

**Strategy** (102-19, 102-20, 102-29, 102-32, 103-1, 103-2, 103-3)

The sustainability approach of Omnicane involves adopting business strategies and carrying operations so as to meet the present needs of the Company and its stakeholders while protecting, sustaining and enhancing the human and natural resources for the future. It also involves identifying and mitigating business risks while also capitalising on opportunities and benefits. As sustainability moves up the boardroom agenda, it is increasingly being integrated into corporate level strategic planning. As such, the Group Chief Sustainability Officer advises the Chief Executive Officer on sustainability matters and provides the Board with quarterly sustainability reports regarding the Company's social and environmental projects/achievements. The sustainability department also ensures that:

- All entities of Omnicane are committed and have the necessary resources to carry out their operations in a safe and environmental friendly manner
- Environmental and social sustainability components are fully considered at all stages in the development of new projects and
- Corporate Social Responsibility engagement of Omnicane is fully effective and beneficial to the local community

**Year under review**

In 2017, our sustainability achievements were as follows:

- Following the commitment taken to implement the Bonsucro standard within our sugarcane supply chain, SCS Global Services conducted an independent pre-assessment audit in October 2017 at both our mill and our owned farms - namely Britannia and Mon Trésor. The overall compliance score was 87.5% and showed full compliance at Omnicane milling operations – Raw house, while herbicide application rate needs to be reduced to less than 5 kg/ha of active ingredients for Omnicane agricultural operations. It must be pointed out that the herbicide application rate currently followed at the farms is in line with the national guidelines issued by the Mauritius Sugar Industry Research Institute (MSIRI). The MSIRI is committed to collaborate with all stakeholders of the cane industry and to come up with new product mixes that will reduce the herbicide active ingredient rate in order to comply with Bonsucro standards. Field trials have been conducted in our fields from September to December 2017 and results look promising.
- Successful implementation of the Enterprise Risk Management framework was carried out across all entities of Omnicane. Several training sessions were organised with risk owners and control owners, regarding control assessment and the use of the online GRC Connect risk management software.
- ISO 9001: 2015 transition audit for Omnicane Management & Consultancy Limited was successfully conducted.

**STAKEHOLDER ENGAGEMENT** (102-21, 102-40, 102-42, 102-43, 102-44)

Today's modern business environment is strongly dominated by stakeholders' perceptions and demands. Omnicane thus believes that stakeholder engagement is important for its long-term sustainability as it guarantees transparency, dialogue and interaction. Engaging with its stakeholders enables the Company to get valuable insights that lead to better and more workable decisions. The table below summarises our key stakeholders and how we interact with them.

|                              | STAKEHOLDER        | AREAS OF INTEREST   | ENGAGEMENT APPROACH/ TOOLS   | FREQUENCY            |
|------------------------------|--------------------|---|--|----------------------|
| <i>Internal Stakeholders</i> |                    |   |  |                      |
| 1                            | Board of Directors | <ul style="list-style-type: none"> <li>• Proper functioning of the organization</li> </ul>  | <ul style="list-style-type: none"> <li>• Meetings</li> <li>• Board App</li> </ul>  | Quarterly            |
| 2                            | Employees          | <ul style="list-style-type: none"> <li>• Shared culture, attitudes and job security</li> <li>• Promote and maintain industrial peace and harmony</li> <li>• Pursue our training programme for productivity enhancement</li> </ul> | <ul style="list-style-type: none"> <li>• Notice Boards</li> <li>• E-tools such as Skype for Business, Yammer, emails</li> <li>• Magazine</li> <li>• Website</li> <li>• Meetings</li> </ul> | As and when required |

**STAKEHOLDER ENGAGEMENT** (102-21, 102-40, 102-42, 102-43, 102-44, 103-1, 103-2, 103-3, 416-1)

| <i>External Stakeholders</i> |                          |  |   |                      |
|------------------------------|--------------------------|--|---|----------------------|
| 3                            | Shareholders / Investors | <ul style="list-style-type: none"> <li>• Contribute to long-term shareholder value creation</li> <li>• Ensure proper returns on investment</li> </ul>  | <ul style="list-style-type: none"> <li>• Financial statements</li> <li>• Website</li> <li>• Annual General Meeting</li> </ul>   | Quarterly & yearly   |
| 4                            | Customers                | <ul style="list-style-type: none"> <li>• Create value by developing thorough understanding of the needs of our customers and the markets in which they operate</li> <li>• Ensure customer satisfaction and timely delivery of promises</li> <li>• Be a reliable partner in the feed-to food chain</li> </ul>   | Food safety and quality audits on: <ul style="list-style-type: none"> <li>• ISO 22000</li> <li>• BRC</li> <li>• ISO 9001</li> <li>• ISO 14001</li> </ul> <ul style="list-style-type: none"> <li>• Meetings</li> <li>• Emails</li> </ul> | As and when required |
| 5                            | Suppliers / Contractors  | <ul style="list-style-type: none"> <li>• To ensure the supply of goods and services in a timely and cost effective manner</li> <li>• Support local suppliers/contractors and promote the procurement of locally available raw materials</li> <li>• Ensure judicious choice of suppliers/contractors</li> </ul> | <ul style="list-style-type: none"> <li>• Meetings</li> <li>• Emails</li> <li>• Site visits</li> </ul>   | As and when required |
| 6                            | Government               | <ul style="list-style-type: none"> <li>• Abide by all laws and regulations pertaining to our operations and activities</li> <li>• Participate and collaborate with policy makers on strategic decisions regarding the cane industry</li> </ul>   | <ul style="list-style-type: none"> <li>• Meetings</li> <li>• Emails</li> <li>• Letters</li> <li>• Reports</li> </ul>  | As and when required |
| 7                            | Trade Union              | <ul style="list-style-type: none"> <li>• Develop harmonious relationship with trade union for the common goal of employee welfare</li> </ul>   | Meetings  | As and when required |
| 8                            | Local Community / Public | <ul style="list-style-type: none"> <li>• Help in the betterment of the society through our Corporate Social Responsibility (CSR) programme</li> <li>• Disseminate information on our operations while also take up related environmental and social issues</li> </ul>  | CSR Projects<br>Meetings with local community   | Ongoing              |

