



**SASOL**

# POSITIONING FOR SUSTAINABILITY

**SASOL LIMITED**  
Sustainability Report  
30 June 2019

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### Data and assurance



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Secunda Operations, South Africa



### Sustainability at Sasol

Sustainability is a strategic imperative for Sasol and guides our efforts across the business. We are committed to creating long-term value for all our stakeholders. We do so by strengthening the sustainability of our operations, continuing to prioritise health and safety, and retaining the support of the communities in which we work. The wellbeing of our people, respecting the interests of our stakeholders and minimising our impact on the environment are considered in everything we do.

We are proud of our unique legacy of leveraging technology to deliver positive socio-economic developments in South Africa, and are energised by the journey ahead, as we address the challenge of ensuring our long-term resilience.

Our approach is guided by our sustainability statement:

**“Advancing chemical and energy solutions that contribute to a thriving planet, society and enterprise.”**

This has been translated into four sustainability strategic focus areas, underpinned by our considerations of materiality and our risk-based approach, through our formalised governance structures. Furthermore the trade-offs between the six capitals are an integral part of decision-making while remaining committed to the United Nations Sustainable Development Goals (SDGs). We have prioritised four SDGs in particular, in line with our sustainability focus areas and the needs of the countries in which we operate. SDG 13 is the basis of our first 2019 Climate Change Report **CCR**.

For Sasol, sustainability means:



Providing chemicals and energy in a responsible way



Respecting people, their health and safety and the environment



Contributing to the socio-economic development of the countries in which we operate



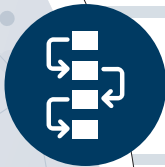
**“Advancing chemicals and energy solutions that contribute to a thriving planet, society and enterprise.”**

### Our four sustainability strategic focus areas



**Resilience in a lower-carbon future**

- Reduce our GHG emissions aligned with global climate change agreements
- Transform our business to ensure resilience in a lower-carbon future



**Safe and enduring operations**

- Ensure health and safety for our employees and the communities in which we operate through responsible operations



**Minimise our environmental footprint**

- Reduce and mitigate the environmental impact of our operational activities
- Co-develop solutions to reduce impact of plastic and other consumer waste generated through the use of our products



**Growing shared value**

- Create value for our shareholders and society at large
- Continue to play a role in the socio-economic development in countries in which we operate

**Our target**

**Reduce by 2030 the absolute GHG emissions from our South African operations by at least 10%, off our 2017 baseline.**

### Our material matters



Advancing sustainability



Growth momentum – delivering the Lake Charles Chemicals Project



Safe and reliable operations



Effective human capital management



Balance sheet management

**SASOL'S RISK-BASED APPROACH  
FORMALISED GOVERNANCE STRUCTURE**

### Making use of the six capitals

When making decisions on how to manage our business, we have a combination of resources, skills and relationships that place us in a strong position to deliver value. We refer to these as the six capitals.



Human capital



Social and relationship capital



Natural capital



Financial capital



Manufactured capital



Intellectual capital

### Selected Sustainable Development Goals (SDGs)

As part of our strategy, we have prioritised the following SDGs to ensure our business is environmentally, socially and economically sustainable.



Decent work and economic growth



Responsible consumption and production



Climate action



Partnerships for the goals

# About this report

## Reporting approach

We adopt an integrated approach to reporting in order to better inform our investors and stakeholders of the most relevant issues that affect the long-term success of our business, and of our impact on the economy, environment, our people and the communities in which we operate.

In this report, we reflect on Sasol's drive to embed sustainability deeper into our business strategy while focusing on issues that are important to our key stakeholders. The report provides a concise overview of our approach to managing our material sustainability issues, with particular focus on the strategic value of **human, social and relationship, and natural capital**.


Through our sustainability reporting we seek to facilitate inclusive and meaningful dialogue for the purpose of partnering with our stakeholders. We engage regularly with a broad stakeholder base on issues of significant interest or impact, including our performance, decisions and activities in relation to Environmental, Social and Governance (ESG) issues.

## Reporting boundary and scope


This Sustainability Report is for the period 1 July 2018 to 30 June 2019 and covers the activities of Sasol's Operating Model Entities (OMEs). This includes our Operating Business Units, Regional Operating Hubs, Strategic Business Units and Group Functions.

Data is included for our National Petroleum Refiners of South Africa (Natref) joint operation and Sasol Africa (Pty) Limited, our joint venture in Mozambique. Quantitative

performance data is not included for those operations where we do not have operational control, joint control or do not exercise influence.


 Further details on the nature and location of our joint ventures can be found on our website at [www.sasol.com](http://www.sasol.com).

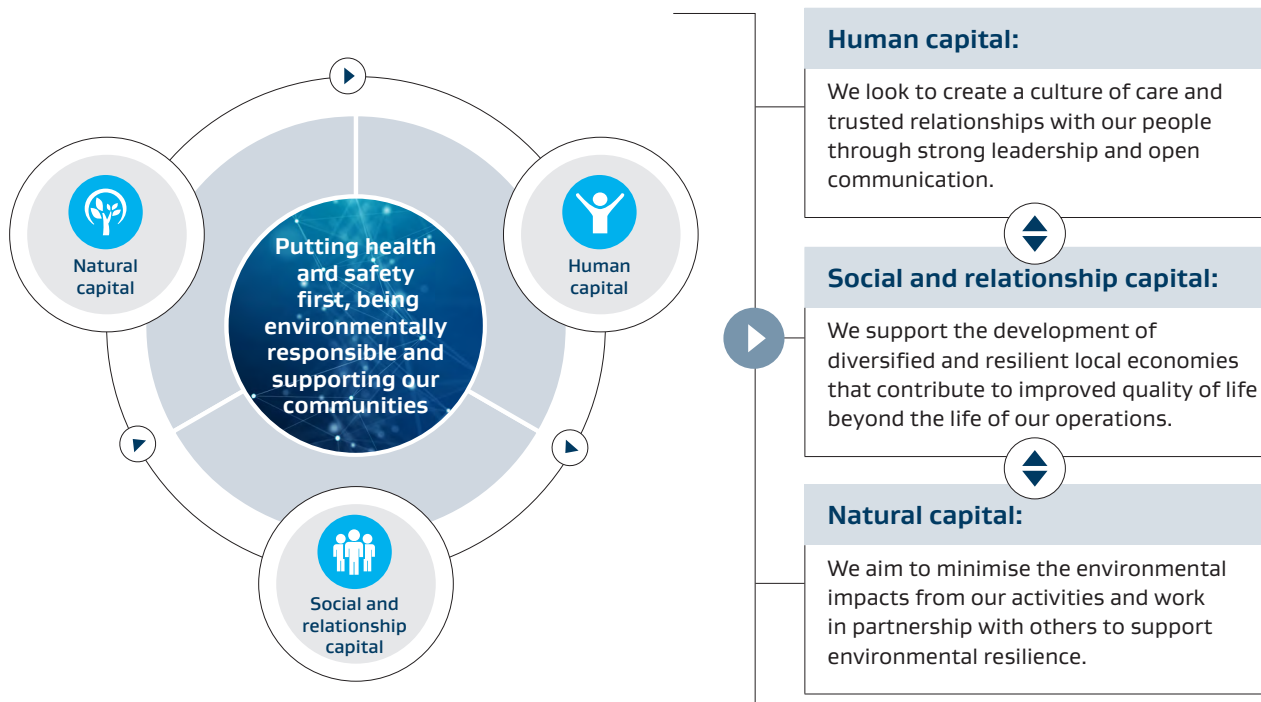
Our Sustainability Report has been developed in accordance with the Global Reporting Initiative (GRI) Standards and we have also applied the advanced level reporting criteria of the United Nations Global Compact (UNGC), meeting the 21 advanced criteria.

 A comprehensive GRI content index and a detailed UNGC Communication is available on our website at [www.sasol.com](http://www.sasol.com).

## Our stakeholders

Sasol has a complex network of stakeholders, often with competing interests. While this report may be of interest to all our stakeholders, it is primarily aimed at addressing issues of particular interest to stakeholders with regards to the ESG issues of our operations. Our 2019 Climate Change Report **CCR** addresses this topic as part of our strategic and holistic approach.

 A downloadable pdf is available on our website [www.sasol.com](http://www.sasol.com), and a hard copy is available on request.



## Our suite of reports



### IR

#### Integrated Report

Concise communication about how Sasol's strategy, governance, performance and outlook lead to the creation of value over the short, medium and long term.



### SR

#### Sustainability Report

Communication about Sasol's Environmental, Social and Governance (ESG) performance.



### CCR

#### Climate Change Report

Information about Sasol's climate change risk management process, response strategy and summary of work underway to address our climate change risks.



### AFS

#### Annual Financial Statements

Contain full analysis of the Group's financial results, with detailed financial statements, as well as the full Remuneration Report together with the report of the Audit Committee.



### 20-F

#### Form 20-F

Our Annual Report which is filed with the United States Securities and Exchange Commission (SEC), in line with the requirement of our New York Stock Exchange listing.



### CCP

#### Climate Change Presentation

Supplementary Information to support our Climate Change Report.

## Our suite of reports comply with the following reporting standards and frameworks

	IR	SR	CCR	AFS	20-F
The International Integrated Reporting <IR> Framework	✓			✓	
South African Companies Act 71 of 2008, as amended	✓			✓	
Johannesburg Stock Exchange (JSE) listing requirements	✓			✓	
King Code of Governance Principles for South Africa (King IV)™	✓			✓	
International Financial Reporting Standards (IFRS)	✓			✓	✓
Global Reporting Initiative (GRI)		✓			
Task Force on Climate-related Financial Disclosures (TCFD)	✓	✓	✓		
United Nations (UN) Sustainable Development Goals (SDGs)		✓			
United States Securities and Exchange Commission (SEC) rules and regulations					✓
Sarbanes-Oxley Act of 2002					✓

## Directors' approval

The Safety, Social and Ethics Committee (SSEC) is responsible for ensuring the integrity of Sasol's sustainability reporting. We confirm that the 2019 Sustainability Report addresses all material issues and matters related to sustainability, and fairly represents the Group's sustainability performance. The SSEC, authorised by the Board, approved this report and its publication on 28 October 2019.

Signed on behalf of the SSEC:

**Muriel Dube**  
Chairman of the Safety, Social and Ethics Committee

**B Nqwababa**  
Joint President and Chief Executive Officer

**SR Cornell**  
Joint President and Chief Executive Officer

## Supporting global and national initiatives

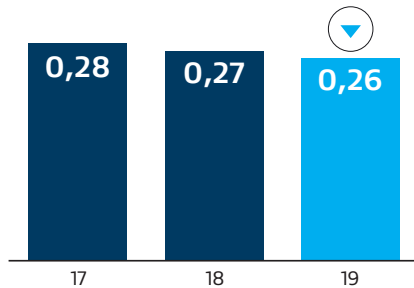


# Executive summary



## Safety is our top priority

Recordable Case Rate improved to **0,26**, regrettably three fatalities (2018: 0,27 – four fatalities)



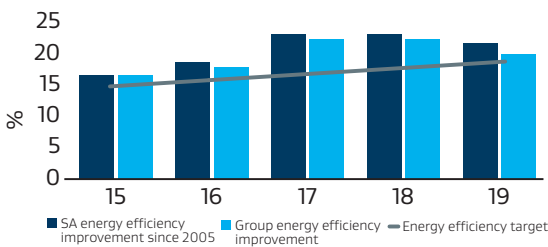
- The Recordable Case Rate (RCR) shows a **19%** improvement over a five year period from 0,32 in 2015 to 0,26 in 2019
- Allocated **70%** of the safety component of the short-term incentive targets to leading indicators



## We aim to minimise our environmental impacts

- Set an objective of a **30%** improvement in energy efficiency by 2030, off our 2005 baseline
- Energy efficiency for the Group shows a 2019 improvement of **19,5%** from 2005
- Since 2005 our cumulative South African energy efficiency improved by **21,7%**

Cumulative South African energy efficiency improvement of 21,7% and 19,5% globally



- Secunda Synfuels Operations (SSO) invested **R24 million** on a mobile reverse osmosis unit to reduce the risk of clear ash effluent dam overflow



## We create value in the communities in which we operate

- Broad-Based Black Economic Empowerment contributor status improved to **level 4** (level 6 in 2018)
- Sasol South Africa declared first dividend of **R11,44 per share**, thereby benefitting our Khanyisa shareholders
- Skills and socio-economic development spend of over **R2 bn** (2018: R2 bn)
- Preferential procurement (Black-owned) **R19,2 bn** (2018: R12,7 bn), up **51%**
- We **expanded our network of air quality stations** to include stations that actively monitor our offset interventions within the targeted **communities of Zamdela, Lebohang and eMbalenhle in South Africa**



## We care for our people

- 31 429** employees worldwide in **31** countries
- Extended home ownership programme benefitting **203** mining employees since January 2016 (2018: 140 mining employees)
- Distributed Sasol Cares benefits of **R266 million** to 26 464 South African permanent employees. Similar initiatives to be rolled-out globally

# Message from the Chairman of the Safety, Social and Ethics Committee (SSEC)



“During the year under review, we were encouraged by notable achievements which provide Sasol with the necessary traction on its sustainability journey.”

Muriel Dube Chairman SSEC

## KEY MESSAGES

- **Sustainability statement** and **focus areas** identified
- Dedicated **Function** established to drive Sasol’s sustainability actions
- Legacy of turning **challenges into opportunities** through technological innovation

As the recently appointed Chair of the SSEC, it is my pleasure to present this report. The SSEC has been constituted by the Board to oversee the effective management of safety, health and environmental (SHE) and sustainability matters of the Group.

Our sustainability statement, supported by the identified focus areas, establishes Sasol’s corporate strategy to guide our sustainability journey. Through effective Board guidance and support, Sasol leadership and the newly established Group Sustainability and Risk Function, we are well positioned to establish roadmaps and practices to deliver Sasol’s actionable commitments in this regard.

Constructive stakeholder engagement on Sasol’s environmental impacts and resilience in a lower-carbon future has informed our approach. As a result, for the first time, this year we published our Climate Change Report **CCR** together with this report. The Climate Change Report details our management approach and strategic shifts for sustainability, while recognising Sasol’s challenge in managing its climate change impacts.

We have a legacy of successfully turning challenges into opportunities through technological innovation as part of remaining economically sustainable. We also have the talent and capabilities to address our challenges. This is

an imperative to delivering our value-based strategy and positions us for a sustainable future. As an integral part of the broader societal transition, we see opportunity in addressing our challenges and will actively make good on the rights, responsibilities and obligations inherent in our licence to operate. All our sustainability efforts, including our ongoing contribution to the communities within which we operate and to the SDGs, can be seen in this context.

The report presents our ongoing efforts in creating the conditions for our business to continue to thrive in the long term, with a focus on the key sustainability challenges and opportunities we currently face and our progress over the past year. As we work towards improving our efforts, we remain committed to proactively engaging all stakeholders on these matters in a transparent and constructive manner.

**Muriel Dube**  
Chairman of the Safety, Social and Ethics Committee

28 October 2019

# Message from the Joint Presidents and Chief Executive Officers



Bongani Nqwababa Joint President and CEO

Stephen Cornell Joint President and CEO

## KEY MESSAGE

**“We remain cognisant of the responsibility we carry to balance sustainability with economic growth and development, especially in our home country, South Africa.”**

A comprehensive approach, entrenching our sustainability aspirations, is imperative for Sasol to remain competitively positioned for growth. This enables us to responsibly contribute towards a sustainable society.

We continuously improve our decision-making and governance processes to support sustainability. In 2019 we established a dedicated sustainability structure, led by our Chief Sustainability and Risk Officer, as part of our efforts to further embed sustainability into our business strategy, managing our material sustainability issues, in particular, climate change.

The importance of safety in our operations is at the forefront of our ongoing programme to eliminate high severity injuries (HSIs). Progress was made this year on numerous fronts with reductions recorded in both HSIs and hospitalisations against the previous year, and an overall Recordable Case Rate of 0,26. Notwithstanding these improvements, we tragically lost three employees in work-related incidents. We convey our sincere condolences to their families, friends and colleagues. Our drive towards zero harm remains unwavering to ensure all our employees and service providers return home safely every day.

Through our diverse business activities, we strive to make a meaningful difference and improve lives in all of our key geographies. The inclusive growth and development of our fenceline communities remains a primary focus of our social impact programmes.

In 2019, we again invested approximately R2 billion in socio-economic and skills development initiatives in line with our commitment to enable stable, thriving communities and a stable workforce.

Sustainability is a key focus for us, particularly since we regard our response to environmental management not simply as a compliance obligation, but rather as a business and social imperative. This is reinforced by the fact that 25% of our short-term incentive scorecard, applicable to members of Sasol’s Group Executive Committee, is now made up of ESG measures.

As we progress our sustainability aspirations, we remain cognisant of the responsibility we carry to balance sustainability with economic growth and development, especially in our home country, South Africa.

**Bongani Nqwababa**

Joint Presidents and Chief Executive Officers

**Stephen Cornell**

28 October 2019



# Chief Sustainability and Risk Officer's review



**Hermann Wenhold** Chief Sustainability and Risk Officer

**“Sasol has established an experienced team to accelerate our response to climate change and sustainability challenges we face.”**

Guided by the Sasol sustainability statement and strategic focus areas, we are able to shape sustainability as a strategic imperative for Sasol. The Sustainability and Risk Function is positioned to prioritise and accelerate implementation in an integrated manner.

## Elevating our sustainability agenda

Central to our sustainability approach is our response to climate change. We plan to communicate our greenhouse gas (GHG) emission-reduction roadmap by November 2020.

We are assessing the role Sasol can play in addressing climate change issues, while improving other aspects of environmental performance. We are a business that connects the upstream and downstream, and we have a unique opportunity to collaborate across our value chain in reducing GHG emissions. We will explore sustainability opportunities across the Sasol value chains and will explore all available and viable technical and business opportunities to reduce our GHG footprint. We understand the complexity

of this challenge and are sensitive to potential socio-economic implications.

We have framed this report to give a holistic view of all our sustainability actions and we discuss performance in terms of Sasol's overall risk management approach. In this way, we anchor the discussion in Sasol's business.

Sasol has a strong set of corporate values and our Aspirational Culture transformation journey can be harnessed to support delivery on our sustainability approach.

As One Sasol, working together, we can deliver on this important challenge.

**Hermann Wenhold**  
Chief Sustainability and Risk Officer

28 October 2019

Secunda Operations, South Africa



# Contributing to achieving the United Nations (UN) Sustainable Development Goals (SDGs)

As a United Nations (UN) Global Compact signatory, Sasol has an important role to play in respect of the 17 SDGs that were introduced globally in 2015 as objectives until 2030. These goals aim to address some of the world’s biggest challenges, including improving health, education and responding to climate change. Achieving these goals requires collaboration between governments, the private sector, non-governmental organisations and the public. Through this report, Sasol shares its overall contribution.

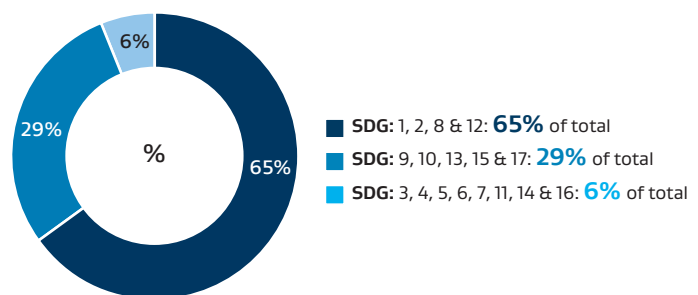


We reflect on the wide variety of actions that contribute to the achievement of the goals. We have analysed Sasol’s financial contributions over the past five years to baseline our activities against the SDGs. A key achievement this year was prioritising a set of four SDGs. These represent areas where we believe we can significantly impact the achievement of the goals, while aligning with national development priorities of the countries in which we operate.

The output of this analysis shows how financial contributions have been directed towards activities across many of the SDGs.

It also provides a view of areas where Sasol could consider deliberate contribution toward advancing the four focus SDGs.

Distribution of financial contributions across SDGs



## Contributing to the SDGs

We contribute to the SDGs through:

- **Our business activities:** sustainable consumption and production patterns, striving for resource efficiency, minimising our environmental footprint, combating climate change impacts, product stewardship and innovation (SDG 12 and 13);
- **Our relationships and strategic partnerships (SDG 17):**
  - **with government** – in our socio-economic contribution;
  - **with employees, customers and suppliers** – economic growth through inclusive procurement, supplier development and ensuring our employees are valued and well remunerated (SDG 8); and
  - **with our communities** – in the investment we make in social development and transformation.

# Linking risks, sustainability focus areas and four focus UN SDGs



**Enabled by:**

<b>2019 spend (highlights)</b>	Sasol South Africa declared first dividend of <b>R11,44 per share</b> thereby benefitting our Khanyisa shareholders	Socio-economic and skills development <b>R2 bn</b>	Preferential procurement (Black-owned) <b>R19,2 bn</b>
	Wages and benefits <b>R31,9 bn</b>	Direct and indirect taxes paid to South African government <b>R39,5 bn</b>	South African leadership training <b>R33 m</b>

# Performance

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## Environmental performance

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# SAFETY PERFORMANCE



# SOCIAL PERFORMANCE



# ENVIRONMENTAL PERFORMANCE

# Safety performance



## High severity injuries programme

Through our risk management approach we have identified that our occupational and process safety challenges are in the prevention of repeat incidents and the occurrence of high severity injuries (HSI). These have the potential to result in fatal or life altering injuries.

In 2019, Sasol continued with the roll-out of embedding the HSI prevention programme. To assist OMEs with the implementation and embedding process, toolkits were developed for each of the four focus areas. These toolkits include assurance protocols to be used for first and second levels of assurance.

### Progress with the focus areas:

- **Understanding and influencing human behaviour.** Through our internal Behaviour Transformation team and partnering with external companies, we have performed several behaviour intervention studies to understand the safety culture and climate in OMEs. The results of these surveys are used to develop specific programmes to address safety culture and climate related themes per OME. One of these programmes is the training of frontline supervisors in gauging the emotional wellbeing of team members, team engagement and team facilitation.

- **Pre-task risk assessment, identification and field verification of critical controls.** Pre-task risk assessment methodologies and checklists have been developed and rolled-out. This is to enable the task executor to pause and identify the hazards, associated risks and develop measures to execute the task safely.
- **Sasol Life Saving Rules (LSRs).** Sasol has standardised on 12 LSRs. These LSRs were translated into several languages and rolled-out in the OMEs.
- **Institutionalising lessons learnt from previous incidents.** We have started with a video campaign where we assess HSI trends and develop an in-house video to analyse a specific incident, focusing on the controls that failed and corrective actions implemented to prevent a reoccurrence. An incident communication pack is subsequently developed, including videos that are made available on social media platforms for the identified target audience.

During the second half of 2019, the Group SHE team embarked on a second party review at four OMEs: Mining, Secunda Chemicals Operations (SCO), Exploration and Production International (E&PI) and Eurasia Operations. The review found that OMEs are progressing well with the roll-out and embedding of the HSI focus areas and associated toolkits. Further reviews will continue at the rest of the OMEs.



