



**Welcome to Khusela -
Ontec's Sustainability Report 2018**

**We exist to create value for our customers by
empowering their communities to create a smarter future**



Khusela means protect in Xhosa and is a key building block to Ontec's Sustainability programme.

Ontec plays a pivotal role in enabling utilities in South Africa to deliver affordable, reliable energy and clean water to rising populations. This, along with the demise of low-cost energy and the awareness of finite water supplies, has raised the country's demand for electricity, natural gas and water, and is driving utilities to create conservation and management programmes to protect these precious resources for a smarter future.

Ontec operates its business with a balance between economic prosperity, social responsibility, and stewardship of the environment. Every employee at Ontec is part of an organisation that is committed to making the way the world uses, delivers and manages energy and water more efficient.

We stand together to protect what matters most by measuring critical resources in order to drive awareness and conservation initiatives, invest in educational programmes that contribute to a more empowered, informed citizen, and operate in an internal environment where we practice good corporate governance, efficiency and waste reduction initiatives.

Join us in creating a smarter future with Ontec's Khusela Sustainability Programmes.

Yours sincerely,

Damian Padachi

Damian Padachi
Chief Executive Officer



Khusela Strategic Business Priorities 2018

South Africa's demographics are changing and expanding. Consumers accordingly demand more choice, control and cost-saving. Ontec believes that it can achieve all three of these key drivers of consumer demand with Khusela.



Data Drive (IoT)

By empowering consumers with control and visibility of the impact that their usage has on the planet's resources, consumers choose conservation as a means of cost-saving and sustainability of the environment. Ontec's proven portfolio of smart networks, software, services, meters and sensors help our customers better manage the planet's most precious resources.



Consumer Revolution in Smart Technology with GaugeIT

South Africa is increasingly becoming an arid and semi-arid desert country with severe water shortages. Ontec contributes to the sustainability of this scarce resource by providing usage pattern insights in order to drive conservation efforts. By changing household water usage patterns and life-style patterns, we are able to positively influence conservation efforts for the next generation through the Ontec Home application.



Elimination of Waste

Elimination of all waste is at the heart of what we strive to do. We help customers to make smart choices with our innovative solutions. We also facilitate the reduction of waste water with our leak detection algorithm. In addition, we track overall electricity consumption and manage water and waste metrics within our business.



Reducing Carbon Footprint

This forms part of Ontec's value creation drive. By measuring what matters, we create sustainability through a shared network. At Ontec, we only partner and connect with like-minded companies who share our ethos of Khusela in the protection of our resources and the elimination of waste.



Investing in People

Ontec supports ideas generation and creating sustainable businesses through our SMME investments. We also invest in community outreach programmes that invest in skills development and job-creation.



Consumer Revolution and the Data Drive

At Ontec, our solutions and initiatives are geared towards making an impactful difference in the communities where we do business. It is our belief that our solutions, from the expansion of advanced metering solutions and smart grid applications, to enabling IoT devices, contributes to the Consumer Revolution. These applications have the potential to benefit climate change efforts, specifically in the areas of carbon reduction, renewable power infrastructure, system efficiency, and customer involvement.

One of Ontec's latest innovations is GaugeIT. The solution empowers consumers with near real time information of their water usage directly on their mobile devices and provides detailed analytics of their usage patterns.

Since the launch of GaugeIT to consumer households in 2018, GaugeIT customer's water consumption has been found to average **nearly 10% less water** than the City of Cape Town's household residential target of 348 liters per day. As the solution gains traction, it is envisaged that further reductions in water usage will occur. This has all been made possible with Ontec's Data Drive and the end consumers demand to be empowered with visibility of their consumption in order to contribute to conservation and sustainability as a way of life.



Elimination of Waste

As part of our journey towards improved sustainability, our development team ensures advanced leak detection algorithms in their water measurement software in order to ensure that water resources are protected as part of our efforts towards waste elimination.

In addition, on the metering side, since Ontec's Metering International Excellence Award at African Utility Week, we have spent the last five years at the forefront of innovative enhancements through new metering partnerships and collaborations. We strive to ensure that our software is compatible in any environment, irrespective of the customer's choice in meter, thereby reducing the costly waste of replacing meters.

Finally, within Ontec's internal environment, we optimize energy efficiency across our operations by implementing energy saving technologies such as:

- Installing energy efficient lights
- Ensuring motion sensors that automatically switch off lights when not in use
- Allowing telecommuting and Skype meetings across other regions
- Practicing recycling initiatives throughout all offices



Reducing Carbon Footprint

Aligning with Partners that Share our Ethos

We aim to reduce our carbon footprint by aligning our business and programmes with partners and suppliers that offer sustainability and waste reduction programmes of their own. We have invested nearly 50% of our event marketing spend on venues such as Spier (where we recently hosted our annual Users Conference) simply because they house their own waste water reticulation plant on their premises – offering full grey water recycling and near zero water waste on their premises.

Organisations that do not align to our Khusela practices of protecting the planets resources, are excluded from our partner and supplier network. Our suppliers are governed by a Code of Conduct which is supplied to them as a part of our onboarding and contracting process. This is made clear in all partner and supplier communications.

Reducing the Footprint with Reduced Travel

The company's environmental stewardship reaches far wider than its products. Environmental initiatives include the use of online meeting spaces and teleconferencing, which minimise air and vehicle travel. In addition, Ontec has a variety of strategies to manage energy and water consumption and to promote recycling and reduce waste.