**SUPPLY CHAIN MANAGEMENT** (102-9, 103-1, 103-2, 103-3, 204-1, 308-1, 414-1)

Omnicane's chain of operations starts from cane cultivation to the manufacturing of final products such as refined sugar, bioethanol and electricity. However, this is not a linear process but a circular business model based on the 'zero waste' concept. Interestingly, our strategy to add value to by-products such as molasses, concentrated molasses solids and carbon dioxide has enabled us to expand our horizons concerning supply chain management.

We encourage our suppliers to work with us to identify and develop ongoing improvements to our procurement process. In support of our company vision and our quality management system, we work with our suppliers to:

- Operate a lean supply chain that supports our corporate policies;
- Develop procurement solutions in line with customer, regulatory and wider stakeholder needs and expectations; and
- Create long-term value and reduce risk for our business, our suppliers and our stakeholders.

Our central procurement department has the role to procure goods and/or services for the whole Group at the best possible cost, in the right quality and amount, at the right time and in a sustainable way, for the direct benefit or use by our companies. Priority for purchase of goods and services is given to Omcane's catchment area, followed by local (i.e from Mauritius) sourcing and then from overseas.

Local suppliers are usually chosen by the central procurement department for the purchase of the Group's requirements in general materials and consumables, and 84% of our purchases are sourced from local suppliers. Our spending on local suppliers in 2017 represented 50% of the total expenditure on procurement of goods and services for the Group. The latter are preferred as proximity offers a definite advantage in terms of payment facilities and after-sales service. Foreign purchasing is done in situations where specific technical equipment/machinery or products are required.

It should be noted that, as part of our sustainable procurement practice and supplier evaluation mechanism, we regularly evaluate our suppliers based on environmental performance and eco-friendly products, on their labour practices, as well as regarding human rights and societal impacts. So far, 131 suppliers have been assessed through questionnaires, site visits and meetings, 30 new suppliers have been successfully evaluated in 2017.

(102-9, 103-1, 103-2, 103-3, 204-1, 308-1, 414-1)

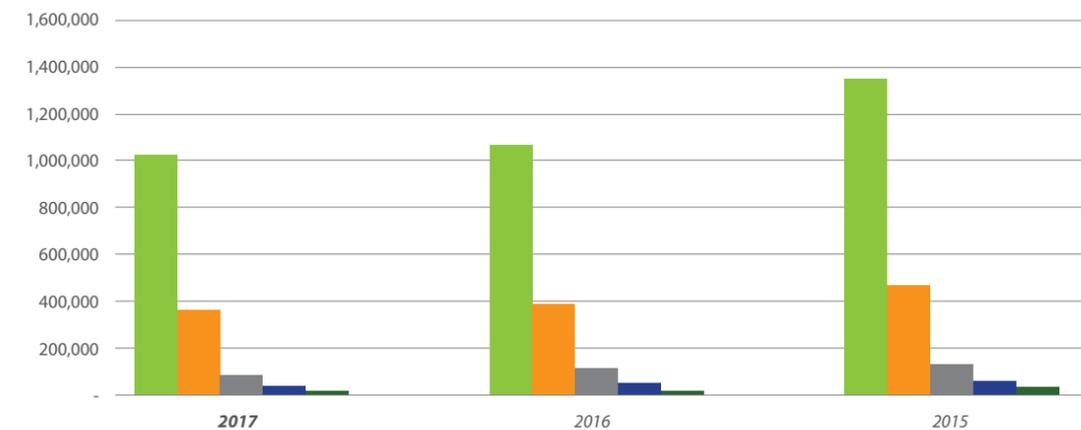
**MATERIALS MANAGEMENT** (103-1, 103-2, 103-3, 301-1, 301-2)

**Direct materials**

Omcane is fully committed to make optimal use of both the renewable and non-renewable raw materials entering its processes. Material management is at the heart of our mission, which is to make the utmost use of natural resources at our disposal for the benefit of all. Our renewable direct materials include sugarcane used in our sugar factory, raw sugar used in our refinery, bagasse used in our power plant, molasses used in our bioethanol distillery and recently woodchips used in the small energy plant for power generation. Non-renewable input materials refer mainly to imported coal, which is used within our power plants as well as transportation fuel used in our logistics operations.

