

## Sasol's 2011 Communication on Progress on the UN Global Compact

The United Nations Global Compact is an international initiative that addresses human rights, labour, environmental and corruption issues through a commitment to ten principles derived from the Universal Declaration of Human Rights, the International Labour Organisation's Declaration of the Fundamental Principles and Rights at Work, the Rio Declaration on Environment and Development, and the United Nations Convention against Corruption. Sasol has been a signatory to the UN Global Compact since 2001. We have participated in various meetings and related initiatives on the UNGC, including most recently at the Global Compact Leaders Summit. The table below provides a brief overview of our implementation of the ten principles. Best practices that meet the 24 Global Compact Advanced Criteria are included throughout this document. More detailed information is available throughout our sustainable development report.

### Strategy, Governance and Engagement

Sasol's group executive committee (GEC) formally adopted sustainable development as a group-wide strategic business objective in 2000. Since then, we have taken steps towards integrating sustainable development principles into our activities, in the expectation that a commitment to sustainable development yields a competitive advantage. A full description of efforts to develop new products, invest in communities and broader society, manage the impacts of our products throughout their life cycle (**Criterion 21**) and align our actions with broader UN goals and issues is provided throughout our sustainable development report (SDR) (**Criterion 4**). Governance of sustainable development issues and engagement with stakeholders is discussed in the section on 'Our sustainable development management framework' (SDR pages 20-27) (**Criterion 2 and 3**).

Sasol's sustainable development performance is aligned with mitigating the key risks facing the group. The sustainable development report (SDR, page 14) outlines the principal risks facing Sasol, how sustainable development links to these risks, and summarises our performance in mitigating these risks. Progress in managing our material sustainable development issues is described in our sustainable development report (pages 6-8) as well as in the overview provided in the Chief Executive Officer's statement (pages 9-11). As evidenced by our progress on group-wide targets (SDR pages 2-3), we have seen improved performance in most areas but continue to face challenges, notably with regard to preventing fatalities and reducing the rate of transport incidences (**Criterion 1**).

### Transparency and verification

Information on Sasol and our operations is provided the Global Reporting Initiative (GRI) table accompanying the online sustainable development report (<http://sasolsdr.com>). We continue to use the GRI Guidelines to inform our sustainable development reporting process and to facilitate comparability with the reports of other organisations. Our most recent report referred to the revised GRI G3.1 guidelines. Once again, we believe our report rates as an A+ report in terms of the GRI (**Criterion 22 and 23**). The report has been independently verified by PwC (**Criterion 24**).

Global Compact Principle	Brief COP Statement	Reference in Sasol Report
<p>1. Support and the protection of international human rights within their sphere of influence.</p>	<p>We believe that the underlying principles of the Universal Declaration on Human Rights inform our business practices and procedures, and are embodied in our company values and our guide to code of ethics. Our human rights policy is part of the guideline to the code of ethics and has been in place since 2003. We are currently drafting a paper to communicate a stronger Sasol position on Human Rights, which may include specific commitments and goals for specified years (<b>Criterion 5</b>). Human rights principles are incorporated in Sasol's labour relations policies, SHE policies and corporate social responsibility policies.</p> <p>Our internal due diligence process requires that country risk assessments are performed before entering any given country. These assessments include screening for potential human rights non-compliance or violations. All investment agreements go through this screening process (<b>Criterion 6</b>). This year we have set up an ethics management system, which will allow us to track trends. This will improve the monitoring, reporting and analysis of trends arising from calls to the ethics line, and to streamline ensuing investigations and follow-up activities. The system is still being set up but we hope to have our first set of data implemented and reported before the end of 2011 (<b>Criterion 7 and 8</b>).</p>	<p>A general review of our human rights approach is provided in the performance section <i>Respecting human rights</i> (SDR pages 35-36).</p>



