

about sasol



Sasol is an integrated oil and gas company with substantial chemical interests. We mine coal in South Africa and produce gas in Mozambique, converting these into synthetic fuels and chemicals through our world-renowned, proprietary technology. We have chemical manufacturing and marketing operations that span the globe.

In South Africa we also refine imported crude oil and retail liquid fuel products through a network of Sasol retail convenience centres and Exel service stations, as well as supplying fuels to other distributors in the region. In addition, we supply gas to many industrial customers.

Formed in 1950, we started production in 1955. We employ over 31 000 people worldwide, and remain one of South Africa's largest investors in capital projects, skills development and research and development. Sasol is listed on the JSE in South Africa and on the New York Stock Exchange in the United States of America.

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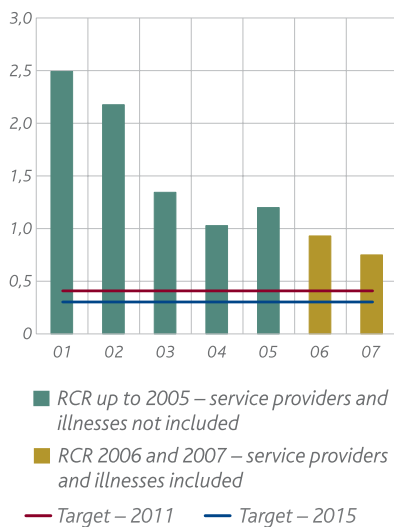
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At Sasol we apply our leading expertise and proven technology to provide cleaner global energy solutions and chemical building blocks for a wide range of products. As we build on our strong track record, we believe our ability to meet the needs of all our stakeholders will enable us to sustain high standards of performance at home and abroad.

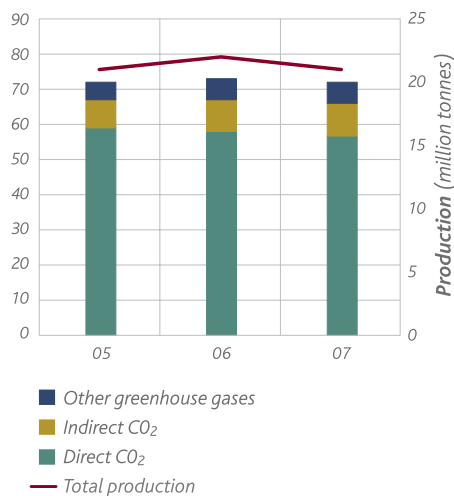
Our inclusive approach means we strive to transform our business and create shareholder value, achieve world-class standards of safety and productivity, drive performance and do so responsibly, and ensure sustainable profits and truly empowered people.

*Through our commitment to business unit focus and functional excellence we aim to be a people-centred **and** a high-performance global company.*

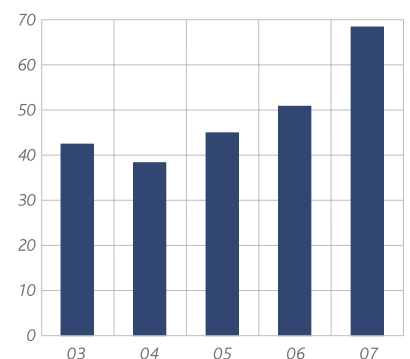
Recordable case rate (RCR)
(recordable cases per 200 000 hours)



Greenhouse gas emissions (million tonnes)



Wealth created per share (Rand)



about our sustainable development report

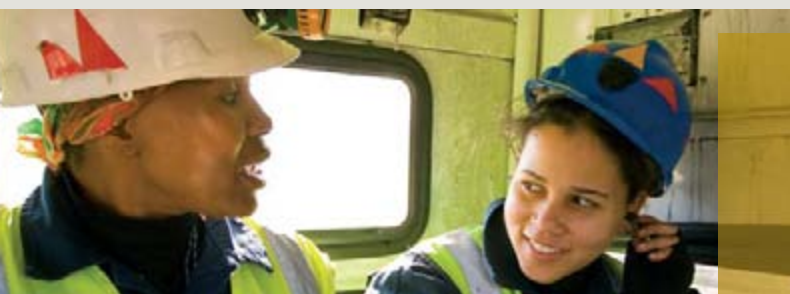
scope of our report

This report, which has been published with reference to the G3 guidelines of the Global Reporting Initiative (GRI) reviews Sasol's economic, social and environmental performance for the period between 1 July 2006 and 30 June 2007.

The report covers the activities of all the Sasol operations globally in which Sasol holds a minimum of 50% shareholding, and/or has operational control. Data is reported on a 100% basis even where the Sasol shareholding is less than 100%. On 1 July 2006, a decision was taken by the group executive committee (GEC) not to include full sustainable development data from our Olefins & Surfactant facilities (O&S), as the planned divestiture was expected to be completed by August 2006. Accordingly, only data for fatalities, recordable cases, fires, explosions and releases (FERs) and logistics incidents for O&S have been included, while environmental data for O&S has been excluded, even though the planned divestiture of these facilities was terminated in March 2007. The non-inclusion of these facilities in this year's report has had a bearing on some of our environmental data for comparative purposes, and environmental data for O&S for previous years has been excluded to ensure valid comparison. Tables throughout the report show the necessary footnotes explaining what was included and what was not. We will be including these operations within our quantitative performance reporting from the beginning of the 2008 financial year. Separately owned non-Sasol organisations within our boundaries (rented or leased) are excluded for reporting purposes. Although excluded, Sasol seeks to influence their performance – particularly on safety – through training and sharing best-practice.

Our readers should also keep in mind that our operations were affected by a major planned shut down during the course of the reporting period. This might have had impacts on our environmental performance and should be taken into account when comparing year-on-year data.

As about 80% of our workforce is based in South Africa, which is the site of our head office and our most significant operations, the report has a predominant focus on our activities in South Africa. A map of our global operations is provided on pages 18 and 19. A GRI index is included on page 81.



Assurance

As outlined in the assurance statement on page 13, some of the data in this report has been independently assured by KPMG. To facilitate comparability with our previous reports, we have endeavoured to be consistent in the parameters reported against year-on-year. In some instances, however, these have been amended and updated to ensure greater integration of reporting practices throughout our increasingly globalising company, as well as to implement world best-practice. Changes in the reporting parameters are explained in relevant sections of the report.

Feedback

We encourage you to share your thoughts with us on this report, either by completing the attached feedback form, or by contacting us directly. For further information, please contact:

*Dr Stiaan Wandrag
Safety, Health and Environment Centre
Sasol Group Services (Pty) Limited
PO Box 5486, Johannesburg 2000
South Africa
Telephone: +27 (0)11 344 0308
Facsimile: +27 (0)11 522 8748
E-mail: stiaan.wandrag@sasol.com*



Aaron Mahlangu at Sasol Infrachem's reverse osmosis unit for water purification.

Section 1: *our report at a glance*

Based on feedback from our stakeholders, we have divided our report into four sections. This is intended to make it easier to navigate and find matters of specific interest.

This first section of the report provides a succinct overview of our sustainability report. It includes:

- *a summary of our key achievements, disappointments and challenges.*
- *a summary of our quantitative performance data and our progress against group targets.*
- *a review of the actions we have been taking to address the principal challenges identified in our 2006 sustainable development report, and a description of our ongoing commitments in each area.*
- *a description of our overall approach to sustainability reporting, with a review of our implementation of the reporting principles of the Global Reporting Initiative's sustainability reporting guidelines.*
- *a summary of the independent assurance of our sustainability report.*

Principal achievements

- Continuing improvements in our overall safety performance.
- Initial success in rolling out our programme of values-driven leadership.
- Evident improvement in our relationship with government.
- Continuing strong financial performance, providing the foundation for our sustainability performance.
- Progressing broad-based black economic empowerment (BEE) deals, including the development of South Africa's single largest BEE ownership transaction to date (announced shortly after the conclusion of the reporting period).
- Development of improvement plans for achieving the globally applicable Safety, Health and Environment (SH&E) minimum requirements for all existing and new Sasol projects and all joint ventures under Sasol's operational control.
- Significant community investments through our corporate social investment programme.
- Progress in implementing our energy efficiency initiatives.

Principal disappointments

- Four work-related fatalities.
- Increase in logistics incidents.
- Increase in the number of reportable fires, explosions and releases, following earlier trends of continuing improvement.
- While achieving an improved score compared to last year, we failed to qualify among the top 10% in the oil and gas producers cluster on the Dow-Jones Sustainability Index (DJSI).

Ongoing challenges and key focus areas

- Further entrenching a shift in behaviour and attitude towards safety.
- Reducing our global greenhouse gas emissions.
- Developing, attracting and retaining sufficient talent to meet our growth objectives.
- Promoting meaningful black economic empowerment throughout our operations and within our sphere of influence (South African operations).
- Ensuring access to water to meet long-term growth plans.

performance summary

Some key performance parameters	2005	2006	2007
Employee numbers ^Δ	30 393	29 658	31 820
Recordable case rate*	1,23	0,93	0,75
Employee and service provider fatalities	17 ✓	4 ✓	4 ✓
Fires, explosions and releases	25 ✓	15 ✓	21 ✓
Logistics incidents**	31	35 ✓	52 ✓
Production (kilotonnes) ^Δ	20 932	21 937	21 200
Total greenhouse gas emissions (kilotonnes – CO ₂ equivalent) ^Δ	72 015	72 975	70 922
Hydrogen sulphide (H ₂ S) (kilotonnes)	89	78	74
Nitrogen oxides (NO _x) (kilotonnes) ^Δ	163	160	162
Sulphur oxides (SO _x) (kilotonnes)	222 ✓	223	219
Hazardous waste (kilotonnes) ^Δ	272	254 ✓	138 ✓
Non-hazardous waste (kilotonnes) ^Δ	846	910	1 003
Water use (1 000 m ³) ^Δ	146 515 ✓	142 722 ✓	140 469 ✓
Electricity purchased (thousand gigajoules) ^Δ	28 004 ✓	31 016 ✓	31 106 ✓
Electricity self-generated (thousand gigajoules) ^Δ	19 995 ✓	18 075	17 451 ✓

The meaning of all terms are explained on page 80.

✓ Indicates a data parameter externally verified by KPMG, in accordance with the statement on page 13.

* Some data is different from earlier SD reports because of revised performance definitions.

** Logistics incidents were referred to as transportation incidents in previous years.

Δ Data is different from earlier SD reports due to the exclusion of O&S.



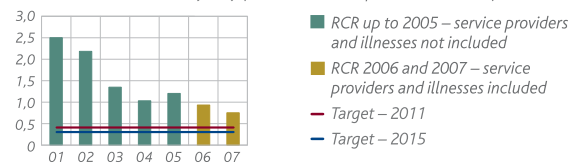
progress against our group targets

Safety (RCR)

Target: To achieve an annual recordable injury case rate of not more than 0,4 by July 2011 and 0,3 by July 2015 for all employees and service providers.

* Note: This figure includes occupational illnesses, which were previously not included in the calculation of our publicly reported RCR.

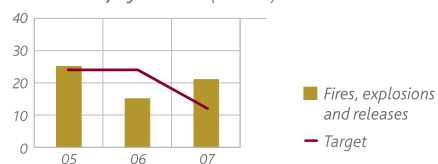
Recordable case rate (RCR) (recordable cases per 200 000 hours)



Process safety incidents

Target: To achieve not more than three significant fires, explosions and releases per quarter by July 2011, and a 50% reduction in minor fires, explosions and releases on the 2006 baseline by July 2011, with the ultimate goal of zero incidents.

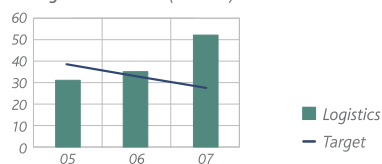
Process safety incidents (number)



Logistics incidents

Target: To achieve at least a 50% reduction in significant logistics incidents per ton of product transported, on the 2004 baseline, by July 2009.

Logistics incidents (number)

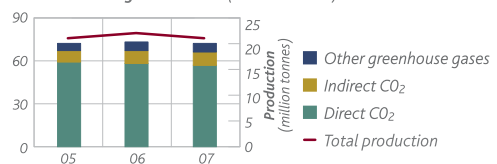


Greenhouse gases

Target: To achieve at least a 10% reduction in greenhouse gas emissions per ton of product, on the 2005 baseline, by July 2015.

* Note: This target is under review as more stringent expectations emerge.

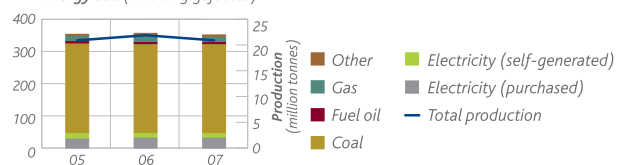
Greenhouse gas emissions (million tonnes)



Energy efficiency (SA operations only)

Target: To reduce energy consumption per unit produced by 15%, on the 2000 baseline, by July 2015 (in accordance with the energy efficiency accord agreed with the government).

Energy use (million gigajoules)



Volatile organic compounds

Target: To achieve at least a 50% reduction in the emission of certain volatile organic compounds (VOCs), on the 2005 baseline, by July 2015.

* Note: The measurement system and baseline are under review.

Responsible Care

Target: To achieve at least a 90% practice in place overall average for Responsible Care, and 90% specifically for product stewardship, by July 2011, as determined by external verification.

* Note: The decrease in achieved performance is because of revised, more in-depth audit methods.

Implementation of responsible care codes (%)



challenges, progress and commitments

The following table reviews the actions we have been taking to address the principal challenges we identified in our 2006 sustainable development report, and outlines our commitments for the year ahead.

Key challenges (as identified in our 2006 report)	Our progress	Our commitments
<p>Safety – see page 38</p> <p>Embedding an effective safety culture at all management and employee levels, and among our service providers, throughout all our activities.</p>	<ul style="list-style-type: none"> Continuing improvement in safety performance with RCR improving from 0,93 in 2006 to 0,75 in 2007. While there were 147 fewer injuries in total, it is saddening to report that three service providers and one employee were fatally injured in workplace incidents. Approved new process safety management standards, commenced implementation of expanded process safety management training programme, approved a revised safety performance incentive initiative, and developed a safety management standard for service providers. 	<ul style="list-style-type: none"> Meeting our stated targets relating to RCR, process safety incidents and logistics incidents. Implementing initiatives to promote an appropriate safety culture and mindset of safe behaviour throughout Sasol. Reporting regularly on our safety performance, benchmarking this performance against our peers.
<p>Skills development – see page 53</p> <p>Continuing to meet demands for an appropriately skilled workforce as the company grows globally.</p>	<ul style="list-style-type: none"> Implemented Project TalentGro, a multi-pronged approach to improve Sasol's internal skills development capacity, grow required talent pools, and influence the external skills development environment. Implemented various talent management initiatives, including competitive remuneration practices, changes to the performance management system, and new leadership development programmes. Contributed actively to South African government's Joint Initiative for Priority Skills Acquisition (JIPSA). 	<ul style="list-style-type: none"> Continuing to roll-out Project TalentGro. Ensuring ongoing emphasis on our leadership pipeline development. Continuing to contribute to public and private sector initiatives aimed at skills development. Further sponsoring of various skills development initiatives through our corporate social investment initiatives. Commence operation of the Sasol Foundation, that is being established as part of the Sasol Limited BEE ownership transaction.
<p>Black economic empowerment – see page 60</p> <p>Meeting our goals and objectives relating to employment equity and broad-based black economic empowerment (BEE) in our South African operations.</p>	<ul style="list-style-type: none"> Introduced significant new BEE equity ownership transactions at Sasol Limited and Sasol Mining. Increased our annual procurement spend with BEE suppliers by more than 40% to R4,2 billion, which is about 30% of our total controllable spend. Improved representation of historically disadvantaged groups at managerial, professional and supervisory level to 47%. Successful launch of smaller BEE enterprise development initiatives. 	<ul style="list-style-type: none"> Ensuring successful broad-based implementation of our BEE ownership transactions. Further increasing our BEE procurement spend. Meeting our employment equity targets.

Key challenges <i>(as identified in our 2006 report)</i>	Our progress	Our commitments
<p>Climate change – see page 45</p> <p><i>Identifying opportunities for improving our greenhouse gas (GHG) emission intensity and responding, effectively, to the challenge that climate change presents for our global growth plans.</i></p>	<ul style="list-style-type: none"> ● Group executive committee (GEC) approved policy statement on greenhouse gas (GHG) policy. ● Detailed environmental roadmap on GHG developed and approved. ● Registered Clean Development Mechanism (CDM) project for reducing nitrous oxide emissions from Sasol Nitro, resulting in reductions equivalent to about 1 million tonnes of carbon dioxide per annum. ● Thematic dialogue held with leading climate change policy researchers and non governmental organisation (NGO) representatives. 	<ul style="list-style-type: none"> ● Meeting our target of achieving at least a 10% reduction in greenhouse gas emissions per ton of product, on the 2005 baseline, by July 2015. ● Reviewing our longer term targets and setting challenging targets for new projects. ● Securing registration of new CDM projects, and utilising CDM project funding to finance otherwise non-viable environmental improvement projects. ● Implementing specific initiatives for GHG reduction, with a particular focus on energy efficiency and renewable energy projects. ● Furthering our investigations into carbon capture and storage possibilities.
<p>Environmental improvements – see page 72</p> <p><i>Continuing to reduce the environmental footprint of our activities; specific challenges include:</i></p> <ul style="list-style-type: none"> ● Improving our greenhouse gas emission intensity (see above). ● Promoting greater water and energy efficiency. ● Going beyond compliance with air pollution legislation in South Africa. 	<ul style="list-style-type: none"> ● GEC approval of environmental roadmap, with particular emphasis and specific commitments relating to GHG reductions and water management. ● Reductions in identified atmospheric pollutants. ● Capital approved for installation of gas turbines to power 280 megawatt electricity plant at Secunda that will use natural and flared gas and result in energy efficiency improvements. ● Capital approved for sulphuric acid plant currently under construction to further reduce sulphur emissions. 	<ul style="list-style-type: none"> ● Meeting our target of achieving at least a 50% reduction in the emission of identified volatile organic compounds (VOCs), on the 2005 baseline, by July 2015. ● Progress in implementing environmental roadmap and improvement plans for achieving the globally applicable SH&E minimum requirements. ● Progress in achieving commitments relating to energy efficiency accord.
<p>Communication – see page 33</p> <p><i>Improving our internal and external communication on sustainability issues as part of our wider efforts to rebuild and maintain trust with our key stakeholders.</i></p>	<ul style="list-style-type: none"> ● Appointed new group general manager (at GEC level) for government relations, corporate affairs and BEE. ● Ongoing active engagement with political and government representatives at all levels. ● Engaged employees in sustainability feedback survey and certain key external stakeholder representatives through series of high-level dialogues. 	<ul style="list-style-type: none"> ● Implement structured and transparent internal and external communication and stakeholder engagement processes with the aim of further building trust with our key stakeholder groups.

challenges, progress and commitments (continued)

Key challenges (as identified in our 2006 report)	Our progress	Our commitments
<p>Sustainability management systems – see page 24</p> <p>Effectively integrating sustainability considerations in all relevant business decisions, including new projects and operations.</p>	<ul style="list-style-type: none"> ● Business units (BUs) approved management plans outlining how they propose to meet our globally applicable Sasol SH&E minimum requirements. ● Continued to make progress towards achieving the group goal of having ISO 14001 and OHSAS 18001 certification for all our businesses. ● Undertook regular internal and external SH&E governance audits throughout our operations. 	<ul style="list-style-type: none"> ● Progress in implementing BU-level actions plans to ensure conformance with our globally applicable minimum requirements. ● All our businesses to have ISO 14001 and OHSAS 18001 certification by the end of 2007. ● Maintenance of regular integrated management system audits by independent external auditors.
<p>Product challenges – see page 31</p> <p>Meeting changing legislative and policy requirements relating to products and product safety.</p>	<ul style="list-style-type: none"> ● Continued to develop harmonised material safety data sheets throughout the group's global operations. ● Introduced measures to ensure full preparation for the requirements of the European Union (EU) Registration, Evaluation and Authorisation of Chemicals (REACH) legislation. ● Participated actively in local, national and international product policy processes. 	<ul style="list-style-type: none"> ● Implement the Responsible Care product stewardship code and achieve 90% compliance, as measured by external verification, by July 2011. ● Continue to contribute to the development of the Global Harmonised System for Classification.
<p>Performance on indices – see page 32</p> <p>Qualifying among the top 10% on the Dow-Jones Sustainability Index, and performing well on other relevant indices.</p>	<ul style="list-style-type: none"> ● Improved our score on the Dow-Jones Sustainability Index (DJSI) from 68% to 70%, but still failed to qualify for inclusion in the 2007 DJSI. ● Participated in the JSE social responsible investment (SRI) index (process delayed this year). ● Participated in the international Carbon Disclosure Project (CDP). 	<ul style="list-style-type: none"> ● Focus efforts to address the areas of weakness with the aim of being included in the 2008 DJSI. ● Continuing to rate highly on the JSE SRI. ● Be included in the CDP Carbon Disclosure Leadership Index.

sasol's approach to sustainability reporting

Sasol has been reporting regularly on aspects of our sustainability performance since our first stand-alone environmental report published in 1996. Transparent reporting on our sustainability performance forms an important part of our strategic commitment to sustainable development, and is fully aligned with our goal of being a globally respected, world-class company characterised by values-driven leadership.

Our annual sustainability reporting process includes an integrated sustainability performance report within our annual financial review, a separately published sustainable development report, as well as a brief summary report for all of our employees. In addition, some of our facilities provide individual site and company-specific reports that have been developed primarily for our neighbouring communities.

Each year we undertake an independently facilitated stakeholder engagement process that forms an important part of our reporting process. This year we conducted a series of high-level thematic dialogues on what we have identified as our most material sustainability challenges: climate change, safety and skills development. We will be hosting a high-level dialogue on black economic empowerment in 2008. The outcomes of these dialogues are reviewed in more detail elsewhere in this report.

Following the publication in 2002 of the Sustainability Reporting Guidelines of the Global Reporting Initiative (GRI), we have sought each year to report "in accordance with" these guidelines. This year's report has been published with reference to the recently released G3 guidelines. While we appreciate the value of the GRI in encouraging improved reporting practices and facilitating benchmarking, we are committed to reporting on those issues that are most material to our business and that are of specific interest to stakeholders, rather than adopting a tick-box approach.

Application of the GRI reporting principles

In preparing this report we have been guided by the following reporting principles of the GRI's G3 sustainability reporting guidelines:

Principles relating to the content of the report

Materiality: In developing this report, and in identifying the priority issues on which to provide quantitative and qualitative data, we have been informed both by the publicly reported feedback received from our stakeholders during independently facilitated stakeholder processes undertaken over the past three years (in which stakeholders were specifically asked to identify those issues most material to them), as well as by the outcomes of our internal risk assessment processes. This year we undertook our second consecutive structured process of engaging employees on our sustainability performance and reporting, the results of which are



sasol's approach to sustainability reporting (continued)

summarised on page 35. Together, these internal and external processes have guided us in selecting the key topics and performance indicators that we deem are most material to our business. Through these processes we have identified what we deem to be the four most material sustainability issues impacting our business: climate change, safety, skills development and black economic empowerment. Three of these have been the subject of high-level dialogue with leading external opinion formers, while the fourth dialogues (on black economic empowerment) will occur in 2008.

Stakeholder inclusiveness: During our daily activities we consult with many stakeholder groups on many issues, using a variety of means (see page 33). In addition to these regular consultation processes, we have also undertaken engagement processes specifically to solicit input into the nature and content of our sustainable development strategy and report. Frank disclosure of the outcomes of these processes is included in our previous sustainability reports. This year, in addition to a structured engagement with our employees (summarised on page 35), we chose the specific dialogues mentioned above (pages 42, 50, 57).

Sustainability context: As a large South African oil, gas and petrochemical company with global growth ambitions, we frequently face some of the very real dilemmas associated with the challenges of sustainable development, having to balance the imperatives of promoting socioeconomic development in a developing country context, with the constraints imposed by natural resource limits. On the one hand we make a significant positive contribution to economic growth and development in Southern Africa (and increasingly elsewhere) through our substantial investments in capital projects, skills development, job creation, research and community initiatives, as well as by providing energy security through our proprietary technology; on the other hand we are faced with the challenge of growing our company and communities in the context of the constraints associated, for example, with securing access to water and minimising carbon emissions. The nature of these challenges – and the rationale for Sasol to address sustainability issues – is reflected throughout this report.

Completeness: In finalising the content of this report we have sought to find the right balance between completeness and clarity. In doing so we have sought to include those GRI parameters that are seen to be material to our business as identified on the basis of our stakeholder consultations and our internal risk assessment processes. In terms of scope these include a cross-section of social, economic and environmental issues that are most material to our activities. While there is a predominant focus on the performance of those organisations over which we have direct control, we recognise the reputational and related risks associated with

organisations over which we have influence. For this reason we are committed in future to report more extensively on the management aspects and performance of our joint venture partnerships both upstream and downstream of our core activities.

Principles informing the quality of the report

Balance: We believe that this report presents a balanced reflection of our sustainability performance over the past year, identifying both our positive achievements and the areas where we have fallen short of our ambitions. In those instances where we believe this to be meaningful, we have included frank benchmarks of our performance against some of the leaders in our sector, showing the level of performance that we are striving for.

Comparability: To facilitate comparability we have sought to be consistent in the parameters that we report against, year-on-year. For our detailed performance tables (available online) we have continued to make a distinction between our chemicals, energy and resource companies thereby facilitating more appropriate comparison with relevant industry peers. On the high-profile issues of safety and greenhouse gas emissions we have included specific benchmarks of our performance against some of the "best in class" in the various sectors in which we operate.

Accuracy: With the aim of reducing possible misunderstandings, and enhancing levels of exactness, we have sought wherever possible to provide quantitative information, based on generally accepted methods of sampling, monitoring and/or calculation. Where qualitative information is more appropriate, efforts have been taken to minimise vague and/or potentially ambiguous language.

Timeliness: Between the publication of our first environmental report in 1996 and our 2002-2004 sustainable development report, we produced external sustainability-related reports on a biennial basis (every two years). Our initial focus on environmental issues has expanded to include health and safety concerns, and more recently to reflect broader sustainability issues. From the 2005 financial year onwards, we have published our sustainable development reports annually. These reports complement additional existing internal and external reporting structures.

Clarity: Unlike financial reporting, where the key target audience has a sound understanding of the reporting language, sustainability reporting covers a range of subject matter of interest to diverse stakeholder groups with different levels of knowledge and experience. We have sought as far as possible to use non-technical language, an easily readable reporting format, and a concise reporting style, without compromising on comprehensiveness. Where appropriate we have included graphs, maps, process diagrams and photographs to enhance the clarity of the report.

Reliability: The performance information on which this report is based is derived from our structured internal information gathering system developed with the goal of delivering data that is accurate, complete and reliable (see page 79). External assurance providers have assessed our methodology for compiling, analysing and disclosing our reported data. Internal and external audits are conducted on selected samples of the performance data.

Informing the boundaries of the report

Our sustainable development management framework covers our international construction, exploration, production, research, and marketing and sales activities in all countries in which we operate. At year end, through our businesses and joint ventures, we had activities under way in 33 countries:

- South Africa, Botswana, Egypt, Gabon, Lesotho, Malawi, Mozambique, Namibia, Nigeria and Swaziland in Africa;
- Mexico and the USA in the Americas;
- Iran, Qatar and the United Arab Emirates in the Middle East;
- China, Japan, Malaysia and Singapore in Asia;
- Australia and New Zealand in Australasia; and
- Austria, Belgium, Denmark, France, Germany, Italy, The Netherlands, Poland, the Slovak Republic, Spain, Switzerland and the United Kingdom in Europe.

Our larger production activities are concentrated in South Africa, Mozambique, Qatar, Germany, Italy and the USA. Nigeria and Iran also host important production operations through joint venture production facilities, and we are examining possible new investment opportunities in China and India.

Sasol is currently considering a proposal for including a review in our future sustainable development reports of our management approach and performance indicators relating to our joint venture (JV) operations. A proposal on this issue will be submitted to the group executive SH&E committee, a sub-committee of the GEC, in May 2008.



sasol's approach to sustainability reporting (continued)

Recognised for our transparent reporting on our sustainability performance

We have been recognised as among the leaders in corporate sustainability reporting since 1996, when we published our first stand-alone environmental report. This year we received the following accolades for our reporting practices:

- *At the 2007 Sustainability Reporting Awards administered by the South African Association of Chartered Certified Accountants (ACCA), Sasol came away with two awards: Best Sustainability Report in the extractive industries sector, and Overall Winner: Best Sustainability Report.*
- *Sasol was the winner of the 2006 Ernst & Young Excellence in Sustainability Reporting Annual Award.*
- *Sasol was the only African company to be listed under the "Rest of the World Top 100" Sustainability reports by Context's and CorporateRegister.com's seventh annual report on corporate responsibility reporting.*
- *Sasol was included in the Top 100 global reports listed in the UNEP/SustainAbility 2006 survey of corporate sustainability reporting, "Tomorrow's Value".*
- *The UN Global Compact has included Sasol on its list of "Notable Communications on Progress" for its reporting on implementation of the Global Compact principles.*



Pat Davies receiving the award for the best sustainable development report from Ron Watson ACCA finance director at the 2007 ACCA Sustainability Development Reporting awards function.

"Sasol should be complimented on its (2006) sustainable development report. The report explicitly focuses on material issues, and it explains and provides a context to these issues. The report also shows an appreciation for benchmarking, and an understanding of the importance of relative performance. It provides the reader with a clear idea of how "sustainability" issues fit within the governance system of the company."

Institutional investor – South Africa

auditor's assurance statement

Introduction

We have been engaged by Sasol Limited (Sasol) to provide assurance on selected 2007 Sustainable Development (SD) performance indicators in its 2007 Sasol Sustainable Development Report (the report) indicated below.

