





OMNIA

Integrated Annual Report 2020

Omnia is a diversified Group that conducts research and development, manufactures and supplies chemicals and specialised services and solutions for the agriculture, mining and chemicals application industries.

Differentiation is ensured by using innovation combined with intellectual capital, whereby Omnia adds value for customers at various stages of the supply and service chain.

With its vision of leaving a **#Better World** the Group's solutions for its customers promote the responsible handling and use of chemicals for **health, safety and a lower environmental impact**, with a progressive shift towards cleaner technologies.

SUSTAINABILITY VISION

Omnia continuously strives to achieve "**zero harm, positive impact**" through responsible business practices, creating a **#Better World**.

Omnia is committed to the Sustainable Development Goals (SDGs) defined by the United Nations (UN). The Group has incorporated the SDGs into its sustainability and stakeholder engagement frameworks and has prioritised the various goals based on how the Group believes it can contribute to them.

The main focus areas include:



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How to navigate the report

Throughout the integrated annual report (IAR), the following icons are used to show the connectivity between sections:

CAPITALS	STRATEGIC OBJECTIVES	MATERIAL MATTERS
Financial	Operational effectiveness	Macro-economic uncertainty
Human	Innovative solutions	Climate change
Intellectual	Geographical expansion and acquisitions	Operational and financial performance
Manufactured		People, safety, skills and transformation
Natural		Regulatory and policy environment
Social and relationship		

Navigation icons

Indicates a reference for information available online at **www.omnia.co.za**

Indicates a page or note reference of information which can be found elsewhere in the report

Indicates metrics/area independently assured

FEEDBACK

Your feedback is important. Omnia welcomes your input to enhance the reporting processes. Please visit www.omnia.co.za or email **omnialR@omnia.co.za**.

About the report

Omnia Holdings Limited (Omnia or the company) and its subsidiaries (the Group) remain committed to reporting transparently to a wide range of stakeholders. The aim of this report is to provide stakeholders with concise and transparent information that will allow them to make an informed assessment of Omnia's ability to create value over the short, medium and long term.

Scope and boundary of the report

Omnia's IAR is published annually and provides material information relating to our strategy and business model, operating context, material risks, stakeholder interests, performance, prospects and governance, covering the year 1 April 2019 to 31 March 2020 (FY2020). Any material events after this date and up to the board approval date of 31 July 2020 were also included. Certain information is reported on a calendar basis from 1 January 2019 to 31 December 2019 (CY2019) and is indicated as such.

The report covers the primary activities of our three material operating divisions, namely Agriculture, Mining and Chemicals, which have a collective physical presence in 45 countries. Detailed information on investments in which the Group holds only a minority stake is not included.

The report is the primary communication to the providers of financial capital but also addresses the material information requirements of material stakeholders, including staff, customers, suppliers, regulators and communities.

Our reporting process has been guided by the principles and requirements of the International Integrated Reporting Council's (IIRC) Integrated Reporting <IR> Framework, Global Reporting Initiative's (GRI) standards, the King Report on Corporate Governance for South Africa™* (King IV), the JSE Limited Listings Requirements (JSE Listings Requirements), the Companies Act 71 of 2008 (the Companies Act), International Financial Reporting Standards (IFRS) and the UN SDGs.

The boundary of this report extends beyond financial reporting and includes non-financial performance, opportunities, risks and outcomes attributable to or associated with material stakeholders that have a significant influence on our ability to create value. The report includes all Group operations unless otherwise stated. *For more information on our materiality determination process, see page 13.*

For this reporting year, we have not produced separate sustainability, remuneration or governance reports. Instead, we have sought to provide stakeholders with the information that they need to assess the performance of Omnia. We believe that we have achieved this through the integration of comprehensive information of our environmental, social and governance (ESG) performance into this report. The previous environmental, social and governance report dated and published on 31 July 2019 by Omnia focused on the financial year 1 April 2018 to 31 March 2019, and there has been no material restatement of information provided in that report.

A summary of Omnia's financial performance for the year ended 31 March 2020 is included in the IAR. We have, in addition, published a separate set of AFS, which is available online.

Internal controls framework and assessment

The board, supported by the social, ethics and risk committee (SERC) as well as the audit committee, is ultimately responsible for Omnia's systems of internal control, designed to identify, evaluate, manage and provide reasonable assurance against material misstatement and loss. The Group has implemented a combined assurance model (*see page 52*), which seeks to optimise the assurance obtained from management as well as internal and external assurance providers, while fostering a strong ethical context and mechanisms to ensure compliance. Through the integrated risk management process, approved by the board, management identifies key risks facing Omnia and implements the necessary internal controls.

Board responsibility

The board, supported by the audit committee, has taken overall responsibility and accountability for this report. Executive management, assisted by a dedicated reporting team under the direction of the finance director (FD), was responsible for the preparation and consolidation of this report. The board has collectively reviewed this report and confirms the integrity of its content.

The board believes that this report is a balanced and appropriate representation of the profile, financial and operational performance of Omnia and that this report has been prepared in accordance with the <IR> Framework. Upon recommendation from the audit committee, the board approved this report on 31 July 2020.



Ralph Havenstein
Chair of the board



Seelan Gobalsamy
Chief executive officer



Stephan Serfontein
Finance director

To view the full suite, please visit **www.omnia.co.za**

IAR Integrated annual report (IAR)
The IAR is our primary report to stakeholders. It is structured to reflect the relationship between the interdependent elements involved in our value creation.

AFS Omnia Holdings Limited annual financial statements (AFS)
The AFS are a comprehensive report of the Group's financial performance and position, cash flows and changes therein for the year.

AGM Notice of annual general meeting (AGM)
The notice of AGM provides supporting information for shareholders to participate in the AGM.

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Key features of Omnia's FY2020 performance

ACHIEVEMENTS

Continued robust execution of **turnaround plan**

Oversubscribed rights issue of **R2 billion** successfully concluded

Revenue stable at **R18.7 billion** (2019: R18.6 billion)

Operating profit increased to **R789 million** (2019: R24 million)

EBITDA, excluding impairments **increased** to **R1.8 billion** (2019: R979 million)

Profit after tax increased to **R129 million** (2019: R407 million loss)

Earnings per share of **99 cents** (2019: 530 cents loss)

Headline earnings per share of **189 cents** (2019: 97 cents loss)

Level 3 B-BBEE rating

Effective response to and **management** of COVID-19

Continuous registration of **new patents and trademarks***

Successfully launched various **new products**

New offices opened in **India** and **Indonesia**

*Refer to page 94 for more information on the various research and development initiatives.

Key features of Omnia's FY2020 performance continued

IMPROVEMENTS

Independence of board

- Independent non-executive chair appointed
- **Two new** independent board members appointed

Net debt reduced

to **R1.88 billion**

(2019: R4.40 billion)

Sustainable **debt package finalised.** Net debt to EBITDA, excluding impairments, ratio down to **1.0** (2019: 4.5)

Net working capital

decreased to **R3.9 billion**

(2019: R4.2 billion)

DISAPPOINTMENTS

Increase in recordable case rate (RCR) to **0.49**

The nitrophosphate plant

was commissioned on 24 March 2019, but encountered several technical issues, many of which have now been **resolved**

CHALLENGES

Stage 6 load shedding

during **December 2019**

Cyber-attack resulted in some **disruption**



Five-year summary of operating statistics

			FY2020	Outcome	FY2019	FY2018	FY2017	Restated FY2016
Financial capital	*For more information, see page 58*							
Revenue		R million	**18 737**	✓	18 628	17 372	16 269	16 774
Operating profit		R million	**789**	✓	24	1 156	1 040	1 108
EBITDA (excluding impairments)		R million	**1 823**	✓	979	1 602	1 452	1 481
Headline earnings		R million	**237**	✓	(76)	670	590	635
Capital and reserves		R million	**9 617**	✓	7 123	7 488	7 545	7 612
Net asset value per share		Rand	**58**	×	106	108	112	114
Net interest-bearing borrowings to equity		%	**19.3**	✓	60.9	34.0	(1.2)	(3.0)
Headline earnings per share		Cents	**189**	✓	(97)	862	765	821
Dividend per share		Cents	**–**	×	75	350	340	360
Return on average equity		%	**1.5**	✓	(5.7)	8.9	7.8	9.8
Manufactured capital	*For more information, see page 70*							
Manufacturing sites		Number	**51**	≈	51	48	49	N/A
Distribution centres		Number	**58**	✓	49	49	49	N/A
Carrying amount of property, plant and equipment		R million	**5 328**	≈	5 425	4 588	4 283	4 060
Investment in property, plant and equipment		R million	**421**	✓	977	721	696	427
Segment performance								
Production volumes								
Agriculture								
Agriculture, excluding Oro Agri		Tonnes	**1 340 939**	✓	1 267 873	1 341 225	1 219 182	1 339 547
Oro Agri		Litres	**8 376 826**	✓	7 100 004	–	–	–
Mining								
Bulk Mining Explosives (BME) (AXXIS™ and Viperdet)		Units	**3 951 270**	×	4 843 370	7 269 718	3 721 874	3 935 392
BME (Innovex and Innopak) and Protea Mining Chemicals		Tonnes	**412 593**	✓	395 339	406 542	388 193	406 111
Chemicals		Tonnes	**215 434**	×	231 501	193 542	148 228	134 430
Operating profit								
Agriculture		R million	**593**	✓	370	574	436	411
Mining		R million	**356**	✓	169	343	454	526
Chemicals		R million	**173**	✓	10	163	143	171

✓ Positive ≈ Neutral × Negative

Five-year summary of operating statistics continued

			FY2020	Outcome	FY2019	FY2018	FY2017	FY2016
Human capital	*For more information, see page 82*							
Number of employees		Number	**4 426**	N/A	4 755	4 817	4 366	4 105
Salaries, wages and benefits paid		R million	**2 000**	N/A	2 041	1 780	1 470	1 476
Retrenchments		Number	**118**	N/A	115	40	118	58
Investment in training		R million	**19.2**	N/A	30.9	34.3	24.7	23.4
Safety								
Fatalities		Number	**–**	✓	–	2	–	1
RCR		Ratio	**0.49**	×	0.36	0.47	0.54	0.83
Fire, explosion and release (FER)		Ratio	**1.11**	×	0.95	0.87	0.92	N/A
Intellectual capital	*For more information, see page 92*							
Carrying amount of goodwill and intangible assets		R million	**2 579**	✓	2 488	1 363	645	569
Trademarks and patents		Number	**1 687**	✓	1 555	653	615	574
Direct investment in research and development		R million	**27**	✓	22	18	14	12
Additions to goodwill and intangible assets		R million	**93**	✓	1 425	811	117	67
Impairments to goodwill and intangible assets		R million	**110**	×	324	–	–	–
Social and relationship capital	*For more information, see page 102*							
Workdays lost due to industrial action		Days	**–**	✓	–	–	–	–
Spending on social investment[1]		R million	**20.4**	×	25.3	54.3	51.5	N/A
B-BBEE		Status	**Level 3**	≈	Level 3	Level 3	Level 5	Level 2
Discretionary B-BBEE procurement spend[1]		R billion	**6.9**	×	7.5	5.7	5.1	5.6
Enterprise and supplier development spend[1]		R million	**12**	×	16	31	11	88
Natural capital	*For more information, see page 106*							
Electricity consumed		MWh	**97 926**	×	72 052	77 397	88 767	75 831
Carbon emission (CO_2e, scope 1 and 2)		Tonnes	**624 590**	×	301 670	141 698	136 214	121 230
Water used		Million litres	**1 857**	×	1 696	1 772	1 253	1 722
Water reused/recycled		Million litres	**15**	✓	11	12	35	46
Waste reused/recycled		Tonnes	**1 266**	×	1 644	1 925	1 100	2 334
Fines, penalties and settlements		Notices	**1**	×	–	1	3	–

[1] As per the latest audited B-BBEE verification cycle.

Chair's statement

I write against the backdrop of an unfolding global COVID-19 pandemic. At our financial year-end when COVID-19 had already taken hold of a number of countries, South Africa entered severe lockdown restrictions with many nations taking similar actions. The movement of people and flow of products and services were abruptly disrupted, impacting not just economies but also human behaviour. The recovery period, it is said, could be extensive and will affect many if not all businesses. While most of Omnia's services were classified as essential services, we have not been immune to the decline in economic activity or shifts in demand and supply. As a board we will continue to monitor the situation and unpack how to respond to the impact on the Group.

In an unsettled global environment, with a myriad of moving parts, the board was determined to navigate the Group through a capital restructure, add new skills to the board, and stabilise the operations following a cyber-attack and the pandemic. Despite this turbulent year and prior challenges, I am pleased to report that Omnia has made good progress on its turnaround and has developed plans to unlock further value-generating opportunities. We hold firm in our confidence that the successful execution of the short-term stabilisation and turnaround strategy will position Omnia to achieve growth and long-term value for stakeholders.

Around the world in recent years, economic growth has been subdued due to simmering trade tensions between the United States of America (USA) and China, delays in finalising Brexit, intensifying geopolitical risks and now the added impact of the pandemic.

Omnia delivers primary chemicals and solutions for the agriculture, mining, manufacturing and fuel sectors.

The demand for agricultural products overall and AgriBio products specifically, is expected to remain robust as the growth in population numbers and demand for sustainably sourced food continues to drive the call for better crop production and protection.

In mining and blasting technology, our market-leader knowledge and integrated solutions, in partnership with local businesses in 45 global markets, have proven their worth in a higher yield of ore.

During the year, Omnia through its subsidiary Protea Chemicals, represents an international specialist chemical companies and brands in SADC and supplies specialist support in some product ranges. Specialty chemicals play an important role in flavour and fragrance ingredients, dyes and pigments, cosmetic additives, polymer additives and pharmaceutical ingredients, to name a few. The specialist chemicals industry offers attractive opportunities for companies able to implement innovative and agile solutions. Omnia has developed a deep understanding of the industry and continues to add significant intellectual property (IP) to its product and services portfolio while leveraging technology.

The year under review

The Group delivered a strong performance considering it was a year marked by poor economic growth, weakening currencies and extended periods of electricity outages in our core southern African markets, significantly impacting our customers' production and hence overall demand. Revenue remained stable with an increase of 1%. However, the diligent execution of cost-saving initiatives and higher margin products' growth initiatives improved operating profit, from R24 million in FY2019 to R789 million. The Group recorded headline earnings per share of 189 cents.



Ralph Havenstein
Chair of the board

Chair's statement continued

The decline in Omnia's share price over the past year, while impacted by a number of factors, reflected investor concern around our debt position, liquidity levels and declining growth rate. The successful conclusion of the rights issue and restructuring of our debt facilities went a long way to stabilise our financial position and reduce our gearing levels. Stabilisation of our financial position was an initial step in improving the business's performance and sustainability, and a number of other additional actions are being implemented to this end. We will evaluate during the coming year if further actions are required once we fully understand the longer-term impacts of COVID-19.

The implementation of the short-term stabilisation and turnaround strategy is well underway and has already produced cost reductions, improved working capital management and other efficiencies responsible for the Group's improved performance in FY2020. Further improvements have been identified and will be executed as we move forward. During the past year, the operations of BME were restructured to enhance both performance and profitability. Towards year-end, a process to review the operating model of the Southern African Development Community (SADC) Agriculture business commenced. The intention is to enhance the focus on manufacturing and separate this from the market-focused businesses. This will allow the manufacturer to focus on excellence in productivity and the front-facing businesses to focus on our customers providing winning solutions. This will allow more agility in responding to new economic circumstances and market opportunities, and in turn will allow Omnia to remain competitive.

The executive team has invested a lot of time reviewing our divisions and formulating the appropriate business model that will create the foundation for future growth. Omnia will finalise the Group operating model and asset base review and foster a culture of performance it requires to succeed in the "growth" phase, during which prudent capital light expansion will support the development needs of our core businesses.

Sustainability strategy

Omnia has a proud and long-standing reputation as an innovation leader in sustainable business practices. Our sustainability strategy is fully aligned with the Group's vision and overall business strategy, forming an integral part of how day-to-day business is conducted. Aligned to the UN 2030 SDGs, our sustainability strategy has set a number of ambitious medium to long-term targets that will drive our work around the issues of energy consumption, climate change, water scarcity and food security. It also reinforces a commitment to uplifting our local communities, and proactively shaping policy and ethical standards that will drive trust and transparency among our stakeholders. Our environmental efforts also enable our customers to achieve their own sustainability goals related to consumption and environmental stewardship. For example, our products assist our customers to optimise fertilizer consumption, increase soil efficiency, and reduce carbon emissions due to blasting.

We are committed to the principles of the UN Global Compact, adopting a principle-based approach in our operations. Through the SERC, the board oversees the Group's ethics and whistleblower programmes, reaffirming our belief that we can achieve positive results for our diverse stakeholders by conducting business ethically, with integrity and commercial wisdom.

Governance

We support and strive to meet the four good corporate governance outcomes as set out in King IV, namely ethical culture, sustainable value creation (performance), effective control and trust, stakeholder engagement and legitimacy.

I believe that as a governing body, the board sets the tone for the entire business. Ethical leadership translates strategy into reality and sustained value for all stakeholders. We have committed ourselves to apply the principles included in the King IV Report on Corporate Governance throughout the Group.

Executive remuneration

Through our remuneration and nominations committee, chaired by independent director Thoko Mokgosi-Mwantembe, the board has aimed to address investors' concerns around the structure and potential quantum of the total remuneration packages of our executive directors. We have done extensive work to review and update our remuneration policy, which we believe to be fair, performance-based and comparable with our peer group. We continue to pay close attention to our remuneration structures to ensure that they deliver a fair and appropriate outcome for both shareholders and employees.

Strengthening governance

As a board we have had to ensure a robust governance structure to prudently discharge our responsibilities. To this end, and as per our stated intention of strengthening governance and board independence, we appointed George Cavaleros and Bernard Swanepoel as independent non-executive directors during the year.

A special word of thanks to Frank Butler, with whom I had the privilege to serve on the same board since I joined. Frank will retire at the next AGM after 18 years of serving on the board and providing guidance as chair of the SERC. His business acumen has made a significant contribution to the balance of the board.

Adriaan de Lange resigned in August 2019 after 16 years with the company. I would like to thank Adriaan for his invaluable service to the Group and wish him well in his future endeavours.

Seelan Gobalsamy was appointed as the chief executive officer in August 2019. Seelan was previously a non-executive board member of Omnia before taking the role of the finance director. He was instrumental in both our capital and debt restructure as well as the rights issue. He has driven the stabilisation and restructure of our business during Omnia's most difficult times. Stephan Serfontein, previously the finance director at our Agriculture International business, was promoted into the role of finance director from 1 March 2020.

Appreciation

I am grateful to my fellow directors for their wise counsel and support during a particular difficult year. I wish to acknowledge the substantial additional time and effort they spent on responding to the issues we faced building the company's resilience for the future.

On behalf of the board, I wish to thank Seelan and his executive team, who are delivering value and the necessary change across the spectrum of the business. I also would like to express my gratitude to everyone who is working for Omnia during these unprecedented times. Many thanks are also due to our shareholders and other stakeholders for their ongoing engagement and support.



Ralph Havenstein
Chair of the board

Statement of the chief executive officer

The robust execution of our turnaround plan has achieved Omnia's return to profitability. The excellent results achieved thus far provide the foundation for long-term sustainable value creation, enhancing efficiencies and optimising returns. This approach remains especially critical given the significant structural changes in our sectors and the uncertainty created by COVID-19.

In a PwC Global Crisis Survey (2019), respondents listed liquidity issues, technological failure, and operational disruption as the top three most disruptive crises faced which they were most worried about. At Omnia we experienced and had to manage all three scenarios within the past and current financial year – the liquidity issue which led to a rights issue and debt restructure, followed by a ransomware cyber-attack, and then the significant storm of COVID-19 which has disrupted global supply chains and changed the way business is conducted across the world. In addition, we had management changes on CEO and FD level, and new board appointments strengthening the leadership of the company. Overall, this added to the unusually challenging and dynamic external environment marked by low commodity prices and significant electricity disruptions in South Africa.

Developing, adapting and implementing an effective turnaround, renewal and growth strategy is both a challenging and rewarding process. It requires great agility, meaningful collaboration, and decisiveness at managerial and operational levels. Our team has delivered on the short-term stabilisation of Omnia's balance sheet and embarked successfully on the execution of the turnaround plan which includes reducing costs thereby increasing margins, effectively managing working capital down and lowering capital expenditure.

Changes to the SADC business model have also been initiated to create customer-focused solutions businesses and a separate manufacturing unit, focused on supply chain and production excellence. We have taken decisive actions to improve efficiencies and respond to market needs to support Omnia's performance in the future.

The unprecedented disruptions since the start of the year have added to the headwinds facing our businesses, but mostly my heart goes out to those whose lives and livelihoods are threatened by the outbreak of COVID-19. Against this backdrop, we remain focused on ensuring safety, continuing our prudent cash management strategy and the disciplined execution of the turnaround plan, positioning Omnia for an environment of global economic decline, as well as less predictable social and climatic conditions in the sectors we service.

Safety and sustainability first

Protecting the welfare of employees and suppliers leads to healthy morale and improved productivity. A proven safety record is an imperative in the procurement of work in some of our key markets, such as mining. While BME achieved a low RCR of 0.15 and PMC closed the year without any incidences, the rest of the Group drove the Omnia Group RCR up to 0.49 (33 incidents) versus 0.36 (30 incidents) in the previous year. The fire, explosion and release (FER) rate, taking into account minor to serious incidents, also deteriorated to 1.11 (2019: 0.95). We have communicated and initiated strict protocols to improve our safety record.

Since the start of COVID-19, we have continued to deliver essential services, including primary chemicals and solutions for the agriculture, mining, manufacturing and fuel sectors which



Seelan Gobalsamy
Chief executive officer

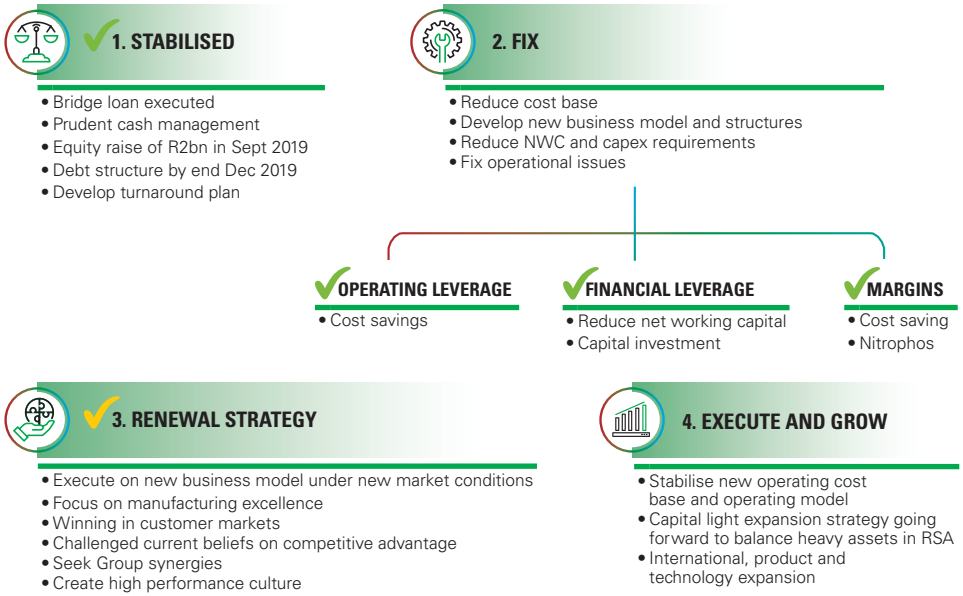
Statement of the chief executive officer continued

play an essential role in food security, economic stability and the livelihoods of people globally. We continue to take extensive measures to ensure the welfare of our people and partners around the world, while delivering essential services to our customers. Omnia's internal policies and risk management practices are constantly reviewed and updated to ensure that these continue to align to the rapidly evolving health and economic situations.

Omnia aims for a high standard of environmental protection in all of our operations and especially in every phase of the manufacturing process. We seek to do this by rigorously applying the best practice principles of environmental management. A key focus area for us going forward is to reduce our carbon emissions. In order to reduce GHG levels by more than 90%, we are implementing latest available technology at the Sasolburg plant and replacing the catalysts at the EnviNOx™ facilities of the nitric acid plants.

The year in review

In our results presentation 12 months ago, we set out a strategy to firstly stabilise our balance sheet, and secondly, to focus on a turnaround plan to fix and renew the organisation, while exploring new growth opportunities once the turnaround is well underway.



We have made solid progress along this strategic path.

At the beginning of the last financial year, we had to secure a bridge loan of R6.8 billion. We then raised R2 billion through a successful rights issue and concluded with lenders a R4.8 billion structured debt facilities to stabilise the balance sheet and term out the bridge loan. In hindsight, this robust execution was fortunate timing as during and after COVID-19 this may have been exceedingly difficult to implement. Our investors supported us fully through this capital restructure by underwriting the rights issue, which was oversubscribed.

In parallel we focused on the operational turnaround addressing cost reduction, effectively managing working capital and ensuring a return on capital previously invested. As a result of our prudent cash management strategy, we achieved strong earnings growth and reduced net debt to R1.88 billion (2019: R4.40 billion).

Operating costs have been reduced by R191 million on a sustainable annual basis with further reductions expected from business model optimisations and cost reductions across the Group this year. BME concluded its restructuring in response to industry's challenges creating margin pressures; however, the benefit thereof will only be realised in FY2021. It is anticipated that the refocusing of the Agriculture business, business model optimisations and process improvements currently underway, will yield some cost savings in FY2021 and more in FY2022.

Net working capital reduced to R3.9 billion (2019: R4.3 billion). The improvement in working capital relates to a change in the inventory purchasing profile, lower average inventory holding across the Group and better management of payables. Foreign debtor balances reflected an increase due to the sharp deterioration in the Rand/US Dollar exchange rate at year-end. In addition to this, March is typically peak season in Agriculture Biological and as a result, debtor balances will increase in line with the increase in revenue.

Having concluded a heavy capital cycle in FY2019, net capital expenditure (capex), excluding capital allocations for intangibles, for the period decreased to R421 million (2019: R977 million), roughly R100 million below budget. The comparative period included capex for the construction of the nitrophosphate plant, the acquisitions of Oro Agri and Umongo Petroleum, as well as investments made in IT systems. Creating good returns on these investments is a high priority for the management team.

A key issue to address operationally was the benefit generation from the new nitrophosphate plant which began production in March last year as planned. Some design failures caused a delay in ramping up the plant, hence the anticipated benefits for FY2020 have not materialised. The design issues have been addressed and, recently, we achieved over 80% of the instantaneous design capacity. A ramp-up of production to over 60% of annual capacity is expected in FY2021.

From a business unit perspective, our international businesses all performed well during the year, with revenue from sources outside South Africa contributing 36% in FY2020 (2019: 30%) and overall operating profit from international operations increased by R338 million. Our International Agriculture Biological businesses, with production facilities in Australia, Brazil, Portugal, the USA and South Africa, have expanded their product ranges and market footprint to new geographies, maintaining strong margins as demand for biostimulants such as humates and other AgriBio products remains healthy across all markets. BME has ramped up operations in several new countries, including a manufacturing plant in Indonesia.

Both acquisitions of FY2019, Oro Agri and Umongo Petroleum, performed well during the year. Oro Agri increased operating profit to R208 million (2019: R105 million for the 11-month period since acquisition), having finalised distribution agreements in new markets as well as a number of registrations across the world, strengthening its product base. Oro Agri's research and development pipeline is strong, including products designed for post-harvest crop protection. Our AgriBio business in Australia, manufacturing and distributing specialty fertilizers including humates, fulvates and seaweed products, has grown its Brazil operations and also expanded its export footprint, thereby increasing revenues and profits.

Statement of the chief executive officer continued

Umongo Petroleum's net revenue increased by 10% to R1 315 million (2019: R1 193 million), largely due to growth in additives. Excluding the effects of foreign exchange rate movements, operating profit increased by 15% to R71 million (2019: R62 million). However, the sharp deterioration in the exchange rate at year-end resulted in a mark-to-market unrealised foreign exchange rate loss of R8 million (2019: R16 million gain), which decreased final operating profit by 19% to R63 million (2019: R78 million). The fuel sector in which Umongo Petroleum operates has experienced increased volatility and risk due to COVID-19 dynamics, resulting in unprecedented forecasting uncertainty. Consequently, a detailed reassessment of projected cash flows and underlying key assumptions resulted in an impairment of goodwill of R105 million. Despite various economic challenges, we expect Umongo Petroleum's performance to outperform its market peers due to its portfolio diversification (petroleum specialty products including additives and base oils) and increasing sub-Saharan African market share. We have confidence in the Umongo Petroleum management team and believe that the business is well placed to respond effectively to market changes.

Disappointingly, our asset-heavy South African-based businesses, despite improved agronomic conditions, timely rain, good volumes, prudent cash management, and much pain experienced in optimising their business models, are still barely profitable. Margin pressures arose from sustained low international commodity prices, increased competition and above-inflationary cost increases. The extended electricity shortages during late 2019 and January 2020 also negatively impacted production recoveries and closed many customer operations, hence reducing demand in the mining and chemicals sectors. Decisive management actions to improve efficiencies across the businesses have been taken and this will continue into FY2021.

The Mining and Chemicals divisions finalised their operational efficiency initiatives over the past year and Agriculture also recently began its optimisation process. However, it will take the continuous execution of the turnaround plan, together with new market-facing strategies, to put these businesses on a stronger footing.

The financial year ended with a cyber-attack and the emergence of COVID-19. Our leadership team adapted to the new reality with agility and is proactively addressing the crisis in its various impacts, so that we may rise from this experience adjusted to new ways of working, having maintained strong relationships with our customers, and a strategy to unlock growth opportunities.

People, diversity and stakeholder commitment

At the core, Omnia's strength lies in our talented people. It is a privilege to lead Omnia's employees around the world who work every day to earn our customers' trust and help them succeed. Our people focus has intensified with the implementation of our strategy as new competencies, and increased diversity, are required to achieve our ambitions. As at 31 March 2020, Omnia had 4 426 (2019: 4 755) employees and fixed-term contractors worldwide, 3 240 (2019: 3 489) thereof are employed in South Africa. With 73% black employees, a highly diverse shareholder base, and strong procurement discipline, we maintained the level 3 B-BBEE status and are working towards level 2. To achieve this, we are committed to seek opportunities to promote from within and to bring external people onboard to enhance our diversity. We are in the process of changing our demographic profile across all management levels to allow for inclusive and diverse decision making. At ownership levels we are creating a five-year plan that will change our profile in the local environment as well as abroad. This entails localisation to remain relevant and sustainable in countries requiring or advocating for partly local ownership structures.

Due to Omnia's declining performance since 2015, our long-term employee share schemes were not creating value as anticipated. We have terminated most of these in favour of implementing new share plans and a revised remuneration strategy that are aligned to today's environments and operating focus. This is something we are still working on and hope to complete in the current year.

We are committed to engage meaningfully with all stakeholders, specifically with our loyal and growing customer base in agriculture, mining, manufacturing and the fuel sector, with investors holding or considering our equities, as well as our business partners across the world. Our stakeholder base also includes industry forums, government, and those collaborating to take action against environmental damage leading to climate change and natural disaster. We remain firmly focused on our carefully managed approach to the environment, where we see an urgent need for sustainability measures to lessen the effects on our planet. Initiatives are driven across all divisions to ensure better operating practices, which are also closely aligned to our efficiency drive to ensure delivery of better performances in our businesses.

Looking forward

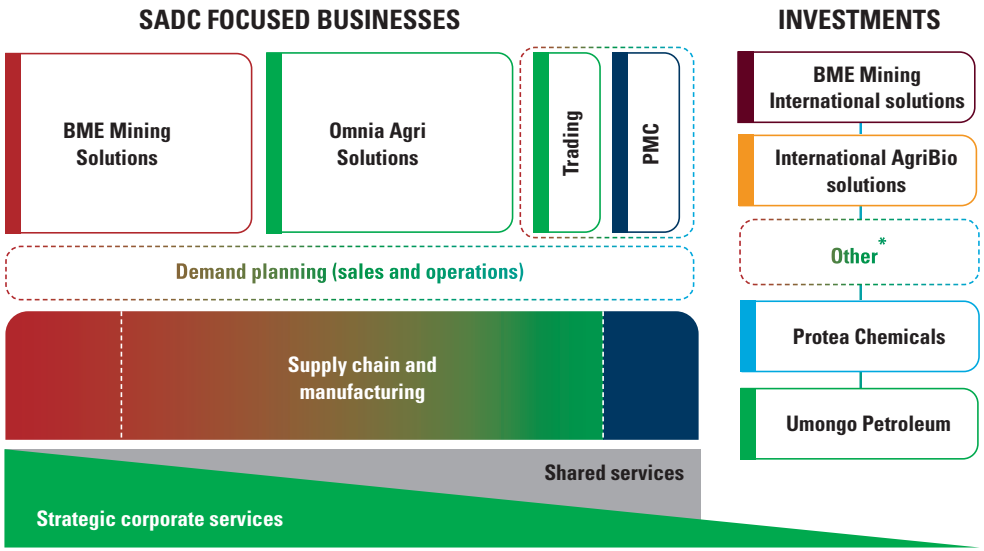
At Omnia we make an impact in society by protecting lives and creating sustainable livelihoods. We protect lives by working with our suppliers and customers to create security of food supply, mineral sources, potable water, sanitising and hygiene products among others. We create sustainable livelihoods through large-scale employment and our contribution to economic growth in labour-intensive sectors such as mining, agriculture, manufacturing and energy. In this pursuit, we always act in an environmentally responsible manner, look out for every employee and the communities we work in, and encourage individual growth and diversity in all aspects across the Omnia family.

Our immediate strategy is focused on winning in our markets with propositions and innovations that create real value for our customers across the world. Our priority will always be the service to our customers, many of which have supported Omnia through decades. This focus is followed by creating returns on the capital investments made previously in acquisitions, manufacturing and technology, before we can begin our journey to unlock growth and expansion opportunities both in SADC and globally. Our operational attention will remain on the wellbeing of our people, process and cost optimisation, and on strengthening leadership to drive a culture of performance across the Group.

Our new operating model has the aim to consolidate our business in our Southern African markets and separate businesses that need investment to achieve their potential and provide the Group with strategic optionality. The solutions businesses are focused on winning in front of the customer, driving product innovations, digital solutions, service excellence, brand leadership and knowledge transfer to customers. Our core responsibility is to earn and sustain the trust of our customers. Trust begins with our commitment to shared success and prosperity. Our customers want a partner whose business model is fundamentally aligned to their success and this is what we are driving in our design.

The manufacturing operations will drive production and supply chain excellence, thereby reducing product cost, lowering our carbon footprint and enhancing the safety and wellbeing of our most people intensive business arena.

Statement of the chief executive officer continued



* Other refers to potential business expansions over time.

As we embed the new operating model, we are leveraging the full benefit of the Microsoft Dynamics ERP investment made by implementing process automation and shared services across businesses, further strengthening our control environment, and creating more transparency on Group and governance cost.

The operating model change led to new governance structures and shifts in management. These are in a process of being bedded down and have already reduced a historically entrenched silo mentality, increasing collaboration across businesses and leaders. Under the guidance of our newly appointed human resources director, we have embarked on a culture journey towards divisional cooperation, operational excellence and higher accountability.

In pursuit of optimising and growing our Agriculture business, we have strengthened the leadership with a number of executives until the turnaround plan and growth strategy is fully executed.

Omnia creates innovative technical products and services, with the aim to provide our customers with insights that can substantially benefit their operations. As a result, the Omnia Group today is a leader in advanced soil and plant nutrition, biocontrol and biostimulant products, blasting services leveraging our cutting-edge electronic detonator AXXIS™ coupled with sophisticated blasting software, and potable water treatment, to name a few. We are continuously investing in research and development activities and hold 1 687 trademarks and patents across the world. Currently, 263 trademarks and patents are pending registration. Our Agriculture division recently secured a prestigious, multi-million global research grant in collaboration with the University of Edinburgh and the African Centre for Gene Technologies. This grant, which aims to boost agriculture productivity and enhance commercial outcomes sustainably, is testament to our capabilities as a forward-looking and innovative Group of businesses.

We deliver customer-centric solutions that leverage our core competencies in nitrate and granulations manufacturing as well as our deep understanding of the mining and agriculture value chains, while optimising our assets to ensure that we are a reliable and cost-effective supplier that partners for sustainable business. Living up to this commitment has won BME a number of new contracts, locally and internationally, which due to their long-term nature create sustainable returns. BME's success is built on strong trust relationships with customers and on mine operational level, technology advantages, solid safety track record, supply security including agility and mobilisation speed, as well as our product differentiation.

The Group has a strong competency in expanding into Africa, with operations in west, east and southern Africa, and will continue to seek opportunities on the continent. However, increasingly our focus is on expanding in international markets that have a defined growth potential, are a strategic fit with the Group and provide an opportunity to leverage the Group's IP to achieve scale.

Omnia's future success will demand consistent improvements across our businesses and the ongoing commercialisation of innovations from our research and development pipeline.

Underpinning this will be a continued focus on safety, with the application of rigorous controls and compliance measures. We believe we have a good platform to deliver long-term, sustainable value for our shareholders.

The response to COVID-19 gave rise to a rapidly changing operating environment, but our commitment to trusted performance, innovation, and contribution towards a **#Better World** remains highly relevant. We set out to become more operationally effective; innovate and develop integrated customer solutions; and seek growth in new markets through geographic expansion. This is underpinned by ensuring a safe and sustainable environment for our employees and all communities in which we operate. Safety is embedded as a core principle in all aspects of our operations. Our fight against COVID-19 demands a greater responsibility from every individual and organisation to maintain the strict discipline of social distancing and observance of hygiene protocols.

While we anticipate that the year ahead will remain challenging as the impact of COVID-19 further unfolds, the Group begins the year in a much stronger position. Our balance sheet has improved significantly, and we are better positioned to absorb external shocks. Our turnaround plan is yielding positive results and as we enter the next phase, we will continue our efforts to enhance the delivery from our operating assets, embed the new operating model, strengthen controls, deliver cost savings and ensure that we have the optimal portfolio and geographic diversification to manage the risks arising from the cyclical nature of our business.

Appreciation

The performance in FY2020 reflects the dedication and teamwork of our people and I believe we are well placed to deliver on our strategy and purpose. I thank every employee for their commitment, for truly showing up and taking accountability for improved performance. I am also profoundly grateful for my colleagues on the executive team and the Omnia board for their support and guidance during this challenging year. My appreciation also goes to our shareholders and business partners for their continued support.



Seelan Gobalsamy
Chief executive officer

How we create value

By evaluating our OPERATING CONTEXT…

Operating context *See page 41*
The geographically diverse environment in which Omnia operates impacts the speed of execution of our strategy.

Stakeholder engagement *See page 47*
Omnia adopts a stakeholder-inclusive approach that seeks to balance the needs, interests and expectations of material stakeholders over time.

Material stakeholders

- Customers
- Employees and unions
- Providers of capital and investment community
- Suppliers
- Regulators
- Communities
- Industry associations and bodies
- Special interest groups, forums and organisations

Risks and opportunities *See page 52*
Omnia's strategy is impacted by risks and opportunities that could materially impact the delivery of value to our stakeholders. The main purpose of risk management is to adequately position the organisation to identify, understand and respond to potential risks and opportunities.

…and considering our MATERIAL MATTERS…

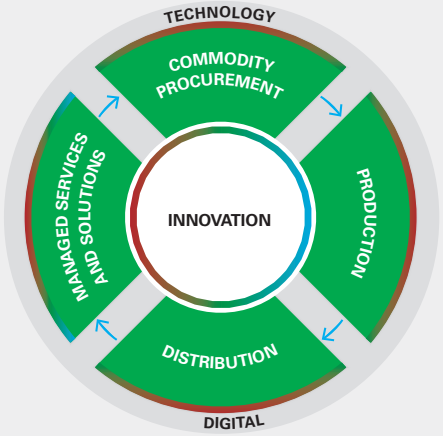
By analysing the risks and opportunities identified in the operating context and the stakeholder engagement process, the Group has determined which matters are most important to Omnia's value creation over the short, medium and long term. These matters form the anchor of the content throughout this report.

- Macro-economic uncertainty
- Climate change
- Operational and financial performance
- People, safety, skills and transformation
- Regulatory and policy environment

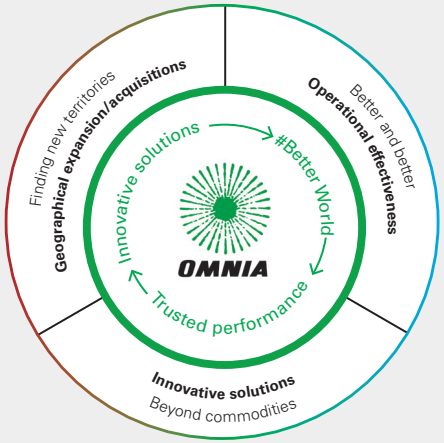
See page 13 for the discussion on material matters

…we deliver VALUE-ADDING ACTIVITIES AND EXECUTE OUR STRATEGY…

Business model
See page 17
Omnia's business model is designed to actively manage activities and impacts to ensure that the Group enhances positive outcomes, while minimising negative outcomes, thereby sustaining value for all stakeholders.



Business strategy
See page 19
Omnia's strategy keeps it focused and sets a clear path to deliver sustainable value over the short, medium and long term across our various business segments.



… to CREATE VALUE for our stakeholders

The Group's purpose is to create value for customers, shareholders and other stakeholders. Omnia uses financial and non-financial key performance indicators (KPIs) to measure the achievement of strategic targets over the short, medium and long term.

Desired outcomes

- **Sustained returns to providers of capital**
- **Engaged and stable workforce**
- **Deliver differentiated products and solutions to customers**
- **Preferred business partner for suppliers**
- **Recognised as ethically, socially and environmentally responsible**

See page 22 for more information on our performance in the year

Governance *See page 26*
Omnia is committed to the highest standards of business integrity and ethics. Governance is integrated into the way we operate, so that we are accountable and responsible to all stakeholders.

Material matters

In determining material matters, Omnia considers all aspects which have, or may have, an effect on our ability to create value. This is determined by considering the effect on Omnia's strategy, governance, performance or prospects. Omnia's success will be measured by how well we manage these issues while retaining focus on longer-term goals.

Defining material matters

The materiality process aims to ensure that societal, environmental and economic issues that present risks and opportunities to Omnia are identified, while considering issues of salient concern to external stakeholders.

Identify

- Business context assessments conducted using the political, economic, sociological, technological, legal and environmental (PESTLE) approach
- Initial formal assessment accompanied by element-based strengths, weaknesses, opportunities and threats (SWOT) analysis
- Further in-depth analysis and contextual assessment required to be completed
- Adequate engagement with external stakeholders to understand expectations needs to be undertaken

For more information on stakeholder engagement, see page 47

For more information on the operating context, see page 41

For more information on Omnia's risks and opportunities, see page 52

Prioritise

Based on analysis, prioritise key matters that impact, or may impact, Omnia's ability to create value. The process involves both senior management and those charged with governance

Respond, report, monitor and review

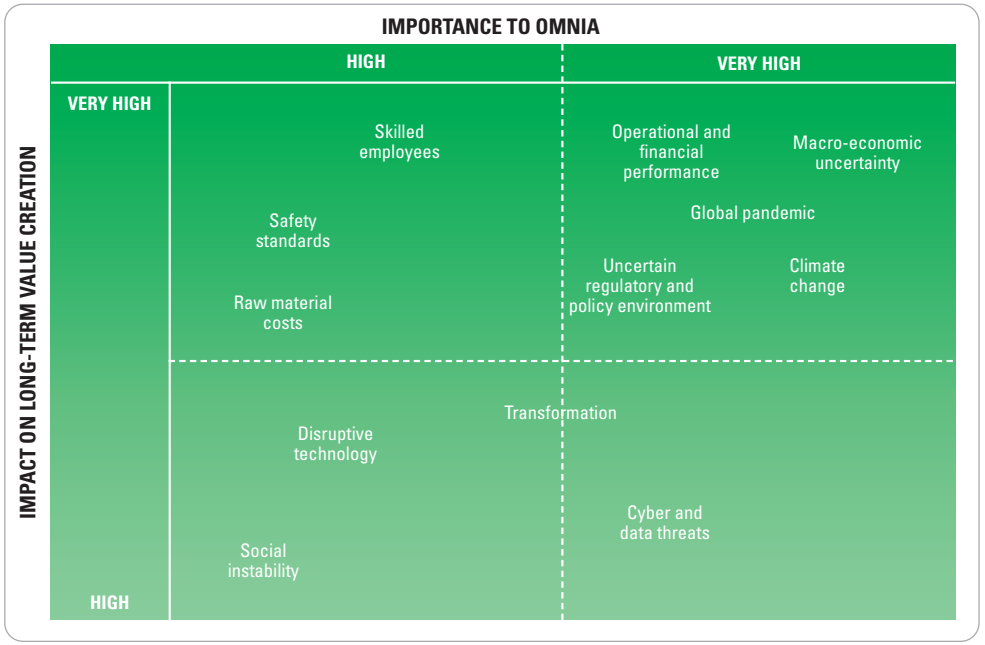
Material matters are considered and integrated into Omnia's strategy and key performance indicators developed and cascaded throughout the Group and, where appropriate, included in incentive structures

Performance assessed on an ongoing basis and, where appropriate, remedial action taken

For more information on the Group's strategy and short, medium and long-term priorities, see page 19

Materiality matrix

The materiality matrix focuses on materiality aspects which range from high to very high.



Our material matters

Following the prioritisation of material topics, Omnia identified five material matters which have the potential to significantly impact the business:

Macro-economic uncertainty	Climate change	Operational and financial performance	People, safety, skills and transformation	Regulatory and policy environment

For more information on our material matters, see our operating context (page 41), risk and opportunities (page 52) and our capitals in the performance section on page 58.

Organisational overview

About Omnia

Core purpose: To deliver trusted performance and innovative solutions that leave a **#Better World.**

Core beliefs

Omnia believes in building a better future by:

• Proudly building on our heritage • Creating a safe and sustainable world • Leading with integrity, trust and respect • Caring for, supporting and empowering our people • Passionate and engaged people • Embracing diversity • Pioneering, learning and innovating • Adding value to our customers and other stakeholders • Working and growing together • #Better starts with each employee

To achieve our purpose, Omnia aims to:

OPERATIONAL EFFECTIVENESS

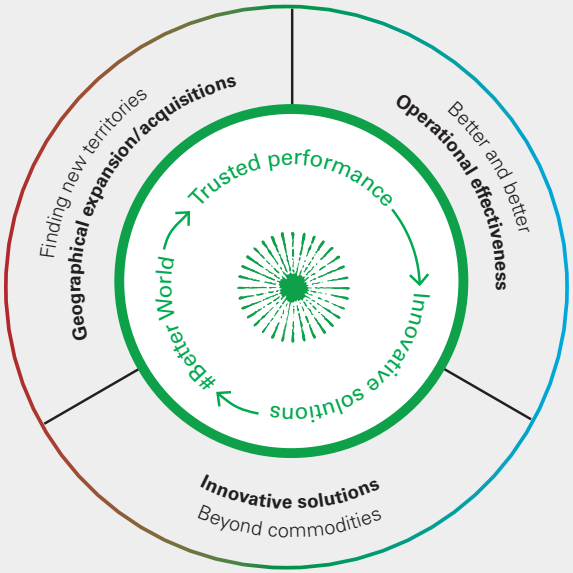
Become more operationally effective every day. We will drive continuous improvement to boost the productivity of our people and enhance our service offering for our customers.

INNOVATIVE SOLUTIONS

Innovate and develop integrated solutions beyond our existing commodities; we will leverage our differentiated products and services towards specialised, commercialised solutions, to deliver true value to our customers.

GEOGRAPHIC EXPANSION AND ACQUISITIONS

Explore growth in new markets through geographic expansion and acquisitions.



