on just under 1 500 hectares, with the potential of doubling this in the next season as high-potential land, currently lying fallow or being poorly farmed, becomes available for use. These farmers are also beneficiaries of land reform in KZN and continue to receive support on mechanisation and on contracting for some of the cultivation work on the lands. These farmers enjoy the benefits of receiving a premium on the grain from SAB on the non-GMO crops and the favourable fertilizer financing provided by Omnia.

The Grain Production Commercial Project

Omnia plays a vital role in advancing emerging farmers to a more commercial status. It is through this initiative that a scheme, which is aimed at helping black farmers reach a commercial farming level, has been formed. The project is run in three provinces, the Highveld in Mpumalanga, the Free State and the North West province. A total of 9 919 hectares of maize, sunflower and soya was planted. Average hectares per farmer in this project is 290 hectares. The project has 34 beneficiaries participating in the scheme.

Free State

Omnia continues to form collaborative partnerships with like-minded companies and organisations that support emerging farmers, such as VKB, OVK and Grain SA. Since the inception of these partnerships, which started in the 2009/2010 season, 52 emerging farmers have been assisted. Omnia, as a full-time partner, provides dedicated agronomic support, products, services and training to these emerging farmers.

North West

Omnia has been in collaboration with NWK in the North West province for nine years. The 14 farmers that currently participate in the scheme are supplied with fertilizer and receive agronomic support services and training. Similar support is provided to 67 farmers participating in the DRDLR recapitalisation programme in which Grain SA has been appointed the DRDLR strategic partner.

The Land Bank assists 13 emerging farmers with finance and Omnia provides the much-needed training, agronomic support and other technical services. The farmers in all three projects have sustainable businesses

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and are able to source finance at institutions of their choice and plan their production outputs from year to year.

Grain Farmer Development Association (GFDA)

GFDA helps coordinate efforts and resources of grain producers in commercial agriculture, with the purpose of assisting black farmers to commercialise. During the 2013/2014 season Omnia received an amount of R2,1 million as a grant which was aimed at subsidising production inputs, pay for a portion of the cost of agricultural lime and a portion of crop insurance for nine Highveld farmers that participate in the Omnia Grain Production Commercialisation project.

Lowveld

For some years Omnia has been providing technical support and fertilizer to the new growers in the area. There are a total of 729 farmers supported by Omnia in the area, producing sugarcane, subtropical crops (litchis) and vegetable crops, and all are recipients of some service or other support from Omnia.

Buhle Farmer's Academy

Omnia contributes to the Buhle Farmer's Training Academy, a renowned SETA agricultural training institution, at Delmas in Mpumalanga. Omnia's people form part of the teaching staff and provide training in crop production as well as agri-business studies. Omnia continuously strives to offer training, share information, transfer skills and make additional resources available when needed.

Corruption

Omnia has a Code of Ethics (Ethics Policy) that is reviewed annually and implemented across the Group. All employees are required to declare and sign off their material interests annually, thereby acknowledging that a standard of conduct based on honesty, integrity and professionalism is imperative and underpins each and every relationship the Group enters into with employees, management, customers, suppliers and all stakeholders. The Group has adopted a zero-tolerance approach to any dishonest or illegal conduct by employees, suppliers or customers. Employees are encouraged to report illegal or corrupt practices through a hotline that is independently managed by Deloitte Consulting. All such reports are investigated by internal audit and reported to the audit committee.

Public policy

In terms of Omnia's Ethics Policy, as set out in this integrated annual report, any unlawful conduct and conduct that contradicts public policy is actively discouraged and appropriately disciplined.

Anti-competitive behaviour

Omnia can only successfully adopt the principles of honesty, integrity, professionalism and service orientation as set out in its Ethics Policy if all of its people fully internalise and live these principles in a committed and uncompromising way. Any unlawful behaviour, including anti-competitive behaviour, runs counter to these principles and for this reason the Board has taken a number of steps to increase the regulation, monitoring and discipline of any conduct that violates these values.

During the year in review, Omnia updated and rolled out extensive training on its policy and guidelines regarding South Africa's Competition Act. The policy enables management and employees to identify Competition Law risks and the steps to be undertaken to manage these risks.

The policy also identifies training interventions required and for whom. In addition, all new employees and employees in managerial or sales and procurement positions are required to undergo annual online training on compliance with the provisions of the Competition Act.

During the year, Omnia unsuccessfully defended an appeal brought by the Competition Commission before the Supreme Court of Appeal, against the judgment delivered by the Competition Appeal Court in Omnia's favour in 2012 in the long-running matter of *The Competition Commission v Yara and Others*, wherein the Competition Commission sought to bring a complaint before the Competition Tribunal against Omnia, Yara and Sasol for alleged cartel conduct. The matter is ongoing.

Omnia is in the process of prosecuting a complaint, which it has self-referred against Sasol for excessive pricing, price discrimination and abuse of dominance of ammonia supply to the Competition Tribunal. Omnia has further referred a dispute against Sasol, arising from a long-term supply agreement, to arbitration.