Our report is made to the readers of the report in accordance with the terms of our engagement with Sasol. Our work has been undertaken so that we might state those matters we have been engaged to state in this report. We do not accept or assume responsibility to anyone other than Sasol, for our work, for this report, or for the conclusions we have reached.

Responsibilities of directors

Sasol's directors are responsible for the preparation of the report, and the information and assessments contained within it, for determining the company's objectives in respect of sustainable development performance, including the identification of stakeholders and material issues, and for establishing and maintaining appropriate performance management and internal control systems from which the reported information is derived.

Responsibility of the independent assurance provider

Our responsibility is to report our conclusions to Sasol based on our findings from our work performed and also to report whether, in our opinion, any disclosures relating to the selected 2007 SD performance indicators in the report, are misrepresented or inconsistent with our findings and result in material misstatements.

We conducted our engagement in accordance with the International Standard for Assurance Engagements (ISAE) 3000: Assurance Engagements Other than Audits or Reviews of Historical Financial Information, issued by the International Auditing and Assurance Standards Board. This standard requires, inter alia, that the assurance provider complies with the appropriate requirements of the IFAC Code of Ethics for Professional Accountants to ensure our independence is not compromised and the assurance team members collectively possess the necessary professional competencies. Our work was carried out by a multi-disciplinary team with experience in the chemical, oil and gas sectors, and in sustainability reporting.

Summary of work performed and limitations

The "Basis of reporting" (page 80) highlights key issues, limitations, and uncertainty affecting the accuracy of the performance data reported. It is important to understand the reliability of the selected 2007 SD performance indicators in the context of these limitations.

Our procedures selected depend on our judgement, including our assessment of the risk of material misstatements of those 2007 SD performance indicators selected and our assessment of internal controls relevant to the company's preparation and presentation of the report. Our procedures were designed to gather sufficient appropriate evidence to determine that the selected 2007 SD performance indicators are not materially misstated or misleading.

Our procedures included:

- Reviewing the processes that Sasol has in place for determining material issues to be included in the report;
- Reviewing the results of Sasol's stakeholder engagement processes and determining whether stakeholder responses affecting material disclosures in the report have been addressed.
- Conducting interviews with relevant staff at Head Office and the nine sites and business units visited, to assess the design, implementation and operation of systems and methods used to collect, process and aggregate the information reported, to obtain an understanding of the consistency of the reporting processes compared with prior years and to obtain explanations for SD performance trends.
- Reviewing the consistency between the selected 2007 SD performance indicators and related statements in the report.

We believe that the evidence obtained from our work performed provides an appropriate basis for our conclusions expressed below. Where limited assurance is expressed, less assurance is obtained from our procedures than in a reasonable assurance engagement. We do not express any assurance in relation to the 2007 SD performance indicators not included below.

Subject matter and criteria

- a) The 2007 SD performance indicators selected for purposes of expressing reasonable assurance were: Employee and Service Provider Fatalities; Total Energy Use, Direct Carbon Dioxide (CO₂) emissions and Indirect CO₂ emissions; and
- b) The 2007 SD performance indicators selected for purposes of expressing limited assurance were: Employee Recordable Case Rate (RCR); Fires, Explosions and Releases; Logistics Incidents; Water Use; Hazardous Waste; and Rand Value of Black Economic Empowerment (BEE) Procurement.

The internally developed Sasol SD Reporting Guidance, based on the GRI Sustainability Reporting Guidelines, were used as the criteria for assessing the selected 2007 SD performance indicators.

auditor's assurance statement (continued)

Conclusions

In our opinion, the selected 2007 SD performance indicators set out in (a) above for the year ended 30 June 2007, are fairly stated in all material respects on the basis of the Sasol SD Reporting Guidance.

Based on our work performed, we have no reason to believe that the selected 2007 SD performance indicators set out in (b) above for the year ended 30 June 2007, are not fairly stated in all material respects on the basis of the Sasol SD Reporting Guidance.



KPMG Services (Proprietary) Limited

Per PD Naidoo, Director
Johannesburg
01 November 2007

strategic organisational memberships

This is a non-comprehensive list of organisations that Sasol is a member of and/or contributes to:

Business Trust

National Business Initiative (NBI)

Business Leadership SA

World Economic Forum (WEF)

Chambers of Commerce and Industry SA (CHAMSA), including AHI, SACOB, NAFOCOC and FABCOS

SA Institute of International Affairs

Black Business Executive Circle

Worldwide Fund for Nature (WWF)

International Association for Impact Assessment (IAIA)

Endangered Wildlife Trust

African Asian Society

Institute of Directors of SA

Black Management Forum

American Association of Petroleum Geologists

International Bar Association

Chemical and Allied Industries' Association (CAIA)





Hein Botes, Steve Mathee, Hugo Pretorius and Flip Ferreira at Sasol Synfuels Project Turbo in Secunda.

Section 2: *sasol and sustainable development*

This section of the report provides a broad introduction to Sasol and outlines our approach to managing the challenges of sustainable development.

- *We introduce each of the Sasol companies within our three operating clusters, describe the location of our global activities, and provide a graphical overview of our integrated business model.*
- *We review our management framework at group level for sustainable development, providing a broad outline of the responsibilities, targets and management systems for sustainable development.*
- *We describe our approach to stakeholder engagement, and provide a summary of the outcomes of an employee survey on our sustainability performance and reporting practices.*

chief executive's statement

It is a pleasure to share my reflections on Sasol's sustainable development performance this year and to provide an outlook. It has been an exciting year with many achievements building on our progress last year, bringing us closer to meeting our longer term targets.

In this, my second year as chief executive (CE), I have enjoyed greater participation in discussions on some of our priority sustainability issues. In July 2007, I was honoured to attend and speak at the United Nations Global Compact Leaders Summit in Geneva, one of the largest-ever gatherings of business leadership on corporate citizenship. I was struck by the passion that so many global leaders have towards addressing social and environmental issues, and in particular by their emphasis on climate change. It was also inspiring to see how the world is increasingly taking note of the significant contribution that South Africa is making on these issues.

It is encouraging to report on the improved results we have achieved through focused ongoing efforts. A particular highlight this year has been the significant continuing improvement in our safety performance with our best ever performance at a group-wide level. Our recordable case rate for employees and service providers has improved to 0,75 from 0,93 last year. While this reflects our concerted efforts to improve our safety performance, this progress was overshadowed by four work-related fatalities.

Our foremost objective is to ensure there are no work-related fatalities. Safety is one of our six shared values at Sasol and has been a strong focus in recent years. Although we have a safety culture, we need to respond more effectively to certain challenges, if we are to ensure that this culture is further embedded throughout the group.

In addition to our improved safety performance, I am pleased to report other positive developments that stand out:

- *This year we prepared the ground for Sasol's announcement in September 2007 of South Africa's single largest broad-based black economic empowerment (BEE) ownership transaction to date. If approved by shareholders, the transaction will be implemented in 2008. It will involve the proposed transfer of a 10% interest in Sasol Limited to South African employees, black shareholders and a Sasol Foundation. I am very excited by this transaction as I believe it will contribute significantly to achieving our growth strategy and South Africa's long-term economic success.*
- *We are starting to see positive impacts from rolling out our group initiative to promote a culture of values-driven leadership. This process will take time and requires significant commitment in view of shifting demands on leaders in rapidly changing operating environments.*
- *Sasol has invested much improving its position in society addressing reputational concerns relating to its past. This includes forging closer ties with the South African*

government to ensure greater alignment of our activities to national socioeconomic objectives and sufficient communication of our activities and plans. We have also been more actively involved in business leadership forums.

- *Our overall improvement in SH&E performance has been encouraging as we strive towards achieving our ambitious targets for 2015. While we have made positive progress on most of our targets, regrettably this year we experienced an increase in the rate of logistic incidents and reportable fires, explosions and releases. We believe that this is due, at least in part, to more accurate reporting systems.*
- *Our continuing strong financial performance provides the foundation for our sustainability performance. It enables us to provide significant socioeconomic benefits to many stakeholders and to implement initiatives and investments aimed at further improving our sustainability performance.*
- *We have made some initial progress in implementing energy efficiency initiatives, in line with the South African government's energy efficiency accord. Under this accord we are committed to reducing energy consumption per unit produced by 15% by 2015, with 2000 as the base year.*

As we strive to ensure continuous improvement in our sustainable development performance, our strategy and efforts are reviewed and developed taking into account some considerable challenges:

- *A shortage of suitably skilled labour, both in South Africa and globally, presents us with a particular challenge for sustaining Sasol's growth. To meet this challenge we have developed a comprehensive skills development programme aimed at improving our internal skills development capability as well as contributing to external skills development initiatives in partnership with government and other employers.*
- *We consider global climate change to be one of our principal strategic challenges, not only for our existing operations, but also as we investigate opportunities to roll-out our technologies globally. We recently approved a greenhouse gas policy statement and an environmental roadmap for the next 15 years, with a particular focus on greenhouse gases and water.*
- *In light of the possible peaking of crude oil, we believe that our GTL and CTL technologies will form an important part of the global search for solutions to the energy challenge. In responding to this energy challenge, we are investigating opportunities for carbon capture and storage, and continue to explore the potential for producing fuel from renewable energy and raw material sources, such as fuel cells and biodiesel.*
- *Ensuring access to water for existing operations and to support growth is a challenge in many of our operations. We are at an early stage of implementing water-saving and effluent-*



management projects, and we have identified means to secure sufficient water supplies. Projects are being designed with greater emphasis on reducing raw water demand and improving overall water and effluent management.

- While we have a number of initiatives aimed at reducing our atmospheric emissions and improving energy efficiency, we nonetheless recognise the need to work harder on reducing our environmental footprint throughout the group.

This is Sasol's eleventh report on its sustainable development performance. The report, which has been published with reference to the Global Reporting Initiative's recently released G3 guidelines, forms an important part of a continuous process of dialogue with our stakeholders. We believe that such dialogue is necessary if we are to respond strategically to the risks and opportunities associated with sustainable development. In developing this report, we conducted a series of high-level dialogues between members of Sasol's executive management team and external thought-leaders on those issues deemed most material to our sustainability performance. I participated in the dialogue on climate change and found it particularly stimulating and valuable in raising challenges and opportunities for Sasol's operations.

We have received pleasing recognition for our sustainable development reporting with various awards this year. Our 2006 report was judged Best Sustainability Report in the extractive industries sector, as well as Overall Winner: Best Sustainability Report at the annual Sustainability Reporting Awards administered by the Association of Chartered Certified Accountants (ACCA). We were also the winner of the Ernst & Young Excellence in Sustainability Reporting Annual Award, and achieved fifth place in a survey (conducted by AccountAbility, the corporate social responsibility network and UNISA) on the accountability performance of the top 52 companies on the JSE.

This acclaim for our commitment to being transparent and responsive to stakeholders is enhanced by increasing evidence of a more positive attitude towards Sasol, which I believe is the result of our concerted efforts to contribute to sustainability and in particular our commitment to South Africa.

As Sasol continues to grow in scale and influence, we need to maintain effective relationships with the governments and all our stakeholder groups in the countries in which we operate. This is critical if we are to achieve our vision of being a globally renowned, world-class company that makes an important contribution to sustainable development.

Pat Davies
Chief executive
October 2007



Pat Davies
Chief executive

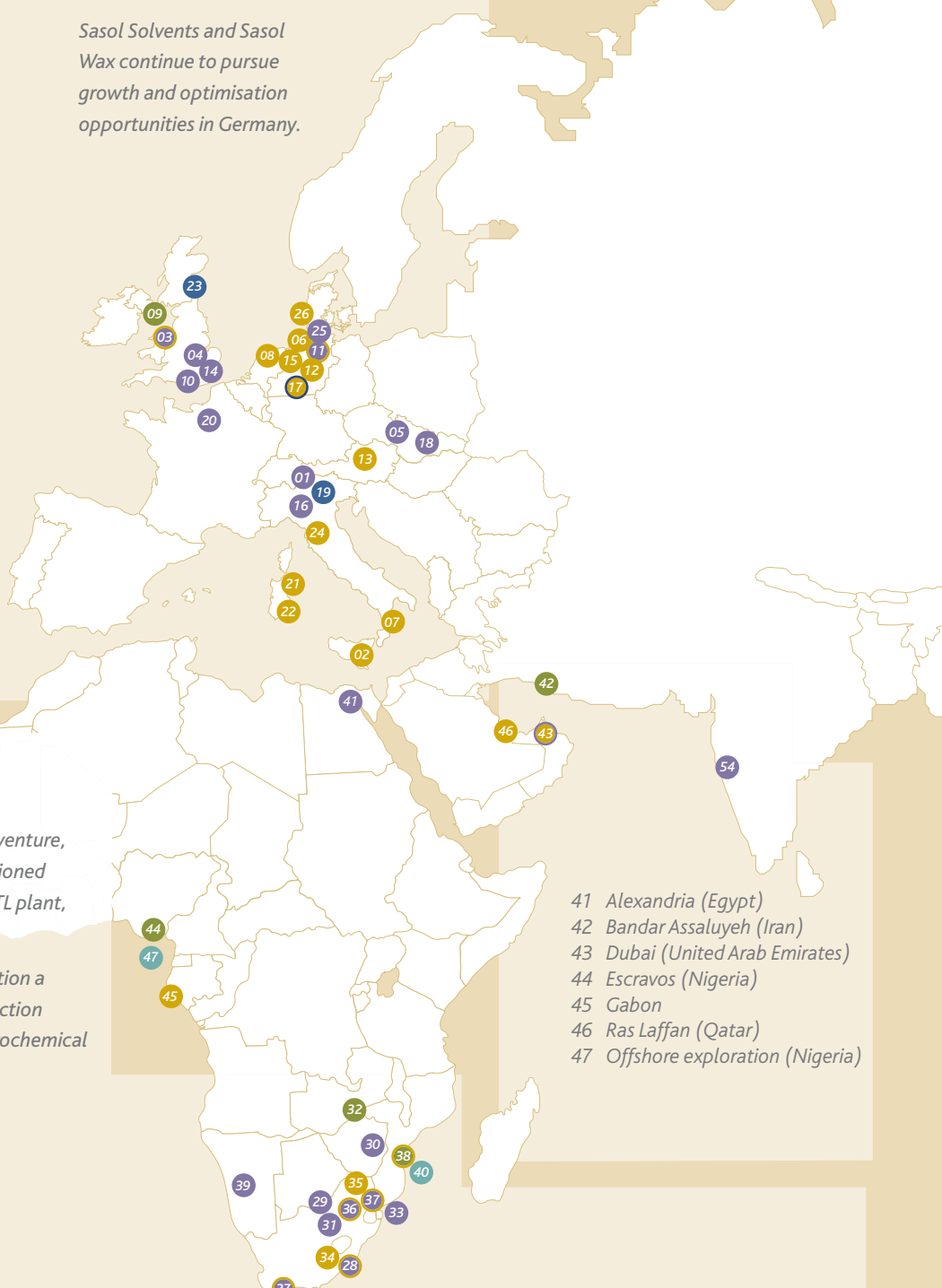
"Our goal is to operate with zero safety incidents and we are determined to achieve this by entrenching a shift in safety attitudes and behaviours."

sasol's global activities

- 01 Appenzell (Switzerland)
- 02 Augusta (Italy)
- 03 Birkenhead (United Kingdom)
- 04 Birmingham (United Kingdom)
- 05 Bratislava (Slovak Republic)
- 06 Brunsbüttel (Germany)
- 07 Crotone (Italy)
- 08 De Meern (The Netherlands)
- 09 Castletown (Isle of Man)
- 10 Farnham (United Kingdom)
- 11 Hamburg (Germany)
- 12 Herne (Germany)
- 13 Linz (Austria)
- 14 London (United Kingdom)
- 15 Marl (Germany)
- 16 Milan (Italy)
- 17 Moers (Germany)
- 18 Nováky (Slovak Republic)
- 19 Paderno Dugnano (Italy)
- 20 Paris (France)
- 21 Porto Torres (Italy)
- 22 Sarroch (Italy)
- 23 St Andrews (United Kingdom)
- 24 Terranova dei Passerini (Italy)
- 25 Witten (Germany)
- 26 Vordingborg (Denmark)

Europe

Sasol Solvents and Sasol Wax continue to pursue growth and optimisation opportunities in Germany.



Africa and the Middle East

Our first international gas-to-liquids (GTL) venture, Oryx GTL at Ras Laffan, Qatar, was commissioned during the year. Construction of a second GTL plant, EGTL at Escravos, Nigeria, is under way.

In the year ahead we shall bring into production a world-scale monomers and polymers production facility in partnership with the National Petrochemical Company of Iran.

- 41 Alexandria (Egypt)
- 42 Bandar Assaluyeh (Iran)
- 43 Dubai (United Arab Emirates)
- 44 Escravos (Nigeria)
- 45 Gabon
- 46 Ras Laffan (Qatar)
- 47 Offshore exploration (Nigeria)

Southern Africa

In addition to expanding Sasol Synfuels' capacity by 20% over the next nine years, several new chemical projects are planned for Sasolburg and Secunda in South Africa. We also plan to increase our production and marketing of natural gas from Mozambique over the next few years.

- 27 Cape Town
- 28 Durban
- 29 Gaborone (Botswana)
- 30 Harare (Zimbabwe)
- 31 Johannesburg HQ
- 32 Lusaka (Zambia)
- 33 Maputo (Mozambique)
- 34 Newcastle
- 35 Phalaborwa
- 36 Sasolburg
- 37 Secunda
- 38 Vilanculos (Mozambique)
- 39 Windhoek (Namibia)
- 40 Offshore exploration (Mozambique)



Key to map

- Manufacturing/production
- Main Office
- Exploration
- Project
- Research

USA

We have streamlined some of our wax-blending and marketing operations in the USA. Our cresylic acids joint venture, Merisol, is about to complete a project to expand its meta-cresol production by 20% at Oil City, Pennsylvania, to support its growth ambitions. We have identified five primary coal regions in the USA that will be evaluated for CTL opportunities.

- 62 Houston (Texas)
- 63 Lake Charles (Louisiana)
- 64 Oil City (Pennsylvania)
- 65 Richmond (California)
- 66 Shelton (Connecticut)
- 67 Tucson (Arizona)

India and the Far East

The Far East, notably China, continues to present exciting growth opportunities. Besides expanding our polymer marketing and distribution interests, we continue our discussions with our partners in China on two potential CTL plants. We have opened a project office in India to facilitate reviewing our CTL opportunities.

- 48 Beijing (China)
- 49 Dongguan (China)
- 50 Hangzhou (China)
- 51 Hong Kong (China)
- 52 Kertih (Malaysia)
- 53 Kuala Lumpur (Malaysia)
- 54 Mumbai (India)
- 55 Nanjing (China)
- 56 Oita (Japan)
- 57 Shanghai (China)
- 58 Singapore
- 59 Tokyo (Japan)

Australasia

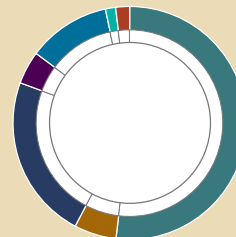
We continue to market, sell and support many of our chemicals in Australasia. These include some of our solvents, waxes, mining chemicals, alkylamines and our Expan™ ammonium nitrate.

We are also exploring opportunities, through Sasol Chevron, to develop a GTL plant in Australia.

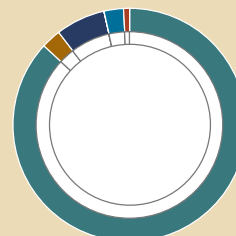
- 60 Auckland (New Zealand)
- 61 Sydney (Australia)

Geographic analysis

Turnover 2007



Operating profit 2007



- South Africa
- Rest of Africa
- Europe
- Middle East, India, Far East
- North America
- South America
- Southeast Asia

our group of companies

Sasol Limited, located in Johannesburg, South Africa acts as the group's investment holding company

Sasol Group Services provides certain specialised services to group companies

South African energy cluster

Sasol Mining

Contribution to group turnover	4%	
Rm	2007	2006
Total turnover	6 042	5 466
Operating profit	1 171	1 227

Sasol Mining mines about 45 million tonnes (Mt) a year of saleable coal at Secunda and Sasolburg, mostly for our South African plants, and exports about 4 Mt of coal annually. Its main operations at Secunda comprise the Bosjesspruit, Brandspruit, Middelbult, Syferfontein and Twistdraai Export operations. It has one mine in Sasolburg, Mooikraal.

Sasol Synfuels

Contribution to group turnover	21%	
Rm	2007	2006
Total turnover	29 084	25 649
Operating profit	16 251	13 499

Sasol Synfuels operates the world's only commercial coal-based synfuels manufacturing facility at Secunda. It produces synthesis gas through coal gasification and natural gas reforming, and uses our proprietary technology to convert synthesis gas into synthetic fuels components, chemical feedstock and pipeline gas.

Sasol Oil

Contribution to group turnover	27%	
Rm	2007	2006
Total turnover	38 191	32 787
Operating profit	2 417	2 432

Sasol Oil markets fuels blended at Secunda and refined through its 63,6% share in Sasolburg's Natref refinery. Products include petrol, diesel, jet fuel, illuminating paraffin, fuel oils, bitumen and lubricants. It has created 169 Sasol convenience centres and 222 Exel service centres in South Africa and exports fuels to several SADC countries.

Sasol Gas

Contribution to group turnover	3%	
Rm	2007	2006
Total turnover	3 702	3 209
Operating profit	1 936	1 526

Sasol Gas distributes and markets natural gas from Mozambique's Temane field and methane-rich gas produced at Sasol Synfuels in Secunda. The company delivers pipeline gas through a 2 000-kilometre pipeline network to 550 industrial and commercial customers in Gauteng, Mpumalanga, the Free State and through its Spring Lights Gas black economic empowerment venture in KwaZulu-Natal.

International energy cluster

Sasol Synfuels International (SSI)

Rm	2007	2006
Total turnover	65	161
Operating loss	(763)	(642)

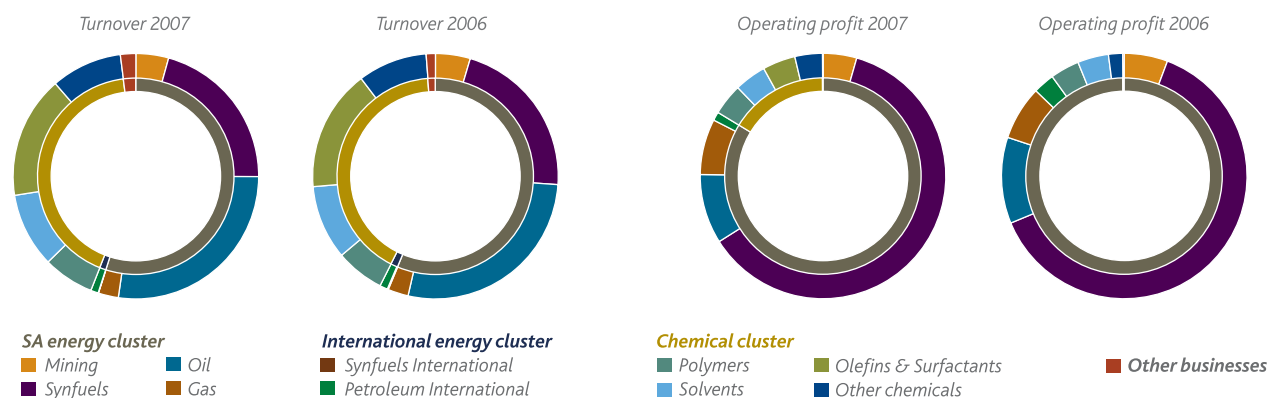
SSI and its Sasol Chevron joint venture develop and implement international ventures based on the Sasol Slurry Phase Distillate™ gas-to-liquids (GTL) process. SSI brought our first international GTL plant into production with Qatar Petroleum earlier this year. SSI also pursues opportunities based on other hydrocarbons that could be beneficiated through our coal-to-liquids (CTL) technology.

Sasol Petroleum International (SPI)

Contribution to group turnover	1%	
Rm	2007	2006
Total turnover	1 400	1 237
Operating profit	300	600

SPI develops and manages our upstream interests in oil and gas exploration and production in Mozambique, South Africa, Gabon and Nigeria. It produces gas from Mozambique's Temane field and oil from the offshore Etame field in Gabon, and pursues gas exploration opportunities globally for GTL feedstock.

Business segment performance



Chemical cluster

Sasol Polymers

Contribution to group turnover	7%	
Rm	2007	2006
Total turnover	9 410	7 639
Operating profit	1 089	822

Sasol Polymers operates plants at Sasolburg and Secunda and markets ethylene, propylene, polyethylene, polypropylene, polyvinyl chloride, chlor-alkali chemicals and mining reagents to a diverse domestic and international customer base. It also has operations at Kertih, Malaysia and is developing polyethylene plants in the Middle East.

Sasol Solvents

Contribution to group turnover	10%	
Rm	2007	2006
Total turnover	13 766	11 666
Operating profit	1 106	873

Sasol Solvents operates plants in South Africa and Germany and supplies a wide range of solvents (mostly alcohols and ketones) and comonomers for the polyolefin market to customers throughout the world. It also has a joint venture in South Africa with Mitsubishi Chemical Corporation and with Huntsman Corporation in Germany.

Sasol Olefins & Surfactants (Sasol O&S)

Contribution to group turnover	16%	
Rm	2007	2006
Total turnover	22 582	19 095
Operating profit/(loss)	1 140	(3 567)

Sasol O&S manufactures and markets surfactants and surfactant intermediates, as well as inorganic speciality chemicals, mainly at plants in Germany, Italy, the USA and South Africa, for customers across the globe. In March 2007 Sasol announced its intention to retain and restructure this business.

Sasol Nitro

Contribution to group turnover	3%	
Rm	2007	2006
Total turnover	4 170	3 402
Operating profit	610	466

Sasol Nitro manufactures and markets ammonia, nitric acid, ammonium nitrate-based commercial explosives and fertilisers, sulphuric acid, phosphate products and blasting accessories. It also markets ammonia, sulphur and speciality gases produced by other Sasol businesses.

Merisol

Contribution to group turnover	1%	
Rm	2007	2006
Total turnover	740	555
Operating profit/(loss)	27	(11)

The Merisol joint venture with Merichem USA produces and markets cresols, xlenols, alkylphenols and other phenolics. It has manufacturing facilities in South Africa and the USA and joint-venture manufacturing facilities at Sasolburg and Oita, Japan.

Sasol Wax

Contribution to group turnover	4%	
Rm	2007	2006
Total turnover	5 574	4 584
Operating profit	629	276

Sasol Wax operates wax production and marketing operations in South Africa, Germany, Austria, Britain and America and sales operations in Switzerland, France, Denmark, Malaysia, Egypt, Australia and New Zealand.

Sasol Infrachem

Contribution to group turnover	2%	
Rm	2007	2006
Total turnover	2 526	2 270
Operating loss	(237)	(297)

Sasol Infrachem is a support business that provides a services platform for reformed natural gas production, utilities, infrastructure and site support at Sasolburg. It is responsible for our site governance at Sasolburg and our reputation management in the Free State.

Other businesses

Sasol Technology

Contribution to group turnover	1%	
Rm	2007	2006
Total turnover	1 905	1 265
Operating loss	(132)	(149)

Sasol Technology manages our research and development, technology and innovation, engineering and project management portfolios. It helps our businesses worldwide to pursue growth and continuous improvement, and to promote competitive advantage through technology solutions.

Sasol Financing

Rm	2007	2006
Operating profit	67	101

Sasol Financing manages the group's cash, liquidity, foreign exchange trading and credit ratings. It is responsible for financial risk management pertaining to interest rate, foreign exchange and commodity price risk. The unit provides support to the group and to business units and joint ventures on financing strategies and funding requirements.

sasol's integrated business model

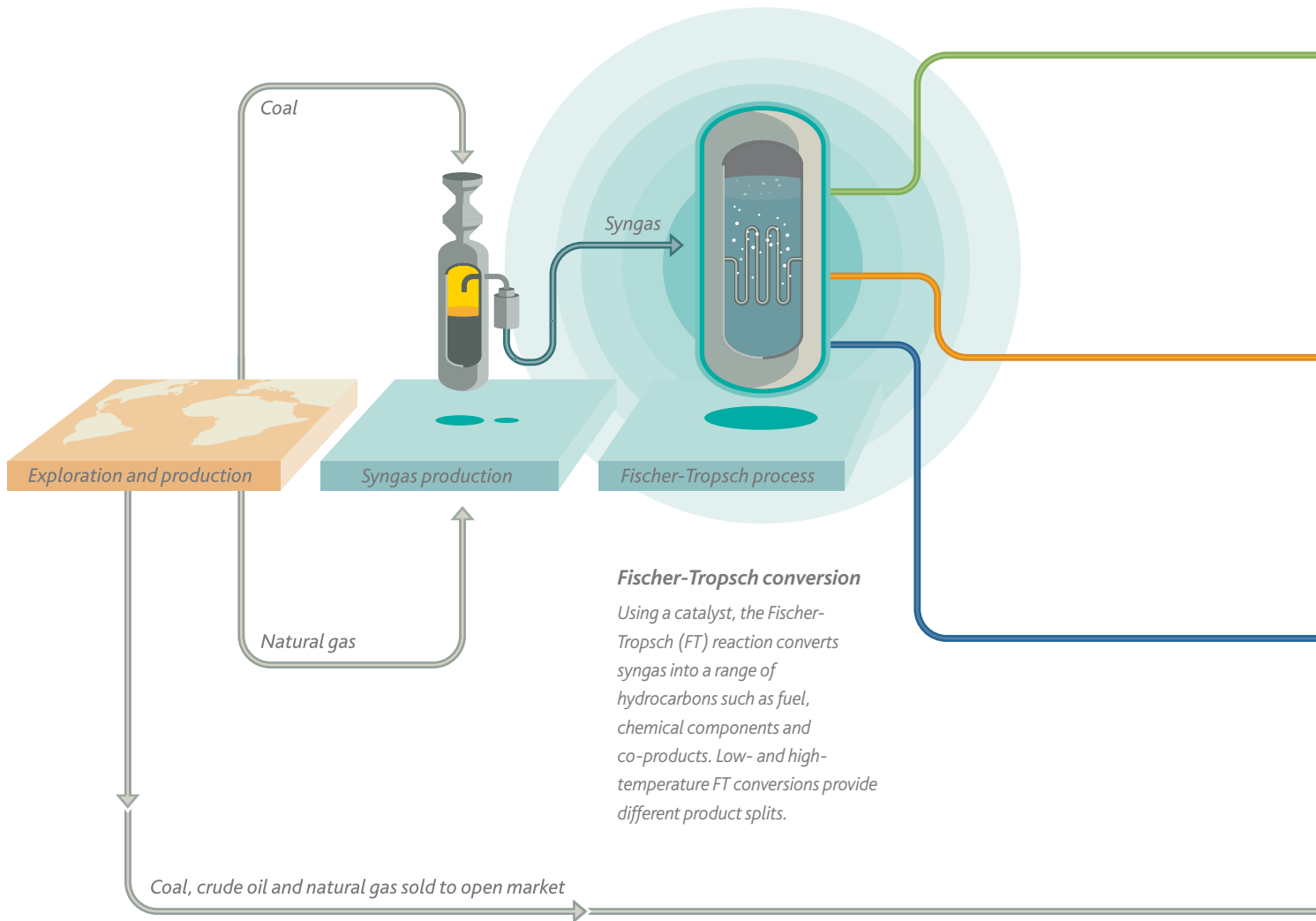
exploiting the benefits of our proprietary technology

Exploration and production

Sasol obtains its raw materials through its coal-mining activities, oil and gas exploration and purchases from the open market. Some raw materials are sold directly to external markets.