	<p>Last year we committed to roll out a practical and effective company-wide human rights management system and a process to enhance compliance, training and awareness. Unfortunately we have not made quite the progress that was anticipated in this area, and are thus still in the process of further integrating human rights issues into compliance and ethics approaches across the company. We recognise that further work is required to strengthen our compliance and risk management practices on human rights issues within the company.</p>	
<p>2. Make sure their own corporations are not complicit in human rights abuses.</p>	<p>We adhere to this principle through our compliance with all applicable legislation and our SH&amp;E minimum requirements (whichever is the more stringent) in the regions in which we operate. As we expand our business activities into new regions, we recognise that further monitoring may be required to provide full assurance that there is no potential for complicity in human rights abuses. To manage these risks, we are committed to providing human rights awareness and training programmes, integrating human rights issues more formally in our project and country risk assessment, and developing mechanisms for human rights awareness-raising, communication, monitoring and assurance. Sasol contracts include compliance to ethics and code of conduct as a key requirement for doing business with Sasol and, where required, we encourage suppliers to implement their own code of conduct (<b>Criterion 8</b>).</p>	<p>A general review of our human rights approach is provided in the performance section <i>Respecting human rights</i> (SDR pages 35-36).</p>
<p>3. Freedom of association and the effective recognition of the right to collective bargaining.</p>	<p>We recognise the right of employees to collective bargaining and freedom of association in accordance with all relevant local labour legislation. We maintain constructive relationships with all representative unions, who enjoy consultative or negotiating powers on issues of mutual interest. We are reviewing and revising our human resource policies and procedures to ensure consistency across all our operations globally. These will include provision for consultation with unions, works councils and employees in accordance with all relevant local labour legislation (<b>Criteria 9-12</b>). This year we have begun to introduce further requirements relating to the activities of our suppliers, as well as systems to monitor this performance. In future we will be able to report in more detail on the percentage of contracts with business partners guaranteeing minimum labour standards and the outcome of audits or other steps to monitor and improve performance in our supply chain.</p>	<p>Details on our labour relations activities, and the percentage of employees who are members of trade unions, is provided in our review relating to <i>Fostering a positive climate of employee relations and driving cultural transformation</i> (SDR page 41).</p>
<p>4. The elimination of all forms of forced and compulsory labour.</p>	<p>All labour is sourced from the open labour market; employees are provided with labour contracts in accordance with relevant labour legislation, and are free to resign at any time. Through the implementation of our supplier engagement plan we review the practices of suppliers and contractors. We also conduct due diligence investigations in respect of prospective transactions, contracting parties and business partners. We have not detected any significant issues relating to incidents of forced or compulsory labour.</p>	<p>A general review of our human rights approach is provided in the performance section <i>Respecting human rights</i> (SDR pages 35-36).</p>
<p>5. The effective abolition of child labour.</p>	<p>Sasol does not make use of child labour in any of its operations. However there could be a trade-off in some developing countries where a policy of not allowing child labour deprives families of access to an income and food. We do not support child labour, but should we invest in these regions we would focus on developing programmes that assist with educating children and also look after their families. We monitor and ensure our compliance with the labour legislation in each of the countries within which we operate. Through the implementation of our supplier engagement plan, we review the practices of suppliers and contractors. We also conduct due diligence investigations in respect of prospective transactions, contracting parties and business partners. We have not detected any significant risks of child labour being used. We train and provide opportunities for school leavers, who are all people of age within ILO requirements.</p>	<p>A general review of our human rights approach is provided in the performance section <i>Respecting human rights</i> (SDR pages 35-36).</p>
<p>6. The elimination of</p>	<p>We are committed to the principle of promoting employment</p>	<p>A review of our employment</p>



