

Our governance framework for sustainable development



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Sasol has been driving sustainable development as a group-wide objective since 2000, systematically embedding sustainability principles throughout our activities. Our governance framework provides the policies, structures, targets and reporting systems necessary to address the material risks and opportunities that sustainable development presents.

Sasol Limited Board (the “Board”)

The following Board Committees assist the Board in discharging its responsibility of overseeing sustainable development:

The Risk and SHE Committee has been delegated oversight of Sasol’s risk management activities and safety, health and environmental (SHE) matters. The Committee also reviews the disclosure of sustainable matters in the annual reports and advises the Audit Committee to enable the latter to oversee our integrated reporting process and to provide assurance to the Board that the disclosure is reliable and does not conflict with the financial information.

The Nomination, Governance, Social and Ethics Committee performs the functions of both a Nomination and Governance Committee, and a Social and Ethics Committee as required by the South African Companies Act, 71 of 2008. In performing the role of a Social and Ethics Committee, the Committee relies on the work and reports of employees, advisors and other Committees of the Board with responsibility for any function falling within the role of the Committee.

The Audit Committee oversees integrated reporting and is an integral part of the risk management process. In this regard the Committee considers and reviews the findings and recommendations of the Risk and SHE Committee in so far as they are relevant to the functions of the Audit Committee.

Leadership structures

The President and Chief Executive Officer (CEO) is accountable to the Board for the successful implementation of the Group strategy and overall management of Sasol. Included in his mandate specifically is the responsibility for SHE matters in accordance with the Sasol SHE policy. He is the Chairman of the Group Executive Committee (GEC), which comprises the Chief Financial Officer (CFO) and other Executive Vice Presidents (EVPs) who support the CEO in fulfilling this responsibility.

The Executive Vice President: Strategy and Sustainability is responsible for advancing the group-wide sustainability agenda through the sub-committee, Sustainability and Stakeholder Relations Committee and the Sasol Global Foundation, as well as the Enterprise and Supplier Development teams.

The following Group Executive sub-committees support the GEC with oversight on sustainable development matters:

The Sustainability and Stakeholder Relations Committee, chaired by the EVP: Strategy and Sustainability, provides strategic direction on group-wide sustainability issues and stakeholder relations to ensure a balanced and integrated economic, social and environmental performance.

The Combined Assurance and Disclosure Committee, chaired by the EVP: Advisory and Assurance and Company Secretary, is responsible for ensuring that disclosures comply with listings requirements, and provides independent oversight, assurance and alignment on group-wide activities to ensure appropriate governance and compliance in support of Sasol’s strategic direction.

Various Project Mandating Committees, each chaired by a GEC member, addresses key issues relating to capital projects, climate change, air quality, waste and land risk management.

Functional structures

Various Group functions co-ordinate our approach to sustainable development:

Risk and SHE: direction and governance for risk management and SHE excellence

The Risk and SHE function comprises experts from the corporate centre and also from our various operating entities. It is mandated to develop, implement and monitor the enterprise risk and SHE management processes across the Group, ensuring and assuring adherence to Group risk and SHE requirements. Each operating entity tracks its SHE performance and reports monthly and quarterly to its respective operations' committees on major SHE risks and liabilities, progress against Group targets, and any major incidents and occurrences of non-compliance. The Risk and SHE function reports on consolidated group-wide SHE performance, compliance and risk management to the relevant governance structures.

A significant development in 2015 was the roll-out and embedding of the One Sasol SHE Excellence approach across the organisation. This management framework supports our goal of achieving zero harm and sustainable development through a risk-based, standardised and systematic approach. During the year, SHE practitioners were trained and our operations' leaders socialised on the One Sasol SHE Excellence approach to ensure common understanding and focus on key undesirable SHE events and mitigation measures. The One Sasol SHE Excellence approach has had a notable, positive impact on management's approach to managing safety, occupational health and environmental performance.

Human Resources (HR): developing and empowering diverse, values-driven, high-performing people

The Group HR function is responsible for developing and monitoring Sasol's HR strategy and its supporting policies and standards. It has three key objectives:

- ensuring the right talent is in the right place at the right time;
- delivering Sasol's employee value proposition to enable employee engagement and a values-driven, high-performance culture; and
- providing the technology platform and capability to drive effective and integrated HR service delivery.

The Group HR function encompasses talent management, learning, rewards, employee relations, diversity and transformation and related HR activities. HR teams in each operating unit implement the HR business plan and policies.

The Sasol Global Foundation (SGF): ensuring an integrated approach to social investment

The Sasol Global Foundation is responsible for directing, enabling and governing a fully integrated approach to corporate social investment (CSI) throughout the Group. The Sasol Global Foundation's Board of Governors is convened by the most senior leadership of Sasol, including the President and CEO. The Board of Governors determines the SGF's investment approach, oversees governance, allocates resources, and decides on the CSI focus areas.

Enterprise and Supplier Development (ESD): promoting small business development

A dedicated Enterprise and Supplier Development (ESD) team supports existing and potential suppliers, helping to diversify Sasol's supply chain and achieve our social transformation goals in South Africa. A review of our ESD activities is provided in the "Delivering Social Value" section, which deals with the ESD activities.

Stakeholder Relations: building, nurturing and protecting our reputation

The Stakeholder Relations team manages various regulatory and stakeholder affairs. A review of our stakeholders and their key interests is provided in our Annual Integrated Report.

Identifying our material sustainability focus areas

Each year we follow a structured process to identify our most material sustainability issues. In identifying these issues, we consider:

- the outcomes of our internal risk assessment process; and
- the priority interests of our key stakeholders.

In 2015, our material sustainability issues were clustered into four sustainability focus areas:



Our material sustainability focus areas

Identified through a structured process

Our approach

We aim to provide a balanced, accurate and accessible assessment of our strategy, performance and prospects in relation to those financial, economic, social, environmental and governance issues and risks that have a material impact on the long-term success of the business and that are important to key stakeholders.

Each year, Sasol follows a structured process to identify, understand and prioritise our most material sustainability issues. In determining these issues, we consider the following:

- issues that are critical in relation to achieving our strategic objectives and the sustainability of our operating model and integrated value chain;
- matters covered in reports submitted to the Board of Directors for discussion or approval;
- the outcomes of our internal risk assessment process; and
- the priority interests of our key stakeholders.

The Group Executive Committee (GEC) and the Risk and SHE Committee review the outcomes of this process, with integrated oversight provided by the Sustainability and Stakeholder Relations Committee.

We regularly review our material issues in the context of the rapidly changing business and societal context, the repositioned Sasol Group, as well as stakeholder feedback and emerging trends. We seek to collaborate to address challenges within our industry. We also seek to ensure that our reporting continues to reflect our response to the critical issues raised by our stakeholders.

Our key stakeholders are those who are impacted by our business and who play a role in our ability to deliver on our strategic objectives over the short, medium or long term. We identify their sustainability interests through regular engagements. The priority issues for the Group are managed through a clear stakeholder engagement approach with set objectives and an engagement plan. In 2015, we maintained healthy and effective external stakeholder relationships with a particular focus on government and community relations in the key operating regions of South Africa, Mozambique and the United States. Informed by this analysis, we identified opportunities to leverage our relationships through a more integrated approach to stakeholder engagement.

Categorisation of our focus areas

We have identified our most material sustainability issues, aligned with our top risks and the views and interests of our stakeholders. These issues have been categorised into four material focus areas, shown in the diagram below.



Material sustainability focus area

Promoting the safety, health and wellbeing of our people and ensuring responsible product stewardship

Investing in our people

Responding to environmental challenges

Delivering social value

Managing key risk mitigation objectives

- Promoting employee and service provider safety
 - Enhancing process safety management
 - Focusing on occupational health and employee wellbeing
 - Aligning our product stewardship approach with international commitments
 - Integrating climate change mitigation in our product chain
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- Developing diverse, high-performing employees
 - Promoting diversity and inclusion
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- Embedding environmental responsibility into our activities
 - Engaging with the South African government on air quality legislation
 - Responding to the climate change challenge
 - Promoting water stewardship
-
- Creating value through social investment
 - Promoting broad-based black economic empowerment
 - Being responsive to social issues in our neighbouring communities
 - Ensuring ethical behaviour, fair competition and anti-corruption
 - Respecting human rights
 - Stimulating economic growth through enterprise and supplier development
 - Supporting economic transformation through preferential procurement



Performance against focus areas



Performance against focus areas

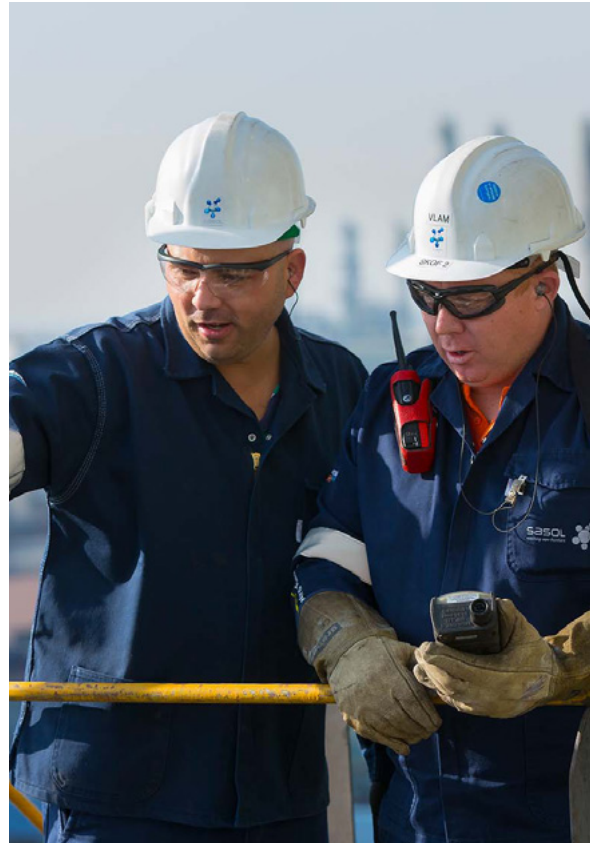
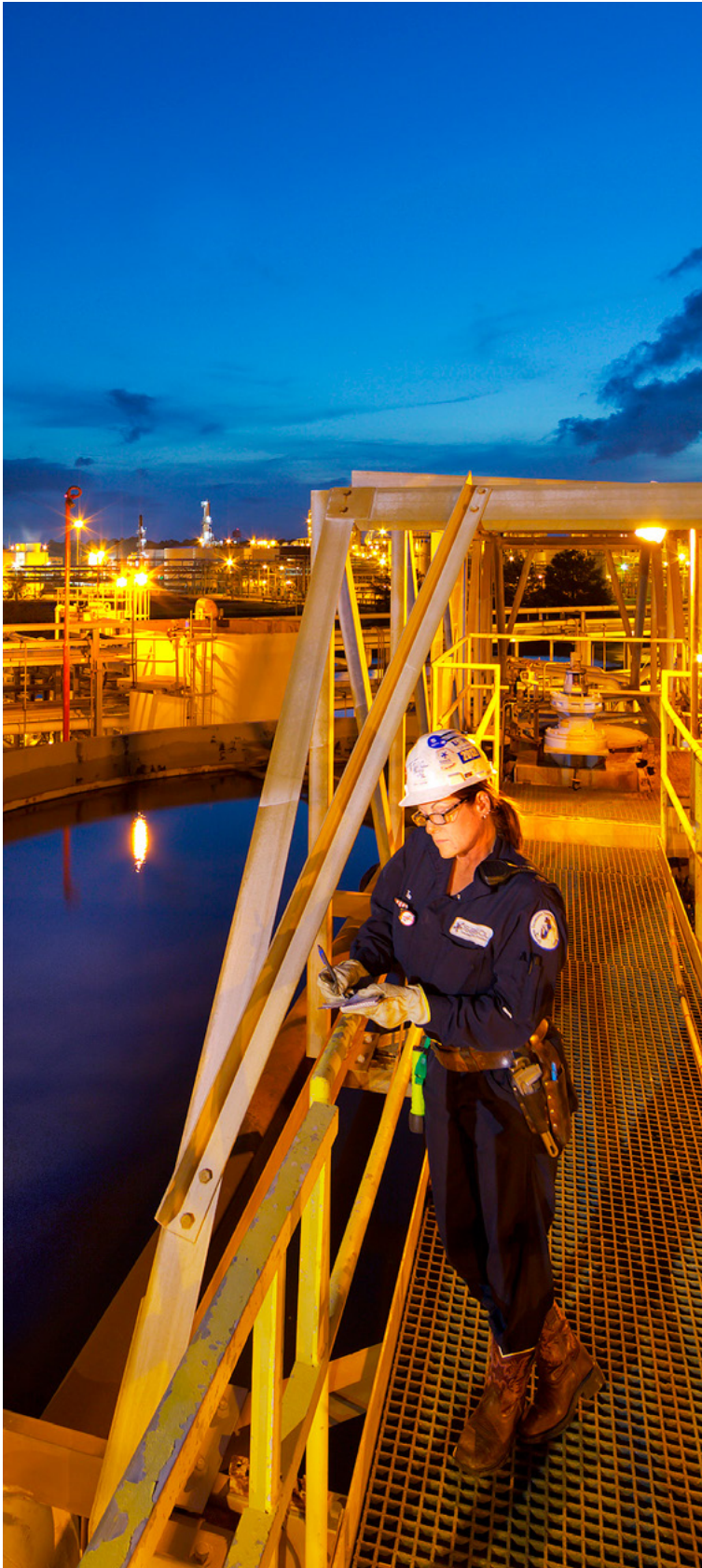
The following table outlines our material sustainability focus areas and summarises our progress in addressing them.

	Our 2015 performance	Our current and future commitments
Promoting the safety, health and wellbeing of our people	<ul style="list-style-type: none"> Significant improvements in occupational safety, achieving all our safety performance targets with the exception of zero fatalities. The Group recordable case rate (RCR) excluding illnesses improved to 0,32; RCR including illnesses improved to 0,40. Tragically we experienced a fatality of a service provider in a work-related incident. Experienced 20 significant transport-related incidents globally. Our transport incident rate improved by 10% to our best ever performance of 0,062. 27 significant fires, explosions and releases (FERs), while the severity rate remained at 11,3. 31 recordable cases of noise-induced hearing loss and 32 recordable cases of pneumoconiosis. Responsible Care® Practice-in-Place for product stewardship increased to 87%. Four significant product stewardship incidents occurred during the year. 	<ul style="list-style-type: none"> Consistently achieve an RCR lower than 0,30 at least by 2020. Continue to strive for no fatalities. Consistently have less than 24 significant FERs by 2020 with a severity rate of less than 10. Report separate incident rates for safety and occupational-related irreversible illnesses from financial year 2016. Introduce a new product transport indicator of performance for product transported by road, and develop key performance indicators (KPIs) for rail and marine transport from financial year 2016. Continue to embed leading industry practices in support of our commitment to strive towards the elimination of noise-induced hearing loss, silicosis, pneumoconiosis and tuberculosis. Continue to implement a risk-based, scientific and lifecycle-oriented approach to managing the risks of our products and improving their performance throughout their life cycle.
Investing in our people	<ul style="list-style-type: none"> We have restructured the organisation and aligned employee placements with our new operating model, as part of our Business Performance Enhancement Programme implemented since 2012. The Business Performance Enhancement Programme impacted our employee turnover rate, which increased to 14% from 6,1% in 2014. Zero person days lost to strike action. Invested R692 million in employee training, 2 872 employees received leadership training and allocated 78 new bursaries. 296 employees in Sasol's maintenance artisan learner pools, and 233 in external technical skills partnerships. Further progress achieved in implementing our 2017 South Africa Employment Equity Plan and our Women Empowerment Strategy. 	<ul style="list-style-type: none"> Continue to build a values-driven, high-performance culture across all our operations, with a particular focus on embedding the new operating model. Advance performance management and accountability through enabling remuneration policies. Maintain our strong focus on optimising talent sourcing and recruitment. Drive our targets for achieving diversity and inclusion at every management level in the organisation. Continue our focus on up-skilling and empowering local talent in all regions in which we operate.

