

Water 2016 - OMNIA HOLDINGS LTD

Module: Introduction

Page: W0. Introduction

W0.1

Introduction

Please give a general description and introduction to your organization.

Omnia Holdings is a diversified provider of specialised chemical products and services used in the mining, agriculture and chemicals sectors. Omnia is characterised by a strong and distinctive culture. Combining the values of a family business with the virtues and strengths of a professionally managed public company and additionally operating according to a robust spirit of enterprise underpinned by a reputation for the highest levels of integrity. It was founded in 1953 as a small distributor of agricultural lime in South Africa and has since been listed as a Top 100 Company on the Johannesburg Stock Exchange and now operates across Africa, Australasia and Brazil and has also acquired other leading chemical distributors such as Protea Chemicals, Protea Chemicals Mobeni and Petroleum Fine Products. Omnia differentiates itself from commodity chemical providers by adding value at every stage of the supply and service chain through technological innovation and by deploying our intellectual capital.

W0.2

Reporting year

Please state the start and end date of the year for which you are reporting data.

Period for which data is reported

Wed 01 Apr 2015 - Wed 30 Mar 2016

W0.3

Reporting boundary

Please indicate the category that describes the reporting boundary for companies, entities, or groups for which water-related impacts are reported.

Companies, entities or groups over which operational control is exercised

W0.4

Exclusions

Are there any geographies, facilities or types of water inputs/outputs within this boundary which are not included in your disclosure?

Yes

**W0.4a
Exclusions**

Please report the exclusions in the following table

Exclusion	Please explain why you have made the exclusion
The African operations of BME Explosives are excluded.	BME provides an explosive service to the mines and are located on site at the mining operation that we service. Typically, we only use water for domestic purposes which is provided and paid for by the mine itself, and thus we do not record water consumption. The number of employees per mining site is small and as such the water impact is minimal and not material.

Further Information

Module: Current State

Page: W1. Context

W1.1

Please rate the importance (current and future) of water quality and water quantity to the success of your organization

Water quality and quantity	Direct use importance rating	Indirect use importance rating	Please explain
Sufficient amounts of good quality freshwater available for use	Important	Important	Direct use: Omnia requires sufficient amounts of good quality freshwater in order to produce high quality chemical products. Water uses at Omnia's operations range from blending with raw products, dilution of chemical products, cleaning and washing of containers and production of steam. A reduction in freshwater availability would lead to reduced production output and profitability. Indirect use: Omnia Fertilizer is dependent on good summer rainfall for its customers. Without the rainfall, the purchase of fertilizer drops, which has a negative impact on the profitability of the business

Water quality and quantity	Direct use importance rating	Indirect use importance rating	Please explain
Sufficient amounts of recycled, brackish and/or produced water available for use	Important	Not very important	Direct use: Certain of Omnia's operations are located in water scarce regions. Omnia uses process and recycled water as much as possible in order to reduce its reliance on potable water. Indirect use: Neither the communities surrounding Omnia's operations, nor the local suppliers make use of recycled, brackish or produced water for their activities and as such this is not deemed important.

W1.2

For your total operations, please detail which of the following water aspects are regularly measured and monitored and provide an explanation as to why or why not

Water aspect	% of sites/facilities/operations	Please explain
Water withdrawals- total volumes	76-100	Omnia records consumption of water withdrawn from all of its operations throughout the year (100% of facilities). This is done to track performance indicators and used to see whether environmental targets with respect to water reduction are met each month
Water withdrawals- volume by sources	76-100	Omnia records consumption of water withdrawn from different sources including surface water, ground water and municipal water for all of its operations.
Water discharges- total volumes	76-100	The total volume of water discharged at Omnia's facilities has to be monitored and measured in line with legal permit requirements. Omnia measures this water aspect for all its sites (100%).
Water discharges- volume by destination	76-100	Omnia records discharge of water to municipal sewers, river systems and the ocean for all its sites (100%).
Water discharges- volume by treatment method	76-100	Water is discharged from various sources/processes at each of Omnia's operations. As a result varying degrees of treatment are required per source of discharge. Omnia actively measures the quantity discharged per source at each operation and monitors the quality of the discharged water to ensure that the composition of the water is within the legal specified limits. Omnia measures this water aspect for all its sites (100%).

Water aspect	% of sites/facilities/operations	Please explain
Water discharge quality data- quality by standard effluent parameters	76-100	Omnia actively measures the quantity discharged per source at each operation and monitors the quality of the discharged water to ensure that the composition of the water is within the legal specified limits. The water quality data is monitored on a monthly basis. Omnia measures this water aspect for all its sites (100%).
Water consumption- total volume	76-100	Omnia is actively implementing water efficiency projects in order to reduce both water and energy consumption at a number of its facilities. The water consumption is measured and monitored monthly to ascertain whether reduction targets are met. Omnia measures this water aspect for all its sites (100%).
Facilities providing fully-functioning WASH services for all workers	76-100	Omnia's employees at all (100%) of their operations have access to municipally supplied water for WASH services. Ensuring that Omnia's employees have access to good quality drinking water, water for cooking and cleaning and solid waste management systems is important.

W1.2a

Water withdrawals: for the reporting year, please provide total water withdrawal data by source, across your operations

Source	Quantity (megaliters/year)	How does total water withdrawals for this source compare to the last reporting year?	Comment
Fresh surface water	3.86	Much higher	Liquids production increased at the Friersdale operation which is the biggest contributor to Omnia's fresh surface water withdrawals.
Brackish surface water/seawater	0	Not applicable	None of Omnia's' operations withdraw water from brackish surface water sources currently and thus this category is not applicable.
Rainwater	0	Not applicable	Very small volumes of rainwater are captured and used. However Omnia has not implemented systems to measure rainwater captured, but is looking into it for the next reporting year.