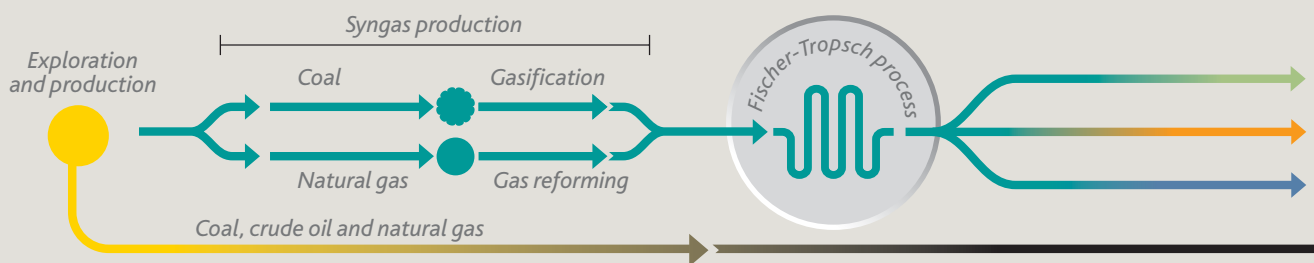
Syngas production

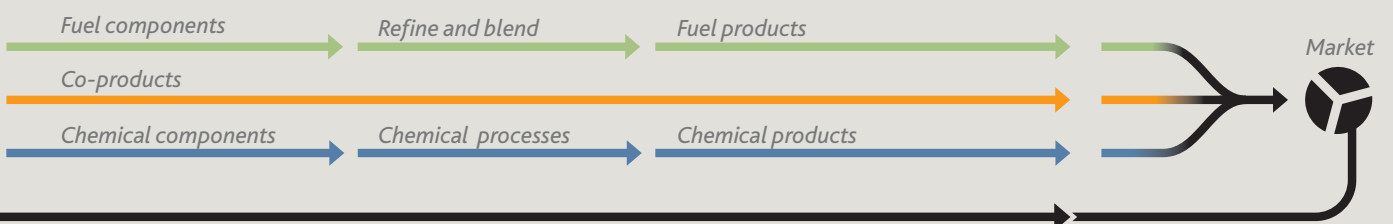
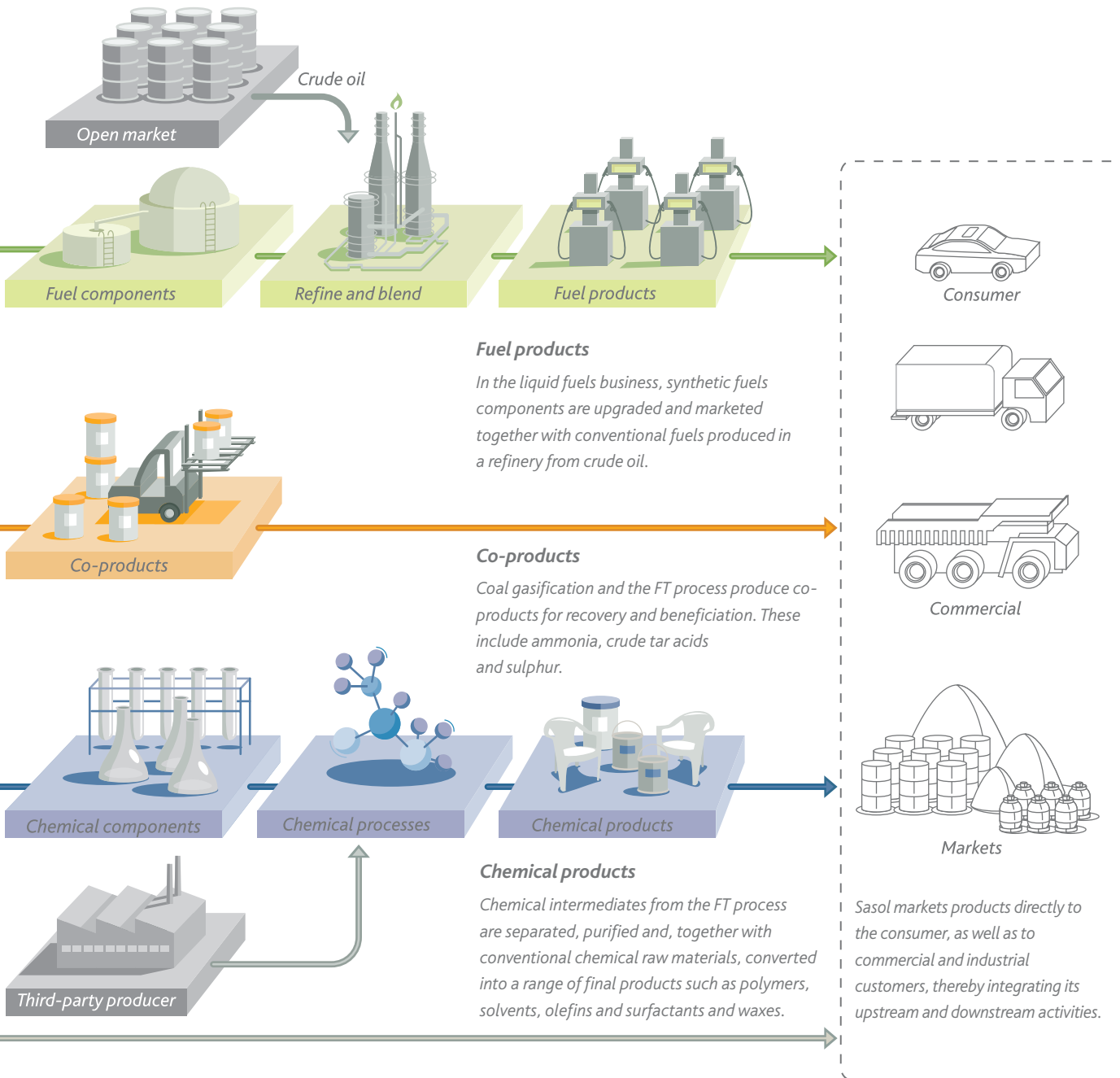
Using steam and oxygen at high temperatures, coal is gasified and natural gas reformed to produce synthesis gas (syngas is a mixture of carbon monoxide and hydrogen).



Fischer-Tropsch conversion

Using a catalyst, the Fischer-Tropsch (FT) reaction converts syngas into a range of hydrocarbons such as fuel, chemical components and co-products. Low- and high-temperature FT conversions provide different product splits.





our management framework for sustainable development

Since committing to sustainable development as a strategic priority in 2000, we have been developing and implementing a management framework aimed at providing our businesses with the policies, governance structures, targets and reporting systems needed to manage the risks and opportunities associated with sustainable development.

This management framework covers all of our exploration, construction, production and marketing businesses globally that we own or over which we have operational control. We also ensure that appropriate measures are in place to manage the sustainability risks associated with those operations, such as joint venture partnerships, over which we have some influence and where we may be open to reputational risks.

Our commitment to sustainable development (SD) is coordinated at corporate level and implemented at business level, with ultimate responsibility residing with our board of directors. Since taking office in July 2005, our chief executive Pat Davies has acted as the group's first chief safety, health and environment (SH&E) officer, providing leadership in promoting a culture of values-based leadership and driving our safety improvement plan. He is assisted on the group executive committee (GEC) by Bram de Klerk – who has dedicated responsibility for SH&E issues, skills development, group strategy and operational excellence – and by specialised board committees. One of these is the risk, safety, health and environment committee (see corporate governance overview).

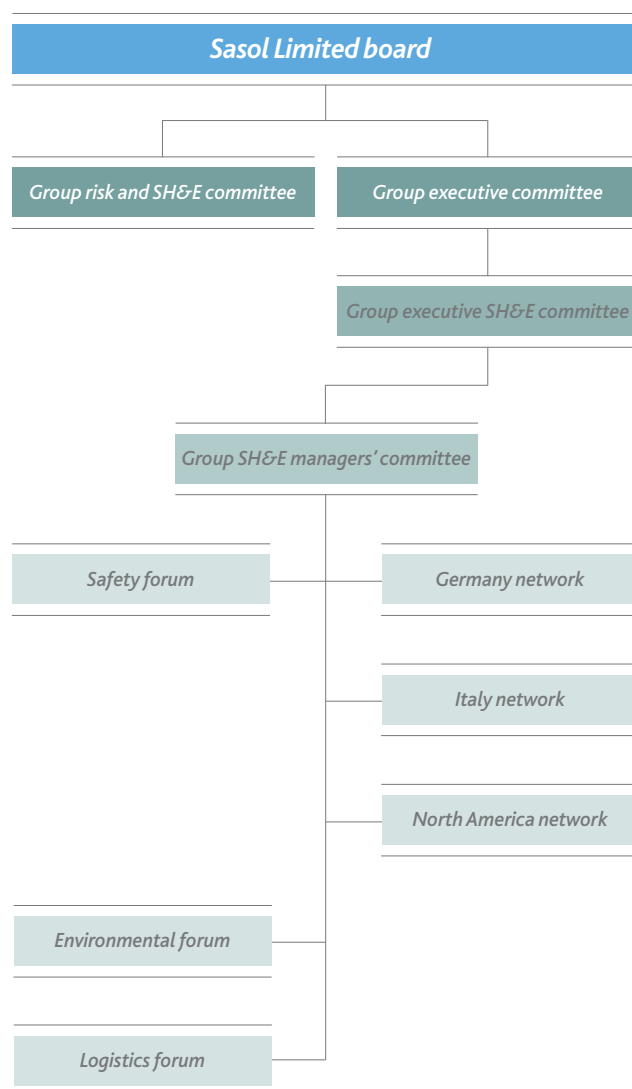
Our group executive committee (GEC) maintains primary responsibility for the daily management of group-wide sustainability. The GEC receives strategic and operational-specific inputs from all businesses, as well as from specialised committees and two group forums that meet quarterly:

- the group risk management forum, which oversees the risk profile of our global operations; and
- the group executive safety, health and environment (SH&E) committee, which reviews performance, and considers and approves recommendations on SD and SH&E guidelines and policy.

We promote the sharing of experience through our communities of practice (CoPs), an informal network comprising groups of technical specialists from throughout Sasol who share a common interest on a particular theme. CoPs have been established to address a range of sustainability-related issues, including process safety, climate change, product stewardship, public participation, air quality, law reform and groundwater remediation. As much of this interaction is undertaken electronically, it is easier to ensure representative participation from the full Sasol group.

The Sasol SH&E centre, based at our Johannesburg corporate head office, oversees sustainability, as well as SH&E performance across the group. The centre is responsible for global SH&E and sustainable development direction, policy, review and governance. It also provides a range of specialist advice and support services to our businesses.

At the operational level, senior management is held accountable for ensuring effective implementation of the group's SH&E policy. Each of our plants has dedicated SH&E staff to assist line management with SH&E implementation. The Sasol SH&E centre maintains active communication with these staff members through the network of CoPs and the quarterly SH&E forums.





Understanding the business case for sustainable development at Sasol

We believe that large companies such as ours have an increasing responsibility to demonstrate leadership in addressing social and environmental challenges. Businesses form part of society – and in many instances are an extremely influential part of the communities within which they operate. It is thus in our individual and collective interests to ensure that we make a positive contribution to the sustainable development of these communities.

Not only is there a moral imperative, but there are important commercial advantages to acting in a manner that is socially and environmentally responsible and that contributes to overcoming the legacies of some of our past activities. We believe sustainability practices make good business sense for the following reasons:

- **Managing risk:** On the operational side, a commitment to sustainability encourages us to identify and manage our risks responsibly and to ensure effective compliance with legal requirements. By reducing incidents, we also save on cleanup and other costs, including insurance premiums and legal liabilities.
- **Enhancing reputation:** We recognise that companies – particularly those that operate at a global level – are coming under increasing scrutiny from various stakeholders and that there are significant and potentially costly reputational risks associated with any perception of adopting unsustainable practices.
- **Freedom to operate:** By maintaining a sound record of legal compliance and by working constructively towards fostering trust with our stakeholders, we are able to maintain our ability to operate in the communities in which we do business. Being seen as a responsible company assists us in securing permission to expand or build new facilities.
- **Access to financial markets:** The introduction of initiatives such as the Equator Principles, the increasing growth in social investment funds, and initiatives such as the Dow-Jones Sustainability Index (DJSI) and the Carbon Disclosure Project, have made it increasingly apparent that socially responsible practices can improve access to financial markets and reduce the cost of capital.
- **Staff motivation and retention:** Our reputation has an important bearing on our ability to attract and retain the best employees at all levels, which is critical to our sustained growth. Furthermore, we believe employees who are happy at their workplace will tend to develop a greater innovation and productivity.
- **Eco-efficiency:** Through our cleaner production programmes we have achieved valuable savings through improved energy and material efficiency, as well as with reduced waste disposal costs.
- **Product market opportunities:** By being proactive in developing environmentally innovative products – such as our Sasol turbo™-branded petrol and environmentally superior GTL diesel – we are able to position ourselves favourably in the marketplace, while at the same time contributing to improved environmental sustainability.

Promoting our SH&E strategy

In terms of our SH&E strategy, our vision is to be a world-class company that is respected globally for our performance, processes and culture. To achieve this vision, we have set the following goals to be achieved by 2015 for each of our six priority focus areas. Each of these goals is supported by more immediate short-term goals.

Strategic focus areas	Our goals
Safety and health	Zero fatalities and zero injuries for employees and service providers
SH&E performance targets	Meet all group and business unit SH&E targets
Climate change and greenhouse gases	Reduce greenhouse gas emissions by 10% per ton of product, implement CO ₂ capture and storage initiatives, and realise clean development mechanism (CDM) projects
Proactive legal compliance	Ensure full compliance with all applicable national and international legislation or Sasol SH&E minimum requirements, whichever is the more stringent
Governance and assurance	Ensure global alignment of SH&E and sustainable development audits and management systems
Stakeholder relations	Communities value Sasol's presence, and investors are satisfied with Sasol's SH&E and sustainability performance

material safety, health and environment (SH&E) risks

This table identifies Sasol's material SH&E risks and briefly describes the measures in place to address them. Each risk has been identified through formal internal risk assessment procedures undertaken with input from our operations. The following list constitutes a subset of the group-wide risks that are described, for example, in terms of the Form 20-F and related reporting requirements of the US Securities and Exchange Commission.

Risk	Summary of measures taken to address the risk
<p>Major fire, explosion or release of hazardous gas or vapour.</p>	<p>All Sasol sites have identified and quantified their major risks in these categories. Specific mitigation measures and contingency plans have been drawn up and, where required, agreed with relevant authorities. Site risks, as well as mitigation and contingency plans, are reviewed as part of SH&E corporate governance audits. A comprehensive safety improvement plan is being implemented.</p>
<p>Major logistics incident (fire, explosion, emission, spillage or gas pipeline rupture).</p>	<p>In most instances, responsibility to manage these emergencies lies with third parties. Where Sasol uses third-party logistics service providers, we assess compliance with specific requirements. In addition, we provide material safety data sheets, information and advice using global emergency call centres. A group-wide target has been set of achieving at least a 50% reduction in the number of significant logistics incidents per ton of product transported, on the 2004 baseline, by July 2009.</p>
<p>Climate change poses a significant challenge for our business.</p>	<p>We have a policy statement on greenhouse gas (GHG) emissions. A group-wide target has been set with the aim of achieving at least a 10% reduction in GHG emissions per ton of product, on the 2005 baseline, by July 2015. This reduction will be facilitated by switching feedstock at new and existing facilities and improving more energy- and carbon-efficient technologies. New coal-to-liquids (CTL) and gas-to-liquids (GTL) plants will be designed to reducing CO₂ emissions and allowing for CO₂ capture. We have the opportunity to make significant savings by energy efficiency improvement and to use carbon credits. We have recently registered a Clean Development Mechanism (CDM) project for the reduction of nitrous oxide emissions from our Sasol Nitro operations in South Africa, which will reduce emissions equivalent to about one million tonnes of carbon dioxide per annum. Other projects – including potential CDM projects, are under way that will result in GHG emissions reductions.</p>
<p>Changes in environmental laws (especially air, water and waste), resulting in higher costs of compliance.</p>	<p>In South Africa, a new Air Quality Act has been promulgated, bringing South Africa into line with international requirements for air emissions. Minimum requirements based on World Bank Group standards or local legislation (whichever is the more stringent) have been adopted for new projects and existing facilities have prepared plans to achieve these standards. We maintain working relationships with government departments in the major regions in which we operate.</p>
<p>The potential health impact of long-term exposure to harmful chemicals.</p>	<p>Operational personnel are subject to annual medical evaluations and where the risks cannot be entirely eliminated, employees are provided with personal protective equipment and necessary training. A group-wide target has been set of achieving at least a 50% reduction in the emission of certain volatile organic compounds (VOCs), by July 2015.</p>



Risk

Summary of measures taken to address the risk

Inherent SH&E risks in technology development (R&D, concept, design, construction and commissioning).

Provision is made for lower risk technologies and cleaner production approaches in new project design. Hazard and operability studies and quantitative risk assessment are used. Additional classification tools and checklists are being developed to enable further improvements.

Implementation of tighter product regulations, such as new fuel regulations in South Africa, and new chemicals legislation in Europe.

Significant progress has been made in implementing product-related initiatives relating, for example, to cleaner fuels and to compliance with the EU legislation on the Registration, Evaluation, and Authorisation of Chemicals (REACH). The impact of other countries' chemicals legislation is assessed when new regulations are proposed.

Availability of skills and competence to design, construct, operate and maintain plants.

Programmes are being developed to upgrade the professional and artisan training programmes in South Africa, to provide further training to Sasol employees through in-house programmes and external institutions, to stimulate recruitment globally, and to leverage external resources.

Natural disasters and epidemics or pandemics (eg SARS and avian influenza).

Business units review existing business continuity planning in anticipation of threats of various sorts. Probability and potential to disrupt business are key parameters.

Environmental liabilities due to past contamination (eg mine water, air emissions and contaminated groundwater).

Sasol Technology has developed a group-wide approach to identifying and quantifying environmental liabilities in South Africa. This project will take several years to complete. The EU and USA sites' environmental liabilities were well-characterised during the due diligence process, with relatively low residual risk. Ongoing work is being done to remediate contaminated land throughout our South African operations. Our goal is to prevent future contamination and address all historical issues.

our management framework for sustainable development

Our safety, health and environment policy and targets

All our operations are governed by an integrated SH&E policy and by a series of group-wide SH&E performance targets that supplement existing commitments made at the level of the individual company and/or plant. Each Sasol business is required to track their performance against these targets and to submit quarterly reports to their respective boards. These quarterly reports outline each business's major risks and liabilities, identify progress against the group's sustainability targets and report on any major incidents and events of non-compliance. A review of our performance against each of these targets is provided on page 5.

An important milestone this year has been the approval of management plans by all our existing business units outlining how they propose to meet our globally applicable SH&E minimum requirements. These minimum requirements, which are based on World Bank Group standards, apply to all new and existing Sasol projects and all joint ventures (JVs) under Sasol's managerial control.

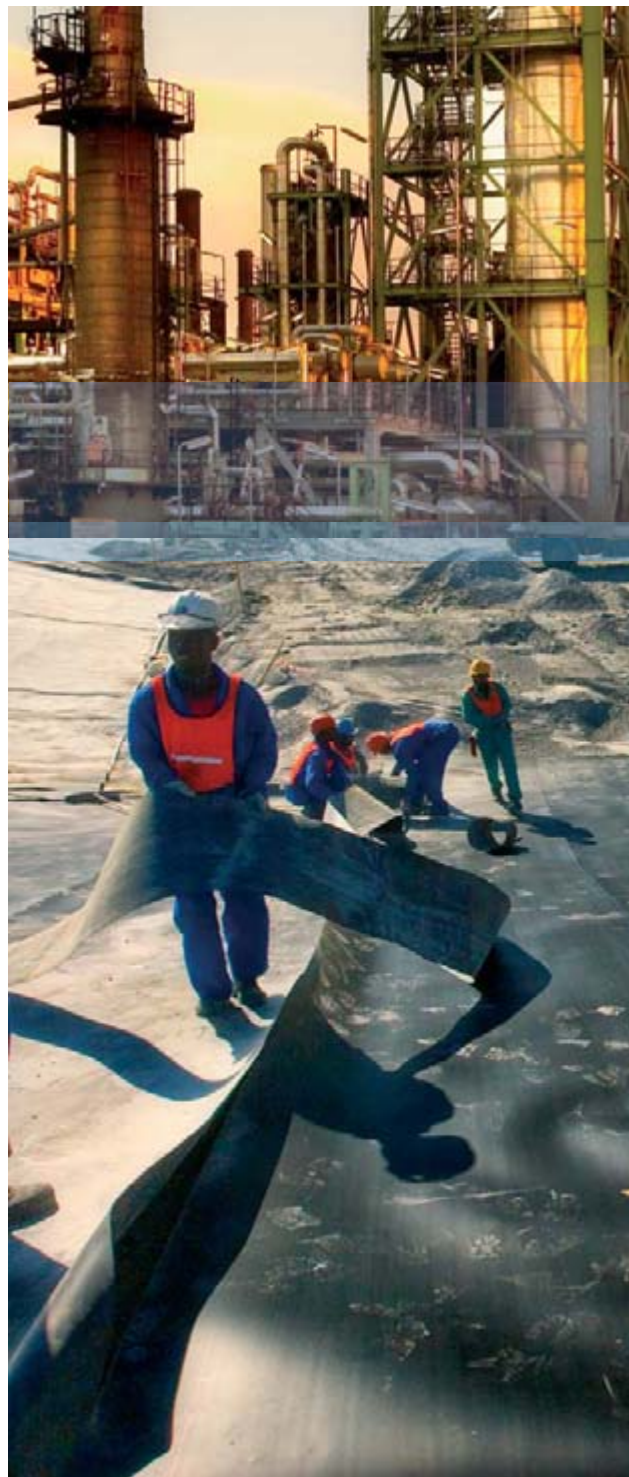
With regard to new projects, our research, development, engineering, construction and operation process goes through a thorough stage-gate business development and implementation model. This has several sequential decision-gate criteria – including SH&E considerations – aimed at ensuring that we comply with the regulations of the countries in which we operate and with our SH&E minimum requirements.

Adopting integrated management systems

We have continued to make progress towards achieving the group goal of having ISO (International Organisation for Standardisation) 14001 and OHSAS (Occupational Health and Safety Management System) 18001 certification for all our businesses by the end of 2007. The ISO 14001 standard is an internationally accepted standard for the development and implementation of environmental management systems, while OHSAS 18001 is an international occupational health and safety management system. We are working hard to develop and adopt integrated management systems throughout the organisation.

Certification to these standards entails regular audits by an independent, accredited third party. Our businesses in South Africa have received more than 40 ISO 14001 certifications and most of our US and European businesses are also ISO 14001 certified. We have recently started to obtain OHSAS 18001 certification at some of our South African, USA and European sites. Our integrated management systems also make provision for behaviour-based safety and Responsible Care requirements.

A summary of the status of certification against these standards throughout the organisation is presented in the accompanying table.



The preparatory work for the remediation of the tar pits at the Sasol One site in Sasolburg is nearing completion.

Management system certification status throughout Sasol South Africa (as at 1 July 2007)

Business unit	ISO 14001:2004	ISO 9001:2000	OHSAS 18001:1999
Sasol Synfuels			
Sasol Synfuels	√	√	√
Sasol Secunda Shared Services	X	X	X
Sasol Nitro			
Sasol Nitro fertiliser business	√	√	√
Sasol Nitro (Sasolburg)	√	√	√
Sasol Nitro (Phalaborwa)	√	√	√
Sasol Nitro explosives (Ekandustria)	√	√	√
Sasol Nitro bulk services	√	√	√
Sasol Nitro explosives (Secunda and Rustenburg)	√	√	√
Sasol Nitro polyphosphates (Meyerton and Sasolburg)	√	√	√
Sasol Oil and JVs			
Natref	√	√	√
Natcos	√	n/a	X
Sasol Oil Secunda operations	√	n/a	√
Sasol Fuel Oil	√	n/a	X
Sasol Oil fuels marketing: operations (Alrode, Secunda, Sasolburg and Pretoria)	√	n/a	X
Tosas	X	n/a	X
Sasol Gas			
Sasol Gas (Alrode, Randburg, Secunda, Nelspruit, Pinetown and Mozambique)	√	√	√
Sasol Mining			
Sasol Mining Sigma	√	n/a	X
Sasol Mining Syferfontein	√	n/a	X
Sasol Mining Middelbult	√	n/a	X
Sasol Mining Brandspruit	√	n/a	X
Sasol Mining workshop (operational technical services)	X	√	X
Sasol Mining coal supply	√	n/a	X
Sasol Mining Bosjesspruit	√	n/a	X
Sasol Mining Twistdraai	√	n/a	X
Sasol Mining Twistdraai export plant	X	n/a	X
Sasol Wax			
Sasol Wax (Durban)	√	√	√
Sasol Wax (Sasolburg)	√	√	√
Sasol Chemicals			
Merisol	√	√	√
Polymers monomers business	√	√	√
Polymers polythene business	√	√	√

our management framework for sustainable development (continued)

Business unit	ISO 14001:2004	ISO 9001:2000	OHSAS 18001:1999
Polymers chemicals business	√	n/a	√
Chlorine	*	√	*
Peroxide	*	√	*
Mining reagents	*	n/a	*
Polymers vinyls business	√	√	√
Polymers polypropylene business	√	n/a	√
Sasol Solvents			
Sasol Solvents (Sasolburg, Midlands and Germiston)	√	√	√
Sasol Solvents (Rosebank and Durban)	X	X	X
Sasol Solvents (Secunda)	√	√	√
Sasol Technology			
Sasol Technology	√	n/a	√
Sasol Infrachem			
Sasol Infrachem (entire business)	n/a	n/a	√
SHER department	n/a	√	*
SCI laboratories	n/a	√	*
Silog	√	√	*
Asset management group	n/a	√	*
Infragas	√	n/a	*
Electrical operations	√	n/a	*
Water and waste services	√	n/a	*
Steam stations	√	√	*

Note: "n/a" indicates business units that are not required to achieve that particular certification. In most instances it is for ISO 9001:2000 certification, which is a business choice.

Also note that the management system certification status for Sasol International operations is not included in this table.

* Umbrella certification.

Independently monitoring our performance

To ensure our performance is aligned with group policies and objectives, we conduct regular SH&E corporate governance audits throughout our global operations. The findings of these audits are communicated at a senior level and reported to the group SH&E managers committee.

These internal audits are supplemented by the annual external verification audits associated with our sustainable development report, as well as by external audits undertaken as part of ISO 14001 and OHSAS 18001 (or equivalent) certification, or in fulfilment of regulatory requirements. In 2006, we appointed a single external auditing company to conduct integrated management system audits of all our South African operations with the aim of ensuring more consistent auditing standards and facilitating the sharing of best-practice throughout Sasol.

Reporting internally on our sustainability performance

All of our businesses are required to monitor and record operational data on a range of SH&E and broader sustainable development issues, and to submit quarterly performance reports to the relevant divisional boards of directors and to the Sasol SH&E centre. These quarterly reports outline each business's major risks and liabilities, identify progress against the group's sustainability targets and report on any major incidents and non-compliance. A standardised reporting template is used to provide directors with concise information on their responsibilities in a manner that is consistent, complete and auditable.

We have developed and approved a set of sustainable development reporting guidelines that provide the minimum reporting requirements across all Sasol business units. These guidelines define

the scope of reporting, the performance data items to be reported and the frequency of reporting. Our internal reporting procedures and practices provide the basis for our annual external sustainable development reports.

Encouraging engagement and outreach

Engaging with our stakeholders forms an important part of the way in which we do business and is a cornerstone of our strategic commitment to sustainable development. "Winning with people" is one of Sasol's six core values and our commitment to appropriate stakeholder engagement and community outreach and involvement is stated in the Sasol SH&E policy, as well as in our code of ethics.

In addition to the stakeholder engagement initiatives implemented as part of new projects and our annual sustainability reporting process, we undertake ongoing community outreach initiatives at most of our operations. These initiatives include holding public meetings, hosting explanatory tours of our operations and implementing structured systems for responding effectively to community complaints. This approach towards community outreach provides our management teams with a deeper understanding of community interests.