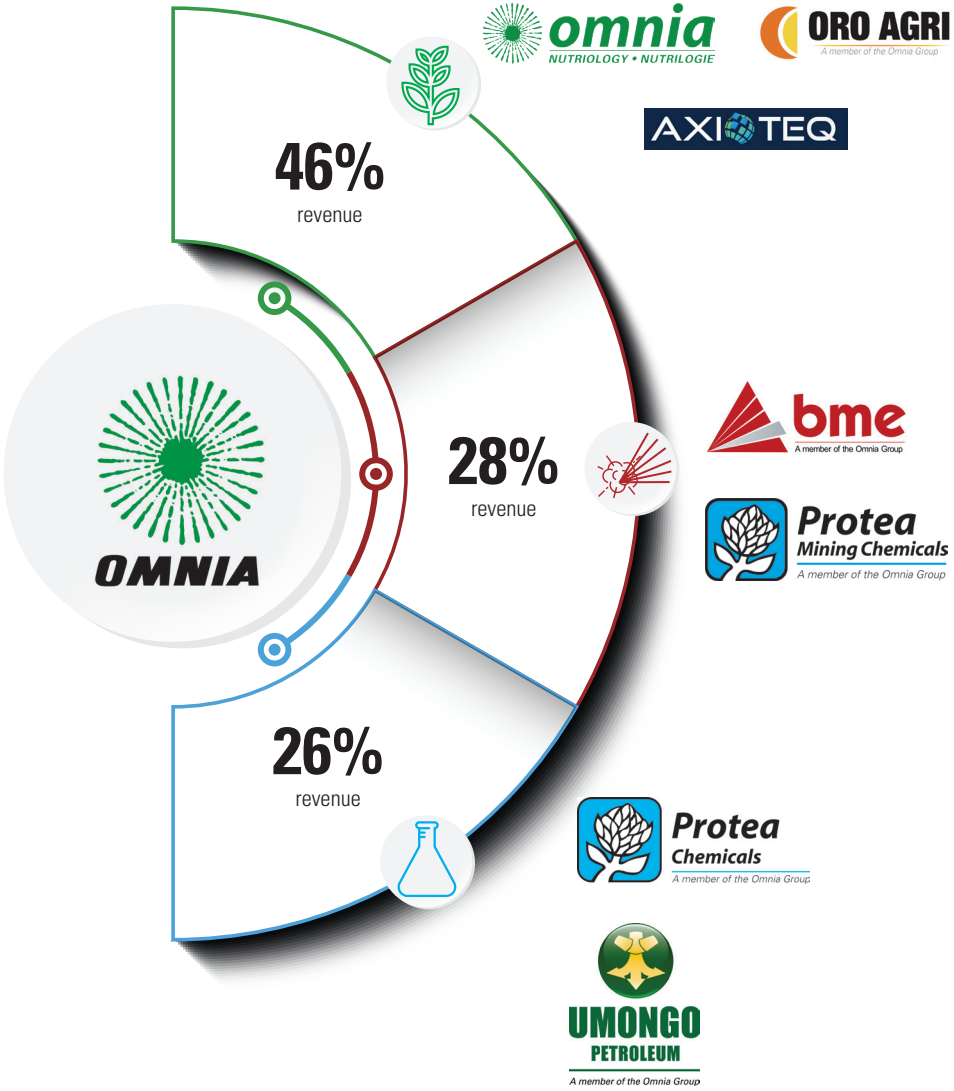
Guiding principles

The successful implementation of our strategy is largely dependent on the consistent adherence to a set of guiding principles aligned to our strategy:

Trusted and respected | Zero harm, positive impact | Engaged and empowered people | Collaborative solutions | Leveraged knowledge and capabilities | Technology enabled | African heritage, global reach | Optimised performance and assets

Organisational overview continued

Operating divisions



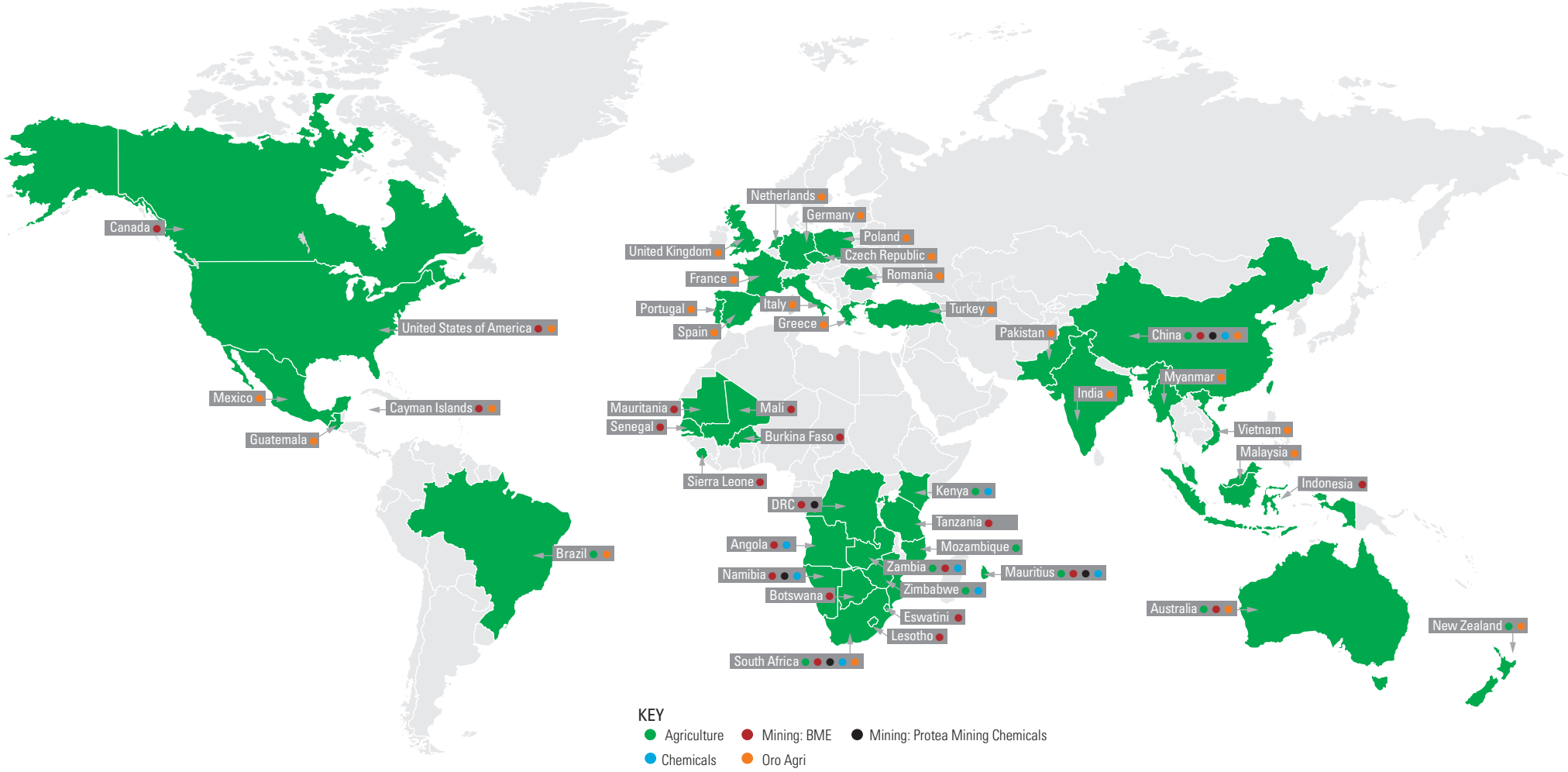
Core competencies and proven competitive advantages

State-of-the-art manufacturing capabilities	Long-term customer relationships	Safe and sustainable environment practices
• R5.3 billion carrying value of investment in 51 manufacturing, blending and packaging plants across the globe • Producing in excess of 2 million tonnes of high-quality fertilizer, emulsion and other chemical products per annum • State-of-the-art nitrophosphate plant commissioned in FY2019, allows deeper integration into the value chain • Producing agriculture biological (AgriBio) products in four regions, namely South America, Europe, Australasia and southern Africa • 1 687 trademarks and patents	• Agriculture: Highly loyal customer base of large farming operations and co-ops secure more than 50% of our agriculture revenue annually • Mining: Strong and long-standing customer relationships supported by contracts that typically span five years in duration • In both core market segments Omnia provides knowledge and integrated solutions beyond our own products that create proven higher yield of crop or ore	• Implementing world-class technology in greenhouse gas (GHG) abatement • Integrated solutions for sustainable and responsible food production • Omnia's biological business – Oro Agri marked the Group's move towards biosolutions • BME holds an enviable track record of safety at mining sites • Oil in the Mining division is reused (oil gathered from multiple sources including mining customers) as a raw material in explosives production, thereby eliminating the need for those entities to dispose of their used oil • We introduced dual-salt – ammonium nitrate and calcium nitrate (AN/CN) – cold emulsion products which, when detonated, virtually eliminate NOx emissions thereby reducing our customers' carbon footprint.
Strong market position in agriculture	**Market leader in blasting technology**	**Balanced portfolio to mitigate volatility**
• Innovative Nutriology® approach – the science behind soil, plant and farm health – maintains market leadership in agriculture IP and technology in southern Africa • Granular, liquid and specialty Omnia fertilizers • AgriBio products including Oro Agri biocontrol products and Omnia Humate biostimulants • Reliable, high-quality bioresources • Forerunner in biomolecular engineering	• Supplier of stable and longer lasting emulsion – unmatched quality in the market • State-of-the-art patented detonators (AXXIS™) with related accessories • Safe blasting services • Ore processing products and solutions for the mining industry • Market leader in southern Africa and operating in 45 global markets and in some markets in partnerships or in collaboration with local businesses	• Businesses that offset volatility of mining and agriculture markets, creating more stable returns • Market leading distributor of specialty, functional and effect chemicals, polymers as well as bulk volume base oils, additives and lubricant products • International partnership to commercialise Omnia's IP • Exclusive operating partnerships with international blue-chip companies

Organisational overview continued

Geographical overview

PHYSICAL PRESENCE IN **45 COUNTRIES** WITH **4 426 EMPLOYEES**



Organisational overview continued

Business model

Value is created by applying innovation and application of advanced technologies in the research, development, manufacturing and distribution of products as well as the provision of advisory and analytical services in the agriculture, mining and chemicals sectors.

INPUTS
Resources we rely on

Financial capital
See page 58

- Share capital and reserves of R9 735 million
- Debt raised during the year of R1 648 million
- R3.7 billion available in term debt and revolving credit facilities
- Net cash and cash equivalents of R1 267 million

Human capital
See page 82

- Total workforce of 4 426
- Strong core belief systems and a performance-driven culture

For additional information see page 24

Intellectual capital
See page 92

- Technical know-how, including engineers, agronomists, scientists and computer/software programmers for digital solutions
- Registered trademarks, patents and designs
- Ethical and effective leadership
- Optimised risk management
- 148 agronomists

For additional information see page 24

Manufactured capital
See page 70

- Property, plant and equipment of R5.3 billion
- 31 manufacturing, blending and packaging plants in South Africa and 20 internationally
- 55 distribution centres across the world
- 104 engineers

Natural capital
See page 106

- 75 332 MWh electricity consumed
- 1 857 million litres of water used

For additional information see page 24

Social and relationship capital
See page 102

- Signatory to Responsible Care®
- Active participation in public policy forums
- Ongoing engagement with government and regulators

For additional information see page 24

CHALLENGES

- High-gearing levels
- Volatile commodity market and raw materials costs
- Uneven growth in global and local economies, trade war
- Adverse weather conditions

- Maintaining labour engagement
- Improving safety performance

- Shortage of experienced agriculture and chemicals-related skills and talent
- Pace of change requires increased focus on innovation and generation of IP to stay ahead in a competitive environment
- Cost of digitisation and new product development

- Capital requirements for growth
- Slow ramp up of new nitrophosphate plant

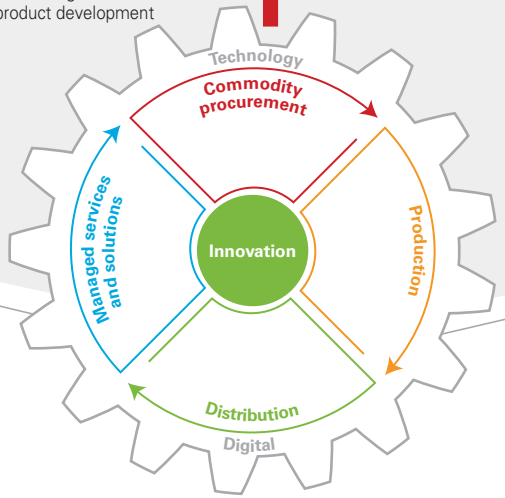
- Cost and availability of a reliable source of electricity
- Long-term availability of water

- Expectations of communities for employment and skills development opportunities

BUSINESS ACTIVITIES AND OUTPUTS

Commodity procurement: Sourcing of raw chemicals and material in bulk from across the world.

Applying intellectual capital and technologies in the **production** of innovative value-added products and services.



BUSINESS ACTIVITIES AND OUTPUTS

Leveraging our **distribution** network to ensure the safe and cost-effective delivery of products.

Offering **managed services and solutions** to our customers.

Organisational overview continued

OUTPUTS
Products

Agriculture

- **Omnia Nutriology™:** Ammonium nitrate-based fertilizer (granular, liquid, direct application ammonia) specialty fertilizers, AgriBio products, farming research and development (R&D), and retail
- **Oro Agri:** Biostimulants, adjuvants, crop protection products
- **Innofert:** Trading
- **Axioteq:** Consulting analytics services

Mining

- **BME:** Bulk emulsion, packaged explosives, initiating systems, blasting accessories detonators
- **Protea Mining Chemicals:** Chemicals for mining industry, value-added services

Chemicals

- **Protea Chemicals:** Chemicals supply chain management (representing global companies in South Africa and Africa) Specialty chemicals
- **Umongo Petroleum:** Lubricants, additives base and process oils
  - o Distribution partner to global oil companies
  - o Advanced technology through Chevron

OUTCOME FOR OUR STAKEHOLDERS

FINANCIAL IMPACT

Providers of capital

- Earnings attributable to shareholders
  R129 million
  (2019: loss of R407 million)
- Return on average equity
  1.5%
  (2019: 5.5% loss)
- Free cash flow
  R963 million generated
  (2019: outflow R1 748 million)
- Direct investment into R&D
  R27 million
  (2019: R22 million)
- Credit rating
  Long term: **BBB-**
  Short term: A3
  (2019: long term: BBB-, short term: A3)

SUSTAINABILITY IMPACT

Employees

- Fatalities
  Zero
  (2019: zero)
- Total GHG emissions
  624 590 tonnes
  (2019: 301 670 tonnes)
- B-BBEE status
  level 3
  (2019: level 3)
- RCR of
  0.49
  (2019: 0.36)
- Total water reused/recycled
  15 million litres
  (2019: 11 million litres)

VALUE DISTRIBUTED

Providers of capital, employees, communities

- Wages and benefits paid
  R2.0 billion
  (2019: R2.0 billion)
- Socio-economic development spend (excluding emerging farmer programme)
  R2.7 million
  (2019: R2.8 million)
- Preferential procurement
  R6.9 billion
  (2019: R6.7 billion)
- Dividends paid
  Rnil
  (2019: R153 million)
- Training spend
  R19.2 million
  (2019: R30.9 million)
- Taxes (direct and indirect) paid to the South African government
  R83 million
  (2019: R73 million)
- Finance cost
  R572 million
  (2019: R481 million)

Organisational overview continued

Our value-based strategy

Business turnaround plan

In developing Omnia's strategy, both opportunities and risks were considered, informed by developments in the environment in which Omnia operates. The business has a strong foundation which will enable the Group to grow and deliver value based on our existing assets.

The Group experienced a challenging few years with adverse market conditions, marked by droughts and late rains in key markets, a volatile Rand, the local and international mining industry going through restructuring and overall difficult global trading conditions. Notwithstanding the impact of these on the Group's financial performance, Omnia's core purpose and strategy remain sound. The Group's execution model, however, requires further refinement.

Omnia's Group strategy comprises three strategic pillars that aim for Omnia to **become more operationally effective**; develop **integrated innovative solutions** beyond our existing commodities; and seek growth in new markets through **geographic expansion and acquisitions**. The Group's strategy is underpinned by ensuring a safe and sustainable environment for our employees, the communities in which we operate, other stakeholders and our customers. Safety is embedded in all aspects of the strategy, a core principle to the strategy of contributing towards a **#Better World**.

STRATEGIC OBJECTIVES

Become more **OPERATIONALLY EFFECTIVE**

Be better and better

Develop **INNOVATIVE SOLUTIONS** beyond the existing commodities

Beyond commodities

Seek growth in new markets through **GEOGRAPHIC EXPANSION AND ACQUISITIONS**

Finding new territories

ENABLED BY

BUILD PEOPLE AND REPUTATION

ENABLE PEOPLE AND INNOVATION

Support the Group strategy and drive through effective leadership at all levels, an innovation culture and by having the right people, capabilities, support, empowering governance and structure in place

ZERO HARM, POSITIVE IMPACT

Build a strong international reputation and meaningful corporate citizenship in all markets through our approach to safety, community engagement and the environmental management

Historically, the business has pursued a strategy based on growth from the core ammonia value chain built around Omnia's primary manufacturing asset at Sasolburg. A portfolio of businesses in Agriculture (granular fertilizers, farmer support to AgriBio), Mining (emulsions, detonators, logistics to full blasting services) and Chemicals (chlorine, water treatment, other chemicals and the distribution of bulk specialities) subsequently developed out of the initial core offering. Expansions were also mainly executed based on strategic imperatives.

Due to the commodity nature of Omnia's business, current profitability is tied to economic growth and sector dynamics. To remain relevant, Omnia needs to be responsive to global trends as business and consumer demands keep evolving and environmental pressures are increasing. To stay competitive and meet the demands of stakeholders, Omnia is seeking to adopt a more value-add, agile and digital-orientated solutions approach to the business.

Organisational overview continued

Business of yesterday
PRODUCT SUPPLIER

Three operating divisions with a **strong customer base,** but with products which are **rapidly** being **commoditised**

Core business performance dependent on **health** and **growth** of markets

Historically **focused** on **capital** and **asset-intensive expansion**

Complex structures and **execution models** across **different countries**

Culture change

Business of the future
INTEGRATED AND SUSTAINABLE SOLUTIONS-DRIVEN PARTNER



- Focus on leveraging **Nutriology®** solutions:
  - o Plant: Healthy, sustainable, optimised crop production
  - o Soil: Sustainable soil health
  - o Risk: Reduce the farmer's risk and maximise returns
- Focus on safety
- Geographic expansion and increase of biological solutions



- **Capture growth opportunity in SADC** focusing on safety, agility, driving transformation, key customer account management, ensuring that a full suite of products is available and the availability of cost-competitive nitrates
- Focus **expansion around BME's new detonators** and digital tools
- Focus on safety



- Shift **Protea business towards selected specialty markets:** water care, food and pharmaceutical, consumer care and animal nutrition
- Pursue growth opportunities in the **petrochemical market into the sub-Saharan Africa** region
- Focus on safety

Manufacturing

- Create manufacturing and supply chain focus to further enhance our world-class manufacturing competency
  - o Heavy assets in South Africa, with a capital light expansion strategy going forward

- Deliver customer-centric solutions to agriculture, SADC explosives and other chemical markets in a safe and sustainable manner, by leveraging:
  - o Core competencies in nitrate and granulation manufacturing
  - o Deep understanding of the explosives and agriculture value chain

- Create value-adding offering to market needs and create integrated value chain offerings, combined with lowest cost quality producer

Organisational overview continued

STRATEGIC PRIORITIES

WHAT	STABILISE AND FIX	RENEWAL	EXECUTE AND GROW
WHEN	**Short term (FY2020 and FY2021)**	**Medium term (FY2021 and FY2022)**	**Longer term (FY2022 and beyond)**
HOW	• Elicit lender and shareholder support • Deep dive into sustainability and operational matters • Consider, then execute capital restructure options • Within existing structures o Remove costs where possible without major business disruption o Optimise management structures where required • Significantly reduce capital expenditure and working capital	• Reassess the business model under new market conditions • Challenge current beliefs on competitive advantage • Implement new operating cost base and operating model • Seek Group synergies • Create high-performance culture • Reinforce and reduce key safety and environmental metrics • B-BBEE strategy	• Extract further value from existing assets • Build capabilities and execute on long-term sustainable revenue streams • Accelerate product development, including digital solutions • Implement a capital light geographical expansion strategy • Continue with climate management and response
ANTICIPATED OUTCOME	• Improved capital structure, operating leverage, net working capital and reduced capital expenditure	• Establish integrated operating model • Optimise cost structure	• Transition Omnia from a product supplier to a fit-for-purpose integrated and solutions-driven partner

TARGETS TO MEASURE STRATEGIC DELIVERY					
	Increase **EBITDA EARNED**	Generate **CASH FLOW**	Improve return on invested capital	**DIVERSITY AND INCLUSION:** Maintain current level and thereafter to improve to B-BBEE level 2	Maintain **RCR** below **0.35** and **FER rate below 1.0**

Linked to executive remuneration. *For more information, see pages 114 to 121.*

Organisational overview continued

Progress on key strategic priorities in FY2020

A key focus area in the year was to lower the operating leverage of the Group. Progress is summarised in the table below. *For more information on our financial performance, refer to page 58.*

SHORT-TERM FOCUS AREA	PROGRESS	OUTCOME ACHIEVED
Capital restructure by securing a R2 billion capital injection and bridging finance of R6.8 billion to settle existing debt facilities		• Oversubscribed rights issue of **R2 billion** and successfully concluded with shareholder underwriting agreement o Net debt excluding lease liabilities reduced by **71%** to **R1 267 million** (2019: R4 403 million)
		• In December 2019, the Group secured a **sustainable debt package** from its principal lenders. The remaining balance on the bridge loan facility was settled and effectively cancelled in December 2019
		• Net debt to EBITDA, excluding impairments of **1.0 times** (2019: 4.5 times, medium-term target: 2.4 times)
		• Interest cover ratio of **5.6 times** (2019: 2.4 times, medium-term target: 4.2 times)
		• **19%** gearing (2019: 61%, medium-term target 33%)
Addressing operating leverage through targeted cost reduction of R293 million		• Cost reduction of **R191 million** achieved, compared to a targeted reduction of **R293 million**
Reduce net working capital by reducing inventory levels by R363 million		• Inventory levels reduced by **R236 million** to **R3 647 million** (2019: R3 883 million)
Reduction in capital expenditure		Omnia has reached the end of its high capital investment cycle. Capital expenditure has reduced in line with the plan: • New capital expenditure of **R322 million** in the year (2019: R846 million) • Maintenance expenditure of **R99 million** (2019: R131 million)

Completed

Good progress made

Organisational overview continued

Integrating sustainability into Omnia's long-term objectives



We believe in building a better future by… contributing to a safe and sustainable world

Omnia believes in **zero harm, positive impact**. We want our people to arrive at work trusting in their safety and knowing that they will return home without harm. The Group strives to limit its environmental footprint, which means investing in environmentally friendly products, services, solutions and processes. This will also positively impact customers and suppliers. As such, Omnia subscribes to the principles of Responsible Care®, an international initiative which falls within the custody of the Chemical & Allied Industries' Association (CAIA).

About Responsible Care®

Responsible Care® is the chemicals industry's own unique, global initiative. It is a voluntary programme that helps it raise its standards and win greater trust from the public. Responsible Care® envisages a profitable, sustainable chemicals sector in South Africa that contributes to the quality of human life and to the economy through innovation and production, without harm to people, property or the environment. Responsible Care® aims to ensure that South Africa's chemicals sector is recognised by all stakeholders as a responsible industry playing an important role in bringing a wide range of benefits to society, while remaining open, honest and credible in all its dealings.

Under Responsible Care®, the worldwide chemicals industry is committed to continuously improving all aspects of health, safety and environmental performance and to open communication about its activities and achievements. It is Omnia's commitment to sustainability – the betterment of society, the environment and the economy.

Through Responsible Care®, CAIA member companies strive to do the right thing, even when no one is looking. They innovate for safer and greener products and processes and work to continuously improve their environmental, health and safety performance. The initiative is essential in the reduction and elimination of risks and to the implementation of sustainable development. In terms of international trade and the standards demanded regarding safety, health and environmental (SHE) practices, it is a strategy for survival and growth and for maintaining a competitive advantage.

Core to Omnia's value proposition is the creation of innovative products and solutions that cater for the health, safety and environmental requirements of its customers and other stakeholders. Omnia's solutions promote the responsible use of chemicals for safety and environmental impact, with a progressive shift towards greener technologies.

Omnia's sustainability strategy is fully aligned with the group's vision and overall business strategy and forms an integral part of how the day-to-day business is conducted.

Aligning Omnia's strategy with the SDGs

Omnia recognises the role we must play in helping to address the wider global sustainability issues of energy consumption, climate change, water scarcity and food security. Efforts to address social and environmental challenges align strongly with the global SDGs and local development agendas, such as South Africa's National Development Plan. With the Group's dependency on natural resources and reliance on the efforts of many people, the viability of the business requires sustainable development. Six priority SDGs have been identified for direct alignment to Omnia's core business. An additional three priorities, which are embedded within the business strategy, have also been highlighted.

Organisational overview continued

Strategic sustainability focus areas

Focus area	SDG supported	Long-term goal
Support **efficient, resilient and sustainable agriculture** practices *For more information on how Omnia manages its intellectual capital, see page 92*		• Improve the economic output of large-scale agriculture customers by 20% against an FY2020 baseline by 2030 • Improve land and soil quality with solutions that are resilient to a changing climate and which can help turn barren land into fertile land within 10 to 20 years • Upskill and enable small-scale farmers with techniques to double their agricultural productivity against an FY2020 baseline by 2030
Ensure **health and safety** for all employees and the communities in which we operate through responsible operations *For more information on how Omnia manages its health and safety, see page 88*		• Strive to reduce total injuries by 50% against an FY2020 baseline by 2030
Minimise Omnia's **environmental footprint** *For more information on how Omnia manages its natural capital, see page 106*	 	Water and energy management against an FY2020 baseline by 2030: • Reduce absolute water use by 25% • Increase the water efficiency of our products by 15% • Increase water recycling by 20% • Reduce absolute energy use by 20% • Increase the energy efficiency of our products by 25% • Increase renewable energy consumption by 15%

Focus area	SDG supported	Long-term goal
Embed **sustainable business practices** across Omnia *For more information, see:* • *Financial capital, page 58* • *Human capital, page 82* • *Manufactured capital, page 70* • *Intellectual capital, page 92*	  	• Deliver strong and consistent financial returns to support long-term sustainability • Support and empower our people to achieve and deliver trusted performance every day, teaching and nurturing each other so that the organisation can grow from the inside out • Continuously invest in new infrastructure, both tangible and intangible, as well as systems and processes to ensure that we implement best practice, where appropriate
Support climate action		• Reduce GHG emissions by 25% against an FY2020 baseline by 2030 • Develop solutions to adapt to the effects of a changing climate
Build sustainable **partnerships** *For more information, on how we engage with our material stakeholders, see page 47*		• Continuously develop and foster partnerships to drive sustainable growth

For more information on our sustainability performance for the year, see natural capital (page 106), human capital (page 82) and social and relationship capital (page 102).

Organisational overview continued

Trade-offs in key decisions

Omnia seeks to create long-term sustainable value for all material stakeholders. Resource allocations are continuously reviewed and inevitably involve trade-offs to ensure that available resources are optimised across the Group.

Understanding the Group's primary trade-off

The Group operates in a highly cyclical business environment and operating performance is closely linked to movements in the medium to long-term trends of agriculture and mining commodity prices as well as general economic growth prospects. Managing short-term stakeholder performance expectations while operating in a long-term asset class is our most significant trade-off.

The following are some of the material decisions taken by the Group in FY2020:

Maintaining adequate statement of financial position capacity and flexibility

In recent years, the Group undertook various initiatives as part of its growth aspirations. These included:

- Expansion through the acquisition of Umongo Petroleum (December 2017) and Oro Agri (May 2018) as well as entering markets in new jurisdictions
- Investment in the new nitrophosphate plant, Microsoft Dynamics AX system and related infrastructure

These initiatives were mainly funded through a combination of borrowings and bank overdraft facilities. Maintaining a healthy statement of financial position with adequate liquidity and debt headroom, is critical to ensure that we can operate through the various underlying business cycles. To strengthen Omnia's statement of financial position, the following key decisions were taken:

- **Undertook a rights issue and restructured Omnia's debt profile**
  The following outcomes were achieved:
  - o Oversubscribed rights issue of R2 billion successfully concluded with shareholder underwriting agreement
  - o Net debt decreased by R3.1 billion from R4.4 billion at FY2019 to R1.3 billion at year-end (excluding IFRS 16 impact)
  - o Net debt to EBITDA, excluding impairments, ratio down to 1.0 (2019: 4.5)

Capitals impacted: Financial  Social and relationship 

- **Paused dividend payment**
  Operating in a constrained environment and recognising the need to conserve cash, we paused dividend payments for FY2020. Omnia paid R262 million in FY2018 and R153 million in FY2019.

Capitals impacted: Financial  Social and relationship 

- **Reviewed and amended the Group's capital expenditure plans**
  Following the commissioning of the new nitrophosphate plant and implementation of the Microsoft Dynamics AX system across most of the Group in FY2019, we reached the end-of-cycle of our capital investment plan for major capital infrastructure.

The Group has reviewed its planned investment and maintenance plan for FY2021. We plan to invest R550 million to maintain current manufacturing capabilities and increase capacity in BME to service a large contract concluded in the year.

Capitals impacted: Financial  Manufactured 

Investment in environmentally sustainable solutions and technology

Operating in a resource-constrained world, investing in areas such as farming and supply innovation (product and technology) to increase yield per hectare in difficult climate conditions, or improving blasting technology used in mines, is a top priority for Omnia. Furthermore, given the constant and uncontrollable hikes in administered costs and load shedding, reducing our natural capital consumption is critical to our long-term sustainability. While the investment in new technologies, research and development supports our long-term strategy and reduces our environmental impact, these investments can be expensive in the short term.

Capitals impacted: Natural  Intellectual  Financial 

Responsible corporate citizenship

Omnia recognises its role as a responsible corporate citizen given the socio-economic context in South Africa of rising unemployment, weak economic growth and increasing social instability. These challenges pose a significant business risk to the Group. In response, we identified various initiatives as part of our commitment to support and uplift the communities in which we operate. However, given the challenging macro-economic context in which Omnia operates, we were required to review all expenditure, including payroll costs. Consequently, in the year we had to:

- Reposition and restructure our Mining division to respond to the challenges within the industry. During this process, 84 employees accepted either voluntary severance packages or early retirement, and seven employees were unfortunately retrenched since we could not redeploy or transfer them to other positions within the Group.

Capitals impacted: Social and relationship  Human  Financial 

- Review our corporate social investment (CSI) programme and reduce our CSI support in the year to R20.4 million (2019: R25.3 million). *For more information on our CSI programme see page 103.*

Capitals impacted: Social and relationship  Financial 

Organisational overview continued

Governance

Protecting value creation through good governance

This year, Omnia saw its 200th board meeting and the 67th year of business. The year was navigated by a board of directors tasked to protect value creation in a time that was by all measures challenging. The board is cognisant of its overall responsibility to achieve the four good governance outcomes embodied in King IV, namely an ethical culture; sustainable value creation; effective control; and trust, stakeholder relations and legitimacy. We are comfortable that we have them in mind as an outcome in everything that we do but recognise that it is an ongoing task and discipline to continue improving.

The board is satisfied that the Group is compliant with the JSE Listings Requirements and has achieved the outcomes of the King IV principles by implementing appropriate practices to support those principles.

For more information on the King IV application and combined assurance, refer to page 36 and page 52 of this report.

Appropriate governance structures and processes are in place to ensure that the business is well managed and controlled. The annual strategy review considers the risks and opportunities connected to the broader context in which the Group operates, and the governance processes are designed to ensure that the Group delivers against this strategy to create long-term value for all material stakeholders.

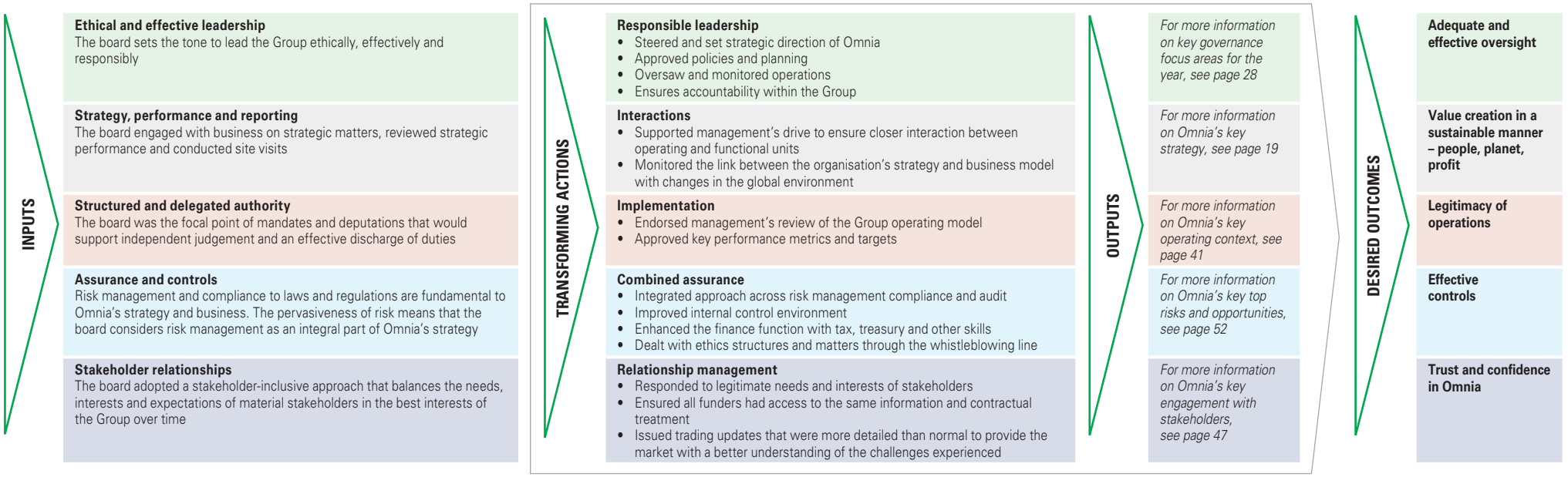
The board is the focal point of governance in Omnia.

Company secretary

The company secretary, Michelle Nana, ensures that the board is aware of its fiduciary duties and responsibilities and is kept informed of relevant changes in legislation and governance best practice. She facilitates the induction of new directors and the ongoing training of directors, in addition to acting as secretary to the board and its committees. The board and every director have unfettered access to the services of the company secretary.

The board assessed the company secretarial function for the year under review, as required by the JSE Listings Requirements, and confirms that Ms Nana continues to demonstrate the requisite level of knowledge and experience to carry out her duties and is independent from management and the Group to appropriately support the board and execute her role.

How governance contributes to value creation



Organisational overview continued

Board governance structure

The board governance structure involves delegation and accountability under the direction of the board. The structure enables the board to maintain effective oversight while cascading authority through the committees and executive team. The executive committee includes the managing directors from each of the operational divisions and Group functional executives. The managing directors and executives, in turn, delegate through the ranks of management.

Committee mandates in brief

Committee	Mandate	Composition requirements
AUDIT COMMITTEE	This statutory committee: • Ensures the quality and integrity of annual financial statements • Ensures audit quality and the independence of the external auditor • Provides independent oversight over internal financial controls and the internal audit function • Provides oversight over technology and information management	At least three directors, all of whom shall be independent non-executive directors approved by shareholders at the AGM The chair of the board shall not be a member of the committee
SOCIAL, ETHICS AND RISK COMMITTEE	This statutory committee: • Oversees the establishment of an ethical culture and good corporate citizenship • Responds to the opportunities and challenges of the triple context and six capitals in which Omnia operates • Reviews transformation initiatives, including setting targets • Supports the board in the governance of risk • Monitors the governance of compliance	No less than three members appointed on recommendation of the remuneration and nominations committee Majority should be non-executive directors At least one executive director
REMUNERATION AND NOMINATIONS COMMITTEE	This committee oversees board composition and strategic remuneration matters. As recommended by King IV, this committee: • Ensures that the board is properly composed in terms of independence, size, skills and diversity • Evaluates the independence of non-executive directors • Considers the composition of the various board committees • Develops and annually reviews a remuneration policy that ensures fair and responsible remuneration that attracts, rewards and retains human capital • Implements an adequate and formal executive succession plan and framework • Considers the board composition, nomination and appointment of directors	At least three non-executive directors, the majority of whom shall be independent The committee shall include the chair of the board, however, the chair of the board shall not chair the committee



Key governance policies and procedures

- Group overarching policy
- Board and committee charters
- Code of ethics and conduct
- Declaration of interest
- Delegation of authority
- Whistleblowing facility with tip-offs anonymous reporting
- Stakeholder engagement framework
- Trading in securities policy
- Financial risk policy
- Information technology (IT) and associated security policies
- Disciplinary code and procedures
- Remuneration policy
- Signatory to the Responsible Care® global charter
- Safety, health, environment, risk and quality (SHERQ) policy
- Group climate change policy
- Diversity policy
- Group business continuity management policy and charter

Organisational overview continued

Board and committee focus areas in the year

The board ensures that its arrangements for delegation within its own structures promote independent judgement and assist with the balance of power and the effective discharge of its duties. All the committees report to the board.

The board confirmed it is satisfied that it has fulfilled its responsibilities in accordance with the board charter.

What kept the board busy in the year? • Immediate and long-term corporate business and strategic plans for Omnia • Rights issue and debt restructure • Sustainability strategy and targets • Stakeholder engagement strategies • Monitoring the operating environment, especially in the context of the impact of COVID-19 • Leadership succession	**Planned focus areas for FY2021** • Ensure management focus on returning to higher profitability in SADC businesses • Ensuring that Omnia maintains the flexibility it requires to respond rapidly to changes in market conditions • Assessing the longer-term operational impact of COVID-19 • Refining the proposed operating model and implementing immediate shifts in focus • Considering core competencies required to action the strategic shift • Change segmental reporting to match the new operating model
What kept the audit committee busy in the year? • Strengthening the internal controls environment • Enhancing the general finance, tax and treasury skills within the finance function • Ethics reporting structures and matters • Ensuring the accuracy of reporting and implementation of all new IFRS requirements, with specific reference to hyperinflation (which became relevant due to the hyperinflationary environment in Zimbabwe) and IFRS 16 in respect of leases	**Planned focus areas for FY2021** • Improving all aspects of information and technology governance in a top-down and holistic manner • Continuous internal control environment improvements through enhanced risk processes, including maturing the effectiveness of the combined assurance framework • Further skills development and creating of capacity in the finance team • Simplifying and cleaning out the business structures, number of legal entities, activities between different businesses within the Group and Group governance arrangements • Continue to focus on tax and treasury matters • Internal and external rotation
What kept the social, ethics and risk committee busy in the year? • Ensuring policies are aligned with King IV • Implementing policy-related system and process changes • Further embedding the contract management process and its supply chain electronic system at the divisions • Implementing combined assurance in a more integrated manner in order for risk, compliance and internal audit to enhance assurance • Ensuring that the risk management framework and culture are further embedded, with a specific focus on international operations • Embedding the Group's governance structure for legal and compliance functions across the Group • Continued review and oversight of: o Serious and major incidents o Leading indicator reporting o Process safety management o Business continuity management	**Planned focus area for FY2021** • Monitoring of changes in environmental and sustainability legislation • Embedding sustainability in the business • Ensuring ongoing ethics awareness and training • Moving the Group forward on our sustainability strategy and monitoring sustainability performance • Continuing oversight of safety, health and wellness performance • Monitoring the implementation of process safety standards across the Group
What kept the remuneration and nominations committee busy in the year? • Shareholder engagement regarding the remuneration policy • Considered the appointment of two non-executive directors and two executive directors (CEO and FD) • Reviewed remuneration practices • Reviewed executive incentives	**Planned focus areas for FY2021** • Ongoing engagement with shareholders on implementation of remuneration policy • Implementing performance management system and grading • Refining targets and short-term incentive schemes • Evaluating the human capital implications of COVID-19

Each of the committees is comfortable that it fulfilled its mandate and that it meets the composition requirements of its terms of reference. Committee charters are available on the Omnia website.

Organisational overview continued

Leadership

Board of directors, committee memberships and attendance

Director	Skills and expertise	BOARD COMMITTEES Attendance OHL	AC	SERC	RNC	AHC
 **RALPH HAVENSTEIN (63)** **Independent non-executive chair** *BCom, MSc (Chem Eng)*	Engineering, governance, risk management, strategy, chemicals and mining industry					
Date of appointment: 6 November 2007	**Significant directorships:** Northam Platinum Limited, Murray & Roberts Holdings Limited	10/10		2/2	6/6	3/3
 **RONALD BOWEN (68)** **Independent non-executive** *BSc (Hons)*	Business management, strategy, global and local governance, finance and chemicals industry					
Date of appointment: 28 September 2011	**Significant directorships:** None	10/10	4/4			
 **PROF NICK BINEDELL (66)** **Independent non-executive** *BCom, MBA, PhD*	Business management, strategy, governance and finance					
Date of appointment: 24 February 2017	**Significant directorships:** None	8/10				3/3
 **FRANK BUTLER (67)** **Independent non-executive** *BSc (Chem Eng), MBA*	Risk management, strategy and chemicals industry		(as SERC chair)			
Date of appointment: 27 September 2002	**Significant directorships:** None	9/10	3/4	2/2		

Chair of board or sub-committee

Member of board or sub-committee

By invitation

OHL Omnia Holdings Limited board

AC Audit committee

SERC Social, ethics and risk committee

RNC Remuneration and nominations committee

AHC Ad hoc board sub-committee (limited term: 5 May 2019 to 25 June 2019)

*Refer to Omnia's website at **www.omnia.co.za** for an abridged curriculum vitae (CV) of each director.*

Organisational overview continued

Leadership continued

Board of directors, committee memberships and attendance

Director	Skills and expertise	BOARD COMMITTEES Attendance OHL	AC	SERC	RNC	AHC
 **GEORGE CAVALEROS (64)** **Independent non-executive** *CA(SA), CFA, ACIS, CIA, CISA, MCom (Applied Risk Management)*	External and internal audit, finance and accounting, risk management, controls and corporate governance					
Date of appointment: 5 August 2019	**Significant directorships:** Accelerate Property Fund Limited, Sygnia Limited	5/5	2/2 (appointed 5 August 2019)		2/2 (appointed 16 October 2019)	
 **LINDA DE BEER (51)** **Independent non-executive** *CD(SA), CA(SA), MCom (Tax)*	Finance, corporate governance, internal and external audit, IFRS, JSE Listings Requirements, IT governance, risk and strategy			(as AC chair)		
Date of appointment: 30 November 2017	**Significant directorships:** Aspen Holdings Limited, Aspen Finance Proprietary Limited, Momentum Metropolitan Holdings Limited, Tongaat Hulett Limited	10/10	4/4	2/2		3/3
 **TINA EBOKA (61)** **Independent non-executive** *BSc (Industrial Eng, Textile Eng), MBA*	Business management, strategy, engineering, corporate and social affairs					
Date of appointment: 25 February 2016	**Significant directorships:** NTP Radioisotopes (SOC) Limited	10/10	3/4			

Chair of board or sub-committee

Member of board or sub-committee

By invitation

OHL Omnia Holdings Limited board

AC Audit committee

SERC Social, ethics and risk committee

RNC Remuneration and nominations committee

AHC Ad hoc board sub-committee (limited term: 5 May 2019 to 25 June 2019)

Organisational overview continued

Leadership continued

Board of directors, committee memberships and attendance

Director	Skills and expertise	BOARD COMMITTEES Attendance OHL	AC	SERC	RNC	AHC
 **SIZWE MNCWANGO (54)** **Independent non-executive** *BSc, MSc (Civil Eng), MBA*	Business management, engineering, governance and strategy	♙				
Date of appointment: 29 June 2010	**Significant directorships:** Shell Downstream South Africa, Sekelo Oil Trading, Science, Technology and Innovation Strategy for Africa (STISA) Oil Trading, Seriti Resources, Thebe Unico, Thebe Mining Resources, Timrite, Turnstone	9/10				
 **THOKO MOKGOSI-MWANTEMBE (58)** **Independent non-executive** *BSc, MSc (Medicinal Chemistry), Teaching Diploma*	Business management, chemistry, information systems and strategy	♙			♙	
Date of appointment: 1 June 2018	**Significant directorships:** Royal Bafokeng Platinum, Old Mutual	10/10			6/6	
 **WIM PLAIZIER (59)** **Independent non-executive** *BSc, MBA*	Business management, strategy, supply chain operations, chemicals and mining industry	♙				♙
Date of appointment: 11 February 2019	**Significant directorships:** None	10/10				2/3
 **BERNARD SWANEPOEL (59)** **Independent non-executive** *BSc (Mining Engineering), BCom (Hons)*	Engineering, finance, business management and strategy	♙		♙		
Date of appointment: 1 October 2019	**Significant directorships:** Impala Platinum Holdings Limited, Zimplats Holdings Limited	2/2		1/1 (appointed 16 October 2019)		

♙ Chair of board or sub-committee

♙ Member of board or sub-committee

By invitation

OHL Omnia Holdings Limited board

AC Audit committee

SERC Social, ethics and risk committee

RNC Remuneration and nominations committee

AHC Ad hoc board sub-committee (limited term: 5 May 2019 to 25 June 2019)

Organisational overview continued

Leadership continued

Board of directors, committee memberships and attendance

Director	Skills and expertise	BOARD COMMITTEES Attendance OHL	AC	SERC	RNC	AHC
 **SEELAN GOBALSAMY** (44) **Chief executive officer** *CA(SA), AMP (Harvard)*	Finance, business management, strategy, mergers and acquisitions			1/1 (appointed 16 October 2019)		
Date of appointment: 10 September 2018	**Significant directorships:** Bidvest Life Limited	9/9	4/4	1/1	3/3	
 **STEPHAN SERFONTEIN** (43) **Finance director** *CA(SA)*	Finance, business management and strategy		(as acting FD)			
Date of appointment: 1 March 2020	**Significant directorships:** None	1/1	2/2			
 **MICHELLE NANA** (52) **Company secretary** *FCIS, BA (Industrial Psychology and Sociology), CD(SA)*	25 years in company secretarial and corporate governance, in both JSE-listed and unlisted companies					
Date of appointment: 1 July 2018	**Significant directorships:** None					

Policy on directorships
Directors are not limited to the number of board positions they may hold. However, they are required to confirm that they will have sufficient time to commit to the business of Omnia. Further, the remuneration and nominations committee will make a judgement based on the annual declarations and performance evaluations as to whether a director is overcommitted to the degree that it is impacting his/her ability to fulfil his/her responsibilities to the Group.

Chair of board or sub-committee

Member of board or sub-committee

By invitation

OHL Omnia Holdings Limited board
AC Audit committee
SERC Social, ethics and risk committee
RNC Remuneration and nominations committee
AHC Ad hoc board sub-committee (limited term: 5 May 2019 to 25 June 2019)

Organisational overview continued

Leadership continued



1. RONALD BOWEN
Independent non-executive director

2. MICHELLE NANA
Group company secretary

3. WIM PLAIZIER
Independent non-executive director

4. THOKO MOKGOSI-MWANTEMBE
Independent non-executive director

5. RALPH HAVENSTEIN
Chair

6. PROF NICK BINEDELL
Independent non-executive director

7. SIZWE MNCWANGO
Independent non-executive director

8. BERNARD SWANEPOEL
Independent non-executive director

9. LINDA DE BEER
Independent non-executive director

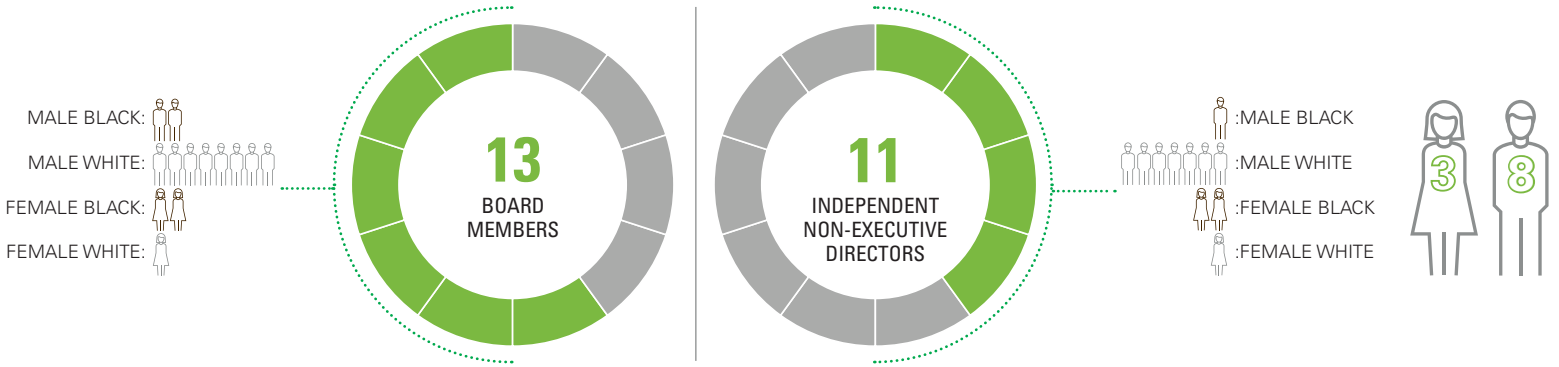
10. SEELAN GOBALSAMY
Chief executive officer

11. TINA EBOKA
Independent non-executive director

12. FRANK BUTLER
Independent non-executive director

13. STEPHAN SERFONTEIN
Finance director

14. GEORGE CAVALEROS
Independent non-executive director



Organisational overview continued

Board diversity

We acknowledge the JSE Listings Requirements' Diversity Policy (3.84(i)) that promotes a diversity of attributes including gender, race, culture, age, field of knowledge, skills and experience. The board is committed to executing its duties, receives regular training, evaluates its performance regularly and endorses a comprehensive combined assurance programme.



Independence

Board charter requirement: The majority of directors shall be non-executive, and the majority of non-executive directors shall be independent.

The board charter promotes a unitary board structure composed of both executive and non-executive directors, with the latter being the majority. The majority of Omnia's board members are independent directors, which is in line with King IV requirements. **In the year, Omnia strengthened board independence from 75% to 85%.**

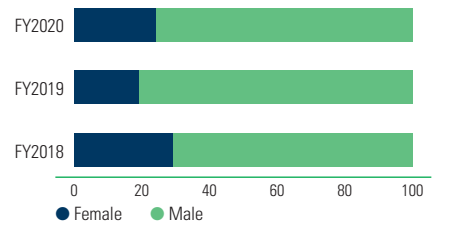
11/11
non-executive directors are independent

The roles and responsibilities of the chair and the CEO are separate and clearly defined. The CEO is accountable to the board for leading the implementation and execution of Omnia's board-approved strategy, policies and business plans. As an executive director of the Omnia board and chair of the executive committee, the CEO plays a key role in providing a link between management and the board and ensuring that board decisions are communicated to management.

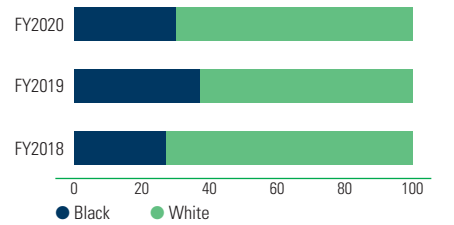
Gender and racial diversity

Voluntary targets: In July 2020, the board's voluntary targets of 30% female and 30% black representation on the board, were increased to a three-year target of 50% female and 50% black.

Gender
(%)



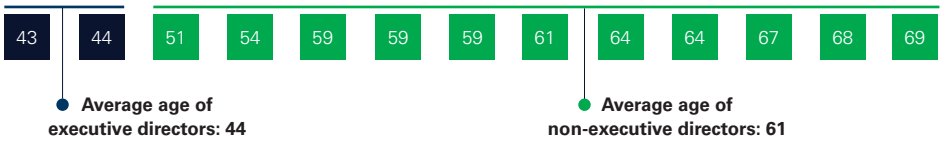
Race
(%)



Diversity of age

Policy: Executive directors are required to retire from the board at 65, unless otherwise agreed by the board.

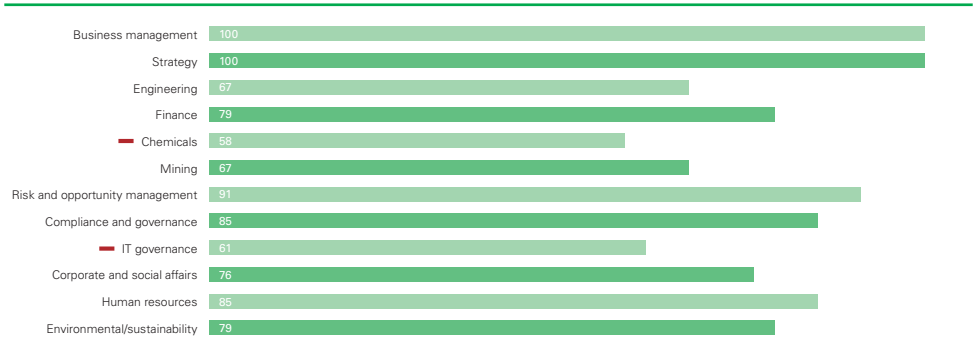
The average age of directors is 58. **In total, 53% of the board is younger than 60** (2019: 50%).



Diversity of expertise

Policy: Aim for an experienced board with a good balance of knowledge and skills in areas relevant to the Group.

Non-executive directors' self-rate their experience against areas of expertise relevant to Omnia*
(%)



Skills gap identified

* Directors rated their skills from zero to three (where zero is no experience and three is over eight years of experience). Ratings were averaged to create percentages showing the strength of the board in each area.

Organisational overview continued

Succession and tenure

Policy: The memorandum of incorporation (MOI) requires one-third of our non-executive directors to retire from office and stand for re-election at each AGM (with the longest serving retiring first). Therefore, no non-executive director will serve longer than three consecutive years after their last reappointment. Further, directors serving over nine years must be reassessed for independence and must stand for re-election at every AGM.