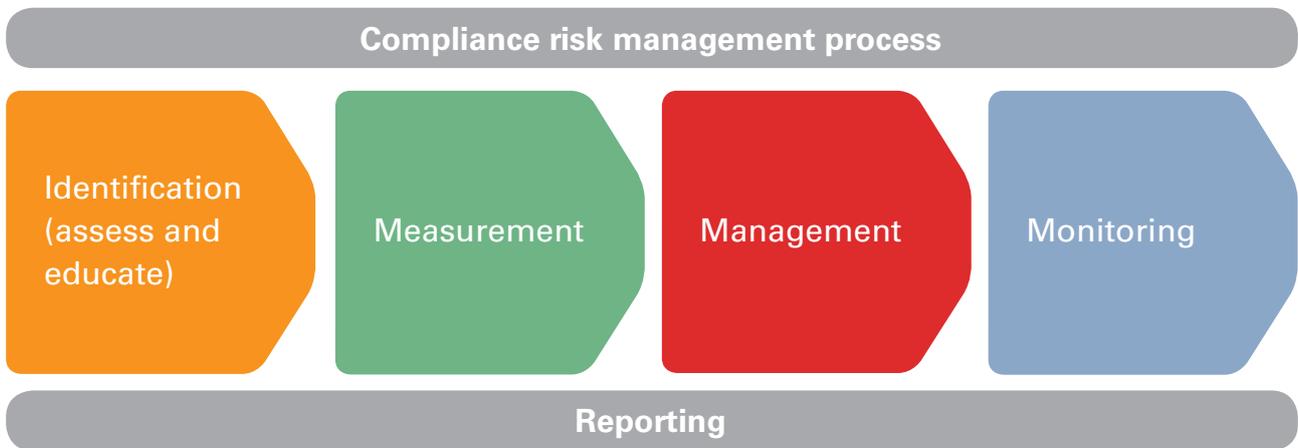
Compliance

In compliance with the recommendations of King III and the Companies Act, a legal compliance unit was established to regularly assess the level of compliance by Omnia’s various business units with legislation and regulations. This unit advises on steps to ensure

compliance and provides training on the implementation of new legislation and regulations.

Compliance reports are reviewed by the social, ethics and risk committee, which makes recommendations on areas of concern.

The compliance framework



Product and service labelling

In terms of the Consumer Protection Act and international best practice, product and service labels are required to be accurate and sufficiently informative for consumers to understand their risks in purchasing these products. This is particularly the case with chemical and hazardous products. Omnia, being a producer and supplier of a wide range of speciality chemicals, is especially vigilant regarding the information provided on its product and service labels to customers and end-consumers to ensure compliance with the requirements of the Consumer Protection Act and international best practice.

Omnia ensures the privacy and confidentiality of its customer information by implementing confidentiality constraint agreements with all suppliers and customers. No customer or supplier information is disseminated without the express consent of the customer, unless required by law.

Marketing communications

As products are in most cases not sold directly to end-user consumers, Omnia is not directly affected by any laws, standards and voluntary codes related to marketing communications, including advertising, promotion and sponsorship and customer privacy.

Indirect economic impacts

In 2013, the accredited BBBEE rating agency Mazars awarded Omnia the full 15 points for its enterprise development efforts.

The Group works constantly to improve the lives of emerging farmers and communities in the vicinity of operations. These interventions are focused on the key areas of health, education and agricultural support through expertise and products.

These interventions include supporting agricultural institutes of learning and emerging-farmer projects. Details of some of these initiatives were outlined earlier in this report.

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Product responsibility

The production of speciality chemical products and explosives involves hazardous processes, therefore Omnia's manufacturing sites produce these in compliance with rigorous safety and health parameters.

Human resources

Vision and function

Management of human resources is an integral part of every Omnia manager's responsibility. The responsibility of the human resource function is to facilitate this process by:

- Empowering line managers through partnering training and provision of the relevant information for the effective management of employees

- Complementing line management skills and abilities with behavioural and emotive skills, together with systems and instrumentation
- Balancing the task and relationship orientation in the organisation.

The vision is to develop sufficient levels of human resources capacity to support the Group's growth, and retain and enhance the competitive edge in Omnia's selected markets. This vision is jointly pursued by line management and the human resources function.

Workforce analysis

The Group currently employs 3 685 people (2013: 3 604). Our total workforce by employment type, region and gender is shown in the following table:

Employment type	South Africa		Rest of Africa		Australasia		China		Brazil		Indonesia		2014	2013
	M	F	M	F	M	F	M	F	M	F	M	F		
Permanent	1 798	641	542	60	23	9	3	7	4	-	-	-	3 087	3 217
Fixed term	309	103	168	10	1	-	-	1	-	-	4	2	598	387
Overall	2 107	744	710	70	24	9	3	8	4	-	4	2	3 685	3 604

Omnia's workforce complement, including fixed-term employees, grew by 2,2% during the course of the financial year. The workforce increased primarily due to the Group's expanding Mining division outside South Africa.

Employee wellbeing

The Group's Employee Wellness Programme continues to make a tangible difference to our employees and the organisation. While the wellness campaigns are focused on areas of concern to the Group, such as HIV testing, counselling and management, and cancer awareness, the overall wellness of our employees is as important. To this end our wellness drive includes substance abuse education, stress management, financial fitness and maintaining work-life balance. The wellness programmes are achieved through a host of service providers to provide holistic support for employees.

Mining

BME continued its relationship with ICAS, the employee wellness service provider.

From an analysis of employee engagement with ICAS, it would appear that the top four issues referred included relationship issues, stress, legal issues and psychological issues. Managerial referrals featured prominently to assist managers to manage performance

and difficult personal and health issues faced by employees. To complement the ICAS Programme, BME also introduced an e-learning-based wellness programme which focuses on self-empowerment facilitated by SEI, a wellness, education and training service provider.

As part of this programme managers were also trained to raise their awareness to be able to support the employees.

BME's plans for FY2015 are:

- Roll out the programme to include peer educator training and appointment of peer educators at sites
- Ongoing awareness to promote services offered by ICAS and link this to the National Health calendar
- Promote financial awareness and management and link this to Omnia's Sakhile employee share ownership schemes.

Agriculture

The South African operations continued with the HIV/Aids awareness and management programme working with the Department of Health. They also continued to offer support to employees through general counselling services, a disease management programme, occupational health, retirement financial planning assistance and management of substance abuse.

Chemicals

The South African operations continued to make use of the employee wellness service provider, ICAS, until the end of November 2013, when they changed to Reality Wellness.

This year the wellness projects were managed by HR and the employment equity committees. Successful and comprehensive wellness days were held in Bryanston, Wadeville and Durban. The medical insurance service providers, Discovery and Malcor, worked together with the on-site OCSA Clinic to offer voluntary counselling and testing for HIV, diabetes, cholesterol, eyesight testing and blood pressure. Other internal and external stakeholders, including Capitec Bank, the Sakhile Board and Alexander Forbes (providing retirement planning advice), participated in making the wellness event a success. Cape Town and Port Elizabeth continued with the tradition of celebrating World Aids Day, with counsellors and nurses on-site to conduct testing.