**HSI** | Sasol has developed a high severity injuries programme to eliminate fatalities and reduce high severity injuries. Discover [https://youtu.be/M\\_-5kEAV6ik](https://youtu.be/M_-5kEAV6ik)

## High severity injuries programme focus areas



Understanding and influencing human behaviour



Pre-task risk assessment, identification and field verification of critical controls



Life saving rules



Institutionalising learnings



## Occupational safety

We work to deliver our products safely, while looking after our employees, service providers, local communities and the environment. In addition, we aim to build a strong safety culture within Sasol, strive to reduce risks and minimise the potential impact of any incident.

Safety is a way of life and a top priority, where zero harm is possible through committed leadership, engaged people, teamwork and dedicated focus. Sadly people still get injured on the job; safety awareness therefore has to remain a focus in order to put safety in the hearts, minds and hands of every employee and as well as service providers contribute to a stronger safety culture.

We manage our operational, economic and reputational risks that may materialise as a result of HSIs. Line management oversight on control effectiveness has been implemented to ensure we meet our legal responsibilities in the event of a high severity injury and to reduce the impact on production as a result of the required investigations that are conducted. Management is responsible for adherence to our internal incident and risk management procedures, root cause analysis training, pre-task risk assessment and identification, field verification of critical controls and LSRs.

### Post-injury care

Driven by our Sasol value that we care for our people, Mining have pioneered a procedure on post injury care. This enables consistency across all Mining's operations for providing care to an injured employee and the family, as well as a practice that is replicated across our operations.

Notwithstanding all our efforts, in the case of a tragic fatality at Mining, the family is notified of the accident and senior management, human resources and union representation engage with the family as appropriate on the same day. Depending on the family's circumstances, a variety of additional support can be provided ranging from counselling services to the supply of basic necessities and transport.

Our mine management team assists the family with the arrangements for the funeral, the return of personal belongings and a site visit for the observation of family traditions. The funeral is attended by senior management as well as colleagues.

A dedicated human resources practitioner is appointed to facilitate all payments due to the family in order to ensure a smooth process and constant communication between Sasol and the family. These payments include funeral benefits, pension fund and employment related compensation owing to the deceased.



Striving to achieve zero harm in all of our operations through improved process and safety risk management procedures.

Implementing rigorous critical control management and assurance.

Continuous lessons learnt management and process improvement.

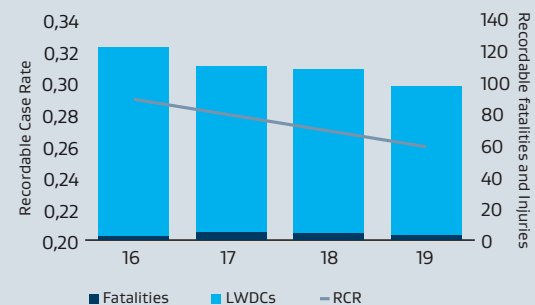
### Performance

There were three tragic fatalities in the Group in 2019. Each is the subject of a comprehensive investigation in order to determine the root cause and apply learning to prevent these incidents in the future.

We have seen a positive trend regarding injury statistics. In 2019, lost work day case (LWDC) injuries were 94 compared to 104 in 2018. The number of people hospitalised as a result of work-related injuries was 53 in 2019 compared to 77 in 2018. The LWDC Rate is at 0,10 and the Recordable Case Rate (RCR) is at 0,26 compared to a 2018 LWDC Rate of 0,11 and RCR of 0,27, respectively.

Notably, the RCR shows a 19% improvement over a five-year period to 0,26 in 2019. The LWDC Rate has also shown improvement over the same period to 0,10 in 2019. These metrics suggest that while we have experienced fatalities, the HSI and other safety improvement programmes implemented since 2014 are embedding a culture of safety within the organisation.

RCR, fatalities and LWDCs





### Process safety

**Reaching zero harm means maintaining reliable, safe and sustainable operations. We measure our fires, explosions and releases (FER) through our Process Safety Management (PSM) framework.**

We have developed the PSM framework to address our understanding of process hazards and risks, process knowledge management and process safety risk management. This framework includes the implementation of standard operating procedures, safe work practices, ensuring the integrity of equipment through preventive maintenance, proactively managing service providers and ensuring operational discipline. We recognise the importance of leadership and culture in making Sasol a safer work place.

#### Process safety management priorities

To ensure continuous improvement, our PSM priorities consisted of:

- The completion of identifying high hazard process units and Process Safety Critical Equipment (PSCE) in order to bolster the controls in place around these units and equipment. This improves the prevention of major process safety incidents.
- Enhancing the Sasol Group process safety performance metrics, by developing internal management leading indicators aligned with international recommended practices. These indicators are aimed at measuring the effectiveness of our proactive activities and programmes to improve our overall process safety management.
- Revising the PSM audit programme with a specific focus on providing improved assurance on the integrity of controls put in place to prevent fatalities, major loss of containment and major asset damage.
- Increasing the pool of incident investigators resulting in an improvement of the quality of investigations, our efficiency of closing out investigations and improving the robustness of the process.
- Learning from our own and others' experience, we have benchmarked against industry process safety incident investigation outcomes and share lessons from our own investigation process as well as industry best practices throughout our operations.
- Aligning our Sasol Group PSM framework with identified trends in the chemical, oil and gas industry to develop Process Safety leadership, culture and operating discipline guidelines.

#### Risks associated with process safety

Process safety risks could take the form of multiple fatalities per single incident, major financial loss, negative impact to the environment due to fires, toxic releases to atmosphere and reputational damage in the event of a single catastrophic process safety incident.

#### Mitigating our process safety risks

A number of measures have been implemented to mitigate our process safety risks including:

- Improving our preventive maintenance programme to prevent major process safety incidents and minimise the number of significant process safety incidents.
- Improving our process hazard analysis programme and continuously communicating risks and safeguards to all our operations' personnel.
- Developing process safety leading indicators aligned with prevalent root causes and specific controls in our key undesirable events. This will provide an early warning in weaknesses of our controls to prevent major loss of containment, fires and explosions.
- Auditing critical controls to evaluate the integrity of these controls.
- Continuing with process safety training for our frontline supervisors, operators and technicians.
- Use of digitalisation to improve the efficiency of our processes.

As part of further enhancing our proactive incident prevention measures, we are focusing on maturing our culture around process safety near miss incident reporting. This is being done by thoroughly investigating all near misses therefore incidents that could have potentially resulted in high severity incidents and sharing the learning outcomes throughout the organisation.

We will continue to conscientiously and methodically identify hazards and risks, while further exploring ways to improve operating discipline at our global sites to reduce the occurrence of major and significant process safety incidents.



Lake Charles process safety team, North America



## Safety at the Lake Charles Chemicals Project

Construction on Sasol’s world-scale chemicals complex began in 2014. Throughout the project, Sasol has emphasised that safety is a way of life and that we strive for zero harm.

The RCR for the Lake Charles Chemicals Project (LCCP) is 0,14. We achieved this RCR with 25888 several thousand contractors on site simultaneously constructing six different (yet interconnected) chemical manufacturing units and a world-scale ethane cracker. As we begin the start-up of the units, Sasol continues to emphasise safety and the mitigation of risks.

### LCCP 2019 safety performance

Person hours worked	21,9 million
Total recordable cases	15
Lost work day cases	2
Restricted work day cases	6
Medical treatment cases	7

Person hours worked	73,8 million
Total recordable cases	35
Service provider fatality	1
Lost work day cases	4
Restricted work day cases	11
Medical treatment cases	19

## Performance

There has been a noticeable improvement in the number and severity of significant incidents over the past four years due to our continued focus on the prevalent control failures, sharing of process safety learnings and improved understanding of process safety by operations personnel. While we have experienced an increase in process safety incidents at the end of 2019, we have identified the root causes and are performing an in-depth analysis to understand the organisational, workplace and individual factors that have contributed to these incidents. Improving our operational discipline and remaining vigilant at our facilities remains a focus for our operations’ personnel.

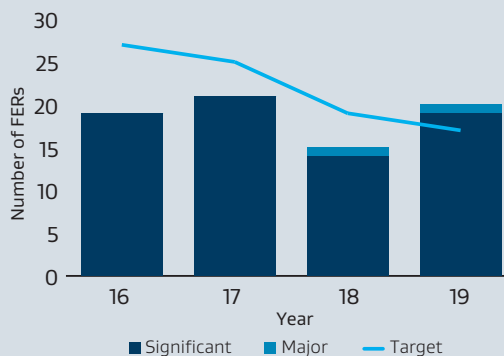
Sasol has been reducing the target for FER severity rate (FER-SR) over the past four years to continuously

improve our performance in reducing injuries and property damage caused by process safety incidents. The FER severity rate (FER-SR) of all our process safety incidents has continuously been below the set target over the last four years.

There was one major and 19 significant process safety incidents in 2019 against our target of fewer than or equal to 17 incidents. This compares to one major and 14 significant incidents in 2018.

In 2019 the FER-SR was 4,8 and below the target of 5,8, however, there was a slight increase in FER-SR compared to 2018. We are utilising the incident investigation outcomes to implement control improvements to reduce the FER-SR.

Major and significant FER



FER-severity rate





## Product stewardship

We work diligently to limit the health, safety and environmental (SHE) impacts of our products, as well as manage security throughout their life cycle. Through our business partnership with suppliers and customers, and our stakeholder engagement approach, we promote the responsible storage, use, conversion and end-of-life management of our products.

### Our product stewardship approach

Demonstrating product stewardship along the value chain reduces Sasol's product risk and liability, enables compliance with applicable regulations and sustains our ability to deliver products that meet customer needs today and into the future.

Enhancing our SHE, security performance and sustainability throughout the product life cycle is central to our ongoing commitment towards zero harm. This includes having a sound understanding of the hazards, risks and international chemical control regulatory requirements applicable to all our products and driving continuous improvements to prevent product-related incidents and limit health and environmental exposure.

We continue to build on and improve our systems, processes, policies and practices to manage and reduce potential SHE and security impacts as well as ensure compliance with legal requirements at each phase of the product life cycle. These improvements are informed by: global guidance including the Strategic Approach to International Chemicals Management (SAICM) objectives; evolving chemical control legislation; our product hazard and risk assessments; opportunities identified in product design; opportunities in technology and digitalisation; customer and stakeholder feedback.

### Sustainable products and continuous improvement

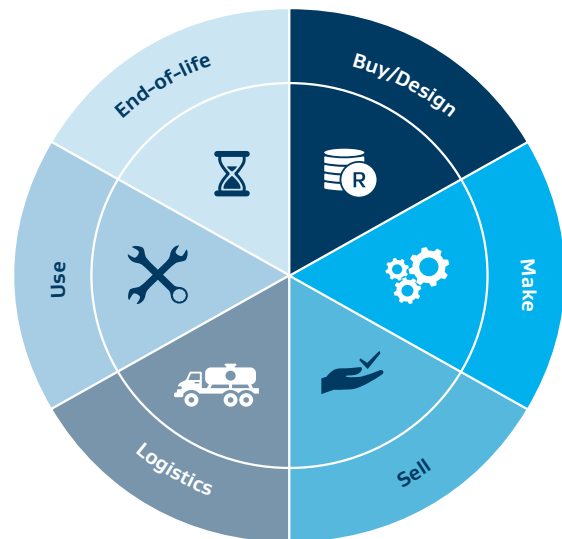
Sustainable products make a net positive contribution to society in their particular applications and uses while minimising harm to human health and the environment. A product classified as hazardous, when responsibly managed, can be of significant value to society. Conversely, a non-hazardous product, when used in particular applications, might cause more harm than good. Sasol supports the responsible management of all materials and chemicals across the life cycle, regardless of their classification.

Where particular applications or uses of our products are considered harmful based on a scientific analysis of exposure and effective risk reduction measures cannot reasonably be implemented, we adopt a principle of not selling the product for that application.

Our product portfolio risk assessments involve the technical evaluation of our material and product hazards and exposure risks. This ongoing process is fundamental to ensuring that Sasol offers the market a safe and

	<p>Promote sustainable consumption and production, and the environmentally sound management of chemicals and waste through the life cycle.</p> <p>Targeting and advocating a net positive contribution to society through responsible product handling and care.</p> <p>Product transport and safety initiative.</p>
	<p>Taking action to limit impacts of hazardous chemicals on health and the environment.</p>
	<p>Partnership with suppliers and customers to promote responsible consumption and production.</p> <p>Partnership with International Council of Chemicals Associations (ICCA) and representative country associations on Responsible Care®.</p>


We focus on continuously improving chemicals management and sustainability along each stage of the product life cycle



competitive product portfolio for today and the future. Regulatory scanning and product development work occur on a continuous basis to ensure that any anticipated changes in legal requirements that impact our products, are known and addressed in advance of formal regulatory changes being adopted. As a result of this continued proactive work, Sasol has very few products containing substances listed for potential future restriction, such as the European Chemical Agency's substances of very high concern (SVHC) candidate list. We also do not have

any materials present in our value chain relating to multilateral environmental agreements on chemicals under the Montreal Protocol, the Rotterdam Convention or the Stockholm Convention.

An important element of our product risk assessment approach is to avoid animal testing as far as reasonably possible and to rely on existing and other sources of toxicological and ecotoxicological data. Where animal testing cannot reasonably be avoided, as a last resort, such tests are conducted in good laboratory practice (GLP) certified labs in adhering to Organisation for Economic Cooperation and Development (OECD) guidelines. All our animal testing is conducted according to national and international standards in compliance with regulatory requirements and to ensure that our products' hazards and risk can be evaluated.

 Our animal testing policy is available at <https://www.sasolgermany.de/nachhaltigkeit/managementsysteme/>.

## Engaging key stakeholders

We continue to engage key stakeholders globally including various chemical industry associations which consider life cycle management issues for raw materials and finished products derived from them. Through the ICCA we

engage in policy advocacy activities and support research and investigation on emerging chemical and waste topics of interest.

Under the auspices of the ICCA Responsible Care® in Africa Task Force, Sasol as a signatory of Responsible Care® supports the adoption of Responsible Care® in Kenya. Through the ICCA, we hope to expand the adoption of Responsible Care® in more African countries in the future, since together with the Globally Harmonized System of Classification and Labelling of Chemicals (GHS), we believe this is the single most important way to improve chemical and waste, SHE and security performance throughout the continent to the benefit of its citizens.

In South Africa we work with government and local industry associations in advancing our common goals relating to SAICM and in localising international commitments on safe chemicals and waste management regulations. In 2019, this was particularly advanced through engagements relating to the adoption of the GHS in local laws such as the Department of Labour's draft Hazardous Chemical Agents regulations. Our commitment to strengthening emergency response networks within Southern Africa includes involvement in the National Technical Committee of the Road Incident Management System (RIMS).

A Sasol retail centre, South Africa



## Designing safe chemicals

Recent examples of continuous improvement in product design that enhance the sustainability of our product portfolio include:

### Polyethylene

Tris Nonyl Phenol Phosphite (TNPP) is a stabiliser widely used in the polymer industry to prevent chemical decomposition. Our linear low density polyethylene (LLDPE) film grades of polymer contained TNPP as a stabiliser. The European Chemicals Agency (ECHA) had previously identified Nonyl Phenol (NP) as a Substance of Very High Concern (SVHC) and included TNPP in the candidate list for SVHC. In response to these concerns from ECHA and the market, Base Chemicals undertook product development work. With effect September 2018, all film grades of LLDPE produced at Sasolburg Operations are manufactured without the intentional addition of TNPP. LLDPE produced at our Lake Charles Chemicals Complex contains stabiliser packages free of TNPP.

### Explosives

In Base Chemicals, we have recently made substitutions in the formulation of our explosive emulsion products to reduce the concentration of aromatic ingredients to below classifiable levels. This initiative is the culmination of over two years of product design, development and testing involving a cross-functional team of internal and external experts. This reformulated product is beneficial to limit exposure particularly in confined spaces in mining activities.

## Performance

### Product life cycle: buy stage

Significant effort is being placed in addressing customer requests for increased transparency in our supply chain. In 2019 we began testing an evaluation methodology on a targeted set of first tier suppliers. Similarly, a dedicated effort is underway on palm oil/palm kernel oil, to establish a comprehensive supply chain map which will enable Performance Chemicals to respond to stakeholder enquiries on specific plantations or mills. Refer to page 49 for details regarding our responsible sourcing focus areas.

### Product life cycle: make stage

A procedure was developed in 2019 to support our compliance efforts on chemical legislation for all products manufactured, used, imported, sold locally and/or exported by our South African Chemicals business. In 2019, training will be rolled-out to support ongoing compliance across the Sasol value chain as all South African regulations pertaining to product hazard communications are aligned with the GHS. During the year, an unannounced audit was conducted by the Organisation for the Prohibition of Chemical Weapons on our cyanide plant in Sasolburg. No major findings were reported.

### Product life cycle: sell stage

Directly and through our chemical associations, we engage with governments in shaping chemicals-related policies that protect society and take proactive steps to ensure we comply with new applicable requirements, to secure and maintain our licence to sell product. In 2019, we filed Registration, Evaluation, Authorisation and Restriction of Chemicals (REACH) registrations for new chemicals we produce or import into Europe. We also did revisions and updates of existing REACH registrations following dossier and substance evaluations by the European Chemicals Agency and the European Union (EU) Member States. New chemical notifications were also filed in other regions, the United States, Canada and China, as well as South Korea, Taiwan and other Asian countries.

From an audit perspective, Sasol participates in EcoVadis Corporate Social Responsibility assessments. In 2019, we were in the top 12% of the peer group. We also supported the Together-for-Sustainability initiative and successfully conducted audits, achieving positive results at two facilities that have been audited. Furthermore, Sasol is a member of SEDEX, formerly known as the Supplier Ethical Data Exchange. Through this, SEDEX Members Ethical Trade Audits (SMETA) have been successfully conducted in our German and United States operations.

### Product life cycle: logistics stage

2019 saw the second year of implementation of our South African chemicals business's three-year product transport safety initiative, driving continuous improvement in enhancing risk controls to eliminate road transport-related incidents. Road safety in Africa poses significant challenges, as does the lack of an efficient rail

network alternative. Within these constraints and taking full accountability for all areas in our control to prevent accidents, significant effort is placed on analysing trends in product transport incidents to identify key focus areas. Our Transport Indicator of Performance (TloP) is a group-wide measure of the incident severity rate as a function of product transport distance travelled.

This improved from 4,09 in 2017 to 2,29 in 2018 and worsened to 2,84 in 2019, due to a small number of incidents which our investigations revealed were not reasonably avoidable by the well-trained drivers of our transporter vehicles. The total number of incidents has ranged from 35 to 50 per year over the past three years, and the number of significant and major events improved from 10 in 2017 to 7 in 2018 and slightly increased to 8 in 2019.

Sadly, families continue to lose their loved ones in tragic road transport incidents. Over the year, 18 third parties and one transporter driver passed away in the course of transporting Sasol product, with one multi-passenger vehicle collision resulting in 11 fatalities. This compares with five third party and two transporter driver deaths in 2017 and four third party deaths in 2018. Going forward, we will split the TloP into two reportable components: the TloP reflecting on avoidable incidents, where the transporter driver could reasonably have done something more to prevent an incident from taking place and the unavoidable incidents where all incident preventative controls were adhered to and nothing further could reasonably have been done by the transporter driver to avoid the incident.

A further initiative to improve transport safety involves a focus on a transport modal shift from road to rail, where feasible. A project is being implemented in Secunda to increase the volume of bulk liquid product transported to the port of Durban by 100 000 tons off the 2018 baseline by 2021.

During 2019, a global product storage safety strategy was approved, which raises the benchmark of assessment of SHE and security practices at third party facilities storing Sasol product, using internationally accepted audit systems.

### Product life cycle: use stage

Customer assessments and customer training to ensure the responsible and effective use of our products is an important contribution to our Responsible Care® commitment under the Product Stewardship code of management practice. In 2019, over 2 000 employees were trained on caustic soda, cyanide and chlorine customers.

	2019	2018	2017
<b>Total severity of incidents</b>	<b>260</b>	220	372
Transport Indicator of Performance (TloP)	<b>2,84</b>	2,29	4,09
Number of third party fatalities	<b>19</b>	4	7

# Social performance



## Labour

Sasol's vision of being a leading integrated global chemicals and energy company, proud of our South African heritage and delivering superior value to our stakeholders, is underpinned by the efforts of our people.

	<p>Sasol contributes to job creation and reducing unemployment by currently employing 31 429 employees across 31 countries.</p>
	<p>Salaries are competitive. Salary increases are aligned with market and inflationary conditions. Investment in employee value proposition in the geographical locations within which we operate.</p>
	<p>Our Code of Conduct entrenches Sasol's values throughout the business. Signatory and incorporation of the UN Global Compact Principles into strategies, policies and procedures.</p>
	<p>Investment of R2 billion in skills development (from early childhood development through to higher education) and socio-economic development. Committed to YES campaign in South Africa, a national skills development initiative.</p>
	<p>Committed to achieving gender representation and inclusivity across the Group. Women Empowerment Strategy has developed Women Mentoring Circles and furthered Women in Operations programmes.</p>
	<p>Recognise the right of employees to collective bargaining and to freedom of association in accordance with all relevant labour legislation. Maintain constructive relationships and partnerships with representative Trade Unions and Works Councils. Our Diversity Ten Point Plan provides qualitative measures for ensuring equality for under-represented groups. Our remuneration policy emphasises non-discriminatory reward practices.</p>



Control room, Secunda Operations, South Africa

## Labour management strategy

Our Group Human Resources strategy as depicted in the diagram is reviewed on an annual basis to ensure relevance and aligned delivery in respect of our corporate strategy, vision, purpose and sustainability statement.



## Labour stability and employee productivity

Sasol’s sustainability is anchored on our value system and principles-based approach to doing business. We operate in ways that meet the fundamental responsibilities in areas of human rights and labour management. By incorporating the UN Global Compact Principles into our business strategies, policies and procedures, we establish a culture of integrity. In this way, we uphold our basic responsibilities to people and planet, and also set the stage for our long-term business success. We have formal policies, procedures and conditions of employment that regulate all our employment relationships. These comply with legal requirements applicable in respective geographical jurisdictions. Our employee value proposition demonstrates Sasol’s commitment to our people.

Sasol recognises the right of employees to collective bargaining and to freedom of association in accordance with all relevant labour legislation. We continue to maintain constructive relationships and partnerships with representative trade unions and works councils in all jurisdictions within which we operate. According to applicable labour laws, these key stakeholders retain consultative or negotiating powers on issues of mutual interest. Globally, 65% of our employees are currently members of trade unions or works councils. Our trade unions participate and add value at the various consultation fora across the business.

At Sasol, we respect and value human rights and avoid being part of human rights violations in any of our operations and relationships. We only do business on the basis of fair, lawful, efficient and transparent practices. We do not make use of child labour and we constantly monitor and ensure compliance to applicable labour laws. Our Code of Conduct guides how we entrench and live Sasol’s values when doing business. As such, the labour climate is fairly stable across our global operations.

Over the past year, primary focus hinged on completing the LCCP construction and supporting the successful commissioning and start-up of LCCP units. To enable the foregoing, we continued to ensure that employees’

focus remained on the execution of project activities and that the right resources were mobilised from a staffing and training perspective. With our workforce having increased by 700 new employees within a relatively short timeframe in North America, emphasis was continuously placed on integrating the new employees into the Sasol organisation. Furthermore, the achievement of beneficial operation for the linear low density polyethylene (LLDPE) plant, ethylene oxide/ethylene glycol (EO/EG) units and the ethane cracker has significantly strengthened our position to positively impact our employee morale and wellbeing at our operations in North America and across our global operations.