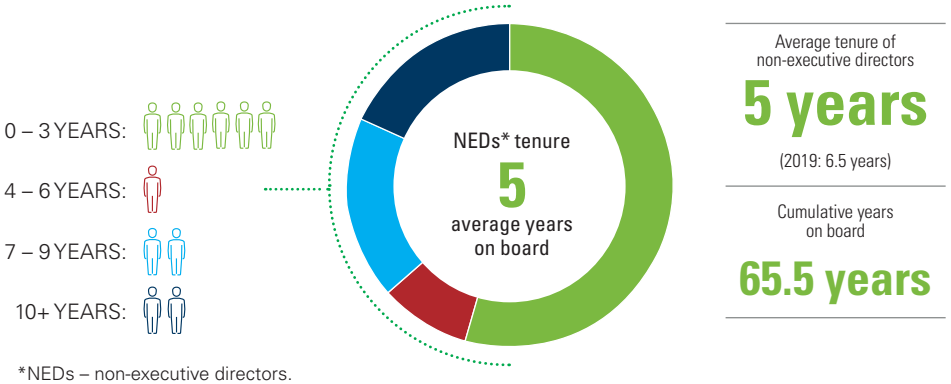
Periodic, staggered rotation is applied to ensure retention of critical knowledge and to introduce members with new expertise and perspectives. A skills matrix helps identify skills gaps and targets individuals for mentorship and development.

Board changes since the FY2019 AGM

Non-executive directors	Appointments since FY2019 AGM	George Cavaleros Bernard Swanepoel
	Resignations or retirements since the FY2019 AGM	None
	Retirements indicated for the FY2020 AGM	Frank Butler
Executive directors	Appointments	Seelan Gobalsamy (CEO) Stephan Serfontein (FD)
	Resignations	Adriaan de Lange (Group managing director)

Succession and tenure

In FY2020, the average tenure of non-executive directors was five years (2019: 6.5 years). Cumulative years on board 65.5.



*NEDs – non-executive directors.

Statement: The board is satisfied that its composition reflects the appropriate balance of knowledge, skills, experience, competencies in industries and fields relevant to the Group's business operations, diversity and independence to execute its roles and responsibilities effectively.

Commitment

Policy: Aim to achieve 100% attendance at all board and committee meetings.

The board's formal calendar consisted of five board meetings and a two-day offsite strategy meeting. In addition, the business dynamics required the board to review critical issues, so a further four meetings were held. During these 10 meetings, the board reviewed the business, its strategy, divisional budgets and plans, financial results and matters relating to the capital raise. The board's three sub-committees met a further 12 times in total to ensure detailed discourse and interrogation of those matters within their mandate. A special limited term sub-committee was also formed in May and June 2019 to oversee the capital raise and debt restructure and this sub-committee met three times. **The board had an attendance rate of 99.1% of formal meetings.**

Training and performance

Ongoing training and development are important contributors to an effective board. The development of industry and Group understanding is a continuous process. Newly appointed directors participate in a structured induction programme which includes site visits, meetings with management and induction material on topics related to, among others, governance and the business. **In the year, the board attended an update on directors' responsibilities and duties specific to the debt restructure.**

Effective corporate governance

Operating in a highly cyclical industry, strategic choices have long-term impacts. The approach to governance and leadership forms part of Omnia's intellectual capital and supports the overall value-creation process to the extent that the Group is well managed and controlled. The board accepts responsibility as the custodian of governance and assumes collective responsibility for strategy, policy, oversight and accountability. The board applied a stakeholder-inclusive approach to the overriding issues of the year.

Organisational overview continued

Application of King IV principles and practices

The following table summarises how Omnia has applied the requirements of King IV, key activities in the financial year as well as focus areas for the coming year:

Desired outcomes	Activities in the year	Proposed 2021 focus
LEADERSHIP, ETHICS AND CORPORATE CITIZENSHIP		
Principle 1: The governing body should lead ethically and effectively	• Extended the skills of the board to be more effective • Updated the ethics code	• Appoint a new lead independent director • Create a more principle-based governance policy and structure
Principle 2: The governing body should govern the ethics of the organisation in a way that supports the establishment of an ethical culture	• Formalised a corruption and gifts policy and aligned with the approved ethics policy • Further embedded the contract management process at the divisions • Enhanced the provisions for declaring conflicts of interest, with particular focus on the tender process	• Ensure further awareness and training on the whistle-blowing facilities
Principle 3: The governing body should ensure that the organisation is and is seen to be a responsible corporate citizen	• Finalised the Group sustainability strategy, aligned to the overall Group strategy and the relevant SDGs • Approved the donation of food parcels to persons affected by lockdowns and other restrictions imposed as a result of COVID-19 • Mandated the business to develop and leverage IP to promote environmentally friendly solutions • Monitored and reduced consumption of electricity and water and used alternative energy or co-generated where possible • Successfully engaged with lenders and investors through the rights issue and debt restructure towards a better understanding of what Omnia does • Closed out the Sakhile 1 share scheme including employee pay-outs	• Move the Group forward on our sustainability strategy and monitor sustainability performance • Readdress the corporate citizenship strategy and set ESG targets • Continue to review the cost of water, energy and environmentally friendly options

Organisational overview continued

Desired outcomes	Activities in the year	Proposed 2021 focus
STRATEGY, PERFORMANCE AND REPORTING		
Principle 4: The governing body should appreciate that the organisation's core purpose, its risks and opportunities, strategy, business model, performance and sustainable development are all inseparable elements of the value-creation process	• Approved key performance metrics and targets for 2020 beyond just financial performance • Reviewed and interrogated the strategic direction and objectives in relation to risks, opportunities, resources and relationships at the annual board strategy session • Reviewed solvency, liquidity and going concern status	• Refine the proposed operating model and implement immediate shifts in focus • Consider core competencies required to action the strategic shift
Principle 5: The governing body should ensure that reports issued by the organisation enable stakeholders to make informed assessments of the organisation's performance and its short, medium and long-term prospects	• Provided more detailed trading updates to ensure shareholders have a better understanding of the challenges faced • Improved the engagement with key investors through the new management team and remuneration and nominations committee • Enhanced the integrated reporting process and integrated thinking	• Hold an IAR workshop to ensure the governing body has early input into IAR • Strategise and centralise communication with investors and other stakeholders • Ensure that all required reports are issued, comply with legal requirements and meet the legitimate and reasonable information needs of material stakeholders
Principle 6: The governing body should serve as the focal point and custodian of corporate governance in the organisation	• With the relative issues faced in the year, the board appointed an ad hoc board sub-committee to oversee the debt restructuring and capital raise and related strategic discussion in that regard with report back to the full board • Four additional board meetings were scheduled in the year to ensure the board was appraised of all changes and made well-informed decisions swiftly	• Annual declarations of interest for all staff • Improve the ethical culture of Omnia by interventions such as an ethics survey and enhanced communication to staff
Principle 7: The governing body should comprise the appropriate balance of knowledge, skills, experience, diversity and independence for it to discharge its governance role and responsibilities objectively and effectively	• Updated the board matrix to assess non-executive directors' skills against targeted areas of expertise and strengthened the board's composition accordingly • Evaluated the independence, eligibility and interests of all non-executive directors, with specific focus on long tenured directors • Appointed two independent non-executive directors and retired one non-executive director to improve the status of independence and tenure of the board structure • Appointed the lead independent non-executive director as the new chair to the board • Reviewed board composition against voluntary diversity targets to inform planned restructures	• Appoint a lead independent non-executive director • Enhance black representation on the board • Consider the size of the board • Address the appointment of an independent non-executive director with chemical (mining) experience

Organisational overview continued

Desired outcomes	Activities in the year	Proposed 2021 focus
STRATEGY, PERFORMANCE AND REPORTING continued		
Principle 8: The governing body should ensure that its arrangements for delegation within its own structures promote independent judgement, assist with the balance of power and the effective discharge of its duties	• Updated the Group delegation of authority • Approved the appointment of directors to subsidiaries • Refreshed the composition of board committees • Appointed an ad hoc board sub-committee to consider the statement of financial position restructure of Omnia	• Succession planning will commence for key roles • Strengthening of the finance and IT functions
Principle 9: The governing body should ensure that the evaluation of its own performance and that of its committees, its chair and its individual members, support continued improvement in its performance and effectiveness	• Performed an evaluation of the board, committees and the company secretary through a series of self-assessment questionnaires	• Consider the need for an independent in-depth performance assessment of the board and its committees
Principle 10: The governing body should ensure that the appointment of and delegation to management contribute to role clarity and the effective exercise of authority and responsibilities	• Cascaded the approved Group delegation of authority framework, set risk tolerance levels and aligned them to the requirements of each division	• Streamline the Group structure and legal entities and align the Group governance framework and delegation of authority for divisions and across jurisdictions

Organisational overview continued

Desired outcomes	Activities in the year	Proposed 2021 focus
GOVERNANCE FUNCTIONAL AREAS		
Principle 11: The governing body should govern risk in a way that supports the organisation in setting and achieving its strategic objectives	• Due to the cyber-attack and COVID-19, risk was managed at a board and Group executive level rather than at a committee level • Reassessed the insurance portfolio • Reviewed the risk groupings and ratings	• Improve the risk governance process, ensuring a better identification of enterprise risks and opportunities at the time of the strategy and budget discussions biannually • Continue to enhance risk governance processes
Principle 12: The governing body should govern technology and information in a way that supports the organisation setting and achieving its strategic objectives	• Mandated an investigation into the cyber-attack • Implemented data recovery protocols and ensured internal controls informed any interim manual work required	• Improve all aspects of information and technology governance in a top down and holistic manner, with specific reference to information and cyber-security, an IT architecture framework, oversight of IT operations and performance, governance of outsourcing arrangements and technology and information strategies
Principle 13: The governing body should govern compliance with applicable laws and adopt non-binding rules, codes and standards in a way that supports the organisation being ethical and a good corporate citizen	• Competition Commission training • Considered legal compliance systems and processes to mitigate the risk of non-compliance with the laws in the various jurisdictions in which Omnia operates • Considered the effectiveness of the Group's ethical policies and whistleblowing hotline	• Monitor compliance to ensure the fulfilment of licence operating conditions • Define Omnia's compliance universe • Continue with Omnia's comprehensive competition law compliance programme to ensure that the Group promotes and maintains a culture of fair competition and good corporate governance • Leverage the Global Platform for Intellectual Property to manage compliance

Organisational overview continued

Desired outcomes	Activities in the year	Proposed 2021 focus
GOVERNANCE FUNCTIONAL AREAS continued		
Principle 14: The governing body should ensure that the organisation remunerates fairly, responsibly and transparently so as to promote the achievement of strategic and positive outcomes in the short, medium and long term	• Implemented the FY2020 remuneration policy which was aligned with the Group strategy and incorporates the principles of King IV • Appointed an interim human resources executive to introduce a job grading system and provide strategic direction • Replaced the Group's long-term incentive plan with the 2020 share plan	• Approve and implement the remuneration policy • Enforce performance contracts, KPIs and detailed job descriptions • Consider performance measures of the short-term incentive scheme • Develop a new employee share scheme
Principle 15: The governing body should ensure that assurance services and functions enable an effective control environment and that these support the integrity of information for internal decision-making and of the organisation's external reports	• Ensured that the combined assurance model is implemented to effectively cover significant risks and material matters through the various assurance service providers and functions • Implemented an integrated risk management system (IsoMetrix) for enhanced reliability and integrity of data and trend analysis supporting overarching management • Achieved effective identification of critical controls and required mitigation measures to adequately address risk aspects • Ensured greater legal oversight of compliance and the closing out of hotline issues	• Continue endeavours to ensure that the combined assurance process is sufficiently robust to place reliance on the integrity of reports and ensure adequacy and effectiveness of the control environment
STAKEHOLDER RELATIONSHIPS		
Principle 16: In the execution of its governance role and responsibilities, the governing body should adopt a stakeholder-inclusive approach that balances the needs, interests and expectations of material stakeholders in the best interests of the organisation over time	• Held collaborative engagement with the Group's debt providers • Managed open lines of communication with the top Omnia shareholders • Identified material stakeholders and oversaw the formulation of stakeholder engagement strategies • Engaged with institutional investors regarding remuneration	• Consolidate and centralise stakeholder communication • Improve corporate affairs communication • Brand protection

Business context

Operating context

The environment in which Omnia operates affects the delivery of our strategy as well as our ability to create value across our various business segments. Omnia's strategy positions the Group to seize opportunities and mitigate risks associated with our operating environment.

For a discussion on our materiality assessment process, see page 13.

The operating environment remained challenging during the year, characterised by slow growth in many economies, volatile financial markets, geopolitical tensions escalating, shifting demand cycles for chemicals and related products and, towards the latter part of the reporting year, COVID-19. This, added to some operational challenges, influenced performance. Due to the commodity nature of Omnia's business, current profitability is tied to economic growth and sector dynamics.

In FY2020 our operations were mainly impacted by:

- **UNEVEN ECONOMIC GROWTH** and **VOLATILE CURRENCIES**
- **LOWER** agriculture commodity **PRICES** and **CLIMATE CHANGE NEGATIVELY IMPACTING** the **AGRICULTURE SECTOR**
- Globally, the **MINING SECTOR** is in **RECOVERY**; however, **MARGINS** were impacted by **INCREASED COMPETITION** and **OVERSUPPLY**
- **STRUCTURAL CHANGES** in the **CHEMICALS INDUSTRY**
- **INCREASING ENVIRONMENTAL**, **REGULATORY** and **SOCIAL REQUIREMENTS**

Uneven economic growth and volatile currencies

Material matter impacted

Macro-economic uncertainty

Operational and financial performance

What happened in the year?

The South African economic growth remained weak in the year, with fast-rising public debt levels and ongoing policy uncertainty leading to rating downgrades, exacerbated by severe and frequent power outages creating a further slowdown in mining and manufacturing production. The situation was further impacted by deteriorating global growth. Global economic growth slowed to 2.9% in calendar year 2019 from 3.6%, US GDP growth slowed to 2.3% from 3.0%, Eurozone growth slowed to 1.2% from 1.9%, while China and India grew by 6.1% and 4.2% respectively. South Africa's economy grew by 0.2% in 2019 versus 0.8% in 2018.

The Rand traded weaker and averaged R14.45/US Dollar in 2019, against the R13.25/ US Dollar in 2018.

These factors contributed to lower business confidence and softer commodity prices across most of our operating segments.

Outlook

The full impact of COVID-19 on the lives of people and economies across the globe remains unknown due to the significant uncertainty around the duration and severity of this crisis. Trade policy uncertainty, geopolitical tensions and stress in key global market economies are anticipated to further weigh on global economic activity in the coming year.

Recent estimates by the International Monetary Fund in June 2020, projected a contraction in global growth by 4.9% in 2020. Recovery is projected to be gradual with global growth of 5.4% projected in 2021.

Locally, the South African economy is anticipated to be severely affected by the health crisis and is projected to contract by 8.0% in 2020, recovering by 3.5% in 2021.

Omnia's response

By focusing on realigning our business, we continue to manage the variables under our control. These include expanding our market share by focusing on new value-add product development and offering digital solutions; optimising processes and reducing costs; strengthening the statement of financial position; and reducing debt, while ensuring that we have an engaged and skilled workforce. Furthermore, in response to COVID-19, we have realigned production capabilities in our Chemicals division to provide essential services such as production of sanitisers and focused attention on water treatment chemicals.

Capitals utilised in response

Financial | Intellectual | Human

Business context continued

Lower agriculture commodity prices and climate change negatively impacting the agriculture sector

Material matter impacted

Climate change

Operational and financial performance

What happened in the year?

- The agriculture, forestry and fishery industry contracted by 6.9% in calendar year 2019 in South Africa
- Low maize prices led to switching of crops, pressure on input costs and reduced fertilizer demand. This was exacerbated by increased competition in the local market from importers, blenders, returning international competitors and availability of alternative products
- The average ammonia to urea ratio for the financial year improved compared to FY2019 and averaged at 0.88 (2019: 1.09) for the year. When the ratio drops to below 1.2 (long-term average) it is considered favourable. For more information on the ammonia to urea ratio, refer to page 43
- There was a strong demand for AgriBio products globally
- Hyperinflation concerns in Zimbabwe created volatility in earnings

Outlook

- Although agriculture is classified as an essential service in all the countries in which we operate, the impact of COVID-19 on world agricultural trade remains uncertain and depends on how quickly world economies recover
- A satisfactory rainfall season led to good soil moisture content with good planting prospects. Fertilizer demand in South Africa for the coming year appears positive
- The increasing use of technology to maintain and improve crop yield offers new opportunities
- AgriBio products are expected to grow globally by 13% to 17% compound annual growth rate (CAGR) by 2025
- The relevance of agriculture to SADC's economic growth and employment provides various public-private partnership opportunities

Omnia's response

- Target higher margin opportunities from Axioteq and our AgriBio businesses
- Focus on farming and supply innovation (product and technology) to further increase yield per hectare in difficult climate conditions
- Digitalisation of the agriculture value chain offers various opportunities
- Improve production efficiencies and ramp up nitrophosphate production
- Integrate the operating model across various business units and extract further operating cost savings
- Expand our geographical footprint by leveraging current distribution infrastructure
- Launch new products (several patented)
- Review of the operating model of the Agriculture SADC business post year-end

Capitals utilised in response

Intellectual | Manufacturing | Human

Business context continued

Understanding the ammonia to urea ratio

Omnia manufactures and sells ammonium nitrate-based rather than urea-based fertilizers, as ammonium nitrate has proven benefits over urea in the growth cycle of crops and soil and is more environmentally friendly. The long-term effect of urea on soil conditions is harmful if applied incorrectly or under conditions that are not ideal. As an added benefit, Omnia also uses its ammonium nitrate as a basic building block in the production of explosives, which is not possible with urea.

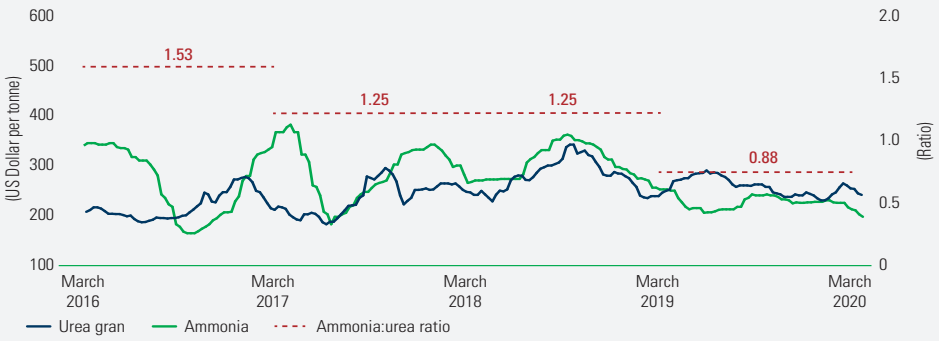
Ammonia is the basic raw material feedstock for the production of both ammonium nitrate and urea. Omnia purchases ammonia to produce its ammonium nitrate-based fertilizers and costs are therefore principally subject to the price of ammonia. On the other hand, many of Omnia's competitors purchase urea on the world markets to sell in the local market. This means that Omnia's ammonium nitrate-based fertilizers need to compete on price with urea-based fertilizers which are cheaper and less advanced or beneficial.

The price of ammonia and urea is subject to the global demand and supply balance for products of this nature. Ammonium nitrate and urea production requires considerable capital and incurs substantial operational costs in the conversion processes. Over time, a natural equilibrium has evolved between ammonia and urea pricing, reflecting the price premium of urea over ammonia. The construction of new plants, which are typically fully integrated and on a large scale, together with the use of more efficient technology and improvements in engineering, change the capital and operating costs when there is a new source of supply into the market. The change in the volume of product available in the market combined with lower prices changes the mix and basket available to buyers. Over time, this returns to the long-term mean and the cycle repeats. In the case of demand/supply factors making ammonia relatively more expensive than urea, Omnia's fertilizer margins contract. In this case, the ammonia to urea ratio is higher and, therefore, less favourable for Omnia. On the other hand, the opposite case can also prevail to the benefit of Omnia.

The average ammonia to urea ratio for the financial year improved compared to FY2019 and averaged at 0.88 (2019: 1.09) for the year. When the ratio drops to below 1.2 (long-term average), it is considered favourable. The ratio, however, remains volatile and unpredictable, which can create periods of price differences that may have a material impact on the input costs. It is anticipated that the ratio will remain favourable over the foreseeable future. A traditional analysis of the ratio alone does not explain the full impact on the business. Ammonia is bought consistently throughout the year due to the nature of the production process, whereas orders are generated during the fertilizer season. The movement in the prices through the cycle should therefore also be considered.

Ammonia and urea prices

Ammonia versus urea: US Dollar per tonne



Business context continued

Globally, the mining sector is in recovery; however, margins are impacted by increased competition and oversupply

Material matter impacted

Operational and financial performance

Regulatory and policy environment

What happened in the year?

- Globally, the sector is in recovery with gains in commodity prices, aided in South Africa by a weaker Rand
- The mining sector across SADC is, however, depressed
- The mining and quarrying industry in South Africa contracted by 1.9% in 2019. South African mining sector productivity has declined in real terms over the past decade
- Increased competition and an oversupply of explosives have led to margin pressure
- Locally, tender business has a high dependency on B-BBEE levels and community inclusion

Outlook

- The outlook for the mining industry globally is framed against uncertain global macro-economic growth prospects and related socio-economic risks, exacerbated recently by the outbreak of COVID-19, commodity price volatility and greater focus on environmental and social responsibilities. Mining companies therefore will continue to focus on reducing costs and using technology to drive growth, productivity and greater efficiencies in a more sustainable manner
- Metal prices are projected to fall by 13.2% in 2020 on expectations of prolonged public health and economic crises. Precious metals prices are expected to average 13.2% higher in 2020. Upside risks to this outlook arise from a sharper-than-expected global slowdown, while downside risks include further strengthening of the US Dollar (source: World Bank, Commodity Market Outlook, April 2020)
- Growth in the mining sector is projected to remain flat for most commodities in South Africa, which may lead to customer consolidation. In the rest of Africa, we anticipate competition to remain intense
- A highly fragmented explosives sector provides opportunities for local joint ventures with smaller players seeking growth
- There are various growth opportunities in the solvent extraction business for Protea Mining Chemicals

Omnia's response

- Further development of AXXIS™ technology and digital solutions
- Pursue new business opportunities in South Africa, Canada, Australia and Indonesia
- Through distribution partnerships, expand into Canada, the USA, Mexico and Latin America
- Maximise growth opportunities through optimisation of customer metallurgical extraction processes utilising high performance chemicals, reagents and associated services
- B-BBEE improvement programme adopted

Capitals utilised in response

Intellectual

Social and relationship

Business context continued

Structural changes in the chemicals industry

Material matter impacted

Operational and financial performance

What happened in the year?

- The chemicals sector is impacted by the international price of chemicals. The average crude oil price basket decreased from US$70 per barrel to US$61 per barrel which lowered revenue
- The chemicals industry moved into a down cycle due to two main structural shifts in the industry:
  - o Increased supply of commodity chemicals as new Chinese capacity came online earlier than projected
  - o Reduced demand for commodity chemicals, due to the ongoing and lengthy USA/China trade dispute. The trade dispute widely impacted the chemical prices of feedstock, polymers and finished goods and has resulted in the redistribution of trade and reshoring of the Chinese plastics industry to other countries
- The South African manufacturing sector remains in low growth/stagnation
- Locally, Omnia experienced increased price competition in the highly fragmented market offset by increased demand for specialised product and service solutions across various sectors including food, oil and gas
- Increasing regulatory requirements

Outlook

- Chemicals prices are projected to remain under pressure over the short to medium term following the significant decline in oil prices and the slowdown in economic growth projections due to COVID-19 and lingering trade tension between the USA and China
- The South African manufacturing sector has been in decline since 2015 but is projected to grow by 1.3% in the medium term, subject to stable electricity supply
- There is potential for higher margins and more stability in specialty chemical segments; however, this is offset by overall lower volumes
- International operators continue to leverage digital technologies to expand their reach, lower servicing costs, simplify logistics and reduce complexity
- Industry consolidation is anticipated due to the increasingly complex environment combined with margin pressure

Omnia's response

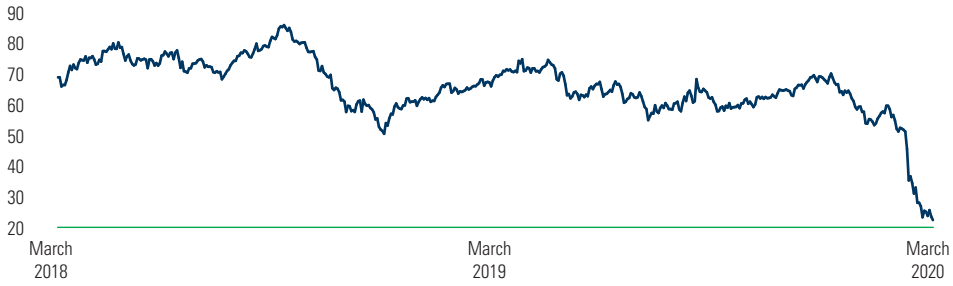
- Further profitability enhancement by reducing a high asset base and exploring joint venture opportunities
- Develop strategic supplier relationships
- Penetrate the export market
- Increase the sale of specialty products

Capitals utilised in response

Intellectual

Financial

Brent crude prices
(US Dollar per tonne)



Business context continued

Increasing environmental, regulatory and social requirements

Material matter impacted

Regulatory and policy environment

People, safety, skills and transformation

What happened in the year?

- Rising temperatures, changes in rain patterns and extreme weather conditions caused by climate change, remain growing concerns for businesses, investors and society at large
- There is increased pressure from regulators and society to reduce emissions, energy and water usage
- Low growth and high unemployment rates in South Africa have increased the demand for employment opportunities and socio-economic development support
- The COVID-19 pandemic resulted in a series of new regulatory requirements being promulgated related to safety and health management

Outlook

- Increased government intervention including regulations and increased taxes such as carbon taxes are anticipated as the demand for a cleaner world intensifies
- Increased focus on COVID-19-related regulations and requirements is expected to grow

Omnia's response

Omnia takes its sustainability responsibility seriously. A sustainability strategy has been developed and rolled out across the Group and continues to be refined. In FY2020, the Group also set outcome targets to 2030 in its efforts to reduce its impact on the environment as well as support the transformation agenda in South Africa and the appointment of local resources in the countries where Omnia operates.
In response to COVID-19, the Group initiated and implemented several targeted protocols for the protection of employees and business partners as well as the continued operation of our essential services operations.

Capitals utilised in response

Natural | Intellectual | Social and relationship

Business context continued

Integrated stakeholder engagement

Omnia's success is dependent on how well it manages its partnerships and engagement with material stakeholders. The board is ultimately accountable for stakeholder engagement. Omnia has adopted a formal stakeholder engagement framework, which provides for structured and constructive engagements at appropriate levels of Omnia. This framework is being incrementally implemented to ensure meaningful stakeholder engagement and responsiveness.

Material stakeholder engagement objectives

- **IMPROVED RELATIONS** with stakeholders through trust, transparency, understanding, partnership and constructive engagement
- Develop and sustain company **AWARENESS** of broader social, economic and environmental **RISKS AND OPPORTUNITIES**
- **INFORMED STRATEGIC PLANNING** that integrates stakeholders' interests
- **IMPROVED UNDERSTANDING BY STAKEHOLDERS** of Omnia's position, issues, challenges and requirements with accurate information dissemination to stakeholders
- Ensure **ALIGNED GOALS AND EXPECTATIONS**
- Support **CONSENSUS-BASED DECISION-MAKING**
- **ESTABLISHED RESPONSIBILITY AND ACCOUNTABILITY** of all parties
- **SUPPORT SUSTAINABILITY** and relevance of company activities towards value creation for all stakeholders

Stakeholder engagement process

In execution of its governance role and responsibilities, Omnia adopts a stakeholder-inclusive approach that balances the needs, interests and expectations of material stakeholders over time. As such, the Group engages regularly with stakeholders to understand their perceptions of Omnia and pinpoint future trends, possible risks, determine material matters and areas for strategic development.

Material stakeholders

In prioritising our material stakeholders, we apply the following criteria:

- The degree to which we depend on the relevant stakeholder's support to achieve our strategic goals
- The extent to which the relevant stakeholder can impact our performance
- The relative importance of the relevant stakeholder for the Group as a whole
- The risk exposure for Omnia by not engaging with relevant stakeholders

Based on this assessment, we categorised these relationships into three types of interaction, namely collaborate, involve or consult. While the Group engages with all stakeholders, we have identified material stakeholders as those with whom we need to consult on an ongoing basis. Engagement plans for each material stakeholder are being developed and will be closely monitored as implementation progresses. A summary is provided below together with a self-assessment of the quality of our engagement.

Business context continued



PROVIDERS OF CAPITAL AND INVESTMENT COMMUNITY

Importance to Omnia
Provide financial capital

Includes shareholders (retail and institutional), debt financiers and influencers such as investment analysts and financial media

Quality of engagement

FY2020	FY2019

How stakeholders perceive value

- Return on investment
- Effective risk management and corporate governance
- Sustainability of Omnia's business
- Transparency in reporting
- Good corporate citizenship
- Reputation management

Issues raised

- Long-term financial sustainability
- Remuneration policy and implementation report

Engagement model

- Results presentations
- Investor days and roadshows
- Website
- IARs
- Targeted engagements or discussions
- Meetings and AGM
- Site visits

Response

- Rights issue successfully concluded and debt profile restructured
- Significant work completed to improve remuneration practices and disclosures

For more information, see our remuneration report on page 112



EMPLOYEES AND UNIONS

Importance to Omnia
Provide knowledge, skills and experience

Quality of engagement

FY2020	FY2019

How stakeholders perceive value

- Security of employment
- Reward and recognition
- Performance management
- Career progression
- Education and training
- Transformation
- Corporate reputation
- Social responsibility

Issues raised

- Employment security during restructuring process
- Negotiation of new wage agreements
- Need for improved communication
- Transformation across the Group
- Fair and market-related remuneration
- Response to COVID-19
- Unwinding of Sakhile 1 share scheme

Engagement model

- Staff engagement at numerous levels
- Group-wide broadcast by the CEO
- Employee presentations and surveys
- Meetings, newsletters, emails and intranet
- Employment equity committees
- Engagement with unions on numerous levels, including facilitated consultation sessions

Response

- Ongoing consultation with employees and trade unions to minimise job losses. Where possible, employees have been transferred to other businesses and programmes to upskill employees have been implemented
- Wage agreement completed
- Various platforms are used to improve communication across the Group. Employees are encouraged to participate in two-way communication
- Various transformation initiatives have been implemented
- A structured programme and response plan have been implemented to ensure the safety of employees during the COVID-19 outbreak
- During the year, the Group engaged with employees and proposed a settlement whereby a subsidiary of the Group, Omnia Group Investments Limited, offered to purchase the employees' shares in Sakhile 1 in one tranche. This offer was accepted by 98.12% of all voting shares in the scheme and the remaining employees were settled through a squeeze-out process, effectively settling R39 million to employees, followed by the scheme's deregistration

Good and mutually beneficial

Adequate to reach a common goal

Business context continued

CUSTOMERS

Importance to Omnia
Buy products and enable growth

Quality of engagement

FY2020	FY2019

How stakeholders perceive value

- Security of supply and the quality of products, services and solutions
- Solutions are tailored to meet their needs and provide better value for money
- Performance-based solutions are required
- Solving customers' problems through personalised, trusted relationships
- Sharing of industry knowledge and experience through experts
- Good corporate citizenship
- Corporate reputation

Issues raised

- Supply of products at affordable prices
- Requirement for new and more environmentally friendly products as well as digital solutions

Engagement model

- Contract and service agreements
- Regular one-on-one and on-site meetings
- Industry conferences
- Engagement with customers on various levels, including divisional and Group management
- Customer days
- Electronic channels including emails and website

Response

- The commissioning of the new nitrophosphate plant has enabled Omnia to reduce its reliance on externally supplied feedstock (reducing input costs allowing for more competitively priced end-products)
- Ongoing focus on cost management
- Structured research and development investment programme into product development

SUPPLIERS

Importance to Omnia
Provide raw materials, products and services

Quality of engagement

FY2020	FY2019

How stakeholders perceive value

- Sustainability of Omnia's business
- Common supply chain interdependencies
- Good corporate citizenship
- Corporate reputation
- Omnia provides a channel to market for certain suppliers and represents the suppliers in certain markets

Issues raised

- Continuity of work
- Preferential procurement

Engagement model

- Regular one-on-one meetings
- Contract and service agreements
- Industry forums
- Electronic channels including emails and website

Response

- Ongoing engagement with key suppliers
- Increased focus on procuring from local suppliers and historically disadvantaged groups in the countries in which we operate
- Maintain timely payment and support to small, medium, and micro-enterprises (SMMEs) to support business opportunity and growth

Good and mutually beneficial

Adequate to reach a common goal

Business context continued



REGULATORS

Importance to Omnia
Develop and enforce legislation and associated regulations which have a significant influence on the Group as a whole or on one or more of its divisions

Quality of engagement

FY2020	FY2019

How stakeholders perceive value

- Collaboration with regulators for effective and applicable policy
- Legislative development that balances regulatory as well as business needs and concerns
- Ensuring compliance and reporting of regulatory obligations
- Demonstrating effective and beneficial partnerships with government

Issues raised

- Compliance aspects
- Implementation and rollout of requirements
- Streamlining of legislative processes
- New requirements for operations

Engagement model

- Proactive engagement and regulatory advocacy initiatives
- Active participation in the development of relevant legislation and standards
- Cooperative and collaborative engagement with regulatory authorities pertaining to applicable laws, regulations and standards
- Technical and expertise support to specific targeted topics of relevance to the Group and the chemicals sector

Response

- Participate in government and industry-led initiatives pertaining to policy and law
- Active engagement in government workshops on specific topics of relevance to the Group
- Provide written comments and feedback on regulatory development, implementation and challenges



COMMUNITIES

Importance to Omnia
Hold Omnia accountable as a responsible corporate citizen and a valuable partner in outreach programmes

Quality of engagement

FY2020	FY2019

How stakeholders perceive value

- Potential effects of site incidents and related management
- Emergency preparedness and response
- CSI and socio-economic development projects
- Opportunities for local employment and to stimulate local economic growth
- Transformation of the local communities and people
- Health and safety of employees and communities

Issues raised

- Community needs and concerns, especially business and employment opportunities

Engagement model

- Ongoing interaction with communities through various forums
- Awareness sessions
- Local socio-economic development projects
- Project-specific engagements
- Omnia's IAR
- Situation-specific (eg COVID-19) outreach programmes

Response

- Investment in enterprise and supplier development
- Various community support programmes implemented
- Education support investment aimed at equipping learners for tertiary education opportunities

Good and mutually beneficial

Adequate to reach a common goal

Business context continued



INDUSTRY ASSOCIATIONS AND BODIES

Importance to Omnia
Provides a common platform for addressing industry-related development, concerns and initiatives for sharing lessons and best practices

Quality of engagement

FY2020	FY2019
	

How stakeholders perceive value

- Interactive discussion of sector-specific issues and concerns
- Development of sector-based strategies and best practice guidelines
- Provision of technical expertise and advice
- Platform for lobbying and raising awareness

Engagement model

- Participation in various industry bodies, eg CAIA, FERTASA, IFA, SAFEX
- Chairmanship of various related committees
- Serve on advisory bodies of the relevant associations
- Participate in industry initiatives

Issues raised

- Regulatory developments
- Implementation of new requirements
- Challenges with processes
- Training and awareness

Response

- Business and industry forum engagement and participation
- Government and specialist workshops
- Capacity building initiatives
- Technical committee participation, eg SHE Forum, Process Safety Forum, Chemicals Logistics Management Forum



SPECIAL INTEREST GROUPS, FORUMS AND ORGANISATIONS

Importance to Omnia
This group of stakeholders is largely operational in the areas where the Group operates and may have varying levels of interests and issues

Quality of engagement

FY2020	FY2019
	

How stakeholders perceive value

- Important to ensure that the Group's social compact with surrounding communities and action groups is maintained
- Provide a platform for issues and concerns to be raised
- Hold the Group's businesses accountable for responsible management practices

Engagement model

- One-on-one engagement with interest groups
- Membership of relevant forums
- Site or business visits
- Provision of relevant and applicable information

Issues raised

- Operational level impacts, eg environmental aspects at forums

Response

- Information sharing and reporting at forums

 Good and mutually beneficial

 Adequate to reach a common goal

Business context continued

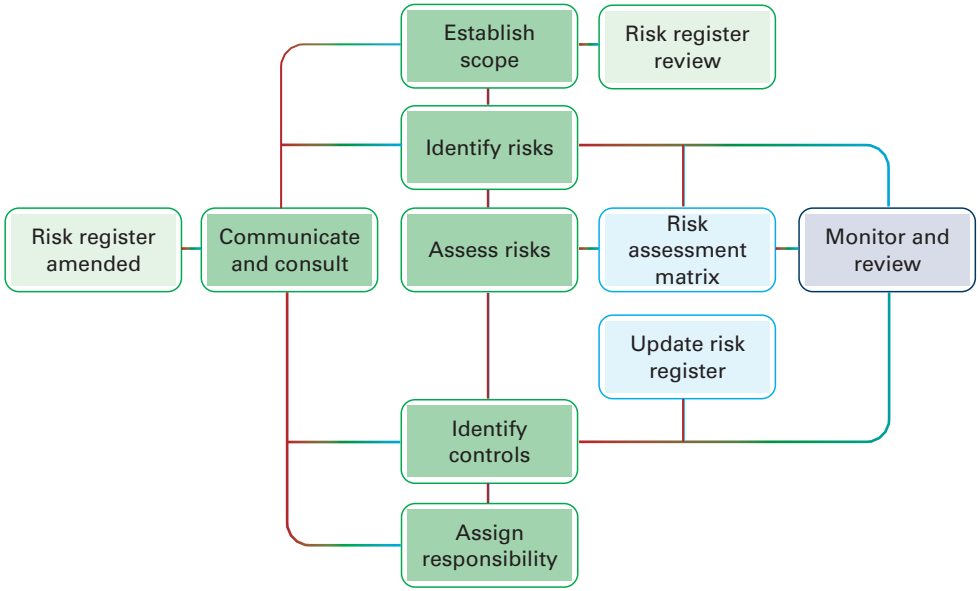
Risks and opportunities

Management of risk is an essential element of sound corporate governance and crucial to the achievement of Omnia's strategic and business objectives to ultimately create sustainable value for all stakeholders.

Omnia's approach to risk management

Risk is carefully managed across the organisation to identify, assess, quantify and mitigate risk events. In managing risk, it is the Group's practice to take advantage of potential opportunities and managing any potential adverse effects. Underpinning these activities is Omnia's enterprise risk management (ERM) framework which promotes a risk management culture and ensures that risk management policies and procedures are in place, standardised across Omnia and functioning effectively.

The process flow implemented for the identification and assessment of risk across all operations of the Group is depicted below. The process is based on continual review and improvement principles embedding the need for collaboration and ongoing communication.

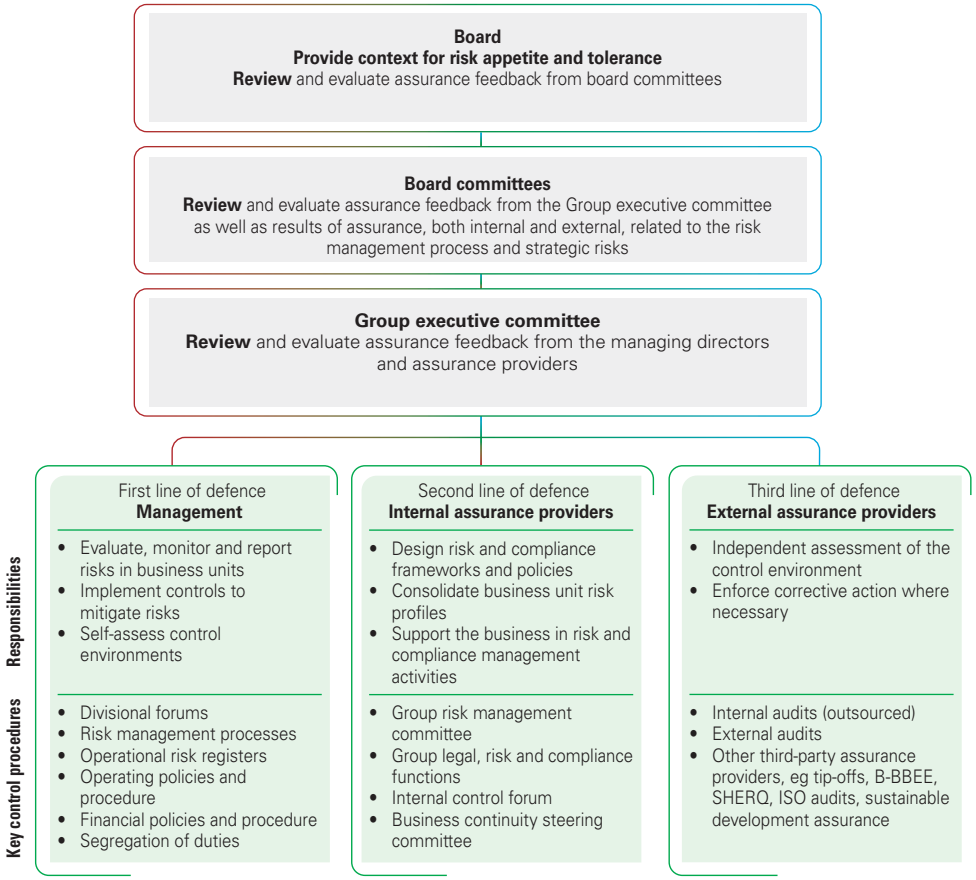


Governance of risk

The board takes overall responsibility for Omnia's risk management practices. The board is supported by the SERC and the audit committee, both sub-committees of the board, as well as the Group risk management committee. The Group has also implemented a combined assurance model to ensure proactive monitoring and provision of assurance to the board that the key responses to and controls of top risks are being adequately addressed and managed.

The risk governance and combined assurance model currently implemented in the Group is reflected in the diagram below:

Risk governance



Business context continued

Approach to risk appetite and risk tolerances

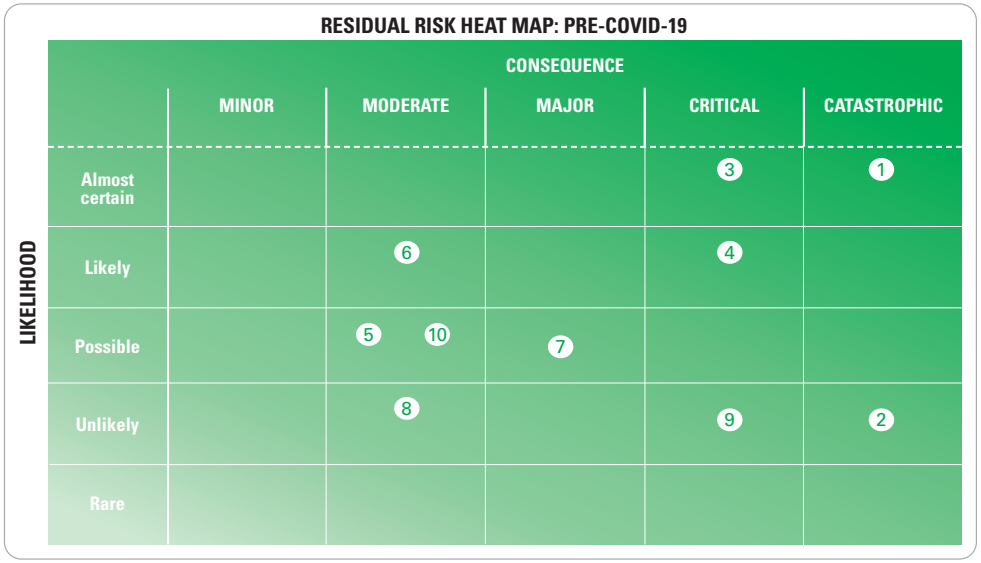
When any major strategic or tactical decision is made by the Group, Omnia's risk appetite framework ensures that the compatibility of a course of action with the risk appetite is always considered.

While a business must assume a certain amount of risk to thrive, there are limits as to how much risk Omnia can accept in the pursuit of value creation for our stakeholders. Assuming too much risk could cause the fabric of the organisation to unravel should several of these risks materialise. In an extreme case, it could cause the collapse of the business. Omnia's failure to contain its risk exposures within acceptable limits would be irresponsible and could harm people and the environment and jeopardise our social licence to operate.

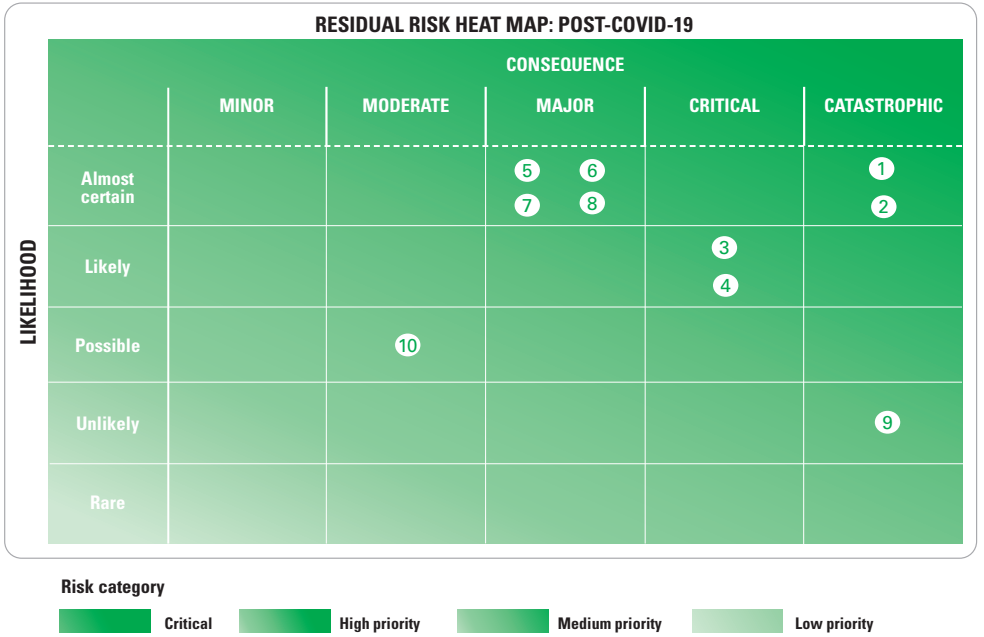
Top risks

As part of the risk assessment process, risks are assessed over the short, medium and long term. Outlined in the heat map below is the residual rating for each material risk for Omnia. Residual risk is the remaining risk exposure after all identified mitigation measures have been applied. The external factors beyond management's control are key contributors to the current high residual risk ratings. Being responsive to evolving macro-conditions is also critical to effective risk management and as such we reassessed our material risks in light of COVID-19. The pre- and post-COVID-19 risk heat maps were drawn as follows:

RESIDUAL RISK HEAT MAP: PRE-COVID-19



RESIDUAL RISK HEAT MAP: POST-COVID-19



Top 10 risks

1. Uncertainty about macro-economic growth	6. Not meeting the legitimate needs and expectations of Omnia's stakeholders
2. Catastrophic safety, health and environmental incidents	7. Unscheduled business/production interruption
3. Increase in geopolitical and socio-economic instability	8. Ability to attract and retain critical talent
4. Unpredictable weather events and cycles	9. Ability to detect and adapt to changes in the market
5. Regulatory and legal non-compliance	10. Insufficient access to and increasing cost of capital

Business context continued

Uncertainty about macro-economic growth

(Refer to material matter – macro-economic uncertainty on page 13)

▲ **Ranking: 1 (2019: 2)**

Description

- The outlook for economic growth across the world over the short to medium term has deteriorated with the potential for a global recession. The recent outbreak of COVID-19 will further exacerbate recessionary conditions. This could result in stagnant markets with limited potential for growth and increased competition for existing markets
- Movements in exchange rates during uncertain economic times over the Group's extended supply chain cycle can negatively impact profitability
- The Group's customers may not be able to access funds to buy products and services from Omnia or to settle their accounts in line with the agreed credit terms, impacting the Group's cash flow, revenue and/or profitability

Capitals impacted



Mitigating actions and opportunities

- Design and implementation of a balanced business portfolio and greater geographic, customer and product diversification
- Focus on innovative products and solutions development
- Improved production efficiencies and throughput
- Risk management through forward exchange contracts, zero cost collars and derivative instruments
- Implementation of a specialist global treasury function and further rolling out the Microsoft Dynamics AX ERP system
- Raising debt financing in various local currencies (natural hedge)
- Robust credit management policy is in place
- Customer agreements are maintained with adequate legal oversight
- Credit insurance and security obtained where required
- Extended credit terms have been provided to assist customers in the current economic environment

Strategic objectives impacted



Catastrophic safety, health and environmental incidents

▲ **Ranking: 2 (2019: 4)**

Description

Omnia is a capital-intensive manufacturing enterprise, using various hazardous and non-hazardous materials in the manufacturing process. Safety and plant incidents, including injuries and fatalities, negatively impact our operations and people.

Capitals impacted



Mitigating actions and opportunities

- Zero harm, positive impact is embedded in Omnia's core beliefs
- Integration of ERM practices into all operational and strategic management processes
- Implementation and ongoing monitoring of process safety management system
- Tracking of leading occupational and process safety indicators

Strategic objectives impacted



Increase in geopolitical and socio-economic instability

▲ **Ranking: 3 (2019: 8)**

Description

Omnia operates in 45 countries and is exposed to political uncertainty in many countries, especially in southern Africa. The trade tension between the USA and China as well as the Brexit negotiations increased the geopolitical risk.

Capitals impacted



Mitigating actions and opportunities

- Geographic diversification and continuous monitoring of the risks in individual territories
- Where possible, engagement with government leaders and policy influencers is undertaken to place focus on the needs and concerns of the Group and industry in general

Strategic objectives impacted



Strategic objectives

Operational effectiveness | Innovative solutions | Geographical expansion and acquisitions

Capitals

Financial | Human | Manufactured | Intellectual | Natural | Social and relationship

▲ Exposure increased | ▼ Exposure reduced | ■ Exposure unchanged | ○ New or reintroduced risk

Business context continued

Unpredictable weather events and cycles
(Refer to material matter – climate change on page 13)

Ranking: 4 (2019: 3)

Description

- Changes in climate cycles (drought and rainy season) continue to affect farmers, a key customer and source of product demand for Omnia's Agricultural division. This in turn impacts operations and profitability
- Environmental regulatory requirements continue to evolve and are becoming more onerous. Non-compliance may lead to fines and penalties as well as reputational damage

Capitals impacted



Mitigating actions and opportunities

- Sustainability of the business, customers and stakeholders has been incorporated into Omnia's strategic ambitions
- Participation with key industry associations and engagement with government on regulatory and policy changes
- Use of GHG abatement technologies to reduce emissions
- Registered clean development mechanism (CDM) projects
- Use of analytical and predictive tools and technologies to aid business planning and customer support

Strategic objectives impacted



Regulatory and legal non-compliance
(Refer to material matter – regulatory and policy environment on page 13)

Ranking: 5 (2019: 7)

Description

Lack of knowledge and understanding of the relevant statutory and regulatory universe in various parts of the world as the business expands internationally can result in breaches of local laws and regulations resulting in litigation, fines, penalties, criminal prosecution, loss of licences, confiscation of assets and reputational damage.