Training and development

Training and developing the Group's workforce is a cornerstone of Group strategy. In addition to ensuring a pool of motivated and skilled employees, building individual capabilities contributes fundamentally to more sustainable societies. Development initiatives are underpinned by a focused effort to identify and address specific training needs at every level. These initiatives are aimed at entrenching a culture of lifelong learning and giving the Group's employees the life and technical skills they require in order to succeed in a rapidly changing world.

Ongoing learning is facilitated through a range of initiatives and includes on-the-job training, in-house development projects and financial assistance for external studies that range from Adult Basic Education and Training (ABET) to postgraduate degrees.

The identification and development of talent within the Group is an established principle and part of Omnia's advocacy of a learning culture. Underpinning the learning culture is a dedication to encourage discussion, forming partnerships to solve problems, and mentoring programmes to facilitate personal development.

Omnia's value proposition of leveraging intellectual capital to provide differentiated products and services is supported by training and development opportunities offered to staff at all levels. Omnia is therefore compelled to continuously review its training initiatives to raise performance and productivity levels.

This year, the average number of training days for employees across the Group amounted to seven days, which is a decrease over the average of 7,4 days recorded in the previous year but is in line with the five-day training target per employee per annum.

Omnia's current permanent South African workforce comprises 62% black employees, and the 58% of total training cost spent on black employees in South Africa indicates a properly balanced approach. The following table outlines the Group's training focus:

Training and development focus areas	% of employees
Induction	16
Safety	14
Technical training	14
Life skills	14
Information technology	7
Finance and administration	7
Legal framework	6
Marketing and sales	5
Employment equity and BBBEE	4
Interpersonal skills	4
Management and leadership	4
Product/service	3
Logistics and supply chain	2

The following table reflects the average training hours in the past year per South African employee by employee category and gender. The timeous collection of corresponding information for international staff remains a challenge due to broadband connectivity difficulties in implementing the HR information system outside South Africa. It is envisioned that the information from operations in countries outside South Africa will be included in the next integrated annual report.

Category	Hours per employee	
	Male	Female
Top management	36	59
Senior management	73	88
Middle management and other professional staff	60	56
Supervisory and skilled	46	32
Semi-skilled	77	34
Unskilled	51	62
Average	57	55

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Developing talent

Part-time studies

In this financial year, Omnia assisted 128 employees to further their part-time studies through bursaries or study loans. These students are mainly studying for diplomas and degrees aimed at the logistics and supply chain, taxation, engineering and financial disciplines.

Artisans, learnership and PIVOTAL programmes

Omnia Fertilizer is investing significant effort, time and resources into artisan development and learnerships. The technical training department has been formed and staffed. Furthermore, Omnia Fertilizer is an accredited CHIETA Artisan Training Site for Welders and Fitters – an accreditation that needs to be upheld. During 2013, 38 artisans were trained as fitters, boilermakers, welders, instrumentation technicians and electricians.

The learnerships offered by Omnia Fertilizer are the Chemical Operations qualification and the National Certificate for Instrumentation for Electricians. The levels range from NQF Level 2 through to NQF Level 4. A number of employees progressed to the next level in the Chemical Operations Learnership. Thirty-one employees participated in the learnership programme.

In BME, four employees from Blastinfo and the technical department participated in the Rock Breaking Learnership for Surface Excavations through an external provider. Five employees were assessed and four were found competent.

Protea Chemicals facilitated the Professional Driver Level 3 Learnership as well as the Chemical Operations Learnership. The numbers of participants include five Professional Driver Level 3 and five Chemical Operators. Offering workplace experience aligns better to the capacity within Protea Chemicals and therefore this intervention yields better levels of success. There are seven workplace experience trainees that have since participated in the fields of chemical engineering, human resources and SHERQ. Going forward, Protea Chemicals will focus on workplace experience as well as skills programmes that lead to a learnership.

Towards the latter part of 2012, Omnia enrolled 50 disabled black females into learnerships through the People Management Institute. Two appropriate learnerships were identified, namely:

- National Certificate in Business Practice NQF 1 (25 learners)
- National Certificate in Domestic Service NQF 1 (25 learners).

These learnerships were implemented during the greater part of 2013 with a large number of them coming to an end in November 2013. Of the 50 learners, 44 were based in Gauteng, three in Durban and three in Cape Town. These learnerships contributed substantially towards the Group's BBBEE score within the employment equity and skills development pillars where historically we scored very low points, if any points, in the Group's disability category. Various interventions took place with the disabled learners to expose them to our organisation. The domestic services learners prepared the refreshments and lunch for some of the training sessions in Wadeville. Additional to this, a Wellness Day was held at Bryanston and the learners were given the opportunity to participate by distributing water, providing cupcakes and selling some handcrafted items. The Wellness Day also gave the Omnia employees an opportunity to engage with the disabled learners, thereby raising awareness about disability. Efforts have been made to identify possible positions within the organisation for some of the disabled learners as well as some enterprise development opportunities where the students with potential will be assisted in starting up their own small businesses, thereby making a sustainable living for themselves.

The Omnia Academy of Learning

The Academy of Learning's mandate is to provide training for strategic Omnia business requirements, to transfer knowledge throughout the Group and to embed the organisational culture and ethos. The Academy of Learning courses continue to be facilitated throughout the organisation. Senior management identified Negotiation Skills as a focus area for 2013 and this was addressed with a pilot on the advanced programme of the Negotiation Skills Course. Participant feedback was incorporated and the programme was customised to align with the Omnia culture and the negotiation scenarios within the organisation. Thereafter the programme was implemented, with all divisions participating actively. The two new courses that were added to the Academy of Learning during 2012 were implemented in 2013 with success. Difficult Discussions for Managers was developed as a direct support to the Omnia way of managing performance. Critical Thinking Skills addresses the skill of critical thinking (rigorous analysis, logical evaluation, robust reasoning and sound judgement). This skill is seen as being of increasing importance in the workplace.