## Our values



We ensure that **safety, health and environment** is a top priority



We care for **our people** and support their development



We value and promote **diversity and inclusion**



We act with **respect and integrity** at all times



We **comply** with all applicable legal requirements



We take **ownership and accountability** for our individual and team performance



We deliver what we promise to our **customers, shareholders and other stakeholders**

## Sasol Khanyisa

We are committed to contributing to transformation in a meaningful way as part of our commitment to South Africa's national objective of redressing the inequalities of our country's past. We believe that driving economic transformation across our South African operations through the Broad-Based Black Economic Empowerment (B-BBEE) Codes will continue enhancing our ability to deliver superior returns.

In 2018, Sasol Khanyisa, we implemented our new R21 billion B-BBEE ownership structure, as one of the key focus areas of Sasol's broader transformation programme. The Khanyisa scheme was implemented to effect direct and indirect black ownership of at least 18,38% in Sasol South Africa with the ultimate objective of exchanging this for direct ownership in Sasol Limited.

Trade union Solidarity lodged a dispute with the Commission for Conciliation, Mediation and Arbitration (CCMA) as a result of the implementation of the

Khanyisa scheme. The CCMA mediation between Sasol and Solidarity remains unresolved. Solidarity filed a Statement of Claim at the Labour Court to which we have responded. The court date has not been determined.



**Sasol Khanyisa** | Sasol's flagship Broad-Based Black Economic Empowerment ownership structure that holds a 25% direct and indirect shareholding in Sasol South Africa Limited (SSA). Discover <https://www.sasolkhanyisa.com>

## Our employee value proposition strategy

Enhancing our relationships with employees remains a priority. The building and sustaining of sound employment relationships is further enhanced by our commitment to continuously review and improve components of our employee value proposition to strengthen engagement and improve employee productivity and morale.

### Our employee value proposition framework



## Our quality of life survey







Our programme to assess the socio-economic challenges of our employees continues. Subsequent to the results of the 2018 South Africa and Mozambique 'Quality of Life' (QoL) surveys, a number of interventions were implemented.

The aim of the (QoL) survey in South Africa and Mozambique was to assess the living standards of our employees which includes the residential circumstances, the extent to which they support extended families and which employee benefits they value most and least. This information was processed and analysed and then informed the decision by top leadership to implement Sasol Cares in South Africa.

To date, we have re-focused our Employee Value Proposition, with specific emphasis on the launch of the Sasol Cares Programme in November 2018 for Cycle 1 and September 2019 for Cycle 2 respectively.

Based on the understanding gained from surveys such as the QoL, we are better able to tailor our employee value proposition in the geographies where we operate.

Employees could select from the following options:

	Employee value proposition enhancements	How we responded
	<b>SASOL Cares</b> Share Savings Plan <b>The Sasol Share Savings Plan</b> encourages employees to save towards long-term goals through the purchasing of units in our Share Savings Plan.	• 10 427 employees selected this option.
	<b>SASOL Cares</b> Education Support <b>Education Support, School Bag and Stationery</b> options provided employees with assistance with school fees and/or tertiary education costs as well as a stationary packs which meet the requirements of most schools.	• 10 938 employees' children received education fee support and 19 800 school bags and stationary packs were distributed in January 2019.
	<b>SASOL Cares</b> School Bag & Stationery	
	<b>SASOL Cares</b> Sasolmed Support <b>Sasolmed Support</b> provided employees with assistance towards 'out-of-pocket' medical expenses not covered by our medical aid scheme.	• Employee assistance with 'out-of-pocket' medical expenses, that would have reduced the net salary, were subsidised.
	<b>SASOL Cares</b> Money Matters <b>Money Matters</b> recognises that employees are struggling with high debt and this programme provides practical assistance and support towards managing debt.	• 2 462 employees participated in the Money Matters programme for focused assistance in managing debt. The programme has strict guidelines on how the funds are allocated to reduce debt and to participate in a debt management programme.
	<b>SASOL Cares</b> Home Ownership <b>Home Ownership</b> was introduced to assist employees towards acquiring their own home.	• 835 employees selected home ownership support for purchasing their first home.

Our employer brand supports our employee value proposition and builds our reputation as a great place to work. Aligned with our corporate brand, it drives the attraction and retention of our talent. We continuously invest in ensuring that the Sasol employer brand remains relevant and compelling so that we attract and secure the right people who can excel in their careers and add value to our organisation.

The Sasol Cares programme has had positive impact in terms of employee morale as evidenced by feedback from employee engagement sessions across the business.

**Charlotte Mokoena,**  
Executive Vice President, Human Resources and Corporate Affairs.





## Organisational culture and diversity

At Sasol, we strive towards a culture of inclusivity and recognise our diversity as an intrinsic part of the fabric of our organisation and key to our growth and success. Diversity in our organisation signifies all aspects of differences and similarities including, but not limited to race, religion, gender, disability, culture, sexual orientation and nationality. **Human dignity and the right to not experience discrimination are principles enshrined in the Universal Declaration of Human Rights.** As a company, we do not tolerate any form of discrimination. Our vision, purpose, values and our Aspirational Culture commit us to non-discrimination and embrace diversity by ensuring that our workplaces globally are inclusive, fair, open, flexible and supportive. We recently adopted a Human Rights Policy which will be rolled-out during the 2020 financial year

Our respect for all our employees and stakeholders globally is paramount and underpins our stance against discrimination. Our Aspirational Culture journey promotes values-driven management and leadership behaviours.

We regularly measure our progress towards our aspirational culture. The Heartbeat Survey is Sasol's culture measurement tool that is undertaken every two to three years and measures various elements of organisational culture, values, leadership and employee engagement.

Since Heartbeat 2016, the Sasol culture journey gained significant momentum as Sasol leaders refreshed our values, crafted an Aspirational Culture, reviewed leadership capabilities and style required. Key behavioural shifts were identified that will help us towards our Aspirational Culture. A programme management office was established to support leaders and Sasol business entities to drive these key shifts. Sasol also started to equip executive teams through a leadership alignment workshop to focus on the required behavioural and leadership shifts.

Heartbeat 2019 was conducted across all regions and in seven languages with 19 916 (68%) employees participating. Engagement levels reflect a slight decrease of 2% compared to 2016.

However, some of the most significant improvements since 2016 include:

- Well communicated, inspiring vision and values.
- Employees feel confident to discuss work hazards and safety issues freely and openly.
- Enhanced teamwork and collaboration.
- Performance enablement.
- Career development, including how Sasol makes use of talent and skills, the environment within which people of different backgrounds can succeed through providing opportunities for employees to learn and develop.
- Being treated with dignity and respect.

Implementing positive changes based on Heartbeat 2016 has significantly improved by 13% representing a robust score and an indication that initiatives following the 2016 survey are having an impact.

New themes that need immediate attention include:

- The manner in which employees experience senior leaders living the values and challenging behaviour that is contrary to our values.
- Improving openness and trust across Sasol.
- Dealing with poor performance.
- Encouraging employees to innovate.
- Recognition.

Through the culture transformation programme Sasol is already focusing on the majority of these themes. These results are also cascaded into Sasol businesses and through structured dialogue and focus groups where the root causes and corrective actions are identified.

Sasol will also continue with interventions such as leadership master classes, multiplier training and coaching for leaders. Sasol is launching a 180°C assessment for leaders to get regular feedback on their leadership style and behaviour.

Sasol continues to equip all employees through Living the Sasol Values workshops on aspects such as listening, openness, trust and respect.



## South African Diversity Ten Point Plan

Our Diversity Ten Point Plan provides a set of qualitative measures designed to address identified barriers and enable the achievement of our employment equity goals in South Africa. These qualitative measures include the recruitment, development and retention of employees from under-represented groups, as well as measures to enhance gender equity. Performance against the plan is monitored and progress is detailed below:

<b>1</b> Succession	
<p><b>Barriers</b></p> <p>Inadequate under-represented groups (including females) in our succession pools</p>	<p><b>Progress</b></p> <ul style="list-style-type: none"> <li>In order to drive inclusion across our succession pools, a principle-based succession approach has been defined to incorporate a ratio inclusive of females into our succession management processes.</li> </ul>
<b>2</b> External recruitment	
<p><b>Barriers</b></p> <p>Sourcing of suitably qualified candidates from under-represented groups</p>	<p><b>Progress</b></p> <ul style="list-style-type: none"> <li>Significant progress has been made with appointments from designated groups. These appointments were effected from top management to lower role categories across our South African operations.</li> </ul> <p><b>100% African female appointments at top management, 60% of female appointments at senior management and 50% female appointments at middle management.</b></p>
<b>3</b> Growth opportunities	
<p><b>Barriers</b></p> <p>Lack of clarity on available career progression/paths in new structure</p>	<p><b>Progress</b></p> <ul style="list-style-type: none"> <li>In line with our talent management process, substantive progress has been made with promotions made from designated groups. These promotions were effected from leadership to skilled positions across our South African operations.</li> </ul> <p><b>On average 30% of promotions were female. 78% of employees who were promoted, were from the African, Indian and Coloured groups.</b></p>
<b>4</b> Coaching and mentorship	
<p><b>Barriers</b></p> <p>Strengthen the leadership and talent pipeline</p>	<p><b>Progress</b></p> <ul style="list-style-type: none"> <li>Mentorship circles and our Leader as Coach training continues throughout our South African operations.</li> </ul> <p><b>There are 32 mentorship circles across the business consisting of 192 mentees.</b></p>
<b>5</b> Gender equality	
<p><b>Barriers</b></p> <p>Inadequate female representation in key and senior management positions, in particular Africans and Coloureds</p>	<p><b>Progress</b></p> <ul style="list-style-type: none"> <li>Female representation has improved across all levels in the organisation.</li> <li>Women in Operations programmes are progressing well.</li> </ul> <p><b>24% of our workforce consists of females. 19,5 % of top management, 22% of senior management, and 36% of middle management are female.</b></p> <p><b>51% learner artisans are female and 46% of our bursary students are female.</b></p>
<b>6</b> Persons with (Dis) Abilities (PwD)	
<p><b>Barriers</b></p> <p>Low rate of voluntary declaration by current employees due to negative perceptions and lack of understanding of the benefit thereof to Sasol</p>	<p><b>Progress</b></p> <ul style="list-style-type: none"> <li>Significant improvement has been achieved through our Voluntary (Dis) Ability disclosure communication and awareness process.</li> </ul> <p><b>0,9% of our workforce have been declared to be living with a (Dis) Abilities and reasonable accommodation has been provided.</b></p>

## 7 Retention

### Barriers

Remuneration packages are not seen to be competitive to retain diversity employees

### Progress

- Various measures are in place to ensure the retention of critical skills including diversity employees. Furthermore, our Employee Value Proposition has been enhanced and roll-out has commenced. While the enhancement of our EVP intends to take a global view, it was decided that our South African environment be prioritised given its unique socio-economic dynamics. Various stakeholders in the organisation including trade unions were on-boarded on the rationale for this programme. The Sasol Cares programme has had positive impact in terms of employee morale as evidenced by feedback from employee engagement sessions across the business.

## 8 Leadership and culture

### Barriers

Further commitment from leaders on transforming the culture and workforce profile of their areas

### Progress

- Our Aspirational Culture transformation journey has gained momentum with clear executive team driven plans being finalised for implementation across our operations.

## 9 Remuneration

### Barriers

Equal pay for work of equal value principle is not clearly understood and/or applied in all areas

### Progress

- A number of career and rewards exhibitions were held across various geographies to educate our employees on the remuneration policies, principles and practices.
- Our remuneration policy emphasises non-discriminatory reward practices.

## 10 Diversity and Inclusion (D&I)

### Barriers

Mindsets on embracing diversity and inclusion still have not shifted in parts of the organisation

### Progress

- In the context of our Aspirational Culture, a global review of key D&I-related policies and strategies has commenced.
- Employment Equity (EE) roadshows were held across the region as part of the five year EE roll-out plan.

### South Africa gender and race profile

Occupational level	Male				Female				Foreign nationals		Total
	A	C	I	W	A	C	I	W	M	F	
Top management	6	3	3	16	3	0	3	2	5	0	41
Senior management	136	18	111	488	54	13	36	114	16	3	989
Middle management	959	137	273	1 359	647	79	212	669	56	19	4 410
Junior management	5 406	272	286	3 189	1 654	197	157	1 148	30	9	12 348
Semi-skilled	6 682	135	83	690	1 555	67	21	170	172	2	9 577
Unskilled	602	9	1	97	186	7	–	7	6	–	915
<b>Total permanent employees</b>	<b>13 791</b>	<b>574</b>	<b>757</b>	<b>5 839</b>	<b>4 099</b>	<b>363</b>	<b>429</b>	<b>2 110</b>	<b>285</b>	<b>33</b>	<b>28 280</b>
Non-permanent	32	–	1	1	31	3	–	–	–	–	68
<b>Total including non-permanent employees</b>	<b>13 823</b>	<b>574</b>	<b>758</b>	<b>5 840</b>	<b>4 130</b>	<b>366</b>	<b>429</b>	<b>2 110</b>	<b>285</b>	<b>33</b>	<b>28 348*</b>

A: African C: Coloured I: Indian W: White

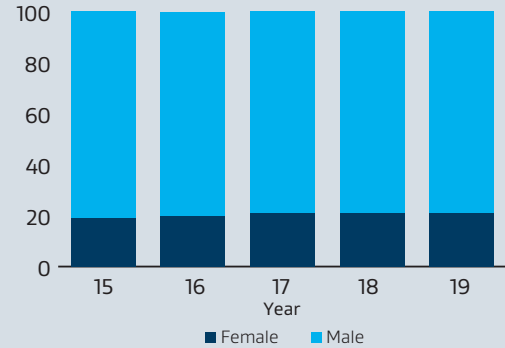
\*Level of Assurance 2019: Limited. Refer to page 81 for the Independent Auditor's Assurance Report

## Global gender and ethnic diversity profile

Globally, our female employee representation in managerial positions has improved from 19% (June 2015) to 21% at June 2019.

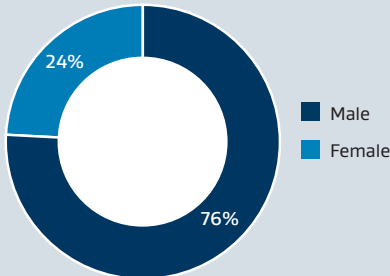


% Representation management

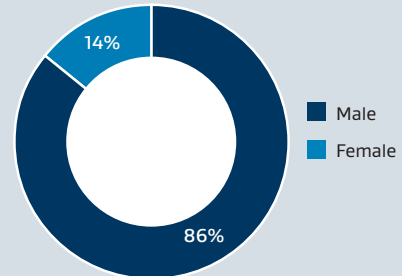


## Global representation, including management

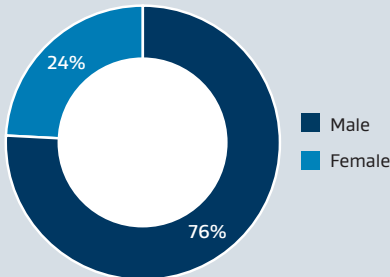
South Africa (%)



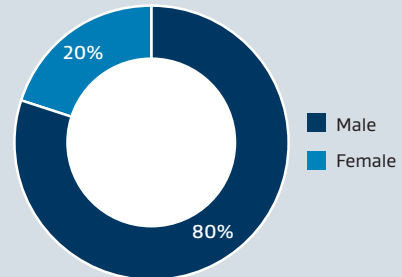
Mozambique (%)



Eurasia (%)



North America (%)



## Talent bench-strength and leadership capability for current, growth and future business

More emphasis was placed on this focus area and streamlined leadership development methodologies, coaching and mentoring as well as focused leadership development programmes.

Over 3 000 leaders completed the Sasol Lead programme (LEAD). More than 7 500 frontline leaders also completed relevant leadership capability development programmes to drive accountability for employee engagement, employee wellbeing and productivity improvement.

Our globally differentiated talent management approach enables a sustainable talent pipeline as we best leverage the value employees bring. Approximately 80% of our identified talent pipeline is ready. We have in place

successors to strategic leadership roles with a succession cover ratio of 1:2 and a less than 5% attrition, surpassing industry norm of 6%.



**#Limitless** | Sasol in conjunction with South African Football Association (SAFA) have unveiled #Limitless, an initiative aimed at garnering more support for, and inspiring participation in, women's football. #Limitless is made-up of various programmes, designed to shine a spotlight on the sport. Discover [https://youtu.be/3jMRZ\\_CjR3Y](https://youtu.be/3jMRZ_CjR3Y)



**#WeAreSasol** | At the heart of the aspirational culture is the idea of accountability ("I am Sasol" and "We are Sasol") highlighting ownership and the idea that culture is not "out there", "someone else's job". Discover <https://youtu.be/MUfkpVEb2bE>

## Critical skills for foundation business

Heightened efforts on critical skills for our foundation businesses resulted in a retention rate of 95% of both scarce and critical skills sustaining our existing assets across our global operations.

A total investment of R1 392 million was directed at bursaries, learnerships and employee skills development. Unemployed youth from our fenceline communities comprise 98% of beneficiaries of our bursary, learnership and internship programmes.

	2019	
	Rm	Number of undergraduate and postgraduate bursaries
<b>Total investment</b>	<b>1 392</b>	
Employee learning	1 272	
Bursaries	<b>119,9</b>	<b>1 042</b>
Sasol corporate bursaries	60,8	497
Global Foundation bursaries	59,1	545

Investment in skills development for Black employees resulted in the achievement of 80% in the management control and skills development category of the B-BBEE targets. This achievement contributed to Sasol achieving a level 4 contributor level. We have achieved 95% of the localisation target in Mozambique.

## People management processes, governance and reporting effectiveness

To ensure effective functional delivery on business needs, we continued to review and benchmark our people management processes, systems, practices as well as strengthening our governance measures. In line with our Aspirational Culture, it was deemed appropriate to drive specific focus on the review of policies to ensure that Sasol remains an attractive brand and a conducive place to work.



**#SasolBursary** | The Sasol bursary programme is a critical talent lever to enable us to meet our strategic and transformation objectives. It is a talent-based scheme for South African citizens, where applicants who meet the minimum criteria may be invited to a selection interview. Discover <https://youtu.be/aaLaPVF2-Ow>



**#SasolTechnoX** | Science, Maths & Technology Exhibition. Sasol hosted the 18th flagship career exhibition, Sasol Techno X, from 13 to 17 August 2018 at the Boiketlong Sport Centre in Sasolburg, Free State. Discover <https://www.sasoltechnox.co.za/> <https://youtu.be/ZAszTOGGcPk>

Secunda Synfuels Operations Virtual world of Careers – SasolTechnoX August 2018



## Risks associated with our human capital

The following are the risks associated with our human capital and the actions to address them:

Risk	Implications
<b>Inadequate supply of skills</b>	Changing skills profiles required to support our value-based strategy, compounded by an inability to attract, retain and develop skills from a finite global talent pool, particularly for scarce/critical positions, may negatively impact our ability to deliver on our business strategy. At a leadership level, developing critical bench-strength through good succession planning and ensuring depth of available capability is critical. The lack thereof could lead to strategic failures in the longer-term.
<b>Misalignment of values and lack of supportive organisational culture</b>	An organisational culture which does not support inclusivity and diversity could result in missed opportunities to leverage on the creative abrasion which comes from a diverse organisation, negatively impacting on the sustainability and success of our organisation. Employer and employee conduct not in line with our values could similarly negatively impact on our ability to remain the company we seek to be.
<b>Negative impact on employee wellbeing and productivity</b>	Low employee engagement, leadership not aligned with an aspirational culture or value set, a high rate of organisational change, negative perceptions relating to remuneration and reward, and our employee value proposition not aligning with socio-economic trends. All of these could lead to increases in absenteeism, lower productivity and high attrition rates for critical and scarce skills, negatively impacting on our organisational productivity.

## Mitigating risks associated with Sasol's labour management

At Sasol we are committed to ensuring our employee value proposition is structured and implemented such that our employees recognise their value and we ensure that our future talent needs are met at all levels of the organisation.

To ensure that our scarce and critical skills needs are met in the future, we have:

- Developed and implemented a global external market critical skills strategy to identify succession for key positions, an enhanced workforce planning strategy for critical/scarce skills demand and a set of retention strategies for critical/scarce skills.
- Developed and implemented an integrated technical learning framework to ensure internal development of support capability.
- Increased investment in bursaries, learnership and internship programmes with a focus on our critical skills.
- Heightened efforts on critical skills for our foundation business.

To ensure that our organisational culture and values are supportive and aligned with our employee value proposition and experience, we have:

- Developed and implemented a holistic culture transformation programme.
- Rigorously driven the increase of persons with disabilities in the business through voluntary declaration processes and recruitment drives.
- Rolled-out Living the Sasol Values workshops to 1 300 employees.
- Ensured all operations actively drive Women in Operations in all regions and improve gender representation along with our focused recruitment processes.
- Actively driven leadership development aligned with Sasol values and culture through assessment methodologies, coaching and mentoring as well as focused leadership development programmes, all anchored in Sasol values.
- Placed more emphasis on talent bench-strength and leadership capability for current, growth and future business.



## Occupational health

Sasol follows an integrated approach to address the health risks associated with our operations and to comply with legislative requirements. This also assists us to deliver on our social responsibility towards our workforce, our service providers and communities.



**Regular workforce screening for hypertension, diabetes and cholesterol, and due care provided for positive cases.**

**Confidential analysis of medical screening to identify health trends.**

**Employee counselling and assistance for substance abuse cases.**



**Financial wellbeing programmes have assisted more than 1 500 employees in 2019, saving almost R16 million in instalment payments for those employees.**

**Driven a 33% decrease in the average debt to income ratio for our employees and given more than 1 600 employees financial literacy training.**

### Occupational health strategy

This strategy, aligned with the international best practices promulgated by the Congress of the International Commission for Occupational Health (ICOH), focuses on performance areas that provide an integrated occupational health and wellness approach, with a performance profile for each business area. Our continuous improvement drive is towards attaining a goal of zero harm.

The focus areas aim to establish:

- Informed stakeholders who receive quality assured results delivered by competent and skilled healthcare professionals;
- Occupational health and wellness performance set by a governance framework with uniform standards;
- Optimally integrated occupational health and wellness; and
- Integrated risk-based health management systems with the emphasis on a health risk reduction methodology.

#### The implications of this from an occupational health perspective include:

- Prevention
  - management of exposure to physical, chemical, biological and ergonomic factors;
  - of occupational diseases and injuries;
  - of excessive workload and work-life balance constraints, and
- Promotion of health and workability, rehabilitation and return-to-work as well as first aid and curative services.

The following key performance measures apply:

- All Sasol operating model entities (both temporary and permanent employees) implemented and aligned their health services according to Group governance requirements; and

- Health services providers are aligned with the Sasol organisational health governing requirements which include monitoring and reporting of their performance.