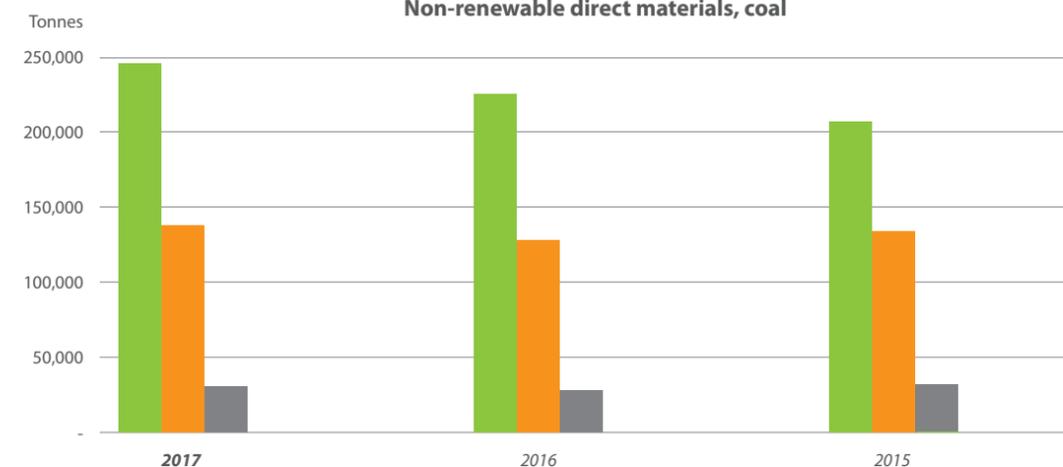
In 2017, the total amount of renewable direct materials used in our different operations was 1,577,091 tonnes compared to 1,750,306 tonnes in 2016. This decrease was mainly due to the reduced amount of cane crushed in our sugar factory - resulting in less bagasse being produced. As far as the non-renewable direct material (coal) is concerned, the increase is mainly attributed to higher consumption by the main power plant at La Baraque to compensate for the decrease in availability of bagasse.

Renewable direct materials, tonnes



|            | 2017      | 2016      | 2015      |
|------------|-----------|-----------|-----------|
| Sugarcane  | 1,054,689 | 1,163,482 | 1,399,547 |
| Bagasse    | 360,042   | 396,282   | 473,640   |
| Raw sugar  | 100,914   | 118,480   | 125,051   |
| Molasses   | 60,136    | 70,693    | 74,333    |
| Wood chips | 1,310     | 1,369     | 5,303     |

Non-renewable direct materials, coal



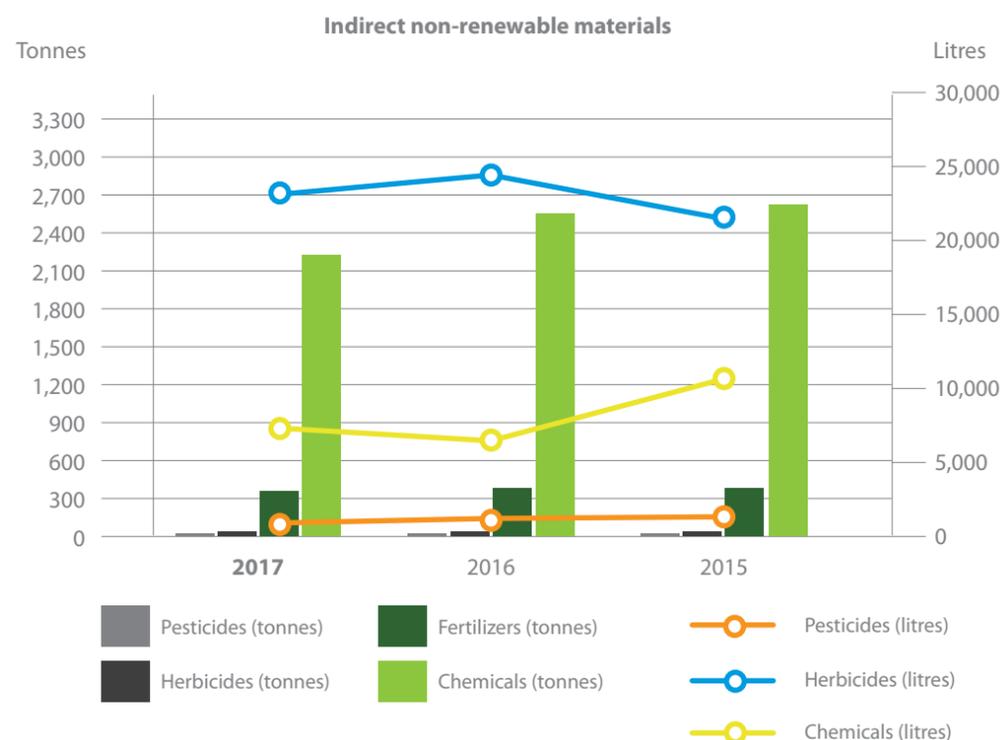
|                    | 2017    | 2016    | 2015    |
|--------------------|---------|---------|---------|
| Thermal La Baraque | 249,166 | 223,508 | 206,511 |
| Thermal St Aubin   | 134,290 | 132,412 | 134,277 |
| Thermal LB- SEP    | 26,280  | 26,213  | 25,287  |