Courses offered through the Academy of Learning include financial skills, marketing and sales, management and leadership, personal development, presentation skills, ethical behaviour and implementing the Group's Ethics Policy.

Sakhile Initiative Limited Share Scheme

The majority of Omnia employees are shareholders in Omnia through the Sakhile Initiative Limited Share Scheme. The purpose of the scheme is to create a culture of ownership where employees are part owners in Omnia; encourage long-term commitment to the company; and improve productivity. A communication strategy was developed and implemented during the latter part of 2012 and continued in 2013. The purpose of the communication plan is to continuously improve communication to the employees on the share scheme, as well as create a link for the employees between their performance, productivity and company growth.

External bursaries programme

In 2013 Omnia granted bursaries to eight students in the following fields of study: chemical, mechanical and mining engineering, agriculture, analytical chemistry and geology.

Employee relations

Trade union representation

Unions currently represent 25,7% of the South African employees' bargaining unit. The decline from 34,2% in the previous year is mainly as a result of dismissals following the unprotected strike at the BME Losberg Plant.

The table below reflects the spread of members among the five recognised unions in the Group. The unions are all party to the National Bargaining Council for the Chemical Industry, except for AMCU, as it is not sufficiently representative in the chemical industry as defined in the scope of the council.

Union	2011 %	2012 %	2013 %
Unorganised	65	68	74
SACWU	4	3	3
CEPPWAWU	16	17	12
GIWUSA	7	6	5
Solidarity	1	1	1
AMCU	7	5	5

Amended labour legislation

The amendments to the Labour Relations and Basic Conditions of Employment bills were approved by parliament on 4 March 2014. These bills will have a significant impact on labour relations in South Africa, and preparations for these changes are in the process of implementation.

While the amended BCEA Bill provides mainly for technical changes in employment practices, the Labour Relations Amendment Bill addresses, among others, increased protection for non-standard employees such as fixed-term employees and temporary employment services. It now also extends organisational rights which were normally enjoyed by representative trade unions to minority unions. Plans are in place to ensure compliance with the legislation.

National Bargaining Council for the Chemical Industry (NBCCI)

The Omnia Group is party to the NBCCI through its membership of NASCEA (National Speciality Chemicals Employers Association), FIEA (Fertilizer Industry Employers Association) and EIEA (Explosives Industry Employers Association) and is actively involved through continued participation and involvement in the various structures, including collective bargaining.

Strikes

The mining and agricultural sectors experienced major labour unrest and strikes during the year, most of which were unprocedural in terms of the Labour Relations Act. The strikes were also notorious for their violent nature and the inability of unions to control their members.

BME experienced an unprotected strike at its Losberg plant in September 2013 which resulted in the dismissal of 230 employees. The dismissed employees, supported by criminal elements of the local community, resorted to violence causing major damage to plant and equipment.

The dismissed employees have lodged applications to the NBCCI, and these have been directed to the Labour Court.

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SAFETY, HEALTH, ENVIRONMENTAL AND QUALITY POLICY

The Omnia Group comprises of a balanced and diversified range of complementary chemical services businesses with a broad geographic spread providing customised solutions in the chemicals, mining and agricultural fields. Omnia Group, as a chemical and explosives manufacturing, handling, storing and distribution company, is committed to continually improve the quality of its products and services, and strives to ever increasing customer satisfaction levels.

Omnia Group undertakes to responsibly manage the risks resulting from its operations in order to protect its employees, the community and environment against the risk of injuries, ill health and environmental pollution.

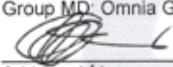
These commitments are achieved by operating an effective Integrated Management System (IMS) that promotes the principle of Sustainable Development.

OMNIA GROUP's Policy is therefore:

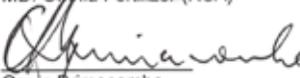
1. To, as a minimum, meet applicable legal and other requirements.
2. To subscribe and live to the principles of the Responsible Care initiative.
3. To conform to international best practice requirements and as a result:
 - 3.1 Supply customers with superior quality products and services through the implementation of a quality management system that conforms to ISO 9001: 2008 and other applicable quality management systems requirements.
 - 3.2 Minimise the impact on the environment through implementation of an environmental management system that conforms to ISO 14001: 2004.
 - 3.3 Protect employees and the community from health and safety risks through implementation of a safety and health management system that conforms to OHSAS 18001: 2007.
 - 3.4 Provide the resources that are essential to establish, maintain, assess and continually improve the IMS.
 - 3.5 Use the best available and most practical technology to protect employees, the community and the environment.
 - 3.6 Use raw materials and resources optimally in order to prevent waste production through the reprocessing and recycling of waste material.
 - 3.7 Receive, store, transport and distribute raw materials, chemicals and explosives products in a safe and responsible manner.
 - 3.8 Advise and train employees and contractors in their health-, safety-, environment- and quality obligations and responsibilities.
 - 3.9 Monitor the environmental, safety and health risks associated with its activities and implement preventative measures and corrective actions to address the significant environmental aspects and safety and health risks.
 - 3.10 Assess, manage, communicate and disseminate information regarding the responsible handling and use of raw materials, chemicals, explosives products, services and the IMS.
 - 3.11 Continually improve the Safety, Health, Environment and Quality management performance and effectiveness through a framework of measurable objectives and targets.
 - 3.12 Report the safety, health, quality and environmental performance to stakeholders on a continual basis.
 - 3.13 Promote an effective public participation process to encourage dialogue and consultation between Omnia and all of its stakeholders.