### Mitigating risks associated with Sasol's occupational health and wellbeing

The health structure required to implement the strategy consists of the following functional areas – our Pillars of Health:

- **Occupational medicine:** preventing and managing occupational and work aggravated illnesses and lifestyle diseases through medical surveillance programmes, primary health care, injury on duty management and rehabilitation.
- **Occupational hygiene:** identifying occupational health hazards and advising on the implementation of preventative controls and work practices to eliminate or mitigate exposures in the workplace.
- **Integration with wellness:** ensuring a holistic approach to health and wellbeing of our employees and employees of service providers.
- **Medical emergency response:** providing a standard approach for responding to medical emergencies.
- **Environmental health:** describing the health impacts of Sasol operations within the surrounding communities.
- **Service provider health delivery:** following an aligned approach to that of Sasol for the employees of service providers.

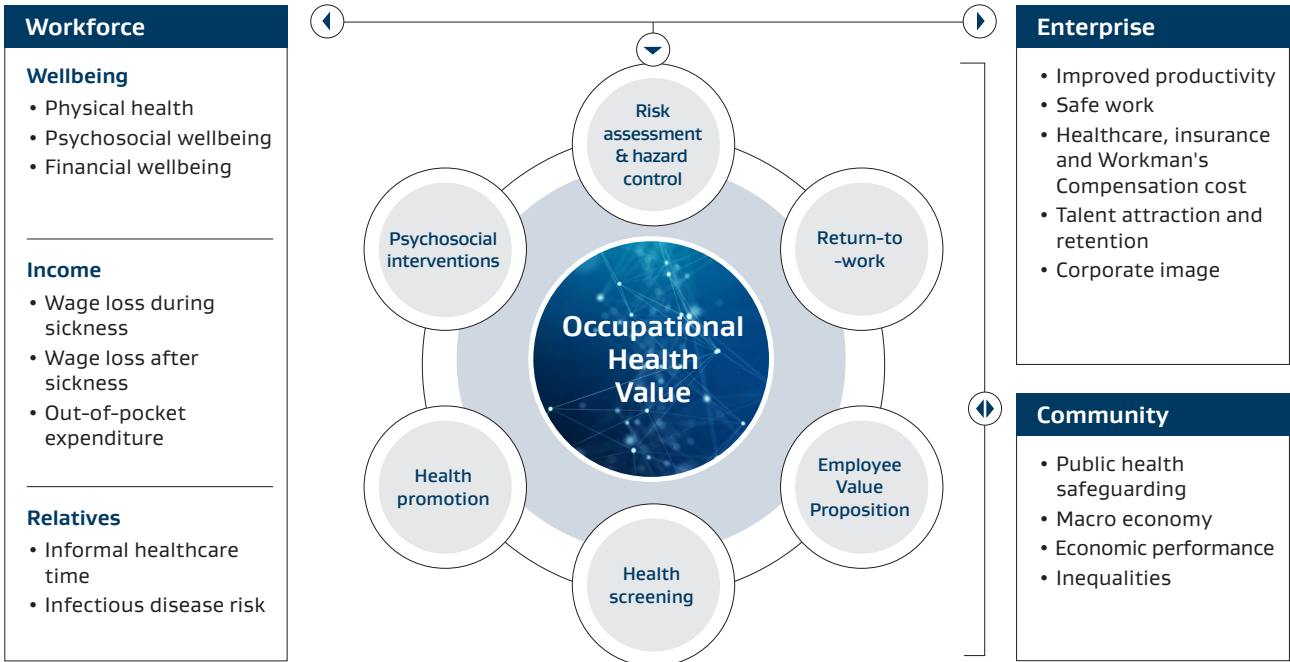
Leading and lagging key performance indicators (KPIs) are defined for each functional area. The KPIs are reflected in an integrated health performance profile. With the support of the health function, continuous improvement initiatives are then developed to achieve sustainable and long-term health and wellness performance.

## Contributing to SDG 3: Good health and wellbeing

In South Africa, Sasol employees and service providers are regularly screened for lifestyle diseases including hypertension, cholesterol and diabetes. Employees who are diagnosed with more than one of these chronic diseases are enrolled on the high-risk beneficiary programme to mitigate any risk.

We facilitate confidential analysis of medical aid engagements for trends to inform accurate wellbeing interventions. As part of our holistic approach to employee wellbeing, we offer short term counselling sessions through our Employee Assistance programme to assist employees on managing addictive behaviours related to alcohol and drugs.

### Positioning of occupational health in the organisation



## Performance

In 2019, the number of statutory reported occupational diseases rose from 37 in the previous financial year to 66. This has resulted in a regression of the occupational incident rate (ODIR) of 0,070.

Of the total of 66 cases reported, Mining reported 38 occupational diseases of which 25 were related to irreversible lung diseases.

34 incidents of work-related noise-induced hearing loss were reported across the Group, a notable increase from 13 cases in the previous reporting period. This unacceptable trend can be ascribed to a variety of factors including historic risk management approaches and the latency factor between risk exposure and the onset of disease. The current statistics reflect a legacy factor.

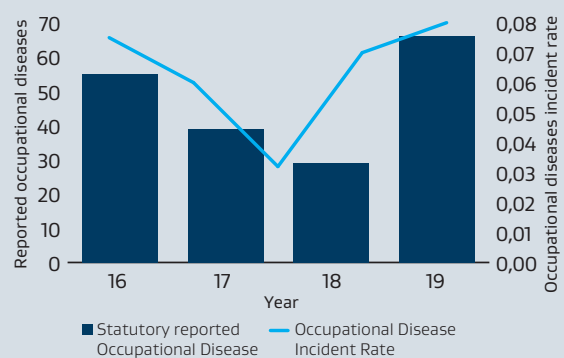
Following an extensive investigation at Mining, where most occupational diseases were reported, we are further improving our controls on coal dust suppression. Completed projects of R75 million include increased ventilation and lower discharge measures. We have implemented real-time dust monitoring including equipment-trip-technology when high dust levels are experienced.

We remain focused on deploying engineering, administrative and personal protective equipment controls to prevent future occupational diseases from occurring.

We continue to:

- identify and monitor non-reportable work-related noise-induced loss of hearing cases;
- closely monitor occupational and biological exposure for potential and known exposure to identified carcinogens and teratogens within the petrochemical environment; and
- improve our diagnostic screening capabilities in our medical centres.

### Reported occupational diseases and incident rate







## Wellbeing

### The impact of our wellbeing programmes

We enable a healthy workforce that is fit for work and able to work safely and productively throughout their careers at Sasol. We continuously review our employee wellbeing strategy and policy to include counselling, financial and debt management, physical wellbeing, management of absenteeism and disease management. Through our various programmes, we focus on fostering the health and wellbeing of our employees. As such we invest in multiple programmes to deliver on this objective, with the following outcomes achieved in 2019:



Disease management awareness campaign in Secunda, South Africa

#### Through our financial wellbeing programmes, we achieved the following in South Africa:

- **1 519** employees assisted.
- **R15,7 million** in instalment savings from employee personal debt.
- **R2,3 million** in interest savings from employee personal debt.
- **33%** decrease in average debt to income ratio for employees.
- **1 617** employees attended financial literacy training.

#### Disease management:

- **8 181** employee and service provider screenings for HIV/AIDS compared to 8 196 in 2018.
- These are provided free of charge for any employee or service provider to take up.

### Delivering a fit-for-purpose wellbeing solution to all our employees

Sasol's employee wellbeing strategy was refined in the latter part of the year with a vision of ensuring a healthy, engaged and productive workforce which contributes meaningfully to the achievement of personal and business results. The purpose for this change was to shift focus from reactive disease and health management to proactive care aimed at improving overall wellbeing. This new approach to the holistic management of employee wellbeing will aid in identifying and addressing other social and environmental factors that may have a direct impact on employee health and wellbeing.

Our approach encourages employee-centric support by which we attempt to assist colleagues at first contact, with minimal to no handover to other functions and/or services. We are ensuring managers are better capacitated with skills to identify and appropriately manage wellbeing issues in the workplace. The aim is early identification, referral and management of employee wellbeing concerns.

The refined strategy focuses primarily on three areas: Physical Wellbeing, Psychosocial Wellbeing and Financial Wellbeing. Enablers key to the successful implementation of activities under each focus area have been identified.

Focus areas:

**Physical wellbeing**

**personal health**

assessments, physical activity initiatives, healthy eating and nutrition education to support disease management and executive wellbeing

**Psychosocial wellbeing**

**mental health** awareness and education, stress and resilience awareness and training, and lifestyle support, awareness and management

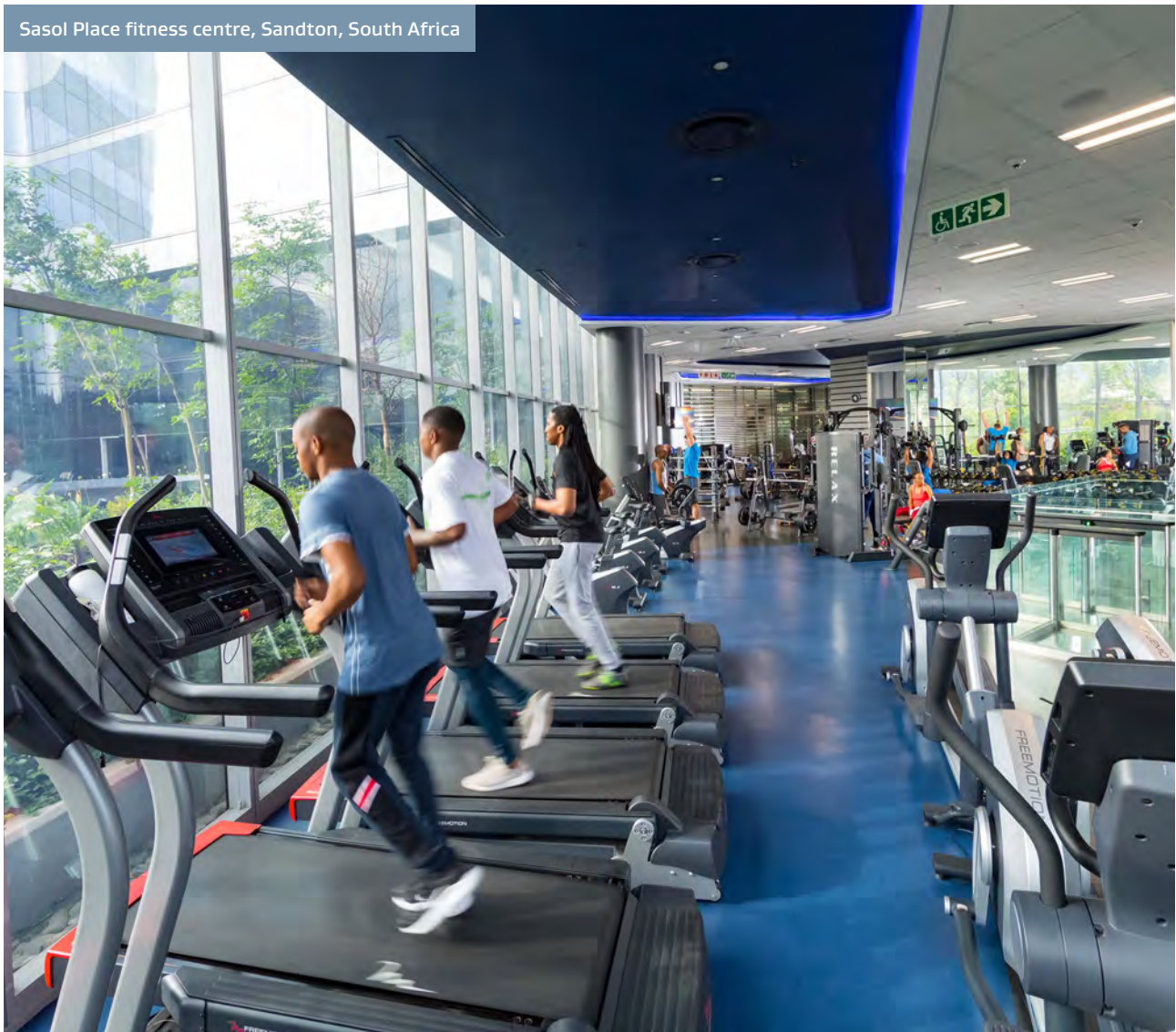
**Financial wellbeing**

**financial literacy** education, management coaching, and debt counselling, restructuring and management



The following are the anticipated service improvements – improved employee wellbeing and line manager wellbeing support, improvement in service response times, expansion of services, realisation of economies of scale and scope, increased utilisation of wellbeing services, reduction in absenteeism and presenteeism.

Sasol Place fitness centre, Sandton, South Africa





# Stakeholders

We recognise that our business impacts on and interacts with society in three ways: social investment, operations and through our supply chain.

## Stakeholder matters: risks associated with managing our stakeholder relationships

Both our and our stakeholder success depends on mutual interdependence, support and trust-based relationships. Our ultimate aim is to be transparent, deliver on our promises and co-develop sustainable solutions with our stakeholders. We have a diverse network of stakeholders, often with competing interests.

For our key stakeholders, the fundamental issues related to sustainability and ESG are:

- GHG emissions and climate change.
- Rehabilitation and water stewardship.
- Operations' environmental impacts on air quality.
- Employment opportunities.

Taking these issues into consideration, we have embarked on initiatives in defined focus areas that allow for the deployment of sufficient financial and non-financial resources. This is aligned with our sustainability focus areas, SDGs as well as the priorities and goals of the communities in which we operate.

## Mitigating risks associated with stakeholders

Sasol has developed a stakeholder engagement matrix, which defines roles and responsibilities for stakeholder engagements across the organisation. This is designed to limit multiple engagements by Sasol with the same stakeholder.

We have developed an issues management process that, based on a variety of information sources including direct engagements with stakeholders and perception survey, identifies issues that are important to Sasol and its stakeholders. Developments regarding such issues are reported on quarterly to the Policy, Sustainability and Stakeholder Relations (PSSR) Committee, a Sub-Committee of the Group Executive Committee.

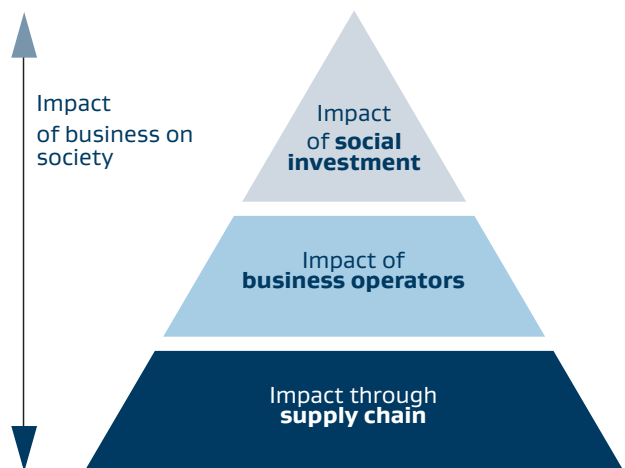
Similarly, we have developed a commitments register. This register reflects significant commitments Sasol has made in South Africa and Mozambique and developments regarding such commitments are presented to the PSSR quarterly.

## A successful reputation programme

Stakeholders see Sasol as a credible stakeholder partner, making a meaningful social impact, while delivering strategic and business objectives. Stakeholders are willing to collaborate with Sasol, working jointly to manage risks and concerns and to create a supportive environment for Sasol to deliver on our socio-economic promises. Where fundamental differences arise, stakeholders give Sasol the benefit of the doubt about our intentions and parties are able to disagree, and engage constructively.

Our reputation programme has the following focus areas:

- Social impact.
- Inclusive business.
- Transformation.
- Environment (ESG) and climate change.
- People of Sasol.
- Local government partnerships.



Source: Logan, D., Roy D. & Regelbrugge, L. (1997) in their work titled "Global corporate citizenship - rationale and strategies" gave a three level hierarchy to explain the contribution of business towards the society.



## Communities and upliftment

Sasol is committed to delivering social value in the communities in which we operate, our “fenceline communities”, where social value is measurable, quantifiable and has positive impact as experienced in the lives of those living in the communities. This change is determined through a deep and robust engagement with the impacted stakeholders and then soliciting feedback. Through this process, we can achieve our objective of being viewed as a credible stakeholder partner while advancing the corporate citizenship agenda of the company.

### Sasol social investment (SI) approach

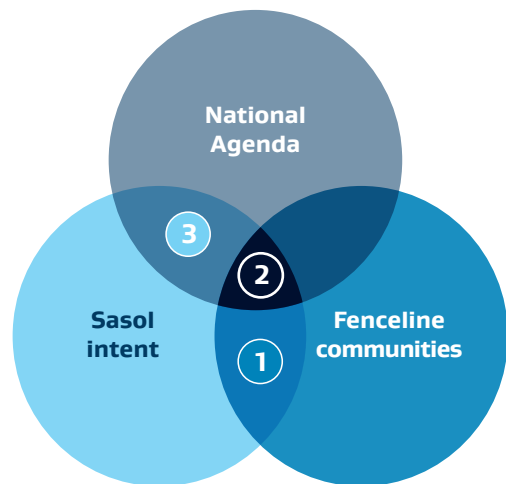
Sustainable development is seen through the continued role that a company like Sasol plays in the industrialisation, growth and socio-economic development of society. By responding to communities in a meaningful way and enabling development in the countries in which we operate, we secure not only our social licence to operate but also thrive alongside our stakeholders.

Our approach to SI is based on an understanding that local stakeholder needs are diverse and localised solutions are necessary to achieve the desired impact or value creation. The approach is therefore premised on alignment with national and regional priorities and investment prioritised in fenceline communities. **Our aim is to play an active role where Sasol’s intent is aligned with government’s agenda and the needs of our fenceline communities.**

It is in this context that Sasol embarks on initiatives within defined focus areas that allow for the deployment of sufficient financial and non-financial resources that are aligned with global and local sustainability priorities and goals.

### Our strategic intent: Streamlining our involvement and investments for greater community impact

Sasol’s SI strategy is brought to life through a multi-pronged multi-year approach in order to respond to the priorities of our fenceline communities. At the core of our focus is catalysing positive change through our investment in education, skills development, community development, small business development, environmental stewardship and employee giving (Sasol for Good).



Sasolburg Business Incubator, South Africa





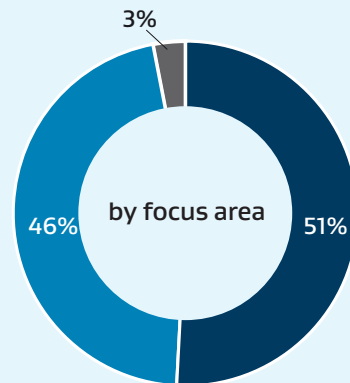
## We contribute to value creation in the communities in which we operate

- **R420 million** in education and skills development programmes
- **R464 million** in community development programmes which include Sasol Siyakha for Enterprise and Supplier Development and Sasol Ikusasa programme in the Metsimaholo and Govan Mbeki municipalities
- **R24 million** on environmental stewardship and education projects within our communities
- **R4 million** on supporting employee volunteering within our organisation



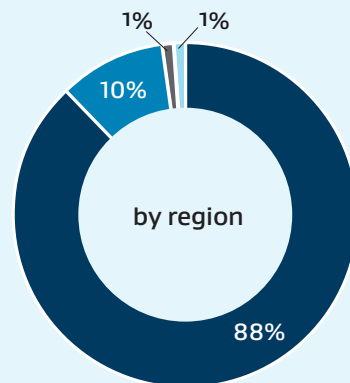
STEM Education support programme in South Africa

### Social Investment expenditure



- Community Development (R464 million)
  - Education & Skills Development (R420 million)
  - Environment (R24 million)
  - Employee Volunteerism\* (R4 million)
- \*Employee Volunteerism is rounded off to 0% from 0.4%

### Social Investment expenditure of R912 million



- South Africa (R800 million)
- Mozambique (R89 million)
- North America (R14 million)
- Qatar and Nigeria (R9 million)

Developing communities and social enterprises with a focus on environmental stewardship



Improving labour market prospects for youth through skills development



Enabling access to inclusive equitable quality education



Supporting communities to thrive through community development



Growing local community economic capacity with small business development



## Focus and performance

During the year the Group invested R912 million in social investment programmes to contribute to the socio-economic development of communities with 88% invested in South Africa and 10% in Mozambique.

### Developing communities and social enterprises with a focus on environmental stewardship

Empowered individuals and communities are able to take informed decisions and responsible actions for environmental integrity, economic viability and a just society, for present and future generations, while respecting cultural diversity.

South Africa	North America	Mozambique
<ul style="list-style-type: none"> <li>Converted <b>16 waste dumps</b> to food gardens in South Africa.</li> <li>Over <b>25 000 learners</b> trained about the devastating effects of pollution in the oceans in South Africa.</li> </ul>	<ul style="list-style-type: none"> <li>Reached target of planting <b>1 000 trees</b> in the United States through a biodiversity protection programme.</li> </ul>	<ul style="list-style-type: none"> <li><b>20 youth farmers</b> supported for practical vegetable, livestock and poultry production.</li> <li><b>20 women farmers</b> supported with equipment for increased food security and income.</li> </ul>

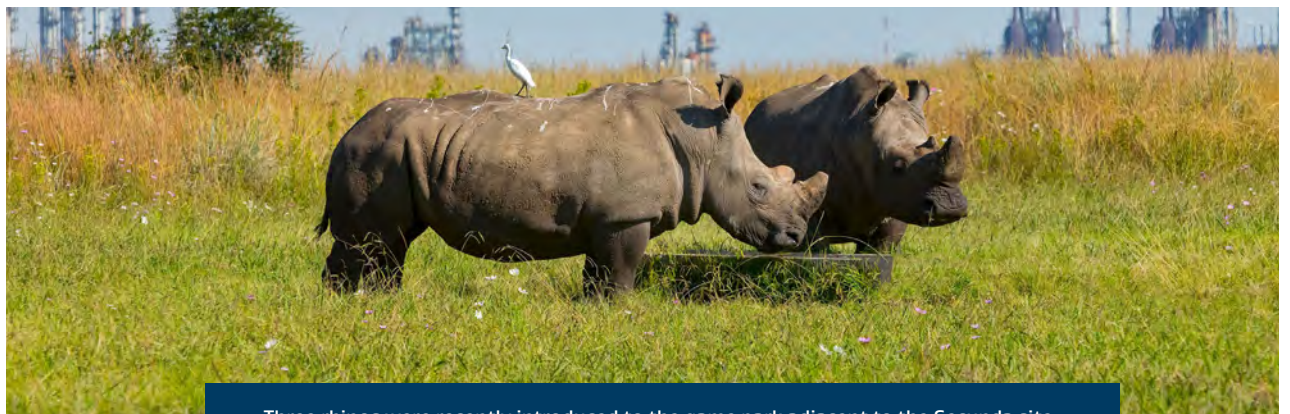
Over **60 000** learners reached through environmental programmes globally.

Over **5 000** households trained in domestic waste management and recycling in South Africa.

Environmental stewardship beyond our operations is important in ensuring that we support local thriving and informed communities. We recognise that we have a joint responsibility with our communities and local governments to conserve natural resources, combat pollution and protect biodiversity. Sasol’s environmental programme focus is to educate and train local communities, provide infrastructure and where possible develop social enterprises whose main focus is environmental stewardship. Sasol is also doing adaptation work as we understand that losses to biodiversity and weather extremes, for example, are increasing in both frequency and intensity. These impacts pose a substantial risk to the vulnerable and poor. Sasol is a responsible company and we drive our strategic objectives in a way that fulfils our licence – social licence to operate as well as existing operating licence obligations in accordance with legislation and international treaties as may be applicable. All projects that Sasol engages in undergo a detailed technical, economic, cultural, organisational and political assessment prior to submission for approval.