Investing in our People

Ontec invests in people through the Khusela Corporate and Employee giving and volunteerism programs. Ontec is also dedicated to realizing the potential of people and technical skills in South Africa. This includes educational initiatives that influence early literacy, further education and training initiatives in the form of mentorship & job-shadowing, and social upliftment initiatives by physically transforming science labs and technology centres at schools in order to inspire learning.

In addition, corporate social responsibility programmes that Ontec invests in consist of a combination of volunteerism hours, which the company matches with time off from work; and personal philanthropy, which Ontec matches per the approved pillars of Corporate Social Investment.



Investment in Educational Outreach Programmes

Ontec invests in Educational outreach programs that benefit the communities where we do business. We invest in continuing education and youth programmes and are actively involved in projects that support early literacy and language learning in disadvantaged communities.

Internally, employees are flexible during their careers, with the skills acquired and used in one role being transferred to the next. Ontec provides constant on-the-job development, structured training and, at all levels, the opportunity to excel. In addition, the company invests in various management and technical development programmes as part of our commitment to foster a learning organisation.

| | |
|--|------------------------------------|
| Number of hours spent on volunteerism: | 2500 cumulative staff hours |
| Amount invested in Corporate Social Investment: | 1% net profit after tax |
| Lives impacted: | 4000 school children |
| Employee Upliftment Programmes: | 10 Bursaries |

Projects fuelled by Khusela

A collaboration between Gift of the Givers, Microsoft and the Western Cape Department of Health.

By partnering with Microsoft, the Gift of the Givers and the Western Cape Department of Health, Ontec is helping state owned hospitals in the Western Cape manage, monitor and measure their water consumption more efficiently. Cost savings derived from early leak detections or adjustments in consumer usage patterns during peak usage times are then routed back into the hospital's operational expenses for improved long-term performance.

Focus on Education

South Africa has over six million young people that are currently unemployed. By contributing to job-creation initiatives, Ontec can contribute to the success of new job-seekers while securing South Africa's economic prosperity.

Educational Initiatives

Graduate Recruitment Programme

Ontec supports TVET Colleges to help students learn technical skills that contribute towards learning a trade. By providing work experience opportunities to unemployed young people, Ontec can improve their prospects to find employment, and contribute to building a more inclusive, sustainable economy.

Intern Training Programme

We have supported various interns across our business over the years both at our various national offices or seconded to partner and customer sites for in-field training. Interns are then provided with a formal certificate of work service attained, which can be used to secure permanent employment in the sector.

Early Childhood Development

Our ongoing initiative at the Elsie's River Care Centre provides vital basic education support to children between the ages of 2 and 5. Skills provided during this critical stage of a learner's life, provides the foundation needed to succeed at a primary and later tertiary level in their schooling. We have also partnered with Home of Hope Centres, facilities that delivers shelter and food to marginalised children that have been abandoned. Programmes within the centre ranges from donations to staff volunteerism hours.

Ontec's Bursary Programme

Ontec's staff are provided with equal opportunity to ensure that they receive much needed tertiary tuition or specialised training courses in their area of expertise.

Fisantekraal Training Initiative

Our ongoing partnership with Fisantekraal job-creation centre remains an area of pride. Fisantekraal provides training courses that prepares individuals for the job-market. These courses are tailored in collaboration with industry partners in order to ensure that skills learnt are relevant and sought after in the job-market. Our partnership has assisted two groups of learners enter the workplace and we are proud to continue our support of this worthy initiative.

Benchmarking our Programmes

Ontec has benchmarked our Corporate Sustainability programs along our journey against other programs, and in 2014 we won Best Community Project of the year at African Utility Week for our Water Playpumps programme. The PlayPump was built as part of an innovative collaboration with the utilities in the driest communities in South Africa. As the children play, the merry-go-round's motion powers the pump, drawing clean water into a 2,500-litre storage tank for drinking, washing, cleaning and watering the school's vegetable garden. The pump is also metered to show measurement of the school's water usage.

With this project, children were able to learn valuable skills in water conservation while competing with their own usage targets and learning to be water-savvy along the way. This sustainable programme has also resulted in a flourishing vegetable garden resulting in crop being sold to nearby villages and proceeds being ploughed back into the school's upkeep.

Since then, Ontec has continued efforts in water conservation with the launch of GaugeIT. This latest innovation has empowered consumers to take control of their water consumption by receiving hourly alerts of their water consumption directly on their mobile devices, and being notified of leaks or anomalies in their water consumption patterns. This puts the power back in the hands of consumers to monitor their own usage and adjust their behaviour accordingly in order to conserve and protect our resources – Khusela in action.

We continue to innovate and craft winning programmes that contribute to the longevity of our business while ensuring business practices that offers sustainability and the principles of Khusela.

The Khusela Pledge

We intend to partner with you as we strive to create a smarter future for all through our sustainable solutions, best practice methodologies and investments in initiatives that protect both the planet and its people. Throughout our sustainability journey we practice the principles of Khusela in everything that we do.

To know more visit www.ontec.co.za/sustainability

CONTACT:

ONTEC SYSTEMS (PTY) Ltd

Tel: +27 (0)21 928 1700

Help desk : 086 122 0244

(24 Hour standby number)