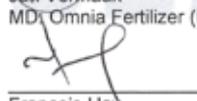

Rod Humphris
Group MD, Omnia Group

25/11/2013
Date


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Our commitment

The Omnia Group is a voluntary signatory to the Global Responsible Care® Charter. By signing the Responsible Care® Commitment, the managing director of the Omnia Group pledges to:

- Conduct our operations in a manner that minimises adverse environmental impacts and protects the health and safety of our employees and the public
- Recognise and respond to community concerns about our operations and our chemicals
- Promote the principle of sustainable development in the conduct of our operations and strive for continuous improvement in health, safety and environmental performance
- Integrate health, safety and environmental considerations into our planning for new products and processes
- Report information on relevant chemical-related health or environmental hazards promptly to appropriate authorities, employees, customers and any affected sectors of the public and recommend protective measures
- Give advice to customers and other affected parties on the safe use, storage and transportation of our chemicals as well as the disposal of any residues and containers
- Increase knowledge by conducting and/or supporting relevant research on the health, safety and environmental effects of our products, processes and waste materials
- Cooperate with customers, authorities and affected parties to resolve problems created by the handling and disposal of chemical substances considered hazardous
- Participate with Government and others in developing regulations and standards to safeguard the community, our employees and the environment and endeavour to ensure that such laws are based on scientifically supported data and/or opinion
- Promote the principles and practices of Responsible Care® by sharing experiences and offering assistance to others who produce, handle, use, transport or dispose of chemicals
- Ensure that where chemicals used or produced in our organisation are controlled in terms of international conventions to which South Africa is a party and institute appropriate internal measures to facilitate compliance

- Measure safety, health and environmental performance and identify improvement opportunities by completing and submitting quantitative indicators of performance data annually
- Verify the implementation of the Responsible Care® in terms of the Responsible Care® Audit Protocols through the use of CAIA-approved independent auditors.

The Group is also committed to continually improve its integrated management system (IMS) that is based on ISO 9001:2000, ISO 14001:2004 and OHSAS 18001:1999 standards.

Safety, health and environmental performance

Occupational safety

Fatalities

Tragically, one fatality occurred at Omnia Fertilizer in Zambia when a security guard succumbed to injuries sustained during a robbery at the warehouse in Chroma.

Recordable case rate (RCR)

Omnia's RCR is calculated on the basis of the following definition:

A recordable case is any incident resulting in occupational illness and/or injury which arises out of or during an employee's normal course of duty and the execution of work-related responsibilities and which, as a result, requires medical treatment excluding diagnostics. Medical treatment is defined as treatment above and beyond first aid, administered by a recognised professional medical practitioner such as a medical doctor, paramedic or nurse.

The RCR was maintained at the FY2013 level of 1,08. Although the RCR trend for the past few years has shown a significant downward trend, this RCR currently exceeds the Group target of 1,0.

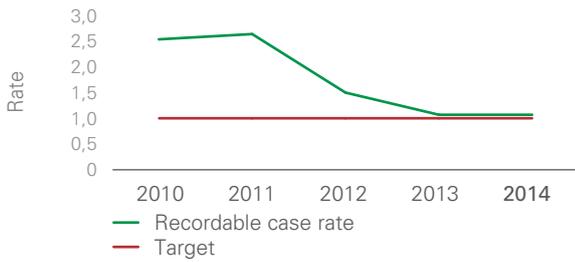
Over the past few years Omnia has made a concerted effort to ensure the incorporation of a safety culture within the overall corporate culture. This drive has essentially been supported by elements such as:

- Commitment and buy-in from all levels
- Integration into continuous process improvement
- Safety-focused training
- Improved reporting of near-miss incidents
- Implementation of reward programmes for good safety behaviour and performance.

Sustainability report continued

The result of this effort is evident in the significant decrease in the RCR since FY2011.

RECORDABLE CASE RATE



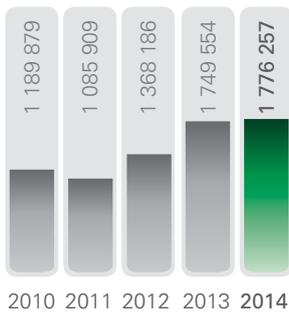
Occupational health

Two occupational health incidents were reported during this financial year, namely a case of noise-induced hearing loss and a skin disorder.

Water consumption

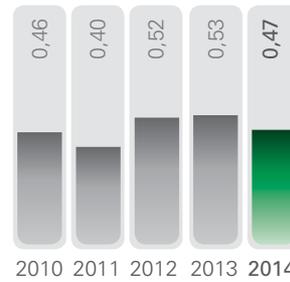
The Group's water consumption has stabilised over the past two reporting periods. The ramping up of production at the PGAN and Nitric Acid 2 plants contributed to the significant water consumption increase which was evident in FY2013. The stabilised water consumption is largely due to the fact that the new plants are operating at more constant production levels.

WATER CONSUMPTION (Kilolitres)



It is also significant to note that while absolute water consumption in the Group may reflect an increasing trend, production efficiencies are evident in the 11% decrease in water consumption per ton of product manufactured compared to the previous reporting period.

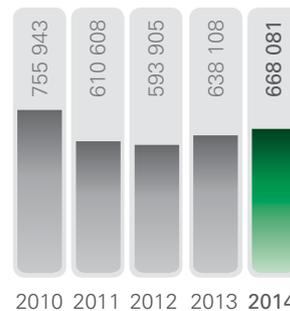
WATER CONSUMPTION PER TON OF PRODUCT MANUFACTURED (Kilolitres per ton)



Energy consumption

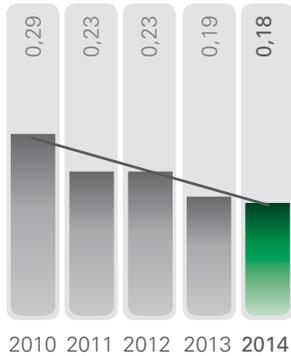
The Group's absolute energy consumption increased 9% on the previous year. This increase can mainly be ascribed to substantially higher tons of product manufactured offset by the collective contribution of the Treveni Turbo generator at the Nitric Acid 2 plant in Sasolburg. On the occasions that the new nitric acid plant operated at full capacity, the turbine generated 43% of the total electricity usage for the entire Sasolburg site.