#### Activities

- Educating learners and community members through environmental education.
- Rehabilitation of waste dumping areas into productive community assets.
- Entrench waste management practices in local communities.
- Support the development and funding of environmental management focused on social enterprises.



Three rhinos were recently introduced to the game park adjacent to the Secunda site.

## Improving labour market prospects for youth through skills development

High level entries of skilled artisans into the national economies in our operations' areas.

### South Africa

- **22 electrical and mechanical engineering graduates** employed by Sasol through the TVET partnership between Sasol and local government in Secunda.
- Over **880 artisan learnerships trained** as part of our youth artisan programmes.

### Mozambique

- **35 job placements** in Mozambique filled by locals from areas surrounding the Central Processing Facility (CPF).
- Day-to-day operations at the CPF have resulted in the creation of approximately **13 150 jobs**.

Over **12 000** Youth have participated in Sasol's skills programmes for economic development opportunities in South Africa, Mozambique and North America.

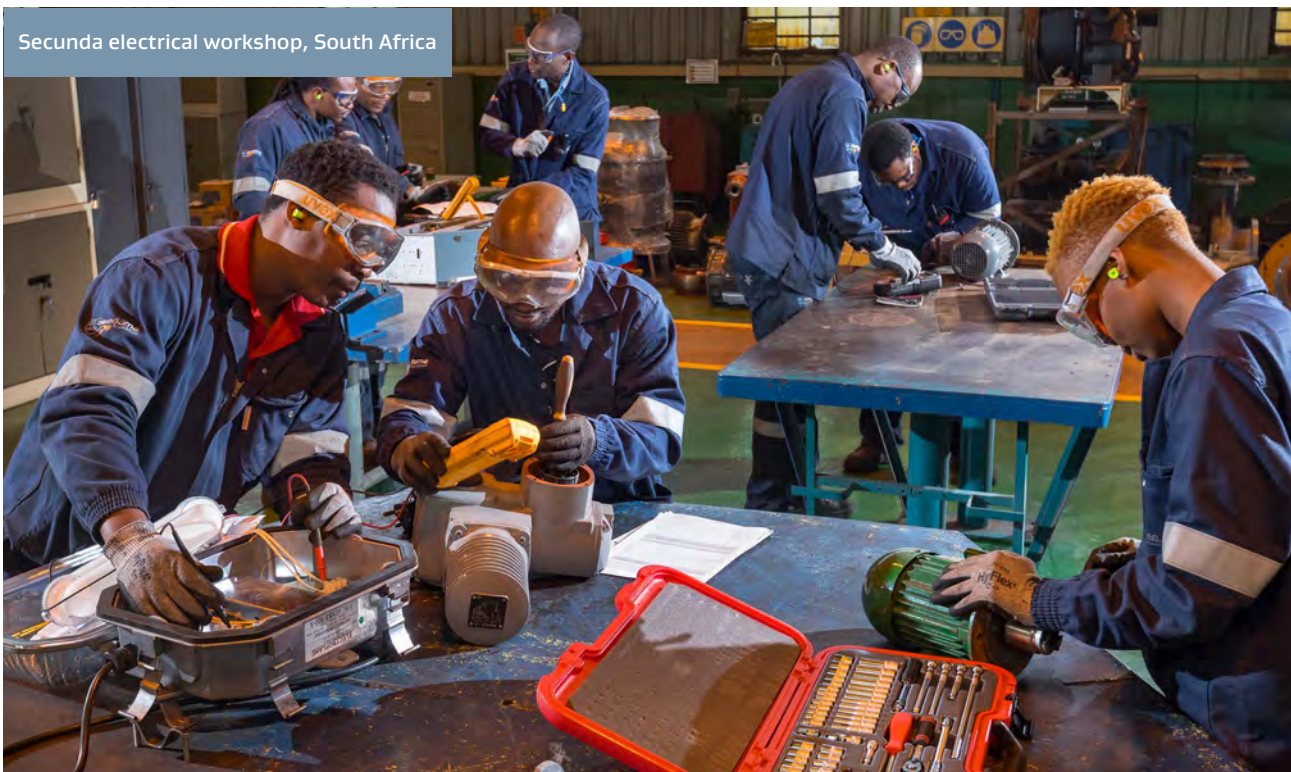
Sasol recognises its role in contributing to the improvement of labour market prospects for youth. We understand that a focused effort is needed to improve the standard of training and the links to the world-of-work. Economic development is key to employment creation which is a core need of fenceline communities. This in turn allows access to basic services and other assets that allow for sustainable living. Targeted interventions aimed at youth, offer a package of support services that provide core skills, vocational training and work readiness, to mention a few.



### Activities

- Artisan training programmes in South Africa, Mozambique and North America.
- Artisan absorption for employment within Sasol, in local communities and partner networks in Mozambique and South Africa.
- Sasol is an early adopter of the Youth Employment Service (YES) campaign, a national skills development initiative launched in 2018, to equip youth with the required skills for the labour market, by providing 1 000 employment opportunities by 2022.

Secunda electrical workshop, South Africa



## Enabling access to inclusive and equitable quality education

The aim of education should be the full development of the individual. It is a critical enabler to economic development and an enabler to realising aspirations for our youth. The transformational impact of education can be profound with a significant multiplier effect that can have an inter-generational impact. This can only be achieved by enabling universal access to inclusive and equitable quality education. Interventions in education should strive to be systemic and impactful in nature at learner and teacher level. This is done to not only create access to, but also support success at tertiary level. To secure a pipeline of future key talent, we invested significantly in skills development, ranging from basic literacy and school level programmes to technical training for professionals through some of the largest bursary, graduate development and internship programmes in Southern Africa and other parts of the world.

Our focus is improving the quality of outcomes in early childhood education (ECE) and science, technology, engineering and mathematics (STEM) education from primary to tertiary level.

Reaching over **6 million** students through our programmes in education.

Over **451 000** learners have attended Sasol TechnoX for the past 19 years.

Over **1 100** bursaries awarded from our corporate and Sasol Foundation Trust programmes.

Early childhood development: Increased development of children's cognitive, linguistic, socio-emotional, and fine motor skills they need to thrive in school and succeed later in life.

### South Africa

- **66 early childhood development (ECD) centres** received comprehensive support with 47 registered with the Department of Social Development and 20% receiving government grant.
- **10 984 children** accessing quality early learning.
- Provided training and mentoring to **349 practitioners** and centre managers.
- **300 jobs** sustained through the programme.

### Activities

- ECD practitioner and centre development.
- Learner and parental support.
- Access to good nutrition.
- Improved infrastructure conducive to learning.
- Access to learning materials and educational toys.
- Safety training for compliance.

Lake Charles Chemicals Complex, North America





Contributing to the pool of graduates and employment in the country through the increase in graduation levels and entry into markets by learners, now young adults therefore measuring the cradle to career pathways.

### Global

- **7 000 teachers** participating in the STEM online Teacher Assessment Portal, a self-diagnostic tool that helps teachers to assess their mastery of the content.
- Over **23 000 learners** reached through career guidance initiatives.
- Provided over **464 bursaries (R68,8 million)** through our corporate bursary programme and a further **472 undergraduate** and **197 postgraduate** bursaries through the Sasol Foundation Trust for access to tertiary institutions. Total bursaries for Sasol Global Foundation amounted to **R59,1 million**.

### South Africa

- **14 teachers** from **seven schools** attended robotics training done in partnership with the University of South Africa.
- Introduced **Grade 9 learners** to robotic, coding and engineering.
- **36 academics** granted research funding for 2019 academic year.

### Mozambique

- **24 new** enrolments for STEM Masters programme.

### North America

- Introduced **grade 3 to 5 learners** to robotic, coding and engineering.



### Activities

- Support of STEM education in fenceline communities.
- Teacher development and learner proficiency.
- Mobile science laboratories in rural and urban areas where there is shortage of laboratories in schools.
- Career guidance to learners to improve knowledge of available career opportunities.
- Granting of bursaries globally focussing mainly on STEM careers.
- University grants given for postgraduate study, research and programme development.
- Infrastructure and resourcing of engineering and science departments in historically disadvantaged universities.

## Sasol North America – partnering in education

Sasol has joined forces with the Chemical Educational Foundation (CEF) to provide STEM education resources to Emerson Elementary, its Houston-based partner in education school.

This year, Emerson Elementary experienced reduced funding and found itself struggling to provide STEM resources to more than 900 students. Sasol and CEF teamed up to alleviate the pinch points of an underfunded school in which most students live at or below the poverty level.

“Sasol and CEF literally swooped in to save us when we needed it the most. I came to Sasol asking for help and they were ready to dive right in, literally saving the day. We are all so thankful.” said Emerson Elementary's principal, Dr Alexander Rodriguez.



**#SasolinSociety** | Sasol has joined forces with the Chemical Educational Foundation (CEF) to provide STEM education resources to Emerson Elementary, our Houston-based Partner in Education school. Discover <https://youtu.be/J3cQDj4cIKY>



Sasol's Partners in Education program enlists employees to help students in the public school system develop life skills with an emphasis on at-risk youth. Jonathan Paiz and his mentee have forged a unique bond that underscores Sasol's commitment to serve our communities. Discover <https://youtu.be/PrmZcFT3ENk>

## Supporting communities to thrive through community development

Sasol invests in programmes that support and improve systems that will be able to future-proof our communities. It is often the most marginalised members of a community that are impacted by shortages in access to service delivery often leaving them exposed to numerous health and safety risks. We recognise that it is not the absolute role of Sasol to provide such municipal services, but as a partner in the many regions that we operate, more so in South Africa and Mozambique, we understand that we have a role to play in supporting local municipal efforts to create an enabling environment for not only communities to thrive but our business as well. Furthermore we recognise that healthy communities are productive growing communities and that is why collaboration with local governments to provide access to basic healthcare services and facilities is key to our success.

Over **600 000** community members benefitting through our infrastructure programmes in South Africa and Mozambique.

**R91 million** invested through Sasol Ikusasa programme in Sasolburg and Secunda.

### Quality of life changes due to infrastructure interventions.

#### Infrastructure improvements

- Construction work of the sewer system in Leandra, Secunda completed.
- Upgraded 11 sewerage pump stations in the greater Sasolburg area and created **20 jobs** through the project.

#### Activities

- Improvement in access levels to basic water and sanitation and energy (electricity).
- Upgrade of bridges, storm water drainage, traffic management infrastructure, water and sanitation systems, and electrical substations.
- Provision of maintenance mobile units enabling efficient flow of water and sewerage.
- Provision of new water systems and boreholes.
- Providing access to multi-purpose centres that enable community access to services that stimulate local economy.



#SasolInSociety | Better Healthcare Fundiswa Ncubentombi Hospital. Discover <https://youtu.be/thjaNtvO23o>



## Improving the lives of our employees by making their families and communities healthier

Dr Lerato Masooane-Tladi is a dedicated senior medical officer who has been working at the Fezi Ngubentombi District Hospital in Sasolburg, South Africa for eight years.

Like the other doctors at the hospital, her duties are numerous and varied; one month she will work in casualty, the next in paediatrics, but basically the same thing: saving lives and helping patients to recover.

Until recently, Dr Masooane-Tladi often worked in what passed for an operating theatre, performing surgery in conditions that were simply sub-standard. "The lighting in theatre was so bad that we used the torches on our cellphones," the young doctor explains. "And it was so hot, often over 30°C, that the nurses were constantly mopping the faces of the doctors, we were sweating so much."

Casualty, in particular, was cramped, crowded and posed a security threat to doctors and other staff, but things at Fezi Ngubentombi District Hospital have recently changed for the better.

Through a partnership with district and provincial health authorities, Sasol invested R24,4 million, creating 195 jobs across multiple companies, on critical repairs and upgrades to the hospital. From repairing the roof and paying for long overdue electrical upgrades, to creating state-of-the-art operating theatres, a pharmacy, kitchen and laundry room. A more spacious and secure casualty waiting area was created and a new trauma area was provided. A new emergency shower area, upgrade on access roads and parking areas, upgrades of the admissions department, security gate and the procurement of additional medical equipment have made a significant difference in the functionality of the hospital.

All of this, along with a further R16,4 million to be spent between the Free State Department of Health and Sasol, results in a dramatically improved district hospital, removing the need to refer patients to Bethlehem, Bloemfontein and Kroonstad, improving the delivery of healthcare and saving lives.

## Increased access to healthcare facilities globally and improved community health.

### Healthcare and community health

- **195 jobs** were created through the construction of the four operating theatres, pharmacy and casualty units at Fezi Ngubentombi District Hospital in Sasolburg.
- In partnership with UNESCO and Qatar National Library, Sasol launched a series of films to raise awareness about the challenges that the blind and visually impaired face with in their daily lives.
- Our HIV/Aids Health and Wellness programme in partnership with the Department of Health reached over **130 000 people** in South Africa.

### Activities

- Access to improved health infrastructure through construction upgrades and improvements of clinics and hospitals.
- Provision of mobile health clinics to those unable to access quality healthcare.
- Decrease in chronic and communicable disease levels within fenceline communities.
- Initiatives aimed at increasing the number of people accessing HIV/AIDS services and programmes.
- Initiatives aimed at improving accessibility and promoting awareness to foster removal of disability associated stigmas and obstacles.

## Local Development Agreements (LDA) in Mozambique.

One of our key priorities is ensuring that we meet our stakeholder commitments. In line with this, Sasol recently signed the LDA in Mozambique with the district governments in Inhassoro and Govuro where Sasol operates. A total of US\$20 million over the five year period (2020 – 2024) will be contributed. The LDAs are a collaborative engagement mechanism that aligns the interests of the communities, government and Sasol. In this way, we have a co-ordinated approach to delivering

sustainable programmes and social investment for the benefit of fenceline communities in respect of:

- job creation;
- economic development; and
- improved quality of life.

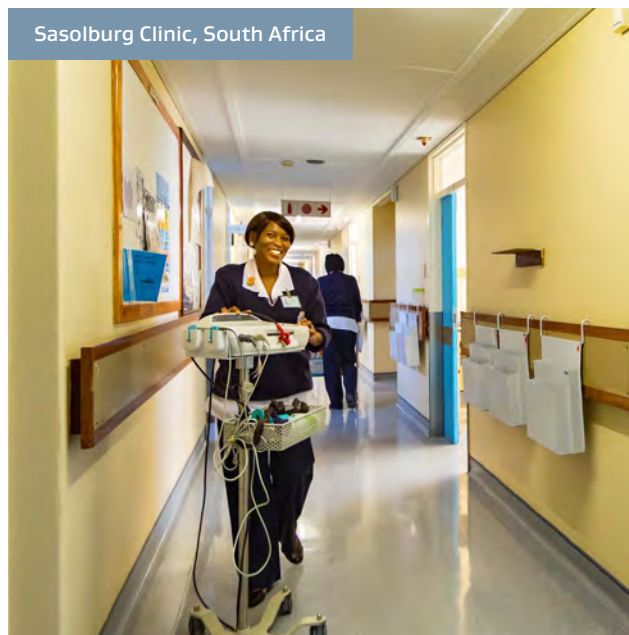
Some of the key priorities as agreed by the parties are water and sanitation, electricity and economic development. Sasol is looking forward to this innovative partnering to help communities grow and thrive.

In addition to the hospital upgrades, Sasol built a brand new clinic in Sasolburg, replacing the cramped and run-down facility which used to be housed in the local municipal building. We upgraded two other clinics and the area's major community healthcare centre. We invested in four fully equipped mobile clinics to bring life-saving care, screening, and medicines to remote areas. We also spent R3,1 million on the Sasol HIV/Aids support programme.

In total, we committed R43,4 million to local healthcare, to ensure that, in partnership with the Free State Department of Health, our employees, their families, and communities all live healthier and fuller lives.

“All other companies can go to Sasol to learn about how they can give back to their communities. Our public-private partnership with Sasol has been an outstanding success and a huge benefit to the people we want to serve. We cannot thank Sasol enough.” Ms Montseng Tsiu – Free State Health Member of Executive Committee (MEC).

Sasolburg Clinic, South Africa



## Growing local community economic capacity with small business development

The purpose of any local economic development is to increase and grow the economic capacity of local communities to improve their economic future and the quality of life for all. Business, local government and citizens work collectively to create better conditions for economic growth and employment opportunities. At Sasol we are focused on achieving this by growing the small-, medium- and micro-sized enterprise (SMME) sector to help grow economically thriving and sustainable fenceline communities as well as localise and diversify our supply chain. We have three core pillars within this focus area:

- Entrepreneurial awareness development and training;
- Business incubation and enablement; and
- SMME funding through the Sasol Siyakha Enterprise and Supplier Development Trust (Sasol Siyakha Trust) in South Africa.

**R204 million** invested in loans to SMMEs through the Sasol Siyakha programme.

### Increased access of small scale, industrial and other enterprises to development support and financial services, including affordable credit and strengthen their integration into value chains and markets.

#### SMME support

- **6 SMMEs graduated** from fenceline communities.
- **31 incubates** (11 virtual and 20 physically incubated at the Sasol Business Incubator).
- Provided **147 hours** of mentorship and coaching support to SMMEs.
- Improved loan disbursement turnaround rate to **19 days**.
- Disbursed loans with an average **R18,6 million** loan size.
- Over **80 farmers** underwent business training and support programme with a focus on sustainable food production in South Africa and Mozambique.

#### Activities

- SMMEs supported through the Sasol Enterprise and Supplier Development programme and graduated into our supply chain.
- SMME start-up support in South Africa and Mozambique.
- Small scale farmer Development in South Africa and Mozambique.
- Funding support to SMMEs in South Africa and Mozambique.



#SasolinSociety | Enabling small business in Mozambique, one of the many stories that bring to life the role we play in our key geographies. From enterprise development to investing in education. Discover <https://society.sasol.com/> <https://youtu.be/tH2tCTXugjY>

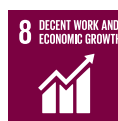
### Decrease in levels of youth not educated, unemployed or trained (NEET) rates within communities.

#### Youth entrepreneurship

- **300 young entrepreneurs** have undergone training in business education.
- Over **67 youth** have started their own business of whom **42** are furthering their studies through entrepreneurship programmes.

#### Activities

- Micro enterprise start-up and growth development including training and funding.



Training centre in Inhassoro, Inhambane Province, Mozambique



## Improving lives in Mozambique through local economic development

António Vilanculos lives in Temane where he owns a large piece of land. He had all sorts of plans to utilise the land, but lacked the resources to realise any of these plans. When Sasol and our partners came to the community to discuss growth projects, António saw a light for his own future and that of his children.

We provided funding, training and equipment to get his coops off the ground, starting with 150 chicks to raise and produce eggs for sale.

The project has made a significant difference to his life: "Now I have a house, which I built using local materials, it's a step forward. My children are in school, one of them is at secondary school in Vilanculos as a result of this project, because I can now pay for the expenses."

In Mozambique, we have aligned with the aims of the Government's Corporate Social Responsibility for the Extractive Industry policy, and its Gas Master Plan, both of which emphasise that companies should contribute to the reduction of poverty while promoting sustainability.

The programme is being implemented in Inhassoro communities, and involves horticulture, chicken and egg income generation projects. The programme is an example of inter-village trade of goods and services and creating regional markets. Egg production is around 90 000 eggs per month with monthly income split among the 60 directly benefitting households, while many others benefit indirectly.

Beneficiaries have managed to increase production and secure sales, have established an association to ensure sustainability, and are already making savings for basic needs and reinvestment to increase feedstock, improve equipment, and continue to ensure good health and safety practices.

While projects like this make a substantial difference to communities, we also recognise the need to promote and ensure long term development of local skills

to meet the needs of the oil and gas sector, reduce unemployment, and develop a much-needed pool of skilled Mozambicans. To do this, we, in partnership with the Mozambique Institute of Vocational Training and Labour Studies Alberto Cassimo (IFPELAC), have established a training centre in Inhassoro, Inhambane Province. The centre provides an artisan training programme in the areas of welding, electrical work, process engineering and instrumentation.

Mozambique is a country deeply vulnerable to the effects of natural disasters. The "Sasol for Mozambique" campaign was a response to the devastation caused by Cyclone Idai, the strongest tropical storm ever recorded in the southern hemisphere, which made landfall in Beira, Mozambique, in March 2019 causing widespread devastation.

Mozambican President Filipe Nyusi labelled the catastrophic aftermath from Idai "... a humanitarian disaster of the greatest proportion", with up to three million people affected.

In order to assist disaster relief efforts, Sasol donated US\$250 000 to the Red Cross of Mozambique (CVM) and South Africa to support those in the Sofala Province, who have been worst affected by cyclone Idai. A further US\$300 000 was donated to fund relief efforts by ROMPCO, Sasol's joint venture with CMG and iGas and US\$100 000 was donated by CTRG, a joint venture between Sasol and EDM.

Sasol's Joint Chief Executive Officers invited employees to lend a hand to relief efforts in Mozambique and employees responded through Sasol For Good, our Sasol employee volunteering programme, raising money along with perishables, food, toiletries and other necessities to hand over to the Gift of the Givers, who lauded Sasol employees' efforts as being a benchmark that should be encouraged. Through this amazing humanitarian effort a total of R239 000 was raised by Sasol employees across the globe.



## Supply chain

Supply chain shapes and ensures sustainable sourcing and delivery of materials, services, and products to customers internally and externally to achieve Sasol’s strategy with a focus on shareholders, operating model entities (OMEs), suppliers and customers.



Channelling more work towards Black-owned suppliers assists in poverty reduction. Upskilling of local communities creates more work possibilities with master classes, enterprise development interventions, loans, grants and training initiatives.



Economic Transformation Strategy implemented to contribute towards growth in the fenceline communities.

Focused enterprise development and supplier development support not only to the benefit of Sasol suppliers, but also supports community upliftment.

Expenditure with Black-owned enterprises increased to R19,2 billion and with Black woman-owned businesses to R13,1 billion during 2019.

The Siyakha loan book was calculated at R623 million for 2019.



Allocating more work towards Black-owned suppliers.

Assisting Black-owned suppliers with coaching, mentoring and training.

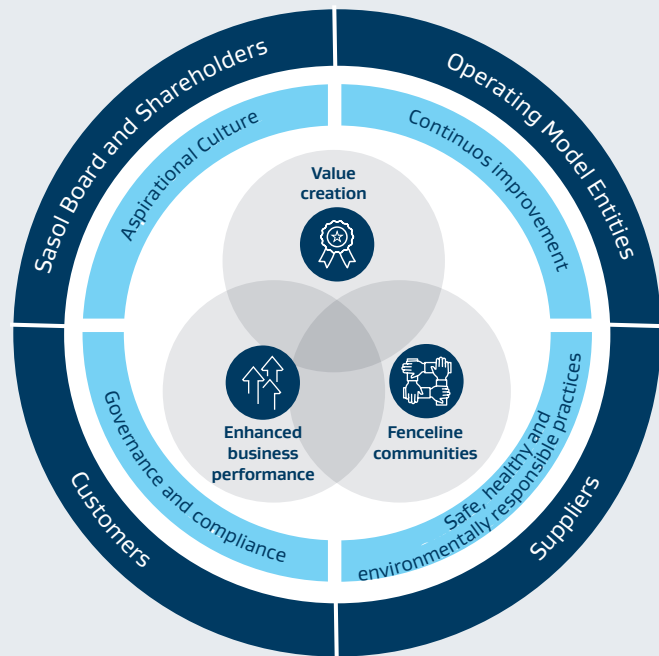
Allowing for equal opportunities in the bidding process.