Performance against focus areas

	Our 2015 performance	Our current and future commitments
Responding to environmental challenges	<ul style="list-style-type: none"> Decreased year-on-year emissions of nitrous oxides (to 157 kilotons), sulphur oxides (208 kilotons), volatile organic compounds (46,5 kilotons) and particulates (11,7 kilotons). Decreased total greenhouse gas (GHG) emissions by 2% to 69,7 million tons CO₂ equivalents; GHG emission intensity increased to 3,35 (CO₂ equivalent/ton product) mainly due to the sale of the solvents Germany facility and exclusion of the ORYX GTL data. Improved the utility energy intensity index for our South African operations by a cumulative 10% off a 2000 baseline to 0,898. When adjusted to account for growth in self-generating capacity and structural changes, our cumulative improvement exceeds 15%. Decreased our total water consumption to 135,5 million m³. Achieved a 16,2% year-on-year reduction in hazardous waste, and 14,3% reduction in non-hazardous waste generated. 	<ul style="list-style-type: none"> Work actively with the South African government and other stakeholders to achieve a sustainable long-term atmospheric emissions compliance dispensation aligned with the ambient air quality improvement objectives of the South African Air Quality Act. Reduce the Group's GHG emissions intensity to 2,47 (CO₂ equivalent/ton product) in all our operations by 2020. Achieve at least an 80% reduction in emissions of defined volatile organic compounds (VOCs) off the 2009 baseline, by the end of June 2020. Improve the utility energy efficiency of our South African operations by 15% by 2015 off a 2000 baseline, measured as energy used per unit of production. Engage with home and host country governments to find practical solutions to mitigate climate change risks, in balance with the economic development priorities. Pursue new municipal water conservation partnerships. Continue to support South African government initiatives to develop a policy framework for environmental offsets.
Delivering social value	<ul style="list-style-type: none"> The financial value distributed directly by Sasol amounted to R136,5 billion Paid R10,1 billion in government tax globally. Provided 30 919 direct employment opportunities, paying R24,4 billion in wages and benefits. Invested R1,2 billion in socio-economic development and external skills development initiatives. Obtained a level 4 broad-based black economic empowerment (BBBEE) contributor status. Completed our 10-year collaboration with 11 South African universities, investing R250 million over this period. Revised our new Code of Ethics and Human Rights policy. 	<ul style="list-style-type: none"> Achieve level 4 enterprise status in terms of the 2007 Codes of Good Practice in South Africa. Demonstrate industry leadership in the provision of enterprise and economic development solutions relevant to the socio-economic drivers of home and host governments. Continue engagements with stakeholders within our home and host communities to collaborate in developing suitable programmes to address their needs, and establish a monitoring and evaluation framework and indicators to assess the impact of our social investment initiatives. Drive the roll-out of our Global Sasol Employee Volunteerism Programme - Sasol for Good.

Promoting the safety, health and wellbeing of our people



Promoting the safety, health and wellbeing of our people

Safety is a top priority at Sasol: we strive for zero harm. Our approach centres on understanding our risk landscape and managing our activities in a way that eliminates incidents, minimises risk and promotes excellence in the performance of our operations.

Promoting employee and service provider safety

Our management approach to safety

Our safety approach is built on a strong foundation of leadership and competency, and is strengthened by clear policies and procedures relating to safety risk management, leading practice performance standards, incident investigation and behavioural science. At an organisational level, we drive our safety initiatives through the One Sasol SHE Excellence approach, a management framework that supports our goal of achieving zero harm and sustainability through a risk-based, standardised and systematic approach. The Group Safety, Health and Environment (SHE) executive team and senior management across the operations provide visible commitment and lead this effort.

In 2015, we worked to deepen our understanding of the risk landscape across Sasol, with a particular focus on serious injury and fatality prevention. We reviewed and analysed our risk profile, identified the priority issues to focus on, and ensured a clear link to our control measures. We further entrenched our safety improvement plan framework and our behavioural-based safety process. The benefits of our strong risk-based approach are reflected in improvements in key safety performance indicators across the Group.

Safety improvement activities in 2015

We made significant progress in addressing a range of safety-related initiatives.

Risk analysis: We revised the risk landscape across the Group to focus on the key undesirable events (KUEs) related to safety, product stewardship, health and environmental issues. We improved our understanding of the KUEs that may result in safety incidents and used the Bow-Tie risk assessment methodology to identify the required controls to prevent these incidents or mitigate their impact. This approach informs the implementation of control and risk management activities at each operation. These include managers conducting “walkabouts” to inspect the controls and engage employees on identified issues. We are embedding this risk-based agenda across the Group with clear governance structures and safety learning discussions.



Process Safety: Process safety is our foremost SHE risk in terms of safety, environmental impact and business interruption. We continued to interact on process safety issues with various global networks, including the European Process Safety Centre, the global Institution of Chemical Engineers (IChemE), and the chemical sector's Responsible Care® initiative. We continued to implement a process safety management system in our businesses to prevent incidents of fires, explosions and releases (FERs). Our process safety improvements promote direct environmental improvements and enhanced operational efficiencies.

Our progress in addressing priority process safety areas include the following:

- we developed a process safety operations roadmap and training programme to improve our understanding of process safety risks in the operating environment and reduce operational errors that could cause incidents of FERs;
- we refined our process safety leading metrics and introduced a standardised set of four leading indicators for process safety that are tracked and reported globally. These indicators, derived from the American Petroleum Institute recommended best practice, focus on compliance in three key areas – process safety information, process safety risk studies and process safety critical equipment;
- we maintained an extensive training programme for process safety specialists and operations personnel appointed in terms of the new operating model;
- we improved our reporting, investigating and sharing of lessons learned from our process safety incident investigations; and
- we updated the operational process safety information (PSI) required for effective operations and process safety management and continued with our focus on ensuring that all process safety critical equipment is correctly identified and compliant with our test and maintenance programmes.

Incident investigations process: We improved the quality of our incident investigations to better understand the underlying risk management and other practices that failed to prevent incidents. We incorporated all SHE incidents into a common investigation process and procedure, emphasised examining the conceivable severity of incidents as opposed to registering only actual losses, evaluated proposed corrective actions, and reinforced the sharing of lessons learned from investigations across the Group. We are now better at identifying underlying organisational issues as well as behavioural factors (such as employee stress and fatigue, levels of training and competency, and personal matters).

Service provider safety management: We adopted a global standardised approach to safety management practices for our service providers which includes an online service provider registration and risk ranking process as well as regional SHE specifications for service providers, and centrally managed performance and non-conformance management. This approach has improved efficiencies significantly.

Behavioural based safety (BBS): We have a cross-functional team to focus on the behavioural and psychological components that may have a direct impact on employees' motivation and willingness to work safely. Activities include climate diagnostics in some of our operating entities that enable the identification of critical improvement areas and developing appropriate climate improvement action plans. We are piloting a behavioural based safety process in Mining, in partnership with a leading Australian safety consultancy. This process is strengthening a learning culture by ensuring the correct identification and classification of human failures during incident investigation.

Shaping a new SHE culture: An external research panel demonstrated that the underlying causes of serious injuries and fatalities often are different from those related to less severe recordable injuries. The study suggests 17 - 21% of all injuries have high-consequence potential. In response, we improved our understanding of the high-consequence potential incidents that occur at the bottom of the injury pyramid, and implemented measures to prevent these incidents. We adopted a new classification system to identify high-consequence potential incidents, and generate an actual and potential incident severity rate calculation that will be used as a leading indicator. This will be used to develop a potential risk matrix and formalised incident investigation process for incidents with high potential severity.

Construction regulations: In South Africa, we have focused on developing adaptation and response plans to recently revised construction regulations. The regulations are beneficial in improving safety management on

construction sites but present a potentially significant administrative burden. We have engaged with senior representatives from the Department of Labour to agree on a compliance roadmap for Sasol and our service providers.

Our safety performance in 2015

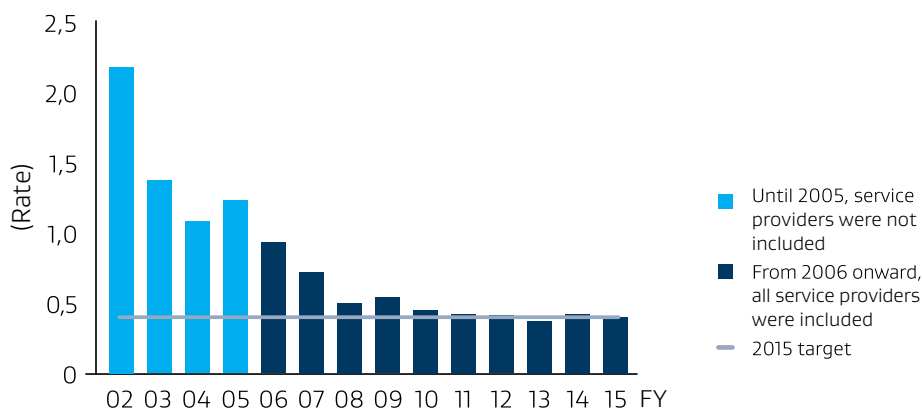
The Group’s occupational safety performance improved significantly in 2015, as assessed by certain key indicators. This visible improvement was sustained during a significant period of flux associated with changes implemented through the Business Performance Enhancement Programme.

In 2015, we achieved all our safety performance targets except that of zero fatalities. Tragically, one service provider died in a work-related incident. Our thoughts are with the family of Litsietsi David Toli who was fatally injured during the installation of a support for a shaft at a mine in the Secunda area. Although 2015 was our best performance in terms of fatality prevention, any fatality remains unacceptable.

Our performance this year on our key safety indicators at a Group level is summarised below. Additional data on our safety performance over the past five years is presented in our more detailed performance data table.

Recordable case rate (RCR):¹We achieved our RCR (including illnesses) target of 0,40. Our RCR (excluding illnesses) of 0,32 was better than both the target of 0,34 and the previous year’s actual of 0,36, representing an improved 11%. The 2015 RCR (excluding illnesses) included 351 recordable cases comprising: one fatality; 113 lost workday cases; 174 medical treatment cases. The 2015 RCR (including illnesses) included a further 63 own reported illnesses with an additional seven service provider illnesses also recorded. Our 2020 target is to consistently achieve an RCR lower than 0,30 with no fatalities. To clearly distinguish between occupational injuries and illnesses, from financial year 2016 onwards we will report separate incident rates for safety – in the form of an injury RCR – and occupational-related irreversible illnesses – in the form of an occupational disease incident case rate (ODIR).

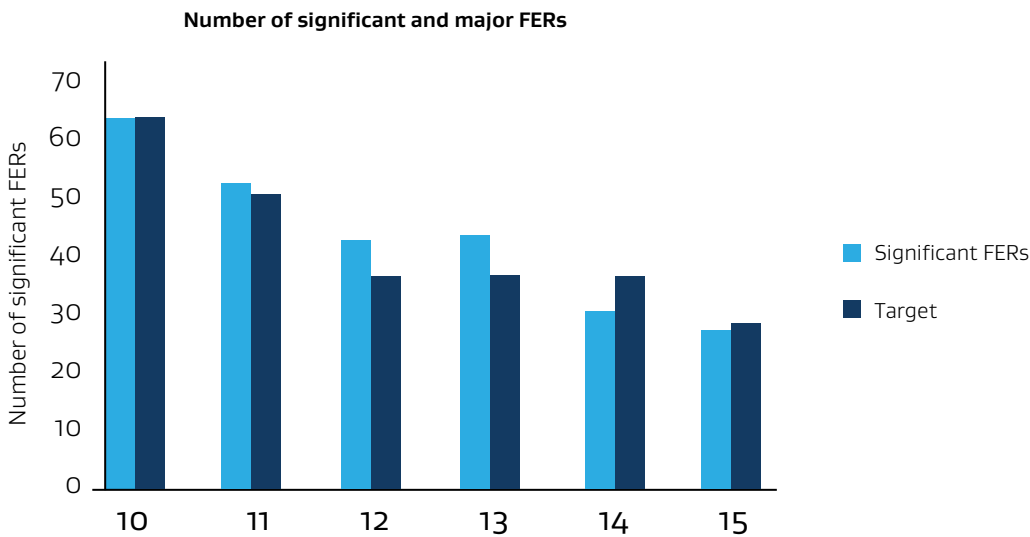
Recordable Case Rate (RCR)



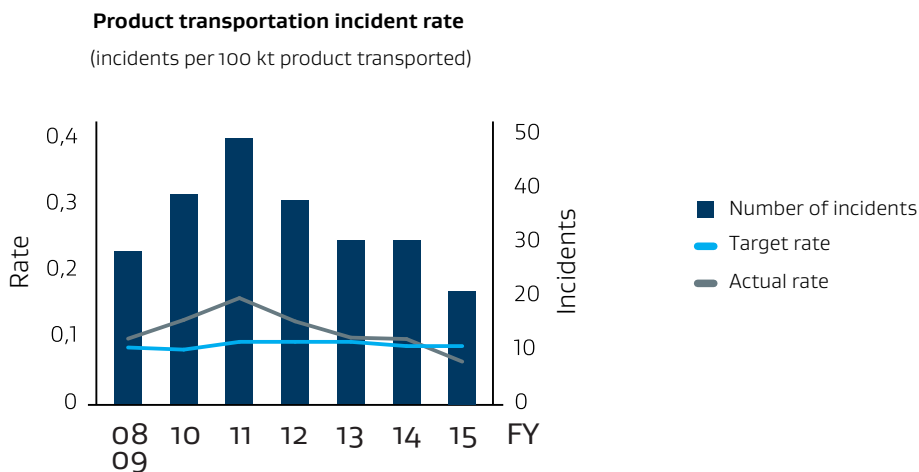
Recordable injury severity index: The 12-month moving average in our incident severity index improved to 4,9 at year end, from 6,1 at the beginning of the year. This is largely due to fewer fatal injuries in 2015.

Process safety: 27 significant process safety incidents occurred during the year as opposed to 30 in 2014, consisting of two fires and 25 releases. Our target is to consistently have less than 24 significant FERs by 2020 with a severity rate of less than 10. At year end, our FER severity rate index was 11,3 (2014: 11,3).

¹ The recordable case rate (RCR) is a standard international measure for reporting work-related injuries, illnesses and other safety incidents resulting in injury. The RCR is the number of fatalities, lost workday cases, restricted work injuries, medical treatment cases for every 200 000 employee hours worked.



Transport incidents: 20 significant transport-related incidents occurred across the Group (2014: 29). Our transport incidents rate (measured as the number of significant incidents per 100 kilotons of product transported) improved by 10,2% to 0,062 against a target of 0,082, and was our lowest recorded rate to date.



Focusing on occupational health and employee wellbeing

Effectively managing health risks in the workplace forms an important part of our commitment to zero harm. Promoting a healthy workforce through an integrated health and wellness approach contributes not only to employee health but also to the safety performance of our employees and service providers, and enhances productivity and efficiency.

Our approach to occupational health

Our occupational health programme seeks to prevent and mitigate all occupational health risks, and applies to all permanent employees and the employees of service providers. The programme comprises a set of group standards, procedures, scorecards and targets. We analyse, monitor and manage exposure, provide preventive measures for a range of occupational health risks, and administer a health risk ranking metric as part of our integrated risk management framework. We implement a hierarchy of controls for exposures ranging from elimination (via engineering design and other such measures) to provision of appropriate personal protective equipment (PPE) to all potentially exposed workers. We maintain a strong focus on effective employee communication on risk and prevention. We also provide a rehabilitation and return-to-work programme.

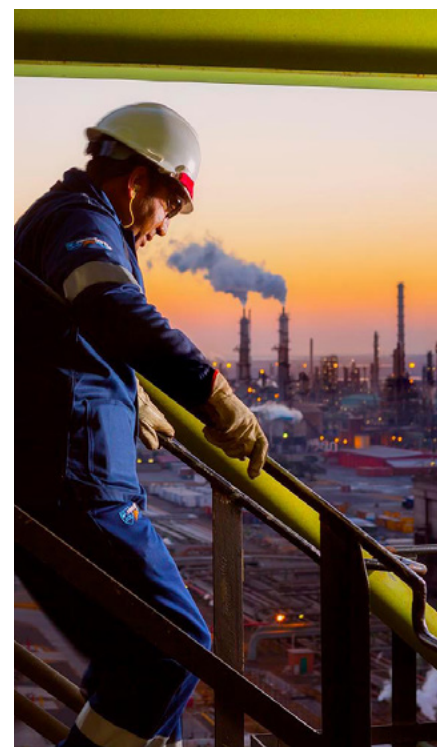
The main occupational health risks across the Group relate to noise-induced hearing loss (NIHL) and lung disease (mainly coal-worker pneumoconiosis), primarily at our mining operations, where we place a particular emphasis on noise suppression and hearing conservation and dust suppression initiatives. We have appointed an audiologist to complement the team working on noise exposure. In Mining, measures taken to reduce noise emission and employee exposure include installing silenced jet fans to replace older, more noisy equipment. All hearing deviations are investigated and remedial action taken. Dust suppression initiatives (including new technologies) applied over many years at Mining, have enabled the operations to significantly reduce direct exposure levels. These levels are below the maximum threshold of dust as provided for by the applicable laws. The absolute outcome, however, will only become apparent after several years because of the long lag period in the development of occupational lung disease.