Capitals impacted



Mitigating actions and opportunities

- Ongoing monitoring of regulatory landscape
- Business systems and processes are designed, managed and monitored to ensure compliance with relevant statutory and regulatory laws
- Use of local skills in the various operating territories
- Dedicated risk, compliance and legal functions

Strategic objectives impacted



Not meeting the legitimate needs and expectations of Omnia's stakeholders

Ranking: 6 (2019: 9)

Description

Not all stakeholder needs and expectations can be met all of the time and they must be balanced/aligned with business needs and positioning.

Capitals impacted



Mitigating actions and opportunities

- Implemented and monitored a stakeholder engagement framework
- Active participation in industry association engagements
- Actively engaged in several community outreach projects to provide support in difficult times

Strategic objectives impacted



Business context continued

Unscheduled business/production interruption
(Refer to material matter – operational and financial performance on page 13)

▼ **Ranking: 7 (2019: 6)**

Description

Operations could be interrupted by:
- Non-availability of essential utilities and services due to extended interruptions caused by load shedding
- Deteriorating quality of road and port infrastructure, especially in Africa, due to a lack of continued investment could have a significant negative impact on operations, raw material and product supply chains, which in turn impacts reliability of supply to market
- Cyber-attacks leading to a major disruption to the entire business's operating systems, damaged or lost customer relationships, reputational and brand value damage and loss of IP
- Raw material and supply chain disruptions
- Unplanned manufacturing interruptions
- Labour and social unrest

Capitals impacted



Mitigating actions and opportunities

- Supply of key utilities is monitored on an ongoing basis. Several options to provide assurance of supply have been explored and implemented, such as co-generation options and renewable energy
- Implementation of process management systems, focusing on operational excellence and asset integrity, reliability, standard operating procedures and contractor management, is embedded in all operations
- Review and monitor the cyber-security landscape on a regular basis with various software tools and through accredited third-party specialist service providers. IT protocols and security infrastructure, along with automated network, anti-virus and software updates to deal with new threats immediately, have been implemented
- Security of raw material supply: A task force focusing on strategic assessments and monitoring and business partner support has been implemented
- Approved human capital strategy and employee engagement plans to help manage employee relations
- Ongoing stakeholder engagement activities, including community involvement and support

Strategic objectives impacted



Ability to attract and retain critical talent
(Refer to material matter – people, safety, skills and transformation on page 13)

▼ **Ranking: 8 (2019: 5)**

Description

The ability to attract and retain technical skills core to our business and strategy is critical to ensure consistency and efficiency in production, product innovation and meeting customer needs.

Capitals impacted



Mitigating actions and opportunities

- Strategic talent management framework in place focuses on attracting, developing and retaining key and highly skilled employees
- Ongoing engagement with employees and organised labour within the collective bargaining framework
- Facilitate collaboration and encourage innovative thinking among colleagues through an innovation platform, called Latitude
- Succession planning has been formulated to address the needs of the business as the workforce evolves

Strategic objectives impacted



Business context continued

Ability to detect and adapt to changes in the market

○ **Ranking: 9**

Description

Customers' product and service needs as well as technology solutions continue to evolve. The challenge to detect and respond to these changes timeously could impact our ability to remain competitive and attract and retain customers. Furthermore, economic and market changes give rise to increased competition, especially from imports.

Mitigating actions and opportunities

- Our customer engagement processes enable us to understand and respond to customer needs timeously. We pay particular attention to the development of customer-focused solutions, including technological solutions, to address identified customer needs. The Group also fosters a learning culture which encourages constant learning and creates opportunities for the Group
- Markets and competitors are continuously analysed to identify improvements to our business model. This has led to a process to reorganise and refocus the various businesses in FY2020. This process will continue into the new financial year. A culture change programme has also been implemented to support the change in focus
- The Group's strategy focuses on regional and global diversification, the innovation of new and differentiated products, effective production processes, the development of customer-focused solutions, as well as reinforcing and improving existing relationships with all stakeholders
- Production and supply chain activities are managed to maximise efficiency and to contain raw material input costs ensuring that end-products are competitively priced

Capitals impacted



Strategic objectives impacted



Insufficient access to and increasing cost of capital

▼ **Ranking: 10 (2019: 1)**

Description

Global uncertainty is affecting the availability of capital and investments, resulting in increased costs of capital, which will have a negative impact on Omnia's margins and its attractiveness to lenders and investors. Furthermore, the recent downgrade of the South African government's credit rating to sub-investment grade, will also impact the cost of debt.

Mitigating actions and opportunities

- Successful conclusion of the rights issue and refinancing of debt in FY2020
- Capital management framework in place

Capitals impacted



Strategic objectives impacted



Performance

Financial capital

What financial capital means to Omnia

Financial capital, used to sustain and grow the business, consists of funds generated from operations, equity financing and debt financing.

Materiality

Through the materiality determination process, the following matters were identified as being material to Omnia's financial capital. Each of these matters has been grouped under a relevant broader materiality theme that speaks to the wider context we are operating in.

Material matters

- Macro-economic uncertainty
- Operational and financial performance

How Omnia is managing these matters

Margin management	*See page 66*
Cost reduction	*See page 61*
Working capital optimisation	*See page 63*
Net debt reduction	*See page 63*

Omnia's commitment

Omnia strives to deliver strong and consistent financial returns to support long-term sustainability.

Supporting the SDGs



Performance continued

Finance director's overview

Introduction

In FY2019, we started the process to reposition Omnia to deliver sustained growth. To date we have reviewed and restructured our Mining and Chemicals businesses and will commence the review of our Agriculture business in FY2021. I am pleased to report that we are already seeing the benefits of our restructuring programme which particularly focuses on improving performance by:

- Optimising margins by improving our customer experience and reducing variable costs
- Containing costs below inflation
- Improving the effectiveness and efficiency of our production assets

In addition, we are building on our portfolio of value-adding and higher-margin products and technologies. We believe that this will enable us to deliver sustained growth for shareholders and other stakeholders.

In FY2020 we delivered a much-improved performance with the Group returning to profitability and we will continue to build on this performance in the year ahead.

Financial and operational performance

SUMMARISED STATEMENT OF COMPREHENSIVE INCOME
for the year ended 31 March

Rm	**Audited FY2020**	Change		Audited FY2019
Revenue	**18 737**	1%	↑	18 628
Gross profit	**4 769**	15%	↑	4 133
Net operating expenses	**(3 980)**	3%	↓	(4 109)
Operating profit	**789**	>100%	↑	24
Net monetary gain on hyperinflation	**22**			–
Net finance expenses	**(479)**	9%	↑	(438)
Profit/(loss) before tax	**332**	>100%	↓	(414)
Taxation	**(203)**	>100%	↓	7
Profit/(loss) for the year	**129**	>100%		(407)
Attributable to:				
Owners of Omnia Holdings Limited	**124**			(414)
Non-controlling interest	**5**			7
	129			(407)

Gross margin improved due to strong demand for AgriBio products, Protea Chemicals/Protea Mining Chemicals, product and services mixes and the deterioration of the Zimbabwean Dollar.

Net operating expenses firmly managed with significant savings of R191 million in administration expenses for consulting and contractor fees, staff costs and general expenses.

Income tax expense delivered an effective tax rate of 61.1%.



Stephan Serfontein
Finance director

Performance continued

RECONCILIATION OF HEADLINE EARNINGS
for the year ended 31 March

Rm	Audited FY2020	Change	Audited FY2019
Profit/(loss) for the year attributable to the owners of Omnia Holdings Limited	**124**	>100%	(414)
Non-headline earnings			
Insurance proceeds for replacement of property, plant and equipment	**(5)**		–
Loss/(profit) on disposal of property, plant and equipment	**8**		(2)
Impairment of property, plant and equipment	**–**		16
Impairment of goodwill and intangible assets	**110**		324
Headline earnings/(loss)	**237**		(76)
Basic earnings/(loss) per share (cents)	**99**	>100% ↑	(530)
Diluted earnings/(loss) per share (cents)	**99**	>100% ↑	(530)
Headline earnings/(loss) per share (cents)	**189**	>100% ↑	(97)
Diluted headline earnings/(loss) per share (cents)	**189**	>100% ↑	(97)

SEGMENT ANALYSIS
for the year ended 31 March

Rm	Audited FY2020	Change	Audited FY2019
Net revenue	**18 737**	1% ↑	18 628
Agriculture	**8 554**	4% ↑	8 240
Mining	**5 190**	6% ↑	4 885
Chemicals	**4 993**	6% ↓	5 301
Reconciling items[1]	**–**		202
Operating profit	**789**	>100% ↑	24
Agriculture	**593**	60% ↑	370
Mining	**356**	>100% ↑	169
Chemicals	**173**	>100% ↑	10
Head office and elimination[2]	**(333)**		(525)

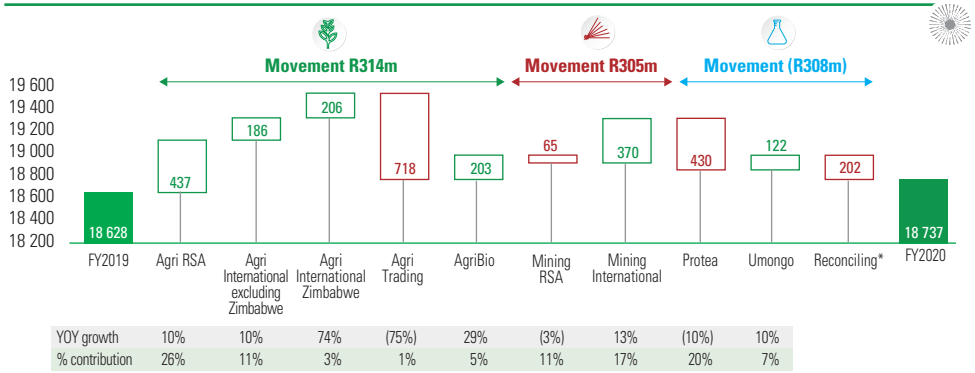
[1] Reconciling items arise because of the difference between the way executive management analyses the financial information and IFRS requirements.

[2] Head office and elimination includes acquisition-related costs, amortisation of intangible assets from the acquisition, employee share-based payment expenses and certain once-off costs.

Revenue and gross profit

Revenue for the year increased by 1% to R18 737 million (2019: R18 628 million), largely driven by an increase in sales volumes in the Agriculture division. This was partially offset by lower volumes in Protea Chemicals. Overall, revenue in the Mining division increased despite lower ammonia prices during the year. Gross profit for the year increased by 15% to R4 769 million (2019: R4 133 million). Gross margin increased from 22% to 25%. In Agriculture Biological the demand for AgriBio products remains strong. An increase in contract business secured in Zambia and the deterioration of the Zimbabwean Dollar also contributed to higher margins. Protea Chemicals and Protea Mining Chemicals increased gross profit margins due to more optimal product and services mixes.

Movement in revenue
(R million)



YOY growth	10%	10%	74%	(75%)	29%	(3%)	13%	(10%)	10%
% contribution	26%	11%	3%	1%	5%	11%	17%	20%	7%

Operating profit

Operating profit for the year was R789 million (2019: R24 million), resulting in an operating profit margin of 4.2% (2019: 0.1%). Expenses have been firmly managed with significant savings of R191 million in administrative expenses for consulting and contractor fees, staff costs and other general expenses.

The Group results include the following items:

- Impairment of Umongo Petroleum goodwill amounting to R105 million
- Debt restructure costs of R24 million
- Retrenchment costs across the Group amounting to R22 million
- EcoGypsum™ closure costs of R6 million
- Net gain on legal settlement of R14 million
- Monetary gain on hyperinflation amounting to R22 million

Performance continued

Distribution expenses for the year increased by 3% to R2 214 million (2019: R2 140 million). In Mining RSA and Protea Chemicals an overall saving was achieved during the year in staff costs (as a result of the restructure in both divisions), contractor costs, repairs and maintenance. This was offset by an increase in the Mining International and Agriculture Biological divisions.

Administrative expenses for the year decreased by 13% to R1 309 million (2019: R1 500 million). Expenses have been firmly managed with significant savings in consulting and contractor fees, staff costs and other general overheads.

Other operating income for the year decreased by 45% to R179 million (2019: R325 million). This year includes net fair value gains on derivatives of R91 million (2019: R66 million) and a gain on a legal settlement of R36 million (excluding the expected credit loss adjustment accounted for under impairment losses on financial assets), while the comparative period included a release of the earn-out relating to Umongo Petroleum of R97 million and insurance claims of R96 million.

Other operating expenses for the year increased by 5% to R402 million (2019: R384 million). Included in other operating expenses for the year is R154 million (2019: R135 million) attributable to the amortisation of intangibles relating to the acquisitions of Umongo Petroleum and Oro Agri, and a net foreign exchange loss on revaluation of assets and liabilities of R154 million (2019: R196 million).

Impairment losses on non-financial assets for the year decreased by 68% to R110 million, R105 million of which relates to the impairment of goodwill in Umongo Petroleum (2019: R324 million impairment of goodwill in Protea Chemicals) and R5 million impairment of software (2019: R16 million impairment of property, plant and equipment).

Impairment losses on financial assets for the year increased by 20% to R116 million (2019: R97 million). The movement is as a result of a higher credit risk attributable to the Group's customers as a result of COVID-19.

Net finance expenses of R479 million (2019: R438 million) are 9% higher than the comparative period. Finance costs include interest on borrowings, leases and deferred consideration on acquisitions (the Oro Agri acquisition was funded through the US Dollar denominated cash reserves previously used to reduce overdraft facilities). The construction of the nitrophosphate plant, which was completed in March 2019, was also financed with debt.

EBITDA and impairments for the year is R1 823 million (2019: R979 million). The increase is as a result of overall improved performance and the first-time adoption of IFRS 16 *Leases*. Excluding the impact of IFRS 16, EBITDA for the year is R1 560 million.

Income tax expense for the year increased to R203 million (2019: R7 million benefit) mainly due to local non-deductible expenses and tax expenses in the Group's international operations. The Group utilised part of the assessed loss incurred in the prior year to reduce the tax expense of the South African operations. Additionally, current year adjustments from the adoption of IFRIC 23 *Uncertainty over Income Tax Treatments* increased the tax expense. The effective tax rate is 61.1% (2019: 1.7%).

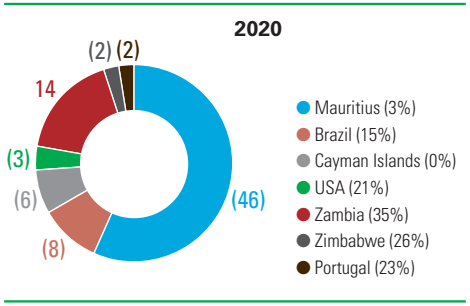
Tax rate reconciliation

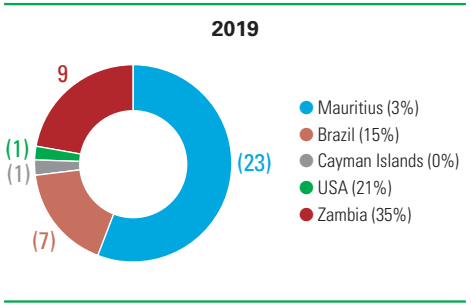
Rm	**FY2020**	FY2019
Profit/(loss) before taxation	**332**	(414)
Tax calculated at 28%(2019: 28%)	**93**	(116)
Adjusted for:		
Non-deductible expenses	**144**	166
Impairment of goodwill	**29**	91
Amortisation of intangible assets	**15**	15
Expenses of a capital nature	**15**	11
Provisions under IFRIC 23 – *Uncertainty over Income Tax Treatments*	**29**	–
Share-based payment	**–**	35
Foreign expenses not deductible per in-country legislation	**49**	–
Other	**7**	14
Different tax rates in countries in which the Group operates	**(53)**	(23)
Assessed losses not accounted for as deferred tax assets	**28**	33
Assessed losses utilised	**(17)**	(3)
Exempt income*	**(10)**	(30)
Special allowances	**(4)**	(58)
Over/(under) provision of prior year tax and additional provisions	**7**	24
Hyperinflation	**15**	–
Tax charge	**203**	(7)
Weighted average applicable tax rate (%)	**61.1**	1.7

* Exempt income includes income from carbon credit sales and interest income taxed as a separate source.

Performance continued

The Group operates in 45 countries across the world which have statutory rates of tax from 0% to 35%. The difference in tax rates of other countries reconciling line can be attributed to the following countries:





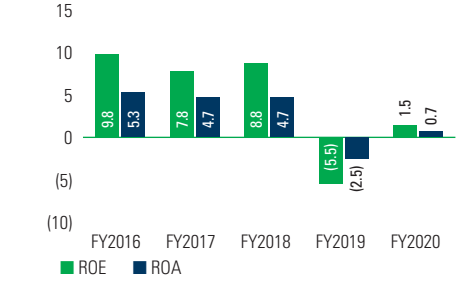
Omnia operates in various tax jurisdictions around the world resulting in global tax exposure on account of additional reporting and compliance requirements.

We make use of tax specialists to support the Group and in the process of adopting a formal tax policy in FY2021.

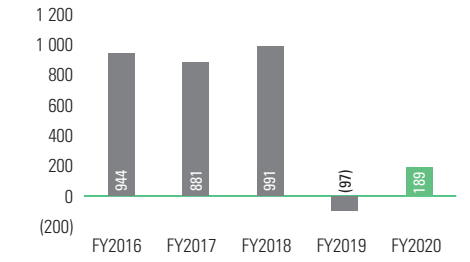
Profit after tax and headline earnings per share

Overall, the Group delivered an improved financial performance for the year, recording a net profit after tax of R129 million (2019: R407 million net loss after tax). Headline earnings per share of 189 cents (2019: 97 cents loss) was achieved.

ROE and ROA
(%)



Headline earnings/(loss) per share
(Cents)



SUMMARISED CONSOLIDATED STATEMENT OF FINANCIAL POSITION
as at 31 March

Rm	Audited FY2020	Audited FY2019
ASSETS		
Non-current assets	**8 660**	8 140
Property, plant and equipment	**5 328**	5 425
Right-of-use assets	**572**	–
Goodwill and intangible assets	**2 579**	2 488
Investments – equity method	**11**	49
Trade and other receivables	**104**	106
Deferred tax assets	**66**	72
Current assets	**9 428**	8 507
Inventories	**3 647**	3 883
Trade and other receivables	**4 151**	3 838
Derivative financial instruments	**160**	59
Income tax assets	**110**	83
Cash and cash equivalents	**1 360**	644
TOTAL ASSETS	**18 088**	16 647
EQUITY AND LIABILITIES		
Equity		
Capital and reserves	**9 617**	7 123
Non-controlling interest	**118**	102
Non-current liabilities	**2 881**	1 091
Deferred tax liabilities	**674**	733
Trade and other payables	**59**	313
Lease liabilities	**427**	–
Derivative financial instruments	**28**	–
Interest-bearing borrowings	**1 693**	45
Current liabilities	**5 472**	8 331
Trade and other payables	**4 253**	3 300
Derivative financial instruments	**99**	29
Bank overdraft	**93**	2 257
Lease liabilities	**186**	–
Interest-bearing borrowings	**841**	2 745
TOTAL EQUITY AND LIABILITIES	**18 088**	16 647

Performance continued

Statement of financial position

The Group's financial position strengthened significantly during the year. The execution and delivery against the turnaround plan, the successful oversubscribed R2 billion rights issue and the subsequent restructure of the Group's debt profile concluded in December 2019, contributed to the sustainable capital restructure. As at 31 March 2020, total assets increased by 9% to R18 088 million (2019: R16 647 million) and net debt reduced to R1 880 million. This includes the effects of IFRS 16, adopted for the first time from 1 April 2019 and R1 267 million which excludes the impact of IFRS 16 (2019: R4 403 million).

Movement in property, plant and equipment as well as intangible assets

The increase in non-current assets of 6% to R8 660 million (2019: R8 140 million) is largely attributable to recognition of right-of-use assets. The intangible assets identified in the purchase price allocation included product registrations, distribution contracts, customer relationships and brands with useful lives of 10 to 12 years that will be amortised over these periods.

Capital expenditure of R514 million (2019: R1 120 million) for property, plant and equipment, additions to goodwill, intangible and other assets was incurred based on planned capital projects, including the nitrophosphate plant for R80 million, EnviNOx™ catalyst R79 million, research and development R39 million and maintenance capex of R99 million (2019: R131 million).

The nitrophosphate plant was commissioned on 24 March 2019, but encountered several technical issues, many of which have now been resolved. This resulted in anticipated benefits for FY2020 not being fully realised. A ramp-up of production to 60% of annual capacity is expected in FY2021. *For more on the nitrophosphate plant, refer to page 71.*

Net working capital

Omnia's working capital cycle is subject to the seasonal nature of farming in southern Africa and the rest of the world. Group working capital requirements (dominated by the Agriculture division) normally peak from September to December and bottom out from January to February. The working capital demands for the Mining and Chemicals divisions are influenced by lead times for the procurement of goods with normal levels of working capital maintained based on the business model parameters.

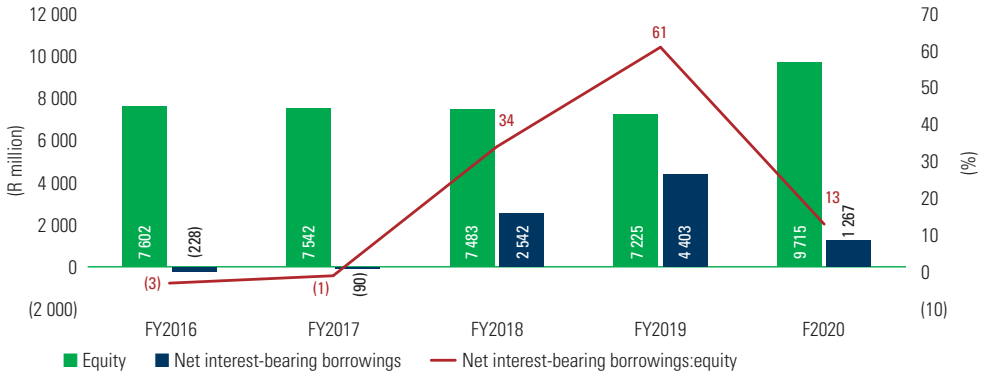
Net working capital reduced to R3 907 million (2019: R4 264 million). The improvement in working capital relates to a change in the inventory purchasing profile in Agriculture RSA, lower average inventory holding across the Group and better management of payables. Foreign debtor balances across all divisions reflected an increase due to the sharp deterioration in the Rand/US Dollar exchange rate at year-end. In addition to this, March is typically peak season in the Agriculture Biological division and as result, debtor balances will increase in line with the increase in revenue.

Key net working capital ratios		FY2020	FY2019
Inventory turnover	Days	**98.4**	101.6
Trade receivables	Days	**77.8**	73.7
Trade payables	Days	**94.7**	84.1
Net working capital	Days	**79.6**	86.1
Current ratio	Times	**1.7**	1.0

Non-current liabilities and interest-bearing borrowings

Non-current liabilities increased by R1 790 million to R2 881 million (2019: R1 091 million). Interest-bearing borrowings increased to R1 693 million (2019: R45 million) as a result of the reclassification of debt to non-current from current at 31 March 2019 as a result of the debt restructure implemented in the current year.

Equity and net interest-bearing borrowings



The Group's objectives when managing capital are to safeguard its ability to continue as a going concern in order to provide returns for shareholders and benefits for other stakeholders and to maintain an optimal capital structure to reduce the cost of capital.

In order to maintain or adjust the capital structure, the Group may adjust the dividends paid to shareholders, return capital to shareholders, issue new shares or sell assets to reduce debt.

Performance continued

The Group monitors capital on the basis of net interest-bearing borrowings over adjusted EBITDA. The Group aims to keep this ratio at two to three times in the medium term and below one time in the long term.

Rm	FY2020	FY2019
Including IFRS 16 *Leases*		
Net interest-bearing borrowings	**1 880**	4 403
EBITDA, excluding impairments	**1 823**	979
Ratio	**1.0**	4.5
Excluding IFRS 16 *Leases*		
Net interest-bearing borrowings	**1 267**	4 403
EBITDA, excluding impairments	**1 560**	979
Ratio	**0.8**	4.5

Net interest-bearing borrowings for the year decreased by 57% to R1 880 million (2019: R4 403 million) or by 71% to R1 267 million excluding the impact of IFRS 16. This was due to a repayment of approximately R2 billion in September 2019 following the successful conclusion of the rights issue as well as improved cash generation as a result of reduced operating expenses, capital expenditure and net working capital. All the South African interest-bearing debt was initially converted into a bridge loan, which was later replaced by secured banking facilities, shared between four financial institutions. Lease liabilities increased to R613 million due to the first-time adoption of IFRS 16. In December 2019, the Group restructured its capital and debt structure, and secured loan facilities from its principal lenders as follows:

- Core term facilities of R2 billion, of which R250 million is repayable after two years, R750 million after three years and R1 billion after four years
- Committed, five-year revolving credit facility of R1 billion
- Committed, general banking facilities of R800 million
- Committed, structured working capital facility of R1 billion
- R1.2 billion indirect facilities

The bridge loan facility was effectively settled and cancelled in December 2019. Interest on the loans is linked to three-month JIBAR, payable quarterly, except for the general banking facilities that are linked to the SA prime rate. Interest rate swaps were entered into to hedge the interest rate exposure over the R2 billion term debt. The loan is secured by a security package, which includes property, plant and equipment, cash, debtors and inventory from the South African subsidiaries, as well as guarantees from an obligor base consisting of South African and foreign subsidiaries. As at 31 March 2020, covenant requirements were comfortably met, and the Group had access to R3.7 billion undrawn facilities.

Independent rating

Global Credit Rating Co Proprietary Limited (GCR) undertakes an independent rating of the Group. In the midst of the capital restructure, Omnia was put on rating watch with a negative outlook. A review published on 5 March 2020, prior to the year-end results and at the onset of COVID-19, did not change the negative outlook, stating: "The negative outlook reflects the potential for the challenging operating environment to cause volatility in cash flows. In this regard, a stable outlook would depend on strong earnings that enable the settlement of remaining legacy debt and support comfortable covenant headroom. Positive rating action may arise from net debt to EBITDA managed below 1.5 times, 12 months' operating cash flow coverage of debt in the 40% to 55% range, and interest coverage of 5.0 times to 10 times". Management is engaging with GCR for a review post the publication of the financial results for FY2020.

Year ended	Report date	Rating scale	Short term	Long term	Outlook
HY2020	5 March 2020	National	A3 (ZA)	BBB- (ZA)	Negative outlook
31 March 2019	July 2019	National	A3 (ZA)	BBB- (ZA)	Rating watch negative

Performance continued

SUMMARISED CONSOLIDATED STATEMENT OF CHANGES IN EQUITY

for the year ended 31 March

Rm	Audited FY2020	Audited FY2019
Total equity at the beginning of the year	**7 225**	7 483
Change in accounting policies (net of tax)	**(144)**	(41)
Restated equity at the beginning of the year	**7 081**	7 442
Changes in share capital and treasury shares		
Ordinary shares issued	**1 930**	7
Movement in treasury shares	**(7)**	–
Changes in reserves		
Ordinary shares issued	**–**	(7)
Share-based payment	**(38)**	61
Total comprehensive income for the year	**753**	(232)
Dividends paid	**–**	(153)
Changes in minority interest		
Total comprehensive income for the year	**16**	107
	9 735	7 225
Comprising		
Share capital (net of treasury shares)	**3 404**	1 481
Other reserves	**1 611**	1 048
Retained income	**4 602**	4 594
Shareholders' equity	**9 617**	7 123
Non-controlling interest	**118**	102
Total equity	**9 735**	7 225
Dividends (cents per share)		
Interim	**–**	75
Final	**–**	–

Movement in equity

Total equity increased by 35% to R9 735 million (2019: R7 225 million). Share capital increased as a result of the rights issue. The effect of electing the modified retrospective approach when adopting new standards and interpretations resulted in a decrease in opening retained earnings of R144 million (IFRIC 23).

SUMMARISED CONSOLIDATED STATEMENT OF COMPREHENSIVE INCOME

for the year ended 31 March

Rm	Audited FY2020	Audited FY2019
Profit/(loss) for the year	**129**	(407)
Other comprehensive income (OCI), net of tax		
Loss on cash flow hedge, net of tax	**(47)**	–
Foreign currency translation adjustment for hyperinflation	**98**	–
Currency translation differences	**589**	193
Total comprehensive income for the year	**769**	(214)
Attributable to:		
Owners of Omnia	**753**	(232)
Non-controlling interest	**16**	18
	769	(214)

OCI was higher than the prior year due to the weakening of the Rand/US Dollar exchange rate. On average, the South African Rand weakened by 9% against the US Dollar from R13.80 at 31 March 2019 to R15.00 at 31 March 2020.

Performance continued

Cash flow statement

SUMMARISED CONSOLIDATED CASH FLOW STATEMENT
for the year ended 31 March

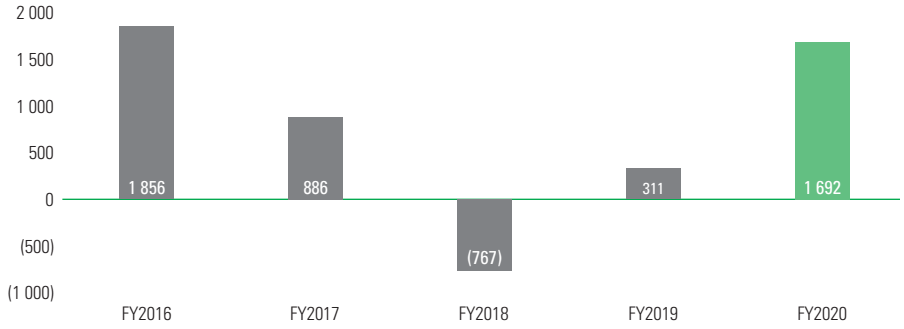
Rm	Audited FY2020	Audited FY2019
Cash flow from operating activities	**1 692**	311
Cash generated from operations	**2 226**	998
Net finance cost paid	**(389)**	(518)
Taxation paid	**(145)**	(169)
Cash flow from investing activities	**(466)**	(2 059)
Purchase of property, plant and equipment	**(421)**	(977)
Proceeds from disposal of property, plant and equipment	**48**	2
Additions to goodwill, intangible and other assets	**(93)**	(143)
Acquisition of business	**–**	(941)
Cash flow from financing activities	**1 404**	1 463
Rights issue, net of expenses	**1 930**	–
Purchase of treasury shares	**(7)**	–
Repayment of interest-bearing borrowings	**(1 904)**	(111)
Interest-bearing borrowings raised	**1 648**	1 727
Repayment of lease liabilities	**(263)**	–
Dividends paid	**–**	(153)
Net increase/(decrease) in cash and cash equivalents	**2 630**	(285)
Cash and cash equivalents at the beginning of the year	**(1 613)**	(1 459)
Exchange rate movement	**250**	131
Net cash and cash equivalents at the end of the year	**1 267**	(1 613)

Cash generated from operations for the period increased to R2 226 million (2019: R998 million). The success in reducing net working capital, implementing cost-cutting measures across the Group and unlocking efficiencies from existing assets resulted in improved cash generation. Lease payments of R263 million are now recognised as part of financing activities following the first-time adoption of IFRS 16. These expenses were previously recognised as part of cash generated from operations.

Cash outflow from investing activities for the period decreased to R466 million (2019: R2 059 million). The comparative period included cash outflows from the construction of the nitrophosphate plant and the acquisition of Oro Agri.

Cash inflow from financing activities for the period of R1 404 million (2019: R1 463 million) includes an inflow of R2 billion from the rights issue and a paydown of the bridge loan facility from the proceeds of the rights issue. In December 2019, the Group secured a sustainable debt package from its principal lenders. The remaining balance on the bridge loan facility was settled and effectively cancelled in December 2019. Lease payments of R263 million are now recognised as part of financing activities following the first-time adoption of IFRS 16. These expenses were previously recognised as part of cash generated from operations.

Cash generated from operating activities
(R million)



Outlook

FY2021 is likely to be challenging as the impacts of COVID-19 unfolds. We anticipate demand to increase as economies and trade across the world resume. However, margins will remain under pressure and volatility in the Rand exchange rate will continue. We enter the new financial year in a much better financial position. This will enable us to navigate and withstand these uncertainties. We will continue with our strict discipline in managing factors within our control, including volume growth, cash and cost control, project execution and effective capital allocation.



Stephan Serfontein
Finance director

Performance continued

Five-year financial overview

Rm	FY2020	FY2019	FY2018	FY2017	Restated FY2016
Statements of comprehensive income					
Revenue	**18 737**	18 628	17 372	16 269	16 774
Operating profit	**789**	24	1 156	1 040	1 108
Finance costs (net)	**(479)**	(438)	(270)	(184)	(179)
Profit before taxation	**332**	(414)	886	856	929
Taxation	**(203)**	7	(222)	(264)	(287)
Profit for the year	**129**	(407)	664	592	642
Non-controlling interest	**(5)**	(7)	2	1	(1)
Profit attributable to owners of Omnia Holdings Limited	**124**	(414)	666	593	641
Loss/(profit) on disposal/impairment of property, plant and equipment/intangible assets	**118**	338	7	23	(6)
Profit on businesses contributed to/sale patent		–	–	(7)	–
Insurance proceeds for replacement of property, plant and equipment	**(5)**	–	(3)	(19)	–
Headline earnings	**237**	(76)	670	590	635
Ordinary dividends paid during the year					
Prior year final	**–**	101	124	120	202
Current year interim	**–**	52	138	113	122
Total dividend paid	**–**	153	262	233	324
Statements of financial position					
Capital and reserves attributable to owners of Omnia Holdings Limited	**9 617**	7 123	7 488	7 545	7 612
Non-controlling interest	**118**	102	(5)	(3)	(10)
Non-current liabilities	**2 207**	358	1 258	251	56
Deferred income tax liabilities	**674**	733	666	580	565
Current liabilities	**5 472**	8 331	5 995	4 391	4 095
Equity and liabilities	**18 080**	16 647	15 402	12 764	12 318
Non-current assets and investments	**6 015**	5 580	4 787	4 355	4 124
Non-current intangible assets	**2 579**	2 488	1 363	645	569
Deferred income tax assets	**66**	72	31	9	8
Current assets (net)	**9 428**	8 507	9 221	7 755	7 617
Assets	**18 080**	16 647	15 402	12 764	12 318
Net interest-bearing borrowings including leases	**1 880**	4 403	2 542	(90)	(228)
Cash generated from/(utilised by) operations	**2 226**	998	(133)	1 349	2 304
Financial costs and taxation	**(534)**	(687)	(634)	(463)	(448)
Cash available from/(utilised in) operating activities	**1 692**	311	(767)	886	1 856
Dividends paid	**–**	(153)	(262)	(233)	(324)
Net cash outflow from investing activities	**(466)**	(2 059)	(1 452)	(772)	(469)
Net cash inflow/(outflow) from financing activities	**1 404**	1 463	863	94	(108)
Net increase/(decrease) in cash and cash equivalents	**2 630**	(285)	(1 618)	(25)	955

Performance continued

	FY2020	FY2019	FY2018	FY2017	Restated FY2016
Statistical information					
Earnings, dividends and issued shares					
Basic earnings per share (cents)	**99**	(530)	857	769	828
Headline earnings per share (cents)	**189**	(97)	862	765	821
Interim dividend per share (cents)	**–**	75	200	160	180
Final dividend per share (cents)	**–**	–	150	180	180
Total dividend per share (cents)	**–**	75	350	340	360
Dividend cover (ratio)	**–**	(8.1)	2.6	2.6	2.6
Net asset value per share (Rand)	**58**	106	109	112	114
Number of shares in issue at year-end (000)	**167 717**	69 052	68 997	67 248	67 173
Number of shares held by share incentive scheme and not included above (000)	**1 109**	1 047	1 049	1 045	1 121
Staff					
Number of employees at year-end*	**4 426**	4 755	4 817	4 366	4 105
Profitability, liquidity and leverage					
Operating profit as a percentage of revenue (%)	**4.2**	0.1	6.7	6.4	6.6
Effective tax rate (%)	**61**	1.7	25.0	30.8	30.9
Return on average equity (%)	**1.5**	(5.7)	8.9	7.8	9.8
Net interest-bearing borrowings to equity percentage	**19.3**	60.9	34.0	(1.2)	(3.0)
Current ratio	**1.7**	1.0	1.5	1.8	1.9
Net interest-bearing borrowings/EBITDA (adjusted) cover	**1.0**	4.5	1.6	(0.1)	(0.1)
EBITDA (adjusted) finance cost cover	**5.6**	2.4	5.9	7.9	9.7
Share performance					
Market value per share (Rand)					
– at year-end	**22.87**	50.90	149.00	162.30	136.50
– highest	**61.55**	148.68	162.25	185.00	180.52
– lowest	**22.00**	50.90	129.60	115.01	115.01
Value of shares traded (R billion)	**2 539**	4 370	3 752	4 421	4 910
Volume of shares traded (000)	**72 623**	45 892	26 019	27 502	32 594
Share volumes traded as a percentage of total issued shares (%)	**43.0**	66.5	37.7	40.9	47.7

* Full-time employees, including fixed-term contracts.

Performance continued

Segmental information

for the year ended 31 March

Rm	FY2020	FY2019[1]	FY2018[2]	FY2017	Restated FY2016
Agriculture					
Revenue (external)	**8 554**	8 240	8 078	8 159	8 218
Operating profit	**593**	370	574	436	411
Operating margin (%)	**6.9**	4.5	7.1	5.3	5.0
Net controlled assets	**6 612**	6 631	5 781	7 035	7 107
Net working capital	**2 046**	2 539	2 463	1 557	1 953
Mining					
Revenue (external)	**5 190**	4 885	5 139	4 378	4 551
Operating profit	**356**	169	343	454	526
Operating margin (%)	**6.9**	3.5	6.7	10.4	11.6
Net controlled assets	**2 274**	2 231	2 247	2 701	2 842
Net working capital	**1 208**	1 196	1 261	967	842
Chemicals					
Revenue (external)	**4 993**	5 301	4 355	3 732	4 005
Operating profit	**173**	10	163	143	171
Operating margin (%)	**3.5**	0.2	3.7	3.8	4.3
Net controlled assets	**1 486**	1 570	1 617	2 033	2 369
Net working capital	**975**	1 154	1 164	597	533
Group					
Revenue reconciling items[3]	**–**	202	(200)	–	–
Operating profit[4]	**(333)**	(525)	76	–	–
Operating margin (%)	**>(100)**	>(100)	(38)	–	–
Net controlled assets	**2 070**	1 905	1 189	–	–
Net working capital	**(322)**	(625)	(367)	–	–

[1] Includes 11 months of Oro Agri, effective from 1 May 2018.
[2] Includes four months of Umongo Petroleum, effective from 1 December 2017.
[3] Reconciling items arise because of the difference between the way executive management analyses the financial information and IFRS requirements.
[4] Head office and elimination includes acquisition-related costs, amortisation of intangible assets from the acquisition, employee share-based payment expenses and certain once-off costs.

Performance continued



Manufactured capital

What manufactured capital means to Omnia

Manufactured capital, which effectively represents the deployment of financial capital, includes Omnia's investment, replacement and maintenance of plant and equipment. This, together with the Group's intellectual capital (see page 92), is the cornerstone of the Group's long-term value proposition. The Group continues to invest in modern technologies and upgrade manufacturing plants and equipment to ensure that they are world-class, safe to operate and conform to the relevant regulations and standards.

Materiality

Through our materiality determination process, the following matters were identified as being material to our manufactured capital. Each of these matters has been grouped under a relevant broader materiality theme that speaks to the wider context we are operating in.

Material matters

- Macro-economic uncertainty
- Operational and financial performance
- Climate change

How Omnia is managing these matters

Sustaining a cost-competitive manufacturing base	*See page 71*
Commissioning of the new nitrophosphate plant	*See page 71*
Cost containment and increased efficiencies	*See page 71*
Divisional performance	*See page 72, 76 and 79*

Omnia's commitment

Omnia strives to continuously invest in new infrastructure to ensure it implements best practice where appropriate.

Supporting the SDGs

Performance continued

Omnia's manufacturing competency, its unique design in terms of efficiencies and low environmental impact, will provide Omnia with a strong competitive advantage in coming years.

Sustaining a cost-competitive manufacturing base

Omnia depends on an extensive asset base of plants, property and equipment and vertical integration of certain aspects of the supply chain to sustain ongoing service to customers and provide them with the products they require. With operations in 45 countries across the world, the Group is more than capable of meeting customer needs.

The 51 manufacturing, blending and packing facilities and 58 distribution centres spread across the world represent a range of production capabilities and capacities aligned with current and future commercial objectives. Carrying value of property, plant and equipment amounted to R5.3 billion (2019: R5.4 billion).

	Manufacturing sites				Distribution centres			
	Agriculture	Mining	Chemicals	Total	Agriculture	Mining	Chemicals	Total
RSA	**16**	**9**	**6**	**31**	**6**	**21**	**5**	**32**
International	**6**	**13**	**1**	**20**	**15**	**11**	**–**	**23**
Australia	1	–	–	**1**	1	1	–	**1**
Brazil	1	–	–	**1**	1	–	–	**1**
Burkina Faso	–	1	–	**1**	–	–	–	**–**
DRC	–	1	–	**1**	–	2	–	**2**
India	–	–	–	**–**	1	–	–	**–**
Indonesia	–	1	–	**1**	–	–	–	**–**
Kenya	–	–	1	**1**	1	–	–	**1**
Mali	–	4	–	**4**	–	–	–	**–**
Mauritania	–	1	–	**1**	–	–	–	**–**
Mozambique	1	–	–	**1**	3	–	–	**–**
Namibia	–	–	–	**–**	–	4	–	**4**
Portugal	1	–	–	**1**	1	–	–	**1**
Sierra Leone	–	2	–	**2**	–	–	–	**–**
USA	1	–	–	**1**	1	2	–	**1**
Zambia	–	3	–	**3**	4	2	–	**3**
Zimbabwe	1	–	–	**1**	2	–	–	**1**
Total	**22**	**22**	**7**	**51**	**21**	**32**	**5**	**58**

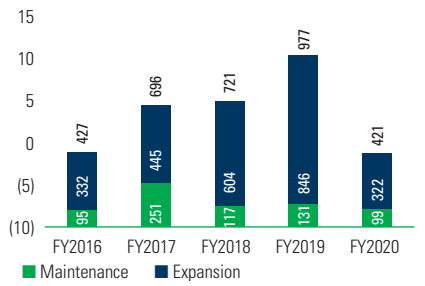
The Group continues to upgrade equipment and invest in new technologies that will contribute to achieving our goal of becoming more operationally effective. The investment in modern equipment also plays a role in reducing the environmental impact of the manufacturing processes.

Capital expenditure on the replacement and expansion of property, plant and equipment amounted to R421 million (2019: R977 million). Key capital projects in the year include:

- Ramp up of the nitrophosphate plant
- Replacement of EnviNOx™ catalyst
- Granulation plant 2 scrubber
- BME contract in Indonesia
- Upgrade of Morwell plant in Australia

Capital expenditure to the value of R550 million is planned for FY2021, mainly to maintain current manufacturing capabilities and increase capacity in BME to service a large contract concluded in the year.

Maintenance and expansion
(R million)



Commissioning of the nitrophosphate plant

In the prior financial year, the nitrophosphate plant commenced operations. Production ramp-up was slower than anticipated, due to various technical difficulties and the requirement to modify the crystalliser design. The modifications to the crystallisers required an additional capital investment. Consequently, overall capacity utilisation was below expectation and the full benefits of the plant did not materialise in FY2020. Once operational at design capacity, the plant will reduce the cost of phosphates (P) by substituting in part phosphoric acid and mono-ammonium phosphate (MAP) with less expensive phosphate rock. This also adds flexibility to feedstock requirements and extends Omnia's part in the value chain. In addition, the plant will produce liquid calcium nitrate (LCN), a key input into the products produced for the Mining division as well as specialty fertilizer by reducing the cost of lime used in the traditional manufacturing process. The reduction of input costs attributable to the nitrophosphate plant will allow the Group to compete with imported products from a price, market differentiation and working capital perspective.

Cost containment and increased efficiencies

Omnia remains committed to continuous improvement and cost-saving initiatives to enhance production efficiencies and optimise economies of scale across the Group. Comprehensive, detailed, multi-year optimisation plans, covering all aspects of the operations, are progressing according to plan. The progress made in achieving these plans is monitored on a regular basis. By owning strategically important manufactured capital, the Group can better manage product quality, production efficiencies and cost competitiveness to ensure responsive management of the supply chain. This, in turn, supports the maintenance of Group margins.

AGRICULTURE



Divisional performance

Agriculture RSA: As part of its innovative Nutriology® concept, this segment produces and trades in granular, liquid and specialty fertilizers, as well as offering value-added services and solutions. The South African customer base includes commercial and small-scale farmers, co-operatives and other corporate customers. The business also supplies manufactured goods to Agriculture International, Mining and Chemicals.

Agriculture International: This segment produces and trades in granular, liquid and specialty fertilizers, humates and other biostimulants, and is further offering value-added services and solutions to a broad customer base internationally.

Agriculture Trading: This segment relates to the wholesale and trading of agriculture commodities throughout Africa.

Agriculture Biological: This segment is involved in the research and development, production, distribution and sales of a unique range of AgriBio products, many of which are patented. The key product ranges include biostimulants, adjuvants, biological crop protection products, liquid foliar fertilizers and soil conditioners for all major crop types.

Operating context

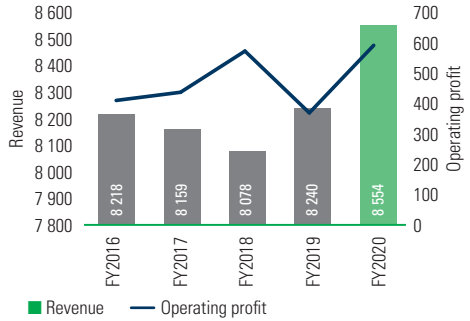
South Africa

- Influenced heavily by key commodity prices
- Lower agriculture commodity prices placing pressure on fertilizer prices, but was partly offset by:
  - o Weakening of the exchange currency
  - o Favourable ammonia/urea ratio
- Increased competition, global oversupply of key raw materials and above-inflationary increases in key utilities result in margin pressure
- Vulnerable to climate change
- Impact of land reform and increased farm debt on farmland productivity

International

- Impact of COVID-19 on international trade flows and supply chains
- The first-phase trade deal between the USA and China has eased trade tensions
- Increasing political interference and political uncertainty in some countries
- Higher credit risk in Africa
- Hyperinflation in Zimbabwe
- Adverse weather continues

Revenue and operating profit
(R million)

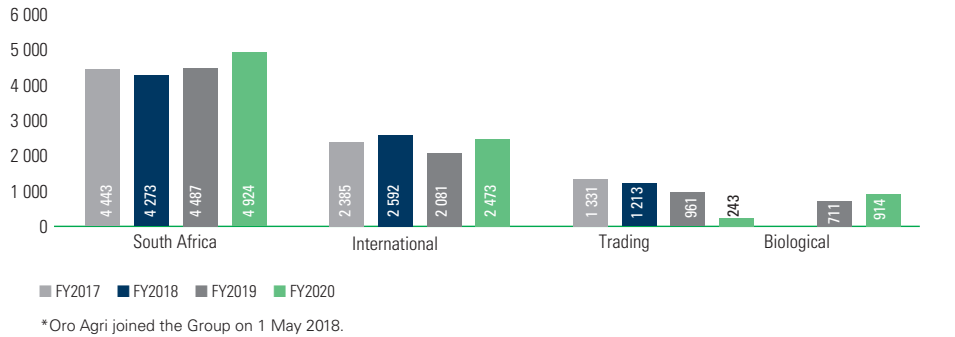


Production volumes, excluding Oro Agri
(Tonnes)



Performance continued

Revenue mix
(R million)



*Oro Agri joined the Group on 1 May 2018.

Performance summary

Operational performance	**FY2020**	% change		FY2019
Production volumes, excluding Oro Agri (tonnes)	**1 340 939**			1 267 873
Production volumes, Oro Agri (litres)	**8 376 826**			7 100 004
Number of retail outlets (Agriculture International business)	**46**			83
Number of staff	**2 206**			2 232
RCR	**0.57**	>100	↑	0.28
FER rate	**1.54**	18	↑	1.30

Financial performance		**FY2020**	% change		FY2019
Revenue (net)	R million	**8 554**	4	↑	8 240
Operating profit	R million	**593**	60	↑	370
Operating margin	%	**6.9**	2.4	↑	4.5
Profit before taxation	R million	**493**	>100	↑	158
Segment net controlled assets	R million	**6 612**	1	↑	6 631
Net working capital	R million	**2 046**	19	↓	2 539
Net working capital ratio	%	**23.9**	7	↓	30.8
Return on net controlled assets	%	**9.0**	3.4	↑	5.6

The Agriculture division's net revenue increased by 4% to R8 554 million (2019: R8 240 million). Operating profit for the year increased by 60% to R593 million (2019: R370 million) driven by a strong demand for AgriBio products and the effective management of the volatile environment in Zimbabwe. A total operating margin of 6.9% (2019: 4.5%) was achieved.

Agriculture RSA's net revenue increased by 10% to R4 924 million (2019: R4 487 million) on the back of increased volumes sold due to a good rainfall season and favourable planting conditions. Operating profit increased to R110 million (2019: R93 million) due to various cost savings implemented and higher volumes sold from Sasolburg to the Zambian operations, which doubled year-on-year. This was offset by lower offtake of raw materials from the Mining division decreasing overhead recovery. The impact of lower production recoveries due to delays in the utilisation of capacity in the new nitrophosphate plant, higher depreciation charges, increased utility costs and stock write-offs impacted operating profit.

Agriculture International, excluding Omnia's Zimbabwean operation, experienced mixed trading conditions. Net revenue increased by 10% to R1 988 million (2019: R1 802 million). Operating profit for the year increased by 2% to R165 million (2019: R161 million) due to improved production and cost efficiencies as well as higher margins achieved in Zambia, Australia and Brazil. In Zambia, sales exceeded expectations, driven by early contract deliveries. However, operating performance was impacted by the deterioration in the creditworthiness of key customers. In Mozambique, lower blender throughput following the cyclone in Beira, was largely offset by a reduction in expenses. Demand for K-humate™ remained strong with increased exports contributing to improved performance in Australia.

In **Agriculture International (Zimbabwe),** the restructuring of the business is currently well underway, and performance was in line with expectations, despite the economic challenges.

The **Agriculture Trading** model realignment has been concluded. The results are in line with the revised strategy of winding down the business.

Agriculture Biological continues to grow significantly with an increase in net revenue of 29% to R914 million (2019: R711 million) as a result of an increase in volumes sold, mainly in Brazil, the USA and South Africa, as well as satisfactory throughput into new distribution networks established during the year. The weakening of the Rand/US Dollar exchange rate and the uptake of new products launched also contributed to higher revenue and production recovery from the new plant in Portugal. Operating profit improved to R208 million (2019: R105 million) on the back of the growth in revenue. Operating expenses in local currencies remained flat contributing to improved operating margins.