Development and implementation of localisation strategies in the countries in which operate.

### Supply chain (SC) value proposition

Supply chain’s core deliverable is to ensure sustainable supply of goods, services and products across all value chains globally. Directed by Sasol’s strategy and the supply chain policy, the function operates according to the supply chain:

- Service delivery model
- Excellence approach
- Business process framework



We actively focus on developing robust, mutually beneficial partnerships with our supply chain stakeholders to ensure that we uphold Sasol’s values and ethical interactions in commercial relationships.

## Economic Transformation

Sasol aims to achieve a transformed, sustainable, diverse and high performing supplier base through optimised Enterprise and Supplier Development (ESD), Supplier Accreditation and Supplier Performance Management. To do this, we are working on simplifying our processes and accelerating the development of small and transformed businesses resulting in:

- expanded job opportunities;
- decreased community unrest;
- skills transfer and ESD support; and
- a Sasol-ready supplier base.

For Sasol to effectively deliver economic transformation and maximise our positive impact on the communities in which we operate, we have shifted our approach to be more beneficiary-centric, focusing on shared value rather than solely on shareholder value. The aim is to provide tailored support to beneficiaries which sufficiently addresses their needs. This will help ensure that beneficiaries are Sasol-

ready and are able to transition successfully into the Sasol supply chain and operations. The primary support through the ESD function enables sustainable development of beneficiaries while allowing them to graduate from the delivery of low complexity goods and services to more complex goods and services.

In South Africa, Enterprise Development is one of the priority elements in the Broad-Based Black Economic Empowerment (B-BBEE) scorecard. It elevates the importance of Sasol delivering on its stakeholder mandate, enabled in part by creating market access for small businesses in our fenceline communities.

To ensure a coordinated effort between supply chain and ESD, ESD is involved throughout the traditional supply chain management process across all spend categories. This helps ensure that the development initiatives performed by the ESD team are aligned with supply chain demand, resulting in sustainable development coupled with successful integration into supply chain.

**1 092** suppliers in Mozambique.

Dedicated programme focused on including **smaller** enterprises into our supply chain.

Study aid provided to **1 515** female and 1 945 male employees with 1 501 employees in apprenticeship and learnership programmes.

### Mozambique local content

Local content is the economic value contributed and retained in the domestic economy through the procurement of national goods and services. In Mozambique, Sasol adds value through: the employment of Mozambican labour; investment and development of Mozambican-owned suppliers and workforce; nationwide contributions to research and development; and technology transfer. To formalise Sasol's ongoing local content commitment, a five year investment and operations plan was co-created by Sasol and the Government of Mozambique. The plan incorporates the experience and expertise of both parties and establishes a shared vision for local content development, based on key business principles such as sustainability, collaboration and transparency. The plan will be translated into action with emphasis on supplier development balanced with Small-Medium-Enterprise (SME) development that will make an impact through a multiplier effect to the Mozambican economy.

Gas-to-power plant, Central Temane, Mozambique



## Beneficiary support

Using the insights derived from the beneficiary interviews, Sasol developed a support curriculum focused on addressing requirements to enable them for future success. ESD support consists of the following:

- Market access enabled through online supply chain opportunities and broader eco-system engagement;
- Product/service development with access to product manufacturing, testing and development facilities;
- Business support enabling access to a shared services delivery centre which provides functional assistance i.e. finance, human resources and legal services;
- Capability building through technical, business and soft skills training;
- Business infrastructure enabling access to hardware infrastructure and software platforms;
- Funding; and
- Preferential contractual terms.



## Examples of Sasol's ESD providing practical benefits:

DM Minerals team at Sasol's Twistdraai Mine



### Supporting DM Minerals to handle more complex customer needs:

Through the Sasol Siyaka Trust, we provided support to DM Minerals to purchase new machinery, as well as enabling them to expand their business to serve increasingly complex customer needs. The company, specialising in mining, minerals processing, maintenance and operational support, is working on bulk material handling at Thubelisha Shaft and Twistdraai Export Plant at Sasol's Twistdraai Mine. DM Minerals is also part of a joint venture for material handling with South32. The company sets a positive example in health and safety, recently achieving 161 incident free days, a one year injury free record and receiving green safety audit status at the Twistdraai Mine.



**Sasol ESD** | Sasol's commitment to growing the country's SMME sector was on display at the 8th Annual Proudly SA Buy Local Summit and Expo in Sandton in March 2019. Sasol showcased 10 SMMEs that are supported by providing them with the platform to promote their businesses. Among these were DM Minerals Group Pty Ltd (DM Minerals), founded by its Group CEO Doctor Motswadire in 2015. Discover <https://youtu.be/9BRikr0OX0A>

**Support** to allow **progression** from a small player to a larger player.



Specialised chemical tanker: Bow Cecil



### Transformation in the maritime industry:

Through the Sasol Siyakha Trust and in line with our Enterprise and Supplier Development Strategy, Sasol has funded the acquisition of a chemical tanker by Nduna Maritime (Pty) Ltd. This is a significant transaction for transformation in the maritime industry underpinning National Development Plan. The specialised chemical tanker, named Bow Cecil, will be the first South African-flagged vessel to be registered in the national ship registry that will transport chemicals to international markets.

**Funding specialised acquisitions** to transport chemicals to international markets.

### Providing List Cleaning with the opportunity to improve its operations:

This highly specialised company focuses on underground ablation facilities, sourcing, servicing and maintaining these for Mining. Starting out with bicycles to collect the waste underground and bringing it to the surface for disposal, List Cleaning has moved to using vehicles that collect, service and bring the waste to surface over vast underground area. Sasol's funding gave List Cleaning the option to purchase its own facilities and a vacuum truck, removing the need to depend on rented equipment and machinery. The majority Black woman-owned company focuses on sourcing staff from the local community, providing employment to over 200 households.

A **niche approach** to support the specifics of the business.

### Enabling innovative Black-owned company Menlon Group to expand:

Needing new premises to continue expanding its business, Menlon Group was awarded a Sasol Siyakha Trust loan to establish a new workshop and offices. The company began its journey specialising in the engineering, fabrication and maintenance on Sasol pipelines in Durban, subsequently diversifying the business to developing simulators, including systems used to train firefighters at airports around South Africa. Beyond the expansion of their offices, Menlon Group also added new expert capacity, improving the company's overall performance. The company carries out its own social investments in its fenceline communities in Durban, including funding and hands-on work at old age homes and haven homes for teens.

**Support** to enable sustainable **growth** of the business.

## Supply chain stakeholder engagement approach methodology

Supply chain strives for excellence in sustainable supply and delivery of goods, services and products in order to maximise value for our organisation and customers. We do this through building robust partnerships and ensuring we properly understand and deliver on requirements. Excellent stakeholder engagements ensure an adequate and sustainable supplier pool.

Our multi-stakeholder engagement processes solve difficult challenges and enable our mid- to long-term strategic objectives.

Our eight step stakeholder process flow demonstrates how the stakeholder engagement process is carried out with our internal and external stakeholders across Group supply chain:



## Overall supplier risk

Sasol recently conducted a supplier risk analysis, from which the following risks and preventative mitigation actions emanated. Risk mitigations are applied to ensure continued and uninterrupted support to our business.

<b>Failure of the comprehensive supplier selection process</b>	Reputation damage in that Sasol is regarded as biased, subjective and favouring certain suppliers over others.	Supplier engagements, retracting of Request for Quotations, followed by cooling off period and re-issue of quotations.
<b>Supplier non-compliance to legal regulatory requirements</b>	This is a non-deliberate or deliberate failure to comply with laws, regulations or standards pertaining to supply chain activities of countries in which we operate.	Internal consequences management, Legal advice and informative communication actions. External consequence management such as supplier contractual remediation actions.
<b>Supplier non-conformance to SHE and other Sasol requirements</b>	Suppliers not conforming to SHE, quality or technical requirements.	Supplier engagement, stakeholder awareness education and introduction of contractual clauses to address the shortcomings.
<b>Non-compliance</b>	Non-compliance with governmental and local content requirements.	Supplier engagement and supplier development are conducted to improve and educate the supplier.

## Responsible sourcing

Through our product stewardship approach we seek to ensure that our procurement of chemicals and raw materials:

- does not support conflict;
- is in compliance with all legal requirements regarding international control of trade in chemicals; and
- and as far as possible, limit the impacts on human health and the environment.

More detail regarding the governance process to avert these risks is provided in the Product Stewardship section on pages 16 to 18.

## Conflict minerals

Sasol makes an annual submission as part of our Securities and Exchange Commission (SEC) filing in terms of the Dodd-Frank Act, on our use of any of the four minerals that have been linked to conflict in African countries (conflict minerals). A reasonable country of origin inquiry is conducted annually with suppliers of tin, a mineral which is necessary for the production of one of our products. For the calendar year 2019, our first-tier suppliers provided written representations confirming that the country

of origin of the conflict mineral tin did not include the Democratic Republic of the Congo or an adjoining country that shares an internationally recognised border.

## Procurement of banned and restricted substances

We screen all orders for inbound chemicals and materials to ensure we do not procure illegal or banned substances; and where substances are restricted or controlled, permits are in place and are managed by our Product Stewardship function, to ensure adherence to all related requirements. Should any instance of non-compliance to permit conditions occur, Sasol follows the required notification process for authorities and conducts comprehensive incident investigations, consistent with the process adopted for all safety, health and environmental incidents.

## Palm oil and renewable feedstocks

Our Performance Chemicals OME produces a limited quantity of products using sustainably sourced palm, eruca and coconut oil from certified suppliers, when specifically requested by customers. Sasol is a member of the Round Table on Sustainable Palm Oil (RSPO) and has a Palm Oil Policy in place, specifying requirements for the traceability of renewable resources.

Sasol Siyahka Trust Fund and ESD Beneficiaries



## Bribery and corruption, and other supplier risks

Supplier management facilitates fair treatment of suppliers and the continuous improvement of the Sasol integrated value chain to deliver optimum value. It drives effective and mutually beneficial supplier relationships and ensures the implementation of legislative requirements when transacting with suppliers. The Supply Chain Governance Framework dictates the parameters of daily operations. Potential risks have been identified which are managed daily to ensure compliance with legislation:

Anti-bribery and corruption	Supplier Master Data Governance (MDG) information in SAP is incomplete for certain suppliers. There is a risk that Sasol may be transacting with sanctioned entities or individuals	<ul style="list-style-type: none"> <li>Stricter on-boarding process has been implemented to obtain complete supplier information.</li> </ul>
	Doing business with non-compliant suppliers in terms of Anti-bribery and corruption (ABAC)	<ul style="list-style-type: none"> <li>Implemented AEB tool in SAP/WorldcheckOne and Oculus Tool for new and existing suppliers.</li> <li>Additional ABAC clauses have been added to supplier contracts.</li> <li>Various supplier training initiatives to educate suppliers e.g. online training, face-to-face, supplier communications, supplier days.</li> </ul>
	Failure to declare conflict of interest by suppliers	<ul style="list-style-type: none"> <li>The Supplier Profile Questionnaire (SPQ) has a mandatory section that requires the supplier to disclose any conflict of interest arising from a relationship a supplier may have with a Sasol employee. Affirmative declarations are recorded and sent our Governance Compliance and Ethics function where they are processed.</li> </ul>
Supplier application	Non-compliance to legislative and legal requirements	<ul style="list-style-type: none"> <li>Comprehensive SPQ process has been implemented to address legislative requirements. Structured pre-qualification assessment conducted by Applications Management and verification of documentation on various platforms such as TransUnion and SARS website.</li> </ul>
	Perceived system difficulty from supplier perspective	<ul style="list-style-type: none"> <li>Training material available for suppliers on Supplier Management website.</li> <li>Stakeholder engagements and information sessions when required.</li> <li>Contact Centre assistance/walk in assistance available.</li> </ul>
	Non-declaration of conflict of interest	<ul style="list-style-type: none"> <li>Added specific question to SPQ.</li> <li>Refer all declarations of conflict to our Governance Compliance and Ethics and Group functions.</li> </ul>
	Suppliers not conforming to Sasol minimum requirements e.g. Code of Ethics and Terms of Conditions	<ul style="list-style-type: none"> <li>Declaration ticks added to the SPQ.</li> <li>Supplier will not be fully on-boarded if declaration ticks are not completed.</li> </ul>
Supplier accreditation	Doing business with suppliers and service providers in non-compliance to legislative and legal requirements	<ul style="list-style-type: none"> <li><b>Technical assessments:</b> A pre-meeting with technical team members, sourcing specialists and contract owners are conducted to determine the critical technical elements to be checked during accreditation aligned with ISO 9001.</li> <li><b>Safety accreditation:</b> A standardised safety protocol aligned with ISO 45001 and approved by the SHE function is used to Safety Accredited service providers active on site.</li> </ul>
	Risk of incorrect risk ranking of service providers resulting in an inappropriate accreditation approach being applied	<ul style="list-style-type: none"> <li>A risk ranking instrument was developed and approved whereby the risk ranking of a service providers is determined by the exposure, frequency and inherent risk on site.</li> </ul>
Preferential procurement	Incorrect scorecard by using invalid B-BBEE certificates, resulting in doing business with fraudulent companies, penalties, fines and potential imprisonment of guilty parties	<ul style="list-style-type: none"> <li>Approval and verification of B-BBEE certificate against SANAS approved website.</li> <li>Verify affidavits according to B-BBEE Code requirements.</li> </ul>
	Fraudulent B-BBEE certificates resulting in doing business with companies who are fronting	<ul style="list-style-type: none"> <li>Approval and verification of B-BBEE certificate against SANAS approved website.</li> <li>Do internal investigation of the alleged company's black ownership.</li> <li>Refer to Legal function for further verification.</li> <li>Legal function refer to B-BBEE Commissioner if supplier perceived to be guilty.</li> <li>Fronting consultant to be appointed to perform physical on site verifications at suppliers.</li> </ul>



## Ethical behaviour

Promoting high ethical standards and combatting corruption throughout our sphere of influence is an important part of our drive to deliver social value through our core activities.

### Our Code of Conduct

Sasol adopted a new Code of Conduct, underpinned by our values in March 2018. By acting in accordance with these values, Sasol fosters a business culture which everyone can be proud of. At least every two years, senior and middle management, as well as employees identified as being in potentially exposed positions, are required to formally confirm that they know and understand the Code of Conduct and its associated guidelines. This certification process further supports efforts to fight corruption. Furthermore, ethics culture surveys are conducted through external parties.

### Whistle-blower protection

The Protected Disclosures Act 26 of 2000 (as amended by The Protected Disclosures Act 5 of 2017), in South Africa protects whistle-blowers when making a disclosure. Sasol offers employees and other third parties the opportunity to make disclosures via its EthicsLine, to its Group Ethics Office or via the trained Sasol Ethics Officers. The EthicsLine is a confidential and independent system through which any person can report suspected transgressions of the Code of Conduct. If the person making such a report so chooses, he or she may remain anonymous or have his or her identity kept confidential. The EthicsLine is operated as a toll-free line in South Africa, USA, UK, China, Singapore, Germany, Mozambique, Canada and Italy, and callers can be assisted in different languages, including English, Afrikaans, Zulu, Sotho, Xhosa, Pedi, Venda, Tswana, SiSwati, Ndebele, Mandarin, Portuguese, Italian and German. Certain disclosures made to external parties in accordance with the Protected Disclosures Act and other international legislation related to whistle-blowing are also protected.

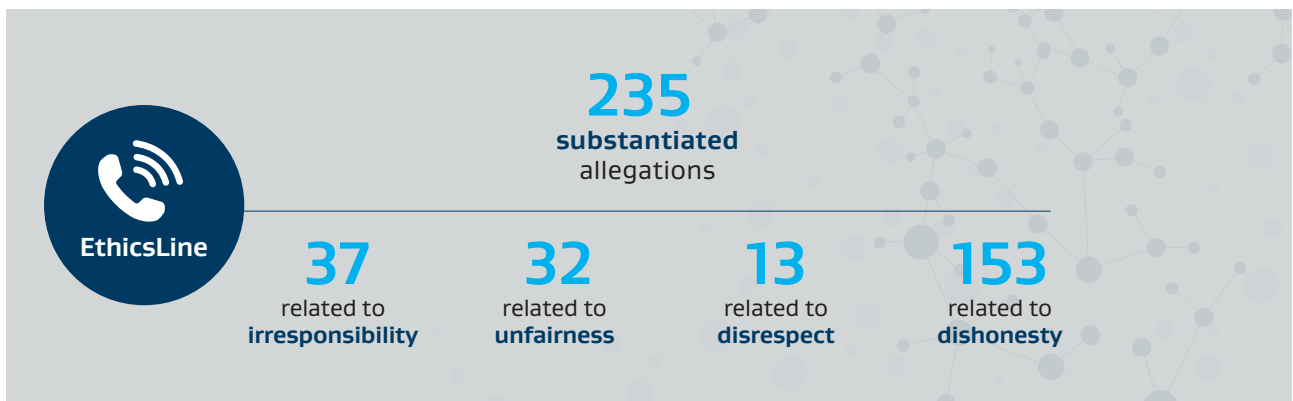
### Training policies and processes

Ethics training is given to all new and existing employees across the Group. During 2019, a total of 1 167 new employees received ethics related training by the Group Ethics Office. The Group Ethics Office also supported the Assurance Services Function in a bid to encourage ethical conduct awareness. A training course called "Exploring Ethics and Economic Crime" was attended by 233 employees.

Ethics Officers are appointed per Operating Model Entity (OME) by the respective Senior Vice Presidents. The role of Ethics Officers is to promote the advancement of ethics as well as ensure proper and adequate investigation into unethical conduct cases within their respective OME. During the reporting period, seven Ethics Officers were appointed and trained. Ethics Investigators are appointed by OME Ethics Officers to carry out investigations relating to ethics matters for the specific OME. Training for Ethics Investigators is conducted as and when required, with 73 investigators receiving training this year.

### EthicsLine and investigation activity

- During 2019, 659 calls were made to the EthicsLine, many of which had multiple allegations of ethics breaches.
- Of the 235 substantiated allegations, **153 related to dishonesty, 37 to irresponsibility, 32 to unfairness and 13 to disrespect.**
- The Group Ethics Office provides **assurance that appropriate corrective actions are taken on ethical transgressions.**
- **In 12 instances the investigations or disciplinary processes resulted in service terminations.** These related to behaviour such as bribery and corruption, conflicts of interest, intimidation and victimisation, fraud and misrepresentation, and falsification
- A total of **29 allegations resulted in suspensions, verbal written, serious and final warnings.**





## Human rights

We believe that we have the opportunity to make a positive contribution towards a wide range of human rights goals, while at the same time having a responsibility to mitigate the human rights-related risks that our activities may pose to others.



**Co-Chair for the Strategic Water Partners Network.**

**Signatory to the UN Global Compact.**

**Ensuring just and equitable treatment of our suppliers, partners and others that we engage with through our Code of Conduct.**

### Meeting our human rights commitments

Our views on respecting human rights are incorporated in our Code of Conduct and are guided by the United Nations (UN) Guiding Principles on Business and Human Rights, the International Bill of Human Rights, the International Labour Organization's (ILO) Declaration on Fundamental Principles and Rights at Work and the UN Sustainable Development Goals (SDGs), namely SDG 3 (Good Health and Well-being), SDG 4 (Quality Education) and SDG 8 (Decent work and economic growth).

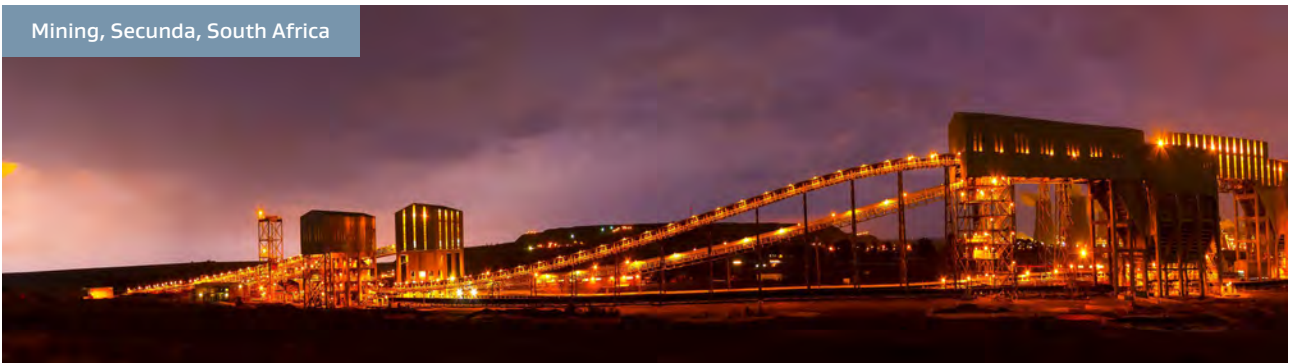
**Our Code of Conduct outlines the human rights commitments applicable to our people, as well as our stakeholders including our employees, business partners and service providers. Our Slavery and Human Trafficking Statement provides detail as to our commitment to abolishing modern slavery. Both are informed by the international covenants we subscribe to and endorse. As set out above we commit explicitly to ILO core areas. We remain a UN Global Compact signatory and our SSEC, a Board Sub-Committee, monitors our activities with regard to the UN Global Compact Ten Principles.**

The manner in which our suppliers and partners (including their subcontractors) act affects Sasol, thus Sasol will only do business with companies that show integrity and align with our ethical values. We expect our suppliers to act ethically and comply with all applicable laws and regulations, as well as uphold fundamental human rights and fair labour practices. All Sasol suppliers must therefore adhere to the Sasol Suppliers Code of Conduct.

Our new standalone Human Rights Policy reinforces our commitment to the advancement of human rights. The policy will enable us to further foster a culture of respecting human rights across our organisation. At the heart of our approach to sustainability lie the Sasol values, particularly of respect and integrity. These values, our SHE Policy, together with our Code of Conduct, apply to the way we do business and our conduct within the communities in which we operate. Sustainability issues can impact and, in turn, be impacted by our company's culture and our Aspirational Culture journey supports us on these sustainable business practices through our values.

We aim to identify and manage human rights-related risks and to remediate any adverse human rights impacts we have caused or to which we have contributed. A risk-based approach that includes consideration of human rights and community impact issues is applied towards our projects in line with international standards. Due to the nature, location and scale of our activities the most prevalent human rights issues for Sasol includes the rights of communities near our operations, occupational health and safety, labour conditions, security arrangements and supply chain responsibility.

Mining, Secunda, South Africa



We respect the rights of indigenous peoples and strive to work collaboratively with local communities in accordance with the principle of free, prior and informed consent taking into account the UN Declaration on the Rights of Indigenous Peoples. We require our business partners to operate in this spirit and respect these rights. In this regard, we pay particular attention to respecting the rights of communities to water. Sasol has a number of projects with host municipalities where we support water conservation and prevent sewerage contamination in the Vaal catchment area.