Source	Quantity (megaliters/year)	How does total water withdrawals for this source compare to the last reporting year?	Comment
Groundwater - renewable	48.40	Higher	Due to lower rainfall during the year less contaminated stormwater (which is available for re-use) was available so consumption from boreholes increased.
Groundwater - non-renewable	0	Not applicable	None of Omnia's' operations withdraw water from non-renewable ground water sources currently and thus this category is not applicable
Produced/process water	0	Not applicable	None of Omnia's' operations currently withdraw water from produced/process water sources and thus this category is not applicable.
Municipal supply	1669.80	Lower	Overall, lower production has resulted in decreased water use. However, small actions and measures have shown cumulative improvements in water management and reduction in water consumption for the last year.
Wastewater from another organization	0	Not applicable	None of Omnia's' operations currently withdraw water from other organizations wastewater sources and thus this category is not applicable.
Total	1722.06	Lower	Overall, lower production has resulted in decreased water use. However, small actions and measures have shown cumulative improvements in water management and reduction in water consumption for the last year.

W1.2b

Water discharges: for the reporting year, please provide total water discharge data by destination, across your operations

Destination	Quantity (megaliters/year)	How does total water discharged to this destination compare to the last reporting year?	Comment
Fresh surface water	584.33	Higher	Omnia's Sasolburg operation discharges water to the Taaibos Spruit as per their water use license conditions. Less water was re-used on site due to

Destination	Quantity (megaliters/year)	How does total water discharged to this destination compare to the last reporting year?	Comment
			lower production, which led to the volume of discharge increasing
Brackish surface water/seawater	0	Not applicable	Discharging water to brackish surface water sources or seawater is not carried out at Omnia's operations and thus this category is not applicable currently
Groundwater	0	Not applicable	Discharging water to groundwater sources is not carried out at Omnia's operations and thus this category is not applicable currently
Municipal/industrial wastewater treatment plant	23.66	Lower	Omnia releases effluent to municipal treatment plants via the stormwater / sewer systems, primarily at its Protea operations. The volume of effluent released to stormwater has reduced due to less rainfall and lower production.
Wastewater for another organization	0	Not applicable	Discharging wastewater to other organizations sources is not carried out at Omnia's operations and thus this category is not applicable currently
Total	608	Much higher	Omnia's Sasolburg operation discharges water to the Taaibos Spruit as per their water use license conditions. Less water was re-used on site due to lower production, which led to the volume of discharge increasing

W1.2c

Water consumption: for the reporting year, please provide total water consumption data, across your operations

Consumption (megaliters/year)	How does this consumption figure compare to the last reporting year?	Comment
1722.06	Lower	Omnia does not store large amounts of water. In addition, the discharge of water is to a different source and thus regards water consumption as the sum of water

Consumption (megaliters/year)	How does this consumption figure compare to the last reporting year?	Comment
		withdrawals. Overall, lower production has resulted in decreased water use and reduced consumption. However, small actions and measures have shown cumulative improvements in water management and reduction in water consumption for the last year.

W1.3

Do you request your suppliers to report on their water use, risks and/or management?

No

W1.3b

Please choose the option that best explains why you do not request your suppliers to report on their water use, risks and/or management

Primary reason	Please explain
Important but not an immediate business priority	We have evaluated the sustainability risks of our supply chain but have not deemed there to be any significant water risks and as such have not requested our suppliers to report on their water use. Our main water risk in our value chain is with our customers and we have a dedicated process to address this. We will re-evaluate the decision to request water information from our suppliers at the start of our new financial year.

W1.4

Has your organization experienced any detrimental impacts related to water in the reporting year?

Yes

W1.4a

Please describe the detrimental impacts experienced by your organization related to water in the reporting year

Country	River basin	Impact indicator	Impact	Description of impact	Length of impact	Overall financial impact	Response strategy	Description of response strategy
South Africa	Vaal (WMA)	Reg-Increased difficulty in obtaining withdrawals/operations permit Reg-Regulatory uncertainty	Higher operating costs	Omnia's permitting and regulatory risks include conditions of the integrated water use license (IWUL) being unrealistic to comply with. This is in particular at our Fertiliser Operation in Sasolburg where the groundwater conditions of the license require us to comply with water standards that are better than drinking water, which is well above the standards required for normal discharge into	Ongoing	The site is purchasing an additional 1290 ML of potable water per year at a cost of R24 million a year.	Engagement with public policy makers	Omnia engages regularly with the water regulators of South Africa to ensure that issues that might arise are addressed. Omnia Fertilizer engaged with the Department of Water and Sanitation (DWS) in Sasolburg to discuss the conditions of the water use license. In addition, Omnia has asked DWS to facilitate a Regional groundwater assessment with the intention of understanding the needs of the catchment and

Country	River basin	Impact indicator	Impact	Description of impact	Length of impact	Overall financial impact	Response strategy	Description of response strategy
				the environment. There is potential reputational damage associated with non-compliance. In addition, we are consuming additional amounts of potable water purchased from the municipality in order to stay within these strict license condition limits.				setting more realistic and reasonable groundwater standards.
South Africa	Pongola-Umzimkulu (WMA)	Reg-Regulation of discharge quality/volumes leading to higher compliance costs	Higher operating costs	At the Protea Chemicals KZN Jacobs site, chlorides, total dissolved solids and the effluent discharge volumes exceed the	10 months	It has cost the Protea Chemicals site R75,000 to dispose of its effluent via hazardous waste.	Engagement with public policy makers Infrastructure investment Increased capital expenditure	The site has implemented a container washing project which has outsourced the washing of containers to a specialist third party, which

Country	River basin	Impact indicator	Impact	Description of impact	Length of impact	Overall financial impact	Response strategy	Description of response strategy
				limits specified in the Municipal by-laws. A meeting was held with the authorities and subsequent to the meeting the site was prohibited from using the effluent discharge infrastructure due to the high level of chlorides with the concern that damage will be caused to the piping infrastructure of the treatment plant. As a result, the site is now disposing its effluent to a hazardous landfill site				has reduced the volume of effluent. In order to address the quality of effluent the site has implemented management controls, including preventing contamination at source and drip trays to prevent contamination of storm water. In addition, investigations are underway to reduce the chemical constituents of the effluent.