**Indirect materials**

(301-1)

Indirect renewable materials used are Concentrated Molasses Stillage (CMS) produced by our bioethanol distillery and used to produce bio-fertilisers as well as carbon dioxide (the latter being provided to the beverage industry). In 2017, a total of 55,378 tonnes of CMS (2016: 66,375 tonnes) and 1,986 tonnes of carbon dioxide (2016: 1,879 tonnes) were produced.

Indirect non-renewable materials include pesticides, herbicides, chemical fertilisers used in our agricultural operations and chemicals used in our industrial operations. The figures below show that there has been a net decrease in the amount of solid and liquid pesticides, herbicides and fertilisers used in the agricultural operations. This is mainly due to a reduction in the area of land under cane cultivation compared to previous years, and to good agricultural practices adopted within our agricultural operations. However, the amount of liquid chemicals used in our hotel operations has increased by 11.6% due to a higher occupancy rate.



|                     | 2017     | 2016   | 2015      |
|---------------------|----------|--------|-----------|
| Pesticides, tonnes  | 2.5      | 2.6    | 2.9       |
| Herbicides, tonnes  | 14.3     | 15.8   | 15.4      |
| Fertilizers, tonnes | 352.2    | 466    | 421       |
| Chemicals, tonnes   | 2,219    | 2,537  | 2,626.85  |
| Pesticides, litres  | 1,217    | 1,321  | 1,236     |
| Herbicides, litres  | 23,670   | 24,420 | 21,277    |
| Chemicals, litres   | 7,442.60 | 6,667  | 10,555.50 |

**By-products**

*Scum*

Some 1,267 tonnes of scum (2016: 2,349 tonnes) produced by our sugar mill were offered to some 110 small planters. This scum has benefited the small planters' community for application as bio fertiliser during replantation of their sugarcane fields.

*Ash Management*

(301-1)

Coal ashes resulting from combustion at the power plants are presently being used for the filling of depressions and cavities in sugarcane fields, thereby enabling the mechanisation of sugarcane cultivation. Even though, this disposal method is carried out in a controlled manner and in compliance with a set of established procedures, it is a fact that it has the following limitations:

- Availability of void spaces in sugarcane fields is decreasing with time; and
- Disposal of coal ash raises public concern due to the perceived environmental risks

However, with the coming into operation of our Carbon Burn Out plant in 2018, we will make sustainable use of the coal fly and bottom ash to produce cement additives. The Carbon Burnt Out unit is specially designed and developed to reduce the carbon content in the bottom and fly ash, thus making it reusable as a partial substitute for Portland cement.

The table below outlines the amount of bagasse and coal fly and bottom ash generated from our two power plants at La Baraque and St Aubin on a dry weight basis. It can be noted that, overall, there has been an increase in the amount of coal ash produced by the power plants due to an increase in consumption of coal.

|  | 2017   | 2016   | 2015           |
|--|--------|--------|----------------|
| Coal Bottom Ash, Thermal - La Baraque (tonnes) | 22,922 | 21,635 | 21,167         |
| Coal Fly Ash, Thermal - La Baraque (tonnes)    | 25,177 | 19,553 | 16,230         |
| Bagasse Fly Ash, Thermal - La Baraque (tonnes) | 18,040 | 19,805 | 20,260         |
| Coal Bottom Ash, Thermal St Aubin (tonnes)     | 11,196 | 9,647  | 16,360 (rest.) |
| Coal Fly Ash, Thermal - St Aubin (tonnes)      | 17,824 | 17,716 | 8,670 (rest.)  |

**ENERGY MANAGEMENT** (103-1, 103-2, 103-3, 302-1)

Our two main power plants at La Baraque and St Aubin have performed at their maximum efficiency as outlined in the Operational review – Energy report on pages 36 to 41. A 3.8-MW power plant was annexed to our industrial cluster at La Baraque to power our distillery and refinery with both electricity and low-pressure steam. This plant is the first co-fired cogeneration plant in Mauritius using wood chips and coal simultaneously. The results below clearly demonstrate that while our energy consumption from non-renewable sources has only slightly increased by 3.2%, our energy consumption from renewable sources has decreased by 10.3%. This is mainly due to a lesser amount of bagasse burnt at our La Baraque power plant.