We aim to grow the dialogue with our staff, shareholders, market partners, civil society and government through joint reflection and shared understanding. We issue our annual reports, SD reports and other publications to all stakeholder groups. Community leaders, journalists, investment analysts, government and parliamentary officers, and other stakeholders are invited to participate in occasional mine and factory site visits, plant and project opening ceremonies and other Sasol events throughout our international operations.

Supporting global initiatives

We have a group target of attaining a 90% practice in place (PIP) for the Responsible Care codes of practice, as measured by external verification, by July 2011. Benchmarking against some of our principal industry peers revealed that of these three companies, only one publicly committed themselves to a target of 100% practice in place, which it achieved in 2002.

Since 2001, Sasol has been a signatory of the United Nations Global Compact (UNGC), an international initiative that addresses human rights, labour, environmental and corruption issues through a commitment to 10 principles. In July 2007, Sasol chief executive Pat Davies was an invited speaker at the UN Leaders Summit hosted in Geneva by UN Secretary-General Ban Ki-moon. Described as the largest-ever gathering of business leadership on corporate

citizenship, the meeting resulted in the 21-point Geneva Declaration, the CEO Water Mandate and a commitment by signatory companies to speeding up action on climate change through the Leadership Platform on Caring for Climate. In November 2006, we participated in the UNGC Learning Forum meeting in Ghana where we presented our independently commissioned study on Sasol's approach to human rights (see page 69). A communication on our progress in implementing the 10 UNGC principles is available on our website (www.sasol.com/sustainabledevelopment).

We are corporate members of numerous local and international business, engineering, scientific and other organisations. We play an active role in the development and implementation of Responsible Care initiatives and participate in various working groups of the European Chemical Industries' Council (CEFIC), American Chemistry Council (ACC) and the South African Chemical and Allied Industries' Association (CAIA).

Promoting product stewardship

Recognising the risk management and marketing benefits associated with environmentally preferred products, particularly in the context of the global policy shift towards addressing the risks and impacts of products rather than processes alone, Sasol is committed to adopting a cradle-to-grave approach to all the products we develop, manufacture, use, distribute and sell.

Since 2003, a formalised global support structure – with assigned responsibilities in each of the key individual companies – has been in place with the goal of ensuring a structured response and providing direction on product stewardship throughout the group.

We continue to harmonise material safety data sheets (MSDS) throughout the group, based on an approved minimum data set that provides for recent legislative developments in the EU and USA – such as the EU REACH legislation on the registration, evaluation and authorisation of chemicals – and that addresses customer requests. Sasol operations in Europe and the USA played a major role in developing the data set, which meets most international data requirements. Our animal-testing policy has been finalised and approved.

We have continued to play a leading role on product stewardship issues in relevant CEFIC and ACC working groups on product stewardship. We are engaged in several significant chemical-testing initiatives, including more than 20 industry consortium efforts aimed at evaluating the hazards of high-production volume (HPV) chemicals. We support the development of the Global Harmonised System for Classification and will be adopting this.

our management framework for sustainable development (continued)

Ensuring the security of our facilities

The maintenance of plant security is a priority throughout the group, and has retained particular significance in the context of current global security concerns. Our US operations have adopted a security code of management practice, in terms of which we have conducted a security vulnerability analysis to identify areas in which additional security measures are necessary; management systems are in place for other aspects of plant, distribution and cyber security.

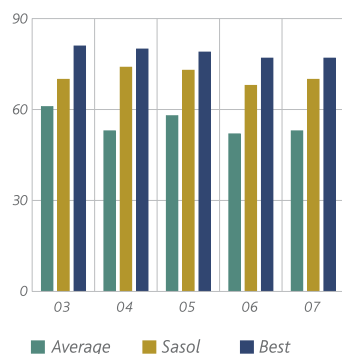
During the year, we conducted cross-site audits of our South African operations to review the status of our security procedures, training, perimeter maintenance, response strategies and communication with authorities, in accordance with relevant security-related legislation. A high-level overview of plant security has also been included within our SH&E governance audits. Where necessary, any corrective actions are included as part of site-based safety improvement plans.

Participating in sustainability indices

Sasol's overall score within the oil and gas producing sector of the Dow-Jones Sustainability Index (DJSI) improved from 68% to 70%. The average score in our industry group was 53% and the highest was 77%. Although Sasol was rated above the industry average in most criteria, our overall score was below the top decile level required for inclusion in the 2007 DJSI. This reflects the increased level of competition on the DJSI and the level of improvement of some of our peers. We will continue to focus our efforts on addressing areas of weakness with the aim of being included in the DJSI next year.

The 2007 JSE socially responsible investment (SRI) index results are not yet available. In the previous two years Sasol was included in the top six of the 30 high-impact listed companies that qualified for this index. We hope to maintain this high-level rating in 2007.

Sasol's DJSI ranking (international benchmark of sustainability performance under oil and gas production sector)



Fines, penalties and settlements

In South Africa, we continue to be involved in judicial review and appeal processes arising from decisions made by the provincial authorities concerning applications for environmental authorisations of convenience centres intended to carry the Sasol or Exel brands. The appeals are lodged primarily by other competitors and existing convenience centre owners, including the Fuel Retailers Association of South Africa, who aim to protect and advance their financial interests through the application of environmental legislation and rights. We believe that by entering into a robust process with the authorities, we are contributing to greater clarity in the legislation and in particular ensuring that appropriate provision is made for a balance between the socioeconomic and environmental elements of the legislation.

In addition to the above activities, the provincial authorities have issued a cease and desist order against Sasol Oil and the developer to prevent any further development of particular convenience centres in the Gauteng region. We have honoured the directive and have voluntarily undertaken dismantling and compacting activities in accordance with the recommendations of a soil specialist. Some of Sasol's businesses lodged applications for retrospective environmental authorisation for certain activities listed under the Environment Conservation Act. These applications are under consideration by the provincial environmental authorities. Application processing fines that have been issued have been in the amounts of between R15 000 and R20 000 and have been paid by the businesses.

Various legal proceedings, which have been reported on previously, are still pending in some of our North American operations. These relate primarily to incidents that occurred prior to our acquisition of these facilities. The settlement of any claims relating to these proceedings is managed as part of the asset and share purchase agreement relating to the Condea acquisition. In addition, there are presently approximately 150 hearing-loss cases pending with respect to Sasol North America that are being jointly defended with ConocoPhillips.

From time to time Sasol companies are involved in other litigation and administrative proceedings in the normal course of business. Although the outcome of these proceedings and claims cannot be predicted with certainty, the company does not believe that the outcome of any of these cases would have a material effect on the group's financial results.

engaging our stakeholders

Engaging our stakeholders

Informing our investors

Through our investor relations team, assisted by investor relations consultants in New York and London, we keep shareholders and the investment community posted on our financial results and topical issues. Our chief executive, chief financial officer, investor relations and communications team regularly present and discuss group performance and strategy with investment analysts, institutional investors and journalists in South Africa, North America and Europe.

To ensure communication with those without access to electronic media, we publish highlights of our annual and interim financial results, inclusive of a business overview and commentary, in the main South African daily newspapers. In line with New York Stock Exchange (NYSE) and Johannesburg Stock Exchange (JSE) regulations, we do not disclose information selectively to shareholders, and endeavour to share information with as many stakeholders as possible. Major announcements, including financial results, cautionary announcements, executive appointments, BEE deals, and business acquisitions and disposals, are made through the Stock Exchange News Service (SENS), electronic filings with the Securities and Exchange Commission (SEC), news wire services, media releases and the Internet.

Working with regulatory officials

We work actively to establish and maintain constructive relationships with governments, especially in South Africa. We do so by seeking to position Sasol appropriately with government departments, alerting the company on public issues that can impact on the achievement of the company's strategic objectives, and establishing a more credible voice for Sasol on matters of public policy. On many policy issues we communicate with government through the forum of relevant business associations such as the Chemical and Allied Industries' Association (CAIA) in South Africa, and the European Chemical Industry Council (CEFIC).

We monitor the legislative process in South Africa by forging relationships with members of the relevant parliamentary portfolio committees and we engage with individuals and sub-committees. While different government departments are important to Sasol's sustainability, we place more emphasis on those departments that are more relevant to our day-to-day business, including the national departments of the Presidency, Minerals & Energy, Treasury, Trade & Industry, Environment & Tourism, Labour, Water & Forestry, Science & Technology, and Transport. At provincial and local levels, particularly in the Mpumalanga and Free State provinces, we establish and maintain good relations with premiers, relevant members of executive councils (MECs) and executive mayors, as well as traditional leaders in rural areas.

We also regularly interface with government officials in Mozambique, Germany, Italy and the USA. We have established positive relations in Qatar where we have developed our first international gas-to-liquids plant in partnership with the state-owned oil company, Qatar Petroleum. Sasol has been nurturing government and business relations in other countries where we have been investing or are planning to invest. These include Malaysia, China, Iran and Nigeria.

Engaging local communities and civil society organisations

We keep local communities involved in our sustainable development programmes, especially when dealing with potentially sensitive issues such as water management, emissions to air, waste management and the development of new production facilities. In addition to the public participation initiatives implemented as part of new projects, we continue to undertake community outreach initiatives at most of our existing operations. These initiatives include holding public meetings, hosting



engaging our stakeholders (continued)

explanatory tours of our operations and implementing structured systems for responding effectively to community complaints. This approach towards community outreach has provided our management teams with a deeper understanding of community concerns and interests.

Business organisations

In all the countries in which we operate we are active members of the relevant industry associations, including, in particular, the South African Chemical and Allied Industries' Association (CAIA), the American Chemistry Council (ACC), the German Chemical Association (VCI) and the European Chemical Industry Council (CEFIC). Through our participation in these industry associations we are able to channel our views into governmental initiatives, as well as working cooperatively on industry initiatives with our peers.

We are also corporate members and are represented on numerous local and international business, engineering, scientific and other organisations. In South Africa, these include:

- Business Unity South Africa (BUSAs);
- Chamber of Mines;
- Chemical and Allied Industries' Association (CAIA);
- Plastics Federation of South Africa;
- South Africa Foundation;
- South African Colliery Managers' Association;
- South African Institute of Chemical Engineering (SAICE);
- South African Institution of Mechanical Engineering (SAIMechE); and
- South African Petroleum Industry Association (SAPIA).

We are also members of business, industrial and other bodies in Europe and North America at regional, national, state/provincial and metropolitan levels. Through such organisations, we play a constructive role in supporting important communities of interest.

The media

Sasol shares information and opinion with the South African and international media across a broad spectrum of current issues. We maintain well-resourced group communication, investor relations, sponsorship, corporate social investment (CSI) and brand management teams. In addition, most of our major businesses employ full-time communication practitioners. We present our half-yearly and annual financial results to the financial community and to the media. We continuously issue topical media releases and investor updates, which we publish on our website, to keep stakeholders updated on our plans, projects and important issues, including technology, capital projects, BEE, SH&E and social investment.

"I would like to congratulate Sasol after reading in The Star Business Report (June 15) that Sasol has refused to supply cyanide to a mining company that wanted to use it on a site it cleared and built without a permit. Refusing to supply such a customer with such a potentially difficult product until the customer complies with the law, demonstrates to me more than many other things that Sasol is taking its sustainability risks and reputational issues serious. This is really walking the talk. I am proud to be a shareholder of such a company."

South African sustainability consultant and Sasol shareholder

employee survey on sasol's performance

As part of our commitment to promoting sustainable development throughout the company, Sasol commissioned an independent employee survey, designed to monitor employee awareness of sustainable development issues within the company, and particularly of the sustainable development report.

A total of 922 employees replied to the survey across a spread of the regions within which Sasol operates. The aim of the survey was to discover the extent to which employees had engaged with our sustainable development report, and to provide an opportunity to gather feedback on their perceptions of sustainability issues relevant to the company. The response rate of one in 18 employees was attributed to the survey coinciding with the extremely busy end of financial year period. The survey was also conducted electronically, and not all our employees have ready access to email. It is anticipated that future employee surveys will receive greater participation. The greatest number of respondents came from the South African operations, although responses were also received from Sasol employees working in Germany, the UK, North America, Mozambique, India, China and the Middle East.

Sasol employee survey – feedback at a glance

- 922 employees throughout the Sasol group responded
- Over half of all respondents knew that Sasol published an annual Sustainability Report
- Of these, 31% had read sections of the report
- Only 28% of all respondents knew of Sasol's employee version of the sustainability report, and of these only 27% had read sections of that report
- Almost a quarter of the respondents know what the UN Global Compact is, with one-fifth of these aware that Sasol is a signatory of the UN Global Compact

Employees' views on the material sustainability issues

Employees were asked to identify those social, environmental and/or corporate governance issues that they thought were of significance to Sasol. The following issues were identified:

Social indicators

- Skills development was considered particularly critical for the continued growth of the company and was highlighted as an area for improvement both within the company and in the pool of available labour in the South African labour force.

- Safety and the measurement and reporting of safety issues remained a focus for many respondents, who acknowledged improvements made in safety over the past year, yet urged continued monitoring and improvement.
- Job creation and education were seen as important both within the company and as part of Sasol's wider societal obligations.
- Employment equity and broad-based black economic empowerment continued to be recognised as key issues.
- HIV/Aids was identified as an ongoing concern both within the workforce and as a focus for Sasol's CSI activities.
- Procurement and supply chain management were highlighted as areas where Sasol could have a positive impact through ensuring adequate standards for the Sasol supply chain.
- Community welfare of Sasol neighbourhoods was overwhelmingly perceived as a critical measure of Sasol's freedom to operate.
- Corporate social investment was regarded as a key mechanism for enabling Sasol to impact on the communities, important for the company.

Environmental indicators

- Greenhouse gas emission was perceived by many respondents as a significant challenge to Sasol's global growth ambitions, most of whom also highlighted the importance of carbon sequestration.
- Alternative energy sources and Sasol's involvement and progress in their use – particularly renewables – was seen as a significant area for future growth.
- Water quality and atmospheric emissions remain the standard environmental benchmarks and as such continue to be an issue of significance for Sasol.
- Compliance with industry, national and international best-practice was seen as significant in securing Sasol's reputation and right to operate.
- Remediation and rehabilitation were also identified as a particularly significant challenge.

Corporate governance indicators

- Ensuring sustainable growth and the potential long-term implications of Sasol's current business model were raised along with the need to examine alternatives.
- Employee communication was highlighted as an area that needed increased work to ensure all Sasol employees were more effectively informed and engaged on sustainable development issues.

employee survey on sasol's performance (continued)

- Risk management, financial controls, management training and succession planning were also identified as important issues.

The broad scope of the responses illustrate the wide-ranging criteria employees consider to be part of sustainable development at Sasol. Many respondents demonstrated a sophisticated understanding of the company's role within the social, economic and environmental contexts within which it operates across various regions.

Employees' views on Sasol's performance and sustainability reporting

Employees were asked to identify those issues they would like to see reported on in Sasol's sustainable development reports. On the whole, the existing content of Sasol's sustainable development reports was considered to cover the majority of issues raised by employees. Those who had read the previous reports commended the scope and depth of these reports. While many welcomed the current quantitative performance reporting, including against agreed targets, many employees expressed a preference for reporting at a site or business unit level. Notwithstanding the perceived strengths of the sustainability reports, there was seen to be scope for improved internal communication of this progress and of the role of sustainable development in general.

"I would like to see Sasol's 'sustainability initiatives' used more in our communication and advertising. I don't mean 'greening' our image, but actually talking about things like the integrated energy centres and how they have uplifted people's lives. I would also like to see Sasol getting the staff more engaged in community initiatives like helping to build houses."

Sasol employee

Sustainability issues in which employees felt Sasol was performing well or making valuable progress included:

- Safety
- Training, education and skills development
- HIV/Aids programme
- Corporate social investment
- Water and waste management
- Emissions reporting and reduction
- Community relations
- Compliance and reporting
- Alternative energy

Employees identified the following issues as being of particular importance to Sasol's reporting:

- Identifying the long-term implications of climate change for Sasol's business model and the need to develop alternative energy sources.
- Continuing to focus on safety despite the improvements made over the last year.
- Focusing on staff development, training and growth in order to maximise employee potential.
- Providing particular attention to a variety of environmental issues.
- Further increasing the level of corporate social investment and improving the communication of its outcomes in the community.

"Sasol's (2006) sustainability report is a well-composed document, and gives the reader some insight into the extent of Sasol's operations and impacts. It shows that Sasol is trying to understand its own sustainability scenario. I think that environmental issues are taken seriously and acted upon at senior and board levels of the organisation. There are also a number of projects/initiatives that are addressed at meeting social needs . . . and we have a very strong bursary scheme especially for chemical engineers."

Sasol employee

We have sought as far as possible to address these issues within this report, and will be continuing this form of dialogue with our employees as part of the ongoing process of internal communication. With the aim of further improving our levels of internal communication, we will once again be publishing a very brief summary report of our sustainability report aimed specifically at our employees.

Many employees expressed the need for more effective communication and transparency both within and external to the company, with the aim of ensuring greater knowledge internally of the company's performance, as well as improving Sasol's profile in the wider community.

"I think Sasol is doing a good job on all its new projects and has been doing so for the last few years. My concern is with the 20, 30 and 40 year-old installations that need to be 'cleaned up'".

Sasol employee



Sharlene de Oliveira, Yvonne Moeng and Cornel Bester at the Sasol Octene 3 plant in Secunda.

Section 3: *our material sustainability challenges*

*This section of the report focuses on four issues that are seen to be most material to our sustainability performance: **safety, climate change, skills development and black economic empowerment.***

These issues have been identified as "material" on the basis of:

- *the publicly reported feedback received from our stakeholders during independently facilitated stakeholder processes undertaken over the past three years (a full account of the outcome of these engagement processes is provided in our previous sustainable development reports);*
- *feedback from our employees provided in an internal employee survey (see page 35); and*
- *the outcomes of our internal risk assessment processes.*

High-level dialogues were held between Sasol management and leading external practitioners on each of the first three of these material challenges: safety, climate change and skills development. We will be hosting a dialogue on black economic empowerment in 2008. This section includes an independent summary review of the outcomes of these dialogues – a more detailed account of each dialogue is available on request.

promoting improved safety performance



After many years of careful safety management, Sasol was severely shaken by the safety incident in September 2004 in which ten people were killed at an explosion at our Secunda ethylene plant. Following the series of safety incidents that occurred during 2004, Sasol appointed DuPont Safety Resources to perform a comprehensive safety review of our South African operations. The observations and recommendations emanating from this review, conducted during the first quarter of 2005, formed the basis of a comprehensive group-wide safety improvement plan during the 2005 financial year. An independent review of the implementation of this plan was undertaken in 2006, following which a revised safety improvement plan was developed and is being rolled-out.

Building a culture of safety in the organisation

The conclusion of DuPont's second report on safety at Sasol, undertaken in 2006, stated:

"The mind-shift on what managing safety really means has clearly started to take place. The results, if measured by injury statistics, are clearly visible. But Sasol must be aware that these improvements must be sustainable and that further improvement is required. Continuous improvement will lead to world-class safety performance."

These positive comments can be attributed to the numerous initiatives that we have undertaken as part of the structured safety improvement plan. These include:

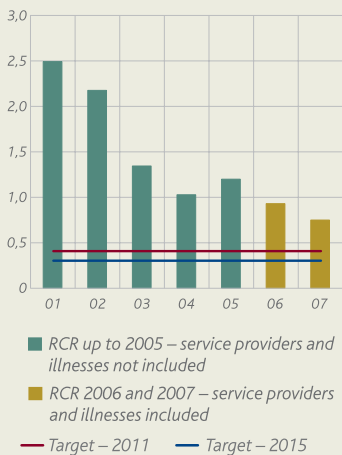
- emphasising the safety value;
- adopting a safety charter concluded and signed with the trade unions within Sasol;
- orientating executives, from the CE downwards, on appropriate attitudes for zero harm;
- appointing the CE as the chief safety officer, with a duty to personally investigate major events;
- providing refresher training in hazard identification, risk assessment and controls;
- introducing life-saving behaviour awareness initiatives;
- more organised communication of lessons learned;
- clarifying and implementing SH&E roles and responsibilities;
- adopting OHSAS 18001 and process safety management (PSM) as safety management systems and methodology;
- providing skills and capability development in line with PSM requirements;
- improved service provider safety management;
- improving SH&E corporate governance, minimum requirements, behaviour based safety leading indicators; and
- including safety in our incentive schemes.

Evidence of progress in improving our safety performance

The recordable case rate (RCR) is a standard international measure for reporting work-related injuries and illnesses. The RCR is the number of fatalities, lost workday cases, restricted work cases, medical treatments beyond first-aid cases and accepted illnesses, for every 200 000 employee hours worked. We measure and report the RCR on a 12-month moving average basis.



Recordable case rate (RCR)
(recordable cases per 200 000 hours)



The impact of the above initiatives is reflected in the significant improvement in our RCR from 0,93 in 2006 to 0,75 in June 2007. It was particularly pleasing to see that Sasol Gas achieved an RCR of zero for the year, and that most businesses recorded significant improvements in their respective RCRs. While there were 147 fewer injuries in total, it is saddening to report that three service providers and one employee were fatally injured in workplace incidents. This compares with four fatalities in the previous year.

A benchmark of our safety performance against that of some of our peers in the energy, resources and chemicals sectors is provided on page 40.

From 1 July 2006 onwards, our RCR includes both employees and service providers, and recordable injuries as well as occupational illnesses. Our targets for this new all-inclusive measure are 0,4 by June 2011 and 0,3 by June 2015. We are defining a safety roadmap to guide us towards meeting these longer term RCR targets.

The RCR is one measure of safety performance. While a useful indicator of current performance, it has the disadvantage of being a backward-looking measure of many individual activities. In itself it is thus no guarantee against future incidents, which require forward-looking measures such as behaviour based safety and process safety management (PSM). Ensuring the effective reduction of the risk of fires, explosions and releases (FERs) of hazardous substances is also critical to our business and the implementation of PSM aims to achieve this objective. Our expectation of PSM is such that the target for significant FERs has been reduced to no more than three per quarter by June 2011.

Continuing our focus on safety

During the year, we have undertaken various safety initiatives as part of our comprehensive change management programme. We have approved PSM standards, commenced implementation of an expanded PSM training programme, and approved a revised safety performance incentive. All businesses have implemented their own site-specific safety plans, the progress of which is monitored by their boards as well as the group executive SH&E committee.

Ensuring the safe behaviour of our service providers has received particular attention. We have developed a safety management standard for service providers and are in the process of implementing this standard. The standard includes provision for sanction of service providers who fail to meet specified safety commitments. In future, the requirements of this standard will be integrated into our PSM programme under our service provider standard to further align our efforts.

While we have achieved a new record RCR in 2007, we recognise that if we are to achieve our safety performance targets we will need to continue with a strong focus on developing an appropriate safety culture, climate and mindset of safe behaviour throughout Sasol. Safe behaviours will be promoted through more assertive implementation of behaviour based safety programmes. The contacts afforded by these programmes are regarded as a cornerstone in the communication of matters of safety, as well as other aspects of values-driven leadership.

While we support a no-name no-blame culture for the purpose of learning, we also have to create an attitude of constructive intolerance of unsafe behaviour, and apply appropriate discipline to protect the safety of our colleagues and ourselves.



promoting improved safety performance (continued)

Safety strategy and roadmap

Over the past two years, the Sasol safety performance was enhanced by the execution of improvement plans. This strategy delivered the results described above, but as we focus on zero harm we are entering new territory where further gains require even greater effort.

To meet this challenge a new safety roadmap is under construction and there will be a major focus on incident reduction and PSM implementation. To support this we need to analyse in more detail all incidents, including potentially hazardous near incidents, to identify common trends and root causes, so that these can be eliminated before they cause harm.

Benchmarking our safety performance data

To assist in evaluating Sasol's safety performance, we have chosen for the second year running to benchmark our performance figures with some of our peers in South Africa and internationally. In reviewing these figures, it is important to appreciate that the products, processes, equipment and regulatory reporting requirements in each of these companies may differ significantly. We have tried to make comparisons as accurately as possible, by using publicly available information. To the best of our knowledge, this information is correct.

We have chosen to benchmark our performance against the following companies in the energy, resources and chemicals sectors: AECI, Anglo American plc, BP, Chevron, Dow Chemicals, Eskom and Royal Dutch Shell. The data from each company comes from their most recent publicly available sustainable development reports. We have only quoted those figures that have been cited in these reports, using comparable data only where this is available. In addition, we have included the published average figures for the chemical companies that are members of the American Chemical Council (ACC), as well as publicly available data for the South African coal mining industry.

This shows that the targets that we have set ourselves, while ambitious, are achievable and would require safety performance that is in line with the world's best in this industry sector.

Company	Recordable case rate (employees and service providers)		Lost time injury frequency rate		Number of employees	
	2005/2006	2006/2007	2005/2006	2006/2007	2005/2006	2006/2007
SA coal mines ⁸	1,44	–	0,34	–	–	–
US Responsible Care companies ⁹	1,23	1,18	0,29	0,27	–	–
AECI (SA) ¹	1,09	1,23	0,59	–	7 250	7 630
Sasol ¹⁰	0,93	0,75	0,24	0,23	31 227	31 820
BP Global ³	0,53	0,40	0,11	0,083	96 200	97 000
Royal Dutch Shell ⁷	0,50	0,46	0,18	0,16	109 000	108 000
Dow Chemicals US ⁵	0,40	0,39	–	–	42 413	42 578
Chevron ⁴	0,41	0,42	0,16	0,08	53 440	55 882
Anglo American plc ²	–	–	0,94	1,16	128 000	125 000
Eskom ⁶	–	–	0,40	0,35	29 697	30 746

1 AECI annual reports (2005 and 2006) – www.aeci.co.za

2 Anglo American reports to society (2005 and 2006) – www.angloamerican.co.uk

3 BP sustainability reports (2005 and 2006) – www.bp.com

4 Chevron corporate responsibility reports (2005 and 2006) – www.chevron.com

5 The Dow Chemical company corporate reports (2005 and 2006) – www.dow.com

6 Eskom annual reports (2006 and 2007) – www.eskom.co.za

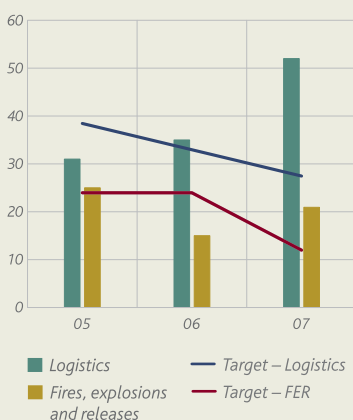
7 The Shell sustainability reports (2005 and 2006) – www.shell.com

8 MHSC annual reports (2005 and 2006) – www.simrac.co.za

9 US Responsible Care companies – http://reporting.responsiblecare-us.com/reports/osh_ia_rpt.aspx

10 From 1 July 2006 onwards, our RCR includes both employees and service providers, and recordable injuries as well as occupational illnesses.

Process and logistics incidents (number)



Sasol is targeting to reduce the number of significant logistics incidents per 100 000 tonnes of product transported.

Managing occupational health risks

Our principal occupational health risks relate to handling chemicals, exposure to hydrocarbons, exposure to dust in our mining operations and noise-induced hearing loss. As part of our occupational health programme, all potential health risks in the workplace are identified and assessed. Where the risks cannot be entirely eliminated, employees are provided with necessary personal protective equipment and appropriate training. All of our operational staff – comprising about 90% of our workforce – are subject to regular medical evaluations.

As from the 2007 reporting period, and in line with recent US OSHA legislation, we have revised the measuring and reporting of our recordable case rate (RCR) to include occupational illnesses. This includes illness categories such as skin diseases and disorders, respiratory conditions, noise-induced hearing loss and poisoning. We have also adopted a risk-based approach to ensure the standardisation of personal protective equipment throughout the group.

Targeting fewer incidents

Ensuring the effective reduction of the risk of fires, explosions and releases (FERs) is critical to our business. We achieved further progress in implementing the recently approved process safety management system (PSM) throughout our operations, with the aim of minimising the risks of FERs.

We reported 21 significant FERs, as compared with 15 in 2006 and 25 in 2005. (For the purposes of reporting, a FER is registered "significant" when it: involves a fatality or lost workday case; results in damage to property or equipment of more than US\$25 000; or causes a release of chemicals in excess of a defined threshold for relevant listed substances.)

This increase in the number of incidents is a source of concern. Our PSM drive is aimed at reducing these incidents towards our performance targets of achieving not more than three significant FERs per quarter by July 2011, and a 50% reduction in minor FERs, on the 2006 baseline, by July 2011.

Regrettably we have also seen an increase in the rate of logistics incidents. We believe that this is due, at least in part, to improved and more accurate reporting systems. There were 52 significant incidents, compared with 35 such incidents in the 2006 financial year, and 31 in 2005. The predominant cause of incidents remains collisions with other vehicles. We are targeting to reduce the number of significant logistics incidents per 100 000 tonnes of product transported by 50%, on the 2004 baseline, by July 2009.

To meet this target, Sasol has a multi-pronged approach for mitigating the risk of logistics incidents. This includes:

- a Safety and Quality Assessment System (SQAS) aimed at improving the safety, quality and environmental performance of all logistical service providers involved in transporting, handling and storing Sasol products;
- identifying, assessing and selecting appropriate transportation routes;
- ensuring the availability and readiness of effective emergency response services; and
- implementing structured measures for incident root-cause analysis and follow-up.

The SQAS initiative is based on the European chemical industry's programme with additional components to provide for South African conditions. It includes 20 different categories of

promoting improved safety performance (continued)



assessment covering SH&E management systems, preventative maintenance systems, operations, security and site inspection. To achieve approved supplier status, prospective road transporters, tanker cleaning stations and bulk liquid storage terminals need to comply with SQAS requirements, as audited by independent accredited auditors.

We have continued to focus on improving emergency readiness activities, with the aim of minimising the impacts of any off-site transportation incidents involving Sasol products. To ensure an acceptable level of emergency preparedness we have assessed the emergency response and disaster management preparedness of local authorities and provided training to assist them to improve their performance, approved private emergency response service providers and the Sasol emergency response centres on the basis of comprehensive emergency response audits, and held regular emergency response exercises to test the effectiveness of Sasol and local authority emergency response protocols and procedures.