Country	River basin	Impact indicator	Impact	Description of impact	Length of impact	Overall financial impact	Response strategy	Description of response strategy
				which has led to increased operational costs.				

Further Information

Module: Risk Assessment

Page: W2. Procedures and Requirements

W2.1

Does your organization undertake a water-related risk assessment?

Water risks are assessed

W2.2

Please select the options that best describe your procedures with regard to assessing water risks

Risk assessment procedure	Coverage	Scale	Please explain
Comprehensive company-wide risk assessment	Direct operations and supply chain	All facilities and suppliers	Risks are assessed at both a company and site level. At a company level a senior management risk committee manages risk and reports to the Social, Ethics and Risk (SER) committee of the board. The senior risk management committee holds regular risk management meetings to assess the company's risk register. Risks like water are discussed during these meetings. This includes both direct water risk in our operations as well as water risk in our supply chain. At a site level, plants and divisions maintain regular risk registers. This divisional information feeds into a process for developing a Group risk register, which ranks our top 50 risks, and the corresponding mitigation measures for them. At site, all environmental risks (including water) are identified and managed using the international standard ISO40001 as the basis.

W2.3

Please state how frequently you undertake water risk assessments, what geographical scale and how far into the future you consider risks for each assessment

Frequency	Geographic scale	How far into the future are risks considered?	Comment
Six-monthly or more frequently	Facility	3 to 6 years	Our plants and divisions maintain regular risk registers, which are monitored and reviewed monthly. This divisional information feeds into our process for developing our Group risk register. At site, all environmental risks (including water) are identified and managed using the international standard ISO40001 as the basis. Emerging water risks are evaluated over the next 5 years.
Six-monthly or more frequently	Country	3 to 6 years	The senior risk management committee holds an annual risk workshop to assess and update the company's risk register. Risks like water are discussed during these meetings. This includes both direct water risk in our operations as well as water risk in our supply chain. The time frame over which risks are identified are over the next 5 years.

W2.4

Have you evaluated how water risks could affect the success (viability, constraints) of your organization's growth strategy?

Yes, evaluated over the next 5 years

W2.4a

Please explain how your organization evaluated the effects of water risks on the success (viability, constraints) of your organization's growth strategy?

Water is a critical natural resource in the Southern African region, exacerbated by the persistent drought that grips the region. The risks associated with the limited availability and supply of water in South Africa are high.

An example of a water risk that impacts Omnia's growth strategy:

Due to the pressure on this precious resource, government will be looking at stricter water laws governing the use of available water. This will ultimately lead to farmers having to get by with less water. This represents a direct risk to our Fertilizer business as farmers may end up in a position whereby they are not able to plant their crops due to unavailability of water. This in turn means they will not be purchasing Fertilizer, which impacts on the viability of the business.

The process by which the results of the water risk assessment inform Omnia's growth strategy:

Direct water risks at Omnia are discussed during the quarterly SHEQ forum and reported directly to the Board. In response, Omnia has set reduction targets for water at its operations. The indirect water risks in our supply chain are also reported to the Board. In

response the Agriculture division has developed extensive experience in advising on efficient water use and conservation through its innovative Nutriology® offering to the agricultural sector.

How Omnia's growth strategy has changed as a result of water risks:

Omnia's Fertilizer Division focuses on research into water use efficiencies, as part of a full plan to support the pillars of modern, sustainable agriculture, so that their agronomists can help their clients to optimise their water usage. They will be able to advise farmers when to plant, when to reduce planting and when not to plant at all.

W2.5

Please state the methods used to assess water risks

Method	Please explain how these methods are used in your risk assessment
Internal company knowledge Other: Internal risk management process	Omnia uses internal knowledge to assess water risks at each operation. Omnia believes this is more appropriate than generic tools which don't provide site-specific information. This approach allows Omnia to provide specific details of water related risks in the areas in which they operate. Omnia carries out risk assessments continuously, following a bottom up approach. This includes evaluating and managing water risks. Each operation has a designated SHEQ manager who is able to provide contextual, site-specific information. Through these processes Omnia is able to integrate internal company knowledge into their water risk assessment process. The operational scope of the risk assessment includes all Omnia's operations.

W2.6

Which of the following contextual issues are always factored into your organization's water risk assessments?

Issues	Choose option	Please explain
Current water availability and quality parameters at a local level	Relevant, included	Water availability and quality is used in Omnia's water risk assessment process. Omnia measures these parameters on a monthly basis to track performance. In addition, at certain sites we are required to report these parameters to the authorities as part of our license requirements. We use this data and our internal company knowledge to feed into the risk assessments we conduct on site regularly.
Current water regulatory frameworks and tariffs at a local level	Relevant, included	Omnia is required to report water information to the authorities as part of our license requirements. Not complying with these regulatory requirements could result in fines or suspension of our operations. We use both internal knowledge and external support (e.g. legal compliance audits) to ensure we stay up to date with regulatory information and tariffs. Omnia also implemented water efficiency projects at prioritised sites to manage the risk