Through the Chamber of Mines, we continue to comment on recent relevant changes to legislation addressing occupational health issues. These include the Compensation for Occupational Injuries and Diseases Act, the Mine Health and Safety Act and the Occupational Diseases in Mines & Works Act. We have also contributed to the new set of sector-wide mining health and safety milestones, developed through the tripartite Mine Health and Safety Council. These include commitments to eliminate silicosis, pneumoconiosis and noise-induced hearing loss, reduce the tuberculosis (TB) incidence rate on mines to at or below the national TB incident rate by December 2024, and meet clear targets on implementation of the approved culture transformation framework.

Driving high performance through our wellness strategy

Our Group wellness programme seeks to provide a working environment in which employees can operate in a healthy, energised manner that contributes to their personal development and to the company's success. Our wellness strategy aims to enhance individual productivity by proactively reducing health risks, providing access to health care, and educating, informing and empowering employees to take responsibility for their own wellbeing.

We focus on reducing lifestyle diseases (such as hypertension, diabetes and cholesterol levels), managing the risks of human immunodeficiency virus (HIV) infection, and effectively managing mental health conditions. The data from Sasol's screening programme for lifestyle illnesses and HIV/Aids shows a high prevalence of abnormal body mass index (BMI). During the year 17 894 employees and contractors were screened for hypertension, 17 748 for cholesterol, 17 887 for diabetes and 7 739 for HIV.



Our employee assistance programme focuses on the psychosocial health of our employees and their dependants. We also provide a range of wellness-related awareness and capacity-building interventions to employees, line managers and human resource practitioners. As part of the significant organisational changes associated with our Business Performance Enhancement Programme, we provided support to more than 5 800 employees on issues relating to: resilience training, re-entering the job market, retirement planning, financial planning, emotional impact management and general wellness. Our financial wellbeing intervention aims to educate employees on making informed decisions regarding personal finances and provision for retirement, thereby reducing garnishee orders. We presented 38 courses to 1 850 employees during the year.

Managing HIV/Aids in the workplace

Our HIV/Aids response programme focuses on preventing new infections through awareness, education and access to testing, counselling and treatment. We also provide support services to HIV-positive employees and their families through a comprehensive disease management programme. Our HIV/Aids policy was recently reviewed to ensure that it aligns with best practice, determined by Business Unity South Africa (BUSAs), in line with International Labour Organization (ILO) guidelines.

We partner with a leading HIV/Aids disease management provider, Aid for AIDS (AfA), in implementing our HIV/Aids strategy. AfA's services include a comprehensive electronic treatment history for all patients. All employee files are continuously updated. AfA conducts an annual performance review that provides updated statistics on HIV/Aids management and highlights emerging HIV-related trends and challenges.

Performance points identified during the review period:

- an estimated 10% of Sasol's South African employees are HIV-positive; this is lower than the estimated prevalence of about 17% for working age adults in South Africa as a whole;
- HIV screening, counselling and testing was taken up by a total of 7 739 employees and contractors;
- we ran 24 awareness sessions on HIV/Aids;
- 89% of individuals on antiretroviral therapy (ART) have viral load results in the past 12 months. Of these, 84% are suppressed;
- 90,7% of Sasolmed AfA-registered beneficiaries are eligible for ongoing ART. 85% are on first line ART, with no change compared to the previous year. Of the total patients on ART, 6% have been on treatment for 10 years or more, and 20% for twelve months or less; and
- Sasolmed principal members registered on the HIV disease-management programme increased from 6,5% in February 2014 to 7,2% in February 2015.

The increase in 2015 in the number of people on ART is attributed to the changes in our HIV/Aids programmes, improved health campaigns and strong leadership support and participation in these campaigns, particularly at Mining. Mining has implemented management systems for improving operational aspects with an impact on employee health and safety and ongoing employee health surveillance is undertaken in accordance with the requirements of the Mining Charter.

Ensuring responsible product stewardship

Managing the safety, health and environment (SHE) risks associated with our products, and enhancing their SHE performance and sustainability throughout their lifecycle, forms a key part of our commitment to achieving zero harm.

Our management approach on product stewardship

In committing to responsible product stewardship, our approach aligns with the guidelines and standards established by the international chemical industry. These include, in particular, the recently revised Responsible Care® Global Charter and the International Council of Chemical Associations (ICCA) Global Product Strategy (GPS), two initiatives launched by ICCA during February 2006. Sasol formally recommitted to the revised Global Charter in May 2015, in support of our contribution to the Strategic Approach to International Chemicals

Management (SAICM). This is a policy framework that commits us to the 2020 goal of chemicals usage that minimises significant adverse impacts on health and the environment.

We implement a risk-based, scientific and lifecycle-oriented approach to managing our products focused on promoting safe chemicals management practices. This we do in partnerships with our suppliers, customers and other stakeholders, such as transport service providers, in the product value chain.

In line with the One Sasol SHE Excellence approach, by applying the Bow-Tie risk assessment methodology, we identified the critical controls associated with key product stewardship events. We focus on addressing three identified key undesirable events:

- **Non-compliance with international chemical control legislation:** We are reviewing our understanding of the reorganised global Sasol product inventory for raw materials, intermediates and final products. We have identified our industrial chemical waste streams, as legally required, and captured these in Sasol's system for chemicals management (CIMS). Managing legal compliance is aligned with the Group approach;
- **Product transportation incidents:** In 2015, we implemented the Sasol Product transportation safety strategy for road travel through several mechanisms, in particular tools developed to assist Sasol businesses. Product transport safety specialists dedicated to the implementation of controls have significantly contributed to Sasol's improved product transport safety performance; and
- **Irresponsible or illegal disposal or use of Sasol product packaging material:** Risk scenarios include inadvertently using products for inappropriate applications, deliberate misuse of product and mixing incompatible products. This is perceived to be a lower risk for Sasol. We take precautionary measures based on the type of packaging, the destination and the anticipated use of the product as indicated in customer contracts.

To align our approach towards product stewardship across the Group, we developed a single global definition for product stewardship and standardised product stewardship processes that can be applied across different regions and functions. We aim to have a single product stewardship approach globally, to be executed across the product value chain for all products. Sasol's new operating model has resulted in the consolidation of several product groups under a small number of operating hubs. It has also enabled the development and sharing of standardised processes for managing product information and has further improved the quality of information provided to our customers. By combining resources and systems, we have established a critical mass of expertise to support our product lines. This ensures safer handling and transport of products, facilitates regulatory compliance and contributes to increased customer satisfaction.



There is a growing demand from some of our customers, particularly in Europe, for carbon footprint and lifecycle inventory (LCI) data on some of our products. We have assessed the gate-to-gate carbon footprint of some of our primary products. In addition, we have recently initiated a broader project to generate LCI data for products from our organics and wax portfolio. This LCI data enables our customers to conduct lifecycle assessments through their own respective supply chains. We are planning to systematically broaden our database by generating additional LCI data within the next 18 months.

Addressing emerging product stewardship challenges

We are implementing response measures for the following emerging product stewardship challenges:

- **Product sustainability:** Integrating sustainability considerations in the design, production and use of Sasol products potentially influencing their marketability. To maintain the competitiveness of our products, we will seek to integrate product issues within our Group sustainability framework;
- **Value chain outreach for growth in Africa:** We are planning product sales growth in Africa, where the capacity and knowledge on safe chemicals management tends to be more limited than in developed economy markets. To address this challenge we are developing an outreach programme to promote safe chemicals management;
- **Compliance with the requirements of the Globally Harmonised System (GHS):** Implementation of the United Nations (UN) Globally Harmonised System (GHS) on the classification and labelling of chemicals in different countries is currently not sufficiently harmonised. This poses difficulties in ensuring compliance with differing regulations. We have established a technical working group under the group product stewardship committee to develop an approach for ensuring compliance with all countries' GHS regulations. A GHS compliance project plan has been developed for the South African business. In all other regions compliance is already maintained; and
- **Product stewardship data and systems integrity:** Any uncontrolled changes to product data, or to the systems used for developing safety data sheets, poses a risk to the integrity of product data and product hazard communication documentation. To address this challenge we are developing and implementing governance processes and systems aimed at managing product stewardship data and documentation.

Contributing to global product stewardship initiatives

We continue to play a leadership role in contributing to enhancing the safe use of chemicals worldwide, primarily through our involvement in the ICCA Policy and Health Leadership Group. Sasol has been nominated to participate in this leadership group as a voice for the chemical sector within an economy in transition. Sasol also represents the ICCA at the SAICM Africa regional meeting.



Investing in our people



Investing in our people

Our human resources (HR) strategy seeks to enable effective delivery of Sasol's strategy. We strive to provide a work environment that attracts, develops and retains the best talent, promotes a values-driven, high-performance culture, encourages diversity and transformation, and fosters sound employee relations.

In 2015 we focused our efforts on driving the following five priorities:

- embedding Sasol's new operating model;
- strengthening capability through talent acquisition and succession planning;
- driving business performance through delivery of competency-based learning;
- developing leadership capability to drive high performance, accountability and accelerate diversity; and
- enabling sustainable operations performance through stable employee and community relations.

Restructuring to enhance business performance

As part of our Business Performance Enhancement Programme implemented since 2012, we have restructured the organisation and aligned employee placements with our updated operating model. Through this process we have refined our corporate strategy, streamlined our management structures and adapted our systems and processes. In 2015, we signed off on approximately 2 500 employment separations, either through voluntary retrenchments or early retirements. We also implemented a group-wide vacancy freeze and a hiring moratorium, which are delivering benefits to our cost optimisation endeavours. The Business Performance Enhancement Programme consequently impacted on our employee turnover rate, which increased to 14% from 6,1% in 2014.

At financial year-end, Sasol had 30 919 employees, comprising 25 619 permanent and 1 300 non-permanent employees in our South African companies, and 4,000 permanent and non-permanent employees in our international companies.

Embedding our values-driven, high performance culture

To further instil our values-driven, high-performance culture and support the implementation of our new operating model, we are embedding three critical behaviours:

- work to a common game plan
- take a One Sasol, one bottom line approach; and
- embrace empowered accountability.

We have adapted our performance management systems to ensure that the critical behaviours become embedded in our culture, together with agreed accountabilities and our shared values.

Recognising and rewarding high performance

In an increasingly competitive market for limited skills, it is critical that we provide appropriate remuneration to attract, retain and motivate the right calibre of employee. In 2014, we substantially overhauled our performance management and remuneration framework, which rewards our people on the basis of their performance, giving equal emphasis to delivery and behaviour. We determine our annual budget increases, which influence individual increases, on the basis of market movements, inflation indicators and company performance. We also provide for the nature of an employee's role, market benchmarks and individual performance. From October 2015, a salary freeze for top management roles will be instituted as part of our Response Plan.

Our structured performance management and appraisal process is geared to support a values-driven, high-performance culture. Every business unit's incentive contract provides as a minimum for safety performance, financial results and employment equity in our South African operations. We also have performance indicators

related to environmental and social factors. The Remuneration Committee reviews and approves the design principles and Group targets for all incentive schemes annually.

Nurturing talent for the future

To secure a pipeline of future talent, we continue to invest significantly in skills development in our primary countries of operation. Initiatives range from basic literacy skills and science and maths education at school level, to skills development initiatives for artisans, engineers, scientists, Chartered Accountants and other critical skills.

We run some of the largest bursary, learnership, graduate development and internship schemes in Southern Africa, demonstrating our commitment to nurturing Africa’s bright future by investing in the next generation of high performers. In 2015, we invested R521,25 million in bursaries and learnerships, with the focus primarily on developing talent in science, technology and engineering disciplines.

At present, we have 440 undergraduate and postgraduate bursars. Graduates from this scheme are placed on a structured professional development programme for a period of up to three years. In 2015, bursaries were allocated to 78 individuals, of whom 75% are black*. We ensure an approximately even gender ratio. Sasol Learnerships are learning programmes that involve on-the-job learning supported by structured or institutional learning. In the last year, we sponsored a total of 1 800 learnerships at our South African operations and 94% of these learnerships were awarded to youth. In 2015, we invested R91,01 million on the development programme for graduate professionals.

We forge partnerships to build a broader pool of skills in the areas in which we operate. In South Africa, we have strategic partnerships with Technical and Vocational Education and Training (TVET) Colleges, with the support of the Chemical Industries Education & Training Authority (CHIETA) to ensure nationally recognised qualifications for our artisan learnership programmes. In Mozambique, together with our partners, the International Finance Corporation (IFC) and Companhia Moçambique de Hidrocarbonetos (CMH), we established a three-year learnership programme at the Central Processing Facility (CPF) in Temane, Inhambane province. Graduates from the programme are placed at the CPF. We also partner with the Ministry of Mineral Resources and the Eduardo Mondlane University to develop tertiary-level technical skills. In North America, the Louisiana Economic Development (LED) department is a key stakeholder supporting the talent and learning requirements of our operations. As a member of the Petro-Skills Alliance, Sasol is able to leverage diverse talent and learning solutions from this key industry partner to help it deliver consistent, high quality, learning and development training and programmes to build competent petroleum professionals.

* Black employees refer to African, Coloured and Indian people, for the purposes of South African employment equity considerations.

Learning programme	Total Investment (Rm)
Graduate Development Programme (GDP), Learnerships and other trainees: candidate engineers, scientist, artisans and technicians	460,49
Chartered Accountants (CA) trainee programme	8,02
Bursaries	52,74
General study aid	14,67
Leadership training	15,90
All other training	139,95
TOTAL	691,77

Developing diverse high-performing employees

Our internal development and training programmes continue to raise basic competency levels, develop technical skills and enhance leadership effectiveness. We continue to invest significantly in:

- full-time and part-time sponsored study programmes;
- functional/technical learning and development programmes;
- safety and compliance learning and development programmes;
- leadership development programmes; and
- career and succession development programmes.

During the year, 27 422 employees participated in our internal programmes. This comprised 1 800 learnerships (1 400 black learners; 430 women), 260 graduates and 290 in-service trainees. A total of R509,91 million was invested in developing skills among our black employees, of which R157,26 million was specifically spent on black women.

A focus is to identify and develop high-potential talent, in turn promoting diversity and transformation across the Group. The Sasol LEAP (learning, experiencing, accelerating, potential) programme, launched in 2013, is a two- to five-year career development programme that gives high-potential individuals exposure to different roles across our business and geographies, supported by formal learning and mentorship. It is an holistic accelerated skills development approach, introduced to provide business-focused and timely delivery of future talent particularly at strategic leadership level. Nine high-potential employees were selected onto the inaugural programme, with 66% being black.

Through our leadership programmes, we seek to build business acumen, enhance the ability to nurture and develop employee talent, leverage diversity for high performance, and deepen participants' appreciation of the global context.

Delivering our employee value proposition

In return for the skills, capabilities and experience our employees bring to our business, we aim to offer a unique employee value proposition and a great place to work. We have invested in a range of initiatives to ensure that Sasol remains a dynamic, technology-driven company that attracts talented, values-driven, high-performing people.

Sasol was ranked as one of the most desirable employers by students and professional job seekers in South Africa and was awarded the Industry Best Award within the Energy sector, by Universum, at its Most Attractive Employer Awards for 2015. Sasol was also recognised at the PWC Gender Mainstreaming Awards as a finalist for its progress to date in implementing our Women Empowerment Strategy, in the following four categories: empowerment initiatives; women in the workplace; gender and disability; and gender and poverty alleviation. These accolades pay tribute to the fact that we are creating a caring, inspiring and engaging working environment, which promotes diversity and equal opportunities for all employees.

Maintaining positive employee relations

Sasol promotes an employee relations culture that encourages employees to engage and voice their opinions. We maintain fair, open and constructive relationships with all employees within the legal frameworks of the countries in which we operate. We regularly review and update our employee relations policies in line with business and legislative requirements. Formal contracts are in place with all employees according to local legal requirements and the core conventions of the International Labour Organization.

We recognise the right of employees to collective bargaining and freedom of association. We maintain constructive relationships with all representative unions and works councils that enjoy consultative or negotiating powers on issues of mutual interest. More than 60% of our employees in South Africa are members of trade unions. Trade union representatives are present in our formal joint management worker Health and Safety Committees. They also serve on the board of our medical scheme and on the boards of our retirement funds.