To manage responses to incidents involving the transportation of our products internationally, we have established a global call-centre that provides access to expertise on all our products in relevant languages.

Sasol's safety dialogue

The following summary is written by Incite Sustainability*, the convenors of this dialogue. A more detailed account is available on request from the Sasol SH&E centre.

On 4 and 19 September 2007, Sasol hosted a "safety dialogue" with some leading South African safety practitioners and trade union representatives. Sasol was represented throughout the meeting by five executives and senior managers from the group SH&E centre, Sasol Mining and Sasol Polymers. The external representatives comprised two university lecturers, a representative from the Department of Labour, and trade union representatives from the South Africa Chemical Workers Union (SACWU) and Solidarity.

Perspectives on Sasol's safety performance

Various perspectives were raised regarding Sasol's current approach to the challenge of safety.

- There was broad agreement that Sasol has made a significant improvement in its safety performance. While it was recognised that Sasol's safety statistics compare very favourably with other organisations in South Africa, there is seen to be a mismatch between the public perceptions of Sasol and its actual safety performance.
- The trade union representatives emphasised the genuine commitment of top management to addressing safety, and drew attention to the improved levels of trust and dialogue between management and the unions, characterised by the 2005 Safety Charter concluded and signed by management and unions. They underlined how the unions are being engaged at a grassroots level within the company, noting, for example, that shop stewards are receiving training in incident investigation techniques and are being encouraged to identify solutions. They expressed concern with the often unfairly harsh public perception regarding Sasol's safety performance and in particular the response of government and the media on this issue.

* Incite Sustainability is a South African-based consultancy that provides strategy and implementation advice on sustainability policy and practice to the private and public sector (www.incite.co.za).



"I have a real sense (after this dialogue) of just how seriously Sasol is taking this process; it has been interesting and heartening. A big challenge for Sasol is how the company will establish a 'just culture' – finding that fine line between culpability and honest errors; and also understanding that some of these honest errors lie in your root cause analysis."

South African academic and former chief inspector of mines



- It was suggested that Sasol faces some particular challenges in their South African operations due to the country's enormous cultural diversity, the various psychological pressures facing South Africans, the suggestion that South African society in general is characterised by a culture of non-compliance, and the existence of a strong civil society, including trade unions. This organisational context is seen to be very different to that, for example, of the United States, with important implications for business leadership in this country. It was noted that the safety advice provided by US consultancies – whose experience is based largely on the American cultural context – needs to be seen in this light.
- It was recommended that in seeking to understand and address these cultural factors, Sasol should give particular consideration to the nature of its incident investigation and root cause analysis processes. The importance of going further back in identifying root causes was highlighted and it was suggested that there may often be multiple root causes associated with individual incidents. It was emphasised that incident investigations and root cause analyses need to be undertaken in a "safe space" where employees are made to feel comfortable in coming forward at all levels of the organisation. On this issue, union representatives expressed concern that some aspects of the company's safety performance might not be sufficiently reflected in the safety statistics, and it was suggested that the disciplinary nature of the process of root cause analysis may result in some smaller incidents not being reported.
- The importance of behaviour-based safety was highlighted as part of a broad spectrum of approaches involving the "human element". This includes issues around competencies and training, effective root cause analysis, and the selection of employees. Particular emphasis was placed on the importance of establishing a "just culture" within the organisation that acknowledges and makes provision for the fine line between culpability and honest errors.
- Noting the disparity between Sasol's current safety performance and the perception of the public, Sasol was asked about their approach to communicating on safety. Specific feedback was also sought on Sasol's approach to managing the safety performance of service providers, as well as on its approach to behavioural based safety.

Sasol's response to some of the issues raised

The dialogue elicited a number of responses from Sasol. A brief review of some of these responses is provided below.

- Sasol noted that while it is pleased with the recent improvements in safety performance, culminating in the company's best ever recordable case rate (RCR), the company recognises that there is still room for improvement if it is to match the safety performance of some of the leading international oil, gas and petrochemical companies. For Sasol to sustain its continuing improvements in this area, it is felt that new approaches may be required.
- Recognising the challenge it faces in its more culturally diverse South African operations – which it was suggested may be further compounded by socio-political factors like poverty and HIV/Aids, which tend to promote a greater tolerance for risk-taking – Sasol suggested an improved understanding of the sociological pressures facing South Africans in their everyday life may be necessary in ensuring sustained improved performance.
- Sasol noted that a recent review of the root causes of incidents had found that individuals' failure to wear personal protective equipment, practice life-saving behaviours and/or follow stated procedures make up 51% of the total set of incidents, despite the extensive

promoting improved safety performance (continued)

“As government we expect that big business will set the example in terms of good safety practice. We have many small- and medium-sized companies in South Africa, and they will invariably benchmark themselves against the large companies. That’s why we have such high expectations of companies such as Sasol.”

South African government official



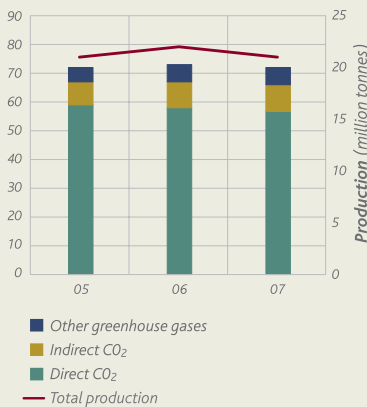
training on each of these issues. Sasol acknowledged the need to get greater traction and ownership amongst employees to manage the problem of non-compliance, rather than relying unduly on the suggestion that the fault lies with inappropriate procedures. While recognising the importance of the “no-name no-blame” basis of the behaviour-based safety initiatives, Sasol suggested that there is nevertheless a need to be less tolerant of non-compliance.

- In response to queries regarding behavioural based safety training, Sasol suggested that while they appreciate the importance of a people-based approach, experience has highlighted the benefit of investing in “engineering-out” the potential for incidents. At the same time it was recognised that this cannot be done in isolation of the human factor, and hence the need to ensure a continuing broad focus on developing an appropriate culture of safety and instilling the right safety values within employees. In this regard, Sasol emphasised the importance of ensuring a high involvement of the workforce in observing each other’s safety behaviour, as part of the growing recognition of interdependence.
- Sasol conceded that there is scope to do more in terms of fostering a “just culture”, suggesting that the focus thus far has been predominantly on the rules and process. While this has resulted in huge advantages in terms of the improved RCR rates, it is recognised that there is a need to move to attitudinal aspects based on a shared responsibility. Core to this is a desire not to assign blame, but to assign the responsibility for corrective action.
- Regarding the safety performance of service providers, a recent review by Sasol Mining has shown that the safety rate of service providers is 50% lower than that of Sasol employees (a lower safety rate is an indicator of better safety performance). Comparing the statistics across the whole company, the improvement in the safety performance of service providers has been better over the last year than that of employees. This is seen to be a direct result of the specific service provider safety management programme implemented during the year.
- Responding to a question as to where responsibility for safety lies, and noting concerns that it is often seen solely as a human resources or corporate function, Sasol stated that their approach is to ensure that safety is a line management responsibility so that it is tightly integrated within operations. Although there is a corporate safety group in Sasol, in terms of implementation this is very closely tied in with operational management. It was highlighted that operational management teams have safety specialists, focused on safety in their operating businesses.
- On safety reporting, Sasol drew attention to the fact that for the past few years the Sasol chief executive has specifically reported on the company’s safety performance during the announcement of the company’s full year and half-year financial results. It was also highlighted that Sasol addresses safety issues both in its full sustainable development report, as well as in its annual financial review, which includes an abridged version of the sustainability report.
- On the question as to how Sasol in practice sees the safety value as being “the first among equals”, Sasol responded that safety should be seen as the first in a sequence of events rather than the first in priority. While all the values are equal, safety has to be attended to before other decisions and actions are taken.

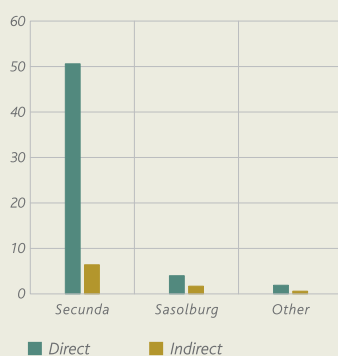


addressing the challenge of climate change

Greenhouse gas emissions (million tonnes)



Site-specific CO₂ emissions for 2007 (million tonnes)



Climate change presents Sasol, and arguably the global community as a whole, with our most significant sustainability challenge. It is critical not only for our existing facilities, but also for our growth ambitions as we seek to roll-out our technologies globally.

We believe that meeting the growing global demand for energy will accelerate greenhouse gas emissions unless technological solutions and management interventions are developed and implemented. We acknowledge that a comprehensive approach to greenhouse gas management needs to be adopted for all our activities.

We will strive to reduce our greenhouse gas (GHG) emissions in many ways, including by:

- measuring and reporting on our global GHG emissions;
- in the short term, introducing and optimising management interventions, including setting corporate targets for reducing GHG emissions intensity;
- acquiring, developing and implementing energy and carbon efficient technologies and processes;
- actively pursuing GHG mitigation-related financial instruments such as the Clean Development Mechanism as a means to accelerate a reduction in our global GHG footprint;
- assessing the future implications of greenhouse gases in new and existing ventures;
- developing and maintaining intelligence and partnerships in the alternative energy, carbon sequestration and other applicable emerging fields;
- investigating opportunities to capture and store carbon dioxide as part of our planned international expansion of our coal-to-liquids (CTL) interests;
- working with governments and regulatory authorities in the countries where we operate to achieve optimum GHG management solutions; and
- applying sustainable development principles to all business activities.

While climate change presents a significant challenge, Sasol has an impressive record in developing and implementing innovative solutions. We believe that a combination of these alternatives and the correct investment decisions, taken together with stakeholders, will contribute measurably to ensure a sustainable future. As part of our commitment to identifying solutions in partnership with our stakeholders, this year we conducted a high-level dialogue with some leading South African climate change practitioners, with the aim of reflecting critically on the nature of these challenges for our current activities. A summary of the outcome of this dialogue is presented on page 50.

Reducing our greenhouse gas emissions

Our total global emission of methane (CH₄) and carbon dioxide (CO₂), direct and indirect, decreased from 73 million tonnes (Mt) in 2006 to 71 Mt in 2007. A breakdown of our emissions by major facility is provided in the accompanying graph. Our inventory of GHG emissions has been developed using the international recognised reporting protocol of the World Business Council for Sustainable Development and the World Resources Institute based on the management control approach. Our direct and indirect CO₂ emissions have been externally verified on the basis as outlined in the KPMG statement on page 13.

addressing the challenge of climate change (continued)

The Sasol group executive committee has recently approved our revised greenhouse gas policy statement and an environmental roadmap for the next 15 years, with a particular focus on greenhouse gases and water. We have committed to a group target of achieving at least a 10% reduction in GHG emissions per ton of product, on the 2005 baseline, by July 2015. We have prepared a detailed roadmap with milestone targets to guide us towards achieving this goal. A greenhouse gas management forum has been established to give guidance and direction to the group on these issues.

We are committed to identifying and implementing energy efficiency initiatives that will provide important benefits that are not only related to CO₂ reduction. We have committed R4 billion to improve our energy efficiency over the following years, and we anticipate that this will result in a reduction of more than 6 million tonnes of CO₂ from the baseline.

Recognising the higher GHG intensity of our coal-to-liquids facilities, we are investigating opportunities to capture and store CO₂ as part of our planned international expansion of our CTL interests. We have recently commissioned a study for a comprehensive life cycle assessment of CTL operations, accommodating CTL designs in countries such as India, China and the USA. These models will use data from feasibility studies as they become available.

In July 2007, we registered a Clean Development Mechanism (CDM) project for the reduction of nitrous oxide (N₂O) emissions from our Sasol Nitro operations at Sasolburg and Secunda. It is anticipated that the project – the first of its kind in the world using secondary catalyst – will reduce N₂O emissions by an amount equivalent to about one million tonnes of carbon dioxide per annum. One ton of N₂O has the greenhouse impact equivalent to 310 tonnes of carbon dioxide. This technology converts N₂O into nitrogen and oxygen.

Several new CDM projects are in the pipeline. Our Italian and German chemical operations have participated in the European Emission Trading Scheme in terms of EU legislation.

This year we participated in the global Carbon Disclosure Project (CDP) and we are committed to continued transparency on our performance. Internationally, we participated in a working group of the Intergovernmental Panel on Climate Change that publishes a report on carbon dioxide capture and storage.

We also participate as a South African representative on the international Carbon Sequestration Leadership Forum (CSLF). At the meetings and workshops of the annual forum, there is a valuable sharing of pilot projects amongst experts from more than 20 countries. This improves our understanding of carbon dioxide capture and storage opportunities. We are also assisting South Africa in the evaluation of, and participation in the Methane to Markets initiative.



Security of oil supply and cost concerns have led to a renewed worldwide interest in coal as an alternative source of oil-derived products.

Internationally, security of oil supply and cost concerns have led to a renewed worldwide interest in coal as an alternative source of oil-derived products. With declining oil production and reserves in some regions, alternative sources will clearly be required for the liquid fuels and chemicals derived from oil. Coal conversion technologies, particularly CTL synthesis using the world's vast coal resources, are increasingly seen as a proven and viable means of filling that requirement. With our established world-scale CTL operation and over 50 years' experience in this field, Sasol is well-placed to take a lead in developing CTL as one of the alternatives to traditional crude-derived routes.

Studies have shown that while our gas-to-liquids (GTL) processes, on a life cycle assessment basis, typically have a neutral to slightly positive performance on GHG emissions relative to a crude oil refining system, our CTL conversion technology has a higher GHG intensity and thus warrants particular attention.

The CO₂ emissions from such a CTL facility consist of process and utility emissions, with an approximately equal split between the two sources of emissions. Process CO₂ occurs as part of the coal conversion process and is readily available in pure form. This is different to a coal-fired power station where all the carbon is emitted in a diluted stream. Due to the concentrated nature of the process CO₂ and the relatively large quantity from a commercial size CTL facility, this CO₂ stream lends itself better to carbon capture and storage (CCS). The principle behind this is that CO₂ is stored by compressing the gas to a liquid form and injecting it into deep geological formations, such as saline aquifers, unmineable coal seams for methane production, or into older oil fields to enhance oil recovery. In some of these cases, the revenue generated by enhanced oil recovery can offset the cost of CCS.

CCS also has the added benefit that it enables the extraction of energy from coal, while also substantially lowering the carbon footprint. This leads to the "decarbonising" of coal. The science underpinning CCS is sound and is based on decades of experience in the closely allied fields of petroleum exploration and gas storage in geological structures. The remaining (and manageable) challenge is to refine the skills to model, monitor and verify the behaviour of large-scale CO₂ capture and storage throughout the CCS process. Many organisations and companies have world-class capacity and experience in this area, and Sasol is committed to leverage this existing knowledge base. The Dakota Gasification Company, based in the USA, using a similar coal gasification technology as used by Sasol today, captures and sells CO₂ by pipeline for use in enhanced oil recovery across the border in Canada.

According to the International Energy Agency (<http://www.iea.org>), the current capture cost of CCS for power plants ranges from US\$30/ton to US\$90/ton CO₂, depending on the separation technology employed and the CO₂ purity in the fuel gas. A significant advantage that a CTL facility has over that of a conventional coal-fired power plant is that half of the CO₂ emitted from the CTL process is available in concentrated form. Since mainly compression of the pure process CO₂ stream is required to transport the CO₂ offsite for geological storage, a CTL facility can capture this process CO₂ at a fraction of the cost to that of a conventional coal-fired power plant.

Sasol is currently investigating the potential for geological storage in many of the areas where new CTL ventures are being considered, such as the USA, India and China. We are also investigating the sequestering of CO₂ from our local operations in South Africa. The early deployment of CCS for any of Sasol's CTL projects will depend on the following pre-conditions:

addressing the challenge of climate change (continued)

“Our future economic performance is partly dependent on CTL production capacity growth. We really have to spend more time, money and energy in developing cost-effective solutions to reduce the environmental impact of CTL plants. This is a tough business challenge, but also a huge business opportunity.”

Sasol employee

- A good CO₂ source and sink match – a low-cost large-capacity secure geological storage site in close proximity to a proposed (or existing) CTL facility.
- A low-capture cost for the CO₂ – this is currently achievable for the process CO₂ that is available at high concentrations.
- Some form of offset to the combined cost of capture and storage – such as enhanced oil recovery, or some form of policy-based CO₂ mitigation incentive. In some countries the use of the Clean Development Mechanism (CDM) can assist to finance CCS, if approved.

Sasol believes that CCS should not be the only means of CO₂ mitigation for its current and future operations. Instead, we believe it is an essential part of the portfolio of solutions and initiatives necessary to achieve sustainable development objectives, while reducing the levels of CO₂ released to the atmosphere. Other solutions being studied by Sasol include increasing process efficiency and promoting renewable fuel sources such as biomass gasification.

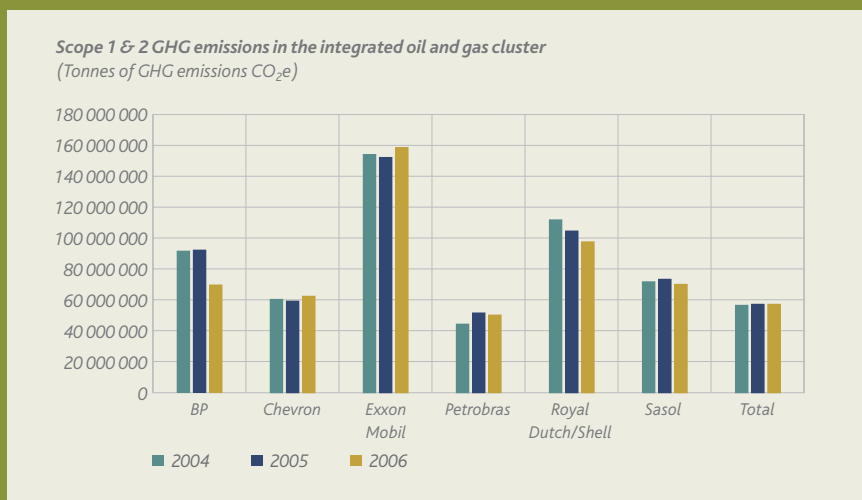
We have reviewed Sasol’s environmental roadmap with a particular focus on updating our GHG reduction activities. As part of this commitment, the potential role of renewable energy is again under investigation. We are conducting initial studies on biodiesel and biomass gasification to better understand the economic, social and environmental opportunities and challenges associated with increased use of renewable energy in a carbon constrained future. We recognise the need for government involvement and appropriate policy instruments to encourage greater use of renewables in South Africa and we are contributing to this effort through our participation in the development of a national renewables policy.

Benchmarking Sasol's greenhouse gas emissions

Sasol GHG emissions compared with global peers

To assist in understanding the level of greenhouse gas emissions, we have once again benchmarked our emissions with some of our peers in the integrated oil and gas cluster. The aim of this benchmark is to provide a general indication – at a very broad level only – of how Sasol compares with other large companies, with the aim of making our emissions data more meaningful. In reviewing these figures, it is important to appreciate that the size, products, processes, equipment and regulatory reporting requirements in each of these companies may differ significantly. The data provided below should not be used as a basis for making direct company-to-company comparisons, but rather is intended as a general comparison.

While Sasol's products and process are in many respects unique, we have chosen to assess our performance against the following oil and gas companies: BP, Chevron, Exxon Mobil, Petrobras, Shell and Total. The data quoted below comes from the most recent public report of the Carbon Disclosure Project (www.cdproject.net) and is based on submissions from each company.



Understanding Sasol's contribution to South African emissions

In addition to understanding our contribution with that of our peers, it is also useful to consider our emissions in the context of our contribution to overall carbon dioxide emissions in South Africa. South Africa's most recent "national communication", issued in terms of the UN Framework Convention on Climate Change, is dated October 2000 and provides a greenhouse gas inventory using 1994 data. An updated national greenhouse gas inventory is currently being developed for the South African government.

Pending the publication of this figure, a reasonable estimate of South Africa's emissions is provided by the Climate Analysis Indicators Tool of the World Resources Institute (<http://cait.wri.org/>). Using data from the International Energy Agency, the WRI estimates that in 2000 South Africa emitted 349,4 million tonnes (mt) of carbon dioxide. While this is not a completely accurate figure, it is seen as a reasonable estimate for the purposes of this assessment.

Recent studies of GHG emissions in South Africa highlight the predominant contribution of the energy and fossil fuel combustion sector, with Eskom and Sasol being among the most significant contributors. Eskom's publicly reported calculated emissions of carbon dioxide for the year ending March 2007, is 208,9 Mt (Eskom 2007 annual report). For the year ending June 2007, Sasol's direct carbon dioxide emissions for our South African operations amounted to 56 mt. Including our indirect emissions (ie the additional emissions associated with our usage of Eskom electricity) our total emissions in South Africa amounted to 71 mt.

addressing the challenge of climate change (continued)

“Sasol should look to the opportunity of taking a leadership position on climate change. The fact that it might be seen as an unlikely champion on this issue would make it all the more powerful.”

Executive director, Chemical and Allied Industries’ Association

“Sasol should consider developing a multi-stage climate strategy that is robust to various external scenarios. This should include a target of reducing emissions intensity by 20% by 2014, an absolute target on total emissions by 2020, and a target to start reducing emissions in absolute terms from 2020.”

Climate policy researcher – University of Cape Town

Sasol’s climate change dialogue

The following summary is written by Incite Sustainability, the convenors of this dialogue. A more detailed account is available on request from the Sasol SH&E centre.

On 7 August 2007, Sasol hosted a “climate change dialogue” with some leading South African climate change practitioners. Sasol was represented throughout the meeting by nine executives and senior managers from the group executive committee, group strategy, the SH&E centre, investor relations and group communications. Sasol chief executive Pat Davies participated at the start and end of the meeting. The seven external representatives comprised:

- *climate change policy researchers – from the University of Cape Town’s Energy Research Centre, the CSIR, and the South African Carbon Disclosure Project;*
- *non governmental organisation (NGO) representatives – from the South African Climate Action Network and the WWF; and*
- *external business participants – from the Chemical and Allied Industries’ Association (CAIA) and the National Business Initiative (NBI).*

The dialogue was facilitated by a respected climate change expert and facilitator currently involved in the development of the Long Term Mitigation Scenarios (LTMS) project for South Africa.

Prior to the meeting each external participant had been asked to provide a set of questions relating to Sasol’s climate change activities. Around 60 individual questions were submitted, relating to the following main themes:

- *Sasol’s acceptance of the climate science (as suggested by the UK Government’s Stern report and the reports of the Intergovernmental Panel on Climate Change);*
- *Sasol’s overall assessment and response to the risks of a carbon constrained future;*
- *Sasol’s approach to the potential need for revisiting its core business model;*
- *Sasol’s interface with climate policy discussions; and*
- *Sasol’s involvement with the Clean Development Mechanism.*

Perspectives on Sasol’s climate change performance

The dialogue was informed by the shared perspective that there will be a need, within a comparatively short timeframe, for a significant global reduction in absolute greenhouse gas emissions, possibly as much as 60% of current levels by 2050. With this understanding there was a shared agreement that any large company that is not preparing for a future constrained by carbon, runs the risk of misallocating capital.

During the discussions differing perspectives were raised regarding Sasol’s current approach to addressing the challenge of climate change. A brief summary of some of the views raised by the external participants is presented below. The following views do not necessarily represent the opinions of all those present, nor is this list a comprehensive account of all the issues raised.

- *While Sasol’s GHG policy statement shows clearly that the company is thinking proactively about this issue, and while it is correct in highlighting carbon and water as its two key environmental constraints, it was nevertheless suggested that Sasol’s statement lacks sufficient detail and ambition, and is not commensurate with the challenge.*

“We do not know enough yet about carbon capture and storage to rely on this as a primary solution. There is a strong case for Sasol to show leadership by investing more significantly in renewable energy solutions.”

Coordinator South African
Climate Action Network

Although Sasol’s broad approach may have been appropriate six months ago, there is seen now to be a need for a more strategic plan containing specific targets, timeframes and technologies. It was suggested that intensity targets, on their own, are unlikely to solve the climate problem, and that reporting should not only be at corporate, global level, but also by country and site.

- *In terms of Sasol’s growth plans relating to CTL facilities, it was suggested that the company should consider adopting a policy of only building new CTL plants if there is provision for carbon capture and storage (CCS). Some also questioned whether the company’s growth opportunities really lie in the area of CTL technology, or whether greater opportunities may be found in other more diversified areas.*
- *Regarding Sasol’s proposed approach of focusing on various “technical wedges”, with CCS being seen as a key element, it was emphasised that it is critical for Sasol to make this succeed as carbon-based fuels are likely to be here for at least a few decades. While many challenges were identified regarding CCS, this was nevertheless seen as an essential technology to investigate, and it was suggested that if South Africa is to get engaged with CCS, then this should start with Sasol.*
- *It was suggested that Sasol should more actively investigate opportunities for diversification into other business areas, and that more is needed to hedge against possible failures in terms of the delivery of “fairy godmother” technologies. There was seen to be scope for Sasol to rethink its product offering as being “mobility” rather than the provision of fossil fuels. Such a shift in thinking was seen to be necessary if Sasol is to meaningfully address the carbon issue. It was noted that Sasol could build on the ingenuity that it has demonstrated in successfully commercialising Fischer-Tropsch and other technologies into the climate change regime.*
- *Sasol was encouraged to adopt a more visible leadership position on climate change. In terms of the scenarios currently being developed within the LTMS process, it was suggested that there is a distinction between “automatic reduction paths”, “technical reduction paths”, and “where we need to get to”. Leadership is seen to be about promoting this third option, the so-called “ethical space” which is beyond short-term rationality.*
- *In demonstrating leadership, Sasol was encouraged to consider engaging further with the South African government in terms of the strategic thinking required for the country from both an economic and environmental perspective, building, for example, on the existing dialogue that the company has had with the National Treasury, as well as through the current LTMS process.*
- *Various issues were raised regarding the CDM, including a proposal for a CDM tax to be imposed to address the social components of CDM projects, as well as suggestions that Sasol’s Mozambique gas project should not qualify as a CDM project as it was a project that would have happened anyway and thus would have failed the CDM “additionality” test.*
- *While it was recognised that Sasol needs to communicate more effectively on its climate change activities, the company was complimented for initiating this dialogue, being seen as the first company in the country to do so.*

Sasol’s response to some of the issues raised

The dialogue elicited a number of responses from Sasol, both in the form of a structured presentation as well as comments raised during the ensuing discussion. A brief review of some of these responses is provided below.

- *Sasol underlined that it agrees with the key messages of the Intergovernmental Panel on Climate Change (IPCC) and Stern reports relating to climate change, and noted that the findings of these reports have been used to inform the company’s strategy.*

addressing the challenge of climate change (continued)



The first two irrigation farms have been successfully rehabilitated to productive farmland.

“Sasol seems to have moved ‘in its head’ in terms of its policy response to climate change, but it has not yet moved in how it communicates on this issue.”

Climate researcher – CSIR

- Sasol highlighted that various independent studies have shown that the provision of synthetic fuels from coal is seen to positively address most environmental challenges through their life cycle, other than CO₂ emissions. As the environmental footprint of Sasol’s GTL technology is seen to be comparable with conventional refineries from a life cycle perspective, Sasol’s key area of concern in terms of GHG emissions relates to its CTL technology.
- On the question as to whether Sasol should change its business model and divest from fossil fuel, Sasol suggested that the company (as with much of the global economy) is committed to its investment in fossil fuels, and that rather than moving out they should focus on making a significant contribution to addressing the impacts of fossil fuels. Sasol is not currently contemplating complete divestiture from coal as a solution. While there is already evidence of some diversification by Sasol into gas, and a growing interest in renewables, the company is committed to working within the approach adopted by the rest of the world, while making significant contributions in terms of R&D.
- In presenting their climate change roadmap, Sasol highlighted a number of issues. The company has identified a series of possible technological solutions aimed at reducing their greenhouse gas emissions, including carbon capture and storage, nuclear, renewables, energy efficiency, and (to a far lesser extent) natural sinks and sequestration such as forestation. While CCS is seen to be a critical component of the company’s activities, it is recognised that this is a very new solution that has not yet been applied in countries such as China and South Africa, or yet at sufficient scale globally.
- It is recognised that carbon trading (including initiatives such as the Clean Development Mechanism) and the taxation of carbon credits will play an increasingly important role in future. Sasol acknowledged the role of the polluter pays principle and identified the need to further build their capacity within the company on issues relating to carbon taxation. The company appears open to the possibility of a carbon tax and caps, if appropriately designed.
- Sasol stated that carbon capture and storage is being considered for all new CTL plants, and that this is currently at a pre-feasibility stage. In South Africa, Sasol is considering two projects: the existing facility in Secunda, and the proposed Mafutha facility. Sasol is looking at enhanced coal bed methane recovery in coal fields adjacent to the Waterberg, and CCS in Mozambique in the longer term, once the gas fields are depleted.

In his closing comments on the dialogue, Sasol chief executive Pat Davies raised the following issues:

- Sasol recognises that they can be a leader on this matter and accepts this challenge; they will continue to act constructively.
- Sasol recognises that they have not yet been sufficiently vocal about climate change issues and that there is an opportunity to be more proactive in demonstrating and communicating their response.
- Although the company is doing some work in terms of renewable energy, it is recognised that they need to consolidate on this.
- Sasol recognises that reputational issues are increasingly a differentiator in business. The company is committed to raising its game on climate issues, in line with its values, and is excited about the contribution that Sasol can bring to South Africa and to Africa.



responding to the challenge of skills development



Management training at Sasol Technology in Secunda.

As a globally expanding high-technology company, our operations require a wide range of skills, from highly proficient scientists and engineers, to lawyers, financial specialists and artisans. Our current and future success depends on our ability to attract, retain and develop highly skilled individuals. In South Africa, there is a recognised shortage of suitably skilled labour, and it is a challenge to acquire the required professionals to help us sustain Sasol's growth.