| Renewable source / GJ                                  | 2017      | 2016      | 2015      |
|--|-----------|-----------|-----------|
| Direct primary energy purchased                        | -         | -         | -         |
| Plus direct primary energy produced                    | 1,704,896 | 1,911,231 | 2,249,330 |
| Minus direct primary energy sold                       | (401,955) | (452,683) | (530,981) |
| Total direct energy consumption from renewable sources | 1,302,941 | 1,458,548 | 1,718,349 |

| Non-renewable source / GJ                                  | 2017        | 2016        | 2015        |
|--|-------------|-------------|-------------|
| Direct primary energy purchased                            | 69,808      | 67,491      | 52,592      |
| Plus direct primary energy produced                        | 3,858,377   | 3,660,829   | 3,481,627   |
| Minus direct primary energy sold                           | (2,281,453) | (2,140,470) | (1,961,165) |
| Total direct energy consumption from non-renewable sources | 1,646,732   | 1,587,850   | 1,573,054   |

(302-3, 302-4)

For the last few years, our investments in energy efficient equipment have continued to bear fruit and we have achieved energy savings in our various operations. In 2017, the specific energy efficiency at our bioethanol distillery has decreased to a specific steam consumption of 4.88 kg/l of bioethanol produced (2016: 5.08 kg/l) and a specific electricity consumption of 0.22 KWh/l of bioethanol produced (2016: 0.24 KWh/l). However, our sugar factory's efficiency decreased exceptionally, in 2017, because of stoppages during the last two months of the year (following a reduction in cane supply). Steam consumption per tonne of sugarcane processed at the sugar factory hence increased to 414kg per tonne of cane crushed in 2017, from 395kg in 2016. On the other hand, the electrical consumption for the mill has decreased to 20.8 KWh per tonne of cane crushed in 2017, compared to 21.5 KWh per tonne of cane crushed in 2016.

**WATER MANAGEMENT** (103-1, 103-2, 103-3, 303-1, 303-2, 303-3)

The activities of Omnicane related to sugarcane cultivation and the production of sugar, bioethanol and energy are all highly dependent on water. We monitor water consumption through automated metering wherever possible. We monitor the effectiveness of our water management based on data recorded at site level, and in terms of our total annual consumption and of our relative consumption per tonne of products generated (in some entities). It should be noted that excess process water from milling operations and the distillery during harvest time is available for reuse in the irrigation of sugarcane fields. Moreover, our operations do not occur in water-stressed regions and we do have water rights on rivers as well as agricultural boreholes, which allow us to meet our water needs.

Overall, the Group's water consumption has decreased by about 5.8% mainly in the distillery operations, which invested much in recycling of water from condensates and thanks to less ground water being used by our agricultural operations.

|  | 2017                    | 2016                    | 2015                    |
|--|-------------------------|-------------------------|-------------------------|
| <b>SURFACE WATER (m<sup>3</sup>)</b>           |                         |                         |                         |
| Milling operations (raw house)                 | 756,867                 | 863,407                 | 1,039,421               |
| Milling operations (refinery)                  | 420,480                 | 163,440 (est.)          |                         |
| Agricultural operations                        | 1,310,184               | 1,228,230               | 1,220,166               |
| Thermal - La Baraque                           | 1,883,940               | 1,747,356               | 1,741,822               |
| Thermal - St Aubin                             | 996,343                 | 981,031                 | 1,070,591               |
| Distillery                                     | 219,384                 | 342,698                 | 375,041                 |
| Total surface water used                       | 5,587,198               | 5,326,162               | 5,447,041               |
| <b>GROUND WATER (m<sup>3</sup>)</b>            |                         |                         |                         |
| Agricultural Operations                        | 3,469,429               | 4,303,212               | 3,064,669               |
| <b>TAP WATER (m<sup>3</sup>)</b>               |                         |                         |                         |
| Milling  | 24,345 (est.)           | 23,885 (est.)           | 31,334 (est.)           |
| Agricultural operations                        | 3,970                   | 2,891                   | 3,506                   |
| Thermal - La Baraque                           | 2,899                   | 4,395                   | 2,169                   |
| Thermal - St Aubin                             | 1,034                   | 772                     | 1,101                   |
| Logistics                                      | 3,271                   | 2,630                   | 3,705                   |
| Holiday Inn Mauritius Mon Trésor Hotel         | 22,013                  | 15,407                  | 12,359                  |
| <b>Total tap water used (m<sup>3</sup>)</b>    | <b>55,532 (est.)</b>    | <b>49,984 (est.)</b>    | <b>54,174 (est.)</b>    |
| <b>TOTAL WATER CONSUMPTION (m<sup>3</sup>)</b> | <b>9,114,159 (est.)</b> | <b>9,679,358 (est.)</b> | <b>8,565,884 (est.)</b> |

**BIODIVERSITY MANAGEMENT** (103-1, 103-2, 103-3, 304-1)

We are committed to the preservation and enhancement of biodiversity. Our operations are moreover not located within environmentally sensitive or biodiversity-rich areas. Environmental impact assessment studies carried out in respect of our industrial operations at La Baraque and St Aubin have concluded that these are neither in nor adjacent to protected areas or areas of high biodiversity value. As far as the Mon Trésor Smart City project is concerned, we have carried out an ecological survey on the site to identify the ecologically sensitive and high biodiversity areas falling in and around the proposed development in view of their protection and enhancement. In 2017, 1,225 plants were planted at Mon Trésor as part of the landscaping and embellishment of the Mon Trésor Smart City.