ENERGY CONSUMPTION (Gigajoules)



As can be seen from the graph below, despite the increase in total energy use, the energy consumption per ton of product manufactured reflects a decreasing trend over the past four years and has stabilised in the past two years.

ENERGY CONSUMPTION PER TON OF PRODUCT MANUFACTURED (Rm)



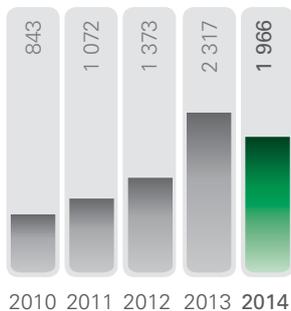
Waste management

Hazardous waste

The total volume of hazardous waste disposals decreased 15% from the previous year. This can largely be attributed to the following:

- Significant increase of hazardous waste in FY2013 due to the closure activities at Protea Chemicals, Springs, resulting in the declaration of expired and/or unlabelled chemicals as hazardous
- The disposal of expired product during FY2013 was a once-off occurrence
- Delisting of wooden pallets and effluent sludge as hazardous waste at Protea in Wadeville
- Concerted efforts to implement the waste management hierarchy, ie reduce, reuse and recycle.

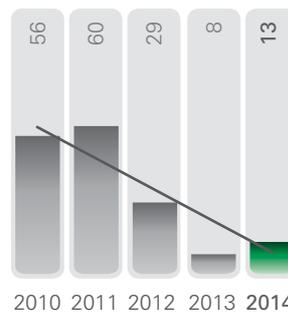
HAZARDOUS WASTE DISPOSED (Tons)



Transport incidents

Although the overall trend of transport incidents within the Group has been decreasing, it is a concern that transport incidents increased from eight in the previous year to 13 in FY2014. The incidents can largely be attributed to third-party transporters, the majority of which have been accredited and audited by the Chemical and Allied Industries Association (CAIA). This concerning trend has been brought to the attention of the CAIA Responsible Care® Standing Committee in order to ensure that the level of accreditation and auditing is strengthened.

TRANSPORT INCIDENTS (Number of incidents)



Environmental incidents

While the general trend of environmental incidents also shows a decrease, there was a significant increase in the number of environmental incidents (excluding transport incidents) compared to the previous reporting period.

None of these incidences are regarded as being of a serious nature.

ENVIRONMENTAL INCIDENTS (Number of incidents)



Sustainability report continued

Legal aspects

Omnia works continually in close cooperation with CAIA and Business Unity South Africa (BUSA), on initiatives to assist in the formulation of numerous new laws and regulations.

Compliance

- The Omnia Fertilizer sites in Sasolburg and Rustenburg are among the very few sites in South Africa that have obtained an Integrated Water Use Licence (IWUL) from the Department of Water Affairs (DWA)
- Applications to convert Omnia's Air Quality Certificates that were issued in terms of the Atmospheric Pollution Prevention Act (No 45 of 1965) into Atmospheric Emission Licences (AELs) which are required in terms of the National Environmental Management: Air Quality Act (No 36 of 2004), have been submitted and the converted AELs are currently being awaited.

Complaints and notices

No external SHE-related complaints were reported at Omnia Fertilizer and BME during the period under review.

However, three complaints were received at the Protea Chemicals site in Port Elizabeth from a neighbouring business pertaining to fumes emanating from the site during offloading of chemicals. This resulted in three notices being issued to the site by the Nelson Mandela Bay Metro Municipality (NMBM). The complaint was investigated by the municipality, meetings were held between Protea Chemicals, the complainant and the NMBM and required reports were submitted to the NMBM and the Department of Labour. The issue has since been closed to the satisfaction of all parties.

Environmental projects

Air quality management

- An ongoing investigation is being conducted on optimising processes at the Sasolburg factory to mitigate emissions.

Water, waste and effluent management

- The granulation plant at Sasolburg is now reusing contaminated stormwater in the process, reducing the municipal water required and minimising the potential for any unauthorised discharges
- Water management optimisation projects have been completed at Omnia Fertilizer's sites at Viljoenskroon,

Daniëlsrus and Hectorspruit, while a project has been initiated at the Dryden site. These projects are aimed at reducing the potential impact of contaminated stormwater and effluent on soil, and surface and groundwater. These projects focused on isolation of sources of potential pollution, optimising the reuse of contaminated water as close as possible to the source, and optimising operational flow as well

- Concerted efforts have been made at the Protea Chemicals site in Killarney, Cape Town, to improve water quality and effluent management resulting in improved compliance with the local by-laws.

Recycling and reuse

Leadership and innovation in environmental responsibility has been clearly demonstrated by BME which has been employing used engine oil in the manufacture of explosives for more than 20 years. The used oil, most of which has been used in internal combustion engines, is predominantly sourced from mining, automotive workshops, and the agricultural and manufacturing sectors. By using used oil, BME converts approximately 1,8 million litres of a potential contaminant into an essential product.

BME ensures that the quality of its bulk explosives meets the highest standards. The oil is processed and subjected to rigorous testing before being used in the manufacturing process. The used oil is processed in line with the guidelines of the National Oil Recycling Association of South Africa and the ROSE (Recycling Oil Saves the Environment) Foundation.

Sustainability reporting

As part of the process of annual monitoring, Omnia has adopted a centralised reporting approach. The three divisions collect relevant data and report these to the Group office on a regular basis. The data is collated and consolidated at the Group office. Previously the Group reporting process was based on bi-annual reports. This approach will be replaced by an automated online monthly reporting system.

Carbon footprint

The Greenhouse Gas (GHG) inventory of Omnia was established in accordance with the principles of the ISO Standard (ISO14064 part 1 "Specification with guidance at the organisational level for the quantification and reporting of greenhouse gas emissions and

removals”), and the GHG Protocol: A Corporate Accounting and Reporting Standard. The application of these principles ensures that the GHG inventory constitutes a true and fair representation of the company’s GHG emissions.