As the company grows, both locally and internationally, the need for the right technical and managerial skills to ensure effective delivery of projects becomes increasingly acute. There has been a dramatic increase recently in the number and size of Sasol projects, escalating from about 160 projects in 2005 to about 380 projects in 2007. Recognising the nature of this challenge, we realised in 2005 that the company required a more holistic and integrated approach to developing and implementing structured leadership and technical training and skills development initiatives.

Our approach to skills development is informed by the following specific drivers:

- the desire for a fully performing workforce that delivers excellence in our existing businesses;
- the need for sufficient competence to support Sasol's growth strategy and to ensure stable operation in all our plants;
- the desire to ensure that Sasol's operations globally are implemented in terms of the "Sasol way" of doing business based on an understanding of Sasol's values, leadership philosophies and standardised processes and practices; and
- providing a meaningful contribution to addressing South Africa's skills shortage and unemployment concerns, by integrating skills development priorities within the company's corporate social responsibility initiatives.

Improving project execution abilities through Project TalentGro

Our commitment to promoting skills development has been formalised into Project TalentGro. This is a multi-pronged approach aimed at improving our internal skills development capacity, expanding Sasol's operational support to grow key talent pools and influencing the external skills development environment by participating in other initiatives and engaging industry leaders. An essential part of this initiative is the realisation that Sasol business units need to operate as interdependent entities; they cannot focus only on addressing the talent needs of their own business units, but need to contribute to the growth demands of the group as a whole.

The project has four primary focus areas:

- **Stream 1** – Shaping Sasol's internal skills development capacity at all levels to meet the demands of current businesses and the group's global growth ambitions.
- **Stream 2** – Developing critical and scarce competencies through pre-appointment initiatives, aimed at ensuring that a pool of talent will be available to us when required according to the capital plan.

responding to the challenge of skills development (continued)



Thokozani Manzini undergoing training on a hydraulic simulator, with mechanical training officer *Adrian Heytler* at Sasol Synfuels, Secunda.

- **Stream 3** – Effectively influencing the external skills development environment by participating in government initiatives and engaging other industry leaders' skills development to enable and enhance delivery of streams 1 and 2.
- **Stream 4** – Focusing on ad-hoc/quick-win opportunities that arise through the project to enhance short-term delivery.

In terms of our competency framework we are committed to building a range of different skills sets, including the technical skills and knowledge required for “functional competence”, basic management skills, problem-solving and decision-making abilities, and capacity in terms of the “Sasol way” of doing business.

Promoting leadership in the Sasol talent pipeline

In addition to ensuring the continuing development of our current employees, it is important for us to secure a pipeline of new leadership talent. With this in mind we have instituted a series of leadership development programmes that address issues starting with managing oneself and managing others, through to programmes focusing on managing businesses and the enterprise as a whole. At senior leadership level three programmes have been developed with the aim of ensuring that future leadership needs are met:

- *Business Women in Leadership (BWL)* – focusing on developing high-calibre potential female executives;
- *Accelerated Leadership Development Programme (ALDP)* – focusing on developing candidates from previously disadvantaged backgrounds as potential future leaders; and
- *Accelerated Management Development Programme (AMDP)* – focusing on developing emerging managers, with a particular emphasis on diversity candidates.

Four priority groups of employees have been identified for accelerated development:

- one hundred high potential functional managers;
- professionals with high potential and technical talent;
- diversity candidates in selected categories which are under represented; and
- scarce resources and specialised skills.

“Sasol has a comprehensive and well-integrated holistic approach to the issue of skills development; this is quite an achievement.”

Representative of the National Business Initiative.

The table below reflects the number of leaders that have received training during the year on each of our various corporate leadership programmes.

Programme	Attendees
Manage Self Development Programme	443
Manage Others Development Programme	431
Manage Managers Development Programme	177
Sasol Executive Development Programme	98
Business Women in Leadership	28
Accelerated Leadership Development Programme	104
Accelerated Management Development Programme	72
Total	1 353

In addition to corporate leadership programmes, our employees also received technical training and needs-based short courses. A total of 22 873 Sasol employees received training in these various programmes and courses throughout the year.

Linking skills development with the need for transformation

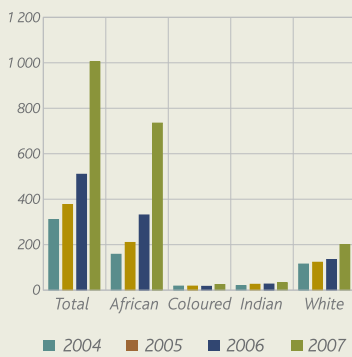
Running parallel with the need to develop skills is the recognition that if we are to ensure a stable regional economy in Southern Africa we need to develop the potential and talent of individuals from previously disadvantaged groups. The accelerated leadership development programme (ALDP) – now in its fifth year – is a key initiative aimed at fast-tracking the development of high-potential individuals drawn from historically disadvantaged groups. Personalised development plans are developed for each of the selected candidates, based on psychological assessments, feedback from line management and their individual aspirations. This is followed by a two-year programme, during which participants are provided with individual coaching and an international study tour.

To stimulate access to new talent and to contribute broadly to a more educated society that addresses some of the inequalities of the past, we invest nearly R50 million annually in maths and science education through corporate social investment (CSI) initiatives, sponsorships and bursaries at secondary and tertiary education levels. In addition, we will be investing almost R250 million over the next eight years to establish teaching and research capacity in chemistry and chemical engineering at selected South African universities. A primary objective is to establish world-class teaching and research capacity to ensure that Sasol has adequate access to highly skilled chemists and chemical engineers to employ in research and development. We will also be establishing additional advisory boards for research and development in analytical technology and in coal and gasification disciplines.

An important part of our recently announced broad-based BEE ownership transaction is the establishment of the Sasol Foundation. A 1,5% interest in Sasol Limited will be transferred to the Foundation. The Foundation will focus on growing South Africa's skills particularly in science and technology, with a particular focus on communities near Sasol's operations in Sasolburg and Secunda, as well as women's groups.

responding to the challenge of skills development (continued)

Maintenance learners and apprentices in the system (2004 – July 2007)



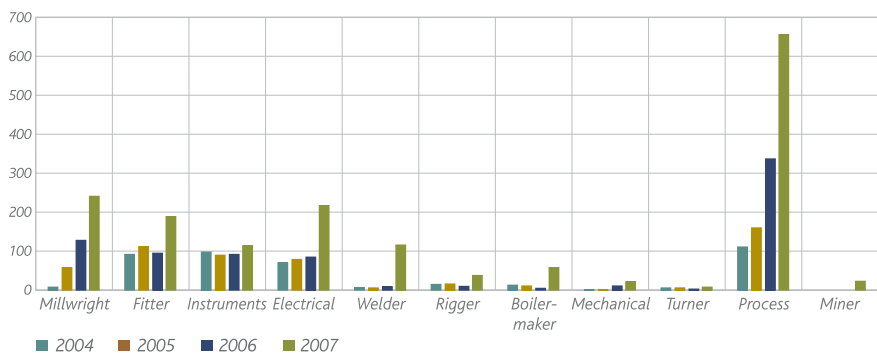
In August 2006, Sasol supported 17 young black female interns in a four-month work experience and mentoring programme in Qatar, as part of our support for the South African government's Joint Initiative for Priority Skills Acquisition (JIPSA).

Investing in artisans

A 2003 study by the National Advisory Council for Innovation indicated a shortage of about 6,000 artisans in the country, and predicted that this could increase to as much as 15 000 in the longer term. The South African government's Joint Initiative on Priority Skills Acquisition (JIPSA) – a partnership initiative involving government departments, the corporate sector, organised labour and academia aimed at developing the engineering, artisan and technical skills in South Africa – estimates that an additional 2 500 artisans must be produced each year over and above initial targets set for 2010.

To address this concern, we have been active in supporting various government and employer-led initiatives aimed at increasing the availability of qualified artisans, including most notably JIPSA, the Chemical Industries' Education and Training Authority (CHIETA) and the Shut Down Network Forum. During the 2007 financial year, we trained approximately 350 artisans at our Sasolburg, Secunda and Sasol Mining operations. In September 2006, we committed to investing R140 million in a skills development programme that will enable 830 entry-level learners to qualify as artisans over the next three years.

Apprentices, learners and trainees (2004 – July 2007)





Tamra Weemes, R&D scientist, Sasol O&S, Lake Charles chemical complex, USA.

“Investment in people is most critical because people are the most precious assets of any company. They are a backbone and future of any company. We celebrate Sasol’s support of government’s initiative of accelerating and developing the skills base in our country, especially around the areas of scarce and priority skills.”

South African Deputy President
Mlambo-Ngcuka

Sasol’s skills development dialogue

The following summary is written by Incite Sustainability, the convenors of this dialogue. A more detailed account is available on request from the Sasol human resources department at head office.

On 29 August 2007, Sasol hosted a “skills development dialogue” with some leading South African skills development practitioners. Sasol was represented throughout the meeting by six executives and senior managers from the group executive committee, human resources, group corporate social investment and the SH&E centre. The three external representatives were from the Joint Initiative for Priority Skills Acquisition (JIPSA), the National Business Initiative (NBI) and the media. Incite Sustainability facilitated the dialogue.

Sasol’s approach to skills development

The discussion opened with a presentation from Sasol, in which they outlined some of the company’s key initiatives relating to skills development. The following issues were highlighted in their presentation:

- Sasol drew attention to the recent dramatic increase in the number and size of its projects, escalating from about 160 projects in 2005 to about 380 projects in 2007. Recognising the nature of the challenge of accessing the right skills to ensure delivery of these projects, Sasol realised in 2005 that it needed a more holistic and integrated approach to developing and implementing structured leadership as well as technical training and skills development initiatives.
- Sasol have formalised their approach to skills development into Project TalentGro, a multi-pronged approach that has four primary focus areas: developing the capacity of existing internal skills; developing critical and scarce competencies through pre-appointment initiatives aimed at ensuring that a pool of talent will be available when required; influencing the external skills development environment by participating in government and business-led initiatives; and focusing on ad-hoc opportunities that arise through the project to enhance short-term delivery.
- Sasol’s leadership and development programme is based on a talent pipeline framework that uses a holistic framework to differentiate between the different levels of work in terms of their complexity and managerial responsibility. This framework focuses on a hierarchy that includes self-management; managing others; managing the business; function and group; and, ultimately, managing the enterprise. Each of these management components has a specific management and leadership development programme.
- Although Sasol believes it has a number of excellent training initiatives throughout the organisation, there is a concern that some of these are based on different delivery models, mindsets and ways of ensuring competence. There is a strong desire to align these initiatives into a common process and business language that will reflect Sasol’s increasingly interdependent mindset. Underlying this new approach is the belief that skills development undertaken in South Africa should also be applicable in India, China and Europe.
- Sasol’s competency framework is based on a commitment to building a range of different skills sets, including the technical skills and knowledge required for “functional competence”, basic management skills, problem-solving and decision-making abilities, and developing capacity in terms of the “Sasol way” of doing business which comprises an understanding of Sasol’s values, leadership philosophies and standardised processes and

responding to the challenge of skills development (continued)

"I have really found Sasol's approach (on skills development) to be very forward-thinking, progressive and positive. Sasol seems to be more focused on finding solutions than most other South African companies. However, I am not sure that you have fully utilised the significant leverage that Sasol has, externally and collaboratively, to address the skills challenge that South Africa is facing."

Representative of National Business Initiative

practices. With the increasing interdependence between the different Sasol companies, there is a need for a consistent organisational competence and value system (the Sasol way).

- *Sasol also briefly outlined its approach to integrating skills development priorities in its CSI programme, suggesting that providing people with appropriate skills is probably the single most effective way of growing the economy. Sasol stated that it is looking to make a contribution at all levels from primary through to tertiary and on into the job market. In addition to developing skills that are directly related to Sasol's supply needs, there is a focus on some of the most marginalised people in our society: women and unemployed youth. An important focus of Sasol's teacher-training programme is on developing skills in maths, science, and technology, with the aim of addressing some of the fundamentals of illiteracy that present a significant challenge in terms of skills supply.*

Perspectives on Sasol's skills development performance

Various views were exchanged regarding Sasol's approach to the challenge of skills shortages in South Africa.

- *There was a general sense that Sasol's approach to skills development is forward-thinking, progressive and positive. It was suggested that Sasol recognises the extent of the problem and is focused on identifying solutions internally and in partnership with others, rather than relying solely on a response from the public sector.*
- *While its current and proposed internal activities were generally praised, it was suggested that Sasol has not yet fully utilised the leverage it has externally, for example on initiatives such as JIPSA and the Sector Education and Training Authority (SETA). It was suggested that business as a whole in South Africa is perhaps not sufficiently aware of its ability to effectively shape the external environment on skills development.*
- *Concern was expressed at the proliferation of private company initiatives on skills development, which is seen as a symptom of public sector failure rather than a solution. It was suggested that many of the private sector institutions are likely to close when the cycle turns down and that structurally this is not a sound approach. While it is understandable why companies are doing this, it was argued that the proliferation of academies probably entrenches the problem, rather than stimulating the shift in mindset that is needed. Sasol, and business generally, was encouraged to ask government to play its role more effectively on this issue, as they are the only ones who can afford to do this during quiet times in the cycle.*
- *It was suggested that Sasol is one of the few South African organisations that is an example of national technical excellence, having taken technology that had failed elsewhere, commercialised it and now operating plants in South Africa and globally. On the one hand Sasol is seen as a "beacon of technical hope", yet on the other hand it was felt that the company has image issues that in recent times have offset this beacon of hope. Two key concerns include safety (which Sasol was now seen to be addressing well) and empowerment, an issue that is probably not always well-understood. It was suggested that these two clouds over Sasol are not allowing this beacon of technical help and wealth and knowledge to shine through as well as it should.*
- *Sasol was asked how it sought to address the challenge of developing technical skills and an understanding of "the Sasol way" as part of its global expansion plans. It was suggested that while on one level there are evident benefits in ensuring standardisation of company-specific training, on the other hand staff need to be prepared to work in very different socioeconomic and political environments. It was questioned whether*



"I think that South African companies – such as Sasol – should be more open in thinking about the dynamics of race. Rather than shying away from the issue, South African companies should embrace this culture/race debate into their training processes. I think that this would put them at an advantage internationally."

Editor – Engineering News
(South Africa)



a template for skills development in South African could be transferred easily, for example to Qatar, China, Malaysia and Nigeria.

- Recognising that the large majority of Sasol's employees are South African, it was questioned whether Sasol is ready to become truly international and to effectively integrate the anticipated large increase in foreigners. It was recommended that Sasol (and South African business in general), should begin to think more openly about the dynamics of race, "the elephant in the room that no-one talks about". It was suggested that companies would benefit by embracing the culture and race debate more effectively into training processes.

Responding to the issues raised

In the ensuing dialogue, Sasol responded to the different inputs and perspectives relating to their activities and approach to skills development.

- Regarding its approach to developing skills globally, Sasol referred to the experience of other companies that invest in foreign countries. It was noted that these typically start with about 30% of their own nationals in the commissioning phase, before scaling this down to less than 5% of their own personnel. Sasol recognises that a particular challenge is to provide local nationals with additional training over and above their country-specific training to ensure that the personnel are able to operate Sasol's plants in the Sasol way. It was suggested that this requires a combination of using the training facilities of the local country, as well as bringing supervisors and the senior managerial level to be trained in Sasol's South African facilities.
- Sasol suggested it has been fairly successful with its recent experiences with new operations in Africa, noting, for example, the training provided in South Africa for Mozambicans and Nigerians. It is recognised, however, that the challenge in future will be far larger and that the prospect of 2 000 Indian or Chinese trainees may require a different model, with a stronger regional focus. On this issue, Sasol emphasised that to be successful in a host country, it must make use of bursary programmes in that country, and enter into alliances with local training institutions. Sasol again noted its positive experience in Mozambique and Nigeria, arguing that this cooperative local approach has been most valuable in developing trust with the local government and communities.
- In terms of using its leverage more effectively in the South African context, and responding to concerns regarding government failure on this issue, Sasol acknowledged the concerns on this issue and highlighted the need for industry to continue to work collaboratively with each other and with government. They suggested, however, that this is a particular challenge and that it was not always evident how business could best respond in a pragmatic manner.
- Responding to a specific query regarding the recent temporary use of artisans from Thailand, Sasol noted that this has been undertaken as a last resort after an extensive search for local skills. The need arose during the construction phase of Project Turbo, when at any one time there were 4 000 welders on site. On top of this, Sasol needed an additional 3 000 welders for the Synfuels shutdown. The problem was compounded by the regulated change in fuel type by 1 January 2006 across all refineries.
- On the potential of thinking more openly about the dynamics of race, Sasol responded that it does not have all the answers on this issue. It was suggested, however, that the company is increasingly coming to understand the nature of some of the differences within language, race, and culture, and is starting to integrate this into a more fundamental learning process for Sasol.

encouraging black economic empowerment in our south african operations

“By putting employees, skills development and capacity building at its core, this transaction demonstrates our unwavering commitment to South Africa’s socioeconomic transformation, thus also helping us ensure continued success. I am very excited by this transaction as I have no doubt that it will contribute significantly to both Sasol’s and South Africa’s long-term economic success.”

Pat Davies – Sasol chief executive

Our biggest economic challenge in South Africa is to play a successful role in stimulating the advance of the broad-based economic empowerment of historically disadvantaged South Africans, particularly African, Coloured and Indian people. We see this as a strategic economic and business initiative.

To promote our commitment to BEE in South Africa, we operate a BEE coordination office in Johannesburg. This office reports to our chief executive and group executive committee (GEC), and oversees all corporate BEE activities, which have six main components:

- *introducing into our South African businesses equity ownership by historically disadvantaged people;*
- *procuring goods and services, preferentially, from historically disadvantaged South Africans;*
- *progressing employment equity in our South African businesses;*
- *building human capacity and talent in the industry;*
- *facilitating the development of smaller BEE enterprises; and*
- *advancing social upliftment initiatives.*

Announcing South Africa’s largest empowerment deal

In September 2007, Sasol Limited announced South Africa’s single largest broad-based black economic empowerment (BEE) ownership transaction to date. If approved by shareholders, the transaction will be implemented in 2008. Entailing a proposed 10% of Sasol Limited’s issued share capital, the equity ownership value is approximately R17,9 billion at the closing share price of R285 on 5 September 2007. (While this announcement was made after the end of the 2007 financial year, the preparatory work for the conclusion of this deal was undertaken during the reporting period, and we feel that this initiative warrants particular reference in our sustainable development report.)

A prominent feature of the transaction is that it entails a broad black public share offer, aimed at making as many black South Africans as possible, most of whom have never owned shares before, to become shareholders. In addition to increasing public ownership, almost 27 000 Sasol staff will be allocated shares in terms of a large-scale employee share ownership scheme undertaken in consultation with Sasol’s trade unions. Another significant feature of the deal is its strong focus on creating economic capacity and skills development among historically disadvantaged communities within South Africa by choosing suitable BEE partners and by creating a Sasol Foundation.

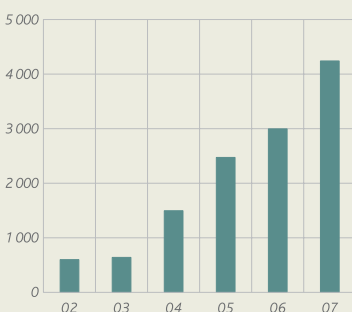
The BEE transaction will be structured so that a proposed 10% interest in Sasol Limited will be transferred to:

- *the South African black public (3%) – with a particular focus on lower income groups and especially women;*
- *selected BEE groups (1,5%) – with consideration given to BEE groups currently involved in Sasol’s business (such as unions, customers and suppliers), as well as broad-based BEE groups with a skills development focus (particularly in science and technology), with particular preference to groups active in the vicinity of Sasol’s operations in Sasolburg and Secunda;*



This year, the share of our Exel and Sasol convenience centre franchisees who are black South Africans rose to 49% from 37%.

Sasol BEE procurement progress to date
(R million)



- Sasol employees with permanent South African residence – below managerial level comprising 60% black and 40% white employees; and black managers and black non-executive directors (4%); and
- the Sasol Foundation (1,5%) – this will be created to contribute in a meaningful way to growing South Africa’s skills particularly in science and technology, with a particular focus on communities near Sasol’s operations in Sasolburg and Secunda, as well as women’s groups.

The BEE transaction will be funded through a combination of equity, third-party funding and facilitation by Sasol. In recognition of its proven track record in extending empowerment initiatives to a broad-base of previously disadvantaged South Africans, Sasol is working with the National Empowerment Fund (NEF) to explore ways of reaching as many black South Africans as possible, especially those in the lower income groups.

As a major participant in the South African economy, we welcome the role that Sasol can play in helping to meet the country’s socioeconomic objectives as outlined in the government’s broad-based BEE policies and the Accelerated and Shared Growth Initiative for South Africa (ASGISA). It is with this in mind that Sasol is structuring its BEE transaction to have a long-term sustainable impact on both Sasol and South Africa, thus helping realise South Africa’s full economic potential.

A full-time team of project managers and other specialists have been dedicated to implementing the transaction.

Full details of the BEE transaction will be announced in the first half of 2008 when the transaction will be proposed to Sasol’s shareholders. This will include details of the process that qualifying persons should follow to participate in the employee share scheme and the black retail public offer. Black groups will be requested to express their interest in participating in the transaction as selected partners.

This deal complements the other equity ownership transactions at subsidiaries within the group, most notably the sale of 25% of Sasol Oil (Pty) Limited to Tshwarisano LFB Investment (Pty) Limited with effect from 1 July 2006, and the expected finalisation of the first phase of our Sasol Mining empowerment deal with an announcement on a second empowerment transaction made in October this year. This year, the share of our Exel and Sasol convenience centre franchisees who are black South Africans (African, Indian and Coloured) rose to 49% from 37%. In the period ahead, we are on target to allocate 75% of all new service stations to black franchisees.

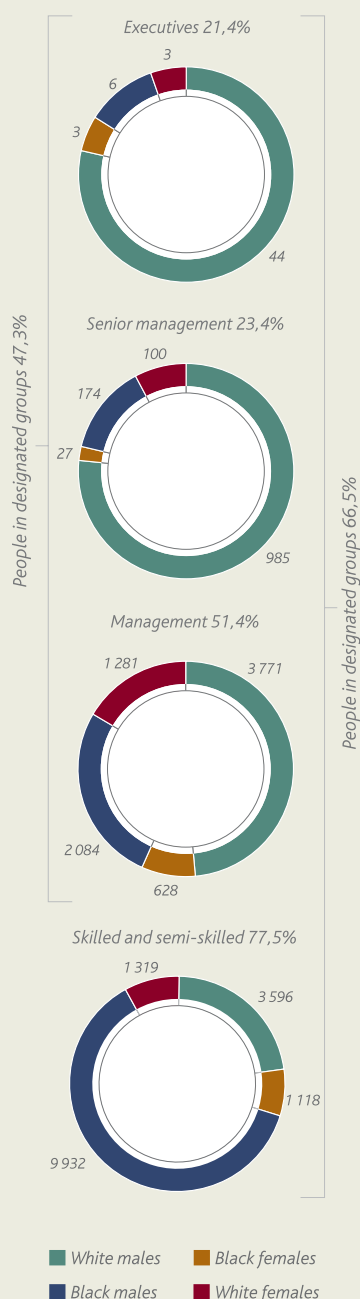
Supporting black economic empowerment through procurement

By focusing our procurement expenditure in South Africa, we are able to further stimulate economic development in the region while at the same time address some of the inequalities of the past. This year, we increased our annual procurement spend with BEE suppliers (as defined in terms of criteria relating to management and ownership) by about 42% to R4 241 million from R2 996 million, representing about 30% of our total South African controllable spend. Most of our BEE spend was with companies whose BEE shareholding exceeded 25%. An important focus this year has been on monitoring and participating in the development of the new BEE Codes of Good Practice for broad-based BEE, and in developing the systems that will be needed to facilitate implementation of these codes.

To encourage the development of medium-sized BEE enterprises to supply goods and services to Sasol, where the market would not otherwise render these, we established the Siyakha BEE Procurement Initiative Trust, which provides loan financing and business support and development services to its beneficiaries.

encouraging black economic empowerment in our south african operations (continued)

Employment equity statistics as at 30 June 2007



This year the first two Siyakha loans were approved. At a special signing ceremony HEA Clothing (Pty) Limited received a loan of R450 000 to fund the purchasing of machines and equipment to manufacture overalls for Sasol and its service providers. The funds will enable an increase in business capacity of at least R2 million per year. The second loan of R280 000 was granted to Ezomndeni Gardening Services cc to purchase a 4x4 tractor, a small ride-on tractor and a slasher. The additional equipment will significantly increase the capacity of the contractor to handle more demanding contracts.

Projects such as these have significant potential for growth and job creation. Siyakha has also supported these enterprises through training, expert technical advice and professional business consulting services.

Promoting employee diversity

Integral to Sasol's transformation agenda and in line with South Africa's Employment Equity Act, we continued to increase the proportion of our South African employees drawn from historically disadvantaged groups. People from designated groups – African, Coloured, Indian, and women – comprise 66,5% of our South African workforce, as compared with 64,9% in 2006. At year end, people from designated groups held 47,29% of Sasol managerial, professional and supervisory posts. This is an improvement on the 43% reported on last year, and the 39% in 2005.

An additional 32 candidates from the designated talent pool joined the Accelerated Leadership Development Programme (ALDP). To date, 104 managers have been trained as potential for senior management positions. Seventy-one candidates have been registered for our first group-wide Accelerated Management Development Programme, which focuses on middle management. A "Women in Leadership Programme" aimed at women in junior to middle management positions was also introduced this year.

All our South African businesses maintain employment equity forums to ensure we stay focused on achieving targets. We endeavour to nurture workplaces that are open, transparent and free of all forms of discrimination. We also promote employee equity and diversity in all the countries in which we operate in harmony with global best-practice. Sasol's focus on recruiting, developing and retaining black talent is underscored by the fact that the highest concentration of black graduate engineers in Africa is employed at our Secunda operations.

Board and management representation

Sasol's board is one of the most transformed boards in South Africa, with almost half of its members, executive and non-executive, being black. The seven black members of the 15-member board comprise four women – Nolitha Fakude, Christine Ramon, Imogen Mkhize and Hixonia Nyasulu, and three men – Dr Benny Mokaba, Mandla Gantscho and Sam Montsi. In the executive team of the board, 75% of Sasol's executive directors are black, while 50% are black women.

Senior black managers at Sasol include Bheki Khumalo, group general manager, corporate affairs, government relations and BEE; Joe Makhoere, managing director of Merisol in the UK; Maurice Radebe, managing director of Sasol Oil; Muza Zwane, managing director of Sasol Gas; Bongani Mabaso, general manager of Sasol Mining and Dr Mateus Zimba, country manager for Sasol Mozambique.



Section 4: *our sustainability performance*

This section of the report provides a succinct review of our management activities and performance on the range of economic, social and environmental issues that relate to our contribution to sustainable development. We do not, in this section, review our performance on our four most material issues – safety, climate change, skills development and black economic empowerment – as these are addressed in the previous section.

In addition to qualitative commentary on each issue, the section includes:

- *a consolidated table of our quantitative performance data;*
- *a summary index of our reporting against the GRI's sustainability reporting guidelines;*
- *a comprehensive glossary of acronyms; and*
- *a detailed list of contacts.*

contributing to economic growth and development

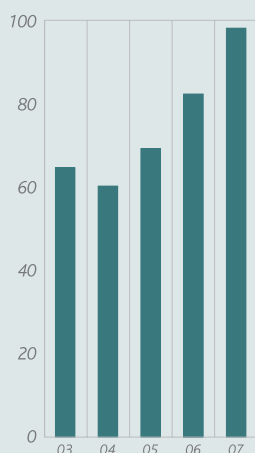
Sasol is a significant oil, gas and chemical company with operations on four continents. We are one of South Africa's largest and most successful industrial companies, producing consistently attractive returns for shareholders, as well as providing substantial tax and other revenues to the governments of the countries in which we operate. We contribute significantly to South Africa's energy supply, make a valuable contribution to the Mozambican economy and make smaller, positive contributions to the countries in which we operate in Europe, North America, Asia and elsewhere in Africa.

During our 2007 financial year, we increased group wealth creation by 37% from R31,5 billion to R43 billion. Of this amount, we distributed R11,7 billion (27%) to employees and R6,8 billion (16%) to governments in the form of taxes and related revenue.

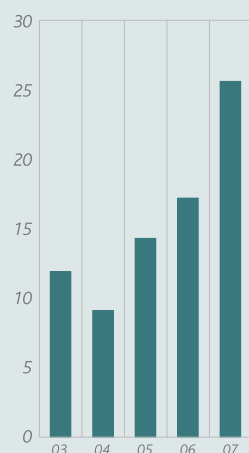
Value added statement

	2007	2006 (Restated)	2005	2004
for year ended 30 June 2007	Rm	Rm	Rm	Rm
Turnover	98 127	82 395	52 497	60 151
Purchased materials and services	(56 353)	(51 364)	(28 092)	(37 085)
Value added	41 774	31 031	24 405	23 066
Investment income	1 230	475	291	307
Wealth created	43 004	31 506	24 696	23 373
Employees	11 695	9 551	6 845	8 731
Providers of equity capital	5 133	3 836	2 966	2 812
Providers of loan capital	1 874	1 755	1 361	439
Government	6 757	6 620	4 177	3 421
Reinvested in the group	17 545	9 744	9 347	7 970
Wealth distribution	43 004	31 506	24 696	23 373

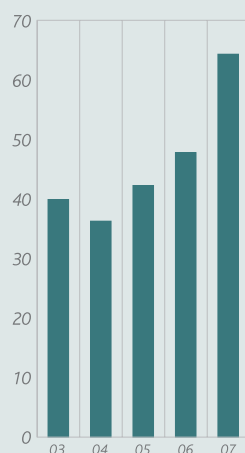
Turnover (R billion)



Operating profit (R billion)



Wealth created per share (Rand)





Playing a key role in the South African economy

In South Africa we have been producing fuels and chemicals using Fischer-Tropsch technology since 1955, and have evolved into one of the country's largest corporate contributors to economic development. We contribute about R55 billion, or 3%, to South Africa's national annual gross domestic product. We supply about 27% of the country's liquid fuel needs through synfuels derived from coal and natural gas at Secunda, and an additional 12% from conventional fuels derived from crude oil refining through our Natref oil refinery at Sasolburg. This saves the country more than R30 billion a year in foreign exchange as a result of not having to import finished liquid petroleum product, chemical feedstock, intermediates and final products.