Performance continued

Agriculture (excluding Oro Agri)

By region	Revenue	Operating profit	Regional commentary
South Africa	↑	↑	• Improved fertilizer sales volumes achieved, offset by lower sales to BME • Delays in the utilisation of capacity in the new nitrophosphate plant contributed to lower than expected recoveries in the year. Plant expected to produce at between 60% to 75% of capacity for FY2021 • Litigation dispute successfully settled • Ongoing expense management yielding results
Asia Pacific	↑	↑	• Strong growth and net profit over the past four years • Australia domestic sales reflecting solid growth and access to international markets continuing to expand • Increased microbial sales • The humate drying capital project has been commissioned • Minimal increase in overheads
South America	↑	↓	• Strong soybean exports supported sales • First sales into Chile and Paraguay • Increased direct farmer sales and less industrial • Weakening exchange rate • New warehouse facility • Oro Agri channel opening for humates and services
Mozambique	↑	↓	• Solid retail sales growth and increase in specialty fertilizer sales • Performance impacted by cyclone Idai in Beira. Successful insurance recovery of losses incurred on damaged stock due to the cyclone • Weather risk remains a concern
Zambia	↑	↑	• Increased contract deliveries • Commercial farmer sales reduced from previous years due to more stringent credit management • Underperforming retail stores closed
Zimbabwe	↑	↑	• Performance impacted by hyperinflation • Commercial sales mainly to tobacco firms • Business restructuring on track – closed underperforming retail stores

Oro Agri

By region	Revenue	Operating profit	Regional commentary
South Africa	↑	↓	• Delivered strong overall performance • Several new product registrations are pending across SADC • New distributors appointed
North America Free Trade Agreement (NAFTA)	↑	↑	• Two new products launched (NanoCal™ and Lakota™) • Negative impact of US/China trade war and early season flooding offset by increased sales of new products • Increased export sales to India and Pakistan • First humates sales concluded in the USA
Europe	↑	↑	• First full year of Portugal production • Several new registrations approved • New distributor established • Sales capacity established in Italy, France and Denmark • Industrial deliveries as expected
Brazil	↑	↑	• Improved weather conditions resulted in improved demand for products • Increase in demand for Brazilian agriculture exports on the back of US/China trade war and weaker exchange rate boosted sales • Construction of new plant commenced

Performance continued

Prospects

Omnia's Agriculture business is impacted by lower international agriculture commodity prices, which will continue to put pressure on farm income, in turn leading to pressure on fertilizer margins. Despite the lower international prices for most agriculture commodities, local prices have recently been boosted by the weak Rand and increased regional demand. Declining oil and energy prices as well as lower international demand are likely to keep nitrogen fertilizer prices suppressed.

Fertilizer demand in South Africa for the coming year appears positive as customers' income will be boosted by a bumper grain crop as well as early seasonal rain boosting soil moisture levels. Demand from Omnia's Mining division is anticipated to be impacted by COVID-19-related mining demand weakness during the first half of FY2021, reducing production recoveries within the Agriculture division. Fertilizer margins will remain under pressure as international commodity prices are expected to remain flat. In the year ahead, management will seek to further improve production efficiencies, ramp up production in the nitrophosphate plant and extract further operating cost savings across the division. A strong pipeline of new products in the AgriBio space, several of which have been patented, will enable the business to access new markets and revenue streams.

Post year-end, the division made a number of changes to the African operating model in order to become more efficient and agile in responding to customer needs and remaining competitive. Key changes included creating one market-facing business across SADC with the purpose of gaining and adding value to all the agriculture customers in this region while a separate manufacturing business will allow for focus on manufacturing excellence in the operational plants. Outside South Africa, the rationalisation of retail shops in Zimbabwe and Zambia will continue as part of an optimisation and cost-saving programme. Within the Axioteq and AgriBio businesses, management is targeting higher margin business and will expand the geographical distribution footprint by leveraging the existing distribution infrastructure. A new office recently opened in India and various products have been launched.

Agriculture is classified as an essential service in all the countries in which it operates and as such, all manufacturing facilities were allowed to produce and deliver products during COVID-19-related lockdowns. Production facilities at Sasolburg remained operational with the necessary precautionary measures implemented and compliance regularly monitored. The lockdown coincided with the off-peak Agriculture RSA fertilizer season and therefore did not materially impact orders or deliveries. The lockdown also coincided with the scheduled annual maintenance shutdown at the Sasolburg factory, which experienced some delays due to COVID-19 regulations.

SADC operations were initially impacted by border closures and uncertainty around products that were permitted to be transported, but this was resolved within days. Despite not going into a formal lockdown, a forced 14-day quarantine period was implemented in Zambia, even for truck drivers, which led to initial delivery delays. This was resolved by contracting different drivers at the border. Zimbabwe implemented staged lockdown measures, which impacted retail sales, but not materially. Mozambique only implemented travel restrictions and business impact was minimal.

The Agriculture International impact was also marginal, because agriculture was considered an essential service in both Brazil and Australia. During the initial stages of lockdowns, customers increased orders due to the uncertainty of future supply, but the overall impact on the business remained in line with expectations. Oro Agri maintained production levels at all facilities as agriculture was an essential service in all major operating countries. Although the sales force was unable to visit customers, order management via remote communication worked well. The impact on sales has been insignificant to date, but performance in FY2021 will depend on the pace of global economic recovery.

The impact of COVID-19 on world agricultural trade remains uncertain and depends on how quickly world economies recover. At the end of June 2020, the COVID-19 lockdown restrictions in South Africa had minimal impact on the division. The impact of COVID-19 restrictions across other operating countries varies. In Zimbabwe, it is currently unclear how lockdown restrictions will impact tobacco sales, which could impact fertilizer sales negatively. No formal lockdown, except for border closures, has been announced in Zambia. Fortunately, this has not impacted wheat season sales and a normal summer season is expected. Water levels of Lake Kariba have also recently been improving and this should support a more consistent electricity supply to Zimbabwe and Zambia. Sales in Mozambique have been close to normal. The winding down of Agriculture Trading will be finalised in FY2021.

The AgriBio sector is expected to continue its growth trajectory and the business is anticipated to improve on FY2020 sales levels, although first half sales may be negatively impacted by COVID-19-related delayed offtake.

MINING



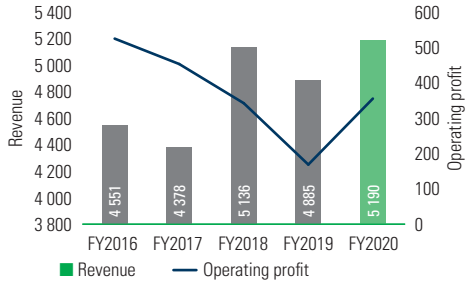
Mining RSA: This segment comprises the BME business in South Africa. The business focuses on blasting agents – bulk emulsion and blended bulk explosives – complemented by the AXXIS™ electronic detonator system and modern software that are crucial to cost-efficient and safe rock breaking. BME leverages its blasting products, equipment, accessories, services and solutions to add value to customers' blasting operations. A part of Mining RSA's revenue relates to the recovery of costs for services and technology. This segment also provides raw material and other supplies to Mining International.

Mining International: This segment relates to the BME businesses outside of South Africa and also includes the Protea Mining Chemicals business. The territories included here are countries in the SADC, West Africa, Australia, Indonesia, USA and Canada (by way of a joint venture) and supply similar products and services to Mining RSA.

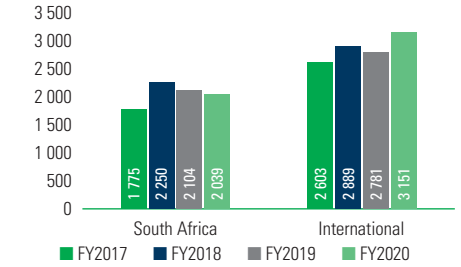
Operating context

- South African mining sector's productivity has declined in real terms over the past decade
- Revenue outlook to 2030 projected to remain flat for commodities that make up more than 80% of South Africa's mining revenue
- Challenging and volatile mining operating conditions with increasing regulations create opportunities to leverage technology
- Increasing tender demands (B-BBEE, community involvement, comparison of solutions and inclusive procurement)
- Market in SADC is limited and price competitive with increasing competition
- Geographic market expansion is capital intensive (especially if emulsion manufacturing is included) with local regulatory complexity and local mining requirements
- Global exploration spend drives regional investment

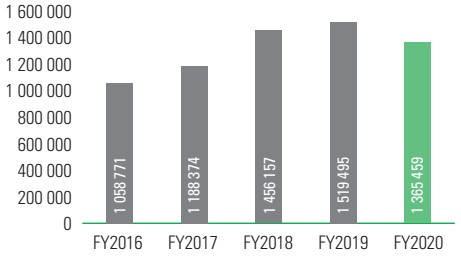
Revenue and operating profit
(R million)



Revenue mix
(R million)



AXXIS™ product growth
(Volumes)



Performance continued

Performance summary

Operational performance		FY2020	% change		FY2019
Production or distribution volumes					
Innovex and Innopak (tonnes)		**272 618**			270 718
AXXIS™ and Viperdet (units)		**3 951 270**			4 843 370
Protea Mining Chemicals (tonnes)		**139 975**			124 621
Number of staff		**1 526**			1 676
RCR		**0.15**	25	↓	0.20
FER rate		**0.21**	57	↓	0.49

Financial performance		FY2020	% change		FY2019
Revenue (net)	R million	**5 190**	6	↑	4 885
Operating profit	R million	**356**	>100	↑	169
Operating margin	%	**6.9**	3.4	↑	3.5
Profit before taxation	R million	**361**	>100	↑	98
Segment net controlled assets	R million	**2 274**	2	↑	2 231
Net working capital	R million	**1 208**	1	↑	1 196
Net working capital ratio	%	**23.3**	1.2	↓	24.5
Return on net controlled assets	%	**15.7**	8.1	↑	7.6

The Mining division's net revenue increased by 6% to R5 190 million (2019: R4 885 million) driven by higher volumes sold in the international business. Operating profit increased to R356 million (2019: R169 million).

A total operating margin of 6.9% (2019: 3.5%) was achieved.

Mining RSA's net revenue decreased by 3% to R2 039 million (2019: R2 104 million) due to reduced volumes sold to coal mines that supply product to Eskom as well as lower production in the broader mining sector. The mining sector in South Africa in general remains under pressure with lower production volumes due to electricity supply interruptions, uneven demand for mining commodities across the globe, due to a slowdown in global growth, as well as regulatory uncertainty relating to delays in finalising the mining charter. Operating profit increased to R63 million (2019: R21 million) due to prior year once-off costs not having been repeated. Margins were impacted mainly by lower sales volumes due to load shedding, which led to a decline in revenue. Lower ammonia prices, under-recovery on production costs due to delays in the commissioning of the nitrophosphate plant and restructuring costs to the value of R18 million contributed to lower operating profits.

Mining International, including Protea Mining Chemicals, increased net revenue by 13% to R3 151 million (2019: R2 781 million). The improvement in net revenue was mainly attributable to an increase in volumes sold in Zambia, Mali and Burkina Faso, as well as the weakening of the Rand/US Dollar exchange rate.

Operating profit increased to R293 million (2019: R148 million). This was due to increased revenue as well as improved input cost management and overhead expense reduction. Protea Mining Chemicals also reflected improved profitability mainly from new sales of products and services into the copper and precious metals markets. Operating margins improved significantly due to the impact of product and services mix changes as well as the effect of the weakening Rand/US Dollar exchange rate.

Business performance

By region	Revenue	Operating profit	Commentary
Mining RSA	↓	↑	• Eskom supply interruptions has reduced volumes • Deteriorating output from the mining sector • Increased competition in the local market • Change in the mining charter regarding ownership could have a negative impact on possible new business • Lower ammonia prices impacting margins
Mining International	↑	↑	• Increased sales in Zambia, Mali, Burkina Faso and the USA. Lower sales in Botswana and lost of business in Guinea • Rebuilding Australia business following the loss of a key customer in the prior year • Investment in Indonesia including a manufacturing plant and operational assets • Increased competition from international companies in SADC • Weaker Rand supporting Dollar-based revenues • Lower ammonia prices impacting margins

Performance continued

Prospects

The outlook for the mining industry globally is framed against uncertain global macro-economic growth prospects and related socio-economic risks, exacerbated recently by the outbreak of COVID-19, commodity price volatility and greater focus on environmental and social responsibilities. Mining companies therefore focus on reducing costs and using technology to drive growth, productivity and greater efficiencies in a more sustainable manner.

The restructuring of the Mining business has been largely completed. The business is now more focused and efficient and has the ability to respond better to changes in the operating environment. The explosives industry, however, is still characterised by an oversupply and high levels of competitiveness among industry players, which may lead to consolidation in the medium term. Margin pressures will continue in the foreseeable future. Investing further into AXXIS™ software and blast reporting technology is critical to long-term success.

In South Africa, as COVID-19 restrictions ease, mining production will ramp up to normal production rates and BME will seek to increase volumes to full capacity where possible. Support for the coal sector will largely be dependent on demand from Eskom and its ability to generate electricity. Various new supply opportunities have been identified across all mining sectors in the country and management will seek to optimise the underground, mainly mechanised mining, service offering.

Mining RSA was only partially operational during the lockdown period as all non-essential mines went into care and maintenance, significantly reducing volumes at the start of the lockdown. The only mines that continued to operate were the coal-feeding Eskom mines and a few other mines which were classified as essential. However, as the essential services definition of business became clearer, various mines applied for approval to commence operating.

Demand in Mining International has been largely unaffected by the lockdown. BME continues to supply products and services to all essential services mines without fail. Supplies have continued into SADC countries.

In the rest of Africa, it is anticipated that competition will remain intense. In Zambia, management will monitor the country's credit and liquidity risk which has increased in recent years. Management will review the operations in the Democratic Republic of the Congo to determine whether or not to remodel the business. New opportunities in Angola, Burkina Faso, Côte d'Ivoire, Mali and Zimbabwe have been identified. Management will focus on developing solutions to meet localisation requirements in the countries in which the business operates.

Beyond Africa, the focus will be on executing and optimising current projects in Indonesia, while management will seek its first project in Canada with a joint venture partner, following the successful conclusion of the trials. In Australia, management will continue to pursue new AXXIS™ business and partnership opportunities. New opportunities have also been identified in India, Colombia and Papua New Guinea, and the trading business in the USA.

It is anticipated that the Mining chemicals business will remain suppressed. However, opportunities in the gold and the platinum group metals markets have been identified.

CHEMICALS



Protea Chemicals: This segment is a long-established and well-known manufacturer and distributor of specialty, functional and effect chemicals, polymers and other services and solutions. The segment relates to both the larger local part of the business and the smaller international part of the business. Among the services and solutions provided are technical support (water, nutrition and personal care) and an offshore delivery to floating production storage and offloading (FPSO) vessels.

Umongo Petroleum: This segment supplies lubricant additives, base oils, process oils and specialty chemicals.

Operating context

- South African manufacturing sector declined since 2015 but is projected to grow at around 1.3% in the medium term, subject to electricity supply
- Chemicals producers and industrial users are under margin pressure, creating a squeeze on distributors
- Regulatory requirements are growing

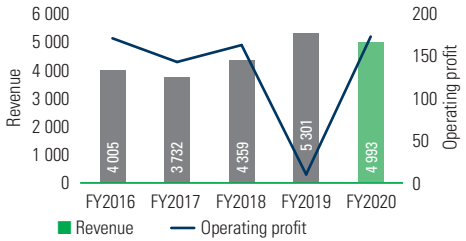
Performance summary

Operational performance	FY2020	% change	FY2019
Production volumes: Protea Chemicals (tonnes)	**143 898**		165 500
Distribution volumes: Umongo Petroleum and Orbichem (tonnes)	**71 536**		66 001
Number of staff	**661**		656
RCR	**0.89**	33 ↑	0.67
FER rate	**1.40**	44 ↑	0.97

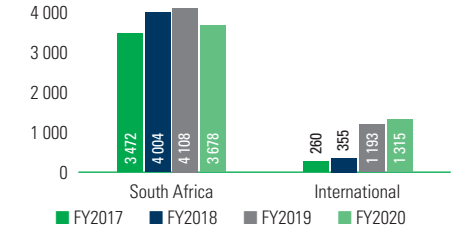
Financial performance		FY2020	% change	FY2019
Revenue (net)	R million	**4 993**	6 ↓	5 301
Operating profit	R million	**173**	>100 ↑	10
Operating margin	%	**3.5**	3.3 ↑	0.2
Profit before taxation	R million	**150**	>100 ↑	(34)
Segment net controlled assets	R million	**1 486**	(5) ↑	1 570
Net working capital	R million	**975**	16 ↓	1 154
Net working capital ratio	%	**19.5**	2.3 ↓	21.8
Return on net controlled assets	%	**11.6**	11 ↑	0.6

Performance continued

Revenue and operating profit
(R million)



Revenue mix
(R million)



The Chemicals division's net revenue overall decreased by 6% to R4 993 million (2019: R5 301 million). Operating profit increased to R173 million (2019: R10 million) reflecting the benefits of the restructuring process undertaken in the previous financial year.

A total operating margin of 3.5% (2019: 0.2%) was achieved.

In **Protea Chemicals**, net revenue decreased by 10% to R3 678 million (2019: R4 108 million). The lower sales volumes reflect the weak state of South Africa's economy and in particular, the manufacturing sector which is a major industry serviced by the business. Revenue was also impacted by the withdrawal of selected products in some markets, a decline in the net average selling price due to the reduction in the average Brent crude oil price and the weakening of global commodity prices during the year, as well as the decommissioning of the EcoGypsum™ plant. Pleasingly, the business returned to profitability with an operating profit of R110 million (2019: R68 million loss). The improvement was driven mainly by expense savings and improved gross margins achieved due to a deliberate change in strategy to enhance product mixes and to discontinue product lines that were no longer economically viable. The new strategy ensures focus on return on capital at acceptable operating margins, as opposed to chasing volume growth. Business in the rest of Africa remained challenging. Financial reporting requirements for Zimbabwe were adjusted to account for hyperinflation with a decrease in operating profit of R8 million.

Umongo Petroleum's net revenue increased by 10% to R1 315 million (2019: R1 193 million), largely due to growth in the additives market. Revenue from base oils and specialty chemicals remained flat year-on-year. Operating profit decreased by 19% to R63 million (2019: R78 million) mainly due to the sharp deterioration in the exchange rate at year-end that resulted in an unrealised market-to-market foreign exchange rate loss of R8 million (2019: R16 million gain). Excluding the effects of foreign exchange rate movements, operating profit increased by 15% to R71 million (2019: R62 million). Despite various economic challenges, Umongo Petroleum's performance is better than general market economic conditions due to its portfolio diversification (petroleum specialty products included in addition to additives and base oils) and increased sub-Saharan Africa market share. There has been a decline in terms of the lubricants demand in South Africa and this had a direct impact on Umongo Petroleum's core business of additives and base oils, which are used to produce lubricants. The economic recession in South Africa did not help the manufacturing, construction and mining industries, and the predicted upturn did not materialise. This had a major impact on the demand for petroleum products.

Business performance

By region	Revenue	Operating profit	Commentary
Protea Chemicals	↓	↑	• Weak demand and lower commodity input costs cause further underutilisation of the manufacturing industry • Raw material prices are heavily regulated • Increased competition from large players • Review of business operations and restructuring process undertaken in the previous financial year is yielding results
Umongo Petroleum	↑	↑ 15% increase excluding forex gains or losses	• Performance better than general market economic conditions due to its portfolio diversification (petroleum specialty products included in addition to additives and base oils) and increased sub-Saharan Africa market share • Good growth in revenue from additives, but flat across other products • Products remain well positioned across southern Africa • Improve currency hedging programme and sourcing

Performance continued

Prospects

Growth in the broad chemicals market is anticipated to be subdued over the short to medium term on the back of weak global growth prospects, driven by the impact of COVID-19 and lingering trade tensions between the USA and China. Although the production of chemicals for the water care, food, hygiene, disinfectant and sanitisers industries has been classified as essential in South Africa, competition in the market will remain intense. However, an improvement in operating margins is expected. In response, Protea Chemicals reconfigured production to manufacture sanitiser, but will also continue to refine its operating model, including the possible reduction in the business footprint, reassessing the product range and exploring new joint ventures. New opportunities have been identified to service demand for specialised product and service solutions across various sectors, including water, food, oil and gas.

The African lubricants market demand is driven by factors such as stringent environmental regulations against emissions and, in future, will be modestly impacted by a change to electrical vehicles. Furthermore, original equipment manufacturers are driving regulations and lubricants performance standards that meet specific approvals with extended drain levels as a key driver. Increasing drain intervals in the automotive and industrial sectors coupled with a declining economy will result in decreased demand for lubricants.

Protea Chemicals had certain parts of its business classified as an essential services company. Product lines, such as sanitisers, continued and products were sold to customers classified as essential services. This led to a reduction in volumes delivered. Supply was also interrupted. Fortunately, the first quarter of the new financial year is generally a slower period for Protea Chemicals. Manufacturing and supply shortages exist throughout the industry for alcohol-based products required for the sanitiser and disinfectant industry.

Umongo Petroleum falls partly under essential services. The company supplies fuel additives for the gasoline market and lube additives required to produce lubricants for coal mines. Overall, the market has been impacted by multinational lube marketers operating only at 20% to 40% capacity, while the independent lube market operates at even lower levels. Due to European and Asian markets being impacted by COVID-19, international base oil traders are selling off large quantities of base oils at low prices and extended credit terms, while the current economic climate has also reduced demand significantly. Management expects the lubes market to take approximately six months to return to normality in terms of production and demand. Despite the challenging economic times and industry sector decline, Umongo Petroleum was able to secure an additional contract at the beginning of the current financial year to offset the expected reduction in revenue from the disruption in the lubricants market. COVID-19 presents unprecedented challenges to the global economy and lubricants' demand across the globe is anticipated to decrease by 15% to 20%, which has a direct impact on base oils and additives. Although these factors are challenging, Umongo Petroleum's products remain well positioned across southern Africa.

Performance continued



Human capital

What human capital means to Omnia

Developing passionate, enabled and engaged employees plays a critical role in attaining Omnia's vision and delivering on the defined strategy.

Materiality

Through our materiality determination process, the following matters were identified as being material to our human capital. Each of these matters has been grouped under a relevant broader materiality theme that speaks to the wider context we operate in.

Material matters

People, safety, skills and transformation

Regulatory and policy environment

How Omnia is managing these matters

Maintaining a diverse workforce	*See page 84*
Developing leadership capability and capacity	*See page 86*
Employee wellbeing	*See page 87*
Health and safety	*See page 88*
Process safety	*See page 90*

Omnia's commitment

Omnia strives to:

- Build a culture that fosters empowered accountability to deliver the right results as well as creating an environment which facilitates continuous learning to drive innovation and lead in chosen sectors
- Create working environments that are safe for employees and other stakeholders and support its customers and stakeholders to achieve the same

Supporting the SDGs

Commitment to the UN Global Compact

- Human rights protection
- Fair labour practices
  - Freedom of association
  - No forced labour and child labour
  - Elimination of discrimination

Performance continued

Omnia's human capital strategy

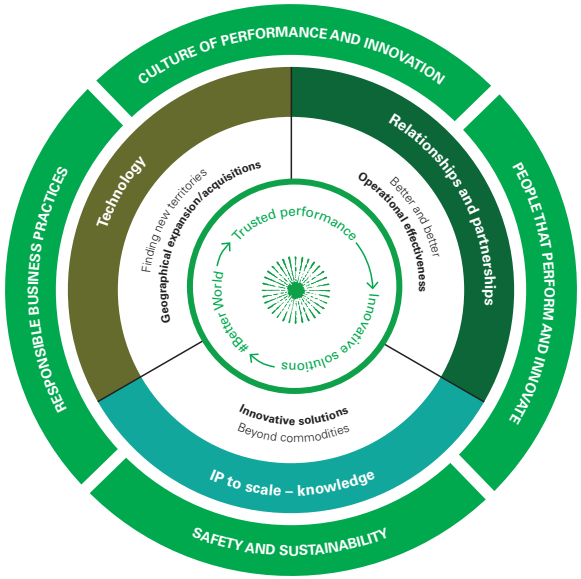
Omnia is committed to building an environment that grows and nurtures talent while motivating and inspiring employee performance to deliver value to our customers and other stakeholders, so it only makes sense to take care of them. The organisation supports and empowers its people to achieve and deliver trusted performance every day, teaching and nurturing each other so the organisation can grow from the inside out.

We believe in **building a better future** by...

Caring for, supporting and empowering	**Passionate and** engaged people	**Embracing** diversity and inclusivity	**Pioneering,** learning and innovating

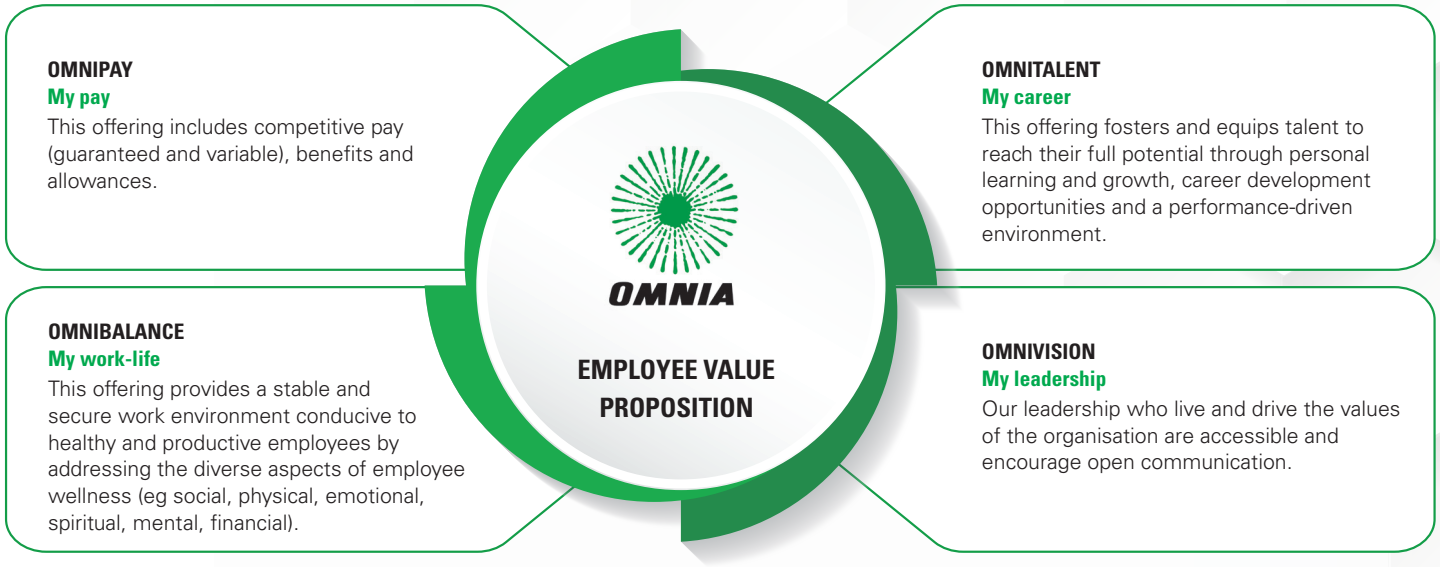
Human capital strategy

Omnia's human capital strategy supports the Group's strategy and drive through the establishment of effective leadership at all levels and a culture of innovation by having the right people, capabilities, support, empowering governance and structure in place.



Attracting and managing talent	Implementing the right processes, initiatives and culture fundamentals to ensure that Omnia is a leader in attracting, developing, optimising, engaging and retaining the best people in the Chemicals business
Leadership development	Leadership development remains one of Omnia's strategic imperatives and is essential in enabling the organisation to deliver on, and fulfil, its business objectives
Performance management	Building a culture that delivers excellence to customers and shareholders
Diversity	Driving transformation and localisation objectives as well as fostering diversity and inclusivity in all its markets

Performance continued



MAINTAINING A DIVERSE WORKFORCE

A diverse and inclusive workforce is essential to remaining competitive in the marketplace. The unique identities and experiences of employees bring balance and perspective to the functional and leadership teams, boosting effectiveness and resilience. Diversity is a major driver of innovation, and an inclusive workplace provides equal opportunities for all.

OMNIA WORKFORCE PROFILE AT A GLANCE[1]

4 426
employees and fixed-term contractors worldwide
(2019: 4 755)

3 245
employees in South Africa
(2019: 3 489)

37.7%
female managers in South Africa
(2019: 30.2%)

72.9%
black representation in South Africa
(2019: 71.8%)

2.6%
employees with disabilities in South Africa
(2019: 1%)

Total employee turnover rate
11.4%
(2019: 25.8%)

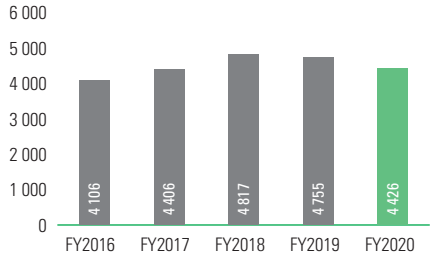
Appointed
215 employees
(2019: 1 179)

118 retrenchments
of which the majority were within BME
(2019: 115 in Protea Chemicals)

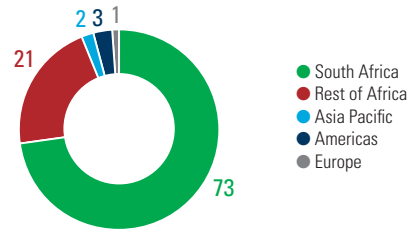
[1] For more detailed data, please refer to the data tables on page 126 to 130.

Performance continued

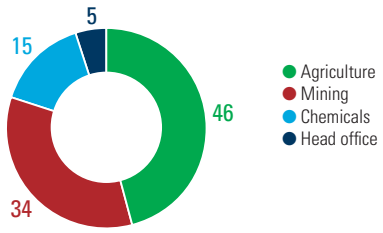
Headcount
(Number of employees)



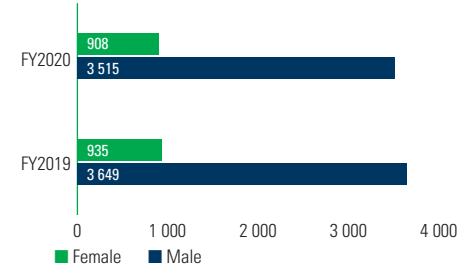
Headcount per region
(%)



Headcount per division
(%)



Gender profile
(Number)



This excludes three employees who did not disclose their gender due to country-specific legislation.

Omnia South Africa's workforce profile according to the Department of Labour occupational levels:

	Males				Females				Foreign nationals		Total	Total
Occupational level	African	Coloured	Indian	White	African	Coloured	Indian	White	Male	Female	**FY2020**	**FY2019**
Top management	1	–	2	3	–	1	–	–	1	–	**8**	9
Senior management	1	–	1	8	1	–	1	–	–	1	**13**	19
Middle management	35	7	31	147	27	4	16	40	7	1	**315**	346
Junior management	324	32	25	347	81	21	45	81	8	3	**967**	1 023
Semi-skilled	826	41	20	95	169	37	24	122	3	1	**1 338**	1 350
Unskilled	463	31	4	4	59	7	–	–	–	–	**568**	528
Total permanent FY2020	**1 650**	**111**	**83**	**604**	**337**	**70**	**86**	**243**	**19**	**6**	**3 209**	–
Total temporary FY2020	**18**	**2**	**4**	**4**	**5**	**–**	**1**	**3**	**–**	**–**	**37**	–
Grand total FY2020	**1 668**	**113**	**87**	**608**	**342**	**70**	**87**	**246**	**19**	**6**	**3 246**	–
Total permanent FY2019	**1 688**	**114**	**85**	**635**	**303**	**68**	**89**	**269**	**17**	**7**	**–**	**3 275**
Total temporary FY2019	**94**	**4**	**5**	**40**	**47**	**4**	**5**	**9**	**5**	**1**	**–**	**214**
Grand total FY2019	**1 782**	**118**	**90**	**675**	**350**	**72**	**94**	**278**	**22**	**8**	**–**	**3 489**

Performance continued

TALENT DEVELOPMENT THROUGH TRAINING AND DEVELOPMENT

Omnia seeks to create a learning organisation through the delivery of structured developmental programmes guided by the strategic imperatives of the business, its human resources strategy, organisational core competencies and staff occupational competencies and aspirations. In developing its employees, Omnia gains a competitive edge.

R19.2 million
total training spend
(2019: R30.9 million)

481 (2019: 364) employees participated in
work integrated learning
programmes

Supported 50 disabled learners
in various learnership programmes
(2019: 50)

72% of training spend on black employees
in South Africa
(2019: 70%)

Average of **7.9 training days per employee**
(2019: 11.4 days per employee)
Female: **7.3** days (2019: 8.4 days)
Male: **8.1** days (2019: 12.3 days)

Supported 481 individuals (2019: 286) in
artisans, learnerships and pivotal programmes

Assisted 186 employees (2019: 186), either through
bursaries or study loans,
to further their studies on a part-time basis

Performance continued

Employee wellbeing

Omnia is committed to the sustained wellness and personal wellbeing of its employees. The Group follows a holistic and integrated approach to employee wellness which includes leveraging collaboration with on-site occupational health services and enlisting the services of wellness experts.

Employee wellness programme

Finance health	Physical health	Emotional health

During the year Omnia Group's employee wellness programme (EWP) continued to make a tangible difference to the lives of employees and their families as well as to the Group. Each division uses employee engagement surveys to identify specific areas of focus and to design wellness programmes that address these issues.

These wellness campaigns are centred on health issues identified by occupational health services that are provided on-site, including medical-related issues such as illness management, HIV screening and counselling, diabetes and cancer awareness, and general health management.

The wellness drive includes other behavioural issues that also have an impact on employee performance and raises awareness through education on substance abuse, the promotion of healthy eating habits, physical fitness, fatigue and stress management, financial fitness and maintaining a work-life balance.

	FY2020		FY2019	
Division	**Absenteeism days**	**Cost R'000**	Absenteeism days	Cost R'000
Agriculture	**120**	**156**	220	251
Mining	**224**	**266**	162	153
Chemicals	**72**	**82**	100	101
	416	**504**	482	505

Increased absenteeism in Mining was due to restructuring during the year. We expect this to normalise in FY2021.

Employee relations

Omnia strives to operate its business in a manner that provides and preserves a harmonious place of work for all employees, within the bounds of the applicable employee relations tools.

Proactive ongoing workshops ensure that management and employees understand the Group's human resources policies and procedures with specific attention to the code of conduct as well as the disciplinary and grievance codes.

All grievances that are brought to the attention of management are processed in line with Omnia's grievance procedure, which is available to all employees. This is further socialised within the Group through on-boarding sessions, as well as through the CEO's organisational roadshows.

The number of grievances on labour practices that were filed and resolved is listed below:

	FY2020		FY2019	
Division	**Number of grievances filed**	**Number of grievances resolved**	Number of grievances filed	Number of grievances resolved
Group	**–**	**–**	–	–
Agriculture	**–**	**–**	1	1
Mining	**–**	**–**	6	6
Chemicals	**2**	**2**	–	–
	2	**2**	7	7

Trade union representation

The Group recognises employees' rights to freedom of association and to bargain collectively. The relationship with trade unions and other employee associations is cooperative and cordial. Trade unions currently represent 29% (2019: 29%) of Omnia's South African bargaining unit employees.

Omnia is party to the National Bargaining Council for the Chemical Industry (NBCCI) through its membership of the National Specialty Chemicals Employers Association (NASCEA), the Fertilizer Industry Employers Association (FIEA) and the Explosives Industry Employers Association (EIEA) and actively participates in the various structures, including collective bargaining.

Wage negotiations are conducted and concluded centrally at the Bargaining Council annually. Industry minimum wages are determined at the Bargaining Council. The current minimum wage for the industry is R7 573.80 per month (2019: R7 111.55 per month). Omnia abides by the terms and conditions of the national wage agreement. To this end, no employee within the Group is paid below the national minimum wage of the industry.

No industrial action was experienced during FY2020.

Performance continued



Health and safety

Omnia aims for a workplace environment that prioritises safety and operational excellence.

Approach to health and safety

Omnia's approach is built on a foundation of visible leadership and competency and is supported by clear policies and procedures.

Employee wellness programme

SHEQ policy cascaded throughout Omnia	Formalised **risk assessment** and mitigation plans	**Reporting to and monitoring** at senior executive level	**Workforce representation** in safety and health management	Ongoing focus on **training** and **process improvement**	SHEQ KPIs incorporated into **performance contracts**

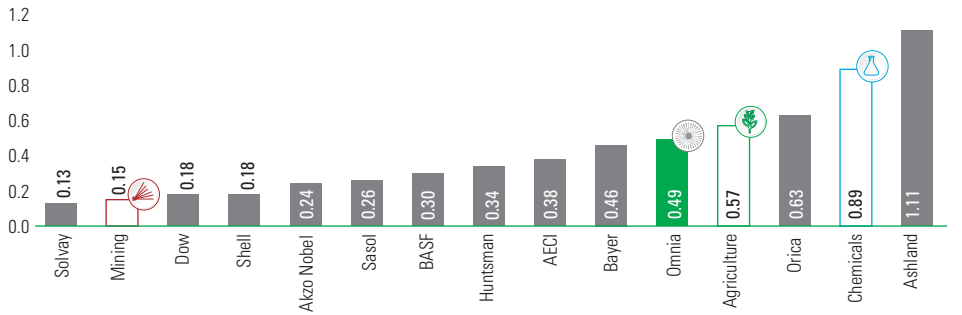
Health and safety performance

No fatalities
were recorded in FY2020
(2019: zero)

RCR of **0.49**
(2019: 0.36)

One occupational disease
reported in FY2020
(2019: zero)

RCR: performance against industry



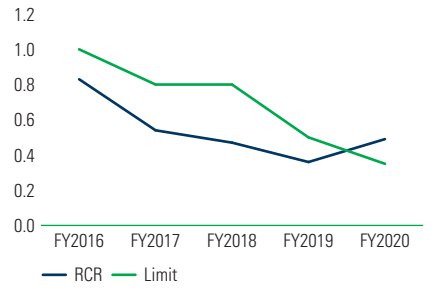
Performance continued

Recordable case rate

The RCR deteriorated from 0.36 in FY2019 to 0.49 in FY2020. In total, 33 recordable incidents occurred in the year compared to 30 in the prior year.

The Agriculture division's long-term trend continues to improve. However, an increase in the number of loading and offloading incidents contributed to an increase in the FY2020 rate to 0.57 (2019: 0.28). The Chemicals division recorded seven cases in the year (2019: seven), and the rolling RCR increased from 0.67 to 0.89 due to a number of distribution-related incidents. These incidents were related to truck loading activities (chemical loading or offloading). A significant reduction in manhours due to the finalisation of section 189A processes in the previous financial year also played a role in increasing the RCR. The declining performance in the Agriculture and Chemicals divisions was offset by an improved performance in the Mining division with an RCR of 0.15 for the year compared to 0.20 in FY2019. The improvement was mainly attributable to the continuous drive of the various safety initiatives, which include fatigue management training, office safety awareness sessions, as well as the ongoing Safety-for-Life campaign.

RCR
(Rate)



Safety incidents and safety management

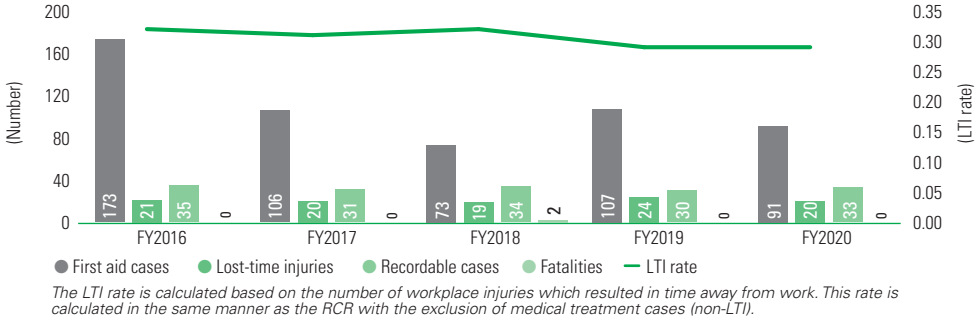
In the year, **124 safety incidents occurred** (2019: 137), with zero fatalities. The lost-time injury (LTI) rate of 0.29 remained unchanged from FY2019. One occupational disease was reported in the Agriculture division where a contractor was diagnosed with allergic contact dermatitis.

Participation in health and safety initiatives is an important focus area for the Group. In total, **204 health and safety representatives** (2019: 206) have been appointed across the Group and health and safety committees meet on a regular basis to discuss any issues raised during audits and monthly inspections, as well as monitor progress on health and safety initiatives. Under the recent COVID-19 conditions, health and safety representatives and committees have been critical in ensuring that risk assessments, mitigation controls and required interventions were identified and implemented.

In total, **1 579 safety audits and inspections** were conducted (2019: 1 019) and 4 129 findings recorded (2019: 2 496). The increase in the number of findings was due to improved systems management (IsoMetrix), visible felt leadership, process safety audits and better reporting and monitoring. In total, 2 731 findings were cleared by year-end.

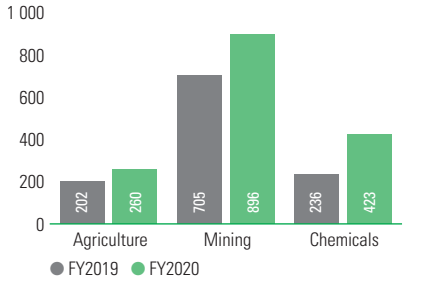
In total, employees **received 61 145 hours of SHERQ rated training** in the year (2019: 61 661 hours).

Group incidents

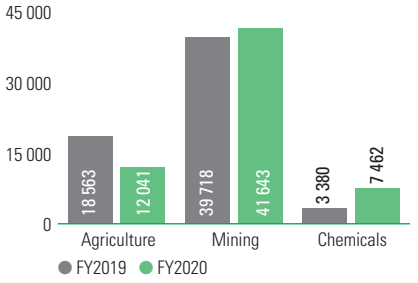


The LTI rate is calculated based on the number of workplace injuries which resulted in time away from work. This rate is calculated in the same manner as the RCR with the exclusion of medical treatment cases (non-LTI).

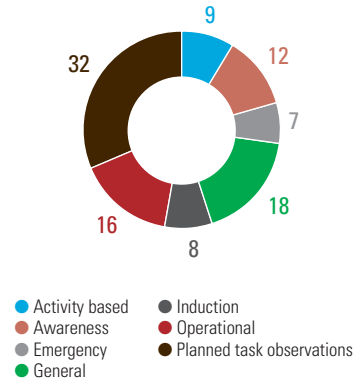
Number of safety audits and inspections conducted



SHERQ training
(Hours)

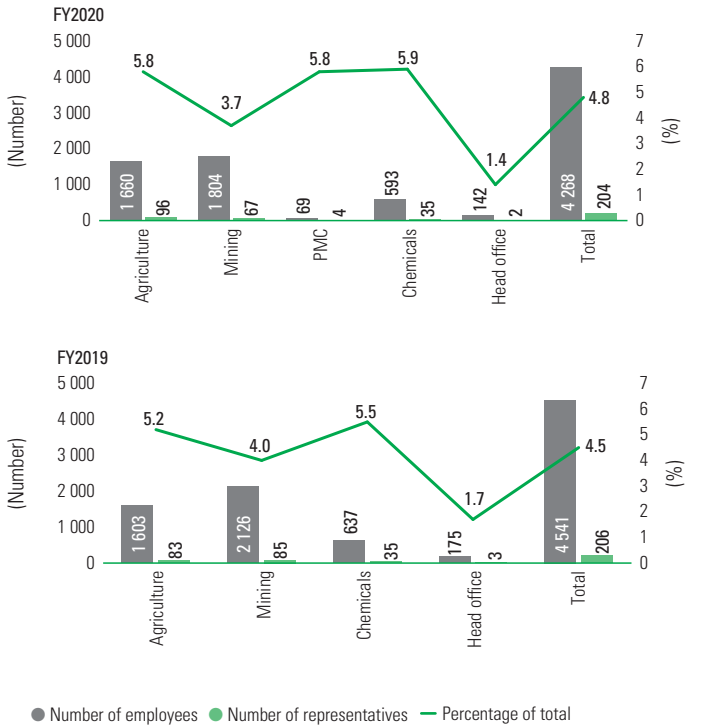


FY2020 SHERQ training hours per topic
(%)



Performance continued

Total workforce represented in health and safety committees

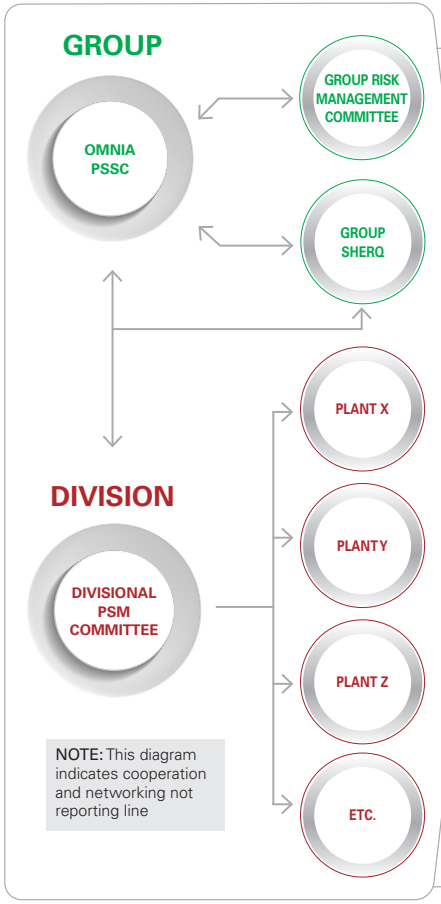


Process safety

Process safety is critical to proactively manage, prevent and mitigate high-consequence incidents that could lead to fires, explosions or chemical releases.

Approach to process safety

Omnia Group's process safety management system is based on four pillars with 18 elements distributed among them. Based on a functional assessment, prioritisation of the elements required for developing standards and the rollout at divisional level were established.



The figures below provide a summary of the Group standards which have been completed

PROCESS SAFETY MANAGEMENT SYSTEM

1 COMMITTEE TO PROCESS SAFETY	1.1	Compliance with standards	✔
	1.2	Workforce involvement	✔
	1.3	Stakeholder outreach	✔
2 HAZARDS AND RISK	2.1	Process safety information	✔
	2.2	Hazard identification and risk analysis	✔
3 MANAGE RISK	3.1	Standard operating procedures	✔
	3.2	Permit to work	✔
	3.3	Asset integrity and reliability	✔
	3.4	Contractor management	✔
	3.5	Training and performance assurance	✔
	3.6	Management of change	✔
	3.7	Pre-start-up and safety review	✔
	3.8	Conduct of operations	✔
	3.9	Emergency management	✔
4 LEARNING FROM EXPERIENCE	4.1	Incident investigation	✔
	4.2	Measurement and metrics	✔
	4.3	Auditing	✔
	4.4	Management review and continuous improvement	✔

✔ Completed

Key initiatives underway to maintaining process safety

- Implement and monitor the Group's process safety standards at all divisions
- Update and maintain process safety information
- Report leading and lagging indicators
- Ongoing process safety awareness training
- Targeted first and second-party process safety audits at sites – management of third-party audit findings
- Frontline leadership training of plant operational personnel
- Group's process safety steering committee meetings

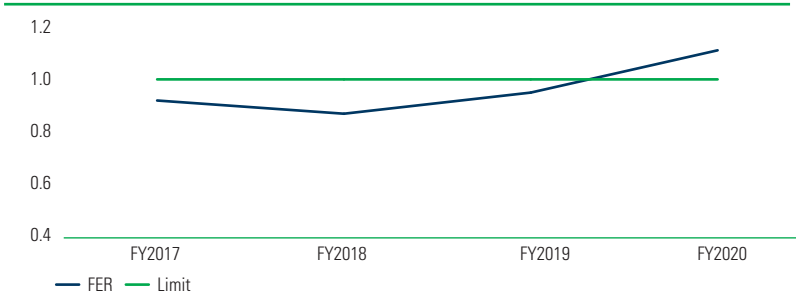
Performance continued

Measuring process safety efforts

The FER rate deteriorated to 1.11 (2019: 0.95). In total, 77 incidents (2019: 79), ranging from minor to serious but excluding near misses, were recorded. No major process safety incidents occurred (2019: zero). In total, 12 serious incidents (2019: two) were recorded with 10 of these in the Agriculture division. The incidents in the Agriculture division resulted in various spills and leaks, which were caused by ageing infrastructure and the commissioning of the new nitrophosphate plant. Regular inspections and preventive maintenance are underway to address and prevent these incidents.

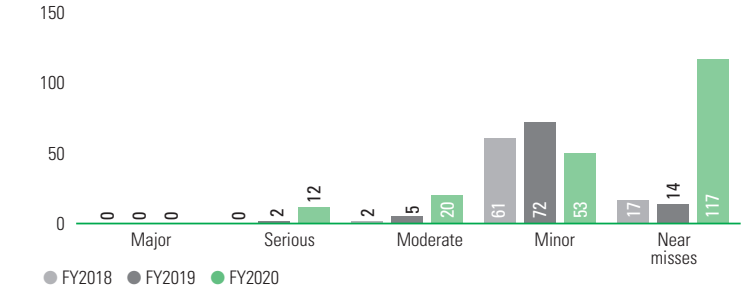
Fire, explosion and releases

(Rate)



Process safety incidents

(Number)





Performance continued

Intellectual capital

What intellectual capital means to Omnia

Intellectual capital refers to the expertise and knowledge inherent to the Group and is the key driver of sustainable growth. It includes the Group's organisational knowledge or know-how in the form of research, development, technology and digital capabilities, as well as governance and leadership structures which support integrated thinking across the Group.

Materiality

Through our materiality determination process, the following matters were identified as being material to our intellectual capital. Each of these matters has been grouped under a relevant broader materiality theme that speaks to the wider context in which we are operating.

Material matters

- Macro-economic uncertainty
- Operational and financial performance
- Regulatory and policy environment

How Omnia is managing these matters

Applying know-how to solve problems	*See page 92*
Research and development	*See page 94*
Integrating digital technology	*See page 96*
Entrenching sustainable development into the value-creation process	*See page 97*
Ethical business practices	*See page 99*
Technology and information governance	*See page 99*
Combined assurance	*See page 100*

Omnia's commitment

Omnia strives to continuously invest in intangible assets as well as systems and processes to ensure that we implement best practice where appropriate.

Supporting the SDGs



Applying know-how to solve problems

In Omnia, value is created by applying intellectual property and advanced technologies in the research, development, manufacturing and distribution of products as well as providing advisory services in the agriculture, mining and chemicals sectors.