The GHG inventory is commonly referred to as a carbon footprint and is representative of the total quantity of carbon dioxide (CO₂) and other GHG emissions for which an organisation is responsible. In order to facilitate reporting and comparison, all GHG emissions are expressed in terms of tons of CO₂ equivalents, ie tons CO₂-e.

The calculation of Omnia’s GHG inventory was based on the operational control approach, according to which Omnia recorded emissions from facilities, sites or operations over which it has operational control, ie the authority to introduce and implement its operating policies at the operations. Omnia therefore accounts for 100% of emissions from operations over which it has operational control.

All calculations were based on GHG activity data multiplied by an appropriate GHG emission factor. Apart from the Eskom grid emissions factor, most other emission factors were obtained from the International Panel on Climate Change (IPCC) unless factors specific to the operation or material were available. Using standard IPCC emission factors makes for ease of comparison between the different divisions and comparison with previous years.

To create an accurate inventory of the Group’s emissions, the overall emissions were divided into specific categories. The following emissions from the Omnia business operations are included:

- Direct GHG emissions (Scope 1):
 - Emissions from the combustion of fuels
 - Emissions from natural gas usage
 - Process emissions from nitric acid, calcium nitrate, supers and granulation 2
 - Waste burned on company-owned burning ground.
- Indirect GHG emissions (Scope 2):
 - Utilisation of grid electricity (the emission associated with the production, transmission and distribution of electricity from the national grid).

Based on GHG protocol requirements all organisations are required to report Scope 1 and Scope 2 emissions since these are within the control of the organisation. The protocol does not require organisations to report Scope 3 emissions, which fall outside the control of the organisation. The Omnia GHG inventory therefore comprises Scope 1 and Scope 2 emissions only. The total GHG emission inventory for Omnia is summarised as follows:

		FY2011	FY2013
Scope 1	Agriculture	22 917	9 413
	Mining	89 883	2 634
	Chemicals	3 116	2 849
	Head office	–	–
	Omnia	115 916	14 896
Scope 2	Agriculture	68 560	70 746
	Mining	2 152	192
	Chemicals	7 800	5 282
	Head office	1 736	68
	Omnia	80 248	76 288
Total Scope 1 and 2		196 164	91 184

The historical comparison of the GHG inventories for the divisions is explained below:

Agriculture division

The significant decrease in emissions is due to the nitrous oxide (N₂O) destruction facility installed at Sasolburg.

Mining division

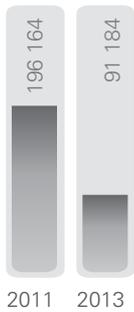
In FY2011, a large portion of the division’s emissions could be attributed to explosive detonation. Due to new guidance published at the end of 2012, the emissions produced by detonation could be reclassified. In FY2011, large amounts of diesel used for transportation were reported. In FY2013, a significant portion of this transportation was outsourced to contractors and is classified as an indirect Scope 3 emission, as opposed to previous years when it was reported as Scope 1.

Chemicals division

The direct emissions have remained consistent over the years.

Sustainability report continued

OMNIA GROUP: SCOPE 1 and 2 (tons of CO₂-e)



OMNIA GROUP: SCOPE 2 (tons of CO₂-e)



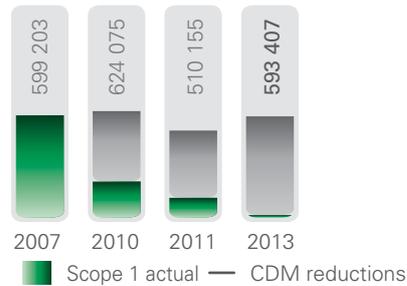
The Kyoto Protocol to the United Nations Framework Convention on Climate Change (UNFCCC) is an international treaty that sets binding obligations on industrialised countries to reduce emissions of greenhouse gases. The Clean Development Mechanism (CDM) is an arrangement made under the Kyoto Protocol which creates emission reduction credits through emission reduction projects in developing countries. Certified Emission Reductions (CERs) are a type of emissions unit (or carbon credit) issued by the CDM Executive Board for emission reductions achieved by CDM projects. The Kyoto Protocol makes provision for developing countries to register CDM projects and generate CERs.

Omnia has two registered Clean Development Mechanism (CDM) projects:

1. Omnia Fertilizer's nitrous oxide (N₂O) Reduction Project – registered on 3 May 2007
2. Omnia N₂O Abatement Project II – registered on 30 April 2012.

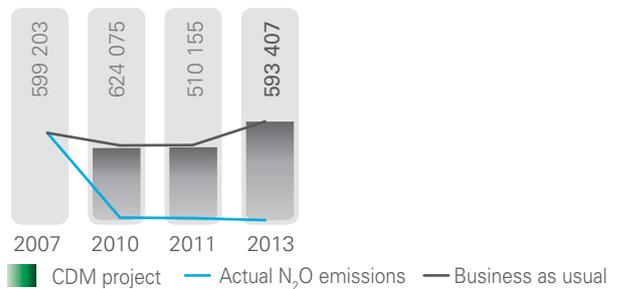
The CDM projects were developed as emission reduction activities, from which Omnia subsequently received Certified Emission Reductions (CERs). The figure below shows Omnia's direct emissions as well as the CERs from the CDM projects that Omnia has implemented.

HISTORY OF DIRECT EMISSION (with CER from CDM)



The following figure displays Omnia's GHG emissions and takes into account existing measures that were taken to reduce GHG emissions. Omnia has made significant reductions in its carbon footprint through the nitrous oxide destruction projects. The figure represents the baseline of Omnia's emissions if the projects had not implemented the projects.

GHG INVENTORY WITH CDM PROJECTS (Tons CO₂-e)



Environmental targets

Omnia has demonstrated commitment to sound environmental management in terms of reducing its impact on the environment within which it operates. Omnia identified the reduction of NO_x and N₂O emissions from its nitric acid plant as an opportunity to contribute towards the improvement of the air quality of the Vaal Triangle, which is a declared National Priority Area in terms of the National Environmental Management: Air Quality Act (No 39 of 2004). Omnia's EnviNOx™ plant in Sasolburg continues to operate within design parameters and is contributing to a significant reduction in both NO_x and N₂O emissions through the combination of a DeNO_x process with a nitrous oxide abatement system.