On the basis of market capitalisation (R167 billion at financial year end), we are a top six company on the JSE, and South Africa's largest locally domiciled company. We are the country's single largest industrial investor, as well as the country's largest chemical feedstock producer. During the 2007 financial year, our total capital investment amounted to around R12 billion of which R6,5 billion (54%) was invested in South Africa. Around R7 billion of our capital investments was on growth projects, while the balance was on enhancing existing facilities. In the last five years, the cumulative income tax paid to the South African Treasury exceeded R20 billion, making us the largest direct taxpayer in South Africa.

In close cooperation with the South African government, we are exploring the feasibility of another sizeable inland coal-to-liquids refinery to serve the country's economic heartland around Gauteng. We call this initiative Project Mafutha (meaning "oil"). At this stage a synfuels plant with capacity of around 80 000 barrels a day is envisioned. We have set up a dedicated project team and earmarked significant funds to carry out a pre-feasibility study to pursue this opportunity.

If feasible and constructed, the plant will increase the alternative fuel supply to the South African economy, helping to secure greater self-reliance in the supply of South Africa's future energy requirements. The project will involve the creation of a new town, similar to the creation of Sasolburg in the 1950s and Secunda in the 1980s. Apart from its obvious strategic importance, we estimate that the plant, the residential area and all its supporting utilities will add around one percentage point to the country's annual GDP growth rate and create thousands of new jobs.

Our contribution to the South African tax base, our intention of growing our South African assets while going global, our continued listing on the JSE, and the fact that we are one of the largest employers in the country, has been publicly acknowledged by senior

politicians and government officials in the country. In the words of Deputy President Mlambo-Ngcuka, Sasol "is a company with which our government can be proud of doing business".

As President Mbeki recently noted in parliament, Sasol should be regarded as an example of a company generating a sense of national pride in South Africa's own innovation, engineering, science and technology. He used Sasol, whose technology he described as "the best in the world", as an example to inspire other companies focusing on innovation and exports.

Contributing to economic development in Africa

In addition to our significant economic contribution in South Africa, we play an important contribution in the economic development of Southern Africa and, increasingly, elsewhere in Africa.

We have a particularly noticeable presence in South Africa's neighbouring countries, most notably Mozambique through our investments in a natural gas project. We have recently launched the drilling and development campaign for our next expansion phase, with 2010 targeted for the start of production from the Pande onshore area. In addition, the three dimensional seismic survey in our offshore concession, initiated in January 2007, was completed in June, with prospectivity mapping planned to be completed by early 2008. The project, which has been undertaken in accordance with World Bank Group social and environmental standards, has had a significant positive impact on the regional economy, contributing directly and indirectly to job creation and related economic activity.

In addition to the natural gas project, we have opened six fuel retail sites in Mozambique. Our retail business in the country has grown by 15%. We also operate commercial sites and retail facilities in Swaziland – where we have seen a near doubling of our market share to 38% – and in Namibia where we have a joint venture with Namibia Liquid Fuel and are meeting our obligations to supply half of Namibia's fuel requirements. Overland fuel exports to the Democratic Republic of Congo, Zambia and Zimbabwe have continued as in previous years.

We are currently involved in developing West African resources. In Gabon, we brought the Avouma satellite oilfield on stream in January 2007 to counter the forecast decline in production from the offshore Etame field. We also sanctioned the development of the adjacent Ebouri field, which is expected to come on line during the 2009 financial year. In Nigeria, we gained a fourth deepwater licence. We have three licences in the exploration/appraisal phase with one licence proceeding to development in two separate projects.

contributing to economic growth and development (continued)

Growing our international economic base

Sasol's strategy to expand our international energy business – based on our proprietary technology, our experience in managing and operating large-scale integrated projects and plants, and our skills base – remains a key driver of growth. In an energy-hungry world where security of supply is becoming more critical, Sasol Synfuels International (SSI) and Sasol Chevron, our joint venture company with Chevron, are helping a number of countries to add value to their economies and enhance their security of supply position through plans to develop alternative, cleaner fuels from natural gas and coal. Working in parallel, Sasol Petroleum International (SPI) is advancing its exploration drive to enhance the group's upstream gas and oil resources.

During the year, we raised gas output and made good progress in securing the additional gas resources from Mozambique needed to increase our liquid fuels output in South Africa by a fifth within a decade.

In April 2007, we shipped our first product from our Oryx JV in Qatar – the world's largest commercial-scale GTL plant outside South Africa. High-quality, environmentally advanced GTL diesel, as well as GTL naphtha and liquefied petroleum gas, are being produced through the conversion of natural gas in the three-step Sasol Slurry Phase Distillate™ (Sasol SPD™) process.

Sasol Chevron made progress in developing Nigeria's first GTL facility and we are in talks with other countries interested in developing their gas reserves through similar projects. This includes a project in Australia, based on gas that will potentially be made available from Chevron's Wheatstone field. Should additional natural gas resources be made available in the Gulf's North field, an expansion of our current business in Qatar remains our future goal.

We have continued to receive enquiries from countries wanting to make their coal assets productive through our coal-to-liquids (CTL) offering, and have increased the size of our staff in China and established a project office in India. We have also identified five primary coal regions in the USA, based on large, low-cost coal reserves. These will be evaluated from technical and business perspectives before we can consider proceeding with a detailed feasibility study in a particular region.

While growing global concerns over energy security and higher oil prices are creating significant interest in CTL, the process does generate more carbon dioxide (CO₂) per ton of product compared with fuels derived from traditional crude oil refining. We are actively investigating CO₂ sequestration opportunities and other efficiency solutions in the countries where new CTL ventures are being considered (see page 47).

Since our international energy initiative first took root a decade ago, the environment in which we operate has changed dramatically. Oil prices are trading near record highs. At the same time, the number of capital projects has grown, putting pressure on available skills and increasing the cost of these projects. In spite of these developments, our strategy remains intact. We remain confident that Sasol's experience in transforming the energy landscape in South Africa can be replicated in other parts of the world.



In April 2007, we shipped our first product from our Oryx GTL joint venture in Qatar – the world's largest commercial-scale GTL plant outside South Africa.

human resources management

We fine-tuned our group human resources (HR) development and management strategy to ensure its alignment with, and more effective support of, our business strategy. This is part of a wider commitment to make Sasol an employer of choice while pursuing growth opportunities. Because of our strong presence in South Africa, we remained sensitive to national socioeconomic transformation issues and continued to progress our employment equity (EE) and workplace transformation initiatives.

Investing in our human resources

Turnover (permanent employees)

Nature of action	Total
Resignation (voluntary)	1 266
Dismissal	267
Retirement	292
Death	179
Retrenchment (medical)	7
Retrenchment (normal)	13
Sale of business unit	16

At year end, Sasol had a total of 31 820 employees in our global operations. This comprises 25 071 permanent employees and 2 387 non-permanent employees in our South African companies, and 4 296 permanent and 66 non-permanent employees in our international companies. These figures exclude our international joint ventures. Net employment creation for South African companies for the year was 1 394.

Our employee turnover rate for the year was 7,7%, comprising 4,9% voluntary turnover and 2,8% involuntary turnover.

Attracting, developing and retaining talent

As part of our commitment to attracting, developing and retaining the best talent, we invested more than R84 million in employee training and development, with 25 409 employees receiving training. This investment includes in-house technical training and self-learning centres. An additional R26 million was invested in 427 undergraduate and 89 postgraduate bursaries, with emphasis on developing scientific, engineering and technological skills. We have budgeted R34 million on bursaries for the next academic year. In addition, we will be investing almost R250 million over the next eight years to establish teaching and research capacity in chemistry and chemical engineering at selected South African universities. A primary objective is to establish world-class teaching and research capacity to ensure that Sasol has adequate access to highly skilled chemists and chemical engineers to employ in research and development.

To address concerns relating to the predicted severe shortage of shutdown artisans, we have started investing R140 million in a skills development programme that will enable 830 entry-level learners to qualify as artisans over the next three years. This investment, which is supported by the government and trade unions, forms part of an industry-wide initiative to address the country-wide shortage of skilled artisans. (Further information on our skills development activities is provided on pages 53 to 59.)

Encouraging positive labour relations

We believe we have made valuable progress in encouraging employee participation in our business. In conjunction with developing our values, we have held many workshops to solicit the views of employees at all levels. Regular, open meetings are held at our businesses to inform and consult employees. Joint forums on diversity, EE and training are designed to further enhance employee input.

We enjoy constructive relationships with representative trade unions throughout the company. About 56% of our employees in South Africa are members of recognised trade unions.

During the year, 11 836 employee days were lost due to industrial action, which equates to 0,02% of planned man hours.

Joint forums between trade unions and management remained active as part of our willingness to sustain constructive dialogue. These forums continued to discuss wages, conditions of employment, health and safety, training and development, community care and HIV/Aids, among other important issues. Representative unions and pensioners are represented on our medical scheme board and senior employees serve on the boards of union retirement funds.

As a signatory to the United Nations Global Compact, we also uphold the principles of the International Labour Organisation (ILO) and therefore endeavour, at all times, to maintain fair, open and constructive relations with all employees and, within the legal framework of the countries in which we operate.

Promoting employee wellbeing

Sasol's employee assistance programme (EAP) plays a valuable role in ensuring the continuing health of the company. Focusing on the psychosocial health of our employees and their dependants, the EAP provides confidential, professional consultation on any personal problems at no cost to employees.

The provision of face-to-face solution-focused counselling has increased, reflecting increased awareness of the programme, more employee needs and greater confidence in the EAP services. The annual utilisation for the year ended June 2007 was 9,6%,

human resources management (continued)

up from 7,3% in June 2006, and 6,3% in June 2005. A total of 4 100 employees had face-to-face counselling during 2007.

Some of our programme activities aimed at integrating the employee assistance programme with Sasol's wellness strategy during the past year have included:

- holding regular management consultations with business units in order to enhance the programme implementation strategy;
- embarking on an employee assistance programme promotion, including the distribution of posters, wallet cards and news articles;
- providing management training for the human resources consultants and employee assistance programme coordinators from the respective business units;
- establishing employee wellness forums on a central level and within business units such as Mining and Polymers; and
- carrying out on-site critical incident debriefings, where necessary.

Employee satisfaction is tracked every two years through an independent external attitude survey of employees and management. The results of the survey are benchmarked against similar global companies.



Pule Letuba, process controller at the Secunda water recycling project, checks an ozone generator unit.

ethics and human rights

Upholding strict code of ethics

Our code of ethics comprises four fundamental ethical principles – responsibility, honesty, fairness and respect – and 15 ethical standards. These standards cover such issues as bribery and corruption, fraud, insider trading, human rights and discrimination. They include a commitment to conducting our business with due regard to the interests of our stakeholders and the environment.

We have an ethics forum to monitor and report on ethics practice and compliance requirements, and to recommend amendments to the code and guide. Employee performance against Sasol's values, which incorporate the code of ethics, is assessed as part of our mandatory employee performance management system.

The code of ethics has been communicated to all employees, including employees of subsidiaries. It also has been communicated to suppliers, service providers and customers. We have been operating an independent South African-based ethics reporting telephone line through external advisors since 2001. This confidential and anonymous ethics hotline provides an impartial facility for stakeholders to report fraud and other deviations from ethical behaviour. We view this hotline (telephone number +27 (0) 800016017) as an essential mechanism for maintaining the highest levels of ethical behaviour.

During the year, we witnessed a noticeable increase in the use of the ethics hotline. This is attributed to an increased awareness and understanding of the expected standards relating to safety. Following the recent appointment of a compliance officer with responsibility for following-up on issues raised through the hotline, there has been an improvement in the extent to which these issues are closed-out effectively.

Our code of ethics guides our interactions with all governmental representatives. We believe that contributions to political parties or government officials may be interpreted as an inducement for future beneficial treatment, and as interference in the democratic process. Sasol businesses therefore do not make payments or other contributions to government officials or political parties or take part in any party politics.

Human rights

We support the concept of human rights as contained in the Constitution of the Republic of South Africa and the UN Universal Declaration of Human Rights. We respect the rights to life, liberty, security and the right to be free from slavery, servitude, torture or cruel, inhuman or degrading treatment or punishment. While we condemn the high levels of violence and poor human rights records in certain countries, we do not believe that these need in themselves preclude company investment. Although it is not always

easy, we believe that it is possible to work securely and in an ethical manner in such situations.

We are committed to complying with all legal requirements within the countries in which we operate. In South Africa, where 82% of our workforce is based, internationally recognised human rights and the core principles of the ILO are enshrined within the South African Constitution and its recently revised labour laws.

Within the requirements of national laws, we strive to comply with the principles of the UN Global Compact. This includes a commitment to:

- supporting and respecting the protection of internationally proclaimed human rights, within our sphere of influence;
- ensuring we are not complicit in human rights abuses;
- eliminating all forms of forced and compulsory labour;
- recognising the right to collective bargaining;
- abolishing child labour; and
- eliminating employment discrimination.

Although we currently have no separate policy specifically addressing human rights, our commitment to the protection of human rights is currently addressed through our code of ethics, with which all Sasol employees and businesses are required to comply. Human rights-related issues are also addressed in our policies and procedures relating, for example, to labour rights, worker health and safety, and environmental management.

As we extend our operations into countries that have been regarded as having human rights concerns, we recognise the importance of exercising extra diligence to ensure, as a minimum, our activities comply with internationally accepted standards of behaviour, and that we support and protect internationally recognised human rights within our sphere of influence.

In terms of our existing project management activities, all new investment decisions and projects are subject to Sasol's Business Development and Implementation Model, which comprises a series of "decision gates" at each of which the project risks are reviewed. For projects that entail investments in new countries, a country-specific risk assessment process is undertaken that includes a review of financial, technical, socioeconomic, political and legal risks. This assessment is undertaken using a detailed database of around 3 000 potential risks. We are in the process of further refining this risk management model, as part of a general global trend that is moving away from a traditional focus on quantifiable technological and financial risks, to provide for some of the more intangible issues

ethics and human rights (continued)

associated with the company's reputation, including human rights issues.

As part of our global growth activities, the following potential human rights risks have been identified as issues that may require particular focus within our operations:

- managing issues relating to human resources, collective bargaining, and political and religious freedom in certain countries;
- ensuring full compliance with international resettlement policies as part of possible community relocation that may be required in India as a result of a possible petrochemical venture;
- ensuring appropriate protection of petroleum interests in countries with weak governance without precipitating possible human rights concerns associated, for example, with the management of security forces; and
- addressing possible concerns relating to the role and status of women.

This year, an independent study was completed to assess the implications for Sasol of our commitment to the human rights principles of the Global Compact. We presented the outcomes of this study at an international workshop, where we shared a platform with the former UN High Commissioner for Human Rights, Mary Robinson. The report has been disseminated in formal UN publications and on the website of the Business and Human Rights Resource Centre (www.business-humanrights.org). This study will inform the development of a more structured response to human rights issues as we expand our global activities.



tackling the HIV/Aids challenge in our south african operations

Our integrated Sasol HIV/Aids Response Programme (SHARP), launched in September 2002, focuses on reducing the impact of the HIV and Aids in our operations. A key objective is to extend the quality of life of infected employees by providing managed healthcare. Businesses, trade unions, community representatives and independent experts all contributed to the design of SHARP.

SHARP is coordinated at group level by a steering committee, chaired by a GEC member. Our chief executive is visibly supportive of the managing directors of each business unit who are the business unit champions. The main Sasol trade unions provide critical leadership and are significantly involved with SHARP. Through the SHARP initiative we are:

- implementing measures to eliminate discrimination on the basis of a person's HIV/Aids status;
- encouraging a behavioural change through our HIV/Aids education and awareness programmes;
- providing access to free and confidential voluntary counselling and testing (VCT);
- providing treatment of opportunistic illnesses such as tuberculosis, as well as treatment of sexually transmitted infections;
- providing managed healthcare, including antiretroviral treatment (ART) for employees; and
- reducing and managing the total cost to Sasol of the business impact and response to HIV/Aids.

We believe that it is as a result of this collaborative approach that we have had one of the highest uptakes for voluntary counselling and testing (VCT) in South Africa. During the 2005/2006 year VCT drive, 83% of our employees in South Africa had undergone education and VCT. There was an HIV incidence rate of 7%. The majority of Sasol employees are members of medical aid schemes through which they access healthcare and in particular antiretroviral therapy. With most employees now having access to health insurance, we have moved away from providing on-site treatment, thereby providing employees with greater choice in their access to health services. On-site treatment is only available at one of our operations, to uninsured employees.

We are extending the provision of our HIV/Aids services to include on-site services providers, as well as Sasol convenience centres. For those service providers that only provide limited benefits to their employees, we offer training and awareness programmes, as well as VCT services. In addition, we have conducted an extensive training and awareness programme for each of the Sasol and Exel service stations. A three-hour training course has been provided for

about 5 000 service station employees, and each service station has been provided with information on their nearest available public health resources for testing, counselling, and treatment.

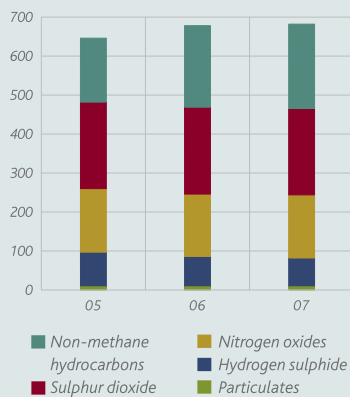
Through our corporate social investment (CSI) department we have partnered with numerous community-based organisations to increase awareness and improve access to care in the communities in which we operate. Our SHARP programme was recognised as one of the top five workplace programmes in the country at the Khomanani Excellence Awards in 2005.



Sasol HIV/Aids Response Programme (SHARP) focuses on reducing the impact of HIV/Aids on our people.

addressing environmental concerns at our operations

Atmospheric emissions (thousand tonnes)



New dust extractor at the Sasol Nitro fertiliser granulation plant.



Targeting atmospheric pollutants

Total hydrogen sulphide emissions during the year amounted to 74,2 kilotonnes (kt), compared with 77,8 kt in the 2006 reporting period. Our total emissions of sulphur dioxide (SO₂), nitrogen oxides (NO_x) and particulates have remained at consistent levels. There has been an increase in the reported emissions of non-methane hydrocarbons (NMHC) from 209 kt in 2006 to 219 kt during the 2007 financial year. (Our emissions of greenhouse gases are reviewed on page 45.)

An important focus area this year has been the finalisation and approval by all business units of environmental improvement plans, including air pollution reduction plans, to ensure compliance with the Sasol SH&E minimum requirements that are based on internationally accepted environmental and health standards. Compliance with these requirements will result in the phasing out of continuous flaring practices in Sasol. The improvement plans of our South African facilities will be aligned with the requirements which will be provided in the National Environment Management: Air Quality Act.

This new legislation stipulates new ambient air quality standards and will, in time, include emission regulations. In terms of the legislation, priority areas have been identified for those regions where air quality is a concern. In these areas stricter standards will be imposed than the general minimum standards. Our Sasolburg operations fall within the declared Vaal Triangle Priority Area, while Secunda is within the proposed Highveld Priority Area. To meet these requirements we have earmarked substantial investments at Sasolburg and Secunda for projects aimed at improving air quality over the next 10 years. We are working closely with government to assess and respond to this legislation, both directly and through business representative bodies. To ensure coordinated improvements in ambient air quality we are partnering with other industries, including most notably Eskom.

At Secunda, managing our hydrogen sulphide emissions is a particular priority. A new sulphuric acid plant is being built and an emissions management plan has been put in place. Various projects are also under way to reduce the levels of potentially hazardous low-level hydrocarbon emissions by 50% on current levels by 2015. Due to constraints internationally in the availability of the required equipment and available skills, there have been delays in the implementation of our emission reduction plans for this year.

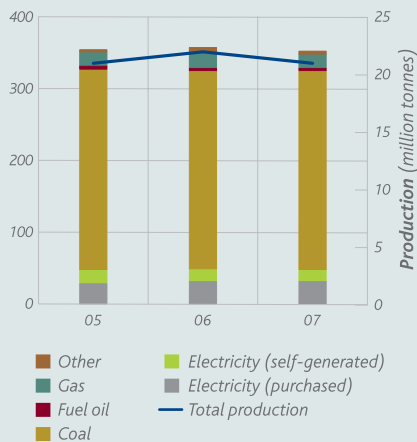
Our leak detection and repair programmes are ongoing at Sasolburg and Secunda. It is anticipated that these will result in significant reductions in factory and fence-line hydrocarbon levels. Major capital projects are envisaged to reduce emissions of particulates, sulphur dioxides and nitrous oxides from the boilers at Secunda and Sasolburg.

We have continued to monitor ambient air quality in those regions potentially affected by our operations. Our most significant air quality monitoring programmes are at our Sasolburg and Secunda operations in South Africa, where we have commissioned monitoring stations in community areas and are undertaking continuing research of atmospheric chemistry. An important initiative this year has been the installation at Sasolburg of fence line monitoring for hydrocarbons and SO₂ and NO_x. We have continued to contribute to ambient air quality monitoring and research activities in South Africa, including our ongoing research partnership with Eskom aimed at jointly addressing air quality improvements.

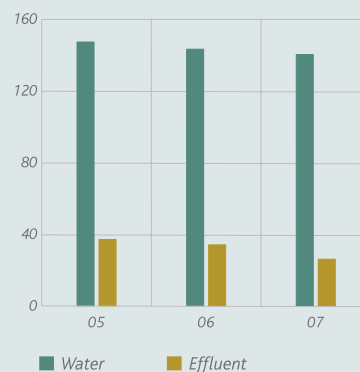
Internationally, Sasol's global status in terms of the Montreal Protocol (on ozone-depleting substances) has been established and quantified. The results indicated broad compliance with the protocol. The only significant inventory of hydrochlorofluorocarbons (HCFCs) is at Sasol Polymers in Sasolburg where it is used as a refrigerant and will be phased out by 2015, along with other ozone-depleting



Energy use (million gigajoules)



Water use and effluent (million cubic metres)



substances, in accordance with the requirements of the Montreal Protocol.

Identifying opportunities for energy efficiency and renewables

Our total energy usage this year was 353 million gigajoules, compared with 354 million gigajoules in 2006. Identifying and implementing additional energy efficiency initiatives remains a priority and is part of our commitment to reduce greenhouse gas emissions. In South Africa, we are signatories to the Energy Efficiency Accord with other companies and the Department of Minerals and Energy. Through this accord, we are committed to reducing energy consumption per unit produced by 15% by 2015, with 2000 as the base year.

In May, we received board approval for R2,5 billion in funds for the installation of gas turbines to power a planned 280 megawatt electricity plant at Secunda. It will eventually use mainly flare gas, but will be commissioned with natural gas, supplied from Sasol Petroleum International's operations in Mozambique. In the second phase of the expansion project, Sasol Synfuels envisages complementing the current Sasol Lurgi medium-temperature gasifiers with high-temperature gasifiers. This will improve the efficiency and environmental footprint of our coal conversion process.

Other significant energy efficiency projects have been identified at Secunda and are in various stages of development, with large capital investment anticipated. These include projects relating to:

- the production of steam from waste heat;
- improving the efficiency of rotating equipment;
- improving the utilisation of coal; and
- reducing electricity consumption, product losses and flares.

As part of our commitment to reducing our greenhouse gases, we are renewing our investigation into the potential role that renewable energy can play in Sasol's energy mix. This includes an assessment of the available technologies, financial viability and implications for reducing greenhouse gas emissions associated with solar, wind, fuel cells, biodiesel and bio-ethanol, as well as the potential for biomass-to-liquids plants. Recognising the need for an appropriate policy environment for renewables, we are participating in discussions with South African regulatory authorities in developing a national policy on renewable energy.

Managing water usage and effluent

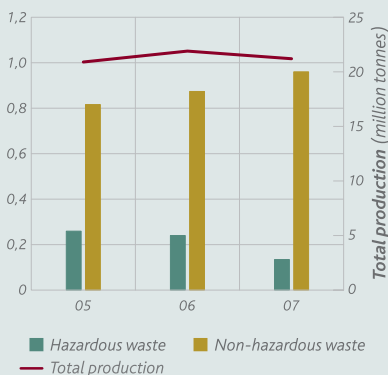
During the 2007 reporting period, our total water usage per ton of product remained relatively constant. The more water intensive processes still make up a large proportion of total production.

Ensuring adequate access to water supplies over the long term remains a concern in many of our operations, particularly in the Middle East and South Africa. Minimum requirements for water and effluent handling have been approved at all our operations. Water-demand and effluent-management projects are being implemented throughout the group, although many of these are still at an early stage.

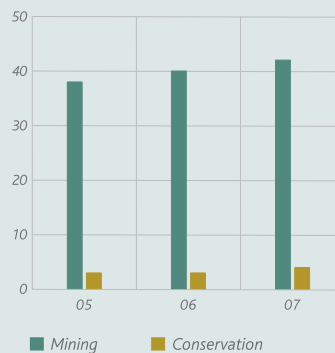
An environmental roadmap has been prepared, covering the next 15 years, which includes a specific focus on issues relating to water. This includes reviewing the water-demand impacts associated with a typical CTL facility, and assessing the implications of current and projected water supplies for our growth plans. It is apparent from these studies that we will need to drive further improvement in integrated water resource management practices throughout our value chain, and that this will require proactive partnerships, particularly with government and other water-intensive sectors.

addressing environmental concerns at our operations (continued)

Hazardous and non-hazardous waste
(million tonnes)



Land use and biodiversity (thousand hectares)



We are undertaking initiatives in South Africa to improve water efficiency and ensure greater security of supply. In partnership with Eskom and the South African Department of Water Affairs and Forestry (DWAF), we are participating in the Vaal Pipeline Project aimed at ensuring a sustainable supply of water, up to 2030, to Eskom power stations and the Sasol Synfuels complex situated in the water-scarce Mpumalanga Highveld area. Construction is in progress on the R3,3 billion pipeline to supply water from the Vaal Dam to Secunda, and water delivery is expected by May 2008.

We are developing an integrated water systems model for the Secunda complex, while at Sasolburg we are implementing a strategic plan for the abstraction and discharge of water. A key element of this is our vision of operating a zero waste-water discharge facility. We have partnered with DWAF and Rand Water (a major supplier of potable water in the Gauteng region) in a scientific study aimed at understanding the causes of recurring fish kills in the Vaal barrage, and to develop appropriate management plans to limit any identified industry impacts. To date these kills have been attributed to seasonal temperature changes and sporadic sewage discharges from regional sewage works, but further scientific study is necessary.

Working to minimise waste

In 2007, Sasol operations generated 138 kilotonnes of hazardous waste, representing a 46% decrease on the previous year. This decrease is attributable largely to the reduction in the volume of historically accumulated sludge being removed from the Secunda oily water sewer system. A sewer maintenance project started during 2007, to clean and maintain the storm water and oily water sewers which has also resulted in a reduction in the sludge accumulation.

Over the same period, we generated 1 003 kilotonnes of non-hazardous waste, 10,2% more than the 910 kilotonnes produced in 2006. A significant portion of our non-hazardous waste (about

880 kilotonnes) is the phosphogypsum waste generated in the production of phosphoric acid at our Phalaborwa operations.

With the aim of reducing our generation of waste, we have developed pollution prevention principles that have been integrated in the Sasol SHE&E minimum requirements. A comprehensive programme is in place to manage legacy waste in accordance with legal requirements. The underlying goal is to adopt a systematic approach to integrated waste management that results in zero hazardous waste.

Managing land use and biodiversity

There have been no significant changes in our levels of land ownership since the previous reporting period. At the end of the 2007 financial year, 3 590 hectares (ha) of land were owned or leased by Sasol operations specifically for production activities or extractive purposes. In addition, Sasol occupies 40 538 ha of underground mining area and 1 284 ha of land for surface mining. The total area of land dedicated for conservation and biodiversity purposes at the end of the reporting period amounted to 4 079 ha.

Although we do not own land in areas that have been formally classified as environmentally sensitive or specifically rich in biodiversity, we nevertheless are involved in projects in areas of potential environmental sensitivity, most notably as part of the Mozambique Natural Gas Project. Management of this project has been undertaken in accordance with World Bank Group guidelines, and has entailed the development and implementation of environmental impact assessments, management plans and audits, as well as the publication of periodic environmental and social disclosure reports.

Two areas of particular potential interest in terms of biodiversity include the management of our offshore exploration activities in a concession east and north of the environmentally significant

There has been good progress towards the understanding and characterisation of contaminated land throughout the group and the associated liabilities.



Bazaruto Archipelago, and the potential for increased utilisation of natural resources and biodiversity through improved access along the pipeline maintenance servitude.

- *To minimise the impacts associated with this offshore exploration project – which involves conducting seismic surveys, exploration-drilling and well-testing activities in an area totalling approximately 10 000 km² – we have undertaken a comprehensive EIA process that has included marine specialist studies on biology, fisheries, socioeconomics, as well as an oil spill and drill cuttings dispersion modelling investigation, and a public consultation and stakeholder engagement process. The environmental impact assessment carried out ahead of this survey was the first of its kind in Mozambique, earning plaudits from the World Bank Group. Independent specialists are currently working in partnership with local conservation and research institutions to further understand the impact of our activities in shallow waters.*
- *To minimise the potential for increased harvesting of resources (particularly hardwoods) along the natural gas pipeline, we have installed fencing and gates with the aim of controlling third-party activities. We are also examining opportunities for improved collaboration with the regulatory authorities and research institutions with a view to improving long-term monitoring of the biodiversity impacts.*

Notwithstanding the measures we have been taking to reduce the environmental impacts of our projects in sensitive areas such as Mozambique, we recognise that there is scope for a more structured approach to biodiversity management, including, for example, the development and implementation of biodiversity action plans.