<p>discrimination in respect of employment and occupation.</p>	<p>equity in the workplace. In our South African operations we have committed to meeting targets to address past inequalities. Global gender diversity remains a challenge in Sasol. Currently we rely on what Global HRMs are reporting to Global diversity centre around discrimination based on, gender inequality, People with disabilities, Nationality and Generational differences. Due to different regulatory frameworks specific to each country, there are sometimes sensitivities in handling these remotely. On the international exposure to understand these challenges. Our mitigating plans include resources to be allocated for global diversity initiatives; a study will be conducted to ensure employee involvement and participation, and the development of initiatives and integration into Sasol Global diversity strategic framework <b>(Criterion 9 and 10)</b>.</p>	<p>equity performance and our initiatives on this issue is provided in our review of <i>Enhancing workforce diversity</i> (page 43), with more detail in relevant sections of the online report (<a href="http://sasolsdr.com">http://sasolsdr.com</a>).</p>
<p>7. Support precautionary approach to environmental challenges.</p>	<p>A precautionary approach to environmental management informs our SH&amp;E policy and is evidenced, for example, by our implementation of environmental impact assessments and management plans, due diligence reviews, product stewardship initiatives and risk assessments, and the application of the SH&amp;E Minimum Requirements. We have in the past commissioned and published an independent case study reviewing Sasol's implementation of the precautionary approach. Our sustainable development report includes targets relating to greenhouse gas emissions, water, Responsible Care® and volatile organic compounds <b>(Criterion 13, 14 and 15)</b>.</p>	<p>The principles underlying the precautionary approach inform many of our activities. Responsibilities and accountability for environmental stewardship is described in co-ordinating sustainable development through the Sasol SHE centre (SDR page 20). Our activities in implementing these principles are described throughout our sustainable development report. Specific examples are provided relating to our climate change management practices (SDR pages 47-49) and biodiversity (SDR page 54). More detail is provided in our online report (<a href="http://sasolsdr.com">http://sasolsdr.com</a>).</p>
<p>8. Undertake initiatives to promote greater environmental responsibility.</p>	<p>Our commitment to this all-encompassing principle is evidenced in the nature of our SH&amp;E policies, programmes and targets, our commitment to implementing initiatives such as Responsible Care®, and in the continuing improvements we have made in our environmental performance, as reported in this report. Our business units have approved management plans outlining how they propose to meet our globally applicable SH&amp;E Minimum Requirements <b>(Criterion 13, 14 and 15)</b>. We have audited systems in place to measure, monitor and report annually against our own performance targets and indicators of performance, and we report annually against each of the GRI environmental indicators <b>(Criterion 13 and 16)</b>.</p>	<p>A review of our goals, policy and performance relating to environmental issues is provided in the section <i>Our sustainable development management framework</i> (SDR pages 18-21, and <i>Reducing our environmental footprint</i> (SDR pages 47-55), with more detail in relevant sections of the online report (<a href="http://sasolsdr.com">http://sasolsdr.com</a>).</p>
<p>9. Encourage the development and diffusion of environmentally friendly technologies.</p>	<p>Our company has been built on the basis of pioneering research and development into innovative technologies. Recognising the challenges of operating plants and equipment that are subject to increasing demands for improved resource efficiency and reduced emission intensity, we continue to invest in research and development and new equipment and practices aimed at minimising our environmental footprint. Our recently established New Energy Unit is tasked with actively exploring and developing renewable energy options for the company. We are taking an active role in global initiatives to identify opportunities for carbon capture and sequestration.</p>	<p>A review of some of our activities in this area is provided in our review on <i>Responding to the climate change challenge</i> (SDR pages 47-49), with more detail in relevant sections of the online report (<a href="http://sasolsdr.com">http://sasolsdr.com</a>) and in our 2011 Carbon Disclosure Project response (<a href="http://www.cdproject.net">www.cdproject.net</a>)</p>
<p>10. Work against corruption in all its forms, including extortion and bribery.</p>	<p>Our commitment to combating corruption is embodied in our code of ethics <b>(Criterion 17)</b>. Enforcement of the code is facilitated through the establishment of an ethics forum and ethics reporting telephone lines, and the inclusion of the code within employee performance appraisal. During the past year we launched a comprehensive and vigorous independent legal compliance review of all our businesses, including all our offshore subsidiaries. We have placed greater emphasis on the consistent management of ethics cases, with independent investigations led by the Group ethics office. We have</p>	<p>A review of some our most recent measures to address corruption is provided in our review of <i>Fostering ethical and fair business practice</i> (pages 35-36), with more detail in relevant sections of the online report (<a href="http://sasolsdr.com">http://sasolsdr.com</a>).</p>



	<p>developed more robust governance of ethics issues, including certification on our code of ethics and the guideline to the code, as well as anti-corruption legislation for middle and senior management. Over the last two years we have invested significant effort in fostering ethical and fair business practices. This has included increasing the number of ethics officers and champions, and engaging with suppliers on our code of ethics and good procurement processes (<b>Criterion 18</b>). Our focus is now on measuring the effectiveness of these efforts. This year we have set up an ethics management system, which will allow us to track trends. This will improve the monitoring, reporting and analysis of trends arising from calls to the ethics line, and to streamline ensuing investigations and follow-up activities. The system is still being set up but we hope to have our first set of data implemented and reported before the end of 2011 (<b>Criterion 19</b>). In our annual sustainable development report we have reported on the outcomes of our internal ethics line, as well as on progress in our ethics governance practices. In our detailed online GRI table a response is provided to all the GRI criteria (<b>Criterion 20</b>). Our continuous improvement in dealing with ethics issues is supported by the Association for Ethics Officers in Africa, which forms part of our drive to professionalise ethics officers following the increased focus on ethics.</p>	
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## **Our contribution to the Millennium Development Goals**