Enhancing workforce diversity

Leveraging diversity and inclusion for high performance

Embracing a culture of inclusion is critical to enable and motivate our diverse workforce to deliver successful business outcomes. We are committed to driving employment equity and localisation goals and enhancing diversity across the Group.

In our organisation, diversity signifies all aspects of peoples' differences including race, religion, gender, disability, culture, sexual orientation, nationality, thinking and skills. Our Diversity 10-Point Plan provides a set of qualitative measures designed to enable the achievement of our diversity objectives, including the recruitment, development and retention of candidates from under-represented groups, as well as measures to enhance gender equity. In promoting a values-driven, high-performance culture, we recognise that diverse teams perform better than homogenous teams.

Empowering women

Our Women Empowerment Strategy and Sasol Women's Network, launched in 2012, facilitated increasing representation and inclusion of women at all levels and core operations of the organisation. In 2015, we piloted a "women in operations framework" – a targeted sourcing and development approach geared to accelerating the representation of women in our core operations.

Accommodating people with disabilities

The Group's recruitment process specifically addresses people with disabilities, both in terms of providing employment opportunities and appropriate facilities. Our Diversity 10-Point Plan provides defined goals to be achieved by 2017 to increase the representation of people with disabilities and to reasonably accommodate them in our businesses across geographies. We successfully implemented the contact centre learnership for people with disabilities within our Energy business.



Our 2015 employee diversity performance

Our progress in meeting our employment equity plan for the period 2012 to date is summarised in the table below:

Workforce diversity profile¹ for our South African operations (as at 30 June 2015)

	Male								Female								Foreign Nationals ³				Total employees in category	
	A		C		I		W		A		C		I		W		Male		Female		2015	2014
	2015	2014	2015	2014	2015	2014	2015	2014	2015	2014	2015	2014	2015	2014	2015	2014	2015	2014				
Top management	16,2%	8,2%	2,7%	2,4%	5,4%	4,7%	59,5%	69,4%	5,4%	4,7%	2,7%	1,2%	2,7%	1,2%	2,7%	4,7%	2,7%	3,5%	0,0%	0,0%	100%	100%
Senior management	10,6%	11,5%	2,1%	2,2%	10,1%	10,2%	56,8%	57,8%	3,1%	3,7%	1,1%	0,0%	3,3%	2,5%	11,0%	9,3%	1,6%	2,5%	0,3%	0,3%	100%	100%
Middle management	20,0%	18,3%	2,2%	2,2%	6,8%	7,9%	36,1%	41,7%	9,5%	7,0%	1,5%	1,4%	5,2%	4,5%	16,8%	14,8%	1,5%	1,9%	0,4%	0,3%	100%	100%
Junior management	38,0%	36,7%	2,1%	2,2%	2,6%	2,6%	32,6%	33,6%	9,6%	9,3%	1,3%	1,4%	1,4%	1,6%	11,6%	11,7%	0,6%	0,7%	0,2%	0,2%	100%	100%
Semi-skilled	72,4%	69,6%	1,0%	0,8%	0,6%	0,6%	8,5%	8,5%	12,0%	12,0%	0,4%	0,6%	0,2%	0,4%	1,9%	4,6%	2,9%	2,8%	0,1%	0,1%	100%	100%
Defined decision	63,6%	65,9%	0,8%	1,0%	0,3%	0,2%	10,2%	10,2%	21,5%	18,9%	0,4%	0,4%	0,0%	0,1%	1,5%	1,7%	1,7%	1,6%	0,0%	0,0%	100%	100%
Total permanent employees ²	47,4%	46,5%	1,7%	1,6%	2,8%	2,8%	24,5%	25,1%	10,6%	10,2%	1,0%	1,1%	1,6%	1,6%	8,5%	9,1%	1,7%	1,8%	0,2%	0,2%	100%	100%
Non-permanent	70,9%	52,9%	0,6%	4,1%	0,0%	2,4%	8,8%	7,3%	17,7%	27,6%	0,3%	0,8%	0,0%	0,0%	1,0%	4,9%	0,7%	0,0%	0,0%	0,0%	100%	100%
Total including non-permanent employees	47,7%	46,5%	1,7%	1,7%	2,7%	2,8%	24,3%	25,0%	10,7%	10,3%	1,0%	1,0%	1,6%	1,6%	8,4%	9,1%	1,7%	1,8%	0,2%	0,2%	100%	100%

A – African, C – Coloured, I – Indian, W – White.

¹ Workforce Diversity profile as per the South African Department of Labour Guidelines.

² Non-permanent employees employed for more than three months are counted as permanent employees.

³ Foreign nationals are employees employed in South Africa that are not South African citizens.

Responding to environmental challenges



Responding to environmental challenges

Compliance with environmental norms and standards is integral to how we manage the environmental and social impacts of our operations. In practice, this means we always consider and prioritise ways to limit the impacts of our activities, while striving to ensure our presence realises positive benefits for all our stakeholders, in particular, the communities in which we operate.

Our ability to further mitigate our environmental impacts and respond to significant changes in environmental policy and legislation represents one of our most material risks. This is particularly the case in South Africa, where the policy and regulatory framework relating to air quality, climate change, water, waste and contaminated land management is rapidly evolving.

We support developments aimed at improving the environmental performance of all our operations. We remain committed to complying with all regulations and actively participate in the processes to develop new regulations that are under consideration.

Our approach to managing environmental impacts

All our operations, new projects and joint ventures under our operational control are governed by the One Sasol SHE Excellence approach, a management framework that supports our goal of achieving zero harm and sustainability through a risk-based, standardised and systematic approach. The principal governance bodies that set company policy, targets and direction on environmental issues are the Sasol Risk and SHE Committee of the Board, and the Sustainability and Stakeholder Relations Committee, a mandated sub-committee of the Group Executive Committee (GEC). These are assisted at an operational level by the recently established Group Environment Committee, which meets quarterly. Its purpose is to provide thought leadership over Group environmental matters, addressing material environmental issues and top environmental risks.

There has been ongoing focus on consolidating and aligning the company's numerous environmental permits, licences, safety data sheets (SDS) and related documentation with our new legal structure that came into effect at the beginning of the 2015 financial year. The impact of this change has been felt most by our South African operations, and national government and regulators have been particularly helpful in assisting with an efficient and timely transition process.

Significant investments in environmental improvement projects

Sasol's total accrued environmental obligation at 30 June 2015 amounted to R11,02 billion. Based on an assessment of significant capital expenditure on environmental projects over the past 10 years, we have spent approximately R20 billion, averaging almost R2 billion annually.



Driving sustainable air quality and waste management

Working towards meeting air quality legislation requirements

During 2004, the South African National Environmental Management: Air Quality Act was promulgated, introducing a fundamentally new approach to air quality management. Supporting standards were thereafter promulgated including national ambient air quality standards and minimum emissions standards (MES) that make provision for strict industrial point source emission requirements.

In terms of the MES, Sasol’s existing South African operations had to meet the standards set for existing plants effective April 2015, and further have to meet more stringent standards set for newly commissioned plants by April 2020. While the majority of our processes will be able to comply with the future MES, some of these standards and associated compliance timeframes present significant compliance challenges, particularly in terms of the technical implications for some of our existing operations. To ensure compliance and to effectively manage compliance risks in the short and long term, Sasol applied to the National Air Quality Officer for the postponement of compliance timeframes for some of the Minimum Emission Standards (MES), which were granted in February 2015. These decisions, while aligned with our requests, impose stretched targets in support of improved ambient air quality. Subsequently, the decisions have been incorporated into our atmospheric emissions licences under which we now operate.

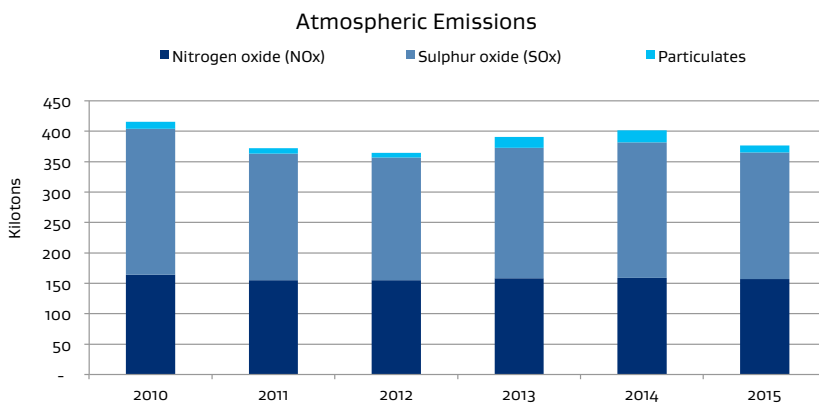
Our focus is on implementing the air quality improvement roadmaps that support our postponement applications. These include both the continued capital expenditures at our operations and the development and implementation of air quality offset plans.

While having been granted extended timeframes within which to comply with some of the 2015 standards, postponements may not adequately address our longer-term compliance challenges, particularly where feasible solutions are not presently available to achieve compliance with the new plant standards by April 2020. We remain committed to advancing ambient air quality management in a sustainable manner and will continue to engage with the regulators and our stakeholders to find solutions to address our remaining challenges.

Tracking our performance on atmospheric emissions

Since our first environmental report published in 1996, we have been publicly disclosing our performance data on our Group atmospheric emissions on an annual basis.

Striving to reduce emissions of key atmospheric pollutants



In 2015, we recorded an overall decrease in the total emissions of nitrogen oxides (NOx), sulphur oxides (SOx), and particulates compared with emission levels in 2014. Total NOx emissions decreased to 156,9 kilotons (kt) from 158,6 kt during 2014 and total SOx emissions amounted to 208,0 kt, down from 223,0 kt in 2014. Total particulate (fly ash) emissions were 11,7 kt, as compared to 19,3 kt in 2014. The decrease in emissions is

largely due to the exclusion of ORYX GTL data (which is now separately reported in the ORYX GTL Sustainable Development Report) and the sale of our solvents assets in Germany. Five-year trends indicate that our NOx emissions have remained relatively stable. Although SOx emissions increased slightly over the past two years, they remain lower than the levels measured four to five years ago.

On track for significant reductions in volatile organic compounds (VOC) emissions

We have set ourselves an ambitious target of achieving an 80% reduction of six defined volatile organic compounds (VOCs) – benzene, toluene, xylene, ethyl benzene, 1,3-butadiene and acetaldehyde – on our 2009 baseline, by the end of June 2020. This implies a reduction in total annual emissions to 9,4 kilotons (kt) as compared with 2015’s emissions of 46,5 kt. A VOC roadmap aimed at achieving the desired emissions reduction has been developed. At our Secunda complex, we have invested significantly over the past seven years to reduce VOC emissions. We expect to see a significant VOC emissions reduction following completion of the replacement of tar tanks and separators and the VOC abatement project. A coal tar filtration project is also being implemented and together these three projects total an approved cost of R7,5 billion.

Managing waste responsibly

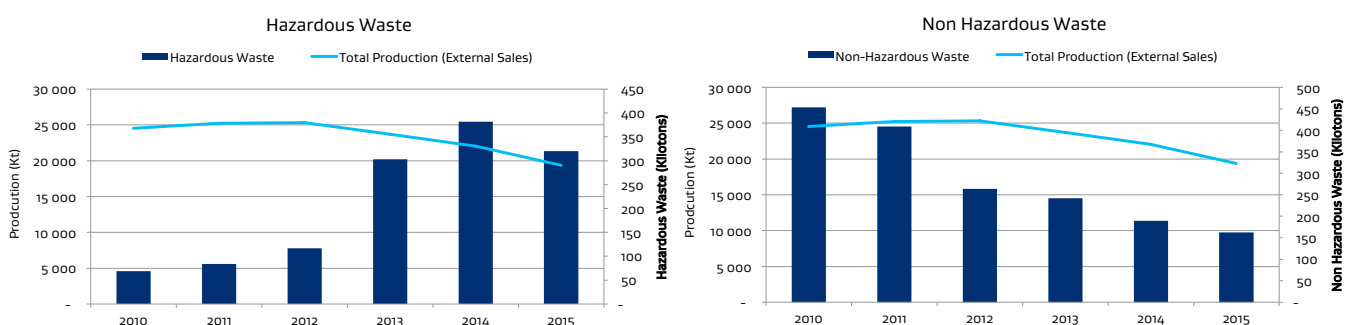
Our approach to waste management is informed by the general principles of the waste management hierarchy wherein the prevention and minimisation of waste are the preferred options followed. Recently we have been focusing on exploring opportunities to compost some of our industrial waste sludges. Since 2012, we have carried out test work on the composting of bio-sludge and various other hydrocarbon sludges from the Secunda Synfuels process. Following the successful completion of the trial phase in August 2014, we are undertaking an Environmental Impact Assessment to confirm whether, at larger scale, the composting solution continues to deliver sound environmental management solutions for various sludge streams. In addition to the environmental benefit of this composting project, one of the key drivers of this project is the job creation potential of a full-scale operation. The holistic merits of the solution will be confirmed in the next financial year, to inform the way forward.

We have made progress in preparing to meet the new waste classification and assessment for disposal requirements that are applicable from August 2016 onwards. A SAP waste information system that simplifies waste data collection and reporting for our chemical operations has progressed from development to implementation.

Engaging with the regulatory authorities on waste legislation

Under the leadership of the Department of Environmental Affairs (DEA), we have had productive engagements through the industry Waste Forum established between business and the DEA to highlight any identified challenges relating to the implementation of the Act and its associated regulations and standards.

In response to the National Waste Information Regulations, we have registered applicable activities and sites and commenced quarterly reporting into the South African Waste Information System. We also complied with our obligations to notify the DEA in terms of Part 8 of the National Environmental Management: Waste Act.



In 2015, our operations generated 320 kt of hazardous waste compared to 382 kt in 2014, a 16,2% reduction. The quantity of non-hazardous waste generated decreased 14,3% to 162 kt, from 189 kt in 2014.

Total recycled waste decreased to 76 kt from 89 kt in 2014. These reductions are mainly attributed to concerted efforts to reduce waste at source.

Environmental offsets

During March 2015, the South African Department of Environmental Affairs (DEA) issued a draft discussion document on environmental offsets. The aim was to stimulate discussion on the concepts and principles of offsets, and to assess their possible contribution to enhancing sustainable development as part of a national policy framework. The discussion document defines an environmental offset as an intervention specifically implemented to counterbalance an adverse environmental impact of an activity at one location by delivering a net environmental benefit at another. It considers five types of environmental offsets, categorised according to the adverse environmental impact they are seeking to counterbalance, namely: biodiversity, wetlands, water resources, carbon and air quality.

Sasol welcomes the DEA's initiatives toward advancing a policy framework for environmental offsets as a formally recognised mechanism for sustainable development, under an aligned overarching regulatory umbrella. While we note that some stakeholders see offsets as providing a "licence to pollute", we do not share this view. We believe that if properly designed and implemented, offsets can be a complementary environmental management tool for achieving desired environmental outcomes in a potentially more cost-effective manner, and with potentially greater socio-economic benefits, than using conventional regulatory mechanisms alone. We believe there are sustainable opportunities for using offsets as part of a mix of measures for carbon mitigation, water stewardship, and as a means for improving ambient air quality in the vicinity of our operations.

Sasol's view is anchored on a firm belief in the mitigation hierarchy approach. Our aim is to use offsets to support the mitigation hierarchy in those instances where onsite improvements become increasingly difficult to achieve and where offsite improvements could potentially be more meaningful in improving environmental outcomes. We are neither advocating a view that offsets are the sole solution to our environmental challenges, nor even the sole solution to non-industrial emission sources. We believe that there is a place for environmental offsets as a recognised compliance mechanism within the formal mix of regulatory measures available. We have thus been exploring specific opportunities for offsets as part of our compliance activities relating to water stewardship and air quality management.

Regarding air quality, specific provision has been made for offsets in some of our amended Atmospheric Emission Licences (AEL) as conditions of postponements granted from compliance timeframes for certain of the minimum emission standards (MES). Draft offset implementation plans were submitted in June 2015 to the National Air Quality Officer (NAQO) and the licensing authority as required, and will be followed by an appropriate public participation process.