Sasol is aware of the overarching goals of the Voluntary Guidelines on the Responsible Governance of Tenure of Land, Fisheries and Forests in the context of national food Security. As we are not involved in irrigating arable land, we can only lend support to these goals through collective action driven by the Strategic Water Partners Network, co-chaired by Sasol.

We assess and manage the potential environmental, health and community impacts of our projects in line with international standards such as the International Finance Corporation's (IFC) Environmental and Social Performance Standards and impact assessments are embedded in our project process. Our community engagement mechanisms allow our neighbours (including our own employees who are members of the community) to raise concerns about the impacts of our activities and enable us to address these concerns and, where possible, even incorporate these in design elements. We do not obstruct access that the communities may have to other remedies and will collaborate, as far as possible, in other remedy initiatives such as the example above of partnering to prevent sewage contamination. This is how we maintain our social licence to operate.

We aim to keep employees, contract staff and facilities safe, while respecting the human rights and security of local communities. We respect the principles of freedom

of association, the right to collective bargaining, non-discrimination and equal opportunity, along with adequate work conditions, adequate remuneration and the elimination of forced or child labour. We also recognise the rights of our employees to participate as citizens in the political process, in ways that are appropriate to each country. Employees engaging in active party political activities do so as private citizens and not as representatives of Sasol and they make it clear that they do not represent the company in such activities.

When operating in areas or countries with high levels of conflict, poor human rights records or weak governance or conflict, we strive to follow the principles outlined in the Organisation for Economic Cooperation and Development Guidelines for Multinational Enterprises.

## Ensuring the security of our employees

Our Group security policy demonstrates our commitment to protecting our employees, service providers, assets, operations and business interests, in a responsible and sustainable manner. This is aligned with our values and Code of Conduct. The Group security policy has been aligned with the global security principles, taking specific cognisance of the human rights provisions. We have also adopted the UN's Voluntary Principles on Security and Human Rights and accept the International Code of Conduct for Private Security Providers which stipulates that security personnel should take all reasonable steps to avoid use of force.

Sasol pre-screens all security personnel and, through training equips all security officers employed by Sasol to understand and comply with the requirements of our Group security policy.

Sasol Place reception and security checkpoint, Sandton, South Africa



# Environmental performance



## Air

Sasol will comply with most atmospheric emissions standards applicable to new plant standards by 2025. Coal remains the predominant feedstock in Secunda that drives gasification, coal-to-steam and coal-to-electricity operations. We track emissions released into the atmosphere and work to reduce air emissions from these operations. This includes making investments to lower our emissions of nitrogen oxides, sulphur oxides, volatile organic compounds and other regulated pollutants that are released during the process. These pollutants can affect air quality in the areas in which we operate. Our ability to anticipate and respond to the changing regulatory and policy landscape is one of our most material challenges, particularly in the context of the air quality legislation applicable to our existing plants in South Africa. All our activities are strictly regulated according to a permitting system.



**Monitor and investigate factors that influence ambient air quality across our operating regions.**

**Improving local air quality by providing communities with cleaner alternative space heating and cooking sources.**



**Waste removal, fire control and avoidance, and grass maintenance programmes.**

## Sasol's atmospheric emissions profile

The majority of our atmospheric emissions arise from the use of coal at our operations in South Africa. Coal processes predominantly contribute to the emissions of sulphur dioxide (SO<sub>2</sub>), nitrogen oxides (NO<sub>x</sub>), particulate matter (PM), carbon dioxide (CO<sub>2</sub>) and volatile organic compounds (VOCs). Our industrial emissions profile should not be considered in isolation from the other air emissions sources also present in the different airsheds that we operate in. We utilise source apportionment as an air quality management tool that aims to establish the contribution of individual sources in a specific airshed. The outcome of these analyses enables us to provide better understanding of the direct impact of Sasol's air emissions on a specific airshed.

Currently the concentrations of ambient sub-micron particulate matter in the airshed, better known as PM<sub>10</sub> and PM<sub>2.5</sub> exceed the South African national ambient standards and therefore receive significant attention from the regulator. Sasol's contribution to these emissions, based on independent studies, is shown to be moderate; nevertheless through our offset programmes we are trying to address the identified material contributors – namely, coalfire stoves in domestic homes, smoke from veldfires and burning of waste. We expanded our network of air quality stations to include stations that actively monitor our offset interventions within the targeted communities of Zamdela, Lebohang and eMbalenhle. The positioning of these additional stations allows Sasol to establish the extent of changes in the ambient air as a result of our offset programmes. Within our factory fence, utilisation of cleaner fuels, such as natural gas and implementation of renewables, has the potential to help alleviate these issues, while at the same time reducing GHG emissions.

For our Secunda Operations, the use of coal for steam and electricity by our 17 boilers, results in the emission of mostly SO<sub>x</sub>, NO<sub>x</sub>, particulate matter and GHG emissions. The Secunda Operations' gasification activities mainly result in the release of GHG emissions, hydrogen sulphide and non-methane hydrocarbons. Downstream activities in Secunda, which include the production of liquid fuels and chemicals, only contribute marginally to the Mpumalanga airshed.

Our Sasolburg Operations use both coal and natural gas. Coal is used to produce steam and electricity by means of pulverised coal boilers, while gas is used in the production of a variety of chemicals, waxes, ammonia and polymers. The air emission profile for this site arises predominantly from coal combustion which gives rise to the release of SO<sub>x</sub>, NO<sub>x</sub>, particulate matter and GHG emissions. The natural gas used in the gas engine power plant mainly produces GHG and NO<sub>x</sub> emissions. Thermal oxidation activities are undertaken and only contribute marginally to the particulate, NO<sub>x</sub>, SO<sub>x</sub>, heavy metal and hydrocarbon load. The Natref refinery mainly contributes to the SO<sub>x</sub>, GHG and hydrocarbon load into the Sasolburg airshed.

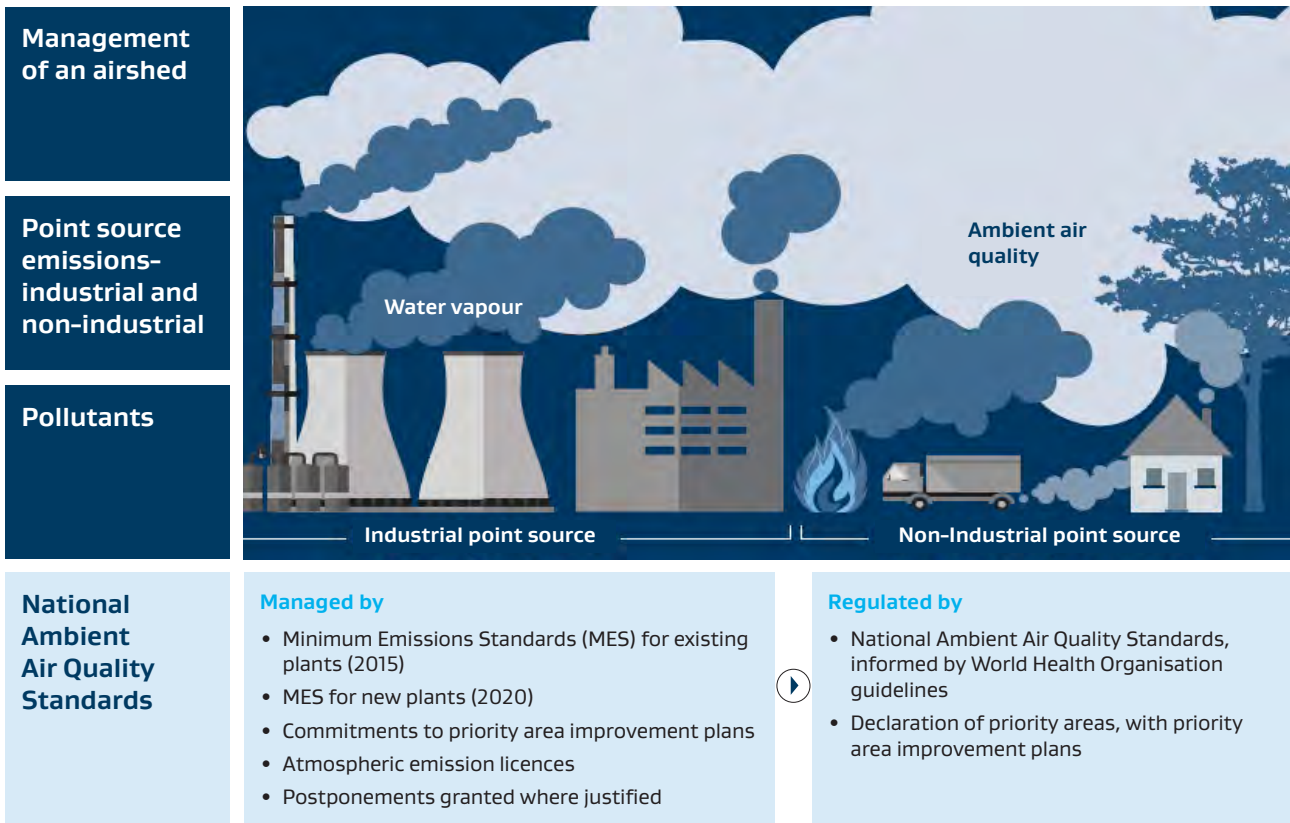
Because of the use of non-coal feedstocks, the air emissions profile of our global operations, in the United States, Germany, Italy and China are significantly smaller than the South African operations. Our air emissions footprint could increase minimally once the Lake Charles Chemicals Project (LCCP) in the United States becomes fully operational, however, this facility **meets best practice specifications**. Our Satellite and Mozambican Operations' atmospheric footprint is considered to be negligible.



## Risks related to ambient air quality

The use of coal as feedstock poses a significant challenge to the sustainability of Sasol due to its contribution to both GHG and other regulated air pollutant emissions. Sasol operates in a complex environment, characterised by a diversity of industrial and non-industrial emission sources. Sasol has, through independent studies, investigated the possible impact of our activities in both Secunda and Sasolburg. The studies show Sasol's contribution to the observed  $\text{SO}_x$ ,  $\text{NO}_x$  and particulate matter in Mpumalanga not to be significant in comparison with other sources (either industrial or non-industrial) within the airshed. Within Sasolburg, the introduction of natural gas has substantially lowered our contribution to the Vaal airshed.

New European Union regulations that could involve stricter permit conditions are envisaged in the short- to medium-term and necessary steps are being taken to ensure adherence to these new requirements.



## Mitigating risks associated with ambient air quality

Sasol's approach to reducing its atmospheric footprint involves exploring the use of alternative feedstocks, optimised processes, improved efficiency, implementation of tools aimed at predicting Sasol's air emissions footprint and monitoring local air quality. In addition to these measures, we have also:

- developed air quality compliance roadmaps in response to the introduction of minimum emission standards in South Africa;
- made commitments and progress towards various emissions abatement interventions as part of the Highveld Priority Area Air Quality Management Plan;
- introduced energy efficiency projects as part of pollution prevention plans in the GHG domain, which include the monitoring of flaring events with the aim to optimise and reduce flaring activities; and
- developed both in-house and external capacity in conducting atmospheric impact studies.

Sasol has been granted postponement in 2015 for activities where the minimum emission standards related to the 2015 existing plant standards could not be met. In this regard, Sasol is reliant on further application for postponements, which we submitted in March 2019, as the only legal mechanism currently provided for in law. Sasol has, in previous communications, highlighted that our only remaining compliance challenge, beyond 2025, is related to meeting the new plant standards for boiler  $\text{SO}_x$ . We are encouraged by the steps taken to establish an independent technical committee to investigate and make recommendation as far as a sustainable  $\text{SO}_x$  limit is concerned. Sasol is preparing a detailed technical submission to the panel for consideration. This is amid a recent High Court application brought by NGO's against the Department of Environment, Fisheries and Forestry (DEFF) regarding the specified  $\text{SO}_x$  limit, which they allege allow coal-fired boilers to emit double the previously specified limit. The application was withdrawn and the Minister re-issued the regulations specifying the same limit, but subject to a public participation process.

## Environmental performance (continued)

These 2015 postponements were granted on the premise that Sasol simultaneously undertakes offset initiatives in the communities in close proximity to our operations. The effectiveness of our offset work is measured against DEFF approved plans as submitted by Sasol in accordance with our postponements. The offsets aim to reduce particulate matter and SO<sub>x</sub> from sources present in eMbalenhle, Lebohang and Zamdela. Secunda's offset interventions in eMbalenhle involved the retrofitting (insulation) of houses to improve thermal efficiency as well as stove alternatives, whereby coal stoves are replaced with liquid petroleum gas (LPG) stoves and heaters. In Sasolburg a suite of initiatives have been introduced that include waste removal and recovery, grass cutting, vehicle exhaust testing and the introduction of a response vehicle to curb grass fires. The offset programmes also include an extensive air pollution awareness campaign aimed at educating low income communities and scholars.

We have insulated over 3 305 Reconstruction and Development Programme (RDP) houses in eMbalenhle and Lebohang including the replacement of coal stoves to LPG stoves. The education and awareness campaign has gained momentum and has been rolled-out to over 17 000 learners, in 27 primary schools.

In Sasolburg the Air Quality Offsets project brought refuse removal services in areas that were previously not serviced by the municipality. Sasolburg Operations and Natref procured 300 waste skips and 124 have already been placed in the community with over 3 000 tons of waste removed between January 2018 up to June 2019.

A rapid response vehicle and 6 000 litre tanker truck donated to the Metsimaholo local municipality continues to curb waste and grass fires and also provide a quicker response time in the area. Industrial theatres and puppet shows form part of the education and awareness campaign in this region with over 6 000 learners already reached.

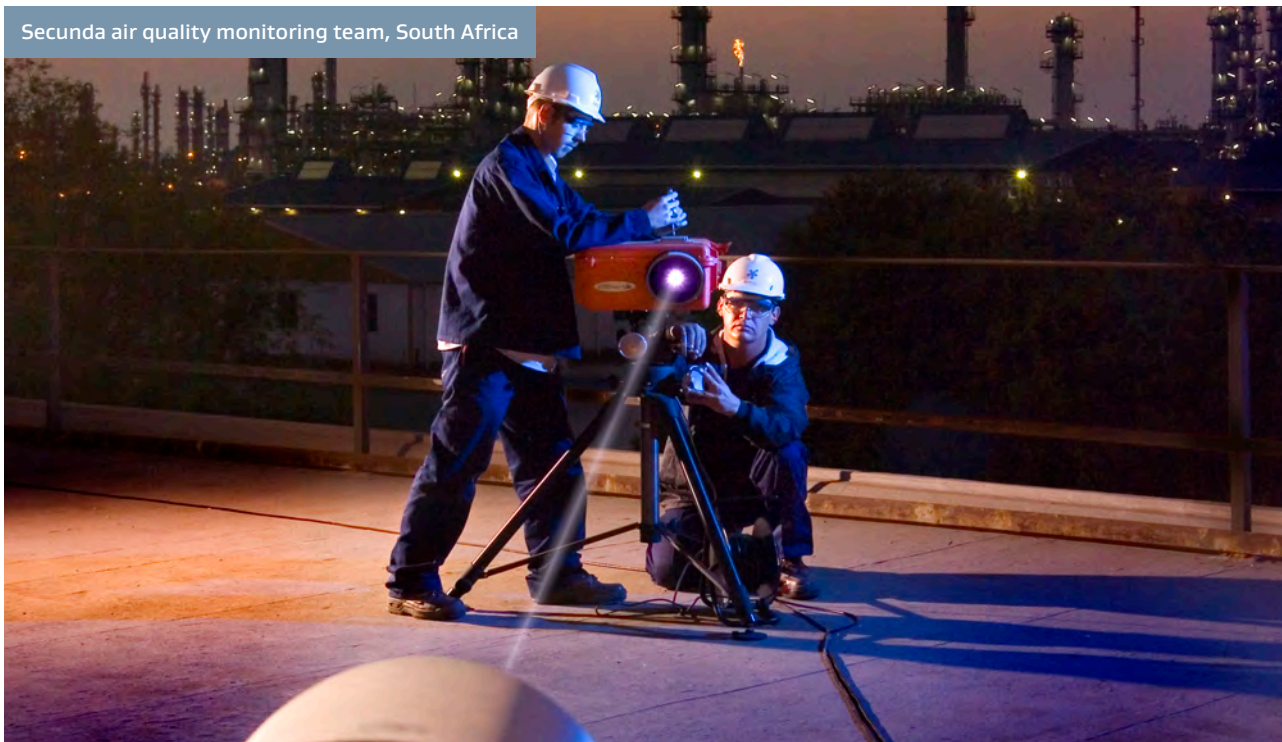
The sustainability of these projects is reliant on the municipality due to the nature of services - fire fighting and refuse removal. Currently various challenges were experienced which include poor maintenance of the donated equipment. The municipality staff are struggling to meet the reporting requirements of the projects. There are also delays in the approval of the sites for the establishment of the transfer stations.

### Contributing to SDG 3 – Good health and wellbeing by monitoring air quality

Sasol continues to support the objective of achieving air quality that is protective of human health and the environment. Sasol considers the current South African ambient air quality standards as the barometer for assessing health impacts associated with air quality in South Africa. **These standards were informed by World Health Organisation guidelines** and moulded to ambient standards through the robust standard setting process prescribed in the South African Framework for Air Quality Management. Independent assessments of Sasol's contribution to the airshed (through the utilisation of prescribed and international acceptable air quality dispersion modelling) are used in the compilation of atmospheric impact reports. These modelling results show Sasol's contribution to the observed air quality, particularly in respect of particulate matter, NO<sub>x</sub> and SO<sub>x</sub>, not to be significant.

Our North American and Eurasian operations do not operate ambient air quality monitoring stations, since the regulators in these regions are accountable for all monitoring activities. Sasol does however provide atmospheric pollution reports at predetermined frequencies to the regulator as prescribed by law.

Secunda air quality monitoring team, South Africa



## Performance

In our South African operations variability in coal quality influences coal use and the extent of emissions. The sulphur content of coal furthermore directly influences the emission levels of SO<sub>x</sub>. Maintenance schedules drive the availability of processes, which ultimately influence pollution levels within a specific reporting period.

At our Secunda Operations particulate matter emissions associated with our coal fired boilers have remained relatively stable over the past five years. This stability was achieved amid variability in ash content in the coal used, by focussing on operational excellence and optimisation of electrostatic precipitators used to abate particulate matter. Small fluctuations in sulphur dioxide emissions can be attributed to fluctuation in the sulphur content in coal and down-times associated with shutdown. NO<sub>x</sub> and SO<sub>x</sub> emissions further depend largely on operational stability.

Hazardous volatile organic pollutants have received focused attention and form part of the suite of non-financial key performance indicators (KPI's) for the Group. A VOC reduction roadmap has been very successful in reducing these emissions over the past five years. An explosion (reported as a process safety incident with no injuries) in 2018 resulted in material damage to two of the regenerative thermal oxidisers (RTOs), which has limited the envisaged reductions during 2019. The remaining five RTOs were also decommissioned as a process safety measure. The impact of this unfortunate incident on the VOC target achievement is being assessed, since the RTOs play a crucial role in determining the delivery of the 80% VOC reduction target.

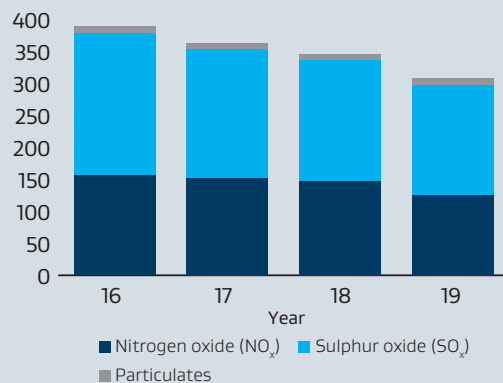
The Eurasian and North American atmospheric emission performances have remained relatively stable, with

variability attributed to maintenance schedules and market demand.

Progress made with the implementation of the environmental compliance roadmap is likely to result in a reduction in particulate matter and NO<sub>x</sub> emissions from our coal fired boiler operations in the foreseeable future. We have successfully piloted low NO<sub>x</sub> burner technology on a boiler at Sasolburg Operations and construction of this technology on a boiler at Secunda Operations is underway. This technology will be implemented on the other boilers in SO and, depending on results at Secunda, on that fleet as well. This could further reduce particulate matter and NO<sub>x</sub> emissions.

The introduction of tank abatement technologies, supported by the successful execution of the VOC reduction roadmap, will also likely result in a reduction in overall volatile organic pollutants being released into the atmosphere.

South African atmospheric emissions (kilotons kt)



Sasolburg steam station, South Africa






## Water

A reliable source of good quality water is a vital input for our operations. While water is used in various applications, our largest use is to generate steam and to cool processes involved in manufacturing our products. Our water use globally is highly regulated through water use authorisations. We manage our water use carefully and we tailor our use of fresh water to local conditions to minimise societal impact.

Sasol's approach to water management is based on the water-specific risks we have identified and our response is shaped through a corporate water stewardship approach. As a signatory to the United Nations Global Compact CEO Water Mandate, we have adopted the mandate's six focus areas.

 The annual Communication on Progress (COP) against the six focus areas of the CEO Water Mandate can be accessed from the following link [www.sasol.com](http://www.sasol.com).

### Sasol's water consumption footprint

Globally, Sasol uses water in operating sites in Southern Africa (South Africa and Mozambique), Europe, Asia and North America. The greatest water demand is at our South African operations, requiring over 80% of Sasol's global demand. This demand is supplied from the Integrated Vaal River System (IVRS), where river water is sourced. The bulk of surface water consumed by Sasol is used as make-up for water lost due to evaporation from the cooling process. Our potable water for our South African operations is also sourced from the IVRS through Rand Water. Sasol is the largest private sector user of river water from the IVRS, having a demand of 3,5% of the total system. Currently demand for water from the IVRS is outstripping supply, thus as a large water user any reduction in demand will contribute to the sustainability of the system as a whole.



**Improving water quality and providing sanitation support to our fenceline and host communities.**



**Committing to ensuring our employees and host communities health and wellbeing is not negatively impacted by our water usage.**

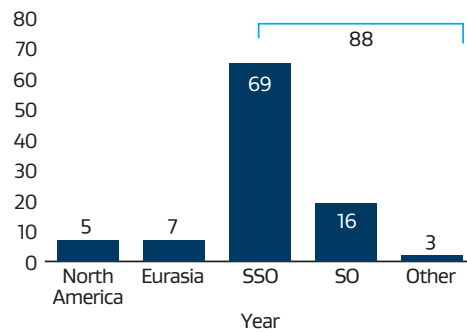


**Partnering with local municipalities in South Africa to deliver basic services regarding water and sanitation services.**

**Partnering with suppliers and other affected stakeholder on catchment based water initiatives.**

We continue to implement water management plans for our facilities that include measures to minimise use and to find alternatives to fresh water, such as recycled water and processed effluent, contributing to the long-term sustainability of the IVRS.