**EMISSIONS MANAGEMENT** (103-1, 103-2, 103-3, 305-1, 305-7)

Emissions management at our power plants started right from project implementation and factors like fuel type, combustion parameters, flue gas treatment, air emission monitoring, maintenance and calibration of monitoring equipment have been fully accounted for at the design stage. Thus all our power plants use low sulphur coal, have high performance Electrostatic Precipitators (ESPs) in place for flue gas treatment and are equipped with online monitoring of critical parameters. Furthermore, ambient air quality monitoring and stack monitoring exercises at our power plants are carried out independently every three months by the Air Pollution Monitoring Unit of the Mauritius Cane Industry Authority as part of the environmental monitoring programme of our power plants. Reports show that all parameters measured are compliant with the EPA 1998 standards. The results below confirm that we achieved much lower particulate emissions, compared to the 400 mg/m<sup>3</sup> specified in Mauritius for emissions from bagasse combustion. It should also be noted that the particulate matter load from coal burning is much lower than the permissible limit of 200 mg/m<sup>3</sup>.

**Thermal - La Baraque**

| Bagasse as fuel                              | Concentration @ 15% Oxygen |      | EPA 1998 Standards |
|--|----------------------------|------|--------------------|
|  | Min                        | Max  |                    |
| Carbon dioxide (%)                           | 5.2                        | 5.7  | None               |
| Carbon monoxide (mg/m <sup>3</sup> )         | 0                          | 212  | 1000               |
| Sulphur dioxide (mg/m <sup>3</sup> )         | 6                          | 109  | 2000               |
| Oxides of Nitrogen (mg/m <sup>3</sup> )      | 108                        | 167  | 1000               |
| Particulate Matter Load (mg/m <sup>3</sup> ) | 4.6                        | 43.8 | 400                |

**Thermal - La Baraque**

| Coal as Fuel                                 | Concentration @ 15% Oxygen |     | EPA 1998 Standards |
|--|----------------------------|-----|--------------------|
|  | Min                        | Max |                    |
| Carbon dioxide (%)                           | 5.2                        | 5.4 | None               |
| Carbon monoxide (mg/m <sup>3</sup> )         | 8                          | 186 | 1000               |
| Sulphur dioxide (mg/m <sup>3</sup> )         | 468                        | 872 | 2000               |
| Oxides of nitrogen (mg/m <sup>3</sup> )      | 118                        | 161 | 1000               |
| Particulate Matter Load (mg/m <sup>3</sup> ) | 14                         | 70  | 200                |

**Thermal - St Aubin**

| Coal as fuel                                 | Concentration @ 15% Oxygen |     | EPA 1998 Standards |
|--|----------------------------|-----|--------------------|
|  | Min                        | Max |                    |
| Carbon dioxide (%)                           | 5.0                        | 5.2 | None               |
| Carbon monoxide (mg/m <sup>3</sup> )         | 0.5                        | 225 | 1000               |
| Sulphur dioxide (mg/m <sup>3</sup> )         | 397                        | 718 | 2000               |
| Oxides of Nitrogen (mg/m <sup>3</sup> )      | 107                        | 200 | 1000               |
| Particulate Matter Load (mg/m <sup>3</sup> ) | 12.7                       | 162 | 200                |

**GHG emissions (305-1)**

In 2017, our 90 MW and 35 MW power plants emitted on average 1.29 tonnes of CO<sub>2</sub>/ MWh of electricity produced from coal, which represents a total of 900,431 tonnes of CO<sub>2</sub> released. However, with the implementation of our Carbon Burn Out Unit, we will avoid the emission of around 29,000 tonnes of carbon dioxide (through the avoided production and import of Portland cement). In addition, the use of bagasse as fuel, contributed to avoid emission of around 112,085 tonnes of CO<sub>2</sub>e in 2017, which helped us mitigate GHG emissions and reduce our impact on climate change.