Investing with Eskom in atmospheric studies facility at the University of Pretoria

Sasol and Eskom, the South African public electricity utility, are large users of coal for energy generation in Southern Africa. As large coal users we are confronted with increasing and complex challenges, including an evolving and uncertain regulatory landscape, ageing assets, stretched resources and a shortage of skills to develop solutions. To address these challenges, during 2005 we initiated the Sasol-Eskom research collaboration with universities to promote data, information sharing and to develop scarce skills in scientific studies. Research study focus areas include ash and brine, impacts of atmospheric emissions on ecosystems, monitoring and reporting on mercury, ambient air quality, and wet and dry deposition rates of sulphur and nitrogen compounds. Sasol and Eskom have also collaborated with selected universities in South Africa on environmental research studies. Most recently, the partners invested in establishing a Laboratory of Atmospheric Studies at the University of Pretoria. Launched in February 2015, the research lab will be a national centre of excellence, providing infrastructure and world-class education for developing skilled atmospheric scientists.

Responding to climate change and energy security challenge

The anticipated policy and physical implications of climate change present a significant potential risk to our business. Identifying an appropriate response that balances the need for economic development, job creation, energy security and greenhouse gas (GHG) emission reductions, is one of the most important challenges we currently face. As a carbon-intensive company we recognise that we have a particular responsibility and opportunity to contribute to finding solutions to this challenge.

Our approach to managing the risk of climate change

We have had a comprehensive climate change programme in place since 2008. During 2014, we revised our GHG mitigation approach which now rests on four main pillars:

- improving the carbon and energy efficiency of our processes;
- increasing the use of natural gas (instead of coal) for energy generation;
- researching the potential for offsetting GHG emissions in Southern Africa, including potential renewable energy projects; and
- monitoring and influencing the development of carbon capture and storage (CCS) as a long-term solution.

Our President and Chief Executive Officer and the Group Executive Committee (GEC) are ultimately accountable for implementing our climate change plan. A dedicated project team, steered by a GEC member, is responsible for executing this. The committee ensures our response to climate change is integrated with our strategic agenda, and co-ordinates our engagement with government and other stakeholders.

Sasol has been reporting GHG emissions voluntarily since 1996. Since 2002, we have been reporting in accordance with the GHG reporting protocol of the World Business Council for Sustainable Development and the World Resources Institute. We have voluntarily participated in the Carbon Disclosure Project (CDP) since its launch in South Africa during 2007, and have made our annual responses publicly available. During 2013, in preparation for engagements with the Department of Environmental Affairs (DEA), we undertook a rigorous review of our GHG data. Informed by the findings of this review, we improved our methodologies for calculating GHG emissions and included smaller sources of emissions that were previously omitted and in 2015 we added in flaring emissions. We have also developed a measurement, reporting and verification (MRV) standard for the Group, aligned to international best practice, which is now fully utilised by our various operations.

Climate change issues have also informed our dual-regional approach, in which we have prioritised gas-based growth in Southern Africa and North America. We believe that gas has a key role to play in assisting South Africa and other countries to transition to a lower-carbon economy.

Participating in climate change policy processes

In South Africa, where most of our GHG emissions occur, we continue to participate actively in government policy activities relating to climate change mitigation. Sasol recognises the need for a policy that reduces the carbon intensity of our economy, and that takes into account the socio-economic impact of such policies.

Currently, there are two key climate change policy approaches being rolled out in South Africa: one by the National Treasury in the form of a carbon tax, and the second by the DEA in the form of carbon budgets. We have concerns with key aspects of the design of these climate change policies, including in particular the need for a carbon tax given the fact that South Africa is below the national benchmark trajectory set by the South African government. This is largely due to the current slower economic growth; electricity issue and industrial sector initiatives towards greater energy efficiency; the lack of meaningful alignment of the carbon tax with the proposed carbon budget; and the nature of South Africa’s commitment in support of the next United Nations Framework Convention on Climate Change (UNFCCC) Conference of Parties (COP) in Paris, 2015. We have engaged actively throughout the year with government and regulators to express these concerns, both individually as Sasol, as well as through representative bodies such as Business Unity South Africa (BUSA).

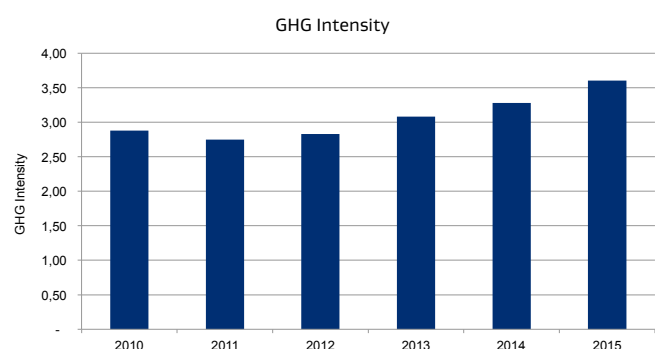
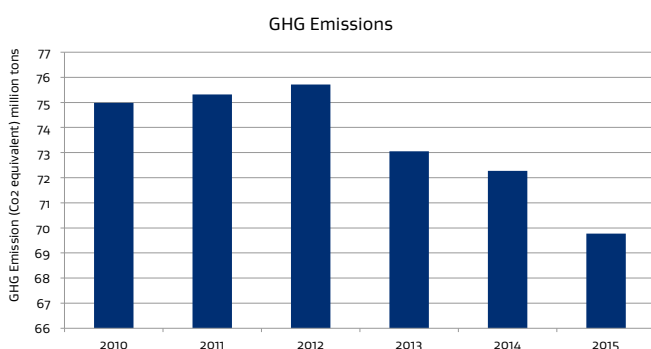
We believe that a cautious and aligned approach should be adopted in developing climate change policy that balances national priorities of reducing unemployment and achieving economic growth with international commitments negotiated through the UNFCCC process towards a lower carbon, more climate-resilient economy. We remain committed to supporting the South African government in its efforts to develop and implement policies that address the country’s environmental and developmental challenges.

Tracking our performance against our mitigation targets

Our greenhouse gases (GHG) emissions reduction targets

During 2005, we committed to a global GHG intensity target which was updated in 2009. Sasol voluntarily committed to reducing the GHG emissions intensity of all our existing operations by 15% by 2020, from a 2005 baseline. Last year we undertook a review of our GHG intensity targets. This was in response to recent government policy developments, as well as the changes in our emissions baseline following the sale of Arya Sasol Polymer Company and Sasol Solvents’ Germany operations. Following the review it was determined that long-term company-wide targets are no longer appropriate for measuring our progress in respect of GHG mitigation.

We are continuing with an internal process to finalise the development of separate GHG mitigation targets for our South African and international operations. Having separate targets for our global operations will assist in isolating our energy-intensive operations from our lower-carbon operations, and will allow for a more meaningful assessment of our progress in meeting external policy requirements. Pending the introduction of the new mitigation targets we will continue to report progress against the GHG intensity measure.



Our total GHG emissions globally (measured in CO₂ equivalent) reduced from 72,3 million tons (Mt) restated for 2014 to 69,7 Mt in 2015. This figure includes direct emissions associated with our processes and our own tanker fleets (Scope 1 emissions), as well as the indirect emissions associated with our electricity imports (Scope 2).

Our GHG emissions intensity (tons CO₂ per ton production) increased to 3,35 from 3,28 (restated) in 2015. This increase is largely due to the sale of the Sasol Solvents Germany facility and exclusion of ORYX GTL data, both of which negatively impacted our total production levels. As of 2015, all joint venture (JV) data where Sasol does not have operational control has been excluded. Our GHG emissions baseline has also been restated due to the inclusion of an additional source of GHG emissions from flaring. The inclusion of additional sources of GHG emissions since 2013 forms part of the Group's drive for continuous improvement in our inventory.

Investing in energy efficiency

Sasol has had a long-standing commitment to promoting energy efficiency, as a cost saving lever, part of our GHG mitigation measures, and in response to energy security challenges in South Africa. We are one of the founding signatories to the Energy Efficiency Accord, a voluntary commitment between various leading South African companies and the South African Department of Energy (DoE). Aligned with this Accord, we have had an energy efficiency target in place since 2005, to improve the utility energy efficiency of our South African operations by 15% by 2015 off a 2000 baseline. The target is measured as energy intensity – energy used per unit of production for our South African operations – indexed to the 2000 baseline as a reference.

In 2015, the utility energy intensity index for our South African operations improved further to a cumulative 10,2% reduction in energy intensity. When this is adjusted to account for growth in electrical self-generation capacity, it equates to a 16,6% improvement in efficiency off the 2000 baseline. These improvements enabled our overall energy cost increases in South Africa to be curbed well below the energy cost inflation rate.

We anticipate that mandatory energy efficiency reporting in South Africa will commence in 2016, with energy intensity being used as the indicator of energy efficiency. In addition, we expect that government will introduce new industry targets as part of the new National Energy Efficiency Strategy for 2030. With this in mind, we are currently developing a new target for 2030 that is aligned with governmental objectives.

In driving energy efficiency improvements across the Group, we have continued our focus on raising awareness, improving practices to maximise operational energy efficiency and enhancing plant stability. The successful commissioning of Phase 1 of our Fischer Tropsch (FT) Wax Expansion Project has resulted in important efficiency improvements as a result of new technologies. Further efficiencies were also achieved through projects that utilise available waste heat to generate steam. After exceptional results under the voluntary Energy Efficiency Accord, when looking to the future, we will start seeing diminishing returns from improved operational practices and philosophies; however, capital project opportunities still exist.

Our mining operations continuously mine further away from our processing plants and, as a result, energy efficiency will be under pressure. Our near-term focus will be on sustaining the current levels of efficiencies.

Managing the risks associated with adaptation

Adaptation issues (being key to sustainability) will be included under Sasol's sustainability focus. In the short term, weather readiness (Sasol's preparedness to deal with current severe weather conditions in such a manner that it minimises the impact on people and plant) is seen as a suitable proxy for addressing adaptation issues – currently for Sasol adaptation is more focused on resilience and vulnerability of the infrastructure to weather related impacts.

Priority areas for attention remain:

- ensuring new plant designs consistently adopt standards which take into account current and future climate requirements;
- monitoring and tracking weather-related events; and
- a yearly review of the approach.

Promoting water stewardship

Water is a critical feedstock for our primary processes, primarily for steam generation, process cooling and the production of hydrogen. Water is also a significant consideration across much of our value chain, which extends into urban settlements, agriculture and mining. As many of our larger facilities, suppliers and surrounding communities are located in water-stressed areas, we have a heightened responsibility for ensuring good water stewardship.

Our approach to water stewardship

We have adopted an holistic approach to water stewardship. In addition to implementing water efficiency and pollution prevention initiatives within our own operations, we have been exploring and implementing partnership opportunities in some of our critical water catchment areas.

Management of on-site water-related issues is co-ordinated across the Group by the various Board and Executive-level structures described in our governance framework for sustainable development. The Group Environmental Committee is responsible for exercising governance and thought leadership on Group water matters. The committee provides assurance to the Group Executive Committee (GEC) that our water stewardship risks and commitments are being addressed.

During 2011 we introduced voluntary water-use efficiency targets for our two most water-intensive business units. Sasol Synfuels (now Secunda Synfuels Operations) committed to a 5% improvement in water-use efficiency by 2015 on a 2010/11 baseline, while Infrachem (now Sasolburg Operations) committed to a 15% improvement in water-use efficiency. Our performance against these targets has been mixed; with Secunda Synfuels Operations achieving a 5,3% improvement and Sasolburg Operations achieving a 4% improvement. Informed by a global benchmark study, we reviewed these targets and developed regional entity-specific water targets for Secunda Synfuels Operations, Sasolburg Operations and our mining operations. Our new water targets are as follows:

- Sasolburg Operations – maintain the 2015 baseline of 9,6 tons of water use per ton of saleable production;
- Secunda Synfuels Operations – achieve a 2,5% improvement in water intensity against actual consumption in 2014 of 11,58 tons of water use per ton of saleable production; and
- Mining – restrict the increase in potable water use to a maximum of 10%.

These targets are applicable for a five-year period up to 2020.

Our water stewardship performance

We use the UN Global Compact CEO Water Mandate – a public/private initiative launched during July 2007 – as the framework for assessing and reporting on our water performance. Our President and CEO has reaffirmed Sasol's endorsement of the CEO Water Mandate.

Minimising impacts in our direct operations

Our largest operations in South Africa are dependent on the Integrated Vaal River System (IVRS) which continues to experience water demand that exceeds the system's sustainable supply capability. While no compulsory water-use efficiency targets have yet been set for industrial water users in South Africa, we anticipate that such targets will be imposed in the future by the Department of Water and Sanitation (DWS).

Our total water use during 2015 was 135,5 million m³, which is lower than our water consumption of 149,5 million m³ in 2014. The total quantity of water recycled in 2015 was 196,7 million m³, as compared to 186,8 million m³ during 2014. The main reasons for the reduction in volumes are the sale of Sasol Solvents Germany as well as the non-reporting of our ORYX GTL facility in Qatar. The ORYX GTL facility, where Sasol is a joint venture (JV) partner, now reports separately in its own Sustainable Development Report. During 2015, Secunda Synfuels Operations undertook an audit that identified an additional three streams which met Sasol's definition of recycled water. These additional streams have since been reported and as such resulted in an increase in recycled water for the 2015 reporting year.

Promoting responsible watershed management

We have concluded that we can make a more significant contribution to catchment security by working beyond the factory fence-line with other water users in the Integrated Vaal River System (IVRS) in South Africa by identifying cost-effective, high-impact opportunities for improved water usage in the catchment area. Key challenges impacting on water security in the IVRS include: the growing demand for water from the urban and agriculture sector; significant leakages from ageing municipal infrastructure; the increased need for surface water to dilute acid mine drainage entering the Vaal River System; delays in the implementation of Phase 2 of the Lesotho Highlands Water Project and the potential impacts of climate change on local water security.

Given these various challenges, we developed a water security risk indicator to provide an early indication of the water security risks facing our South African operations, and enable us to take appropriate controls to minimise production losses. The indicator tracks issues relating to rainfall patterns and the integrity of water supply infrastructure in the IVRS.

In response to the challenges of water losses from municipal water supply systems, Sasol continues to explore water conservation partnership opportunities with municipalities in the Vaal River catchment (notably Emfuleni, Govan Mbeki and Metsimaholo local municipalities and others), with the aim of reducing municipal water losses.

Following the successful completion of the project to reduce water losses at Emfuleni municipality, Sasol has entered into a new memorandum of understanding (MoU) with the German Agency for International Cooperation (GIZ) in terms of which we are exploring further opportunities to collaborate on water conservation partnerships.

Pursuing collective action

Given the scale of water-related challenges, we recognise the need to work collaboratively with a range of partners. In addition to our existing and proposed partnerships with municipalities, we have continued to contribute to the activities of the South Africa Strategic Water Partners Network. As a member of the network, we have contributed to initiatives relating to water offsetting, skills development and capacity building.

Contributing to public policy

As part of our commitment to informing the development of effective public policy, we continue to engage actively in various government-led policy initiatives. In 2015, our engagements with the South African DWS included discussions to address challenges with some of our water use licence applications, and to provide feedback regarding the proposed Vaal River Catchment Management Agency as well as the proposed Water Management Classes for the Vaal River. We also made important progress in exploring the practical implications of water offsetting from a conceptual, policy and regulatory perspective. To examine the potential for using water offsets as part of a mix of policy measures, we have initiated and funded an investigation into the development of a South African national water-offsetting model, with the aim of incorporating the concept into the water law review process. This was undertaken in collaboration with DWS and presented to the parliamentary portfolio committee on water. More recently we have developed a case study that applies the water-offsetting concept to the preliminary results obtained from our water conservation partnership with Emfuleni municipality. We will be using the lessons learnt from this case study to further inform the development of government policy on offsetting.

Transparency

Since 1996 we have been reporting annually on water-related issues. In 2015, Sasol again participated in the CDP's Water Disclosure Project. These activities of mapping water risks, responding to the identified risks, and formally disclosing and reporting on these responses, remain the backbone of our water stewardship response.



Delivering social value



Delivering social value

Contributing to social and economic development in the regions where we have operations is essential to securing and maintaining our licence to operate. In addition to the value we create through our core business activities, we undertake targeted community and enterprise development initiatives to bring further socio-economic benefits to neighbouring communities and local economies.

Creating social value through our business activities

As a large corporation, we serve a higher purpose than just running our business profitably. At Sasol, we seek to play a constructive role as a employer of choice and, more broadly, as an active corporate citizen. We believe business, as a collective, has a critical role to play in meeting the challenges of a changing world – mitigating environmental risks, preserving natural resources and enhancing opportunities for economic development.

We deliver value in the countries where we have a presence by:

- providing employment opportunities, skills development and training interventions to our employees and the broader community;
- investing in infrastructure and other social services in our host communities;
- paying taxes and royalties to governments, which contribute to addressing social needs; and
- purchasing goods and services from local businesses, which supports their ability to create employment and remain economically active.