Technology plays a major role in many aspects of the global economy and will in time form an integral part of the "second green revolution". The rapid evolution in technology is enabling Omnia to innovate and roll out further technical products and services to provide better knowledge and substantial benefits so that customers can optimise their operations. As a result, the Omnia Group is a technical leader in advanced nutrition, biopesticides, adjuvants, blasting services with the aid of a leading-edge electronic detonator coupled with sophisticated blasting software and potable water treatment, to name a few. Use of drones, advanced global positioning systems (GPS) systems accurate to centimetres, sophisticated algorithms based on large databases and leading-edge communication systems are all commonplace.

Agriculture

A key focus area for Omnia's Agriculture business is to leverage its Nutriology™, or the "science of growing" capabilities. This includes developing and deploying new scientifically proven techniques and fertilizer products, including AgriBio products and services, which help increase both crop yields and quality by introducing farmers to the latest technology to assist them with improving their decision-making process and reducing farming risks.

Performance continued

About Nutriology™
Nutriology™ refers to a total crop-management process. It is applied throughout the growth stages of the crop. Omnia manages plant stress to increase yield through soil and foliar applications of nutrients and biostimulants. Omnia also uses soil, leaf, water and sap analyses to manage the plant during these stages. To bring the Nutriology™ concept to full fruition requires a comprehensive approach, which is made up of the following 12 pillars:

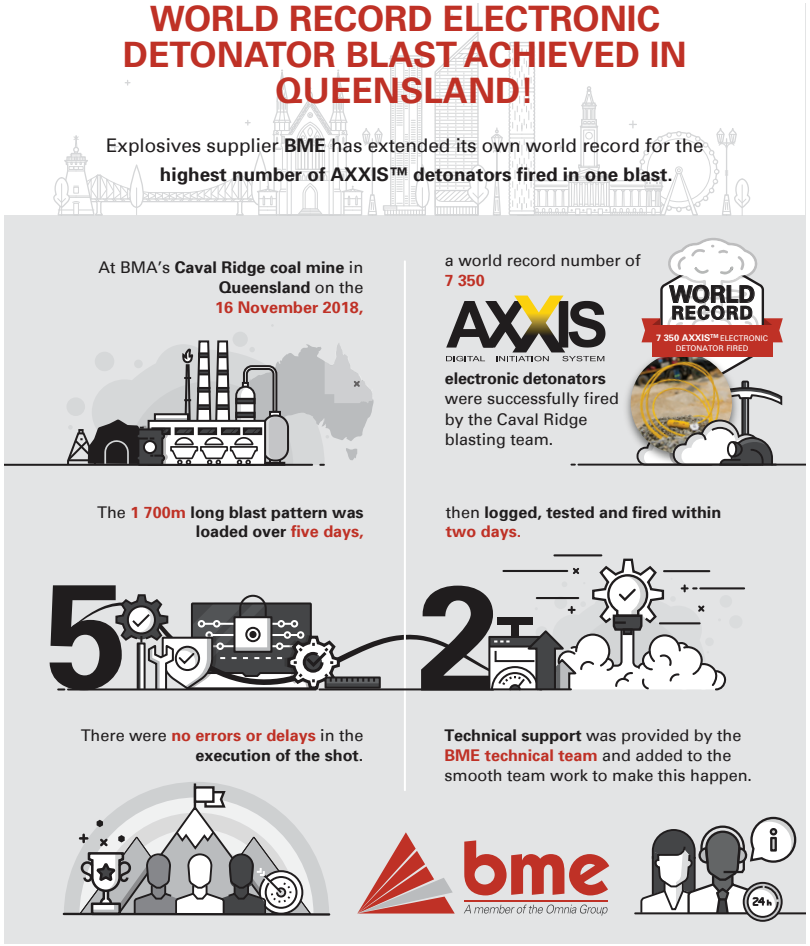
Production facilities	Our production facilities include, among others: • Granular plants for chemically granulated fertilizer products • Strategically placed liquid fertilizer plants • Specialty fertilizer plant, including calcium nitrate • Nitric acid complex • Nitrophosphate plant • Superphosphate plant
Technology	Advanced technology is the cornerstone of our scientific approach to optimal crop production. The entire plant growth process is continuously monitored by our representatives/agents and agronomists. Unique services such as OmniPrecise®, OmniSap® and OmniBio™ help us to create real value on the farm. With dedicated personnel, we ensure that new products are constantly developed for specific circumstances.
Products	Our comprehensive product range includes granular fertilizer, liquid fertilizer, N-Gas and specialty products. Our marketing personnel and agronomists have extensive knowledge of our products, including the know-how to apply these products effectively in order to increase yields and quality.
Environment and safety	The Group is fully committed to the health and safety of all our people, as well as the environment and the communities where our products are manufactured and applied. We adhere to international standards as well as local guidelines and initiatives. The EnviNOx™ plant, which reduces greenhouse gas emissions into the air, is one such example. All our plants are operated according to ISO 9001, ISO 14001, ISO 45000 and OHSAS 18001 standards.
Quality	Omnia adheres to quality-driven processes of the highest standards. The necessary skills, processes, systems and quality controls are in place to ensure superior product quality. For this reason, we have invested in people, research and development capabilities and our facilities for many years. Our Chemtech laboratories ensure that our products, facilities and processes adhere to international and legally compliant practices. Chemtech is accredited with SANAS ISO/IEC 17025:2005 Chemtech (T0455). All our plants are operated according to international standards and our ISO 9001, ISO 14001 and OHSAS 18001 certification is testimony thereof. This approach holds true for the quality of packaging, distribution, delivery and administration.
Values	Our values are based on integrity and form the foundation of everything we do. Our success lies in our long history and is built on our focused approach to building sustainable businesses customers. Our customers can unconditionally depend on our commitment to adding value – we do what is right for our customers, no matter what.
Research and development	At Omnia, we are passionate about research and development that benefits agriculture. Where specific needs have been identified, products and services are developed to make a difference on the farm. We are recognised and appreciated as a leader in this field.
Support services	A support structure has been created to sustain relationships of mutual value and respect. Laboratory technicians, planners, schedulers, administrative and production personnel, etc are not normally directly in contact with our customers, but they fully understand what our customers' needs are, as well as their role in adding value on the farm.
Relationships	We strongly believe in establishing and developing personal relationships, supported by: • The representative/agent involved on the farm and in the community • Understanding the customers' needs and how to address them • Comprehensive knowledge of soil and crop production management with unlimited and direct access to our resources • Our commitment to adding tangible value on the farm
Agronomic services	Our strategy is agronomically driven. Our competent and qualified agronomists, of which there are more than 100, are supported by outstanding technical services. Our agronomists support the sales representatives in the field and make well-considered fertilizer recommendations based on information and analyses to add value and reduce risk on the farm.
Partners	We see ourselves as a partner with our customer, committed to creating mutual benefit and prosperity in the long term. Our personal approach ensures that we are continuously involved on the farm, not just to sell fertilizer, but also to: • Understand our customers' needs • Evaluate the previous season's yield and analyses and adjust the strategy accordingly • Assist in planting the next season's crop with our customer • Become true partners in farming
Investments	We believe in investing in our own business as well as in agriculture as a whole. The following investments are of paramount importance to us: • People and knowledge • Facilities – ensuring product quality • Research and development, offering farmers product choices to complement their changing circumstances • Overall development of agriculture

Performance continued

Mining

The Mining division comprises two separate businesses – BME and Protea Mining Chemicals.

BME offers a world-class blasting consultancy service and the use of in-house designed blasting software and detonators. Omnia's industry experts, experienced mining engineers and geologists advise and support customers in the planning and execution of blasting operations. This is achieved by using BME's unique and proprietary BlastMapIII™ software solution in combination with the accuracy of the AXXIS™ electronic delay detonators.



Protea Mining Chemicals provides a suite of value-added services to complement a wide range of chemicals and reagents supplied for use by processing plants on mines in South Africa and Africa. This includes Protea Process®, a comprehensive service that covers the design of equipment, logistics, safety and chemicals handling, on-site management and make up of chemicals and reagents.

Chemicals

Omnia's integrated international distribution network enables the Group to supply chemicals and services to the manufacturing, industrial, bulk trading as well as into the specialty chemicals sectors of water care, food, consumer care and animal feed additives. Customers require competitively priced products at convenient, appropriately stocked local warehousing facilities, supported by a technically driven ethical team. Omnia's SHERQ and ISO accreditation lends credence to the quality and service levels demanded by customers as part of the value-added offering.

Research and development

Omnia has built up an extensive network of 16 world-class chemical and agriculture laboratories in six countries and employs various researchers and test officers to support the Group's strategy. The majority of the laboratories are internationally accredited and the Group conducts approximately 66 000 analyses per day.

Of interest to the Group are the following technological advancements and research focus areas:

- Green technologies – utilising CO_2 capture technologies to produce specialty fertilizer granules
- Data services and remote monitoring (including drones and satellite images)
- Sensors
- Saving water (water-use efficiency (WUE))
- Improved efficiencies, also through alternative/diverse raw materials use (nutrient use efficiency (NUE))
- Application of circular economy principles and utilising industry waste products as raw materials for co-generation technologies
- Logistics optimisation through the use of technology
- Leveraging technology and data across the Group

In addition, Omnia holds the "chair for metabolomic studies" at the University of Johannesburg's biochemistry department. The programme leverages world leading scientific research on nutrient plant interactions on a molecular level and this not only improves our understanding of product efficiencies but also enables more effective product formulations.

At year-end, the Group held 1 681 trademarks (1 484 registered trademarks and 197 registered patents), with others in different stages of registration.

	Omnia (excluding Oro Agri)		Oro Agri		Total	
	FY2020	FY2019	**FY2020**	FY2019	**FY2020**	FY2019
Pending trademark applications	**139**	188	**80**	103	**219**	183
Registered trademarks	**921**	827	**563**	490	**1 484**	1 317
Pending patent applications	**6**	2	**38**	33	**44**	35
Registered patents	**52**	54	**145**	147	**197**	201
Pending design applications	**–**	–	**–**	–	**–**	–
Registered designs	**9**	9	**–**	–	**9**	9

Performance continued

Global award for biological programmes supporting Africa agricultural development research

A global partnership between Omnia Group, the University of Edinburgh and the African Centre for Gene Technologies (ACGT) recently won a prestigious global research grant. The collaboration aims to boost agriculture productivity in Africa, delivering profits for farmers and driving sustainable agriculture development. The project is titled "Novel plant-growth-promoting rhizobacteria for improved cultivation and nutrition of maize crops". It aims to improve the understanding of biological farming products, which support the symbiotic relationships between plants and the micro-organisms within the root zone.

The award is funded by the Department for International Development (DFID) and the Global Challenges Research Fund and delivered by Innovate UK. The research project is designed to provide an in-depth and comprehensive understanding of plant responses to modern microbial and biological products, for improved cultivation and nutritional values of crops. The research relies on a collaboration between Omnia and various academic partners and it will be based on high throughput metabolomics conducted at the University of Johannesburg and the EdinOmnics platform at Scotland's Edinburgh University, as well as in field-trials with Omnia agronomists.

This knowledge will guide the development of precision agricultural programmes and improve farming practices across Africa and the world. A better, scientifically based understanding will help us determine the ideal applications of these microbial products for optimal drought resistance, nutrient uptakes, improved nutritional values and higher yields. The partnership is a reciprocal relationship that allows Omnia to develop commercial biological products to enhance yields without harming the environment, while the universities will carry out impact-oriented research, provide industry-relevant training and produce students who can be assets to the agricultural sector.

Due to climate change and the changing demands being placed on agriculture, cutting-edge precision products and agriculture programmes are becoming indispensable to help farmers deal with issues like drought, extreme temperatures, declining soil fertility and salt stress. Omnia constantly invests in the development of sustainable new solutions and technologies. The grant will help understand the underlying mechanisms of how biological products work and will help the company speed up and scale the process.

During the year, Omnia invested R27 million (2019: R22 million) in various research and development activities. These activities enabled Omnia to file patents and develop and/or launch new products in the year.

These are listed in detail below:

Omnia Fertilizer

- Through extensive collaboration between the Omnia Australia and South Africa sales and technical teams, a range of organically complexed micro-nutrients was developed to replace their current micro-nutrient ranges. The new product range not only solves the on-field co-application issues experienced in the past, but in several trials also showed improved performance over current products being used. The new products are also cheaper to manufacture, which increases profit margins
- New registrations for the Bacstim™ range of microbial biostimulants have been submitted, and new formulations have been developed to provide specific solutions to crops to mitigate stress and reduce risk on farm. While the microbial products do work on their own, fantastic results are being achieved when the microbial products are used in combination with other Omnia nutrition and biostimulant formulations
- New sophisticated phenotyping equipment was developed and built in-house, that allows for the detection of early changes to plants when products like biostimulants are applied. This not only assists the understanding of the effect on crops of each component of the formulation, but also allows for a targeted approach to product development. The technology is a more rapid method for product screening and identification of new exciting stimulants and biological products
- The development team has also worked closely with production teams and some processes have been streamlined to save on time and cost and increase production rates and profitability

Oro Agri

- Oro Agri has filed patents for SAPIENS™ (a novel approach to HLB disease management), TYPHOON™ (an organic broad-spectrum fungicide), ATTITUDE™ (an organic activator of fungicides and herbicides), PK ASSIST™ (a popup fertilizer enhancer), LAKOTA™ and WETCIT NEO™ (next generation adjuvants) and is also launching new products including NANOCAL™ (a unique calcium nutrient)
- In Europe, the PREV-AM registration is being extended to include several more crop and pest combinations and there are more than 30 registrations pending under the brands OROGANIC™, OROCIDE™, PREV-GOLD™ and APPEAL OROMATE™-26. There is increasing interest and sales developing as more registrations are obtained. We also received excellent feedback from our existing customers
- The patented WETCIT NEO™ adjuvant is being launched this year and several other new patentable formulations including CASANOVA™ (a drift retardant adjuvant) and ORO-SULF™ (several modes of action and includes persistence) are in the pipeline
- This season we are launching a new microbial range in the United Kingdom under the brand OROBAC™ 100. We also have several microbial registrations pending in Europe with some exciting new formulations in the pipeline
- A full fertilizer range is being tested and prepared for launch and will be branded under the OROZONE range of products
- ENCOURAGE™ CLASSIC is a new biostimulant range which is currently being prepared for registrations in Europe

Performance continued

BME

In recent years, BME has invested in highly skilled application development resources to join BME's software division, which coincides with the mining industry shift in focus towards increased productivity and achieving maximum operational efficiency through technology. The team has been working on multiple software applications that complement the rest of BME's product offering. The ultimate objective is to achieve product integration from start to finish.

- BME has sought to enhance its market presence by developing a unique product based on the success of the current AXXIS™ GII. The objective of this new development is to cultivate, maintain and increase the company's market share by satisfying current and future consumer demands. The AXXIS™ Titanium digital initiation system is a new generation detonator which has been designed to improve quality and performance by investing in world-class electronic and robotic technology. BME's internal subject matter experts have extensively consulted with global industry specialists in all aspects of the development to assist with application, design and safety principles. The system development is on schedule to be fully commercialised in the second quarter of FY2021.
- *BlastMap™ – blast design application*
  BME has recently released another version of its competitive surface blast design application, *BlastMap™*. The internal software development team continues to develop new features that have real customer impact. The latest release of *BlastMap™* was in March 2020 and included a variety of updates and new features. The *BlastMap™* application integrates seamlessly with our AXXIS™ Titanium and XPLOLOG™ system. The team is currently developing new software that uses the current *BlastMap™* platform. This ground-breaking software is targeted for the underground mining market. Internal subject matter experts are currently pooling their knowledge so that a minimum viable product can be ready for testing by the end of August 2020.
- *XPLOLOG™ – drill and blast application*
  XPLOLOG™ – our current drill and blast application is being redesigned and rebuilt to factor in customer feedback and enhancements. This major development will further strengthen our current customer base as well as gain more market share. BME has retained the service of an outsourced user experience and design company to better understand customer wants and how to assist people in the field to be as productive as possible, while providing mine management with real-time data on the drill and blast process. XPLOLOG™ is planned for launch at the end of CY2020.
- *BME blasting guide*
  BME recently launched a free blasting guide app on the Google Play Store for Android mobile devices. The app includes a blast design calculator, quick calculators and prediction calculators. Other app features include surface blast design rules of thumb, environmental guidelines and a table of common rock properties. The blast design calculator is a series of guiding formulas that allow a blaster or engineer to plan a blast from start to finish. The new app is an integral part of BME's pioneering approach to harnessing the power of digital technology in the blasting sector. An iOS app version is planned for the beginning of CY2021.
- *Smart Charge Mobile Manufacturing Unit (MMU)*
  Over the past few months, BME, in partnership with Axioteq, has modified one of its original MMU control panels to a digital control panel. The prototype smart charge unit is ready for testing, although with the COVID-19 outbreak the test plan has been delayed slightly. The smart charge unit will be able to integrate with BME's XPLOLOG™ drill and blast system to eliminate human input error after a hole has been charged. The auto-transfer of charge mass data moves seamlessly between applications and is pushed to the cloud once the device has connectivity. This solution also ensures that there is accurate reconciliation of kilograms pumped per hole.
- *Collaboration for better productivity*
  BME seeks to collaborate and partner for the best solutions possible. In the past year, BME has collaborated with outsourced service providers which led to the successful implementation of a number of projects.

Integrating digital technology to enhance productivity and operational efficiencies

The rapid development of sophisticated software and associated technology is providing numerous opportunities to Omnia. The Group has been in the implementation phase of the leading Microsoft Dynamics ERP, CRM and other associated software for the past few years. Through this process, the Group started to standardise processes and systems throughout its operating entities. This leading platform will provide a base for further and ongoing development to enable improved real-time decision-making, leading-edge customer service and technical support, as well as operational efficiency. The Group is already starting to see significant improvements in its daily processes and controls.

The deployment at several sites has demonstrated improved controls, increased service levels and increased operational excellence. The Group's largest South African business unit, Omnia Fertilizer, went live on the new system in April 2019. This brings the total number of entities on the new system to 41 (2019: 39). The Group continues the planning for the remaining businesses to move onto Microsoft Dynamics AX or D365 (cloud version).

Performance continued

Entrenching sustainable development into the value-creation process

Omnia is committed to doing business the right way. We recognise that sustainable development is not confined to individual matters, such as the economic viability of the organisation, the natural environment or CSI in isolation. Rather, we consider it a business imperative to integrate the three interdependent sub-systems of the economy, society and the environment into Omnia's strategy and business processes to address the key challenges and opportunities in our operating environment.

Sustainable development considerations are firmly embedded into Omnia's governance structures. The Group continues to promote and integrate sustainability best practice into core business processes. SHE management indicators are also linked to various incentive schemes.

The Group has a structured and systematic approach to managing the most significant social, economic and environmental impacts and to address the material interests of stakeholders. The board is ultimately responsible for the key governance processes to ensure the sustainable growth, acceptable performance and affairs of the Group. The board has delegated its responsibility for monitoring and managing the Group's social and economic development, good corporate citizenship, including the promotion of equality and sound environmental, health and safety management practices, good labour conditions and sound business ethics, to the SERC. The committee is also responsible for overseeing Omnia's group-wide risk management and legal compliance processes.

Sustainability standards are articulated in Omnia's SHERQ policy, which is available at www.omnia.co.za. The policy sets out the goals, principles, management system requirements and performance expectations for managing Omnia's core sustainability risks and opportunities. The Group's sustainability strategy encompasses alignment with the overall Group strategy and includes the relevant SDGs. An implementation plan has been formulated for the coming year. While the relevant SGDs have been articulated into targets, the actual achievement of those targets in the immediate future might be affected by COVID-19-related constraints on operations. These impacts and consequences will be closely monitored and mitigated as appropriate.

Group SHERQ policies and standards and site-specific procedures are in place to ensure compliance with legislative requirements and to support the Group's vision of zero harm, positive impact. Responsibility for implementing policies, standards and procedures rests with line management. Group and operational level SHERQ specialists support line management in implementing the strategy and monitoring and managing performance.

The Group's SHERQ team maintains close links with operational and project management and is involved in due diligence exercises in connection with acquisitions and the development of strategic initiatives.

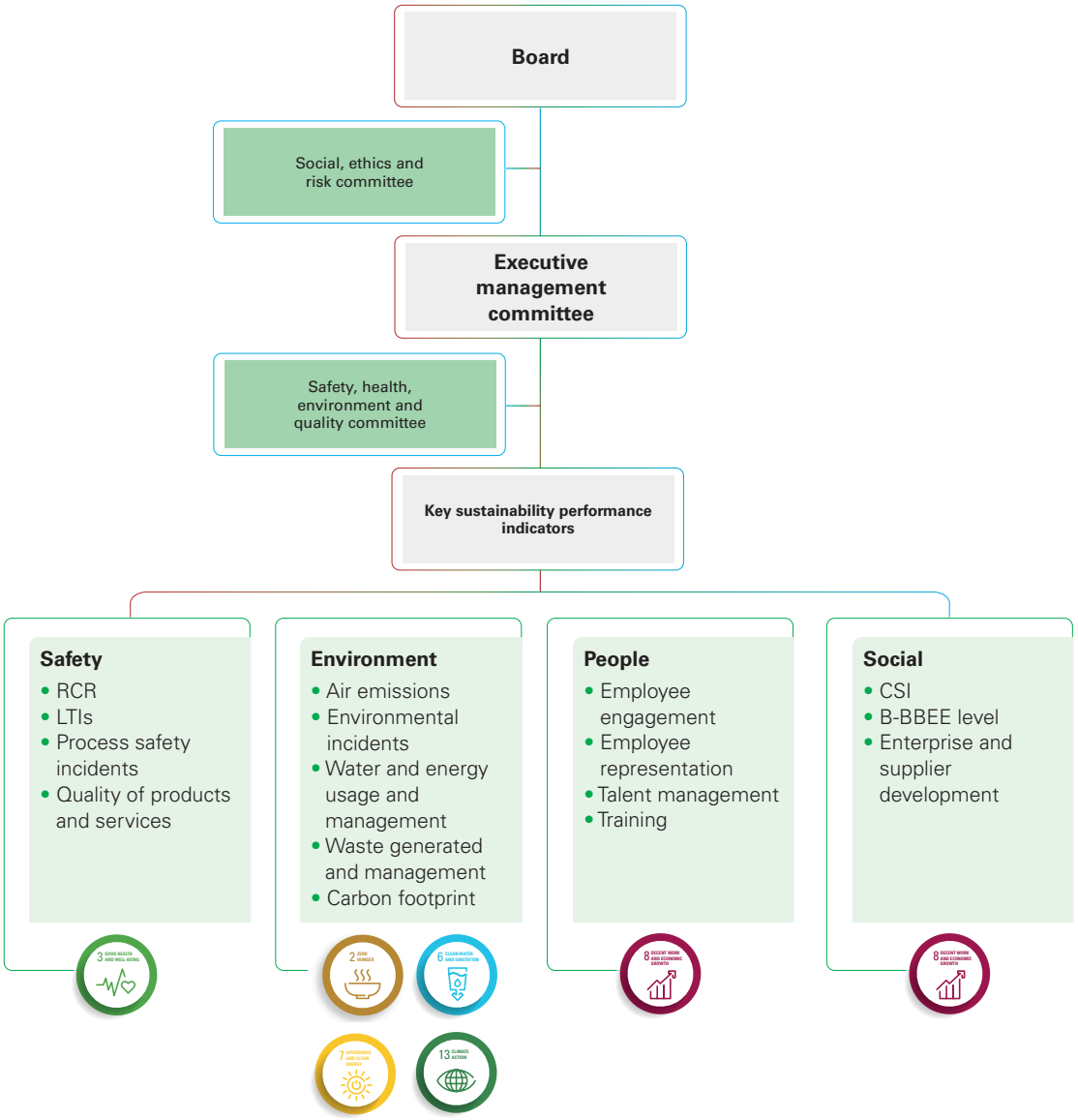
Policy implementation is enhanced by the Group's commitment to maintaining ISO certification for various quality, safety and environmental management systems which are audited by internal and external auditors to ensure compliance. In addition to the ISO certification, the Group and its divisions are signatories to Responsible Care® and retained their certification in FY2020.

The Group maintained all health, safety and quality certifications in the year.

	FY2020	FY2019	FY2018	FY2017
ISO 9001 – International Quality Management	✔	✔	✔	✔
ISO 14001 – International Environmental Management Standard	✔	✔	✔	✔
OSHAS 18001 – International Health and Safety Management	✔	✔	✔	✔
ISO 45000 – International Health and Safety Standard	✔	✔	Arrangements to transition to new standard were implemented	Arrangements to transition to new standard were implemented
Responsible Care® – the global chemicals industry's unique initiative to improve health and environmental performance	✔	✔	✔	✔

Performance continued

Sustainable development governance framework



Omnia companies and employees are required to comply with the laws and regulations of the countries in which they operate.

Key legislation in South Africa includes:

- Labour Relations Act
- Employment Equity Act
- National Water Act
- National Environmental Management Act
- Occupational Health and Safety Act
- National Air Quality Act

Omnia policies include:

- Safety, health, environmental and quality
- Climate change
- Supplier code of conduct
- Business continuity management
- Human capital

Commitments, international standards and voluntary compacts include:

- King IV
- Signatory to Responsible Care® global charter
- Implementing the principles of the United Nations Global Compact
- ISO 9001 – International Quality Management Standard
- ISO 14001 – International Environmental Management Standard
- OSHAS 18001 – International Health and Safety Management Standard
- ISO 45000 – International Occupational Health and Safety Standard
- OECD recommendations regarding corruption
- ILO conversion
- GRI
- Omnia is part of the FTSE/JSE Responsible Investment Benchmark Index

Participation in industry forums and memberships:

- Climate change and water disclosures of the CDP
- South African Chemical and Allied Industries Association (CAIA) and the following participation through CAIA:
  - o European Chemical Industries Council (CEFIC)
  - o American Chemistry Council (ACC)
  - o International Council of Chemicals Associations (ICCA)
  - o Chemicals Policy and Health Leadership Group (CP&HLG)

Performance continued

Ethical business practices

Operating in a highly cyclical industry, strategic choices have long-term impacts. The Group believes that how it approaches governance and leadership forms part of the intellectual capital of the organisation and supports the overall value creation process and that the Group is well managed and controlled. In our governance section of this report, we have addressed Omnia's application of the corporate governance principles that are intended to achieve effective control and legitimacy. In the section that follows, we assess how we have applied our intellectual capital to corporate governance principles in order to address the challenging task of governing ethics in a manner that supports the establishment of an ethical culture and ensures that Omnia is a responsible corporate citizen and is seen to be one.

Code of conduct and anti-corruption

Omnia has a zero-tolerance approach to unethical and corrupt practices. Every employee is accountable to ensure that Omnia's values are upheld. These principles are entrenched in the code of ethics and conduct and are reinforced by specific policies and training programmes. No anti-trust or corruption activities were identified during the year.

Each year a declaration of interest survey is conducted with internal and external stakeholders. Added to this corruption prevention measure, the independent tip-offs line gives employees a platform to anonymously report potentially corrupt activities. **In the year, awareness campaigns and whistleblowing training were conducted across the Group.**

Human rights

The protection of human rights is enshrined in the principles of the UN Global Compact. Omnia subscribes to these values, treating all people with dignity and respect. We are committed to addressing the impacts of our business operations on the rights of all stakeholders. Omnia respects freedom of association, seeing it as an individual and a collective right and does not restrict employees' choices with regard to trade union membership.

Omnia endeavours to uphold corporate citizenship and the law, reducing infringement on human rights by requiring adherence to policies and processes. Suppliers (including security personnel which is an outsourced function) and business partners are held to the same standards.

Formal mechanisms for reporting human rights grievances and violations are in place at all operations and the corporate office. The Group had no reported incidents regarding human rights discrimination, child labour and forced or compulsory labour during the year.

Omnia has started the process of due diligence on third parties in countries that pose higher risks to bribery and corruption.

Sustainable sourcing practices

All service providers acting on Omnia's behalf are expected to adopt and follow the Group's standards and policies. The supplier code of conduct takes into account the principles of the UN Global Compact as it pertains to the protection of human rights and ensuring sustainable business practices. It outlines the minimum standards that suppliers are expected to comply with in the areas of health and safety, human rights, ethics and environmental responsibility. All suppliers are encouraged to promote the requirements of the code within their own supply chains.

Political contribution

Omnia is politically agnostic. Donations to political parties are prohibited in all geographical operations.

Environmental projects

A precautionary and risk-based approach is applied to managing environmental issues. The approach is based on international best practice, legal compliance and maintaining the environmental and social licence to operate.

Technology and information governance

Omnia is committed to the highest level of IT governance, as managed by the Group executive: sustainability and risk. Omnia's governance framework is central to the Group's strategic and business processes and supports the achievement of the Group's strategic objectives. Corporate governance structures and processes are regularly reviewed and improved as appropriate. The board is of the opinion that Omnia currently complies with the significant IT governance principles of King IV. The board has identified information management, cyber-security, as well as optimising IT infrastructure and processes to support organisational efficiencies as key focus areas during the current financial year. The following key initiatives were completed during the year:

- The rollout of Microsoft Dynamics AX to all South African entities
- The rollout of Microsoft Dynamics AX to two more countries in Africa for the BME division
- Continuous enhancement of Microsoft Dynamics AX across the Group ensuring increased governance and controls

In March 2020, the Group had a ransomware cyber-attack on its IT infrastructure. As a precautionary measure, access to the IT infrastructure was immediately restricted across the business and recovery procedures were successfully implemented. Production facilities and operations were unaffected by the cyber-attack. However, some disruption from an administrative support perspective was experienced until the full functionality of the IT infrastructure was restored. Improving IT security, including strengthening passwords and access controls, conducting threat assessment and testing, data privacy and protection as well as reviewing policies will be key focus areas in the year ahead.

Progress in combined assurance maturity

Two committees of the board – the audit and the social, ethics and risk committees – support the board in embedding combined assurance into the Group. The audit committee holds ultimate responsibility for overseeing Omnia's systems of internal control which are designed to evaluate, manage and provide reasonable assurance against material misstatement and loss. The SERC ensures that risks and opportunities are identified, assessed and quantified. The board is further assisted by divisional management through the Group risk management committee.

Omnia's combined assurance model optimises the assurance obtained from management and internal and external assurance providers while fostering a strong ethical climate and mechanisms to ensure compliance. The integrated ERM system is the mechanism through which management identifies key risks facing Omnia and implements the necessary internal controls.

Refer to page 52 for Omnia's approach to risk management.

Performance continued

Combined assurance map

	First line	Second line				Third line			
	Management (divisions and BUs)	Financial and business management	Sustainability	Risk and compliance	Internal assurance	External assurance	Assurance activities	Assurance provider(s)	Oversight
Uncertainty about macro-economic growth	✔	✔		✔		✔	Business context review; business strategy; financial audit; PESTLE assessment; SWOT analysis	CEO and FD Divisional MDs and FDs Group risk and legal Internal audit	AC, OB
Catastrophic safety, health and environmental incidents	✔		✔	✔	✔	✔	Compliance certification audit (OHSAS 18001), health and safety inspections and audits Environmental inspections and audits	Operational heads Group SHERQ Group risk ISO auditors Internal audit	SERC
Increase in geopolitical and socio-economic instability	✔	✔		✔			Country risk assessments, insurance and travel risk assessments	CEO and FD Divisional MDs Group risk	AC, SERC
Unpredictable weather events and cycles	✔		✔			✔	Compliance certification audit (ISO 14001) Environmental audits; GHG and climate change, compliance reports, CDP and WDP disclosures	Divisional MDs Group sustainability Internal audit SD assurance	SERC
Regulatory and legal non-compliance and governance	✔	✔	✔	✔	✔	✔	Internal and external audits	CEO and FD Divisional MDs Group SHERQ, risk and legal ISO auditors Internal audit	AC, SERC
Not meeting the legitimate needs and expectations of Omnia's stakeholders	✔	✔	✔	✔			Customer and supplier surveys and engagements Record of stakeholder engagement SD assurance based on AA1000 standard	CEO and FD Divisional MDs Group risk and legal Internal audit SD assurance	AC, SERC, OB

Performance continued

	First line	Second line				Third line			
	Management (divisions and BUs)	Financial and business management	Sustainability	Risk and compliance	Internal assurance	External assurance	Assurance activities	Assurance provider(s)	Oversight
Unscheduled business/ production interruption	✔		✔	✔	✔		Process safety audits, environmental compliance audits, statutory maintenance compliance, process safety critical inspections	CEO and FD Divisional MDs Group SHERQ Group risk	SERC
Ability to attract and retain critical talent	✔	✔					Internal audit and risk register EE audits	CEO, human resources director and FD Divisional MDs and HR	SERC RNC
Ability to detect and adapt to changes in the market	✔	✔		✔		✔	Business context review; business strategy; financial audit; PESTLE assessment; SWOT analysis	CEO and FD Divisional MDs and FDs Group risk Internal audit	AC
Insufficient access to and increasing cost of capital	✔	✔		✔		✔	Business and financial review and assessment	CEO and FD Divisional MDs and FDs Group risk Internal audit	AC OB
Cyber-risk	✔	✔		✔	✔		Threat assessments, systems integrity audits	CEO and FD Divisional MDs Group risk Internal audit	AC

Legend
Oversight committee

- **AC** Audit committee
- **SERC** Social, ethics and risk committee
- **RNC** Remuneration and nominations committee
- **OB** Omnia board

Performance continued

Social and relationship capital

What social and relationship capital means to Omnia

Omnia's operations are intricately linked to the community where offices/plants are located and hence Omnia nurtures the community and the people around it.

Materiality

Through our materiality determination process, the following matters were identified as being material to our social and relationship capital. Each of these matters has been grouped under a relevant broader materiality theme that speaks to the wider context in which we operate.

Material matters

People, safety, skills and transformation

Regulatory and policy environment

How Omnia is managing these matters

Stakeholder engagement	*See page 47*
Transformation	*See page 102*
Corporate social investment	*See page 103*
Empowered employees	*See page 102*

Omnia's commitment

Omnia strives to work with communities, governments, regulatory authorities, suppliers, partners and other stakeholders to uplift and transform the sectors in which Omnia operates.

Supporting the SDGs

46%
exercisable voting rights in the hands of black people in Omnia
(2019: 32.7%)

3.5%
direct interest in Omnia Group Proprietary Limited through Sakhile 2 share schemes
(2019: 13.5%)[1]

[1] Sakhile 1 vested during FY2020 and 10% shareholding purchased by Omnia Group Investments Limited.

49.5%
black management representation[2]
(2019: 49.5%)

Enterprise development spend[3]
R11.6 million
(2019: R16 million)

Supplier development spend[3]
R6.5 million
(2019: R31 million)

R33 million
invested in training of black employees[4]
(2019: R66 million)

Procurement spend[3]
R6.9 billion
qualified as B-BBEE recognised procurement spend
(2019: R7.5 billion)

[2] Black management includes top, senior, middle and junior management.
[3] For the most recent calendar year of assessment.
[4] Including employment cost.

Transformation

B-BBEE performance

Omnia regards B-BBEE as a business fundamental that is crucial to the future of South Africa and its economy. It is an essential process required to bring about increasing black participation in the South African economy and to reduce income disparity. The B-BBEE Codes of Good Practice, as published by the Department of Trade, Industry and Competition, are only applicable to the South African-based operations.

B-BBEE

Element	Weighting	Calendar year 2019[1]	Calendar year 2018	Calendar year 2017
Ownership	25.00	24.06	25.00	25.00
Management control	19.00	11.01	12.82	11.09
Skills development	20.00	17.05	22.61	21.44
Enterprise and supplier development	40.00	34.03	27.42	27.79
Socio-economic development	5.00	5.00	2.82	5.00
B-BBEE level		3	3	3

[1] As rated by SNG Grant Thornton.

Performance continued

Social responsibility

Omnia believes that being a responsible and contributing corporate citizen is a key component of the Group's business strategy. Through its CSI strategy, the Group is committed to the empowerment, development and growth of disadvantaged communities. Omnia's CSI "footprint" investments are targeted towards Omnia's areas of operation.

CSI objectives

Make a positive and sustainable impact on the quality of life of the communities in which Omnia operates	Develop and empower disadvantaged communities through skills transfer and training	Build and improve relationships with existing and potential stakeholders through mutually beneficial partnerships	Create and enhance Omnia's reputation as a caring corporate citizen	Attract and retain quality socially responsible staff to Omnia	Enhance the loyalty and pride of staff in the Group	Increase customer goodwill and loyalty

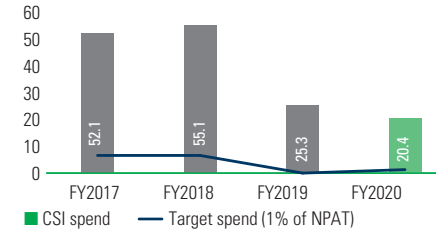
Focus areas

Community support projects	Education Technical skills training and education for vulnerable children	Sports development Focusing on youth development and growth

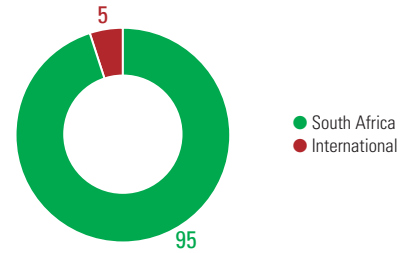
CSI performance summary

Omnia seeks to invest approximately 1% of profit after tax on CSI-related initiatives in a year.

CSI investment
(R million)



Geographical split
(%)



Investment per category: Group FY2020

Education and skills development[1]	Community	Sport
R19.0 million	R1.2 million	R0.2 million

[1] Includes loan funding to the emerging farmer project whereby Omnia provides production input loans to farmers via the Land Bank and Omnia takes the risk on these loan facilities.

Investment per division: FY2020

Agriculture	Mining	Chemicals	Corporate head office
R18.0 million	R1.5 million	R0.4 million	R0.5 million

Selected examples of divisional CSI projects supported in FY2020

Emerging farmer programme

Omnia plays a key role in this initiative by providing emerging farmers with access to finance, technology, technical skills, knowledge and markets so that they can farm the land in the best manner possible. This mentor-style relationship with individuals has been successful in promoting long-term sustainable growth. Omnia's objective is to convert these farmers over time into commercial, self-sufficient and profitable farmers.

Key highlights:

- Supported three emerging farmers in the year working on 1 756 hectares of crop
- Invested R17.7 million in the programme in the year (2019: R19.7 million)
- Since 2010, 359 emerging farmers have been supported

Omnia division

Agriculture

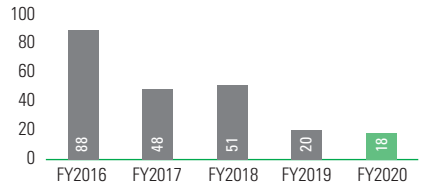
Investment in FY2020

Omnia: R17.7 million

Beneficiary location

Across South Africa

Emerging farmer support programme
(R million)



Support provided during planting season which generally runs from planting in October to harvesting in the following September.

Key partners

- Land Bank
- Department of Agriculture, Forestry and Fisheries
- Nedbank
- Pioneer
- Pannar
- Monsanto
- K3 Chemikalieë & Saad Proprietary Ltd
- Clarens Chemical Industry
- TWK Agri

Performance continued

Community development and education

Fertilizer RSA supported various farmers situated in drought-stricken areas in and around the Northern Cape and contributed 10 truckloads of livestock feed in the form of bales of oulandsgrass. The feed is grown in the Dryden and Danielsrus areas and usually sold from that location. However, considering the current climate challenges farmers across the country are facing, the bales of feed are currently distributed for drought assistance purposes.

The division also contributed to the "Boks vir 'n boervrou" initiative in Prieska, which focuses on providing farmers' wives in the drought-stricken areas around the Northern Cape with boxes of necessities in the form of food, toiletries and other daily essentials. The support was further enhanced with an agreement reached between Omnia and Media24 to distribute 1 000 copies of the *Landbouweekblad (Farmers Weekly)* and *Sarie* magazines over a seven-month period to farmers severely affected by the ongoing drought.

Omnia continued its support of the Soweto Cheshire Home which is a residential establishment for people with disabilities. We employed 12 residents on a regular temporary basis, providing them with basic tasks that support the laboratory in Sasolburg.

The Group also donated funds to the Lettie Fouche School to assist with education and training of mentally disabled children to give each learner the opportunity to optimally develop their potential.

Omnia made a donation to The Grain Care Trust, a non-profit organisation based in Randfontein. The organisation focuses on making a difference in the quality of life of those in need.

Omnia, through its Fertilizer International business, supported various initiatives in the year, including:

- As part of the Nelson Mandela Day, provided food and drink for a local underprivileged school
- A sponsorship to the Fertilizer Association of Southern Africa for their annual congress which took place in April 2020, as well as their soil fertility and plant nutrition symposium which is scheduled for August 2020

Omnia division

Agriculture

Investment in FY2020
R0.4 million

Beneficiary location
Northern Cape, Free State and Gauteng

Education, community development and sport

Omnia worked on building relationships and collaborating with various communities within which it operates. Key initiatives supported include the following:

- BME partnered with AEL and Anglo American Platinum in investing in a blasting academy for the youth in and around Mogalakwena, Limpopo. The purpose of the academy is to provide theoretical and practical courses in various blasting assistance skills programmes. In total, 50 candidates completed training in the 2019 calendar year, with some learners absorbed into permanent employment in the three companies
- Awarded seven new bursaries to top learners in mathematics and sciences from the communities within which we operate, bringing the total number of students supported to 11. All fields of study of the students are aligned to the business of BME, namely geology, metallurgy, engineering technology and chemical engineering
- In March 2020, BME signed service agreements with various training colleges offering artisan apprenticeships. The aim is to support unemployed youth in the communities within which we operate, namely Brits, Northern Cape and the greater Gauteng, by offering fully paid courses in various technical skills such as welding, blasting, plumbing and general property maintenance. At completion, the learners will be equipped with certificates of competence and are better equipped to enter mainstream employment or start their own businesses
- In Zambia, BME provided financial support to various community sporting events or clubs, labour and Youth Day celebrations, the rehabilitation of the Solwezi Hospital Maternity Ward and donated baby packs to the Kalumbila community
- Supporting the rebuilding of various roads and bridges in Burkina Faso damaged during heavy rains
- Supported various other community events in Namibia and Lesotho
- Financial support to the University of Cape Town's South African Minerals to Metals Research Institute (SAMMRI), which seeks to the promote sustainable development of the South African minerals processing industry through the development of globally competitive technology driven by people with world-class skills. Two projects from the University of Cape Town have been awarded funding from SAMMRI:
  - The development of a froth flotation flowsheet to recover coal and mitigate the acid rock drainage risks associated with coal slurries
  - Using positron emission particle tracking (PEPT) to study the effect of lifter design on energy consumption on tumbling mills
- Support of the Gauteng Touch Rugby Association
- Protea Chemicals Namibia supported the educational development of Namibians. In August 2019, the division provided financial support to the Cornelius Goreseb High School in the north western Kunene South region of Namibia. The sponsorship was for the spring school, covering the teachers' salaries and food for the learners

Omnia division

Mining

Investment in FY2020
R1.5 million

Beneficiary location
South Africa: Gauteng, Limpopo and Western Cape

Rest of Africa: Burkina Faso, Lesotho, Namibia and Zambia

Performance continued

Education, community development and sport

On Mandela Day, Protea Chemicals and its Wadeville employees gave monetary donations and volunteered to carry out repairs to Thuto ke Lesedi Day Care Centre. The division donated food, sweets, educational toys and hardware to the school. The Alice Care Early Learning Centre received groceries for its soup kitchen.

Protea Chemicals also partnered with Primestars and Thomas International with the intent to bridge the gap of limited access to knowledge and information about available career choices. The aim is to expose students in grades 8 to 12, including our employees' children, to the different careers that exist. Opportunities for interaction with professionals will be provided for our employees as a further learning initiative on different careers. At least 500 students in grade 9 will also be exposed to psychometric assessments that would provide guidance in making career decisions and choosing appropriate subjects in grade 10. A donation was made in the year with implementation to commence in FY2021.

Omnia division

Chemicals

Investment in FY2020
R0.4 million

Beneficiary location
Gauteng, KwaZulu-Natal, Mpumalanga, Western Cape and Eastern Cape

Industry support and youth development

Omnia was recognised as one of 28 founding members of the newly established South African Agricultural Development Agency (AGDA). AGDA is a private sector initiative under the framework of the Public Private Growth Initiative to assist government to stimulate the country's economy through greater collaboration and partnerships and inspire greater confidence among investors into the agriculture sector. Agriculture and food security are key drivers for any developing economy and this initiative aims to support the development of black farmers and transformation of the agricultural value chain in South Africa.

Omnia also partnered with Primestars in providing financial support to the value of R460 000. Primestars specialises in facilitating youth development programmes for high school learners from underserved communities.

Omnia division

Omnia Group

Investment in FY2020
R0.5 million

Beneficiary location
National



Performance continued

Natural capital

What natural capital means to Omnia

Omnia requires a wide variety of minerals, water, energy and air as raw materials to convert into value-adding products and services.

Materiality

Through our materiality determination process, the following matters were identified as being material to our natural capital. Each of these matters has been grouped under a relevant broader materiality theme that speaks to the wider context in which we operate.

Material matters

Climate change

Regulatory and policy environment

How Omnia is managing these matters

Energy management	*See page 107*
Carbon footprint	*See page 107*
Air emissions	*See page 109*
Promoting water stewardship	*See page 110*
Waste management	*See page 111*
Environmental compliance	*See page 111*

Omnia's commitment

Driving a consistent focus to reduce the impact of manufacturing processes, products and solutions delivered on the environment and in so doing contributing to a **#Better World** through consistent innovation that is focused on longer-term sustainability.

Supporting the SDGs

Commitment to the UN Global Compact

- Promote greater environmental responsibility
- Development and use of environmentally friendly technologies

Chemicals play a vital role in the day-to-day life of almost everyone on earth. The Group recognises that its activities could have an impact on the people, communities and the environment within which it operates. Depending on circumstances, this impact could be either negative or positive.
The Group uses its technology, skills and assets to create customer, stakeholder and societal value.
The Group is committed to conducting ethical business practices which maintain and enhance the balance between economic, social and environmental aspects.

In support of the Group's commitment to sustainability and sound environmental management, applicable legislation and the requirements associated with licences, permits and authorisations are a key focus.

Understanding Omnia's impacts

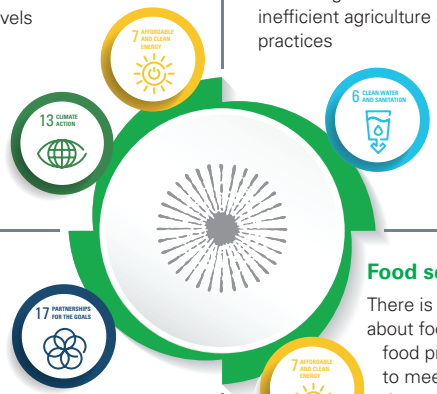
The Group strives to reduce the impact that external environmental factors such as climate change, energy and water shortages as well as waste proliferation might have on business operations. Omnia believes that responsible chemical management is critical to reduce the risk of the following material environmental factors:

Energy and climate change

Global population growth, combined with improving living standards, has created substantial increases in energy demand which in turn has elevated GHG emissions in the atmosphere to record unacceptably high levels

Water scarcity

Water is becoming scarcer, the quality is deteriorating, and there is an unsustainable rise in water use as a result of expanding populations, increasing standards of living and inefficient agriculture and industry practices



Environmental compliance

Non-compliance with environmental laws and regulations could impact any organisation's licence to operate

Food security

There is increasing concern about food security as food production may fail to meet the escalating demand caused by global population growth, changing dietary habits in developing economies, increasing urbanisation and the declining availability of water and arable land

Performance continued

The Group's operations largely take place in brownfield sites and therefore the impact on biodiversity is negligible. In the event that operations extend into greenfield sites, all efforts will be made to ensure biodiversity protection and conservation of endangered species, if applicable.

Environmental impact performance scorecard

Focus area	Five-year stretch reduction target to FY2020	Actual achieved (from FY2016 to FY2020)	Actual achieved (from FY2015 to FY2019)
Energy used	15%	4% reduction ▲	13% reduction
Water used	15%	5% reduction ▲	4% reduction
Hazardous waste disposed	10%	6% reduction ▲	16% increase
GHG emissions generated (scope 1 and 2)	15%	397% increase ▲	200% increase

FY2015 used as baseline.

▲ Good performance ▲ More to be done ▲ Significant work remains

Environmental performance

Energy management

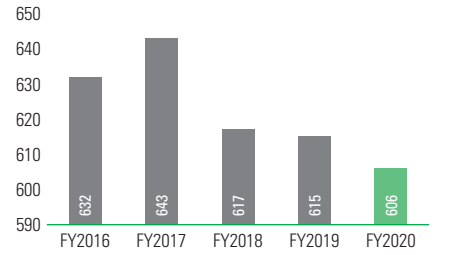
Energy security and efficiency are considered important business drivers for the Group. Omnia strives to continuously improve the efficiency of all manufacturing facilities in support of asset integrity.

Total energy usage decreased by 1.4% in FY2020.

The Group's absolute energy consumption[1] has steadily decreased over the past three years and this is largely based on the stabilisation of operations as well as energy-efficiency drives that are being actively pursued. Over the past five years, energy usage has decreased by 4%.

The overall electricity consumption for the Group increased by 36% year-on-year, mainly due to higher production volumes. Over the past five years, electricity consumption increased by 24%.

Total energy use
(Terajoule)



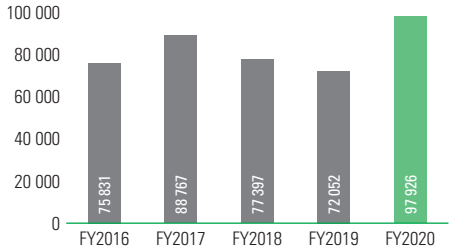
[1] Absolute energy consumption is a cumulative indicator of all forms of energy use such as electricity, coal, fuel, natural gas and heavy fuel oil, etc.

The use of alternative energy, mainly used in the Agriculture division Sasolburg plant, decreased by 43% from FY2019 due to lower production in the nitric acid plants and significant downtime experienced. Key initiatives underway to improve energy management include:

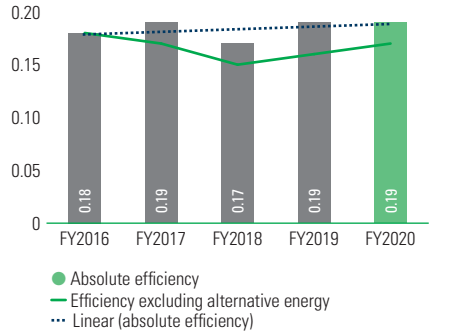
- Optimisation of compressed air systems and steam trap management
- Management of compressors and reticulation systems for compressed air to reduce pressure losses resulting in further reduction in energy consumption

Oro Agri South Africa and North America generate and use solar electricity which provided 91 MWh for the reporting period.

Electricity used
(Megawatt/hour)



Energy used per tonne manufactured
(Gigajoule per tonne)



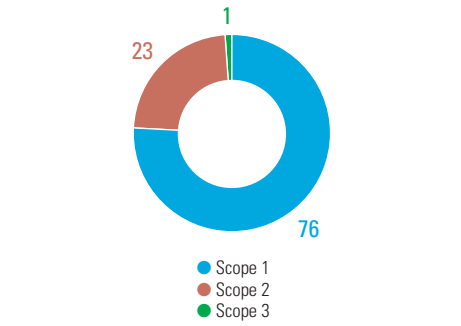
Carbon footprint

Total carbon footprint for FY2020 was 624 590 tonnes CO_2e.