Issues	Choose option	Please explain
		of rising water costs. Regulatory and tariff information is fed to Senior Management through the regular Risk Management Committee meetings.
Current stakeholder conflicts concerning water resources at a local level	Relevant, included	Omnia recognises that there may be increased stakeholder conflicts during times of water scarcity as companies and communities compete for water. We assess this issue by identifying important stakeholders at those operations where this issue is important. For example, we are closely involved in the establishment of the Vaal River Catchment Management Agency (CMA) which will help identify and manage stakeholder conflicts over water in the Vaal catchment. In addition, we have specifically implemented water optimisation projects at our most water intensive operations to ensure that Omnia does not compete with surrounding communities for this resource. This internal company knowledge then feeds into the risk assessment process.
Current implications of water on your key commodities/raw materials	Relevant, not yet included	Water risks to our supply chain are not currently assessed; however, Omnia is aware that certain elements in our supply chain, such as Eskom as the electricity supplier, may face water-related risks that have the potential to disrupt our operations should they play out. Omnia intends re-evaluating its water risks in the supply chain within the next 2 years.
Current status of ecosystems and habitats at a local level	Relevant, included	Omnia recognises that water stewardship should incorporate all local elements that may be impacted by water, including the current status of ecosystems and habitats. Omnia employs environmental specialists at those sites where this issue is important (e.g. Fertilizer Sasolburg) and their work feeds into the regular risk assessments.
Current river basin management plans	Relevant, included	River basin management plans are important as they impact directly on water availability and water quality of Omnia's operations. We factor current river basin management plans into our risk assessments to ensure we are understanding any potential limitations or opportunities that may arise in relation to these plans. For example, we are involved in the establishment of the Vaal River Catchment Management Agency (CMA) and are closely monitoring what the impacts of this will be on our operation in Sasolburg. We use our internal company knowledge and the engagement we have with regulators to feed this into the risk assessment process.
Current access to fully-functioning WASH services for all employees	Relevant, included	Access to safe water, adequate sanitation and proper hygiene is a basic human right. Without fully functioning WASH service Omnia's employees' health and

Issues	Choose option	Please explain
		safety will be negatively affected. This basic right is factored into all new and existing projects and operations.
Estimates of future changes in water availability at a local level	Relevant, included	Water availability in the South African context is already a critical issue and is predicted to become even more important in the future. The issue of drought and the El Nino effect is regarded as a top risk in our business as our customers in our Agriculture division will not be purchasing fertilizer if they cannot plant their crops due to drought. Our Agriculture division develops models around soil potential yield and water availability as a tool to mitigate the risk of future changes in water availability for our customers.
Estimates of future potential regulatory changes at a local level	Relevant, included	Changes to water legislation at a local level can pose significant risks to Omnia's business. Omnia actively engages with regulatory authorities through its local chemical association (CAIA) to ensure that proper consultation has taken place before any changes are made to local or national regulations. The results of this engagement feeds into our risk management process.
Estimates of future potential stakeholder conflicts at a local level	Relevant, included	It is predicted that water scarcity will continue to increase in the water stressed parts of South Africa and as result so too will be the potential for stakeholder conflict. This is particularly relevant for our farming customers that will likely come into greater conflict with stakeholders for the use of water. We are mitigating this risk by actively engaging with our customers through our agronomists in our Agriculture division to ensure that water use efficiency is part of the normal operations thereby reducing raw water demands. Their feedback is vital information for our on-going risk assessment processes.
Estimates of future implications of water on your key commodities/raw materials	Relevant, not yet included	Omnia has not yet started a rigorous process of assessing water risks on our key raw materials and as such have not assessed the future implications of water on these commodities. Omnia intends re-evaluating its water risks in the supply chain within the next 2 years.
Estimates of future potential changes in the status of ecosystems and habitats at a local level	Relevant, included	Omnia mitigates its current risk of changes to ecosystems and habitats by employing environmental specialists at those sites where this issue is important (e.g. Fertilizer Sasolburg, Rustenburg etc.). In its supply chain, Omnia recognises that the incorrect use of Fertilizer and other chemicals can impact on ecosystems and habitats through both run-off into water sources as well as over consumption of water. Omnia uses its internal knowledge of this issue to feed into its risk management process and importantly has developed

Issues	Choose option	Please explain
		solutions to mitigate this. For example, the Agriculture division, through its proven Nutriology® offering, provides agronomic advice to customers on the conservation and efficient use of water on the farm.
Scenario analysis of availability of sufficient quantity and quality of water relevant for your operations at a local level	Relevant, included	Water availability in the South African context is already a critical issue and is predicted to become even more important in the future. As mentioned previously, water risk in our value chain, predominantly our customers, is where our biggest risk lies. For this reason our Agriculture division develops models around soil potential yield and water availability to develop scenarios and act as a tool to mitigate the risk of future changes in water availability for our customers.
Scenario analysis of regulatory and/or tariff changes at a local level	Relevant, included	Omnia is managing the risks associated with regulatory and tariff changes by engaging with South Africa's Department of Water and Sanitation through CAIA on a regular basis. This means that the company is kept well informed of future regulatory changes and can create educated scenarios.
Scenario analysis of stakeholder conflicts concerning water resources at a local level	Relevant, included	Omnia engages with its stakeholders on a regular basis and uses this to determine potential concerns that the stakeholder has. Omnia uses internal company knowledge to incorporate scenarios of stakeholder conflicts into its water risk assessment.
Scenario analysis of implications of water on your key commodities/raw materials	Not relevant, explanation provided	This is not regarded as a material issue as we don't believe that water risks in our supply chain are so significant and thus Omnia does not see it necessary to include scenario analysis of water implications on its key commodities in its water risk assessment process.
Scenario analysis of potential changes in the status of ecosystems and habitats at a local level	Not relevant, explanation provided	Omnia proactively manages the ecosystems and habitats within which it operates on a continuous basis. Our operational footprint is typically on already disturbed or industrial sites and thus this is not regarded as a material issue and scenario analysis of potential changes to ecosystems or habitats is not incorporated into Omnia's water risk assessment process.
Other	Not evaluated	

W2.7

Which of the following stakeholders are always factored into your organization's water risk assessments?