In September 2000, 189 heads of state ratified the Millennium Declaration ([www.un.org](http://www.un.org)), providing a common vision for addressing the needs of the world's poorest people. The declaration has resulted in eight Millennium Development Goals (MDGs) aimed at reducing poverty, improving the quality of peoples' lives, ensuring environmental sustainability, and building partnerships. Specific targets and indicators have been set for each of the goals, to be achieved by 2015.

While the responsibility for achieving these goals rests primarily with governments, the private sector has a crucial supporting role to play. Our most significant contribution to the MDGs is associated with our core activity of supplying energy and chemical products that contribute directly to economic and social development; in so doing we provide significant tax revenues and create valuable employment opportunities, directly and indirectly. A brief summary of our more specific contributions to the separate MDGs is provided below.

<b>Millennium Development Goal</b>	<b>Examples of Sasol's contribution to the Millennium Development Goal</b>
<b>Goal 1:</b> <b>Eradicate extreme poverty and hunger</b>	Our energy and chemical products contribute directly to economic and social development, which in turn forms the basis for eradicating poverty and hunger. We are a significant source of tax revenues in many of the countries in which we operate, most notably in South Africa where we are the country's largest single tax-payer. We provide a powerful stimulus for job creation, both directly through our core operations as well as indirectly through our procurement practices. Our investments in several developing countries involve monetizing existing fossil fuel assets, which contributes directly to socio-economic development in those countries. We have an extensive portfolio of corporate social investment (CSI) activities, many of which focus expressly on addressing the challenges associated with poverty and health.
<b>Goal 2:</b> <b>Achieve universal primary education</b>	In some of the regions in which we operate we are one of the more significant taxpayers, both directly and indirectly; in these regions our revenues form an important contribution to nationally funded educational programmes. In addition to our own extensive internal training and education initiatives, which in some instances include the provision of adult basic education, we fund numerous educational programmes through our CSI programme.
<b>Goal 3:</b> <b>Promote gender equality and empower women</b>	We are committed to promoting employment equity, most notably in South Africa where we face a particular need to address the inequalities of the past. Our employment equity initiatives include a specific focus on women.
<b>Goal 4:</b> <b>Reduce child mortality</b>  <b>Goal 5:</b> <b>Improve maternal health</b>  <b>Goal 6:</b> <b>Combat HIV/AIDS, malaria and other diseases</b>	In addition to contributing generally to improved opportunities for health and wellbeing through our promotion of socio-economic development, we have undertaken various specific initiatives within the company and externally aimed at promoting improved standards of health. Our integrated Sasol HIV/Aids Response Programme (SHARP) focuses on reducing the rate of HIV infection throughout our South African operations and extending the quality of life of HIV-infected employees by providing managed healthcare. The promotion of health is one of the main priorities in our CSI programme, with a particular focus on the prevention and treatment of HIV/Aids. Our Basa Mama project in the communities surrounding our Sasolburg and Secunda facilities, seeks to improve community health by encouraging change in domestic coal-burning practices. In Mozambique, we have constructed four community health centres, providing health care to previously under-served areas. An important focus of these centres is the provision of maternal and child health care, as well as the prevention of HIV/Aids and malaria, both of which are of particular significance in the region.
<b>Goal 7:</b> <b>Ensure environmental sustainability</b>	Our commitment to environmental management is evidenced in the nature of our SH&E policies, programmes and targets, our active participation in initiatives such as Responsible Care, and in the continuing improvements we have made in our environmental performance, as reported in this and previous sustainability reports. Our business units have approved management plans outlining how they propose to meet our globally applicable SH&E Minimum Requirements.
<b>Goal 8:</b> <b>Develop a global partnership for development</b>	We participate in numerous international and regional partnership initiatives aimed at promoting socially and environmentally sustainable economic development. Key initiatives include the UN Global Compact, the Global Reporting Initiative, the CEO Water Mandate, Responsible Care, the South African Energy Efficiency Accord and the Carbon Sequestration Leadership Forum.