During the reporting period, the financial value distributed directly by Sasol amounted to R136,5 billion. This included:

- R24,4 billion to our employees in wages and benefits;
- R10,1 billion in direct taxes to government;
- R49,5 billion in direct and indirect taxes;
- R14,2 billion to our providers of equity capital;
- R3,3 billion to our providers of loan capital; and
- R35 billion re-invested in the Group to sustain value for stakeholders.

In addition, R751,9 million was invested in socio-economic development initiatives in our communities (excluding internal skills development).



Promoting broad-based black economic empowerment in South Africa

As at 30 June 2015, Sasol achieved level 4 broad-based black economic empowerment (BBBEE) contributor status based on our performance of the following pillars:

- **Equity ownership:** Through the Ixia Coal transaction and the participation of Sasol Mining employees in the Sasol Inzalo share transaction, combined BBBEE ownership in Sasol Mining is over 40%. This exceeds the Mining Charter target of 26% by 2014. In support of the Liquid Fuels Charter, BBBEE group Tshwarisano LFB Investment (Pty) Ltd owns 25% of our liquid fuels production, distribution and marketing operations, housed in Sasol Oil (Pty) Ltd. The Sasol Inzalo Foundation was established in September 2008 and at the time was part of South Africa's single biggest BBBEE equity transaction. This transaction transferred 10% of Sasol shares into the hands of South Africans from designated groups;
- **Employment equity:** We have made important progress during 2015 in meeting our employment equity plan for the period 2012 to 2017;
- **Preferential procurement:** Preferential procurement, based on the 2007 BBBEE Codes amounted to R36,9 billion, representing 88% of our total measured procurement spend of R41,9 billion. We have significantly improved our procurement from black-owned and black women-owned enterprises from R5,8 billion to R6,7 billion;
- **Enterprise development:** Supporting independent small and medium enterprises and bolstering our supply chain through our dedicated Enterprise and Supplier Development activities;
- **Skills development:** We invested R509,9 million in skills development for black employees which includes R157,26 million for black women employees; and
- **Socio-economic development:** We invested R751,9 million in socio-economic development initiatives in South Africa which includes the R31,6 million invested in financing small and medium businesses, as well as R71,6 million invested through the Sasol Inzalo Foundation in education.

Promoting social and economic development

Stimulating economic growth through small business development

A growing and active small, medium and micro-enterprises (SMMEs) sector is vital for broadening economic participation and delivering on socio-economic development priorities. Supporting the development of SMMEs contributes to economic growth and helps us diversify our supply chain and meet our social transformation goals in South Africa. To drive these objectives, we have dedicated Enterprise and Supplier Development (ESD) activities.

Through our ESD activities, we have refocused our investment to support existing and potential suppliers. The ESD teams, located at our operating hubs in Secunda and Sasolburg, South Africa, have engaged more than 150 enterprises to understand the extent and nature of support required. Dedicated in-house enterprise development specialists assisted with profiling the enterprises and identifying core support interventions required to assist them in meeting development needs.

Recognising that access to infrastructure and facilities is a key growth enabler for SMMEs, we are developing a 172-hectare eco-industrial park in Sasolburg, where we are selling serviced stands at competitive rates to businesses for general and industrial business activities. The park will also provide on-site business development and technical support services for qualifying SMMEs in the Vaal Triangle. Approximately 62% of the park is complete and has 151 serviced stands of which 40% are operational, have been purchased and/or are pending registration. The park has attracted enterprises from numerous industry sectors including manufacturing, maintenance, service industries and warehousing-related activities and is expected to positively influence the employment rate in and around Sasolburg.

Partnering with relevant stakeholders is a key contributor to our success in supporting SMMEs. In 2015 we completed the construction and equipping of the R50 million, Sasol Business Incubator at the eco-industrial park in Sasolburg, in partnership with the Department of Trade and Industry (dti). This facility forms part of the dti's campaign to roll-out 200 business incubators nationwide. The development includes a 2 000 m² building

that will provide office-based incubation services. A further 2 000 m² comprising four production buildings will cater for the incubation of start-up enterprises and small-scale manufacturing enterprises. Four of the five buildings were constructed using alternative building technologies acquired from SMMEs supported by Sasol. The Sasol Siyakha Enterprise and Supplier Development Fund provided our SMME suppliers with loan funding at competitive rates to bolster their operational capacity and capability. In 2015 we provided loan funding to the value of R31,6 million to enterprises in facilities management, mining operations, mechanical maintenance, fabrication and wax cosmetic businesses. The loans were used for the purchase of assets and working capital to improve productivity, as well as to extend their customer portfolio. The provision of these loans also enabled job creation opportunities for skilled and unskilled labour.

During 2015 we maintained our partnership with Primestars – who develop programmes for high school learners from disadvantaged communities and use their network of cinemas as “Educational Theatres of Learning”. The “Step Up to Start Up 2, 2015” project aims to develop and produce an educational film that will encourage entrepreneurial drive in the mindset of the South African youth. We are a proud sponsor of the 2015 project with a specific focus on encouraging innovation and small scale manufacturing initiatives aligned with the objectives of the Sasol Business Incubator.

While the focus of our SMME development activities is primarily in the communities in which we operate, the positive impacts of our enterprise and supplier development programmes contribute more broadly to economic development and transformation.

Supporting economic transformation through preferential procurement

Preferential procurement provides another valuable opportunity for driving social and economic transformation. Our longstanding support for preferential procurement focuses specifically on promoting local spend around our major operating hubs in South Africa, as well as targeting largely black-owned enterprises as part of our commitment to BBBEE.

As a signatory to the dti’s Local Procurement Accord, we have implemented various measures aimed at promoting an increase in local and regional based external spend. During 2015 the combined preferential procurement spend in the Sasolburg and Secunda regions increased to R6,3 billion (2014: R5,6 billion). While local procurement spending has increased in both areas, the number of service providers entering our facilities has declined significantly, mainly as a result of reduced capital project activity. This trend is expected to continue into the foreseeable future.

Given this challenge, we have been implementing various initiatives to fast-track the engagement of additional local and regional suppliers. We have held supplier days at Sasolburg and Secunda and identified over 60 high potential new suppliers in various procurement categories. We have also engaged with inactive local suppliers and are working closely with them to improve their service offering. Our ESD teams continue to provide new and existing suppliers with targeted interventions aimed at enhancing their business viability.

In addition to driving regional BBBEE through our own procurement spend, we have revised our standard terms and conditions in agreements with contractors to actively drive local preferential procurement in any sub-contracting that our suppliers might undertake. We are also currently reviewing our standard request for quotation or proposal documentation for suppliers, to ask them to include plans on the use of local labour.

Creating value through social investment

Our social investment initiatives seek to promote people-centred, needs-driven sustainable development of the communities in which we operate. We aim to create sustained social impact through activities focused on legacy creation and to integrate the concept of “giving” into the Sasol culture.

We define corporate social responsibility (CSR) as the co-creation of shared and sustainable value in communities within which we operate.

Our CSR approach aims to:

- improve quality of life in communities where we operate;
- support Sasol's strategic business agenda;
- foster a spirit of co-operation and partnership with communities and stakeholders; and
- enable employee involvement.

Our commitment to delivering social value extends beyond our operations' boundaries to neighbouring communities where we participate in development programmes, promote employee volunteerism, support local charities and procure goods and services locally as much as possible.

We work to develop and promote people-centred, long-term sustainable initiatives through CSR programmes based on input from extensive engagement with our communities and employees.

Partnerships with government at all levels, civil society structures, educational institutions and non-governmental organisations (NGOs) have assisted us in making a difference to the lives of the communities around our operations.

To this end, we conduct various projects and programmes by following a structured process:

- engage with stakeholders within our host communities to better understand the issues and problems that need to be addressed;
- determine the best possible approach, as well as review global best practices which address the identified issues; and
- work with our partners to develop and execute the most effective, impactful and sustainable programmes to address the issues and challenges.



Our integrated approach to corporate social responsibility

The Sasol Global Foundation (SGF) was set up in 2013 to establish an appropriate structure to enable and govern a fully integrated approach to corporate social investment throughout the Group.

Our global social responsibility strategy prioritises programmes and projects in the following focus areas:

- **Education and skills development:** Developing skills and providing resources for schools, with a focus on science, technology, engineering and mathematics (STEM) subjects, providing undergraduate bursaries, supporting university collaborations including postgraduate studies, investing in youth development with a focus on entrepreneurial and vocational skills development, as well as developing technical skills and capacity.
- **Environment:** Protecting the environment, through initiatives including sustainable water use and loss prevention, energy access and security, creating value from waste, air quality improvements and biodiversity.
- **Community development:** Investing in the communities in which we operate through local development programmes and enterprise development.
- **Employee volunteerism - Sasol for Good:** Leveraging the considerable and diverse abilities and expertise of Sasol employees by enabling them to volunteer their time and resources in their communities.

The SGF's Board of Governors comprises Sasol's senior leadership including the President and CEO. It determines the investment strategy, oversees governance, allocates resources, and decides on the focus areas for CSR for the Group globally. The Board of Governors meet three times a year and report to Sasol's President and CEO.

The SGF management team is responsible for establishing governance procedures, policies and systems, managing the investment portfolio, as well as monitoring and measuring all programmes. In June 2015 we introduced a standardised monthly reporting dashboard, across diverse performance indicators to monitor progress. During 2015, the Sasol Global Foundation focused on the following areas of activity:

- embedding the governance structure and its operating model across the Group including re-orienting the focus towards agreed investment areas;
- overseeing development of local development plans and global budgets;
- aligning Sasol's social responsibility delivery vehicles and key stakeholders with the Sasol Employee Volunteering Programme - Sasol for Good, which was approved and officially launched at the beginning of financial year 2016; and
- ensuring that worldwide the social responsibility delivery vehicles are fully integrated and leverage the core competencies of our business.

Introducing the Sasol Employee Volunteerism Programme - Sasol for Good

In continuing the drive to be an engaged and responsible corporate citizen, we are proud of our global Sasol Employee Volunteerism Programme, Sasol for Good. The programme leverages the considerable and diverse abilities and expertise of Sasol employees to empower communities and co-create sustainable livelihoods. Sasol for Good enables our people to volunteer their time and resources in their respective communities.

It was developed in line with international best practice and approved by the Sasol Global Foundation's Board of Governors in February 2015.

Sasol for Good takes into account the varying and region-specific needs of our communities with a specific focus on education and skills development, protecting the environment and improving the quality of life of our communities through community development initiatives.

Facilitating opportunities for Sasol staff to participate in social investment projects will:

- enable change in communities through long-term partnerships and engagement;
- enable our employees to make a contribution as Sasol ambassadors;
- build a culture of caring in communities; and
- comply with all relevant legal and policy requirements for volunteering in host countries.

Our social responsibility performance in 2015

During 2015, the Group invested R751,9 million in corporate social responsibility programmes globally, with 88% spent in host communities in South Africa. Our total CSR spend for the year included:

- R441,7 million in education, which includes the Sasol Inzalo Foundation spend of R71,6 million;
- R45,1 million on environmental projects;
- R232,2 million on community development, which includes the R191,5 million Sasol Ikusasa investment in the Metsimaholo and Govan Mbeki municipalities in Sasolburg and Secunda;
- R31,6 million on financing small and medium enterprises; and
- R1,3 million on employee volunteerism.

To ensure that we continue our progress we have outlined the following objectives for new financial year:

- continue engagements with our stakeholders within our host communities to understand the issues and jointly develop suitable programmes to address these;
- further simplify the Sasol Global Foundation’s governance structure and operating model to improve delivery of our CSR programmes;
- establish a monitoring and evaluation framework for our programmes;
- develop key indicators to measure, where possible, the impact of our CSR programmes; and
- implement the Sasol Employee Volunteerism Programme - Sasol for Good.



Corporate Social Investment in South Africa

Developing science, technology, engineering and mathematics (STEM) skills.

Sasol invested over R400 million during 2015 on education and skills development, with a focus on developing skills and providing resources for schools in STEM subjects. It is in Sasol's interest to have the right talent attracted to our sector and to our business. For us to maintain our technological lead, we need skilled employees, equipped in science, technology, engineering and mathematics. This is also important for South Africa. Improved performance in these subjects will help to alleviate the country's skills deficit and facilitate economic growth.

2015 marked the 10th year of Sasol's partnership programme with South African universities. The programme was designed to build competencies and improve research and teaching facilities in science and engineering disciplines. Over the 10-year period, a total of R250 million was spent with 11 universities, benefiting more than 140 academics.

Since the Sasol Inzalo Foundation's first programmes started running in 2010, it has established a network of five technical high schools of excellence, developed workbooks and teacher guides for STEM subjects reaching over three million children, delivered three mobile science and mathematics laboratories to schools and supported a significant number of graduates in attaining undergraduate and postgraduate degrees, including PhDs in the STEM disciplines.

Supporting community development

Being a responsible organisation is paramount for Sasol. As an anchor industrial tenant in both Secunda and Sasolburg we have a vested interest in ensuring the wellbeing of the towns and its residents, including neighbouring communities.

Through our Sasol Ikusasa initiative, we demonstrated our commitment to local government, our employees and the communities surrounding our operations. Once completed, Sasol will have invested R800 million in the Govan Mbeki and Metsimaholo municipalities into much needed improvements in these sectors. Sasol carefully selected specific interventions to be in line with the economic development plans of the Govan Mbeki and Metsimaholo municipalities and to better align to the South African government's National Development Plan. The Sasol Ikusasa initiative also seeks to create environment where talented people can thrive, strengthen internal and external partnerships and build capacity in our host municipalities. During 2015, we invested R109,6 million in Secunda and R81,9 million in Sasolburg.

Sasol Ikusasa community development projects recently implemented include:

Sasolburg

- providing artisan training for community members;
- renovating the Zamdela community health centre;
- working with the Metsimaholo municipality's to manage the Sasolburg municipal landfill site;
- enabling two local sport clubs to host national sport events; and
- developing community parks and school outdoor gymnasiums.

Secunda

- Project 2019 - which enrolls well-performing grade 8 mathematics, science and English learners for intensive and continuous academic support;
- eMbalenhle business hive for small entrepreneurs;
- Electrical Engineering and Fitting and Turning Skills Development programme for Youth in partnership with Gert Sibande College;

- the Orphan and Vulnerable Children programme which accommodates 65 children for after school tutoring in mathematics, science and English; and
- eMbalenhle reticulation project and Project Phakamisa - which aims to build capacity on financial infrastructure planning development.

Sasol is also proud to be associated with the Nelson Mandela’s Children’s Hospital and committed R20 million toward this initiative. The hospital will be a dedicated paediatric referral facility serving all children of Southern Africa. The hospital is planned to open in December 2016.

We have refocused and heightened our attention in addressing environmental issues in collaboration with our communities. Some achievements included:

- donated Linear Low Density Polyethylene to one of our Base Chemical’s customers, JoJo Tanks, who manufactured six 5 000 liter water tanks. These were installed at Kaponelang Primary School, Sasolburg and are used to store treated water to be used in multiple applications;
- co-sponsored the Plastics SA educational and training booklet. The publication is an information guide on plastic which is distributed to government waste management departments, waste collectors, environmental organisations, educators and learners, the general public and training departments; and
- water waste management and investment in water infrastructure in Sasolburg and Secunda .



Corporate social investment in the United States

Our social investments in the United States are informed by feedback we receive through extensive engagement with our neighbours and employees.

Over the past few years we have maintained a regular “high touch” approach to engaging and working with our neighbouring communities. This includes regular face-to-face meetings with community members, to acknowledge their concerns and needs and discuss solutions. We continue to receive positive feedback from community partners and neighbours for the innovative and collaborative way we engage and work with them.

The following initiatives targeting specific community interests and aspirations have been successfully implemented:

- a voluntary Property Purchase Programme;
- facilitated a workforce development pipeline; and
- financing for construction craft training.

Sasol’s growth plans in Southwest Louisiana resulted in the expansion of our existing facility toward neighbouring communities to the west and northwest. In consultation with residents in those areas, we developed and launched Sasol’s Voluntary Property Purchase Programme during 2013. The scheme has been very well received. More than 80% of property owners eligible for the programme registered to participate. Sasol has made more than 700 offers on parcels, with a great number already accepted and closed.