Stakeholder	Choose option	Please explain
Customers	Relevant, included	For our Agriculture division, our customers (farmers) are vital as we provide them with agronomic advice on the conservation and efficient use of water on the farm. We provide them with one-on-one engagement and training throughout the year in order to achieve this. Ensuring we provide the correct advice is vital and as such the feedback from these stakeholders is included as part of our risk assessment processes.
Employees	Relevant, included	Employees that have a responsibility or activity that involves water management (e.g. agronomists, SHEQ managers, production managers etc.) are included in the risk management processes which happen throughout the year. Other employees are kept aware of the topic through engagement and communication such as the Integrated Report and awareness themes. This engagement is usually done via newsletters, emails, posters and environmental talks.
Investors	Relevant, included	We report water risks and responses in our integrated annual sustainability report that is made available to our shareholders so our investors can assess their investment. In addition, we are responding to the Water Disclosure Project to provide investors with additional information. An inadequate response to water issues can be negatively perceived by our investors. We engage with our investors during yearly roadshows and on an ad-hoc basis as and when the need arises.
Local communities	Relevant, included	The concerns and perspectives of local communities are central to our water risk assessments. Competition for water between users is of increasing importance, as are the potential impacts of water quality and quantity on users. We engage regularly with local communities through public forums. One example is the Leeu-Taaibosch Forum set up in Sasolburg to address water concerns of all stakeholders. This engagement typically happens via quarterly meetings with all the stakeholders and any specific community issues are integrated into the risk assessment process, where relevant.
NGOs	Relevant, included	NGO's play a vital role in communicating the expectations of stakeholders and could potentially be responsible for impacting our public reputation. Consequently, we try as best as possible to engage with NGOs such that the views of our external stakeholders are considered. An example of these engagements would be the Vaal Environmental Justice Alliance, who promotes awareness, sustainable development and support to communities. We have engaged with this NGO regularly through direct meetings.
Other water users at a local level	Relevant, included	In the Vaal River Catchment, we engage with other uses, e.g. Sasol, Safripol, Natref etc. on a regular basis through attendance of the Leeu-Taaibosch Forum meetings. Any significant issues raised by this forum will feed into our risk processes, where relevant.

Stakeholder	Choose option	Please explain
Regulators	Relevant, included	Omnia engages continuously with the Department of Water and Sanitation to ensure that it is compliant and up to date with all regulatory requirements. This engagement is usually on-site meetings at least every quarter with individuals in the Department. Omnia factors any updates on regulations or tariff changes into its water risk assessment process.
River basin management authorities	Relevant, included	The Vaal River Catchment Management Agency (CMA) is in the process of being established. We have engaged regularly (e.g. quarterly) with the stakeholders setting up this CMA through face to face meetings, and this information is feeding into our risk assessment processes. Once the CMA is formalised we will be interacting with this agency regularly.
Statutory special interest groups at a local level	Relevant, included	The Chemical Allied Industry Association (CAIA) represents the chemical industry on environmental matters, including water. We engage with them on a monthly basis through industry meetings to discuss matters such as pending water regulation and tariffs, which feeds into our risk process. Omnia also participates regularly in government public sessions and workshops pertaining to statutory matters.
Suppliers	Relevant, not yet included	Omnia's key suppliers can be affected by water constraints, which may affect product delivery, thereby impacting the business. Omnia intends re-evaluating its water risks in the supply chain within the next 2 years and will then initiate a process to engage with its supply chain.
Water utilities/suppliers at a local level	Relevant, included	Omnia is reliant on water utilities for most of the company's water needs. As such, any changes in supply and tariff structure can impact the business through increased costs. Omnia engages with its major water utilities (such as Rand Water and the Metsimaholo Municipality, Ekurhuleni Municipality, eThekweni Municipality etc.) on a regular basis through face to face meetings. Any significant issues raised will be incorporated into the risk assessment process.
Other	Not relevant, explanation provided	No other stakeholders are relevant

Further Information

Module: Implications

Page: W3. Water Risks

W3.1

Is your organization exposed to water risks, either current and/or future, that could generate a substantive change in your business, operations, revenue or expenditure?

Yes, direct operations and supply chain

W3.2

Please provide details as to how your organization defines substantive change in your business, operations, revenue or expenditure from water risk

Omnia defines substantive change within its business to be a change which results in stoppages of direct operations, a significant increase in cost in our direct operations or a loss in sales that impacts revenue. From a water perspective this could be due to interrupted water supply that stops production or a significant drought that results in a major reduction in sales of fertilizer, for example. Any significant water impacts that occur in the supply chain would also result in a substantive change to the business. In terms of financial quantification, an increase in costs or loss in revenue equivalent to 0.5% of forecasted revenue per annum would be regarded as substantive.

W3.2a

Please provide the number of facilities* per river basin exposed to water risks that could generate a substantive change in your business, operations, revenue or expenditure and the proportion this represents of total operations company-wide

Country	River basin	Number of facilities exposed to water risk	Proportion of total operations (%)	Comment
South Africa	Vaal (WMA)	1	1-5	Our Sasolburg complex is Omnia's largest built manufacturing facility at 168 acres and is also located in a water-stressed catchment.

W3.2b

Please provide the proportion of financial value that could be affected at river basin level associated with the facilities listed in W3.2a

Country	River basin	Financial reporting metric	Proportion of chosen metric that could be affected within the river basin	Comment
South Africa	Vaal (WMA)	% global production volume	61-70	Our Sasolburg Fertilizer operation is our largest operation and contributes over 60% of production volumes

W3.2c

Please list the inherent water risks that could generate a substantive change in your business, operations, revenue or expenditure, the potential impact to your direct operations and the strategies to mitigate them

Country	River basin	Risk driver	Potential impact	Description of impact	Timeframe	Likelihood	Magnitude of potential financial impact	Response strategy	Costs of response strategy	Details of strategy and costs
South Africa	Vaal (WMA)	Regulatory-Regulation of discharge quality/volumes leading to higher compliance costs Regulatory-Unclear and/or unstable regulations on water allocation and wastewater discharge	Higher operating costs	The conditions of Sasolburg's water use license are extremely stringent. The effluent discharge conditions for Chlorides and Nitrates exceed those of the incoming	1-3 years	Probable	Medium-high	Engagement with public policy makers Increased capital expenditure	The site is purchasing an additional 1290 ML of potable water per year at a cost of R24 million a year.	Omnia is dealing with this problem by engaging directly with the water regulators (DWS) regarding the license conditions. Omnia has proposed a risk-based approach to addressing groundwat