Omnia's carbon footprint[2] (scope 1 and 2) has increased by 107% from 301 670 tonnes CO_2e in FY2019 to 624 590 tonnes CO_2e in FY2020. In total, 97% of Omnia's GHG emissions are generated from the Agriculture division.

Carbon footprints are calculated using the Global Warming Potential (GWP) which is a measure of how much heat a GHG traps in the atmosphere up to a specific time horizon, relative to carbon dioxide. The largest contribution to Omnia Group's carton footprint is made by the Agriculture division due to N_2O emissions from the nitric acid plants in Sasolburg. N_2O has a global warming potential 298 times than that of CO_2 which has a significant implication on the Group's carbon footprint calculations.

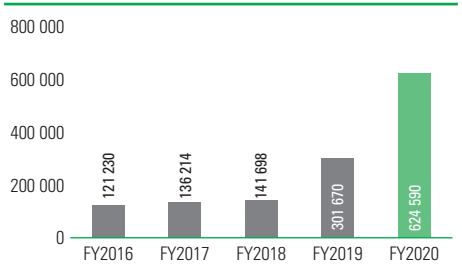
FY2020 total emissions 624 590 (tonnes CO_2e)
(%)



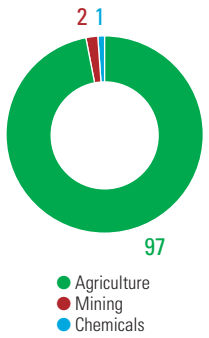
Performance continued

The two CDM projects implemented (see below) at the nitric acid plants in Sasolburg were aimed at addressing these emissions. Both projects included the installation of state-of-the-art technology called EnviNOx™ which achieved more than 90% N_2O reduction. During the latter half of FY2018, however, a catalyst on the abatement facility began to fail resulting in increased emissions. In FY2019, the board approved the capital required for the replacement of the catalyst at an approximate cost of R40 million. Unfortunately, due to procurement and delivery challenges, the catalyst was only replaced in April 2020. This has resulted in significant emissions being recorded and reported in FY2020. With the catalyst now being replaced, it is anticipated that emissions will revert to FY2018 levels.

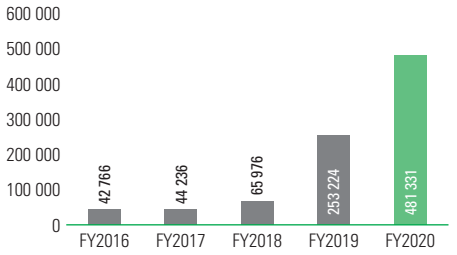
Total scope 1 and 2 GHG emissions
(Tonnes CO_2e)



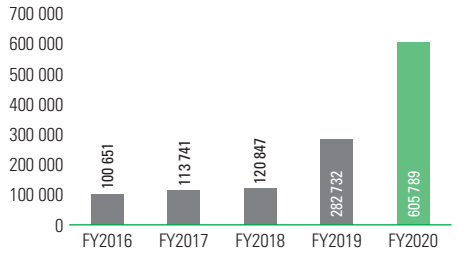
Total emissions by division
(%)



Scope 1: Direct emissions
(Tonnes CO_2e)



GHG emissions: Agriculture
(Tonnes CO_2e)



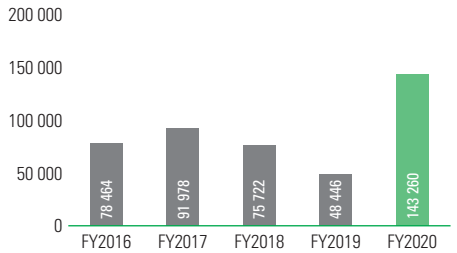
[2] The calculation of Omnia's GHG inventory was based on the operational control approach, according to which Omnia records and accounts for emissions from facilities, sites and operations over which it has operational control, or the authority to introduce and implement its operating policies. All 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) as well as the Department for Environment, Food and Rural Affairs (DEFRA) GHG reporting: conversion factors 2019, unless other material or factors specific to the operation were available. Using standard IPCC emission factors makes for ease of comparison between the different divisions as well as with those of previous years.

Scope 1
- Emissions from the combustion of fuels, including diesel, light fuel oil, heavy fuel oil coal and natural gas
- Process emissions from nitric acid

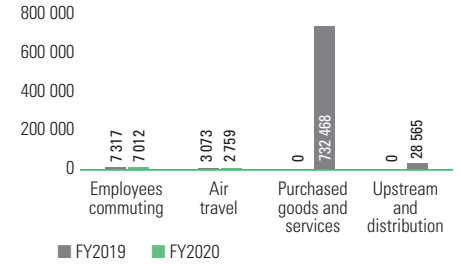
Scope 2
- Utilisation of grid electricity (emissions associated with the production, transmission and distribution of electricity from the national grid)
- Utilisation of purchased steam

Scope 3 which falls outside the control of the organisation
Includes other indirect emissions, such as the extraction and production of purchased materials and fuels, transport-related activities in vehicles not owned or controlled by the company and outsourced activities. In FY2020, the Group made significant progress in quantifying sourcing and distribution-related scope 3 emissions for the first time.

Scope 2: Indirect emissions
(Tonnes CO_2e)



Scope 3: Emissions
(Tonnes CO_2e)



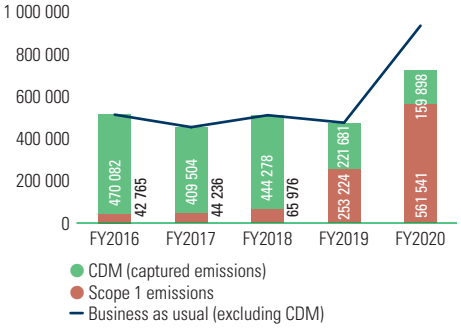
Clean development mechanism (CDM) projects and carbon tax
Omnia currently has two registered CDM projects which are regularly verified and audited as per the UNFCCC protocols. The CDM projects were developed as emission reduction activities, from which Omnia subsequently received certified emission reduction (CER). Since the commissioning of the NAP1 destruction facility in 2008, CER certificates to the value of 5 352 576 tonnes have been generated, and certificates to the value of 5 136 523 tonnes were issued up to 31 March 2020.

The new carbon tax in South Africa became effective in the year and is aimed at reducing GHG emissions in a sustainable, cost-effective and affordable manner. The tax gives effect to the polluter-pays-principle and helps to ensure that firms and consumers take the negative adverse costs (externalities) of climate change into account in their future production, consumption and investment decisions (internalise). In addition, the carbon offsets regulations were also promulgated in the year and these had a significant impact on our registered CDM projects and the generation of associated CERs. Allowance has been made for a period of transition during which the following will apply:
- CERs generated before 31 May 2019 can be used to offset tax obligations until December 2022. Any credits remaining after December 2022 will be deemed to have no value

Performance continued

- Credits generated after June 2019 would not be applicable to be used as offsets
- Omnia will voluntarily deregister from the CDM programme and register on the Carbon Offset Administration System (COAS). All existing CERs can be converted and registered on COAS. Omnia is currently finalising its CER credits for conversion to the new system
- The president of South Africa recently announced a three-month delay in the first carbon tax payments as part of an extensive set of financial measures worth R500 billion to help companies deal with COVID-19

GHG inventory with CDM projects
(Tonnes CO_2e)



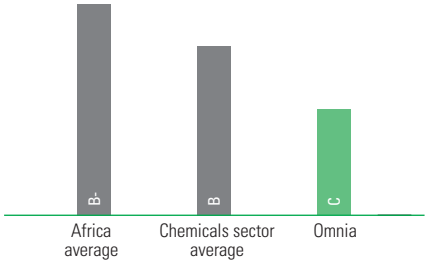
CDP climate change and supplier engagement disclosures

In FY2020, Omnia dropped one level in its climate disclosure score from level B management to C management. This signals that Omnia has knowledge of impacts on and of climate change issues. Omnia has developed a policy and strategic framework within which to take action and reduce negative climate change impacts.

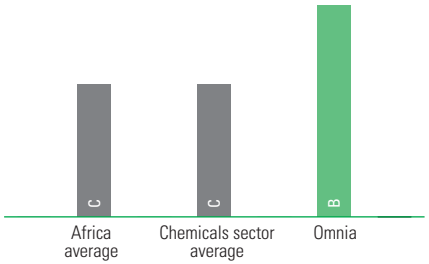
In FY2019, CDP evaluated several organisations' engagement with their suppliers on climate change. Purchasing organisations have the potential to incentivise significant environmental changes through engagement with their suppliers. By evaluating supplier engagement and recognising best practice, CDP aims to accelerate global action on supply chain emissions.

Omnia's performance based on the 2019 Supplier Engagement Rating category achieved a ranking of B management. This indicates that Omnia is taking coordinated action on supplier engagement.

Climate change disclosure: Sector comparison
(Level)



Supplier engagement rating: Sector comparison
(Level)



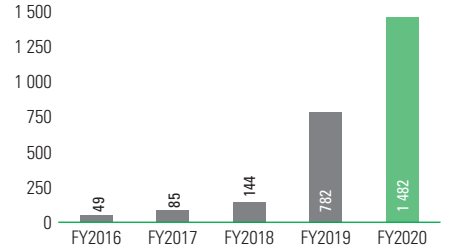
Air emissions

Atmospheric emission licences (AELs) are required at several operations within the Group. The Agriculture division is the major contributor to air emissions in Omnia, specifically at the Sasolburg plant. Air emissions are not significant at the Mining and Chemicals divisions.

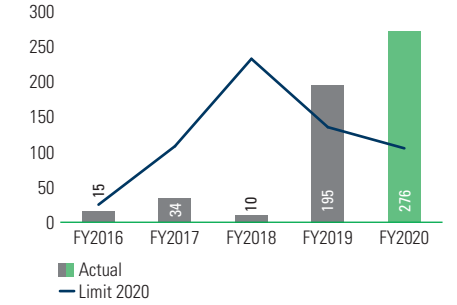
The air emissions at Sasolburg are shown in the graphs below. The increase is due to the nitric acid plant catalyst reaching its end of life. Compliance with the minimum emission standard limits for the existing plants for 2015 and the 2020 limits for new plants are also indicated (the AEL limits only became effective when the licence was issued in 2017). The final AELs were received for Sasolburg during November 2019. Stack monitoring was conducted during FY2019 and all variables were below the limits, except nitrogen oxides (NOx). Key initiatives underway to reduce air emissions include:

- Continuous improvement in the operational efficiency of the plants
- Replacement of the nitric acid plant's EnviNOx™ catalysts in April 2020
- Installation of a scrubber for the granulation plant to ensure compliance to the 2020 limit during the first quarter of the new financial year

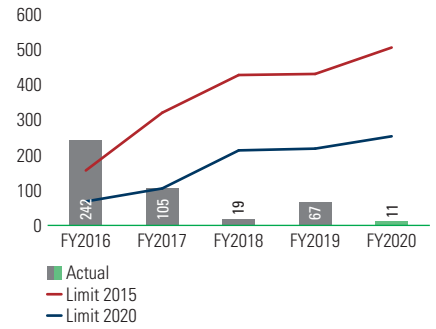
Fertilizer: Air emissions N_2O
(Thousand kilograms)



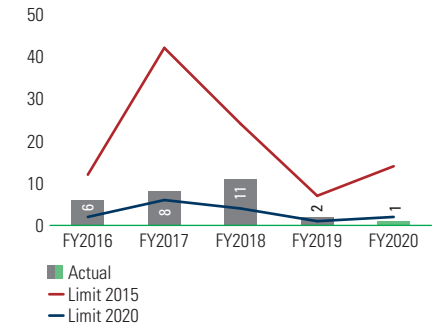
Fertilizer: Nitrogen oxide (NOx)
(Thousand kilograms)



Fertilizer: Ammonia (NH_3)
(Thousand kilograms)



Fertilizer: Hydrogen fluoride (HF)
(Thousand kilograms)



Performance continued

Promoting water stewardship

Water management and the importance of protecting this very precious resource has been highlighted by the water crises experienced in southern Africa and across the globe in recent times. Omnia places great emphasis on the effective management and use of water in all production processes.

Water usage increased by 10% in FY2020.

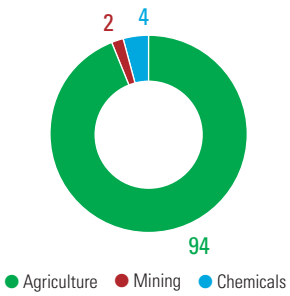
The Group's water consumption increased by 10% from 1 696 megalitres (ML) in FY2019 to 1 857 ML in FY2020. The increase was mainly due to increases in production volumes in both the Agriculture and Mining divisions as well as the inclusion of Oro Agri consumption for the full financial year. A burst pipe at the Mining division's Losberg site also resulted in large volumes of water being lost. The water leak was not detected quickly due to difficulties in identifying a leak over a 10 kilometre (km) network of pipes from the municipal supply point. The piping system was subsequently upgraded and now includes leak detectors.

Over the past five years, water consumption has declined by 5%. Key initiatives underway to improve water management include:

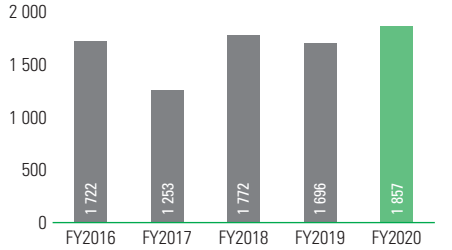
- Management of the nitric acid plant's cooling towers cycles
- Increasing the production efficiency of the granulation plant to facilitate reuse of water
- Investigations into possible active and passive water treatment solutions. A final report of the results from the pilot tests was finalised in the year. Further feasibility studies are being conducted to address areas of concern before a final decision will be made

The bulk of the Group's water consumption occurs in the Agriculture division. Municipal water is the main source of water for most sites and increased usage can be attributed to higher production volumes.

Water usage by division
(%)



Water usage
(Megalitres)

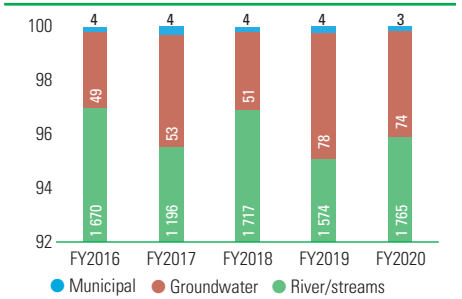


In the year, Omnia recycled 15 ML (2019: 11 ML) of water, mainly in the Agriculture division and discharged 553 ML (2019: 456 ML) of effluent. The increase in the discharge was due to the impact of lower production resulting in lower volumes of water being reused and requiring excess water to be discharged.

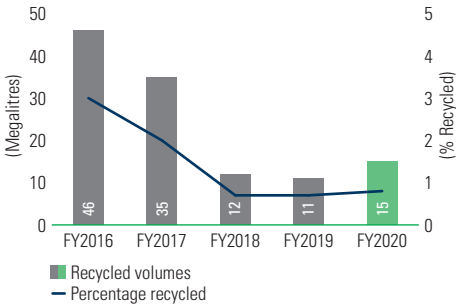
The Agriculture division is the only division which, in line with the conditions specified in the water use licence (WUL), discharges water directly into a water resource in South Africa. The discharge is released into the municipal storm water system which then flows into the Taaiboschspruit at a point 7 km away from the site. This is done in accordance with a WUL. The site does not generate any process-related liquid effluent. Omnia Sasolburg discharged 524 ML (2019: 426 ML) of effluent into the Taaiboschspruit. In the Chemicals division, a total of 29 ML (2019: 30 ML) was discharged into the sewer system.

In FY2020, Omnia received a **Global B-List Leadership Certificate** for strategic water stewardship as part of its commitment to the CDP Water Disclosure. This demonstrates that we are taking coordinated action on water issues.

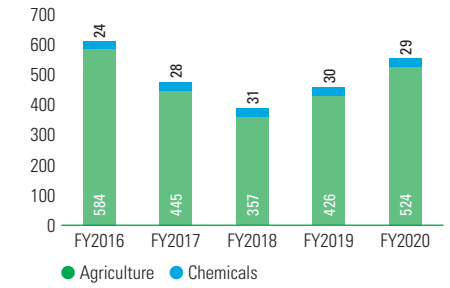
Water abstraction per source
(Megalitres) (%)



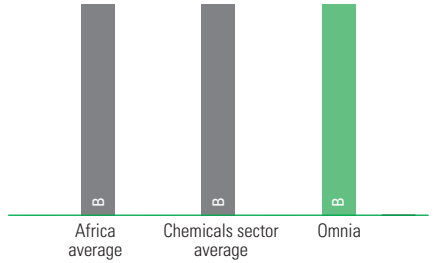
Water recycled or reused



Effluent volumes discharged
(Megalitres)



Water disclosure: Sector comparison
(Level)



Performance continued

Waste management

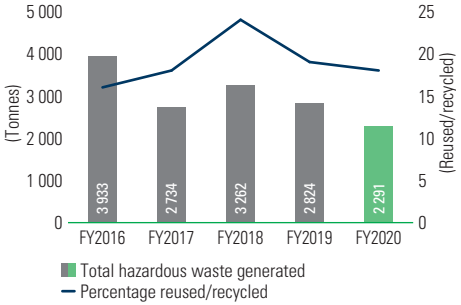
33% of waste generated was recycled or reused in FY2020 (2019: 34%).

The Group's operations do not generally trigger the need for a waste management licence. Accordingly, all waste disposal at the Group is managed by third-party contractors under strict monitoring and control of the relevant divisions. Enforcement of waste manifests and the certification of safe disposal is also tightly controlled.

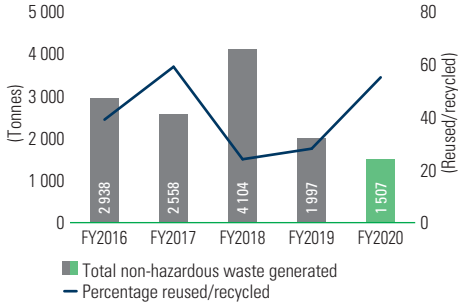
An exception to this occurs at the Dryden site of the Mining division which has a waste management licence (WML) for the used oil storage and recycling facility. Reprocessed oil is a key raw material in the production of explosive emulsions.

As part of the Group's ongoing drive to improve resource efficiency, the divisions are actively engaged in waste recycling.

Hazardous waste



Non-hazardous waste

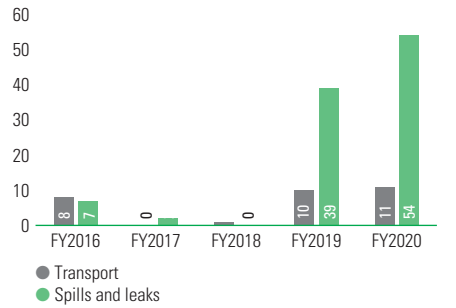


Environmental compliance

Omnia is committed to complying with all applicable laws and obligations arising from environmental authorisations. Ongoing compliance is managed by dedicated environmental managers with the support of subject matter experts for water, waste, air quality, climate change and land and biodiversity management. It is enabled by a safety, health, environmental and quality policy.

No significant non-compliance to environmental regulations were raised by regulators during the year.

Group environmental incidents
(Number)



Authority inspections

During the reporting period, operations globally have been subject to various environmental authority inspections and associated compliance enforcement actions. Omnia collaborated fully with the authorities during these inspections, resolved enquiries and duly responded to subsequent enforcement actions.

Reporting on significant compliance challenges

Omnia's approach to environmental compliance management continues to be transparent and collaborative. Omnia engages regularly with authorities through established forums and also proactively where the Group anticipates or identifies compliance challenges. The Group reports on non-compliance to conditions of authorisations and the management thereof, as well as corrective and preventive measures to address these. This includes the reporting of environmental incidents as per statutory requirements and the submission of periodic, quarterly and annual reports. Omnia also communicates to various other stakeholders, such as the CDP and other applicable forums, on its environmental performance.

One major incident occurred at Protea's Wadeville site in the year. An outlet valve of a 5 000 litre bulk tank containing sodium hypochlorite broke, resulting in approximately 4 500 litres of the product being released into the storm water system which ended up in a nearby stream and wetland. The incident was reported to the relevant authorities and a directive has been issued to the site by the Gauteng Department of Agriculture and Rural Development (GDARD). All recommendations thereof have been implemented.

Performance continued

Remuneration and implementation report

Section 1: Letter from the remuneration and nominations committee chair

Dear stakeholders

This was a year of extraordinary challenges for the leadership and management of Omnia. We started the year with unprecedented liquidity and business performance issues to which we had to respond by raising urgent bridging finance, conducting a rights issue, implementing a sustainable debt structure and implementing stringent turnaround and recovery measures. Our Sakhile 1 staff empowerment share scheme had lost much of the value that had been building up over previous years, with concomitant harm to our employees' wealth-building and ownership in our company. In addition, the world has been engulfed in the COVID-19 crisis.

With regard to remuneration, we sought independent advice and embarked on a consultation process with our largest shareholders, to design and implement a remuneration framework in line with best practice and shareholder expectations. We believe we have made good progress in this regard, although the "business unusual" outcomes this year mean that we have had to apply discretion and have been unable to always apply the formal provisions of the policy mechanistically. We believe that the company and the team, led by our new CEO, have achieved commendable results during very challenging circumstances.

Changes to the board and RNC membership

Given the nature of its responsibilities, it is important that RNC members have skills and expertise specific to human resources and remuneration governance. The composition and independence of RNC are critical. During the year, there were various changes to the board, some of which impacted the membership of RNC. From 25 June 2019 Mr Ralph Havenstein took up the chair of the board, which required his resignation as chair of the RNC, a post to which I was subsequently appointed. Mr George Cavaleros was appointed on 16 October 2019 as a member of the RNC.

Non-binding advisory votes on the remuneration policy and implementation report

Voting on our 2019 remuneration policy and implementation report reflected a decline in the number of votes cast from the 2018 AGM, with 61.32% (2018: 74.86%) in favour of the remuneration policy and 44.74% (2018: 75.98%) supporting the implementation report.

As shareholders representing more than 25% of the issued shares voted against the remuneration policy and implementation report, we undertook to engage with these shareholders. We published a SENS statement on 18 October 2019, inviting shareholders to submit their concerns, comments and feedback on the policy and implementation report. I, together with the chair of the board, also met with some of the larger fund managers to better understand their perspectives. The key issues raised by shareholders, together with our responses, are summarised on page 113.



Thoko Mokgosi-Mwantembe
Chair of the RNC

Performance continued

Matters raised by shareholders and our responses

During our investor consultations during 2020, points were raised about the nature and targets for the incentive arrangements, as well as disclosure in our remuneration report. You will note that we have provided details of the targets set for the 2020 STI and trust that you will agree that these are duly stretching in the context of the current and expected near-term economic and market conditions. In line with generally accepted practice, we have disclosed the measures and weightings for the 2020 STI. We believe the advanced disclosure of the targets is commercially sensitive and will disclose these targets again on an ex-post basis in the 2021 remuneration report so that you can assess whether they are appropriate. One should, however, concede that it is very difficult to set targets in the context of the COVID-19 pandemic, and we may have to again apply our discretion when it comes time to determine STI outcomes.

There was considerable discussion regarding long-term incentives. Key issues regarding the nature and performance conditions of such awards were debated, as well as the wisdom of making awards during the current year until the company's financial position and share price had stabilised. We have adopted a share plan based on best practices awarding performance shares as the primary instrument, although provision is made for ad hoc sign-on and retention awards. To avoid further dilution after the rights issue, settlement of these awards will be by means of market purchase of shares, with no issue of new shares or use of treasury shares. No LTI awards were made to the senior leadership team during the 2020 financial year. The performance conditions for the share plan have not yet been determined due to the changes in the business during FY2020 and considerations of the uncertainty caused by the COVID-19 pandemic.

Although there was acceptance of our decision by the institutional investors we consulted during FY2019 not to pay any short-term incentives despite policy amounts merited by non-financial outcomes, shareholders raised the issue of ensuring skill retention to weather the liquidity crisis at the time. We have taken this into consideration in the application of our discretion this year.

The outcome for Sakhile 1 was raised by investors who emphasised that this needed to be resolved without excessive costs to shareholders, but also without risk of upsetting the employees and damaging our empowerment credentials. We have included the details of our resolution of this issue in the implementation report.

There was support for enhancing our malus and clawback provisions as well as for minimum shareholding requirements (MSRs). You will note that the remuneration arrangements for Mr Gobalsamy this year strongly support the principle of our senior executives building up "skin in the game". Our CEO has elected to receive all of his fixed remuneration for 2020 in Omnia shares which he has undertaken to hold until at least 31 March 2022.

Specific concerns were raised regarding exit payments to executives. With respect to exit payments, we share your concerns about "pay for failure" and excessive termination payments, and undertake to stop such practices. We have no contractual provisions for exit payments. We have shared the separation arrangements with Mr De Lange in the implementation report.

Changes to the remuneration policy

In FY2019, two key changes were made to the remuneration policy. The introduction of MSRs for executive directors, and the implementation of the new Omnia 2020 Share Plan. The malus and clawback policy was reviewed and enhanced.

The new share plan is line with local and global best practice with improved alignment with shareholder objectives in supporting appropriate reward for performance for executives and management and simplification of the structure.

In FY2020, the remuneration committee also reviewed the current Partner 5 LTIs plan and concluded that further awards under the plan should not be made as the structure did not meet the current business requirements of the Group. To date, no awards vested in favour of management.

The Sakhile 1 Share Scheme was settled and closed out during the year. At establishment, the scheme acquired a vendor funded 10% shareholding in Omnia Group. However, due to the decline in our share price, the value of the shares were below the funding cost at the vesting date. The company acquired the Sakhile 1 shares for a consideration of R39 million as final settlement of the share scheme and related liability. The offer was accepted, and the scheme was subsequently deregistered.

The RNC is satisfied that the implemented remuneration policy achieved its stated objectives for FY2020.

Trends and future focus areas

Areas of future focus include refinement of performance measures and targets and the outcome and disclosure of STI and LTI schemes, which will be an ongoing process, as well as the equality of pay levels for similar work free of bias. We also intend to implement a performance management and grading system during 2021.

We plan to use the Omnia 2020 Share Plan as the basis for a simplified employee share ownership plan which is much more aligned to the management awards, which will have less gearing and risk, as well as participation in dividends.

Committee performance

The committee and the chair's performance is assessed annually. In June 2020 this took the form of a self-assessment questionnaire. Overall the committee was assessed as effective.

Use of independent advisers

We use the services of PwC's RemChannel survey and Remuneration Consultants to benchmark employees' remuneration packages (total cost-to-company) and ensure alignment to the market. Bowmans also advised the committee on remuneration matters. The committee is satisfied that the advisers engaged during the year provided independent, unbiased advice and remained objective throughout the process.

Appreciation

I would like to thank my colleagues on the committee for their assistance this year in delivering on our important responsibilities for progressive remuneration policies and practices. I extend my thanks also to Seelan Gobalsamy and his executive team for their dedication and hard work over the year.



Thoko Mokgosi-Mwantembe
Remuneration and nominations committee chair

Performance continued



Section 2: Remuneration policy

Our remuneration philosophy defines how we seek to be fair, responsible, transparent and compliant with legislative requirements within all the jurisdictions in which the Group operates. Furthermore, we seek to encourage and reward long-term sustainable performance that is aligned to the Group's strategy as well as ensuring the achievement of the desired culture across the Group.

Our remuneration policy is available online at **www.omnia.co.za**

Design principles

The policy is driven by the following guiding principles and remuneration is designed in such a way as to:

- **Foster alignment** with Omnia's vision, strategic objectives and shareholder interest
- Ensure that **remuneration of executive management** is fair and responsible in the context of overall employee remuneration
- **Drive** long-term sustainable performance incorporating critical financial and non-financial drivers
- Manage **risk and liability** and be fiscally responsible
- **Promote** an ethical culture and responsible corporate citizenship
- **Promote** responsible business practices incorporating health and safety, environment and governance principles
- **Fair remuneration** that is externally competitive and internally equitable
- **Motivate and reward** the right behaviour and performance of employees and executives
- **Provide competitive** rewards to attract, motivate and retain highly skilled executives and employees vital to the success of the organisation

Fair and responsible remuneration

Market competitiveness and best practice remain fundamental elements of our reward strategy. Annual reviews of remuneration practices, policies and processes are conducted to ensure that they are in line with best practice. Peer group comparisons are conducted on an annual basis using public information and customised surveys from leading consulting groups.

Performance continued

Remuneration elements

The key elements of our remuneration framework and structure are summarised below:

	Strategic intent	Remuneration element		Eligibility	Frequency
Guaranteed	• Attract and retain the skills required to execute on our business objectives by ensuring that pay structures are competitive and market related • Ensure employees internalise and live our core values	Salary		All employees	Monthly
		Benefits including: • Medical aid, retirement benefits, death and disability insurance, car allowance and related expenditure (or company car where relevant) and a 13th cheque • Study allowance provided in certain circumstances		Benefits: all employees Allowances: selected individuals	Monthly
Variable	• Support high-performing individuals and teams by aligning reward with performance	STI		Professionals and middle management	Annual
				Senior management and above	Annual
	• Retention of skills and direct alignment with shareholders' interests • Attract and retain key employees • Long-term retention • Maintaining appropriate B-BBEE credentials	LTI			
		Omnia 2020 Share Plan	Equity-settled scheme	Qualifying employees	• Awards of conditional or forfeitable shares • Management awards will have performance conditions, and planned ownership shares to staff will only have employment conditions • The awards will vest after three years, subject to applicable performance conditions
			Cash settled	Professionals and middle management based in South Africa	• Fixed bonus allocated depending on the extent to which the Group achieves its targets for the applicable five-year cycle • Cash settled within five months at the end of the five-year period
				Selected senior management and professional employees based in countries outside South Africa	• Similar to the scheme detailed above, except that a fixed number of phantom shares are allocated equivalent to the value of the bonus achieved
		Employee share ownership plan (B-BBEE initiative)	Sakhile 2	Critical and core talented black executives and employees based in South Africa	• Owns 3.5% of Omnia Group • Seven-year scheme, awarded in 2010, 2011 and 2013 to qualifying black permanent employees • Vesting after seven-year award anniversary

Refer to note 5.5 to the annual financial statements for further disclosure regarding the various share incentive scheme.

Performance continue

STI performance conditions, targets and allocations

The scheme is designed to incentivise Group, divisional, interdivisional and individual performance and is payable in cash at the end of June each year. The Group's STI targets and weightings are determined annually by the RNC and are subsequently approved by the board. The divisional targets are based on the Group's targets and are agreed with Exco and divisional management. The formula used to determine the STI for the year is as follows:

Annual STI = **guaranteed pay** x **on-target STI percentage** x **STI performance multiplier**

The STI performance multiplier for each employee is based on performance against targets at Group and divisional levels with an appropriate weighting between Group and division dependent on role. The Group STI measures and weightings, the mix between Group and divisional performance and the on-target STI percentages are tabled below.

Group STI measures

Key performance area	Measure	Weight
Financial metrics	EBITDA	40%
	Cash flow	30%
Sustainability metrics	Diversity and inclusion	10%
Strategic initiatives		20%
		100%
	x **Safety multiplier** (90% to 105%)	

STI percentages and weighting allocations

The following tables reflect the weighting between Group and divisional measures and the on-target and stretch STI percentages per employee level.

Group and divisional weighting	Group	Division
Exco (excluding divisional MDs)	100%	0%
Divisional MDs	60%	40%
Divisional management	40%	60%

Incentive percentages	On-target	Stretch
CEO and FD	100%	200%
Group corporate executives	60%	120%
Divisional MDs	75%	150%
Divisional management	50%	100%

The application of discretion

In exceptional cases, the RNC has the authority to extend the bonus cap to 250% of TGP. This will occur if there has been exceptional growth in profits, and targets have been exceeded by the Group or division concerned. The RNC has the discretion to adjust bonuses and/or amend the rules of the scheme as it deems fit, taking into account the balance between fair reward for the individual and stakeholders' interests. We will apply such discretion in cases where any of the financial measures are materially below the threshold, as well as in the case of unacceptable safety outcomes, particularly in the case of fatalities or outcomes significantly below the thresholds for the year. Major environmental incidents, or events causing significant harm to the reputation of Omnia may also give rise to adjustments.

Personal performance

Personal performance is taken into account when STIs are awarded and these may be adjusted where personal performance is significantly higher or lower than expected. No STIs are awarded in the case of poor performance.

LTIs

Omnia 2020 Share Plan

The salient features of the Omnia 2020 Share Plan are as follows:

- The plan provides for the award of conditional or forfeitable shares, which are allocated shares that vest subject to meeting applicable performance conditions, and continued employment
- Performance awards are the primary award intended for the executives and prescribed officers, which vest subject to performance conditions measured over a three-year performance period
- The plan also provides for sign-on and ad hoc retention awards to be used prudently
- The plan provides for remuneration shares that may be issued in lieu of cash guaranteed pay, and these will be used for the guaranteed pay of the CEO for a 12-month period
- It is intended that forfeitable shares governed by the plan (ownership shares) will be introduced as the basis for a new employee ownership plan
- Dividends on performance awards are only settled to participants if and to the extent that performance conditions have been met, whether the awards are issued as conditional or forfeitable shares
- No new shares may be issued, nor may treasury shares be used in settlement of awards, and settlement shares may only be purchased in the market
- Although formal share limits are not applicable to a plan where market purchase is used as the only settlement method, the generally accepted norms of a 5% overall limit and a 0.5% individual limit will be used as guidance for the award policy
- The awards are subject to a malus and clawback policy

No awards were made to the executive directors or prescribed officers in terms of this plan during FY2020.

The performance conditions for awards will be finalised when there is more clarity on the changes in the business that occurred during FY2020 and there is more certainty regarding the outcome of the COVID-19 pandemic.

Performance continued

Performance targets for the new performance share awards being considered include:

Measure	Weighting	
HEPS growth	40%	The threshold for the first year will reflect a credible recovery from the current levels, after that targets will be based on growth at a premium to CPI + GDP in the long term
Return on capital	30%	A premium to the weighted average cost of capital (WACC) in the long term
Cumulative free cash flow	30%	Based on the three-year cash flow forecast

Partner 5 plan
None of the Partner 5 awards will vest due to the performance outcomes and the plan having been discontinued.

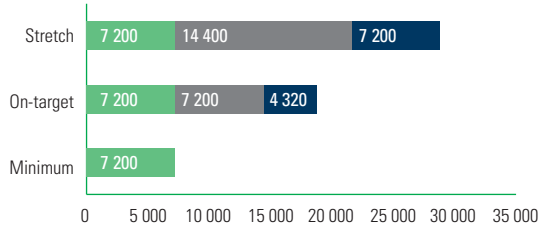
Remuneration scenarios at different performance levels

The charts below depict the pay mix of the CEO and FD and the average for the prescribed officers in line with the FY2020 remuneration policy. The charts represent outcomes of the STI and LTI at below threshold performance, threshold, target and stretch performance.

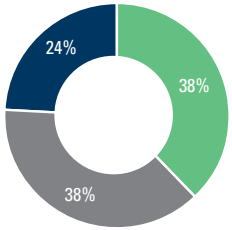
Seelan Gobalsamy – CEO

R'000	Minimum	% change	On-target	% change	Stretch	% change
Guaranteed pay	7 200	100	7 200	100	7 200	100
STIs	–	–	7 200	100	14 400	200
LTIs*	–	–	4 320	60	7 200	100
Total remuneration	7 200	–	18 720	–	28 800	–

Pay mix



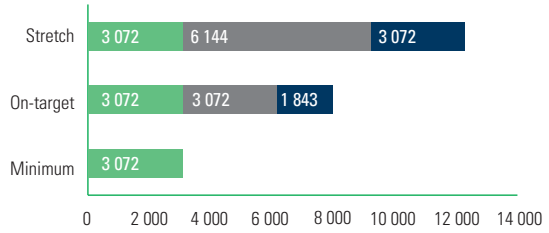
On-target pay mix



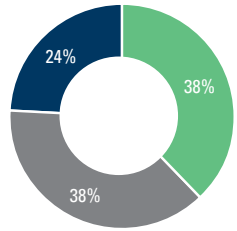
Stephan Serfontein – FD

R'000	Minimum	% change	On-target	% change	Stretch	% change
Guaranteed pay	3 072	100	3 072	100	3 072	100
STIs	–	–	3 072	100	6 144	200
LTIs*	–	–	1 843	60	3 072	100
Total remuneration	3 072	–	7 987	–	12 288	–

Pay mix



On-target pay mix

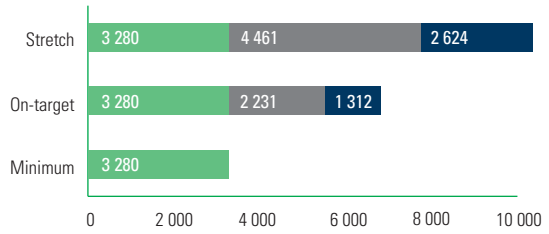


Stephan Serfontein was appointed with effect from 1 March 2020. Amounts annualised for illustrative purposes.

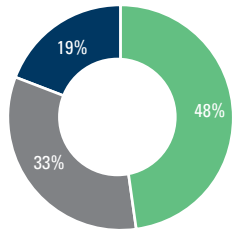
Average for the prescribed officers

R'000	Minimum	% change	On-target	% change	Stretch	% change
Guaranteed pay	3 280	100	3 280	100	3 280	100
STIs	–	–	2 231	68	4 461	136
LTIs*	–	–	1 312	40	2 624	80
Total remuneration	3 280	–	6 823	–	10 365	–

Pay mix



On-target pay mix



* No long-term incentives were made during FY2020 due to the changes in the business during FY2020 and considerations of the COVID-19 pandemic. The information is provided for illustrative purposes subject to the finalisation of the award policy.

Performance continued

Malus and clawback
The RNC may determine that any cash bonus, vested shares, or their equivalent value in cash, that have vested or been settled within a three-year period, be returned to the Group or may determine that any unvested award or part of an award may not vest in the event that any of the following matters are discovered:

- A material misstatement of the Group's results which may have caused the over-allocation of cash bonus or shares as part of the LTI plan
- Where there is an error in the calculation of any performance condition used in the calculation of the performance conditions which may have resulted in an incorrect payment or award
- Material regulatory breaches, especially in the case of events affecting the environment and communities
- Unacceptable safety outcomes, especially in the case of fatalities, or where safety outcomes are significantly below the thresholds for the year and management is deemed responsible for this outcome
- Gross misconduct or behaviour bringing to company into disrepute

Minimum shareholding requirement
A minimum shareholding requirement has been adopted by the Group with effect from FY2020. The policy requires that the executive directors of the company build up their personal shareholding of vested shares in the company to the following target levels over a specified time period:

- Two times guaranteed pay for the CEO
- One time guaranteed pay for executive directors

Current executive directors will be required to build up the target shareholding over the next four years, by 31 July 2024. Executive directors who are appointed in the future will be required to build up the target shareholding over the five years following their date of appointment.

Contracts and restraints of trade
Executives have permanent contracts of employment. The notice periods applicable are:

Role	Notice period	Restraint of trade
CEO	Six calendar months	Six calendar months
FD*	Three calendar months	None
Prescribed officers	One to six calendar months	Varies from six months to two years

* A new contract for the FD is in the process of finalisation and restraint of trade will be disclosed when finalised.

Typically, the restraints of trade restrict incumbents from competitive activities in the manufacture, marketing, distribution and sale of fertilizer, explosive materials and chemicals and any other products manufactured, marketed or sold by the Group. Termination payments are in line with contractual obligations, prevailing law and the share plan.

Non-executive directors' fees

The chair of the board receives a combination of a fixed annual fee as well as a variable hourly rate fee for ad hoc services completed. The fixed fee covers attendance at board and sub-committee meetings and is based on a minimum attendance at meetings, failing which a proportionate fee will be applicable. The fixed fee (excluding VAT) has been reduced substantially from the previous fee approved at the AGM, from R1 800 000 to R1 200 000 (for the period from 1 October 2019 until 30 September 2020). The fees for both the chair and the board are proposed to remain unchanged for the period 1 October 2020 until 30 September 2021.

The other non-executive directors review the chair's fee on an annual basis for proposal to shareholders at the AGM, for approval. In reviewing the annual fee, due cognisance is given to comparative public information on remuneration of chairmen.

Other non-executive directors
Other non-executive directors are remunerated according to the scope of responsibility and contribution to the Group, considering industry norms as well as the external benchmarks. Consequently, fees are set at levels to attract and retain high-calibre and professional directors to ensure that the board has the necessary skills to execute on its mandate. Non-executive directors do not receive LTIs, nor do they participate in LTI plans.

Non-executive directors are paid a fixed annual fee in respect of their board membership, as well as supplementary fees for committee membership and an additional committee fee for formally scheduled board and committee meetings that do not form part of the annual calendar of meetings. Actual fees and the fee structure are reviewed annually.

Performance continued

Proposed non-executive directors' fees for the forthcoming year

Activity	Number of meetings	Current fee	Proposed fee
Main board	6 to 8	R398 000 per annum	R398 000 per annum
Main board-related ad hoc meetings	n/a	R2 849 per hour	R2 849 per hour
Subsidiary board meetings attended by invitation	n/a	R21 200 per meeting	R21 200 per meeting
Subsidiary board-related ad hoc meetings	n/a	R2 240 per hour	R2 240 per hour
Remuneration and nominations committee	4	R102 000 per annum	R102 000 per annum
Remuneration and nominations committee chair	4	R178 000 per annum	R178 000 per annum
Social, ethics and risk committee	3	R79 000 per annum	R79 000 per annum
Social, ethics and risk committee chair	3	R138 000 per annum	R138 000 per annum
Audit committee	5	R175 000 per annum	R175 000 per annum
Audit committee chair	5	R307 000 per annum	R307 000 per annum

Annual fees are based on a minimum attendance of meetings, failing which a proportionate deduction will be applicable. There will be no increase in the directors' fees in the next year. All fees exclude VAT.

During the year, the RNC reviewed surveys from an independent third party, Remuneration Consultants, to determine whether the non-executive director fees presented to shareholders for approval were in line with market trends. The RNC was satisfied that the fees were market related.

Section 3: Implementation report

This section provides a view on how our remuneration policy was implemented and also sets out the relationship between company performance and executive directors and prescribed officers' remuneration outcomes against incentive plan targets as well as MSRs.

Guaranteed pay

Executive directors and prescribed officers

The annual total guaranteed packages for the executive directors and prescribed officers are tabled below. No increase has been proposed for FY2021.

R'000	FY2021	Increase FY2021	FY2020[1]
Executive directors			
Seelan Gobalsamy[2]	7 200	–	**7 200**
Stephan Serfontein[3]	3 072	–	**3 072**
Prescribed officers			
Jacques de Villiers	2 655	–	**2 655**
Joe Keenan	5 776	–	**5 776**
Funani Mojono[4]	–	–	**4 978**
Michelle Nana	2 839	–	**2 839**
Michael Smith	2 215	–	**2 215**
Jan Vermaak	2 916	–	**2 916**
Total	26 673		**31 651**

[1] Amounts for Mr Gobalsamy and Mr Serfontein are based on the approved annual remuneration packages for their new roles.

[2] Appointed as chief executive officer from 21 August 2019.

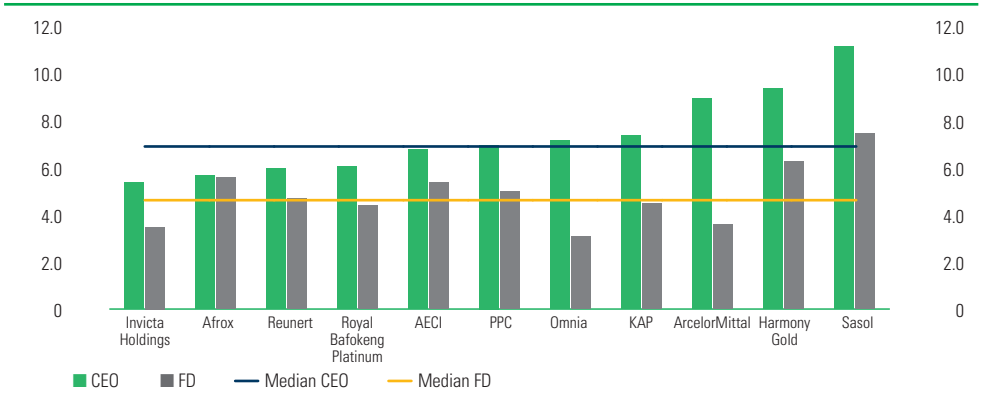
[3] Appointed as finance director from 1 March 2020.

[4] Resigned on 23 March 2020.

Performance continued

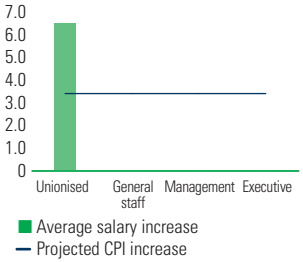
Benchmarking of total guaranteed package
Executive remuneration is benchmarked annually against a peer group. In the year, Remuneration Consultants, an independent firm, conducted a review of the executive directors' guaranteed packages. The table below summarises how Omnia's executive directors' guaranteed packages compare to the comparators.

Benchmark: total guaranteed package
(R million)

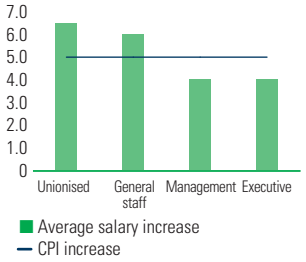


Unionised staff, general staff, management and executive average salary increases
Higher earning employees receive lower increases than lower level employees, to assist in lowering the gap between the different levels. This has been Omnia's practice for the past few years. The average percentage increases awarded during FY2019 and FY2020 to executives, management, general staff and unionised staff are shown below:

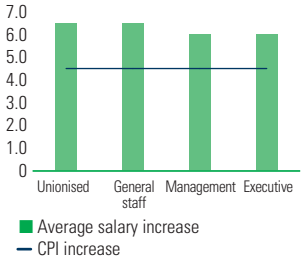
FY2021: average salary increases* (%)



FY2020: average salary increases (%)



FY2019: average salary increases (%)



* No proposed increases for executive, management and general staff during FY2021, except where legislation dictates increases or exceptional performance and to align to market related.

The RNC is satisfied that appropriate salary adjustments were implemented to place Omnia's remuneration levels in line with the market, following best practice and its remuneration philosophy.

STIs

Although a formal STI policy is in place with specific measures, weightings as well as targets for threshold, on-target and stretch performance, the RNC has decided to award discretionary STIs to the executive directors and prescribed officers due to this year's exceptionally challenging circumstances.

Although the STI policy has not been applied in a mechanistic manner this year, we have nevertheless included the performance targets for the information below:

Measure	Weight %	Threshold	On-target	Stretch
Financial				
EBITDA (R million)[1]	40	1 300	1 500	1 800
Cash flow (R million)[2]	30	1 690	1 780	2 250
Sustainability				
Diversity and inclusion	10	B-BBEE level 3	B-BBEE level 3	B-BBEE level 2
Strategic initiatives				
Strategic initiatives	20	80% completed	90% completed	100% completed
Total score (pre-modifier)	100			
Safety modifier		0.9	1.0	1.05
Final score				

[1] EBITDA excluding IFRS 16.
[2] Free cash flow before interest and tax (includes working capital and capital spend).

Performance continued

Executive director STI outcomes

The basis for the RNC's application of discretion is provided below. The current CEO was appointed on 21 August 2019. Prior to this he was the FD appointed on 1 March 2019. He has been responsible for the leadership of the financial turnaround and company stability during FY2020. His key performance areas were clustered into key event and areas of leadership responsibility as follows:

- Management of the capital restructure, execution of oversubscribed and fully underwritten R2 billion equity raise, and successful sustainable debt package on negotiated terms and fees
- Successful management of the FY2019 financial audit, reporting and post reporting investor activity
- Board, senior management alignment and performance management – built a cohesive Exco team that supports the Group and each other
- Successful operational management, addressing a number of regulatory and other queries and managing organisational stability throughout
- Performance and remuneration management – addressed complex Sakhile 1 vesting with a poor pay-out against what was envisioned, managed vesting and communication of share schemes vesting with low pay-outs, determined and contracted performance metrics for individuals for the coming year as well as business planning and budgeting under various scenarios given developing COVID impact
- Internal controls, safety and the risk environment – good progress was made in addressing controls and the performance environment and managed a ransom cyber-attack event. Various other initiatives were embarked on and delivered. As a result of the above actions, Omnia executed and delivered a credible set of FY2020 results and executed on the turnaround plan. The business delivered EBITDA (excluding impairments) of R1.8 billion (2019: R979 million), despite Nitrophosphate plant benefits coming through slower than anticipated, Eskom load shedding stage 6 forcing mines and manufacturers to close for extended periods, a cyber-attack and the start of COVID-19 early 2020 with supply chain disruptions and eventual lockdowns from March. Omnia also returned to profitability of R129 million (2019: R407 million loss). Loan covenants were comfortably met, net debt was reduced to R1.88 billion (2019: R4.40 billion), levels lower than expected and the net debt to EBITDA ratio of 1.0 is far beyond what was planned for, especially under these difficult circumstances. Net working capital was also well managed and decreased to R3.9 billion (2019: R4.2 billion). Level 3 B-BBBE was also maintained during the year

LTIs

Omnia 2020 Share Plan

No conditional shares have been awarded to executive directors and prescribed officers in the current year due to the business restructuring and COVID-19. In total, 334 097 shares were awarded on 1 April 2020 for FY2021 to a select number of senior employees, in terms of the rules of the share scheme in the year.

Partner 5 LTI plan

In previous years executives participated in the Partner 5 LTI plan. Due to under-performance over the past five years against the targets, no shares vested in FY2019 for tranche 1 and all shares awarded were forfeited in the prior year. It was unlikely that any of the set LTI targets will be achieved; hence, the board cancelled the Partner 5 share scheme in FY2020. All awarded shares for tranche 2 were forfeited in the year.

Sakhile 1 share scheme

Sakhile 1 share scheme was set up in 2007 to reward employees and support broad-based participation in the ownership of the company. At establishment, the scheme acquired 10% shareholding in Omnia Group. The scheme matured in FY2020. Due to the decline in the price of Omnia Holdings shares the scheme was no longer delivering value to the participants on the maturation date. The company offered to purchase the Sakhile 1 shares. The offer was accepted and Sakhile 1 deregistered. By year-end R39 million had been paid to Sakhile shareholders.

Sakhile 2 share scheme

Sakhile 2 is a time-based share scheme to retain critical and core talented black executives and employees based in South Africa. The allocation criteria are based on role and performance of participants. Sakhile 2 awards were proposed by divisional management, reviewed by the Group MD and Group human resources executive and approved by the RNC.

It is a rolling seven-year share scheme from date of allocation of shares. The last allocation of shares to qualifying participants was issued in January 2016 and no further shares will be allocated under this scheme. The scheme is equity settled by conversion of Sakhile 2 shares into Omnia Holdings shares. Unvested awards to participants who were directors or prescribed officers are disclosed in the table on the following page.