Supporting land remediation

As a result of our historical chemicals and fuels processes, we have several areas where soil or groundwater has been contaminated.

There has been good progress towards the understanding and characterisation of contaminated land throughout the group and the associated liabilities. In some areas, remediation was successfully completed (such as at our Klipspruit and Witbank factories in South Africa), while in others, detailed surface and groundwater characterisation projects have been conducted or are ongoing.

Detailed assessments of groundwater contamination at our Sasolburg and Secunda facilities are continuing. The remediation of mercury contamination is ongoing at our Sasol Polymers Midland site in Sasolburg, and the preparatory work for the remediation of the tar pits at the Sasol One site is nearing completion. At Secunda, we have ceased the practice of irrigating recycled process cooling water and the first two irrigation farms have been successfully rehabilitated to productive farmland.

A comprehensive due diligence exercise is undertaken for all new Sasol convenience centres and commercial installations.

Remedial projects are ongoing at our US operations at Lake Charles and Baltimore, as well as at the non-operating sites of Aberdeen and Mansfield. These remedial activities are attributable to operations conducted before Sasol acquired the sites and are covered by environmental indemnities. In Italy, remedial and characterisation activities, also mostly attributable to operations conducted prior to Sasol's acquisition of these businesses, are continuing on the Augusta, Crotone, Porto Torres, Paderno and Sarroch sites.

At 30 June 2007, we had a provision of R1 407 million at Sasol Synfuels for site remediation. At Sasol Mining, R420 million was provided of which R312 million has been invested in a trust fund for mine closure and rehabilitation. This figure is reviewed annually by KPMG to ensure adequate provision is made at all times.

sasol's corporate social investment programme

Sasol's corporate social investment (CSI) programme is guided by its vision of promoting people-centred, needs-driven sustainable development of communities, focusing on those regions where we have our largest footprint. We believe an effectively designed and implemented CSI programme can play an important role in a company's contribution to sustainable development.

Sasol's CSI model focuses on developing communities through the provision of both financial and other non-financial resources. Employees are involved, and are enabled to volunteer as well as contribute to development through payroll giving or in-kind donations.

Sasol has committed more than R600 million to social upliftment and human development initiatives over the last decade.

Traditionally, we have channelled our social investments primarily into five priority areas:

- education, with a particular focus on mathematics, science and technology education;
- job creation, by investing in initiatives that promote the sustainable creation of employment, particularly for unskilled, marginalised groups such as women and youth;
- health and welfare, with a priority emphasis on key social challenges such as HIV/Aids prevention, etc;
- arts, culture and sports development with a particular emphasis on identifying opportunities for uplifting the quality of life of communities; and
- environment, by supporting specific conservation projects, as well as education and capacity-building initiatives.

During the year, we committed more than R40 million (excluding bursaries) to socioeconomic development projects, mostly in the Sasolburg and Secunda communities and along the Mozambique-to-Secunda pipeline route. We also committed R25 million to bursaries and the R33,5 million dedicated to sport sponsorship. As part of the MNGP, Sasol is maintaining a social development plan in Mozambique, where we have invested more than US\$7 million in community development projects in Mozambique. We have also committed an additional US\$1 million for social upliftment projects to benefit communities alongside the gas transmission pipeline in South Africa.

While most of our social investments are undertaken in Southern Africa, important community-based initiatives are undertaken by our USA and European operations. During the year, these operations and their employees contributed almost R17,5 million to community projects. Employees in the USA donated thousands of

volunteer hours to help with community projects such as United Way, Partners in Education, Teachers' Institutes, Inland Waterways Cleanup, Habitat for Humanity, the Chemistry Expo and mentoring elementary school students. A more detailed review is available from our CSI department.

Funding principles

All our CSI projects are subject to the following principles:

- all projects are selected through a defined screening and selection process;
- performance contracts are signed with each partner outlining their reporting roles and responsibilities;
- all funded projects are subject to monitoring and evaluation procedures;
- the renewal of funding contracts is subject to the outcome of evaluations and to compliance with Sasol governance requirements;
- the exiting of Sasol as a funding partner is discussed, negotiated and documented with beneficiaries;
- ninety percent of the total CSI budget is allocated to the funding of flagship projects; this may include multi-year funding of projects; and
- five percent of the CSI budget is allocated for funding contingency/crisis events in the community.



Sasol's strategic CSI programme in South Africa

At Sasol we understand the value of social investments that are strategically linked to the development needs at communities. Recognising the many pressing social priorities in South Africa, and with due regard to the nature of our activities, our CSI programme in the country focuses on five priority areas: education; health and welfare; job creation; environment; and arts, culture and sports development. A brief summary of some of Sasol's key CSI initiatives in South Africa over the last year is provided below.

Education

Recognising the importance of mathematics, science and technology education as the basis for a sound economy, as well as the need to develop a talent pool from which to draw future employees, our major focus has been on building capacity, transferring skills and providing resources to learners and educators in the fields of science, mathematics, engineering and technology. Through our social investments in this area, we:

- provide rudimentary infrastructure from basic materials and classrooms in rural areas to the development of more sophisticated resources;
- support primary, secondary and tertiary education projects by providing learning resources, extra tuition and educator development programmes; and
- support research projects on education, engineering, environmental and scientific issues at tertiary level.

Examples of specific projects include:

- the Sasol Blue Box programme which provides under-resourced rural schools with the equipment needed to teach science at a primary school level, as well as providing educators with training and mentoring over a three-year period to ensure sustainability;
- supporting the University of KwaZulu-Natal's Science Access Programme, which provides access for rural students with ability to join tertiary education through the science bridging programme;
- the Osizweni Community Development Centre in Secunda, which provides a comprehensive range of educational services ranging from early childhood education through to further education and training for out-of-school learners, and including entrepreneur and vocational skills development;
- continuing to support the annual Sasol TechnoX and SciFest exhibitions, which provides students and teachers with an opportunity to be exposed to the world of science, maths and technology;

- sponsoring extra tuition and training for science and mathematics learners through various programmes, such as the Sasolburg winter schools project, Saturday Schools at St Mary's and at Sci Bono in Johannesburg for learners and educators, the Sasol Govan Mbeki mathematics development project in the Eastern Cape;
- supporting the Rally to Read initiative aimed at improving literacy through the training of educators and the provision of libraries in rural regions; and
- funding research into mathematics and science education in the country.

Health and welfare

Our support for health and welfare focuses primarily on addressing the key development issues in communities. At present the demand for support is mainly related to providing care support to those who are infected and affected by HIV/Aids. Examples of specific projects during the year include:

- partnering with the national Stop Gender Violence Helpline, a toll-free helpline that provides multilingual confidential counselling and support to the community;
- running the Broken Dreams life skills training programme in schools with the Market Theatre;
- providing community education and support services through projects such as the Isiphephelo step-down care facility and the Highveld East Aids Project in Secunda;
- partnering with a national non-government organisation, Resources for the Prevention and treatment of Child Abuse and Neglect, to develop toolkits for community-based counsellors who work with survivors of abuse;
- funding the development of the first hospice in Diepsloot, Soweto; and
- partnering with Heartbeat, a national NGO, to provide professional after-school support for orphaned and vulnerable children, in which we look beyond the physical needs of orphans and focus more on their psychosocial needs.

Job creation

The promotion of employment is critical to ensuring a stable environment within which to do business. We have focused on providing support to the most marginalised members of communities – such as rural and peri-urban youth and women – by providing financial and material support as well as skills development.

sasol's corporate social investment programme (continued)

Examples of specific projects during the year include:

- supporting the development of integrated energy centres (IeCs) in under-resourced rural areas of South Africa;
- partnering with BirdlifeSA to train and develop local bird guides. Unemployed members of the communities surrounding avi-tourism hot-spots are now able to benefit from the tourism industry as trained bird guides;
- funding the Highveld East Business Development Corporation in Secunda, which has been set up to assist small, medium and micro-enterprises to write business plans and to submit tenders as sub-service providers for the Sasol Secunda site;
- partnering with Junior Achievement South Africa to pilot the Mini Enterprise Programme that teaches students the fundamentals of business and economics, and promotes the development of entrepreneurs; and
- working in communities with programmes such as Fast Track to promote the development of entrepreneurship skills and opportunities.

Environment

Our support for environmental and conservation projects includes funding information and education initiatives, research projects and community-based conservation initiatives.

- Through the ongoing and successful Sasol Schools Cleanup Project at Sasolburg and Secunda, we promote the value of living in a clean and healthy environment.
- We provide sponsorships to environmental organisations and initiatives, such as the Endangered Wildlife Trust and the Sasol Vulture Monitoring Project.
- We have also funded projects that provide training to communities on planting sustainable food gardens and greening deforested areas with indigenous plants.

Arts, culture and sport development

Sasol has a long tradition of assisting the visual, performing and creative arts. Our support ensures the success of many cultural events, such as festivals and exhibitions, as well as helping talented individuals to reach their full potential. We also target sport and life skills development amongst the youth in communities with which we do business.

- During the year, we continued to support the Ochrim School of Music for young musicians from historically disadvantaged communities, and

- sponsored the Black Tie Ensemble, a community-based initiative aimed at developing and training classical singers from historically disadvantaged groups. The South African National Youth Orchestra's Development Programme and the Sasol Schools Festival-Series focus on developing youth talent and an appreciation of South Africa's cultural heritage.



Sasol employees at the Lake Charles Chemical Complex volunteer thousands of hours each year to help with community projects such as Rebuilding Together, which helps to refurbish local homes of the elderly or handicapped.

our performance data

	2005	2006	2007
Safety performance			
Employee Numbers ¹	30 393	29 658	31 820
Recordable Case Rate ²	1,23	0,93*	0,75
Fatalities ³	17√	4√	4√
Fires, Explosions and Releases ⁴	25√	15√	21√
Logistics Incidents ⁵	31	35√	52√
Production performance			
Total production (kilotonnes)	20 932	21 937	21 200
Greenhouse gases (kilotonnes)⁶			
Direct methane (CH ₄)	245	252	246
Direct carbon dioxide (CO ₂)	58 563√	58 433√	56 550√
Indirect carbon dioxide (CO ₂)	7 985√	8 771√	8 627√
Total greenhouse gas (CO ₂ equivalent)	72 015	72 975	70 922
Air pollutants (kilotonnes)⁷			
Hydrogen sulphide (H ₂ S)	89	78	74
Nitrogen oxides (NO _x)	163	160	162
Sulphur oxides (SO _x)	222√	223	219
Non-methane hydrocarbons (NMHC)	164	209	219
Particulates (fly ash)	8,32	7,56	7,58
Solid waste (kilotonnes)			
Hazardous waste	272	254√	138√
Non-hazardous waste	846	910	1 003
Energy use (thousand gigajoules)⁸			
Electricity (purchased)	28 004√	31 016√	31 106√
Electricity (self-generated)	19 995√	18 075√	17 451√
Coal (used for energy generation)	278 584√	275 790√	276 997√
Fuel oil	4 463√	3 256√	3 342√
Gas	17 959√	21 119√	20 388√
Other (eg steam)	2 667√	4 886√	4 069√
Total energy use	351 674√	354 141√	353 353√
Material use (kilotonnes)⁹			
Coal	18 115	18 027	17 861
Crude oil processed	4 390	4 094	7 270
Nitrogen from air	1 285	2 266	1 989
Oxygen from air	12 203	13 109	13 014
Other (eg chemicals, feedstock)	16 372	19 662	20 027
Total material use	52 365	57 157	60 160
Water			
Water use (1 000 m ³) ¹⁰	146 515√	142 722√	140 469√
Liquid effluent (1 000 m ³) ¹¹	36 865	34 288	25 595
Land and biodiversity (hectares)			
Area affected by operations	4 006	3 707	3 590
Area dedicated to conservation	3 097	3 096	4 079
Land use and mining (hectares)			
Surface mining area	1 281	1 284	1 284
Underground mining area	37 182	38 836	40 538
Total area disturbed	38 463	40 120	41 822
Area rehabilitated	1 016	1 326	1 596
Legal compliance¹²			
Fines, penalties and settlements (numbers of)	16	0	2
Fines, penalties and settlements (US\$)	5 000	0	0

our performance data (continued)

Basis of reporting

The performance data reported in the previous tables has been aggregated from all companies and operations globally that are under Sasol's operational control. All data is collected by the individual operations and reported on a quarterly basis to the Sasol group SH&E centre using a common database, and in accordance with the group sustainable development (SD) reporting guidelines and definitions. Data is collected and processed by the business units using the best available national or international methodologies and techniques for measurement, calculation and analysis. The years referred to relate to Sasol's financial reporting period (for example, 2007 relates to the period from July 2006 to June 2007). Although every effort has been taken to ensure the accuracy of the data, we recognise that some data may be subject to uncertainty relating, for example, to different interpretations of the internal reporting guidelines, and possible human error in recording and submitting the data.

On 1 July 2006, a decision was taken by the group executive committee (GEC) not to include full SD data from our Olefins & Surfactant facilities (O&S), as the planned divestiture was expected to be completed by August 2006. Accordingly, only data for fatalities, recordable cases, fires, explosions and releases (FERs) and logistics incidents for O&S have been included, while environmental data for O&S has been excluded, even though the planned divestiture of these facilities was terminated in March 2007. The non-inclusion of these facilities in this year's report has had a bearing on some of our environmental data for comparative purposes, and environmental data for O&S for previous years has been excluded to ensure valid comparisons.

Key

- √ Indicates a data parameter externally verified by KPMG, in accordance with the statement on page 13.
- * Indicates a value that differs from the value reported in the 2006 sustainable development report. These values have been updated to provide for revisions of the defined measures, to more modern standards.

Notes on measurement

Besides applying barrels (bbl) and cubic feet (cf) for reporting on oil and gas reserves and production, Sasol applies Système International (SI) metric measures for all global operations. A ton denotes one metric ton equivalent to 1 000 kilograms (kg) or about 2 200 imperial pounds. Sasol's reference to a metric ton should not be confused with an imperial ton equivalent to 2 240 pounds (or about 1 016 kg). A hard space is used to distinguish thousands in numeric figures (eg 2 500) instead of a comma (eg 2,500).

- 1 **Employees** are persons working for Sasol on a full-time or part-time basis, who are paid individually via the Sasol payroll system, including service providers working under Sasol's supervision (ie persons from labour brokers or fixed-term service providers). These numbers include some non-permanent employees. These have been included for the purpose of safety reporting requirements. The totals reflected above are thus higher than those reported on in the section on employee demographics, in which reference is made only to permanent employees.
- 2 **The recordable case rate (RCR)** is a standard international measure for reporting work-related injuries and illnesses and other safety incidents resulting in injury. The RCR is the number of fatalities, lost workdays, restricted work cases, medical treatments beyond first-aid cases and accepted illnesses for every 200 000 employee hours worked. From 2006 onwards, our RCR includes both employees and service providers, and recordable injuries as well as occupational illnesses.
- 3 These figures include all **work-related deaths**, whether instantaneous or resulting from an occupational injury regardless of the time between the injury and death. The numbers include Sasol employees (full-time or part-time, including service providers working under Sasol's supervision), as well as service providers. Service providers are persons not working under Sasol's supervision, but under their own supervision from site-established or outside service providers services.
- 4 A **fire, explosion or release (FER)** incident is registered as "significant" (and thus reported externally) when it meets any of the following criteria: (i) it involves a fatality or lost workday case; (ii) it results in damage of more than US\$25 000; or (iii) it causes a release in excess of the relevant substance's US OSHA threshold quantity (as defined in OSHA 40 CFR 355.40 – Appendix A) (iv) it causes a release of more than 2 250 kg of flammable material.
- 5 Figures refer to all **logistics-related events** that meet at least one of the following criteria: (i) death or injury leading to more than three days' absence from work; (ii) spill or leak of more than 200 kg (hazardous) or 1 000 kg (non-hazardous) material; (iii) property damage of more than €20 000 (including environmental cleanup); (iv) public disruption (evacuation, road closure or other precautionary measure) lasting more than one hour; or (v) national media coverage. These include incidents with in-transit transport of substances between the site of a supplying company and the final customer, but exclude transport and loading and offloading activities at the premises of the supplying chemical company and the final customer. Logistics incidents were referred to as transportation incidents in previous years.
- 6 **Greenhouse gas (GHG) emissions** have been calculated and reported in accordance with the GHG Protocol (www.ghgprotocol.org). Indirect emissions refer to emissions that are a consequence of the activities of the reporting entity, but occur from sources owned or controlled by another entity. These include all sources of imported electricity, heat and steam, which typically are supplied by external power and electricity-generating utilities. For Sasol sites based in Europe and North America, CO₂ emissions from electricity purchased is calculated based on country average emission factors. For Sasol sites in South Africa, a conversion factor of 0,958 tonnes of CO₂ per megawatt hour of Eskom electricity has been used; the previously-used rate of 0,978 has been adjusted following a change in Eskom's basis for reporting. Total CO₂ equivalence is calculated by multiplying the tonnes released per year with its Global Warming Potential (GWP) relative to carbon dioxide, as published by the Intergovernmental Panel on Climate Change (IPCC). Although total GHG (CO₂ equivalent) includes methane, carbon dioxide and nitrous oxide (NO₂), the latter is minimal and actual data not shown.
- 7 **NO_x** refers to oxides of nitrogen, including NO and NO₂. **SO_x** refers to airborne emission of sulphur and its compounds formed, for example, during combustion or production processes, and comprises the sum of sulphur dioxide (SO₂) and trioxide (SO₃) emissions to air. Particulates (fly ash) refers to the emission of fly ash from all coal-burning appliances. It is reported on the basis of continuous monitoring for fly ash emissions on pulverized fuel boilers and ad-hoc emission factor determination by means of isokinetic sampling with reliable flow and monitoring.
- 8 **Energy use** is the sum of all energy inputs (eg own resources, self-generated and purchased) minus all energy outputs (eg energy delivery, and products). Resources that are primarily raw material inputs for manufacturing processes (eg crude oil for refining) are not considered energy uses, even though energy transformations are involved in the reactions and production processes (eg coal used in Sasol power stations is reported as energy usage, while coal used in the gasification process is reported as material use).
- 9 **Material use** refers to the mass of raw material feedstock inputs for the manufacture of product. This includes coal, crude oil and other materials used in significant quantities and converted into product. Phosphates used in the manufacture of phosphoric acid are one example of such other materials.
- 10 **Water use** is the demand exerted on the overall external water resource through the intake of water for all forms of uses. It is not the water consumption, which is defined as the net difference between the water intakes and outputs. River water refers to the volume of water, used on a site or in an operation for own consumption, abstracted from a natural river course in terms of a permit. Potable water refers to the volume of water, used on a site or in an operation for own consumption, purchased from public water authorities or from other Sasol operations or sites. Other water is also included to get to total water but is not listed here.
- 11 **Total liquid effluent** refers to the discharge of surface waters via on-site treatment plant or other facilities of the plant, including effluent disposed to municipal sewer, sea outfall, or to streams under permit conditions. It does not include effluent streams to enclosed sewers discharging to third-party treatment facilities (either privately or publicly owned).
- 12 The figures refer to all **incidents of and fines for non-compliance** with all applicable international, regional, national and local laws and regulations associated with safety, health and environmental issues. Payments include fines due to non-compliance with laws, regulations and permits, compensation payments and regular proactive payments made as a result of non-compliance with regulations where there is a potential for any enforcement action. The payments do not include levies, or costs for lawyers and product liabilities.

GRI index

This report has been published with referencing to the G3 guidelines of the Global Reporting Initiative (GRI). A summary review of our status against the GRI G3 reporting criteria is provided in the table below. A more comprehensive review is available on our website.

GRI G3 element	Reference in Sasol report	page
Strategy and profile		
1. Vision and analysis		
1.1 CE statement	Chief executive's statement	16
1.2 Description of key impacts, risks and opportunities	Throughout the report. Section 3 highlights the most material issues	All
2. Organisational profile		
2.1 – 2.10 General organisational details	Sasol and sustainable development	18 – 24
3. Report parameters		
3.1 – 3.4 Report profile	About our sustainable development report	2
3.5 – 3.11 Report scope and boundary	About our sustainable development report	2
3.12 GRI content index	Summary index on this page. Detailed index on website	81
3.13 Assurance	Our report at a glance	13
4. Governance, commitments and engagement		
4.1 – 4.10 Governance issues	Sasol annual financial review/Our management framework for sustainable development	28
4.11 – 4.13 Commitments to external initiatives	Our report at a glance	14/31
4.14 – 4.17 Stakeholder engagement	Sasol and sustainable development	33 – 36
Management approach and performance indicators		
Economic performance – including policies and management systems relating to the following indicators		
EC1 – 4 Economic performance – including direct economic value generated and distributed, and implications of climate change	Contributing to economic growth and development/ Annual financial review	64
EC5 – 7 Market presence – including wage ratios, spending on locally-based suppliers, and local hiring	Sasol's Carbon Disclosure Report (www.cdproject.net) Encouraging black economic empowerment	49/60
EC8 – 9 Indirect economic impacts	Contributing to economic growth and development	64 – 66
Environmental performance – including policies and management systems relating to the following indicators		
EN 1 – 2 Material use	Addressing environmental concerns at our operations	72
EN 3 – 7 Energy use	Addressing environmental concerns at our operations	73
EN 8 – 10 Total water use	Addressing environmental concerns at our operations	73
EN 11 – 15 Biodiversity	Addressing environmental concerns at our operations	74 – 75
EN 16 – 25 Emissions effluents and waste	Addressing environmental concerns at our operations	72/74
EN 26 – 27 Environmental impacts of products and services	Our management framework for sustainable development	31
EN 28 Incidents of non-compliance with environmental laws and regulations	Our management framework for sustainable development	32

gri index (continued)

GRI G3 element	Reference in Sasol report	page
Environmental performance – including policies and management systems relating to the following indicators (continued)		
EN 29	Transport related impacts	Promoting improved safety performance 41
EN 30	Total environmental protection expenditures and investments by type	Reliable data not currently available
Social performance indicators – including policies and management systems relating to the following indicators		
Labour practices and decent work		
LA 1 – 3	Workforce breakdown and employee benefits	Human resources management 67
LA 4 – 5	Labour/management relations	Human resources management 67
LA 6 – 9	Health and safety issues	Promoting improved safety performance 38 – 44
LA 10 – 12	Training and education	Responding to the challenge of skills development 53 – 59
LA 13 – 14	Diversity and equal opportunity	Encouraging black economic empowerment 60 – 62
Human rights		
HR 1 – 9	Investment and procurement practices, non-discrimination, freedom of association, child labour, compulsory labour, security, indigenous rights	Ethics and human rights 69
Society		
SO 1 – 8	Impacts on communities, bribery and corruption, political contributions, anti-competitive behaviour, compliance with laws and regulations	Stakeholder engagement/Ethics and human rights 33 – 35/69
Product responsibility		
PR 1 – 9	Customer health and safety in using products, product/service labelling, regulation of marketing communications, customer privacy, compliance in the provision and use of products and services	Our management framework for sustainable development 31



acronyms

ACC	American Chemistry Council	JV	Joint Venture
ACCA	Association of Chartered Certified Accountants	kt	kilotonnes
Aids	Acquired immunodeficiency syndrome	LCA	Life Cycle Assessment
ALDP	Accelerated Leadership Development Programme	LPG	Liquefied Petroleum Gas
ART	Antiretroviral Treatment	LTMS	Long Term Mitigation Scenarios
BAT	Best Available Technology	m ³	cubic metres
BEE	Black Economic Empowerment	MEC	Member of Executive Council
bpd	barrels per day	MNGP	Mozambique Natural Gas Project
BUSA	Business Unity South Africa	MSDS	Material Safety Data Sheets
CAIA	Chemical and Allied Industries' Association	Mt	million tonnes
Capex	Capital expenditure	N ₂ O	Nitrous Oxide
CCS	Carbon dioxide capture and storage	NA	North America
CDM	Clean Development Mechanism	NEPAD	New African Partnership for Development
CE	Chief Executive	NGO	Non Governmental Organisation
CEFIC	European Chemical Industries' Council	NO _x	Nitrogen Oxides
CEPPWAWU	Chemical Energy Paper, Printing, Wood and Allied Workers Union	NYSE	New York Securities Exchange
CHIETA	Chemical Industries' Education and Training Authority	OHSAS	Occupational Health and Safety Management System
CO ₂	Carbon Dioxide	PIP	Practice in Place
CoP	Community of Practice	PSM	Process Safety Management
CSI	Corporate Social Investment	R&D	Research and Development
CTL	Coal-to-Liquid	RC	Responsible Care
DJSI	Dow-Jones Sustainability Index	RCR	Recordable Case Rate
EAP	Employee Assistance Programme	REACH	Registration, Evaluation and Authorisation of Chemicals
EE	Employment Equity	SABS	South African Bureau of Standards
EIA	Environmental Impact Assessment	SACWU	South African Chemical Workers Union
EPA	Environmental Protection Agency	SAICE	South African Institute of Chemical Engineering
EU	European Union	SAPIA	South African Petroleum Industry Association
FDI	Foreign Direct Investment	SEC	Securities and Exchange Commission
FER	Fires, Explosions and Releases	SETA	Sector Education and Training Authority
GEC	Group Executive Committee	SH&E	Safety, Health and Environment
GHG	Greenhouse Gas	SHARP	Sasol HIV/Aids Response Programme
GJ	Gigajoules	SI	Système International
GRI	Global Reporting Initiative	SIP	Safety Improvement Plan
GTL	Gas-to-Liquid	SOX	Sarbanes-Oxley Act of 2002
GWP	Global Warming Potential	SO _x	Sulphur Oxides
H ₂ S	Hydrogen Sulphide	SQAS	Safety and Quality Assessment System
ha	hectares	SRI	Socially Responsible Investment Index
HBDC	Highveld Ridge Business Development Centre	tpa	ton per annum
HCFCs	Hydrochlorofluorocarbons	TRI	Toxic Release Inventory
HIRA	Hazard Identification Risk Assessments	UN	United Nations
HIV	Human Immunodeficiency Virus	UNEP	United Nations Environment Programme
HPV	High Production Volume	UNGC	United Nations Global Compact
HR	Human Resources	US	United States
ICCM	International Conference on Chemicals Management	USA	United States of America
IGCC	Integrated Gasification Combined Cycle	VCI	German Chemical Association
ILO	International Labour Organisation	VCT	Voluntary Counselling and Testing
IPCC	Intergovernmental Panel on Climate Change	VOC	Volatile Organic Compounds
ISO	International Organisation for Standardisation	WRI	World Resources Institute
JIPSA	Joint Initiative for Priority Skills Acquisition		

key contacts

	Telephone	E-mail
Sustainable development and SH&E Centre		
Kim Fraser	+27 11 344 0147	kim.fraser@sasol.com
Investor relations		
Cavan Hill	+27 11 441 3563	investor.relations@sasol.com
Group corporate affairs		
Bheki Khumalo	+27 11 441 3459	bheki.khumalo@sasol.com
Group communication		
Marina Bidoli	+27 11 441 3511	marina.bidoli@sasol.com
Media affairs		
Johann van Rheede	+27 11 441 3295	johann.vanrheede@sasol.com
Human resources		
Nolitha Fakude	+ 27 11 441 3424	nolitha.fakude@sasol.com
Black economic empowerment		
Neil Bawden	+27 11 441 3201	neil.bawden@sasol.com
Corporate social investment		
Pamilla Mudhray	+27 11 441 3597	pamilla.mudhray@sasol.com
Corporate governance		
Dr Nereus Joubert	+27 11 441 3413	nereus.joubert@sasol.com
Michelle du Toit	+27 11 441 3359	michelle.dutoit@sasol.com
Research and development		
Dr Chris Reinecke	+27 16 960 2900	chris.reinecke@sasol.com
Fuels research and reformulation		
Dr Johan Botha	+27 11 344 0142	johan.botha@sasol.com

Sasol Limited

1 Sturdee Avenue, Rosebank, 2196, Johannesburg
PO Box 5486, Johannesburg, 2000, South Africa
E-mail: kim.fraser@sasol.com

Telephone: +27 11 441 3111
Telefax: +27 11 788 5092
Website: www.sasol.com

Credits

Sasol's 2007 Sustainable Development report has been produced and published by the Sasol Safety, Health and Environment Centre in partnership with the Corporate Communications department of Sasol Limited. The report forms part of an ongoing commitment to keep Sasol stakeholders informed on key group aspirations, viewpoints, achievements and challenges in the field of sustainable development.

Forward-looking statements: Sasol may, in this document, make statements that are not historical facts and relate to analyses and other information based on forecasts of future results and estimates of amounts not yet determinable. These are forward-looking statements as defined in the U.S. Private Securities Litigation Reform Act of 1995. Words such as "believe", "anticipate", "expect", "intend", "seek", "will", "plan", "could", "may", "endeavour" and "project" and similar expressions are intended to identify such forward-looking statements, but are not the exclusive means of identifying such statements. By their very nature, forward-looking statements involve inherent risks and uncertainties, both general and specific, and there are risks that predictions, forecasts, projections and other forward-looking statements will not be achieved. If one or more of these risks materialise, or should underlying assumptions prove incorrect, actual results may be very different from those anticipated. The factors that could cause our actual results to differ materially from the plans, objectives, expectations, estimates and intentions expressed in such forward-looking statements are discussed more fully in our registration statement under the Securities Exchange Act of 1934 on Form 20-F filed on November 3, 2006 and in other filings with the United States Securities and Exchange Commission. Forward-looking statements apply only as of the date on which they are made, and Sasol does not undertake any obligation to update or revise any of them, whether as a result of new information, future events or otherwise. .

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