Country	River basin	Risk driver	Potential impact	Description of impact	Timeframe	Likelihood	Magnitude of potential financial impact	Response strategy	Costs of response strategy	Details of strategy and costs
				<p>potable water, which would require significant capital for water treatment. In addition, the groundwater quality license conditions are also not feasible. As a result of this, the site is forced to operate its cooling towers at 3 cycles instead of the full 6. The implication</p>						<p>er quality. The water use licence is currently being reviewed and Omnia is waiting for feedback from DWS. The site has also investigated the possibility of constructing a water treatment plant but the costs related to this are not financially feasible. The costs incurred (R24</p>

Country	River basin	Risk driver	Potential impact	Description of impact	Timeframe	Likelihood	Magnitude of potential financial impact	Response strategy	Costs of response strategy	Details of strategy and costs
				of this is that the site is forced to purchase additional potable water at significant cost.						million) from addressing this risk are direct operational costs and are derived from invoices.

W3.2d

Please list the inherent water risks that could generate a substantive change in your business operations, revenue or expenditure, the potential impact to your supply chain and the strategies to mitigate them

Country	River basin	Risk driver	Potential impact	Description of impact	Timeframe	Likelihood	Magnitude of potential financial impact	Response strategy	Costs of response strategy	Details of strategy and costs
South Africa	SOUTH AFRICAN WATER MANAGEMENT AREAS (WMAs)	Physical -Climate change Physical - Increased water scarcity	Reduction in revenue	Three significant climate trends have recently been observed 1. the average temperature	Current-up to 1 year	Probable	Medium-high	Increased investment in new technology New products, markets	The Nutriology® programme is part of the way that the Fertilizer division	The Agriculture division, through its Omnia Nutriology® model, has a full plan to

Country	River basin	Risk driver	Potential impact	Description of impact	Timeframe	Likelihood	Magnitude of potential financial impact	Response strategy	Costs of response strategy	Details of strategy and costs
				<p>e is increasing; 2 the average number of days with a high dew point appears to be increasing; and 3. the character of precipitation is changing. These changing weather patterns will impact crop production in four primary ways. Firstly, the long-term changes in</p>					<p>operates. The Fertilizer division is the largest of the three Omnia divisions and the operational costs are significant. These, however, cannot be disclosed publically.</p>	<p>support the pillars of modern, sustainable agriculture. This entails the use of a large team of agronomic specialists supported by competent technological services. This division, among other things: - Invests in programmes that enhance nutrient and water use efficiency. -</p>

Country	River basin	Risk driver	Potential impact	Description of impact	Timeframe	Likelihood	Magnitude of potential financial impact	Response strategy	Costs of response strategy	Details of strategy and costs
				<p>average temperatures and precipitation patterns may affect the types of crops cultivated in specific areas. Secondly, these changes can lead to an increase in pests and invasive species. Acute losses can also be expected from more frequent and intense weather extremes, such as</p>						<p>Advises on good farming practices to conserve water and prevent soil erosion. - Develops and deploys new agronomic techniques and fertilizer products that help increase crop yields. This strategy has already been implemented and is yielding benefits through assisting</p>

Country	River basin	Risk driver	Potential impact	Description of impact	Timeframe	Likelihood	Magnitude of potential financial impact	Response strategy	Costs of response strategy	Details of strategy and costs
				<p>floods and droughts. Lastly, the impacts of runoff, soil erosion and reduced infiltration from the increased intensity of storm events can negatively affect crop production. These impacts are likely to place additional cost pressures on farmers who in turn may not purchase our Fertilizer,</p>						<p>farmers to reduce their water use and costs and creating revenue and employment opportunities for staff at Omnia.</p>

Country	River basin	Risk driver	Potential impact	Description of impact	Timeframe	Likelihood	Magnitude of potential financial impact	Response strategy	Costs of response strategy	Details of strategy and costs
				leading to a reduction in sales.						

Further Information

Page: W4. Water Opportunities

W4.1

Does water present strategic, operational or market opportunities that substantively benefit/have the potential to benefit your organization?

Yes

W4.1a

Please describe the opportunities water presents to your organization and your strategies to realize them

Country or region	Opportunity	Strategy to realize opportunity	Estimated timeframe	Please explain
South Africa	Sales of new products/services	The business of treatment of water resources is one of the Group's strategies. Omnia recognise that pressure on natural water resources is increasing. This requires industry to ensure that if or when they do release water to the environment it is of a quality that meets legal requirements. Omnia is addressing this opportunity through a Protea Chemicals division in Mobeni. Protea Mobeni is a major manufacturer and supplier of specialty chemicals to the water treatment industries. Protea Mobeni produces and trades in an innovative range of synthetic organic and inorganic coagulants and flocculants focussing on liquid solid separation in the potable water, industrial water, pulp and paper and mining industries. Omnia does not publish the	Current-up to 1 year	Protea Chemicals Mobeni is already in operation and generating sales.

Country or region	Opportunity	Strategy to realize opportunity	Estimated timeframe	Please explain
		financial position of its individual operations, but it is estimated that Protea Mobeni's revenue for the last financial year was R300million, which is approximately 2% of Omnia Group's total revenue, and is thus significant.		

Further Information

Module: Accounting

Page: W5. Facility Level Water Accounting (I)

W5.1

Water withdrawals: for the reporting year, please complete the table below with water accounting data for all facilities included in your answer to W3.2a

Facility reference number	Country	River basin	Facility name	Total water withdrawals (megaliters/year) at this facility	How does the total water withdrawals at this facility compare to the last reporting year?	Please explain
Facility 1	South Africa	Vaal (WMA)	Fertilizer - Sasolburg	1377.11	Much lower	The reduction in water withdrawn is aligned with the reduction in production volumes for the year.