**Avoided CO<sub>2</sub> emissions**

|   | 2017    | 2016    | 2015    |
|---|---------|---------|---------|
| Bagasse related electricity exported to national grid, MWh        | 110,212 | 125,745 | 147,495 |
| Avoided emissions from the burning of bagasse in tCO <sub>2</sub> | 112,085 | 127,883 | 150,002 |

Operating margin for standardised baseline in Mauritius = 1.017 tCO<sub>2</sub>/MWh

**EFFLUENTS AND WASTE MANAGEMENT (103-1, 103-2, 103-3, 303-3, 306-1, 306-2)**

The commitment for our waste management programme emerges from our Group Environmental Policy and our 'zero waste' concept, which places strong emphasis on the 3Rs principle (Reduce, Reuse and Recycle). The table below shows our effluents generation and disposal in terms of volumes and destinations. The volume of water discharged from our milling operations increased due to heavy precipitation, adding to our effluent discharge. On its part, there was less volume of effluent discharged at the distillery due to stoppage from mid-March to June and recycling of condensates.

| Entity                                 | Volume of water discharge, m <sup>3</sup> (est) |   |   | Destination   |
|--|---|---|---|---|
|  | 2017  | 2016  | 2015  |   |
| Milling (Raw house) clean water        | 2,989,319                                       | 2,292,679   | 3,514,730   | Cane irrigation   |
| Milling (Raw house) effluent           | 59,371  | 107,130<br>(accounted for raw house, part of refinery and part of distillery) | 397,830<br>(accounted for raw house, part of refinery and part of distillery) | Recirculated in the process   |
| Milling (Refinery)                     | 157,522   | 98,645  | No segregation of effluents done yet  | Recirculated in the process during crop and sent to cane irrigation during intercrop  |
| Thermal - La Baraque                   | 487,923   | 415,076   | 297,686   | Clarified through a decantation pond before reuse for cane irrigation   |
| Thermal - St Aubin                     | 299,213   | 294,542   | 321,508   | Clarified through a decantation pond before canal disposal  |
| Distillery                             | 92,844  | 181,506   | 209,494   | Recirculated in sugar mill during crop. During intercrop partly reused in distillery operations and partly reused for irrigation of cane fields |
| Holiday Inn Mauritius Mon Trésor Hotel | 12,893  | 10,506  | 11,123 (est.)   | Treated through a dedicated treatment plant and reused for irrigation of lawn   |

We are planning to implement a dedicated biological wastewater treatment plant at La Baraque for the non-recyclable volume of effluent generated daily during crop and off crop periods. The treatment plant shall treat the effluent to suit river discharge norms. A tender exercise is currently in progress whereby experienced local and international bidders in the field have been invited to submit proposals. It is planned that the treatment plant should be fully operational by January 2020.

**SOLID WASTE (306-2)**

The implementation of solid waste management practices within all Omnicane entities is ongoing. Recycling opportunities for paper waste, old batteries and green wastes are being implemented across the Group. For instance, the Holiday Inn Mauritius Mon Trésor Hotel has successfully installed its own water treatment and bottling plant, enabling it to fill, sanitise and refill its special glass bottles, hence reducing the use of plastic water bottles.

**ENVIRONMENTAL IMPACTS OF PRODUCTS AND SERVICES (103-1, 103-2, 103-3, G4-EN27)**

Omnicane's main products include refined sugar, electricity and bioethanol while some of its key services include logistics operations, hospitality and property development. Our refined sugar is stored and transported to the port for export in bulk containers, hence requiring no external packaging for the moment. The same scenario applies to the export and shipping of bioethanol. Electricity transmission is done through transmission lines and exported to the national grid – again with no bearing on the environment. As far as our logistics operations are concerned, we have invested in modern lorries with better mechanical efficiency in order to minimise our carbon footprint and fuel consumption. It should be noted that Environmental Impact Assessment (EIA) studies are carried out prior to any major undertaking being implemented and so far all our major operations have successfully obtained their EIA licence from the Ministry of Environment. Quarterly environmental monitoring reports, containing environmental performance indicators and mitigation activities, are regularly sent to the Ministry of Environment for follow up as per the EIA conditions and Industrial Waste Audit guidelines.

**Market Presence (103-1, 103-2, 103-3, 202-1, 202-2)**

The main location of operations of Omnicane is found in the south of Mauritius. Our cluster comprises of a modern sugar factory, sugar refinery, bagasse-coal cogeneration power plants, bioethanol distillery and the Carbon Burn Out unit. The inter-related chain of operations within the cluster enables the company to execute its entire production as an integrated whole, for optimum flexibility, maximum efficiency, and minimal waste, by using one operation's waste as another's raw material. It is also of strategic importance when it comes to maximising revenues, minimising costs, proximity to main sources of raw materials and transport links. It should be noted that 90% of senior management members are hired from the local community and from the southern area of Mauritius.

**ENVIRONMENTAL COMPLIANCE (103-1, 103-2, 103-3, 307-1)**

In line with its vision to be an inspiration for sustainable development in its operations, Omnicane is strongly committed to comply with all the environmental laws and regulations pertaining to its business units and activities. This is not only important for us as a responsible corporate citizen but also for good relationships with our stakeholders such as the government, NGOs and the local community. In fact, our Group Environmental Policy strongly sets the commitment to abide by all local and international environmental laws and regulations relating to our business operations. Furthermore, our two power plants at La Baraque and St Aubin are successfully certified to ISO 14001:2015 Environmental Management Systems, which enables them to better track their environmental aspects including legislation. In 2017, the Company received no fines or sanctions related to non-compliance with applicable environmental laws and regulations.