We funded the Southwest Louisiana Workforce Resource Guide – a step-by-step guide to help individuals in choosing a career, acquiring training, certifications, basic life skills, and applying effectively for a job. The initiative targets the estimated 20% of the Southwest Louisiana unemployed and under-educated population. Sasol also partnered to establish a pilot scholarship fund that provides financial support for participating individuals. We have invested more than US\$340 000 in the pilot programme. In excess of 100 applications were received and following a multi-stakeholder adjudication process 50 scholarships were awarded - 29 recipients are from Westlake/Mossville area in Southwest Louisiana.

The Southwest Louisiana Construction Users Council (SLCUC) is a forum through which contractors, engineering firms and local owners or users of construction and maintenance services address local contract labour needs. In preparing for the high growth expected in the area, Sasol contributed US\$635 000 towards the advance funding needed by the SLCUC to provide pre-training for the local construction workforce.

Corporate social investment in Mozambique

During the reporting period we spent R27 million on corporate social responsibility projects in Mozambique. Our focus was on improving the quality of basic education, as well as facilitating access to water and healthcare.

Education and Skills Development

Developing local capabilities through education, training and skills development is pivotal in ensuring that Mozambique’s hydrocarbon resources benefit all its citizens. Together with our partners in the Central Processing Facility (CPF) in Temane, we achieved the following:

- since 2004 we have been involved in upgrading the infrastructure of Mangungumete Primary School situated close to the CPF. The school currently accommodates 1 020 learners from the surrounding areas. In 2014, we embarked on a project to construct and equip additional four classrooms which will accommodate 500 extra pupils. These were handed over to the school in April this year;
- we signed a Memorandum of Understanding (MoU) with the Pedagogical University (UP) to endorse a teachers’ training programme aimed at improving the competence of teachers who are involved in science, technology, engineering and mathematics (STEM) subjects. This initiative is the first of its kind in Mozambique. The teachers’ training programme is aimed at improving quality of education for STEM-related

subjects for students from grade 8 to 12, ensuring readiness for university and guiding students towards oil- and gas-related careers. To date, 34 teachers have been trained in teaching techniques that will benefit learners;

- with a view to improving conditions for students and teachers, aligned with Government of Mozambique’s (GoM) drive to provide school desks, Sasol handed over 600 school desks to schools in the Inhassoro, Moabite, Govern and Vilanculo districts. The initiative is being run over a period of three years and intendeds to benefit around 8 000 students. The first series of desks were handed over to Temane Primary School at an event attended by the Mozambican Minister of Education and Human Development;
- our structured three-year artisan learning programme aimed at fast-tracking the development of sought-after artisans in fields covering electrical training, instrumentation, mechanical and fitting production, has yielded positive outcomes. The first learners completed their training in 2014 and began working at the Central Processing Facility (CPF) in 2015;
- we partnered with the National Institute for Employment and Vocational Training (INEFP) to establish a vocational training centre in Inhassoro to support training and development of Mozambicans in technical skills. Over the next five years, over 460 Mozambicans will benefit from the Inhassoro Training Centre. The first intake in 2015 comprised 17 learners, including six female candidates;
- we have been collaborating with the University of Eduardo Mondlane (UEM) to promote skills in the petroleum industry since 2014. This progressed during the year and the downstream Masters curriculum for petroleum and gas studies, designed by UEM with Sasol’s support, is expected to be launched in February 2016;
- in 2013, in partnership with the Ministry of Mineral Resources (now the Ministry of Mineral Resources and Energy), we initiated a bursary programme in terms of which 30 bursaries are awarded annually to qualifying students for university courses relating to the oil and gas industry. Now in its third year, the programme has 67 students studying in Malaysia, Mozambique and South Africa. The first students are expected to graduate in 2016;
- at Ressano Garcia Secondary School, we rehabilitated two classrooms, converting one into a fully equipped physics, biology and chemistry laboratory and the other into a computer room with 25 computers; and
- on-the-job training of local contractors provides practical experience and enhances the employability of local nationals. At the beginning of 2016, we will begin a series of supplier development interventions targeted at locally owned small, medium and micro enterprises (SMMEs) which will comprise one-to-many sessions, as well as coaching and mentoring.



Improving access to water and enabling access to healthcare

Access to clean potable water helps to mitigate the risk of water-borne disease, improves sanitation and alleviates the burden of having to carry water by hand – a task which often falls to women and young girls who sacrifice their time and their education to collect water. In Inhamabane province, we sank two new boreholes to assist the Temane and Benzane Health Centres.

In partnership with the Mozambican Ministry of Health, we built and equipped the Temane and Benzane Health Centres located in Inhassoro and Mabote districts respectively, and provided two houses at each centre for medical personnel. Construction began in April 2014. In addition, to accommodate the increasing number of patients visiting the Mangungumete Clinic close to the CPF, we built and equipped a doctor's house at the clinic to ensure the availability of a permanent doctor.

Shortly after year end, the Benzane Health Centre was handed over to the GoM and community. The Temane and Pambara Health Centres will be handed over in November and December 2016 respectively. The three health centres will meet the needs of approximately 90 000 people.

Supporting local suppliers

In support of encouraging local suppliers within our supply chain, we have initiated a supplier development programme to enable small businesses to access opportunities within our procurement process and to broaden the scope of our supply base in Mozambique. The programme has identified SMMEs in Inhassoro and Vilanculo districts and in Gaza province.

The aim of the programme is to educate SMMEs on how to do business better with Sasol in order to:

- improve SMMEs' understanding of Sasol's standards and contracting requirements, thereby enabling them to respond to tender processes more competitively; and
- proactively address SMMEs issues of concern, thereby improving existing relationships.

Corporate social investment in Eurasia

Qatar - investing in our community with a focus on people with disabilities and the environment

Our social investments in Qatar focus on the four pillars of Qatar's National Vision 2030 and include investments in the human, social, economic and environmental sectors. We support various initiatives relating to education, health and safety, arts and culture, skills development and environmental protection.

Sasol's signature corporate social responsibility initiatives are the Definitely Able initiative and the award winning Qatar e-Nature smart phone application.

Our Definitely Able initiative, now in its fourth year, aims to highlight the positive contributions of people living with disabilities and create opportunities for them. The initiative partners with local stakeholders to raise awareness and promote social acceptance and inclusion of people with disabilities.

As part of the Definitely Able initiative, Sasol and the British Council, in partnership with Qatar Museums under the patronage of Her Excellency Sheikha Al-Mayassa Bint Hamad Al-Thani, Chairperson of Qatar Museums and sister of the Emir, organised and hosted a two-day Definitely Able Conference and the Ilham (Inspiration) Art Exhibition which ran for ten days at the Museum of Islamic Art. The art exhibition showcased the talents of local and international disabled artists. Both events provided a platform for the voices of the Qatar disabled community and an opportunity for policy makers and stakeholders from Qatar and around the world to share and learn from each other's experiences.

Last year, Sasol partnered with Qatar Philharmonic Orchestra and hosted the British Paraorchestra in Doha. The British Paraorchestra is the world's first professional ensemble for disabled musicians and is pioneering a

global movement to showcase extraordinary talent. The week-long recital programme featured performances including a major concert with the Qatar Philharmonic Orchestra at the Katara Opera House.

The Qatar e-Nature smart phone application project, in partnership with the Friends of the Environment Centre, promotes awareness of the rich diversity of Qatar’s natural environment including flora, birds, insects, mammals, reptiles and marine life. The application is available in both English and Arabic. The marine life edition will be launched during the new financial year.

With the support of the Ministry of Education (Supreme Education Council), to increase the environmental awareness among students, Sasol conducts the Qatar e-Nature schools contest on yearly basis. This year the contest held over three months, reached all 380 schools in Qatar and engaged with 250 000 students. The contest concluded with an awards ceremony where 22 winners were announced. In the related photographic competition over 3 000 entries were received.

During 2015 Sasol’s Qatar social investment initiatives received the following awards:

- “Best Mobile Government Service Award” for the Qatar e-Nature smart phone application from His Highness Sheikh Mohammed bin Rashid Al-Maktoum, United Arab Emirates’ Vice President, Prime Minister and Ruler of Dubai;
- CSR Leadership award for Sasol Qatar from Professor Sheikha Al Misnad, President of Qatar University;
- “Best Smart Mobile Application Award” for the Qatar e-Nature application from His Excellency Sheikh Mohammed Abdullah Al Mubarak Al Sabah, Kuwaiti Minister of State for Cabinet Affairs and Chairman of the Central Agency for Information Technology; and
- Environmental Contribution Award for the Qatar e-Nature smart phone application from the Qatari Minister of Environment, His Excellency Ahmad Bin Amer Al-Humaidi.

Investing in education and skills development in Uzbekistan

Our social investments in Uzbekistan focused on education and economic development. Our key initiatives during the review period include:

- Sasol scholarship programme in partnership with Westminster International University in Tashkent where 19 deserving students received scholarships;
- United Nations Development Programme (UNDP) partnership – UNDP and Sasol have partnered since 2013 to promote socially inclusive business models that address development challenges and offer the prospect of sustainable growth and employment for low-income and vulnerable people in rural regions of Uzbekistan; and
- small-scale institutional partnership building initiatives, designed to respond to specific needs at the grass-roots level in local communities, focusing on pre-school and school education, and rehabilitation of disabled children.

Stimulating interest in science and technology in Germany

Sasol's chemicals processing facility in Brunsbüttel support various local school initiatives to create interest in science and technology. We partner with other chemical businesses in the region to facilitate enriching, entertaining and interesting chemistry lessons and projects at secondary schools. We also arrange an experimental laboratory where students can carry out chemical experiments under professional supervision.

All our facilities in Germany participate in Germany's national day of action which promotes the youth to follow careers in science and technology as well as supportive skilled trades.



Promoting ethical behavior through Sasol Code of Ethics

In 2015, we approved a significantly revised Code of Ethics, which governs our approach to ensuring sound ethical behaviour across the Group. The principles, standards and commitments in the code apply globally, uniformly and without exception to all Sasol businesses, employees, directors, contractors and business relationships. The code addresses issues relating to corruption, bribery, conflicts of interest, human rights. It describes the four fundamental Sasol ethical standards – responsibility, honesty, fairness and respect – that should inform the decisions of all employees in their day-to-day business activities. Each year, senior and middle management, as well as employees identified as being in “high risk” positions, are required to formally certify that they know and understand the Code of Ethics and its associated guidelines. We provide regular training to Ethics Officers in all aspects of ethics management.

Promoting disclosure through our EthicsLine

Employees and other stakeholders can report any breach of the Code of Ethics via our independently managed, anonymous reporting facility, EthicsLine, or directly to the Chief Compliance and Ethics Officer. All calls are attended to and credible allegations investigated. A formal process is in place to track, report and close out calls. The Group ethics system, a custom-designed technology platform, provides strictly controlled access to ethics investigations. The system also enables the Group Ethics Office to identify trends relating to EthicsLine activity and investigations. Direct disclosures received by the office of the President and CEO or any other executive are also channelled through the system.

The EthicsLine investigation process requires that different people formulate allegations, investigate allegations and conclude on the adequacy of investigations and ultimately on the adequacy of corrective actions taken.

In 2015, 476 calls were made to the EthicsLine, many of which had multiple allegations. A total of 676 allegations were formulated for investigation. Of these allegations, 28% related to dishonesty, 28% to irresponsibility, 24% to unfairness and the remainder to disrespect. The number of calls represents an 18% decrease from the 583 calls received during 2014. A total of 143 allegations investigated during the year were found to be substantiated or partially substantiated. Actions taken in respect of substantiated allegations include dismissals, final written and verbal warnings, suspensions without pay, coaching and improvements in internal controls.

The Group Ethics Office provides assurance that appropriate corrective actions are taken on ethical transgressions. Relevant cases and trends are reported to the appropriate committees within the business or function on a quarterly basis. Trends are reported to the Nomination, Governance, Social and Ethics Committee. In addition, potentially high risk and sensitive matters which relate to or could have an impact on financial management and/or the financial reporting systems are reported to the Audit Committee.

Respecting human rights

As an international integrated energy and chemicals company, we recognise that we may operate in regions where human rights could be at risk, whether directly in our own operations, or indirectly through our value chain and associated relationships. This risk exposure highlights the importance of performing due diligence to ensure that we respect human rights throughout our operations and in our relationships with stakeholders.

Our approach to human rights

Our policy on respecting human rights forms part of the recently revised Code of Ethics. Human rights considerations are also integrated into our recently revised supplier Code of Conduct. The policy was informed by a comprehensive independent study that reviewed our existing approach and risk exposure to human rights abuse. While certain gaps were identified, none suggested that any of our activities directly demonstrated a lack of respect for human rights. Although there were no indications of any direct complicity in human rights abuses, it remains a potential risk area due to the extent of Sasol's value chain.

The policy defines our commitment to respecting human rights as set out in the United Nations Guiding Principles on Business and Human Rights, the International Bill of Human Rights and the International Labour Organization's Declaration on Fundamental Principles and Rights at Work. We will strive to identify, assess and manage human rights impacts and risks throughout our activities. We aim to make a positive and constructive contribution to the reduction and elimination of human rights abuses within our sphere of influence, and expect our suppliers, partners and customers to uphold the same standards. Country risk assessments are performed before entering any given country. These assessments include screening for potential human rights non-compliance or violations.

We evaluate all our investment decisions against the Sasol Code of Ethics and, as a signatory of the United Nations Global Compact, we endeavour to ensure compliance with domestic and international human rights regulations and principles. No reports of Sasol being complicit in any human rights violations have been recorded to date.

Promoting supplier accountability

Sasol has an extensive supply chain, with more than 7 000 suppliers globally providing a diverse range of goods and services. These include suppliers of feedstock, utilities, logistics, industrial facilities and an array of associated professional and support functions. Ensuring responsible management of these suppliers is critical to maintaining our production integrity and ensuring alignment with our principles and practices relating to sustainable development.

Promoting sustainable supply chain management

At the heart of our supply chain management practices is the drive to ensure the secure supply of goods, services and products to our operating units and customers. A common thread in our supply chain practices is the concept of “sustainable supply” – an approach that encourages good governance practices and the effective management of economic, environmental and social impacts during the lifecycle of the provision of goods, services and products. This enables us to manage our supply chain risks, achieve cost efficiencies, enhance our service offering and build a culture of responsibility.

In 2015 we placed a strong emphasis on realising our sustainable supply chain value proposition, by beginning to embed pragmatic, progressive changes across various processes in our supply chain. Based on our understanding of the complexity and uncertainties that could negatively impact our goal of sustainable supply, we have identified four key focus areas to be addressed: economic impact, environment and safety, social impact and ethics.

We manage our supply risks in accordance with the Group Enterprise Risk Management methodology. Through our structured, risk-based approach, we have identified the following four main risk areas, and have designed and are implementing Group controls to mitigate the risks within each of these areas:

- a significant safety or environmental incident that could disrupt supply or result in harm;
- a significant infrastructure or supplier capability constraint that could disrupt supply;
- non-compliance to laws, regulations or standards leading to reputational damage, fines, criminal proceedings or loss of income; and
- a significant supply chain business enablement failure that could disrupt supply to our operating facilities or our customers.

During 2015 a new Sasol Supplier Code of Ethics, which governs the conduct of Sasol and all of our subsidiaries, sub-contractors, consultants, distributors and suppliers, was approved. The code outlines our commitments to human rights, labour rights, environmental protection and anti-corruption practices and describes our expectations regarding suppliers’ performance on these issues. Verification of compliance with the code will be subject to audits by Sasol or a designated third party. We will engage with suppliers who deviate from or do not support our Supplier Code of Ethics and issues will be addressed. Our aim is to achieve a commitment to acceptable levels of ethical behaviour. In 2015 we conducted approximately 400 supplier audits based on the standard Sasol supplier requirements. In future we will include the verification of compliance to the new Supplier Code of Ethics in the audits.



Independent Assurance Report
to the directors of Sasol Limited



Independent Assurance Report to the directors of Sasol Limited

We have been engaged by the directors of Sasol Limited (the “Company”) to perform an independent limited assurance engagement in respect of Selected Sustainability Information reported in the Company’s online Sustainable Development Information for the year ending 30 June 2015 (the “Report”). This report is produced in accordance with the terms of our contract with the Company dated 20 July 2015.

Independence and expertise

We have complied with the International Federation of Accountants’ (IFAC) Code of Ethics for Professional Accountants, which includes comprehensive independence and other requirements founded on fundamental principles of integrity, objectivity, and professional competence and due care, confidentiality and professional behaviour. Our engagement was conducted by a multi-disciplinary team of health, safety, environmental and assurance specialists with extensive experience in sustainability reporting.