Further Information

Page: W5. Facility Level Water Accounting (II)

W5.1a

Water withdrawals: for the reporting year, please provide withdrawal data, in megaliters per year, for the water sources used for all facilities reported in W5.1

Facility reference number	Fresh surface water	Brackish surface water/seawater	Rainwater	Groundwater (renewable)	Groundwater (non-renewable)	Produced/process water	Municipal water	Wastewater from another organization	Comment
Facility 1	0	0	0	0	0	0	1377.11	0	Our Sasolburg operation only consumes municipal water

W5.2

Water discharge: for the reporting year, please complete the table below with water accounting data for all facilities included in your answer to W3.2a

Facility reference number	Total water discharged (megaliters/year) at this facility	How does the total water discharged at this facility compare to the last reporting year?	Please explain
Facility 1	584.33	Higher	Omnia's Sasolburg operation discharges water to the Taaibos Spruit as per their water use license conditions. Less water was re-used on site due to lower production, which led to the volume of discharge increasing

W5.2a

Water discharge: for the reporting year, please provide water discharge data, in megaliters per year, by destination for all facilities reported in W5.2

Facility reference number	Fresh surface water	Municipal/industrial wastewater treatment plant	Seawater	Groundwater	Wastewater for another organization	Comment
Facility 1	584.33	0	0	0	0	Omnia's Sasolburg operation discharges water to the Taaibos Spruit as per their water use license conditions. Less water was re-used on site due to lower production, which led to the volume of discharge increasing

W5.3

Water consumption: for the reporting year, please provide water consumption data for all facilities reported in W3.2a

Facility reference number	Consumption (megaliters/year)	How does this compare to the last reporting year?	Please explain
Facility 1	1377.11	Higher	The reduction in water consumed is aligned with the reduction in production volumes for the year.

W5.4

For all facilities reported in W3.2a what proportion of their water accounting data has been externally verified?

Water aspect	% verification	What standard and methodology was used?
Water withdrawals- total volumes	Not verified	
Water withdrawals- volume by sources	Not verified	
Water discharges- total volumes	Not verified	
Water discharges- volume by destination	Not verified	
Water discharges- volume by treatment method	Not verified	
Water discharge quality data- quality by standard effluent parameters	Not verified	
Water consumption- total volume	Not verified	

Further Information

Module: Response

Page: W6. Governance and Strategy

W6.1

Who has the highest level of direct responsibility for water within your organization and how frequently are they briefed?

Highest level of direct responsibility for water issues	Frequency of briefings on water issues	Comment
Board of individuals/Sub-set of the Board or other committee appointed by the Board	Scheduled- quarterly	The Social, Ethics and Risk (SER) committee of the board has the highest level of direct responsibility for water issues within the company. This Committee reports directly to Omnia's Board of Directors, and is chaired by an independent Non-Executive Director

W6.2

Is water management integrated into your business strategy?

Yes

W6.2a

Please choose the option(s) below that best explain how water has positively influenced your business strategy

Influence of water on business strategy	Please explain
Water resource considerations are factored into new product development	Pressure on water resources, compounded by a changing climate, has stimulated Omnia's Agriculture division to provide products and services to its farming customers who are exposed to water risks. The outcome has been the formation of a division that provides a range of specialised products and services coordinated through its pioneering Nutriology® offering, which incorporates leading-edge research and development resulting in products and services that assist customers to optimise crop yield and quality for maximised returns, while managing farming and environmental risk. In particular, this involves providing support and advice on how to conserve water and prevent soil erosion at the farm level.
Introduction of water management KPIs	Omnia has introduced a water management KPI: To reduce the amount of water used for primary activities by 15% by 2019, with 2014 as the base-line year. The outcome of this process has led to the implementation of several water optimisation projects, such as introduction of awareness campaigns such as "Stop the Drip" which resulted in minor spills being contained at source and eliminated the need to hose down spillages.

W6.2b

Please choose the option(s) below that best explains how water has negatively influenced your business strategy

Influence of water on business strategy

Please explain

Increased capital expenditure	The cost of implementing projects to optimise water usage and remain within legal discharge limits within Omnia has come at increased capital costs. This has involved the development of projects such as the container washing project at Protea Chemicals and process changes at the KZN Jacobs site to improve levels of compliance. In addition, Omnia spends R24million on potable water at Sasolburg Fertilizer as a result of stringent license conditions. The outcome is that Omnia has incurred additional operational costs, particularly at Sasolburg Fertilizer, which could have been channeled to other revenue generating opportunities.
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W6.3

Does your organization have a water policy that sets out clear goals and guidelines for action?

Yes

W6.3a

Please select the content that best describes your water policy (tick all that apply)

Content	Please explain why this content is included
Publicly available Company-wide Performance standards for direct operations Incorporated within group environmental, sustainability or EHS policy	Omnia recognises that its business has an impact on the natural environment, and in particular on water resources, and that it is the company's responsibility to avoid, mitigate, manage and limit these impacts. Water is an integral component of our environmental strategy and as such is embedded in the group safety, health, environmental and quality policy. It is important to note that the policy is for the entire company and not selected operations. To demonstrate our commitment, we have made the policy publicly available and have had it signed by the Managing Directors of the relevant business units and the CEO. Omnia's direct operations have environmental performance standards, of which water forms a part. The performance standards set for water include all stages of operation, and include setting of targets and management of legal compliance, as a minimum.

W6.4

How does your organization's water-related capital expenditure (CAPEX) and operating expenditure (OPEX) during the most recent reporting year compare to the previous reporting year?

Water CAPEX (+/- % change)	Water OPEX (+/- % change)	Motivation for these changes
-13	-15	CAPEX data is only for our largest business unit Fertilizer. CAPEX data has decreased as a number of water management related projects were in progress during F2014 and F2015 and these were completed. Only smaller projects were done during F2016 so overall CAPEX dropped. For OPEX, we consumed less potable water so OPEX dropped. In addition, we reduced the frequency of groundwater monitoring specifically at some of the sites so less OPEX was needed.