Performance continued

Total single figure of remuneration

The table below summarises the total single figure of remuneration for the executive directors and prescribed officers for the year ended 31 March 2020.

	Total guaranteed pay (TGP)								
R'000	Basic salary	Retirement benefits	Medical aid	Car allowance	Other*	STI accrual	LTI reflected^	Total FY2020	Total FY2019
Executive directors									
Seelan Gobalsamy[1]	4 674	–	78	165	–	14 400	–	**19 317**	2 690
Stephan Serfontein[2]	212	21	5	18	–	1 800	–	**2 056**	–
Adriaan de Lange[3]	1 435	140	20	123	4	–	–	**1 722**	3 882
Wayne Koonin[4]	–	–	–	–	–	–	–	**–**	13 750
	6 321	161	103	306	4	16 200	–	**23 095**	20 322
Prescribed officers									
Jacques de Villiers	2 089	188	80	298	1	–	–	**2 656**	2 325
Jan Vermaak	2 309	208	80	319	–	1 800	–	**4 716**	2 678
Joe Keenan	5 741	–	35	–	354	1 500	–	**7 630**	5 760
Funani Mojono[5]	4 275	346	42	316	1 802	–	–	**6 781**	4 279
Michelle Nana[6]	2 316	209	40	274	4	1 500	–	**4 343**	2 223
Michael Smith[7]	1 765	159	–	291	1 132	1 450	–	**4 797**	–
Khabo Ramoupi[8]	265	17	6	23	609	–	–	**920**	2 630
Anusha Teeruth[9]	166	12	–	22	191	–	–	**391**	2 061
	18 926	1 139	283	1 543	4 093	6 250	–	**32 234**	21 956
Total	25 247	1 300	386	1 849	4 097	22 450	–	**55 329**	42 278

* Other includes retention payments, Sakhile 1 settlements, leave pay, holiday and other accommodation.
^ No LTIs were allocated to executive directors and prescribed officers in the current year, and none are required to be reflected in terms of King IV reporting requirements.
[1] Appointed as chief executive officer on 21 August 2019. Previously FD. In February 2020, remuneration shares were awarded to Seelan Gobalsamy, in lieu of his salary for the period 1 January 2020 to 31 December 2020. The shares will vest on 31 March 2022. The shares were purchased in the market on 28 February 2020 for R7.2 million and will be expensed over the vesting period with the corresponding entry in share-based payment reserves. The shares are held in a restricted activity account in Seelan Gobalsamy's name, but as these shares only vest on 31 March 2022, the shares are recognised as treasury shares until vesting date for accounting purposes although that is not their legal form. The Group expensed R285 115 of the share award for the year ended 31 March 2020.
[2] Appointed as FD on 1 March 2020.
[3] Resigned 21 August 2019.
[4] Resigned 28 February 2019.
[5] Appointed 1 August 2018 and received R1.8 million contractual bonus as per employment contract. Resigned 23 March 2020.
[6] Appointed 1 July 2018.
[7] Prescribed officer for the FY2020 only and received retention bonus of R1.1 million in FY2020.
[8] Resigned 10 May 2019 and received R609 000 for the three-month notice period in FY2020.
[9] Resigned 30 April 2019 and received R139 000 in FY2020 for contractual leave days outstanding.

Adriaan de Lange stepped down from his role as Group MD on 20 August 2019. His services will continue for a fixed term until August 2020 during which time he remains available to advise on specific operational matters and share his significant institutional knowledge built up during his long service with the Group. His fixed remuneration remained unchanged and no STIs or LTIs are payable. No additional payment was made for termination of office and this fixed term of employment includes his notice period. Adriaan received the standard payments as per his contract:

- Existing remuneration will remain unchanged for the duration of the fixed-term contract including his car allowance, retirement fund* and medical aid membership
- All vacation leave due was paid out
- No bonuses were paid
- No termination settlement was paid
- All unvested shares lapsed, as per the rules of the scheme.

Contributions paid for the period 1 September 2019 to 31 March 2020 towards the pension fund were R195 845.

Performance continued

Tables of unvested awards and cash flow from LTIs

No awards have been made yet under the Omnia 2020 Share Plan to any executive directors or prescribed officers, and all Partner 5 awards have either not vested or been forfeited. The only remaining unvested awards to prescribed officers who were employed during the 2019 or 2020 financial years are disclosed below. No cash flow was received from long-term incentives during 2019 or 2020 by any executive director or prescribed officer.

SAKHILE 2 SHAREHOLDING

	Shares at 1 April 2019	Issue date	Exercised during the year	Cash payment	**Shares at 31 March 2020**	Vesting date	**Value at 31 March 2020**
Prescribed officers							
Khabo Ramoupi	1 000	1 000 in May 2013	–	–	**1 000**	1 000 in 2020	**–**
	528	528 in Jan 2016	–	–	**528**	528 in 2023	**–**
Anusha Teeruth	100	100 in Dec 2012	(100)	–	**–**	–	**–**
SAKHILE 1 SHAREHOLDING							
Michael Smith	1 000	1 000 in June 2007	–	28 000	**–**	FY2020	**–**

Directors' interest in shares

The table below summarises directors' interest in shares in Omnia Holdings.

	31 March 2020				31 March 2019			
	Total	**Direct beneficial**	**Indirect beneficial**	**Indirect non-beneficial**	Total	Direct beneficial	Indirect beneficial	Indirect non-beneficial
Ralph Havenstein	**1 922**	**1 922**	**–**	**–**	785	785	–	–
Frank Butler	**15 913**	**15 913**	**–**	**–**	6 500	6 500	–	–
Nick Binedell	**16 000**	**16 000**	**–**	**–**	–	–	–	–
Bernard Swanepoel[1]	**10 000**	**10 000**	**–**	**–**	–	–	–	–
Seelan Gobalsamy[2]	**288 000**	**288 000**	**–**	**–**	–	–	–	–
Rod Humphris[3]	**1 516 511**	**1 427 383**	**89 128**	**–**	957 810	905 619	44 575	7 616
Adriaan de Lange[4]	**–**	**–**	**–**	**–**	2 150	2 150	–	–
Total	**1 848 346**	**1 759 218**	**89 128**	**–**	967 245	915 054	44 575	7 616

[1] Appointed as an independent non-executive director on 1 October 2019.
[2] Appointed as CEO on 21 August 2019.
[3] Retired as non-executive director on 27 September 2019.
[4] Resigned as Group MD on 20 August 2019.

There has been no change in directors' shareholdings between 31 March 2020 and the date of approval of the Group annual financial statements.

Non-executive directors' fees

The table below summarises the non-executive directors' fees paid for FY2020.

	FY2020 R'000	FY2019 R'000
Ralph Havenstein (chair)	**1 359**	764
Nick Binedell	**492**	391
Ronald Bowen	**671**	581
Frank Butler	**808**	684
George Cavaleros[1]	**445**	–
Linda de Beer	**1 005**	1 014
Tina Eboka	**670**	577
Seelan Gobalsamy[2]	**–**	531
Rob Humphris[3]	**870**	2 593
Sizwe Mncwango	**464**	344
Thoko Mokgosi-Mwantembe	**722**	381
Wim Plaizier[4]	**506**	77
Bernard Swanepoel[5]	**266**	–
Total	**8 274**	7 937

[1] Appointed 5 August 2019.
[2] Appointed executive director 1 March 2019.
[3] Retired 30 September 2019.
[4] Appointed 11 February 2019.
[5] Appointed 1 October 2019.

Performance continued

Report of the social, ethics and risk committee chair

Dear stakeholders

Omnia's SERC was constituted by the board in 2010 to oversee the effective management of safety, health, environmental, risk and sustainability matters of the Omnia Group in accordance with section 72(4) of the Companies Act (read together with Regulation 43 of the Companies Regulations, 2011) on behalf of all subsidiaries of Omnia. On an ongoing basis, the committee pays attention to statutory duties which encompass matters related to B-BBEE, the principles of the UN Global Compact, the Organisation for Economic Co-operation and Development (OECD) anti-corruption, among others. We aim to further develop and enhance work previously done on the UN Global Compact and per principle agree on further actions to be taken in this regard. Considerable focus will need to be placed on the integration of the principles into the Group's operations.

For more information on the committee's composition, mandate and meetings, please refer to our governance section on page 29 to 32.

Sustainability

The SDGs are a set of 17 UN-led goals setting the global agenda to end poverty, protect the planet and work towards prosperity for all by 2030. The SDGs provide a common framework for organisations across all industries and sectors to work together for a better future. At Omnia, we are committed to playing our role in the attainment of these goals, supporting government and working with other stakeholders to build thriving communities. This work also builds on our ongoing commitment to conform to the UN Global Compact and its 10 principles.

With 2020 marking the start of the SDGs' decade of action, Omnia's sustainability strategy process has primed our Group for implementation and action to achieve the targets we have set. We aim to continually review our underlying contribution to the SGDs and, in the year, reviewed and updated the 10-year targets to 2030, taking into account current operating principles as well as aspirations in the deliberations of these targets.

For more information on our sustainability strategy and targets, see page 23.

Health and safety

Health and safety is one of our top priorities and the protection of our employees, contractors and stakeholders is paramount. While protecting Omnia's workforce from harm is a moral imperative, the focus on **zero harm, positive impact** also constitutes a direct investment in the productivity of the business.

The committee received comprehensive quarterly reports on safety and occupational health. We are pleased to report a second consecutive fatality-free year across the Group. Our RCR, however, increased to 0.49 (2019: 0.36), mainly due to the impacts of changed behaviour as a result of various restructuring activities across the Group which, unfortunately resulted in low morale and a lack of focus on behaviour-based safety. Workplace injuries which occurred were thoroughly investigated and corrective actions were identified and implemented. Root cause analysis was also conducted for each incident in order to ensure that measures are put in place to prevent similar incidents from recurring. Based on an in-depth incident analysis, key focus areas for targeted improvement in safety performance have been identified and will be addressed in the coming year. We will continue to monitor safety initiatives across the Group.



Frank Butler
Chair of the SERC

Performance continued

For more information on Omnia's health and safety performance, see page 88.

We are building on the use of leading indicators, which commenced in FY2019, to drive improvements in our health and safety function.

The committee also noted Omnia's approach to product quality and product stewardship to ensure that all products sold in any jurisdiction in which we operate, are high quality and comply with all product safety legislation.

Environment

Omnia is committed to minimising its environmental impact and has formulated a strategic roadmap to help it achieve its internal environmental targets. This includes monitoring and reducing the consumption of electricity and water and a commitment to use alternative energy and co-generate wherever possible. This has seen the Sasolburg plant's reliance on the Eskom cut by around 40% over the past few years. Omnia has and will continue to invest in ensuring clean production processes with minimal environment impact.

The Group continues to develop and leverage IP to add value that promotes environmental sustainability in the agriculture, mining and chemicals sectors. Our research and development initiatives produce differentiated products and solutions to mitigate the risk of environmental impact and improve the safety of all stakeholders. Some examples include:

- We assist customers in developing their ability and practices for the safe use of chemicals
- Our nutrient use efficiency (NUE) in the Agriculture division reduces the volume of fertilizer that farmers apply without deteriorating yields, thereby reducing the environmental impact
- Our water-use efficiency (WUE) in the Agriculture division reduces the amount of water required by plants, which is currently of critical importance. This further mitigates farmers' risks by allowing them to produce yield during times of minimal rainfall
- Our Agriculture Biological division has a suite of extremely environmentally friendly products for enabling more efficient uptake of nutrients and control of a wide range of pests and diseases. Ongoing research and development is increasing this range of products annually
- Oil in the Mining division is reused (oil gathered from multiple sources including mining customers) as a raw material in explosives production, thereby eliminating the need for those entities to dispose of their used oil
- We introduced dual-salt – ammonium nitrate and calcium nitrate (AN/CN) – cold emulsion products which, when detonated, virtually eliminate NOx emissions thereby reducing our customers' carbon footprint. Furthermore, our dual-salt product is fully oxygen balanced and therefore does not produce toxic fumes

For more information on Omnia's environmental performance, see page 106.

Good corporate citizenship

The committee considered the Group's activities in relation to good corporate citizenship, with an emphasis on Omnia's social investment in education, social entrepreneurship and sports development. In the year, R20.4 million was provided to various initiatives in the communities around Omnia's offices and plants, including the emerging farmer programme.

Transformation remains an important focus area for the committee. We considered Omnia's plans and progress in terms of the requirements of the South African B-BBEE Act 53 of 2003. In the year, the Group maintained its level 3 B-BBEE status and spent R6.9 billion on South African black-owned businesses.

For more information on our investment in society, see page 103.

Ethics and risk management

The committee supports the board with the governance of ethics. Furthermore, in conjunction with the audit committee, the SERC oversees risk management policies and practices across the Group. In the year, specific focus was placed on:

- Ensuring policies are aligned with King IV
- Implementing policy-related system and process changes
- Further embedding the contract management process and its supply chain electronic system at the divisions
- Implementing combined assurance in a more integrated manner in order for risk, compliance and internal audit to enhance assurance
- Ensuring that the risk management framework and culture are further embedded, with a specific focus on international operations
- Embedding the Group's governance structure for legal and compliance functions across the Group
- Continued review and oversight of:
  - Serious and major incidents
  - Leading indicator reporting
  - Process safety management
  - Business continuity management

We are also satisfied that there has been no material non-compliance with legislation or non-adherence to codes of best practice in terms of the areas within the committee's mandate during FY2020.

Stakeholder-inclusive approach

Our stakeholder engagement process focuses on establishing and maintaining mutually beneficial relationships with all our stakeholders. We regularly communicate with our stakeholders, including presenting the Group's business renewal plan, the rights issue and performance to investors. We also met with a significant number of investors and non-governmental organisations on topical issues, including our remuneration practices and environmental and social commitments.

Committee focus in FY2021

In the coming year, the committee will especially focus on:

- Monitoring changes in environmental and sustainability legislation
- Embedding sustainability in the business
- Ensuring ongoing ethics awareness and training
- Moving the Group forward on our sustainability strategy and monitoring sustainability performance
- Continued oversight of safety, health and wellness performance
- Monitoring the implementation of process safety standards across the Group

Conclusion

The committee is satisfied that Omnia continued to meet its ESG responsibilities in FY2020. The company also has appropriate policies and frameworks in place to sustain its commitment to responsible corporate citizenship, including social and economic development, fair labour practices and its commitment to upholding human rights, environmental responsibility and good corporate citizenship.



Frank Butler
Chair of the SERC

Performance continued

Non-financial performance data history

Every effort has been taken to ensure the accuracy of the reported data. Omnia recognises that some data may be subject to uncertainty relating to, for example, different interpretations of the internal reporting guidelines and possible human error in recording and submitting data. The continuous improvement of data quality and accuracy is receiving ongoing attention.

Human capital

Workforce analysis

	South Africa		Africa		Other regions				
Employment type	**Male**	**Female**	**Male**	**Female**	**Male**	**Female**	**FY2020**	FY2019	FY2018
Permanent	2 312	659	570	69	196	52	**3 858**	4 036	3 953
Fixed-term contract	182	92	243	33	12	3	**565**	548	864
Other*	–	–	–	–	–	–	**3**	171	–
Total FY2020	**2 494**	**751**	**813**	**102**	**208**	**55**	**4 426**	**4 755**	**4 817**
Total FY2019	2 687	802	916	108	94	148			

* Employees who did not disclose their gender due to country-specific legislation.

	South Africa		Africa		Other regions				
Recruitment – age category	**Number**	**%**	**Number**	**%**	**Number**	**%**	**FY2020**	FY2019	FY2018
Female									
Under 30	8	4	3	1	2	1	**13**	97	59
Between 30 and 50	16	7	2	1	5	2	**23**	92	92
Over 50	–	–	–	–	4	2	**4**	15	5
Total female	**24**	**11**	**5**	**2**	**11**	**5**	**40**	204	156
Male									
Under 30	24	11	14	7	9	4	**47**	349	241
Between 30 and 50	38	17	31	14	29	13	**98**	412	260
Over 50	2	1	5	2	23	11	**30**	42	16
Total male	**64**	**30**	**50**	**23**	**61**	**28**	**175**	803	517
Other	–	–	–	–	–	–	**–**	172	–
Total FY2020	**88**	**41**	**55**	**26**	**72**	**33**	**215**	1 179	673
Total FY2019	438	37	524	44	217	18			

	South Africa		Africa		Other regions				
Employee turnover	**Number**	**%**	**Number**	**%**	**Number**	**%**	**FY2020**	FY2019	FY2018
Female									
Under 30	19	3	11	2	–	–	**30**	101	74
Between 30 and 50	83	15	5	1	–	–	**88**	128	55
Over 50	13	24	2	1	–	–	**15**	26	6
Total female	**115**	**21**	**18**	**3**	**–**	**–**	**133**	255	135
Male									
Under 30	56	10	49	9	–	–	**105**	203	74
Between 30 and 50	134	24	82	15	1	–	**217**	681	181
Over 50	67	12	22	4	–	–	**89**	102	51
Total male	**257**	**47**	**153**	**28**	**1**	**–**	**411**	986	306
Total FY2020	**372**	**68**	**171**	**31**	**1**	**–**	**544**	1 241	441
Total FY2019	602	49	603	49	36	3			

	South Africa		Africa		Other regions				
Turnover by type	**Number**	**%**	**Number**	**%**	**Number**	**%**	**FY2020**	FY2019	FY2018
Resignations	168	31	–	–	–	–	**168**	170	221
Retrenchments	118	22	–	–	–	–	**118**	115	40
Retirements	17	3	–	–	–	–	**17**	17	26
Dismissals	52	10	–	–	–	–	**52**	65	85
Death	10	2	–	–	–	–	**10**	19	19
Disability	2	0	–	–	–	–	**2**	2	3
Early retirement	1	0	–	–	–	–	**1**	2	2
Incapacity due to ill health	–	–	–	–	–	–	**–**	1	1
Other	4	1	171	31	1	–	**176**	852*	44
Total FY2020	**372**	**68**	**171**	**31**	**1**	**–**	**544**	1 241	441
Total FY2019	602	48	603	49	36	3			

* BME Zambia converted 77% of its fixed-term contracts to permanent contracts. During the year some of the fixed-term contracts also expired and new fixed-term contracts were entered

Performance continued

Work integrated learning

Programme	Qualification	Division				FY2020	FY2019	FY2018
		Agriculture	Mining	Chemicals	Group			
Adult education and training (AET)	AET certificate	48	–	–	1	**49**	63	71
Apprenticeships and recognition of prior learning (RPL)	Boilermakers, electricians, fitters, instrumentation, welders and diesel mechanics	45	–	–	–	**45**	59	46
Learnerships	Chemical operations level 2, 3, 4, administrators, analytical chemistry, chemical, mechanical and industrial engineering, supply chain, business administration, and business practice	86	–	4	50	**140**	135	136
Work integrated learning	Chemical, electrical and mechanical engineering, human resources, sales, procurement and SHERQ	–	25	–	4	**29**	20	28
Internship	Diesel mechanics, boilermakers, human resources	–	–	6	–	**6**	4	4
Supervisory course	Supervisory skills	161	50	1	–	**212**	83	117
Total FY2020		**340**	**75**	**11**	**55**	**481**	364	402
Total FY2019		260	16	36	52			

Parental leave

Number of employees	FY2020			FY2019			FY2018		
	Male	Female	Total	Male	Female	Total	Male	Female	Total
Entitled to parental leave	**2 489**	**751**	**3 240**	2 539	736	3 275	3 108	845	3 953
Took parental leave	**333**	**188**	**521**	355	306	661	123	49	172
Returned to work after parental leave	**332**	**185**	**517**	355	305	660	114	45	159
Retention (%)	**99.7**	**98.4**	**99.2**	100	99.7	99.9	93	92	92

Training

Spend	FY2020 R'000	FY2019 R'000	FY2018 R'000	FY2017 R'000
Agriculture	**7 418**	16 638	13 869	7 586
Mining	**4 067**	6 265	8 331	8 276
Chemicals	**1 686**	2 226	4 399	4 066
Head office	**2 949**	3 099	5 185	3 059
Total South Africa	**16 120**	28 228	31 784	22 987
Agriculture International	**2 478**	2 047	1 921	1 072
Mining International	**575**	597	642	611
Chemicals International	**27**	50	–	–
Total training spend	**19 200**	30 922	34 347	24 670
Training spend in South Africa (%)	**83.9**	91.3	92.5	93.2
Focus areas				
Safety	**25**	28	28	14
Technical training	**21**	24	22	52
On-boarding and general company awareness	**14**	10	9	10
Legal framework	**2**	7	7	4
Life skills	**8**	7	7	4
Personal development	**5**	6	6	2
Business	**6**	5	5	–
Other	**5**	–	4	4
Management and leadership development	**4**	3	3	12
Finance and administration	**1**	3	3	2
Product service management	**–**	3	3	2
IT	**3**	2	2	2
Equity	**6**	1	–	–
Marketing sales	**–**	1	–	–
Total	**100**	100	100	100

Performance continued

Training days and participation

Occupational level	Total number of employees	Hours	Average hours per employee[1]	Average days per employee FY2020[2]	Average days per employee FY2019	Average days per employee FY2018
Total						
Top management	8	1 454	182	**22.7**	3.4	8.6
Senior management	13	94	7	**0.9**	5.3	5.1
Professional	317	23 339	74	**9.2**	4.7	7.9
Skilled	971	56 921	59	**7.3**	6.4	12.0
Semi-skilled	1 358	99 071	73	**9.1**	15.5	15.1
Unskilled	573	24 426	43	**5.3**	15.1	7.1
Total FY2020	**3 240**	**205 305**	**63**	**7.9**	11.4	12.0
Total FY2019	3 273	298 223	91			
Female						
Top management[3]	1	1 288	1 288	**161.0**	6.4	21.3
Senior management	3	52	17	**2.2**	3.4	6.7
Professional	89	7 518	84	**10.6**	5.2	7.7
Skilled	231	14 140	61	**7.7**	4.5	7.7
Semi-skilled	361	20 688	57	**7.2**	11.0	11.4
Unskilled	66	433	7	**0.8**	20.6	1.2
Total FY2020	**751**	**44 119**	**59**	**7.3**	8.4	9.2
Total FY2019	736	49 300	67			
Male						
Top management	7	166	24	**3.0**	1.9	2.3
Senior management	10	42	4	**0.5**	5.9	4.5
Professional	228	15 821	69	**8.7**	4.4	7.9
Skilled	740	42 781	58	**7.2**	7.0	13.3
Semi-skilled	997	78 383	79	**9.8**	17.2	16.6
Unskilled	507	23 993	47	**5.9**	14.8	7.7
Total FY2020	**2 489**	**161 186**	**65**	**8.1**	12.3	12.9
Total FY2019	2 537	248 923	98			

[1] Hours divided by number of employees.
[2] Average hours per employee divided by eight working hours.
[3] Executive completed a master's in management in the field of business and attended an executive coaching programme.

Developing talent: part-time studies

Level of accreditation	Agriculture	Mining	Chemicals	Group	FY2020	FY2019	FY2018
Certificate	27	3	–	1	**31**	47	44
Degree	7	9	7	4	**27**	49	37
Diploma	8	4	6	1	**19**	16	18
Advanced diploma	5	2	1	1	**9**	16	9
Master's	2	5	–	3	**10**	13	7
Higher certificate	5	3	2	–	**10**	36	5
Honours	–	–	–	–	**–**	–	4
Postgraduate diploma	2	2	1	–	**5**	6	4
Higher diploma	1	–	–	–	**1**	3	–
Total FY2020	**57**	**28**	**17**	**10**	**112**	**186**	**128**
Total FY2019	71	71	32	12			

Performance continued

Artisans, learnerships and pivotal programmes

Number of learners	FY2020	FY2019	FY2018	FY2017
Group				
NQF 1 National Certificate Animal Production	**–**	–	–	15
NQF 1 National Certificate Plant Production	**–**	–	–	30
NQF 2 National Certificate Plant Production	**–**	38	37	–
NQF 2 National Certificate Business Administration Services	**40**	–	–	5
NQF 3 National Certificate Business Administration Services	**10**	2	4	–
National Certificate Domestic Service Level 1	**–**	10	9	–
Total	**50**	50	50	50
Agriculture				
Apprenticeships and RPL				
Fitters	**12**	17	11	9
Electricians	**9**	11	10	8
Boilermakers	**9**	13	9	9
Welders	**7**	12	8	9
Instrumentation operations	**8**	11	8	8
Total	**45**	64	46	43
Learnerships				
Chemical Operations Level 2	**42**	35	35	48
Chemical Operations Level 3	**26**	29	28	24
Chemical Operations Level 4	**18**	15	21	11
AET	**49**	63	58	43
Total	**135**	142	142	126

Number of learners	FY2020	FY2019	FY2018	FY2017
Mining				
Mining learnership programmes				
Rock breaking	**4**	2	2	4
Occupational health	**–**	–	–	3
Other	**–**	4	3	–
Total	**4**	6	5	7
Mining graduate programmes				
Mining engineering	**2**	1	1	2
Mechanical engineering	**–**	2	–	2
Chemical engineering	**2**	1	1	1
Total	**4**	4	2	5
Chemicals				
Work or workplace integrated learning programme				
Procurement	**1**	3	4	–
Electrical engineering	**2**	1	3	1
Sales	**–**	2	3	–
Industrial engineering	**1**	1	3	3
Mechanical engineering	**2**	1	3	3
Human resources	**4**	3	2	–
SHERQ	**–**	2	2	–
Chemical engineering	**10**	3	2	5
Other	**5**	4	2	9
Total	**25**	20	24	21

Performance continued

Trade union representation

Trade union (%)	FY2020	FY2019	FY2018	FY2017
CEPPAWU	**13**	11	10	13
SACWU	**8**	7	9	10
GIWUSA	**4**	4	5	5
AMCU	**3**	2	3	4
NUMSA	**3**	3	3	–
MUN	**–**	1	<1	<1
SOLIDARITY	**1**	<1	<1	<1
NUM	**<1**	<1	<1	<1
Total	**29**	29	30	32

Safety

	Measurement	FY2020	FY2019	FY2018	FY2017	FY2016	FY2020 external assurance Level of assurance
Health and safety							
Lost-time injury frequency rate (LTIFR)	Rate	**0.29**	0.29	0.32	0.31	0.32	Moderate
Fatalities	Number	**–**	–	2	–	1	Moderate
RCR	Rate	**0.49**	0.36	0.47	0.54	0.83	Moderate
Total number of occupational diseases	Number	**1**	–	–	1	1	Moderate
Safety							
Near miss	Number	**1 214**	409	654	N/A	N/A	
First aid	Number	**86**	107	73	106	173	
Process safety							
FER	Rate	**1.11**	0.95	0.87	0.92	N/A	
Near miss	Number	**117**	14	17	N/A	N/A	
Minor	Number	**53**	72	39	49	N/A	

Natural capital

GHG	Measurement	FY2020	FY2019	FY2018	FY2017	FY2016	FY2020 external assurance Level of assurance
Direct carbon dioxide (CO_2) Scope 1	Tonnes	**481 331**	253 224	66 378	44 236	42 766	Moderate
Indirect carbon dioxide (CO_2) Scope 2	Tonnes	**143 260**	48 446	75 723	91 978	78 464	Moderate
Indirect carbon dioxide (CO_2) Scope 3	Tonnes	**770 803**	10 390	–	–	–	
Total GHG (CO_2 equivalent)	Tonnes	**1 394 684**	312 060	142 101	136 214	121 230	
Atmospheric emissions							
N_2O	Kg	**1 409 854**	781 815	144 046	85 021	49 205	
NOx	Kg	**271 030**	194 515	10 311	33 634	15 170	
Ammonia	Kg	**10 684**	67 036	19 338	105 462	242 187	
Hydrogen fluoride	Kg	**2 913**	2 274	10 532	8 455	6 403	
Air emission Particulate matter	Kg	**326 320**	194 515	101 502	114 856	97 234	
Waste							
Total waste generated	Tonnes	**3 797**	4 821	7 366	5 292	6 872	
Hazardous waste disposed	Tonnes	**1 873**	2 275	2 492	2 236	3 321	Moderate
Non-hazardous waste disposed	Tonnes	**659**	902	2 949	1 956	1 216	
Recycled or reused waste	Tonnes	**1 266**	1 644	1 925	1 100	2 334	Moderate
Energy							
Energy used	TJ	**606**	615	617	643	632	Moderate
Electricity used	MWh	**97 926**	72 052	77 397	88 767	75 831	

Performance continued

	Measurement	FY2020	FY2019	FY2018	FY2017	FY2016	FY2020 external assurance Level of assurance
Water							
Total water use	Millions of litres	**1 857**	1 696	1 772	1 253	1 722	Moderate
Sources of water							
Municipal	Millions of litres	**1 765**	1 574	1 717	1 196	1 670	
Agriculture	Millions of litres	**1 659**	1 460	1 573	1 090	1 554	
Mining	Millions of litres	**32**	26	46	26	28	
Chemicals	Millions of litres	**74**	88	97	76	88	
Ground water	Millions of litres	**74**	78	51	53	49	
Agriculture	Millions of litres	**65**	70	45	52	48	
Mining	Millions of litres	**9**	8	5.8	0.7	0.2	
Rivers or streams	Millions of litres	**3**	4	4	4	4	
Total recycled	Millions of litres	**15**	11	12	35	46	
Authorised effluent disposal	Millions of litres	**553**	456	388	473	608	Moderate
Legal compliance							
Environmental incidents							
Transport	Number	**11**	10	1	–	8	
Spills and leaks	Number	**54**	37	–	2	7	
Fines, penalties and settlements	Notices	**1**	–	1	3	–	

Society capital

CSI	Measurement	FY2020	FY2019	FY2018	FY2017
Geographical					
South Africa	Rm	**19.5**	24.8	54.3	51.5
International	Rm	**0.9**	0.5	0.8	0.6
Total		**20.4**	25.3	55.1	52.1
Per category					
Education and skills development[1]	Rm	**19.0**	22.5	53.5	50.9
Community	Rm	**1.2**	2.1	1.4	1.2
Sport	Rm	**0.2**	0.7	0.2	-
Total	Rm	**20.4**	25.3	55.1	52.1

[1] Includes loan funding to the emerging farmer project whereby Omnia provides production input loans to farmers via the Land Bank and Omnia takes the risk on these loan facilities.

Performance continued

Independent assurance statement

To the management and stakeholders of Omnia Holdings Limited

Introduction

IBIS ESG Assurance Proprietary Limited (IBIS) was commissioned by Omnia Holdings Limited (Omnia) to conduct an independent third-party assurance engagement in relation to the sustainability information in its integrated annual report (IAR or the report) for the financial year ended 31 March 2020.

IBIS is an independent licensed provider of sustainability assurance services. The assurance team was led by Petrus Gildenhuys with support from Adam Sutton-Pryce and Sharon Kekana from IBIS. Petrus is a lead certified sustainability assurance practitioner (LCSAP) with more than 25 years' experience in sustainability performance measurement involving both advisory and assurance work. This assurance engagement is the fourth consecutive sustainability assurance engagement conducted for Omnia by IBIS.

Assurance standard applied

This assurance engagement was performed in accordance with Accountability's AA1000AS (2008) standard and was conducted to meet the AA1000AS Type II moderate level requirements.

Respective responsibilities and the independence of IBIS

Omnia	IBIS
Omnia is responsible for preparing its IAR and for the collection and presentation of sustainability information within the report. Omnia is also responsible for maintaining adequate records and internal controls that support the reporting processes.	IBIS' responsibility is to the management of Omnia alone and in accordance with the scope of work and terms of reference agreed with Omnia. IBIS applies a strict independence policy and confirms its impartiality to Omnia in delivering the assurance engagement.

Assurance scope

The scope of the subject matter for moderate assurance in accordance with the AA1000AS assurance standard, as captured in the agreement with Omnia, is set out below:

Subject matters in the assurance scope

Alignment with the AA1000APS (Accountability Principles Standard) stakeholder engagement principles of inclusivity, materiality and responsiveness	The following selected disclosures relating to material sustainability risks and opportunities	Omnia's alignment with the GRI standards reporting requirements

Environmental	Health and safety
• Scope 1 and 2 GHG emissions (page 108) • Total energy use (page 107) • Total volume of water consumed from all sources (page 110) • Total volume of authorised effluent discharged (page 110) • Tonnes of hazardous waste disposed (page 111) • Tonnes of waste recycled (page 111)	• Lost-time injury frequency rate (page 89) • Fatal injury frequency rate (FIFR) (page 89) • Recordable case rate (page 89) • Total number of occupational diseases (page 88)

Performance continued

Assessment criteria

The following assessment criteria were used in undertaking the work:

AA1000APS (Accountability Principles Standard)	Omnia reporting guideline	GRI standards	GHG Protocol
AA1000APS (2008) principles of inclusiveness, materiality and responsiveness criteria	Omnia's SHE data reporting guideline	Alignment with GRI standards reporting requirements	GHG Protocol: Revised Edition (WRI and WBCSD, 2004) (GHG Protocol)

Assurance procedures performed

Our assurance methodology included:

Review	Interviews	Inspection	Assessing	Reporting
Site visits and desktop reviews for select operations, which involved testing, on a sample basis, the measurement, collection, aggregation and reporting processes in place	**Interviews** with relevant functional managers at head office and sites to understand and test the processes in place for maintaining information in relation to the subject matters in the assurance scope	**Inspection and corroboration** of supporting evidence to evaluate the data generation and reporting processes against the assurance criteria	**Assessing** the presentation of information relevant to the scope of work in the IAR for consistency with the assurance observations	**Reporting** the assurance observations to management as they arose to provide an opportunity for corrective action prior to completion of the assurance process

Operational sampling of sustainability data was focused at predetermined Omnia operations selected in consultation with Omnia. In total, 10 operations were selected for inclusion in the operational sampling:

Agriculture	Mining	Chemicals
• Sasolburg • Dryden • Morwell (Australia)	• Losberg • Zambia • Dryden	• Wadeville • Killarney Gardens • Blackheath • Kenya

Engagement limitations

IBIS planned and performed the work to obtain all the information and explanations believed necessary to provide a basis for the assurance conclusions for a moderate level of assurance in accordance with AA1000AS (2008).

The procedures performed in a moderate assurance engagement vary in nature from and are less in extent, than for a high assurance engagement. As a result, the level of assurance obtained for a moderate assurance engagement is lower than for high assurance as per AA1000AS (2008).

Due to global COVID-19-related travel restrictions, the only site visit conducted was to the Omnia Fertilizer operation in Sasolburg, which is the most significant contributor to the Group's sustainability data. For all other operations, desktop reviews were conducted. Evidence to support information reported for these sites was obtained electronically for review and assessment to base our conclusions on. Readers of the IAR are cautioned to understand this inherent limitation.

Assurance conclusion

In our opinion, based on the work undertaken for moderate assurance as described, we conclude that the subject matters in the scope of this assurance engagement have been prepared in accordance with the defined criteria and are free from material misstatements.

Key observations and recommendations for improvement

Based on the work set out above and without affecting the assurance conclusion, the key observations and recommendations for improvement are set out below.

In relation to AA1000APS

Inclusivity: Omnia has mapped out and prioritised its material stakeholder groups, methods of engagement, quality of engagement, stakeholders' interests in Omnia and how they link to Omnia's strategic objectives, all pointing to inclusive stakeholder engagement. A formal stakeholder engagement framework was followed by Omnia during FY2020. The framework is intended to allow for structured and constructive engagements at

Performance continued

appropriate levels of Omnia. It is recommended that the framework is consistently implemented across the Group to provide purposeful action for planning and monitoring of stakeholder engagement. Application of the revised AccountAbility principles that will be mandatory from 2021 include the new Impact Principle. In this regard it is recommended that Omnia continues to report on the progress and alignment with the prioritised SDGs as well as monitor and measure the social changes that result from Omnia's activities and the long-term impacts on its stakeholders and on Omnia's business itself.

Materiality: Evidence observed confirmed that Omnia has maintained due process in identifying its material sustainability matters, including their impact on the business and on stakeholders, in a transparent and balanced manner. The Group engages with stakeholders to assist with identifying potential risks, determine material issues and areas for strategic development.

Responsiveness: Omnia's responses to stakeholder issues observed across different stakeholder groups and case studies sampled indicate appropriate accountability to stakeholder issues raised. With the adoption of the formal stakeholder engagement framework, continued focus should be placed on purposeful engagement and consistent recordkeeping of Omnia's key engagements with and response to stakeholders across the Group.

In relation to Omnia's alignment with the GRI standards

Although Omnia does not claim reporting to any GRI reporting option, a review of the IAR against the GRI standards indicated alignment with the GRI standards reporting requirements.

In relation to the selected disclosures

It was observed that appropriate measures are in place to provide reliable source data related to the selected disclosures assessed. Management's responses to issues raised from the previous assurance cycle resulted in an improvement in the general control environment for sustainability and a significant reduction in the number of issues noted. Some of the sites sampled were found to be using different templates and formats for recording and reporting sustainability information. The inconsistencies between the manual systems used for data capturing resulted in challenges when consolidating the information and when tracking any changes or updates made to the data by the sites following audit findings and recommendations. Data inconsistencies identified during the assurance process were subsequently corrected and IBIS is satisfied with the accuracy of the final data in the assurance scope.

A comprehensive management report detailing specific findings and recommendations for continued sustainability reporting improvement has been submitted to Omnia's management for consideration.



Petrus Gildenhuys
Director
IBIS ESG Assurance Proprietary Limited

AA1000
Licensed Assurance Provider
000-156

Johannesburg

31 July 2020



Administration

Glossary of terms and acronyms

AEL	Atmospheric emission licence
AET	Adult education and training
Agronomist	A person engaged in the scientific study of soil management and crop production, including irrigation and the use of herbicides, pesticides and fertilizers. Accordingly, an agronomist is a scientist who studies and works in these areas of agriculture
AGM	Annual general meeting
AMCU	Association of Mineworkers and Construction Union: trade union in South Africa
AXXIS™	Patented electronic delay detonators
Axioteq™	Axioteq™ is a newly acquired company within the Group with a mandate to expand globally on technologies and data solutions in the agriculture, mining and transport sectors. Axioteq™ consists of two departments called Innovative Systems and Data Solutions. The Innovative Systems team will focus on different technologies, field services and hardware. The Data Solutions team will focus on data processing, analytics and software
Basic earnings per share	Profit attributable to ordinary shareholders divided by the weighted average number of ordinary shares in issue during the year, excluding shares held by the various share incentive schemes
B-BBEE	Broad-based black economic empowerment is a process by which the South African government is aiming to ensure economic equity among race groups, governed by the Broad-Based Black Economic Empowerment Act 53 of 2003
Black	Defined by the Broad-Based Black Economic Empowerment Act 53 of 2008 as amended and the Employment Equity Act 55 of 1998 (as amended) to include Africans, coloureds and Indians
BlastMapIII™	Blasting patented software
BME	Bulk Mining Explosives, the explosives operation of the Mining division within Omnia
CAIA	Chemical and Allied Industries' Association – South African industry body that promotes responsible behaviour, supports education initiatives and facilitates government engagement on behalf of chemicals companies
Carbon credits	Carbon emission reduction credits are permits that allow a country or organisation to produce a certain amount of carbon emissions which can be traded internationally if the full allowance is not used
CDM	Clean development mechanism
CEO	Chief executive officer
CEPPWAWU	Chemical Energy Paper Printing Wood and Allied Workers Union – trade union in South Africa
CER	Certified emission reductions
CO_2	Carbon dioxide
CO_2e	Carbon dioxide equivalent
Companies Act	Companies Act 71 of 2008 applies to all companies in South Africa
CPI	Consumer price index – measures changes in the price level of a market basket of consumer goods and services purchased by households
Corporate governance	Framework of rules and practices by which a board of directors ensures accountability, fairness and transparency in a company's relationship with all its stakeholders
CSI	Corporate social investment – an organisation's philanthropic activities; component of an organisation's greater corporate social responsibility

Administration continued

Glossary of terms and acronyms continued

Current ratio	Current assets divided by current liabilities
Debt:equity	Is a measure of a group's financial leverage, calculated by dividing its net interest-bearing borrowings (debt plus bank overdrafts minus cash and cash equivalents) by total equity (including minorities); indicates what proportion of equity and debt the Group is using to finance its assets
DRC	Democratic Republic of the Congo
Dividend cover	Earnings per share divided by the total dividend per share for the year
EPS	Earnings per share is the portion of a group's profit allocated to each outstanding share of common stock; indicator of a group's profitability
Enterprise development	The fostering and promotion of entrepreneurship, typically in the form of small businesses
Effective tax rate	Tax expense expressed as a percentage of profit before tax
EnviNOx™	A catalyst that converts the N_2O and NOx gasses generated during the production of nitric acid into nitrogen, oxygen and water
EBITDA	Operating profit before finance cost, depreciation and amortisation, net of impairments
EBITDA adjusted	Operating profit before finance cost, depreciation and amortisation, net of impairments and other adjustments as per finance covenants
EBITDA finance cost cover	Operating profit before finance cost, tax, depreciation and amortisation divided by finance cost
ED	Enterprise development – the fostering and promotion of entrepreneurship, typically in the form of small businesses
EE	Employment equity applies to all employers and employees and protects employees and job seekers from unfair discrimination and also provides a framework for implementing affirmative action; regulated by Employment Equity Act 55 of 1998
EIEA	Explosives Industry Employers' Association
Emulsion	An emulsion is a mixture of two liquids that do not naturally remain mixed together, for example oil and water. In BME's emulsion, these two liquids are kept mixed together by blending them to form tiny droplets of the water-based component with each droplet being covered by a thin skin of oil. The oil and water are kept together by small amounts of a special chemical called an emulsifier. In BME's emulsions, the water-based component contains the nitrates and the oil component comprises mainly used engine oil
ERP	Enterprise resource planning; information technology systems
ESG	Environmental, social and governance
FER	Fire, explosion and release
FIEA	Fertilizer Industry Employers' Association
FD	Finance director
FY	Financial year refers to the period from 1 April to 31 March
GIWUSA	General Industries Workers Union of South Africa – trade union in South Africa
GJ	Gigajoules – a measurement unit of energy. A trillion joules
GHG	Greenhouse gas – gas in the atmosphere that absorbs and emits radiation within the thermal infrared range
GRI	Global Reporting Initiative – a reporting standard generally accepted to be the leading international standard for reporting social, environmental and economic performance

Administration continued

Glossary of terms and acronyms

HEPS	Headline earnings per share – the profit attributable to ordinary shareholders after adjusting for non-headline earnings items, divided by the weighted average number of ordinary shares in issue during the year, excluding shares held by the various share incentive schemes
IDC	Industrial Development Corporation – a South African state-owned developmental entity
IFRS	International Financial Reporting Standards
IIRC	International Integrated Reporting Council
IAR	Integrated annual report
ISO	International Organisation for Standardisation
ISO 9001	The international standard that specifies requirements for a quality management system
ISO 14001	Part of the 14000 family of standards and provides practical tools for companies and organisations of all kinds looking to manage their environmental responsibilities
IT	Information technology
JSE	JSE Limited (previously the JSE Securities Exchange and the Johannesburg Stock Exchange) is the largest stock exchange in Africa. It is situated in Sandton, Johannesburg, South Africa
King IV	King IV Report on Corporate Governance for South Africa 2016 – relates to corporate governance and a company's triple bottom line
KPI	Key performance indicator
K-humate™	A concentrated soil conditioner produced from humic and fulvic acids
KWh	Kilowatt hour is a derived unit of energy equal to 3.6 megajoules
LTI	Lost-time injury
LTIFR	Lost-time injury frequency rate
LTIP	Long-term incentive plan
MAP	Monoammonium phosphate
MD	Managing director
MHI	Major hazard installation
MOI	Memorandum of incorporation
MWh	A megawatt (MW) is one million watts, kilowatt-hour (kWh), a thousand watts of power produced or used for one hour, equivalent to 3 600 million joules (MJ)
NAP1 and NAP2	Nitric acid plant 1/2 at Sasolburg fertilizer factory
NASCEA	National Speciality Chemicals Employers Association
NAV	Net asset value – ordinary shareholders' equity and minority interest divided by the number of shares in issue at year-end, excluding the shares held by the various share incentive schemes
NBCCI	National Bargaining Council for the Chemicals Industry
NED	Non-executive director

Administration continued

Glossary of terms and acronyms continued

Net interest-bearing borrowings	Interest-bearing liabilities net of cash resources
Net interest-bearing borrowings to equity percentage	Net interest-bearing borrowings divided by EBITDA
Net working capital ratio	Turnover divided by net working capital
N_2O	Nitrous oxide
NOx	Nitrogen oxide
NH_3	Ammonia
NQF	National Qualifications Framework
NUM	National Union of Mineworkers: trade union in South Africa
NWA	National Water Act
Omnia/the Group	Omnia Holdings Limited and its subsidiaries
Omnia Fertilizer	The primary business in the Agriculture division
Omnia Specialities	Part of the Agriculture division – this provides a range of specialised products and services targeted at creating value for farming customers
OmniBio™	The management of soil biological life starts with an OmniBio™ analysis, which provides the farmer with a crop-specific proposal, focusing on the major biological indicators found in the soil
Omnia Nutriology™	The science of growing – a concept developed by Omnia that not only concentrates on crops, but includes the development of product ranges, services, relationships and client profitability. Nutriology™ refers to a total crop management process. It is applied throughout the growth stages of the crop. Omnia manages the plant stress to increase yield through soil and foliar applications. Omnia also uses soil, leaf, water and sap analyses to manage the plant during these stages. To bring the Nutriology™ concept to full fruition requires a comprehensive approach, which is made up of 12 pillars: production facilities, technology, products, environment and safety, quality, values, research and development, support services, relationships, investment, agronomic services and partners
OmniSAP™	Patented technology used to measure crop growth
Oro Agri	Oro Agri forms part of the Agriculture division and is an international company involved in the research and development, production, distribution and sales of a unique range of patented agriculture biological (AgriBio) products
OSHA	Occupational Safety and Health Administration is a federal organisation (part of the Department of Labour) that ensures safe and healthy working conditions by enforcing standards and providing workplace safety training
P2O5	Phosphoric acid
PIVOTAL	Programmes include professional, vocational, technical and academic learning programmes that result in occupational qualifications that are quality assured by the Quality Council for Trades and Occupations
Preferential procurement	A government affirmative action policy that encourages government departments and agencies to buy goods and services from previously disadvantaged individuals or businesses
Protea Chemicals	Omnia's Chemicals division, Protea Chemicals is a well-established manufacturer and distributor of specialty, functional and effect chemicals and polymers
PMC	Protea Mining Chemicals

Administration continued

Glossary of terms and acronyms

Protea Mining Chemicals	One of the business units in Omnia's Mining division; supplier of an extensive range of specialty and commodity chemicals specifically required by the processing and recovery plants in the mining industry in Africa
Protea Process™	A comprehensive service that covers the handling, logistics and on-site formulation of chemicals for Protea Mining Chemicals' customers
R&D	Research and development
RCR	Recordable case rate is a safety indicator – a recordable case in 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. RCR is therefore the number of recordable cases per year or 200 000 working/exposure hours
Responsible Care®	Omnia is a voluntary signatory to the International Council of Chemical Associations (ICCA) that promotes the chemical industry's unique global initiative for continuous improvement in health, safety and environmental performance, together with open and transparent communication with stakeholders run under the auspices of CAIA
Return on net controlled assets	Profit before taxation divided by total of net working capital and assets
ROE	Return on average equity – profit attributable to ordinary shareholders expressed as a percentage of the average opening and closing ordinary shareholders' equity
RNC	Remuneration and nominations committee
RPL	Recognition of prior learning
RSA	Republic of South Africa
SACWU	South African Chemical Workers Union: trade union in South Africa
Sakhile 1	Established on 1 April 2007 as a broad-based black economic empowerment vehicle for employees residing in South Africa
Sakhile 2	Established in January 2009 as an investment vehicle to retain senior black employees as well as to attract and retain talented employees of colour
SDG	Sustainable Development Goals
SENS	Stock Exchange News Service – company announcements such as mergers, take-overs, rights issue, capital issues and cautionary announcements that are published by the JSE
SERC	Social, ethics and risk committee
SETA	Sector Education and Training Authority – vocational skills training organisation in South Africa
SHERQ	Safety, health, environment, risk and quality
Solidarity	Trade union in South Africa
The board	Omnia Holdings Limited board of directors
Umongo Petroleum	Umongo Petroleum forms part of the Chemicals division and is a distributor of Chevron Oronite for South Africa and sub-Saharan Africa. Umongo Petroleum diversified its business activities to include distribution agreements with Chevron Products Company USA Inc. (Chevron Products Company), BASF SE (BASF) and Evonik Oil Additives GmbH (Evonik)
UN	United Nations
WML	Waste management licence
WUL	Water-use licence

Administration continued

Contact information

Omnia Holdings Limited

(a company registered and domiciled in the Republic of South Africa)
Registration number: 1967/003680/06
JSE code: OMN ISIN: ZAE000005153

Registered office and postal address
2nd Floor, Omnia House
Epsom Downs Office Park
13 Sloane Street, Epsom Downs
Bryanston, 2021

PO Box 69888
Bryanston, 2021

Telephone: +27 11 709 8888
Email: omniaIR@omnia.co.za
Tip-offs anonymous: omnia@tip-offs.com

Transfer secretaries

Link Market Services South Africa Proprietary Limited
13th Floor
19 Ameshoff Street
Braamfontein, 2001

PO Box 4844
Johannesburg, 2000

Telephone: +27 86 154 6572

Sponsor

Java Capital
6th Floor, 1 Park Lane
Wierda Valley
Sandton, 2196

PO Box 522606
Saxonwold, 2132

Telephone: +27 11 722 3050

Auditor

PricewaterhouseCoopers Inc.
4 Lisbon Lane
Waterfall City
Jukskei View, 2090

Private Bag X36
Sunninghill, 2157

Telephone: +27 11 797 4000

Forward-looking statements

Throughout this report, there are certain statements made that are forward-looking statements. Any statements preceded or followed by, or that include the words "forecasts", "believes", "expects", "intends", "plans", "predictions", "will", "may", "should", "could", "anticipates", "estimates", "seeks", "continues", or similar expression or the negative thereof, are forward-looking statements. By their nature, forward-looking statements are speculative and allude to known and unknown risks, opportunities, macro-economic issues and any factors that could cause the actual results, performance or achievements of the Group to be materially different from the future results, performance or achievements expressed or implied by such forward-looking statements. Forward-looking statements are not guarantees of future performance and reflect the Group's view at the date of publication of this report. The Group is not obliged to publicly update or revise these forward-looking statements for events or circumstances occurring after the date of publication of this report. Any forward-looking statement contained herein based on current trends and/or activities of the Group should not be taken as a representation that such trends or activities will continue in the future. No statement in this document is intended to be a profit forecast or to imply that the earnings of the Group for the current year or future years will necessarily match or exceed the historical or published earnings of the Group. Forward-looking statements should not be relied on because they involve uncertainties and known and unknown risks which risk factors are described throughout the commentary in this report and include economic, business and political conditions in South Africa and elsewhere.



www.omnia.co.za
omnialR@omnia.co.za