Scope and subject matter

The following Selected Sustainability Information in the Report was selected for an expression of limited assurance:

- [Total energy use \(thousand GJ\)](#)
- [Total Scope 1 – Direct GHG emissions \(Kilotons\)](#)
- [Total Scope 2 – Electricity indirect GHG emissions \(Kilotons\)](#)
- [Total Scope 3 – Other indirect GHG emissions \(Kilotons\)](#)
- [Total greenhouse gases \(GHG\) \(Kilotons\)](#)
- [Total greenhouse gases \(Kilotons carbon equivalent\)](#)
- [GHG intensity \(rate\)](#)
- [Total direct methane \(CH₄\) \(Tons\)](#)
- [Total direct nitrous oxide \(N₂O\) \(Tons\)](#)
- [Total production \(external sales\) \(Kilotons\)](#)
- [Total material use \(Kilotons\)](#)

We have not carried out any work on data reported for prior reporting periods, nor have we performed work in respect of future projections and targets. We have not conducted any work outside of the agreed scope and therefore restrict our conclusion to the Selected Sustainability Information.

Respective responsibilities of the directors and PricewaterhouseCoopers Inc.

The directors are responsible for selection, preparation and presentation of the Selected Sustainability Information in accordance with the criteria set out in the Company’s Group Procedure for sustainable development [reporting definitions](#) set out on the corporate website, referred to as the “Reporting Criteria”. The directors are also responsible for designing, implementing and maintaining of internal controls as the directors determine is necessary to enable the preparation of the Selected Sustainability Information that are free from material misstatements, whether due to fraud or error.

Our responsibility is to form an independent conclusion, based on our limited assurance procedures, on whether anything has come to our attention to indicate that Selected Sustainability Information has not been prepared, in all material respects, in accordance with the Reporting Criteria.

This report, including the conclusion, has been prepared solely for the directors of the Company as a body, to assist the directors in reporting on the Company’s sustainable development performance and activities. We permit the disclosure of this Report within the Report for the year ended 30 June 2015, to enable the directors to demonstrate they have discharged their governance responsibilities by commissioning an independent assurance report in connection with the Report. To the fullest extent permitted by law, we do not accept or assume responsibility to anyone other than the directors as a body and the Company for our work or this Report save where terms are expressly agreed and with our prior consent in writing.

Assurance work performed

We conducted our limited assurance engagement in accordance with International Standard on Assurance Engagements 3000: Assurance Engagements other than Audits and Reviews of Historical Financial Information (ISAE 3000), and, in respect of greenhouse gas emissions, International Standard on Assurance Engagements 3410: Assurance Engagements on Greenhouse Gas Statements (ISAE 3410), issued by the International Auditing and Assurance Standards Board. These standards require that we comply with ethical requirements and that we plan and perform the assurance engagement to obtain limited assurance on the Selected Sustainability Information as per the terms of our engagement.

Our work included examination, on a test basis, of evidence relevant to the Selected Sustainability Information. It also included an assessment of the significant estimates and judgements made by the directors in the preparation of the Selected Sustainability Information. We planned and performed our work so as to obtain all the information and explanations that we considered necessary in order to provide us with sufficient evidence on which to base our conclusion in respect of the Selected Sustainability Information.

Our limited assurance procedures primarily comprised:

- reviewing the processes that Sasol Limited have in place for determining the Selected Sustainability Information included in the Report;
- obtaining an understanding of the systems used to generate, aggregate and report the Selected Sustainability Information;
- conducting interviews with management at head office and selected operations;
- evaluating the data generation and reporting processes against the Reporting Criteria;
- performing key controls testing and testing of accuracy of data report on a sample basis at head office and five selected operations for the Selected Sustainability Information; and
- reviewing the consistency between the Selected Sustainability Information and related disclosures in the Report.

A limited assurance engagement is substantially less in scope than a reasonable assurance engagement under ISAE 3000. Consequently, the nature, timing and extent of procedures for gathering sufficient appropriate evidence are deliberately limited relative to a reasonable assurance engagement, and therefore less assurance is obtained with a limited assurance engagement than for a reasonable assurance engagement.

The procedures selected depend on our judgement, including the assessment of the risk of material misstatement of the Selected Sustainability Information, whether due to fraud or error. In making those risk assessments; we consider internal control relevant to the Company's preparation of the Selected Sustainability Information in order to design procedures that are appropriate in the circumstances.

We believe that the evidence we have obtained is sufficient and appropriate to provide a basis for our conclusion.

Inherent limitations

Non-financial performance information is subject to more inherent limitations than financial information, given the characteristics of the subject matter and the methods used for determining, calculating, sampling and estimating such information. The absence of a significant body of established practice on which to draw allows for the selection of different but acceptable measurement techniques which can result in materially different measurements and can impact comparability. Qualitative interpretations of relevance, materiality and the accuracy of data are subject to individual assumptions and judgements. The precision of different measurement techniques may also vary. Furthermore, the nature and methods used to determine such information, as well as the measurement criteria and the precision thereof, may change over time. It is important to read the Report in the context of the Company's Group Procedure for sustainable development [reporting definitions](#) set out on the corporate website.

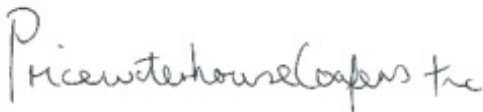
In particular, where the information relies on carbon emissions conversion factors derived by independent third parties, or internal laboratory results, our assurance work has not included examination of the derivation of those factors and other third party or laboratory information.

Conclusion

Based on the results of our limited assurance procedures nothing has come to our attention that causes us to believe that the Selected Sustainability Information for the year ended 30 June 2015, has not been prepared, in all material respects, in accordance with the Reporting Criteria.

Other matters

The maintenance and integrity of the Sasol corporate website is the responsibility of the Sasol directors. Our procedures did not involve consideration of these matters and, accordingly we accept no responsibility for any changes to either the information in the Report or our Independent Assurance Report that may have occurred since the initial date of presentation on the Sasol website.



PricewaterhouseCoopers Inc.
Registered Auditor
Director: Jayne Mammatt
Johannesburg
27 October 2015



Performance data



Performance data

Human Capital – our people

	2015	2014	2013	2012	2011	2010
Employee numbers ¹	30 919	33 049	34 629	34 916	33 708	33 054
Employee turnover	3 494⁹	1 826	1 807	1 136	1 738	1 374
Total number of person hours worked (million)	178,35	213,97	229,19	222,91	202,3	193,4
Safety						
Recordable case rate ² (including illnesses)	0,40	0,42	0,37	0,41	0,42	0,51
Recordable case rate (excluding illnesses)	0,32	0,36	0,33*	0,37*	0,37	0,45
Employee and service provider fatalities	1	5	5	4	15	9
Employee and service provider fatal injury frequency rate	0,001	0,004	0,005	0,003	0,015	0,009
Fires, explosions and releases ³	27	30	43	42	51	63
Transport incidents ⁴	20	29	29	36	47	37
Total number of first aid cases	582	641	926	961	NR	NR
Occupational illness⁵						
Hearing loss	31	23	15	23	32	27
Lung illnesses	32	42	28	29	26	25
Asbestosis	0	0	1	1	1	4
Tuberculosis ⁶	0	0	0	0	0	7
Mesothelioma	0	0	0	0	0	1
Pneumoconiosis	14	21	21	20	23	9
Other lung illness	18	21	6	8	3	3
Other	0	2	1	1	0	3
Skills development						
Investment in employee learning (R million)	692	901	898	819	673	421
Investment in learning as a % of payroll ⁷	4,8%	6,2%	6,4%	6,7%	6,5%	4,3%
Investment in black employees (R million) ⁸	509,91	653,1	625	537	432	261
Development interventions	154 793	230 523	230 871	137 703	126 847	64 019
Investment in bursary scheme (R million)	40,3	47	54,7	38,2	38,5	51
Undergraduate and postgraduate bursars	440	577	719	585	654	769
Employees currently on Chartered Accountant training programme	13	16	19	20	22	26
Learner artisans that Sasol trained for petroleum industry as part of oil, gas and electrical manufacturing project since 2007	0	0	0	947	947	417
Additional positions created in global venture support programme	0	106	700	700	700	700
Investment in South African universities (R million)	15,7	15	25	25	25	25
Technical personnel in global venture support programme	0	103	327	466	484	700
Number of employees receiving leadership training	2 872	9 191	5 732	5 281	4 077	9 253

NR: Not reported.

* Restated

This number includes approximately 2 500 separations.

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 (i.e. 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. Only those employees based at JVs and paid by Sasol, are included in this number. The totals are thus lower than those reported on in the section on employee demographics, in which reference is made only to permanent employees for previous years.

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 for employees. With the implementation of the new operating model, a discrepancy in the RCR related exposure hours for 2012 to 2013 was reported. The RCR has been restated for 2012 and 2013.

³ A fire, explosion or release (FER) incident is registered as "significant" 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 threshold quantity for that chemical as defined by the Centre for Chemical and Process Safety (CCPS).

⁴ Transportation incidents are the significant incidents which occur during the road, land and marine transportation of our product.

⁵ Illnesses are recorded as work-related as a precautionary measure. The various evaluation authorities may subsequently classify them as not work related, in which instance they are removed from the records. An Additional Service Provider Illnesses have been recorded.

⁶ Tuberculosis (TB) is by and large not work-related. For mineworkers it is reportable to the authorities as a "medical monitoring illness". HIV/Aids increases the risk of contracting TB and the majority of TB patients are HIV positive.

⁷ Investment in employee learning excludes the compulsory 1% skills levy.

⁸ Black employees refers to African, Coloured and Indian people – for the purposes of South African employment equity considerations.

⁹ Restated to reflect the adoption of the consolidation suite of accounting standards.

Natural Capital – The environment

	2015	2014	2013	2012	2011	2010	Level of Assurance
Production performance							
Total production (kilotons)	20 855	22 050	23 696	25 302	25 228	24 548	Limited
Greenhouse gases (GHG)¹ (kilotons)							
Direct methane (CH ₄)	117	120	118	114	114	114	Limited
Nitrous Oxide (N ₂ O)	0,767	0,888	0,611	0,813	0,542	0,955	Limited
Direct carbon dioxide (CO ₂) Scope 1	58 786	60 530	60 942	59 126	57 203	56 505	Limited
Indirect carbon dioxide (CO ₂) Scope 2	8 065	8 727	9 012	9 777	9 013	10 086	Limited
Indirect carbon dioxide (CO ₂) Scope 3	0,75	0,76	412	719	540	384	Limited
Total greenhouse gas (CO₂ equivalent)	69 772	72 275	73 053	72 278	69 322	69 671	Limited
GHG Intensity (CO₂ equivalent/ton product)	3,35	3,28	2,98	2,83	2,75	2,88	Limited
Atmospheric emissions (kilotons)²							
Nitrogen oxides (NO _x)	157	159	158	155	155	164	
Sulphur oxides (SO _x)	208	223	215	202	208	240	
VOC indicator of performance	46,5	47,6	47,5	47,2	46,5	47,7	
Particulates (fly ash)	11,7	19,3	17,5	–	–	–	
Waste (kilotons)³							
Hazardous waste	320	382	303	116	84	69	
Non-hazardous waste	162	189	262	264	409	454	
Total waste	482	571	1 032	1 318	1 701	2 140	
Recycled waste	76	89	546	937	1 208	1 617	
Energy use (thousand gigajoules)⁴							
Electricity (purchased)	28 747	31 337	31 423	34 441	33 834	37 162	
Feedstock to electricity (self-generated)	30 350	48 490	38 691	30 944	29 864	25 405	
Feedstock to steam	280 383	276 703	281 309	276 426	266 185	278 247	
Mobile fuel use	609	671	859	736	683	718	
Stationary fuel use	35	4	NR	NR	NR	NR	
Fuel gas	61 786	57 230	68 828	69 017	63 596	54 972	
Other energy use	11 928	10 821	6 691	7 739	16 137	9 785	
Total energy use	413 838	425 257	427 801	419 294	410 299	406 289	Limited
Material use (kilotons)⁵							
Coal (dry ash-free basis)	17 674	17 556	17 896	17 040	17 019	17 315	
Crude oil processed	4 457	4 133	3 392	5 492	4 890	4 331	
Nitrogen from air	718	1 356	3 527	409	334	683	
Oxygen from air	12 711	14 907	15 017	14 064	13 983	14 737	
Gas	2 800	3 949	3 616	4 031	NR	NR	
Other (e.g. chemicals, feedstock)	5 136	6 357	6 892	7 673	6 778	22 062	
Total material use	43 496	48 259	50 340	50 751	44 890	61 019	Limited
Water (thousand cubic meters)							
Total water use	135 458	149 552	147 001	148 372	152 526	151 391	
Liquid effluent	28 573	35 833	33 307	34 122	36 770	64 808	
Water recycled	196 682	186 751	145 466	142 754	128 719	139 308	

Natural Capital – The environment continued

	2015	2014	2013	2012	2011	2010	Level of Assurance
Land and biodiversity (hectares)⁶							
Surface area affected by operations ⁷	6 629	5 245	4 518	2 671	3 679	3 779	
Area dedicated to conservation	5 333	5 335	2 324	3 046	3 456	3 869	
Land use and mining (hectares)							
Surface mining area	1 284	1 284	1 284	1 284	1 284	1 284	
Underground mining area	45 796	44 897	43 421	46 004	44 856	43 941	
Total area disturbed ⁸	47 080	46 181	47 786	50 373	46 140	45 225	
Total area rehabilitated	326	1 987	129	542	1 689	1 689	
Legal compliance⁹							
Fines, penalties and settlements (number)	0	0	7	3	9	46	
Fines, penalties and settlements (US\$m)	0	0	0,04	0,06	4,00	2,00	

* GHG data restated for the years 2013 and 2014.
NR: Not reported

- ¹ Greenhouse gas (GHG) emissions have been calculated and reported in accordance with the GHG Protocol (www.ghgprotocol.org) and the Intergovernmental Panel on Climate Change (IPCC) 2006 Guidelines. In our GHG measurements, we have included 100% of the emissions for the following joint ventures (JVs): Natref in South Africa, Sasol Petroleum International Mozambique and Sasol-Huntsman in Germany. Data for those JVs where we do not have a significant influence or operational control is not included. An external assurance provider has once again independently verified our direct and indirect emissions levels. Quantitative data on the GHG emissions at each of Sasol's regional reporting hubs is provided in our Annual Integrated Report.
- ² Atmospheric emissions: The increase in fly ash emissions is due to improved monitoring and measurement accuracy. Historical assumptions in calculations have been removed resulting in more representative measurements.
- ³ Waste: the definitions of "waste" vary widely around the world. For reporting purposes, we use the applicable definitions of regulatory authorities. In situations with insufficient guidance from legislation, the definitions of hazardous waste are reported if it is (i) removed from the premises for disposal and/or treatment, or (ii) disposed of onsite (e.g. by landfill). These figures exclude coarse ash from gasification and fly ash from boilers. Non-hazardous waste is waste which requires disposal on a general waste landfill site. Recycled waste is materials left over from manufacturing or consumption, which may be reused or recycled. Hazardous and non-hazardous waste figures have included recycled waste figures since 2013. The data reported in this report has been corrected historically using the revised calculation. The reporting on total waste generated by Sasol operations has been revised to exclude the reuse of legacy coal ash which explains the significant decrease in total waste recycled from 546 kt in 2013 to 89 kt in 2014.
- ⁴ Energy use: all energy use data are calculated at the standard measurement unit in gigajoules (GJ) to ensure standard calculation across the Group.
- ⁵ Material use: all material data are calculated at the standard measurement unit of kilotons (Kt) to enable calculation of input material across the Group.
- ⁶ Managing land use and biodiversity: we do not have operations in areas that have been declared biodiversity hotspots (areas identified as being critical or endangered eco-regions). However, we do have interests in areas of potential sensitivity, particularly as part of some of our upstream exploration and extraction activities. In accordance with our environmental management practices, the protection of biodiversity issues is addressed formally in new projects through environmental impact assessments (EIAs) and in existing projects through environmental management plans and/or programmes (EMPs). We are also working to assess the biodiversity of the habitats in land currently owned, leased or managed throughout the group.
- ⁷ The areas affected by operations the total footprint of all our business equate to 126 to 136 hectare of which the biggest is associated with our Mining division.
- ⁸ Total area disturbed: a subsidence risk of previously undermined areas has been identified at Sasol Mining; we have started engaging with affected landowners on this issue.
- ⁹ Legal compliance: the figure includes significant fines and penalties 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. For more information on competition matters, please refer to the Annual Financial Statements.