Further Information

Page: W7. Compliance

W7.1

Was your organization subject to any penalties, fines and/or enforcement orders for breaches of abstraction licenses, discharge consents or other water and wastewater related regulations in the reporting year?

Yes, not significant

W7.1a

Please describe the penalties, fines and/or enforcement orders for breaches of abstraction licenses, discharge consents or other water and wastewater related regulations and your plans for resolving them

Facility name	Incident	Incident description	Frequency of occurrence in reporting year	Financial impact	Currency	Incident resolution
Protea Chemicals Wadeville	Penalty	Non-compliance against municipal sewer discharge limits. The site currently discharges small volumes of effluent to the municipal sewer. The site's effluent has not been in compliance with the conditions required by the municipality and as such	12	55000	ZAR (R)	Protea Chemicals has proactively been managing its effluent to sewers at a number of its sites in the last two years. This included rolling out a container washing project across the division which has outsourced the washing of containers to a specialist third party who clean the remaining chemical residues and return the

Facility name	Incident	Incident description	Frequency of occurrence in reporting year	Financial impact	Currency	Incident resolution
		have been paying penalties on a monthly basis.				containers to our site for re-use. This has reduced the volume of effluent released by our sites by 50-60%. In order to address the quality of effluent the site has implemented management controls, including preventing contamination at source and installing drip trays to prevent contamination of storm water. We anticipate that by April 2016 we will be in full compliance of the municipal requirements and will not be paying further penalties. We have spent R570,000 at all of our sites to improve effluent management.
Protea Chemicals, Cape Town	Enforcement order	Non-compliance against municipal sewer discharge limits. The site currently discharges small volumes of effluent to the municipal sewer. The site's effluent has not been in compliance with the conditions required by the municipality and as such have received an enforcement notice	12	0	ZAR (R)	Protea Chemicals has proactively been managing its effluent to sewers at a number of its sites in the last two years. This included rolling out a container washing project across the division which has outsourced the washing of containers to a specialist third party who clean the remaining chemical residues and return the containers to our site for re-use. This has reduced the volume of effluent released by our sites by 50-60%. In order to address the

Facility name	Incident	Incident description	Frequency of occurrence in reporting year	Financial impact	Currency	Incident resolution
						quality of effluent the site has implemented management controls, including preventing contamination at source and installing drip trays to prevent contamination of storm water. We anticipate that by April 2016 we will be in full compliance of the municipal requirements and will not be paying further penalties. We have spent R570,000 at all of our sites to improve effluent management.

W7.1b

What proportion of your total facilities/operations are associated with the incidents listed in W7.1a

2%

W7.1c

Please indicate the total financial impacts of all incidents reported in W7.1a as a proportion of total operating expenditure (OPEX) for the reporting year. Please also provide a comparison of this proportion compared to the previous reporting year

Impact as % of OPEX	Comparison to last year
0.01	Lower

Further Information

Page: W8. Targets and Initiatives

W8.1

Do you have any company wide targets (quantitative) or goals (qualitative) related to water?

Yes, targets only

W8.1a

Please complete the following table with information on company wide quantitative targets (ongoing or reached completion during the reporting period) and an indication of progress made

Category of target	Motivation	Description of target	Quantitative unit of measurement	Base-line year	Target year	Proportion of target achieved, % value
Absolute reduction of water withdrawals	Water stewardship	Omnia underwent a process to identify and quantify water reduction opportunities (as well as energy and waste) at three of its main sites. The completion of this process involved the setting of reduction targets at a company level for the next five years from a 2014 baseline. The water reduction target is an absolute 15% reduction in water consumption against a 2014 baseline. Omnia is 20% of the way in achieving its absolute target of 1508ML (2016 actual use was 1722ML).	Other: % reduction in absolute terms	2014	2019	20%

Further Information

Module: Linkages/Tradeoff

Page: W9. Managing trade-offs between water and other environmental issues

W9.1

Has your organization identified any linkages or trade-offs between water and other environmental issues in its value chain?

Yes

W9.1a

Please describe the linkages or trade-offs and the related management policy or action

Environmental issues	Linkage or trade-off	Policy or action
Increasing use of water and impacts on biodiversity	Trade-off	The world is searching for viable forms of low carbon energy not derived from oil. In future, power will increasingly be sourced from alternatives, including biofuels. Omnia is already engaging in biofuel research and development and is well positioned to be involved in biofuel production. However, using biofuels to reduce greenhouse gas emissions may result in much greater water use because of the agricultural production required to manufacture most bio-fuels. If additional land is used beyond existing land, this may have impacts on biodiversity. If the crops produced substitute food production then there may be a further impact on food security. These issues will need to be closely investigated if Omnia does become involved in biofuels.
Reduced water consumption and reduced polluted run-off	Linkage	Improved farming practices such as more effective application of fertilizer will increase the productivity of crop yields, and also contribute to less water consumption and less polluted run-off entering local streams and rivers. R&D undertaken by Omnia shows that the scientific application of fertilizers reduces water use and associated run-off of water contaminated with fertilizer. In response to this Omnia's Agriculture division, through its proven Nutriology® offering, provides agronomic advice to customers on the conservation and efficient use of water on the farm. Omnia regards this advice as an important strategic component of its business and its policy will be to continue to do this going forward.

Further Information

Module: Sign Off

Page: Sign Off

W10.1

Please provide the following information for the person that has signed off (approved) your CDP water response

Name	Job title	Corresponding job category
Kavita Pema	General Manager: Group SHERQ	Environment/Sustainability manager

W10.2

Please select if your organization would like CDP to transfer your publicly disclosed response strategy from questions W1.4a, W3.2c and W3.2d to the CEO Water Mandate Water Action Hub.

No

Further Information