In terms of a strategic move towards sustainability, Omnia will embark on a resource efficiency management process which will identify key intervention areas and projects for implementation in order to reduce consumption of water and energy and reduce waste in divisional operations. This process will also enable Omnia to formulate environmental objectives and targets that will be applicable across Group operations to facilitate sustainable environmental management. The targets will feed into an overarching climate change strategy. This climate change strategy will also identify the key risks that Omnia faces from climate change and the opportunities that may also arise in the coming years.

Climate change response

As a chemicals company, Omnia recognises the risk posed by climate change and has, as a precautionary measure, taken significant action to reduce its own greenhouse gas emissions. As Omnia embarks on the journey to formalise its climate change policy, specific attention will be directed to the following aspects:

- Continued efforts to voluntarily reduce GHG emissions
- Formulate realistic reduction targets based on actual interventions identified and implemented
- Formulate suitable partnerships to achieve reduction targets
- Cooperate with policymakers to ensure an effective and supportive regulatory regime
- Continually engage with stakeholders to manage risks and identify opportunities.

Omnia believes that while a climate change strategy needs to focus on effective environmental management, the strategy also needs to be economically sound. To this end, Omnia's climate change policy will aim to generate shareholder value together with entrenchment of responsible environmental management within the Group.

The process which will be followed in the development of Omnia's roadmap for addressing climate change will be based on the following phases:

- Discovery
- Development
- Implementation
- Monitoring and reporting.

Omnia's vision of creating customer wealth by leveraging knowledge will be further enhanced by delivering solutions that will help customers to conserve and use energy efficiently as well as minimise resource consumption.

Integrated management system (IMS)

All the Group's divisions realise the importance of aligning SHE management systems with an external standard against which third-party audits can be undertaken. The divisions are therefore all certified in terms of the following standards:

- ISO 9001 – international quality management standard
- ISO 14001 – international environmental management standard
- OSHAS 18001 – international health and safety management standard
- Responsible Care® – the global chemical industry's unique initiative to improve health and environmental performance:
 - All the Omnia divisions are signatories of Responsible Care®
 - Third-party verification audits are conducted by CAIA.

Certification of the IMSs of all certified sites was maintained.

Public participation

The Group participates in the following environmental forums:

- Industry forums
 - CAIA and Responsible Care® workshops
 - Sasolburg Intercompany Response meeting
 - North West Air Pollution Control Forum (NAPCOF)
 - Institute of Safety Management.
- Environmental participation
 - Vaal Triangle Priority Area Air meeting
 - Vaal Triangle Priority Area Air Technical Task Team
 - Leeu-Taibosch Forum and Technical Task Team
 - Highveld Priority Area Air Quality Officer Forum and Multi-stakeholder Reference Group.
- Community forums
 - Sasolburg Community Working Group
 - Local Security Forum.

Sustainability report continued

Achievements and awards

Omnia Fertilizer received the CAIA Responsible Care® award for the most improved company.



CAIA is the custodian of Responsible Care® in South Africa, a global initiative of the chemical industry that supports signatories' efforts to continually improve their safety, health and environmental performance. There is growing evidence that companies that have voluntarily agreed to implement Responsible Care®, have won the trust of contractors, staff, customers and the community. In turn, this level of social responsibility has enabled chemical companies to develop their business and, in many ways, guarantee return on investments.

Responsible Care® is able to:

- Provide health and safety assurance for chemical employees through workplace programmes
- Inform communities of the precautions they can take to protect their health and safety
- Decrease a company's statistics for incidents relating to safety, health and the environment
- Provide an opportunity for employees to assist a company's health, safety and environmental systems and performance
- Ensure the safe use of chemicals throughout their product lifecycle to protect users and customers.

The Responsible Care® Award is presented in two categories (manufacturers/traders/waste managers and hauliers) in order to recognise and encourage significant achievement of year-on-year improvements in specific areas. The following main categories were evaluated:

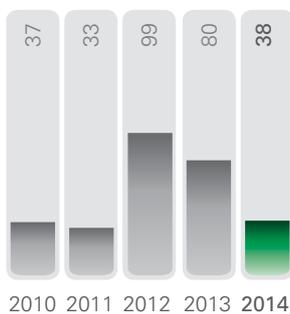
1. Management commitments
2. Community interaction
3. Pollution prevention and resource efficiency
4. Emergency response
5. Health and safety
6. Storage and transportation
7. Product stewardship
8. Process safety.

Out of 111 contenders in the category of manufacturers/traders/waste managers, Omnia Fertilizer improved in the following seven key areas between 2011 and 2012: Energy use/ton production, recordable injuries, storage incidents, effluent discharge, solid waste generation, solid waste disposal and emissions. Investments in new production plants, safety systems, emission control technology and public infrastructure have contributed to the company's outstanding performance.

These improvements were evaluated based on the performance at all the sites and plants within Omnia Fertilizer.

SHE expenditure

SHE EXPENDITURE (Rm)



The Group's total safety, health and environmental expenditure for the year was R38 million compared to the R80 million that was spent in the previous year.

Expenditure in Omnia Fertilizer was lower than the previous year due to the finalisation of a number of capital expenditure projects in FY2013. Some of the specialist environmental monitoring studies were amended to reflect the lower monitoring frequency requirements as stipulated in the authorisations/licences.

Conclusion

Omnia remains committed to the safe, responsible and sustainable operation of its production, warehousing and distribution facilities and services. Several projects to continually improve its safety, health and environmental performance, and the quality of products and services, were commissioned during the period under review. These projects aim to improve the Group's environmental infrastructure, management systems and to reinforce a corporate culture of conducting tasks in an environmentally responsible and safe manner.