**ENVIRONMENTAL COSTS AND COMMUNICATION (103-1, 103-2, 103-3)**

Omnicane is fully committed to abide by all legal and regulatory requirements with respect to air and wastewater emissions as well as solid waste generation. The preservation of our environment has however a cost associated with it, which must not be neglected when analysing business costs and operations. Usually, as per customary financial accounts, these environmental costs remain hidden within broad categories of operational overheads and expenses. Hence, the opportunity to identify the environmental costs is not provided and the relationship between such costs and the responsible product goes unnoticed. Knowledge of these costs enables us to not only manage such costs but also to redesign the production process and

reduce the pollutants being released into the environment in the future. We have strived to classify environmental costs into eight main categories, which pertain to our operations that have the biggest environmental costs – that is, the thermal energy, bioethanol and milling operations. It should be noted that the environment-related expenses represent around 1% of the total operating expenses for the Group in 2017.

| Environmental activity costs (Rs)                   | 2017              | 2016              |
|---|-------------------|-------------------|
| Bonsucro membership & training                      | 166,175           | 32,300            |
| ISO 14001 audits                                    | 158,000           | 332,200           |
| Environmental training (external)                   | 30,000            | 287,780           |
| Environmental monitoring                            | 1,034,000         | 814,000           |
| Collection and disposal of solid waste              | 225,150           | 224,350           |
| Ash management-related expenses including transport | 40,377,899        | 36,328,560        |
| Effluent Management                                 | 1,055,432         | 1,309,088         |
| Other miscellaneous costs                           | 325,910           | 164,300           |
| <b>Total</b>  | <b>43,372,566</b> | <b>39,492,578</b> |

Regarding most of our social and environmental projects, we regularly meet members of the local community to discuss on all aspects of the projects, including environmental components. We have a dedicated forum comprising of representatives of local community stakeholders (“force vive”) and of Omnicane’s management, which meets twice yearly. Social and environmental issues related to our operations pertaining to La Baraque cane cluster are discussed in a transparent and collaborative manner. In the context of the Mon Trésor Smart City, various consultations have been held with the neighbouring communities so as to inform them about the project and take note of their expectations. In 2017, no grievances have been filed through these meetings. However, we envisage setting up a formal grievance mechanism to receive all feedback from these stakeholders in the future.

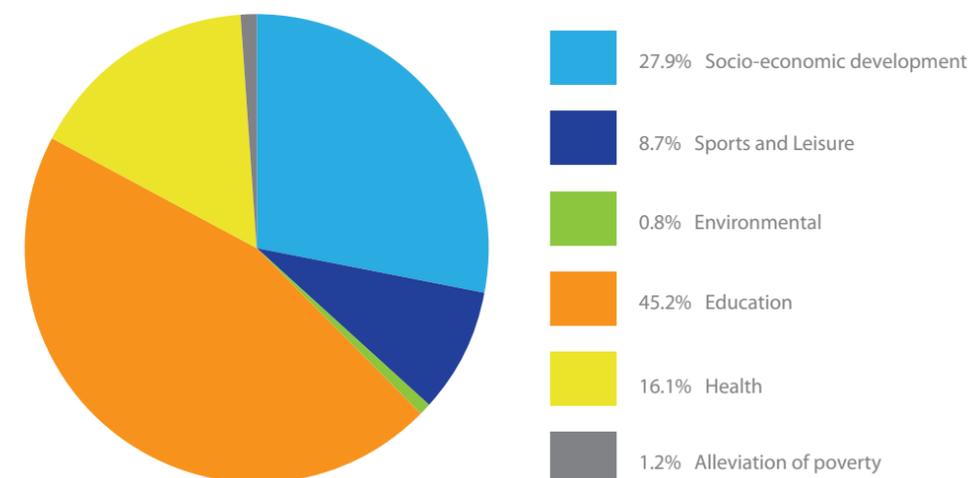
**CORPORATE SOCIAL RESPONSIBILITY** (103-1, 103-2, 103-3, 413-1, 102-52)

Omnicane Foundation is the social arm of Omnicane with the aim of fulfilling our CSR objectives for the benefit of our neighbouring communities. The CSR committee has the responsibility to assess new projects and review progress of ongoing projects. Omnicane Foundation continues to sustain its social engagement in the southern region of Mauritius. Its CSR budget for the year 2017 is shown in the table below:

| CSR contributions from different entities                                  | Amount (Rs)      |
|--|------------------|
| Omnicane Thermal Energy Operations (St Aubin) Ltd                          | 3,453,411        |
| Omnicane Treasury Management Ltd   | 1,128,214        |
| La Baraque Maintenance Service   | 28,132           |
| Omnicane Holdings Limited  | 40,965           |
| Thermal Valorisation   | 40,597           |
| Special contribution - Omnicane Thermal Energy Operations (La Baraque) Ltd | 900,000          |
| <b>Total</b>   | <b>5,591,319</b> |

|                                  | Amount (Rs) |
|----------------------------------|-------------|
| Carried forward from 2016        | 292,291     |
| Total CSR fund available in 2017 | 5,883,610   |

Percentage per Category



Projects per region