Sasol's water demand by region (as % of total)



### South African Human Rights Commission inquiry in to state of pollution in the Vaal River


In November 2018, Sasol made representation at the South African Human Rights Commission (SAHRC) inquiry into the state of pollution (mainly sewage) in the Vaal River. This resulted in negative media coverage where Sasol's response was unfortunately misinterpreted. We responded with a follow-up media article addressing the reported misconceptions. A written submission indicating our water use and management approach, responses and commitment to compliance has subsequently been tabled with the SAHRC. We are proud of our ongoing water partnerships with the Department of Water and Sanitation (DWS) and host municipalities which aim to conserve water in the catchment areas.

In February 2019, at a third hearing of the SAHRC related to the inquiry, Secunda Synfuels Operations (SSO) was implicated in alleged chemical pollution of the Vaal River. The

SAHRC allowed Sasol to respond with a written submission in which Sasol clarified that we have not intentionally or negligently polluted (or continue to pollute) the Vaal River or any of its tributaries.

At our Secunda Operations effluent is responsibly managed on site and therefore chemicals from this site are not discharged into the Klipspruit or any other tributary of the Vaal River. We continue to support our host municipality in Metsimaholo in upgrading sewage supply infrastructure and reducing water losses. This support contributes to reducing further contamination of the Vaal River from various sources.

Our submission was clear on why the allegations made by the whistle-blower were unsubstantiated and rebutted by the accompanying facts. Sasol is awaiting the draft report from the SAHRC and will comment in due course.

 <https://www.sasol.com/media-centre/media-releases/sasol-employee-whistleblower-testimony-hrc-hearing-20-february-2019>

## Water consumption risks and requirements

A significant water risk facing Sasol's South African operations is related to the availability of water transfer infrastructure operated in the IVRS. Should pumping infrastructure, and therefore water supply, be interrupted for a short period of one to two weeks, the impact could potentially be absorbed through appropriate planning. However, a longer interruption would have a material impact on plant integrity and production.

### Physical risks related to water supply at our South African operations

<b>Water availability</b>	Currently, the demands placed on IVRS outstrips supply by about 2%. In 2019, the DWS through the Vaal River Strategy Steering Committee presented the Vaal Reconciliation Strategy which identified several interventions that need to be implemented to bring the IVRS into balance. The interventions involve implementation of water conservation/water demand management, treatment of legacy acid mine drainage, ensuring Lesotho Highlands Water Project Phase 2 (LHWP2) is implemented, and eradication of unlawful uses and recycling and reuse of Tshwane Municipality effluent. While Sasol's current water needs are secure, if the reconciliation strategy targets are not achieved then Sasol's long-term water supply will be at increased risk.
<b>River water quality</b>	<p>There are three main external factors that impact water quality at our South African operations:</p> <ul style="list-style-type: none"> <li>• Discharge of legacy gold mining Acid Mine Drainage (AMD) into the Vaal River.</li> <li>• Out of specification discharges from municipal Waste Water Treatment Works (WWTW).</li> <li>• Diffuse pollution from land use practices resulting in diffuse discharges into the Vaal River.</li> </ul> <p>A deterioration in water quality impacts operations by increasing treatment and salt disposal costs. In 2019 a deterioration in water quality from the IVRS occurred which impacted SSO by requiring a higher condensate blending ratio, further increasing demand for river water.</p>
<b>Infrastructure availability</b>	SSO is dependent on DWS for operating and maintaining the water supply infrastructure that supplies its operations. The DWS continues to face challenges in fully maintaining their pumping infrastructure and as a result is failing to adhere to operating rules. Alongside Eskom (South African electricity public utility), Sasol is engaging with the DWS to assist in resolving these challenges.
<b>Community protest actions</b>	Community protest actions has on occasion prevented the operating of critical pump transfer stations putting at risk the ability of IVRS to reliably supply water.

### Regulatory risks

Sasol requires water at a high assurance of supply in order to operate efficiently. Various water use authorisations need to be secured and conditions complied with including meeting targets and restrictions in times of drought. Increasingly stringent conditions could have a significant impact on Sasol, which may require increased investment in capital intensive water treatment equipment.

### Reputational risks

Increasing and competing demand on water resources, combined with growing community expectations, may affect our ability to secure access to fresh water for our operations. Community and investor interests arising from our consumption of water give rise to reputation risks, apart from the negative operational impact of protest actions around lack of municipal water and sanitation

services. We acknowledge and support the rights of communities, in which our employees live, to basic services like water and sanitation, and we have a responsibility to uphold their rights to health and wellbeing. It is in this regard that we make our contribution as a CEO Water Mandate signatory.

In 2019 there have been various investor queries on Sasol's water footprint, including the SAHRC inquiry into the state of pollution (mainly sewage) in the Vaal River detailed on page 58.

At the Sasol Annual General Meeting, held on 20 November 2018 a stakeholder questioned Sasol's contribution to clean up the sewage contaminated river water in the Vaal Triangle. Sasol responded by emphasising that we have a number of partnership projects with host municipalities working to conserve water and prevent sewage contamination in the Vaal catchment area.

### Mitigating risks associated with Sasol’s water consumption footprints

At Sasol we are committed to managing our water footprint in a responsible way. In response to the long-term risks we face regarding water supply to our South African operations, Sasol’s mitigating actions have included:

- Providing technical support and advice to DWS on critical water supply pump stations;
- Developing a monitoring tool to track the performance of the IVRS. The implementation of the tool has enabled us to raise concerns related to supply much sooner than would otherwise have been possible;
- Maintaining relationships with the operators of pump transfer stations. These relationships are critical to obtaining early warning signals for critical water supply challenges. Regular engagements with operators on the ground have informed us of supply challenges on a real-time basis so that we could escalate these issues timeously with the DWS;
- Participating in planning sessions to ensure security of supply to our operations. In 2019 Sasol raised the IVRS infrastructure challenges with the Acting Director General of the DWS who then established a task team to respond to these challenges;
- Constituting quarterly engagements with the DWS to resolve issues with water use licence applications and amendments. These quarterly engagements have also helped in resolving issues with the awarding of water use licences (WULs) and has created a platform to raise other water use challenges; and
- Participating in operations meetings to understand the challenges faced by the operators which creates a platform for industry to contribute to the challenges being faced by the DWS. Sasol has always positioned itself to support the DWS where feasible rather than continuously raising challenges.

We also develop and invest in technologies to treat, reuse and recycle water from our operations to reduce environmental risks, and indirectly reduce our demand on traditional water supplies. To achieve these goals, the following investments were made:

<p><b>Sasolburg Operations</b></p>	<ul style="list-style-type: none"> <li>• Meaningful improvement in effluent management are being realised, in line with increasingly stringent water use licence conditions.</li> <li>• The Midlands disinfection facility (R7,3 million) was commissioned and operational in February 2018. Several projects are in the planning phase to reduce effluent discharge.</li> </ul>
<p><b>Secunda Chemical Operations</b></p>	<ul style="list-style-type: none"> <li>• Invested R381 million in an ultrafiltration/reverse osmosis (UF/RO) effluent treatment facility to mitigate the risk of effluent overflow from our fertiliser effluent dams. The UF/RO treatment facility and the triple effect evaporator for the thermal treatment of the brine to be commissioned in the financial year 2020.</li> </ul>
<p><b>Secunda Synfuels Operations</b></p>	<ul style="list-style-type: none"> <li>• Invested over R120 million to upgrade boiler feed water infrastructure in an effort to reduce inefficiencies in its regeneration processes.</li> <li>• The development of an effluent treatment system from the ash dams, via an existing Electro Dialysis Reversal (EDR) evaporator crystalliser plant, has entered the basic engineering phase. This opportunity could offset a further 6 ML/day of river water use equivalent to 2,5% of the daily amount.</li> <li>• SSO invested R24 million in the mobile reverse osmosis unit to reduce risk of clear ash effluent dam overflow.</li> </ul>
<p><b>Sasol Place, Johannesburg</b></p>	<ul style="list-style-type: none"> <li>• The building targets a five-star Green Star rating and in order to maintain this rating we need to conserve water. Accordingly, the building was designed to capture rainwater and grey water is also harvested, treated and reused for irrigation of gardens and the flushing of toilets.</li> </ul>



## Contributing to SDG 6 – Clean Water and Sanitation

As a large water user from the Integrated Vaal River System, we recognise our broader responsibility to advance improved water resource management in the catchment areas within which we operate to contribute to SDG 6. Complying with water use licence conditions which authorise water use activities on our direct operations, will always be our priority. There is a growing recognition that beyond-fence line collective action stewardship is required to advance water resource management practices in the interest of all users. To this end, Sasol is committed to working with local municipalities in efforts to improve on the delivery of water supply and sanitation services to a range of users including communities.

In South Africa Sasol responsibly manages its water use and effluent management in the following ways:

- Effluent generated at our SO facility is treated to meet compliance conditions specified in our water use licence prior to being discharged into the Vaal River.
- Both SO and SSO are responsible for treating sewage for the towns of Sasolburg and Secunda, respectively.
- SO continues to support their host municipalities in upgrading sewage infrastructure in order to minimise storm water ingress and reduce spillages.

SO supports their host municipality, Metsimaholo Local Municipality (MLM) with the following projects:

- The Water Demand Management programme implemented in the greater Sasolburg area included extensive remedial work, reconfiguration and water leak repairs on the main reticulation system, household leak repairs in Zamdela, advanced pressure management and the deployment of three mobile maintenance units resulted in an overall reduction of water loss from 40% to 10%. Continuous monitoring, ongoing education and awareness initiatives in the community ensure sustainability of the programme.
- Mechanical, electrical and civil work on 11 sewerage pump stations was completed. An additional maintenance unit for exclusive use for sump cleaning, maintenance of pump stations infrastructure and servicing of pumps has been commissioned.
- Remedial work to prevent ingress of storm water into the Sasolburg sewerage system was completed. This intervention proved to reduce the load to the Sasol Bioworks specifically during high rainfall periods.

Secunda Operations provided support to their local municipalities being Govan Mbeki (GMM), Lekwa and Dipaliseng in implementing the following projects:

- Secunda Corporate Social Investment had partnered with Cobra Watertech (Pty) Limited and Rand Water Foundation and trained 60 youth as plumbers. The plumbers-in-training have been placed at GMM and Lekwa municipalities for in-service training. The funding contributions from Sasol, Rand Water Foundation and Cobra are R2 million, R1 million and R200 000, respectively.
- Contributed R1,5 million to repair water pumps which distribute water in the eMbalenhle community.
- Ongoing capacity building support to municipal employees
- Deployed engineers to provide technical support on water management.

Our Mining operations, as part of their Social and Labour Plan commitments, provided support to their local municipalities, GMM and Dipaliseng implementing the following projects:

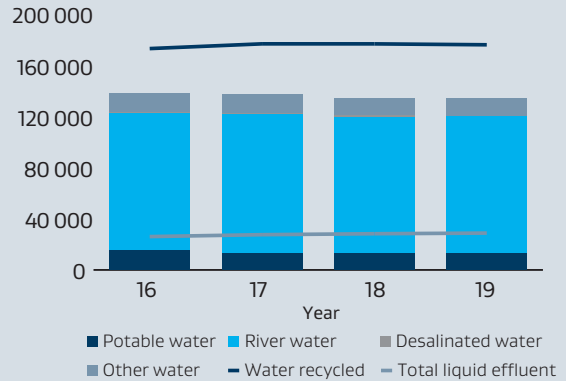
- Upgraded the waste water treatment plant in Greylingstad at a cost of approximately R15 million.
- Provided storm water infrastructure in Leandra at a cost of approximately R5,3 million.
- Supported by SSO, upgrading of the sewer network and waste water treatment plant in Dipaliseng Municipality at a cost of R30 million.



### Performance and targets

In order to reduce demand for both river and potable water, in line with our 2050 roadmap, we are investigating efficiency improvements and alternative sources of supply. In 2018 we concluded the process of setting context-based, voluntary potable water targets. During this process potable water use for each operating model entity (OME) was assessed, and we determined what commitment to an improvement could be made. This process took into account the individual OMEs business entities' saving opportunities and growth requirements. We set a 5% potable water reduction target for the Group to 2020 against an agreed baseline.

Total water use (thousand meters cubed - m<sup>3</sup>)



Voluntary water use efficiency targets have been set for our two major water using entities SSO and SO.

<b>SSO: Total water use per ton saleable production (ton/ton)</b>	Track performance against 2020 target of improving against baseline of 2,5%.	Baseline set in 2016 <b>2016 = 11,58</b> <b>2017 = 11,82</b> <b>2018 = 11,82</b> <b>2019 = 11,19</b>	Current performance against target is a 3,3% improvement against baseline. SSO is optimistic about maintaining their target to the end of 2020.
<b>SO: Total water use per ton saleable production (ton/ton)</b>	Track performance against 2020 target of maintaining against baseline of water use.	Baseline set in 2016 <b>2016 = 9,81</b> <b>2017 = 9,60</b> <b>2018 = 10,44</b> <b>2019 = 11,63</b>	Current performance against target is a 18% deterioration against baseline. The reason for this deterioration is lower production (due to major planned shutdown) with higher water use. Recycled water volume decreased, increasing the demand for surface water, compared to the 2015 baseline.

Water treatment at the Central Processing Facility, Mozambique







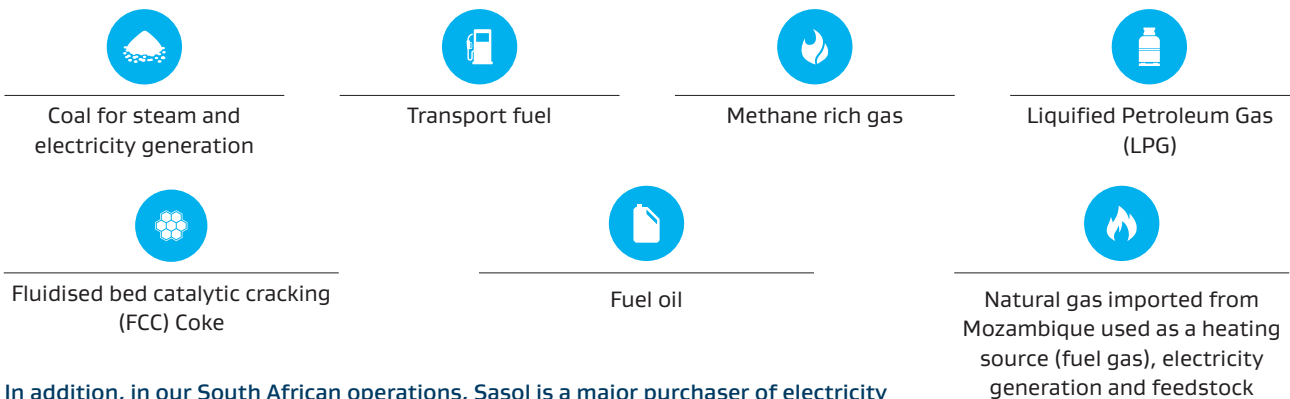
## Climate and energy nexus

Climate change is a pressing challenge affecting society, requiring a concerted response across the global economy. Adapting our business to the scale of the necessary changes will not be easy, but we are committed to the journey ahead. Improving energy efficiency in our own operations is a key component of the needed change. Sasol is currently dependent on fossil fuels for the significant majority of raw materials for our feedstock, intermediate product streams, heating sources and electricity generation. We are committed to accelerating and expanding our response, as part of our efforts of being resilient in a lower-carbon future. For more information about our response to the broader issue of climate change, we encourage you to read our separate Climate Change Report **CCR**. The CCR presents a clearer picture of the progress on our journey of preparing for a lower-carbon future.

	<p>Reducing pressure on the heavily compromised national power grid in South Africa through self-generating electricity. Preparing for legislative changes in South Africa which will allow renewable electricity generation to enhance the grid.</p>		<p>Constant improvement in energy efficiency to be better than compliance standards.</p>
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### Sasol’s current energy usage mix

Sasol uses energy to produce and distribute products to various markets. Fossil fuel energy used in the processes comprises the following:



In addition, in our South African operations, Sasol is a major purchaser of electricity from Eskom, which is currently predominantly sourced from the combustion of coal.

### Risks associated with Sasol’s energy usage mix

Sasol’s production processes are large emitters of GHG emissions. This is due to the inherent nature of the coal-to-liquids process. Achieving our primary risk management objective, to protect and grow sustainable shareholder value, is dependent in part on the effective management of the risks associated with these emissions.

Detailed further in the Climate Change Report **CCR**, Sasol’s climate change risk incorporates three sub-risks:

- Sasol’s inability to develop and implement an appropriate climate change mitigation response;
- Sasol’s inability to ensure physical long-term resilience of business operations; and
- Downstream societal pressure impacting market access and product competitiveness.

## Mitigating risks associated with Sasol's energy usage mix

As a founding signatory to the South African Energy Efficiency Accord (the Accord), Sasol has a long-standing commitment to promoting energy efficiency as a key business driver, in addition to the benefit of reducing GHG emissions. Sasol achieved 16,6% improvement against the 15% target under the Accord for our operations in South Africa, from 2005 to 2015.

The Department of Energy published a draft National Energy Efficiency Strategy for 2030 (NEES2030) which sets the national objective of 15% improvement relative to the 2015 baseline by 2030. Sasol has set its own objective to exceed the national objective. In 2018 Sasol signed-up to EP 100, which is a global collaborative initiative on energy productivity. This initiative is led by The Climate Group, in partnership with the Alliance to Save Energy, which targets the implementation of a global energy management system within a 10 year timeframe. Sasol has agreed to implement a global energy management system within a 10 year time frame, and to a 30% cumulative improvement by 2030, aligned with the Energy Accord and NEES 2030.

A company-wide Energy Management policy will be developed and implemented well within the stipulated 10 year period, aimed at compliance with all acceptable global energy efficiency standards.

Sasol is also implementing an integrated and effective Energy Management System (EnMS), with auditing and assurance in line with the ISO 50001 standard across the Group. Currently, all sites in our South African operations have ISO 14001 certification and one site in Europe has ISO 50001 certification. The remaining European sites have rolled-out the European Union (EU) Eco Management and Audit Scheme (EMAS), while our North American Operations have a Responsible Care® (including ISO 14001) equivalent system.

Our operations in South Africa is regarded as a carbon intensive business. We are in the process of developing an emission reduction roadmap that is focusing on the integration of renewable energy into our business to reduce both Scope 1 and Scope 2 emissions. For further detail refer to our Climate Change Report.

### Performance

The cumulative energy improvement from 2005 to 2019 for the Group is 19,5%. Currently Sasol is on track to meet the 2030 internal objective of 30% improvement off a 2005 baseline.

Continuous energy efficiency improvement is dependent upon stable and effective plant operations with minimum external disruptions. Effective plant maintenance further supports this, together with excellent asset management practices in Sasol's standard Operations Management System to ensure and enhance reliability.

Implementation of energy improvement projects provides additional benefits to complement efficient plant operations.

## Leveraging opportunities

Successful outcomes of the EnMS will contribute towards the following:

- reduction of Sasol's GHG emissions;
- lowered energy costs and improving productivity; and
- increase in Sasol's social development contribution by way of B-BBEE inclusivity of specific renewable energy projects.

## Contributing to SDG 7 – Affordable and clean energy

In our South African operations, Sasol's own electricity generation displaces imports from the national electricity supplier (Eskom) into Sasol's facilities. Self-generation does not affect the electricity supply from Eskom to surrounding communities and in fact helps deload the local Eskom network, reducing the risk of overloading and trips.

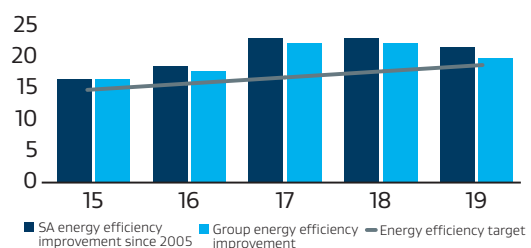
We are examining the potential of integrating renewable energy into our operations. As a priority, we have conducted studies on a range of renewable energy options for integration at our Secunda facilities. We have commenced with the development of two 10 MW solar photovoltaic projects, one located at our Sasolburg Operations and the other at our Secunda Operations.

In the future, it may be possible to contract with remote renewable electricity generators and within utilise greener energy Sasol's facilities. There are currently regulatory hurdles to entering bilateral power purchase agreements (PPAs) with remote generators, but the restructuring of the electricity industry, as announced by the South African President in the 2019 State of the Nation Address (SONA), may make it possible.

An improvement in energy intensity will enable Eskom generation to supply other loads and assist them when the system is constrained. This would result not only in reducing costs and emissions for Sasol, but also less load shedding and better growth prospects for the country overall.

While we provide full details in our Climate Change Report **CCR**, including more detail on our international operations, we want to emphasise our awareness of the need to further mitigate our emissions while continuing to make our significant contribution to the South African economy, and our commitment to our social responsibilities. The transition to a lower-carbon economy is challenging, requiring considerations of the impacts on the energy mix, environmental benefits and overall socio-economic opportunities.

### Cumulative South African energy efficiency improvement of 21,7% and 19,5% globally





## Land and biodiversity

Sasol’s approach to land management and its contamination obligations are addressed by managing the Group top risk of major SHE Incidents. Consistent with the SHE Policy, we recognise that we have a custodial responsibility to respect and care for the environment, which includes addressing land and biodiversity matters.

People depend on biodiversity to play a crucial role in world food production, contributing to productive livelihoods, and the associated health and societal needs. The rate of biodiversity loss at global and local levels has been flagged as unsustainably high, putting the natural systems supporting human life at risk.

Sasol tries to understand and respond to any potential impacts of our activities, both direct and indirect, may have on biodiversity or ecosystem services, and on the benefits that society derives from these ecosystems.

### Land use and the impact on biodiversity

Sasol’s activities have the potential to result in various biodiversity impacts at local, regional and global levels, potentially including reductions or deteriorations in virgin land size, terrestrial plants and animals, river water and ground water quality and quantity. Because of this, a compliance lens does not fully express all biodiversity impacts or risks, and biodiversity management therefore needs to be included at all areas of the business model. In South Africa, following a precautionary approach in line with legislation, Sasol notified DEFF of its operating sites (including some retail sites but excluding any mining sites) as potentially contaminated. Through a collaborative approach, the sites are assessed. Depending on the outcome, remediation may be required or, alternatively, ongoing monitoring. Appropriate management and governance structures are in place for managing environmental and asset retirement obligations.

### Mitigating risks associated with Sasol’s land use and biodiversity impacts

Our primary approach to mitigating land use and biodiversity impacts is through land rehabilitation and compliance to applicable regulatory requirements. In 2018 we reported that remedial activities had been completed, except for the installation of the capping system at the old tar pits at our SO site.

This installation has been postponed due to the need to consolidate additional waste materials from remedial activities on the old tar pit footprint. Two waste sites, the new tar pits and the wax and sewage sludge disposal area, were all excavated and consolidated on the old tar pit footprint. Some residual contamination was identified which required further excavation and routing to the old tar pit area. The consolidation of wastes is to be completed prior to finalising the remedial work on the old tar pits. Postponing the capping has been confirmed to not change



**Removal of invasive plants and species on our land and conservation areas.**

**Significant contributions to serval cat population studies improving methods of co-habitation between industry and nature.**

the risk profile as a shallow groundwater cut-off trench exists to manage any potential groundwater impacts. These activities are being undertaken with the DEFF and DWS approval.

Biodiversity retention is a key consideration when we conduct our environmental impact assessments and stakeholder engagements in areas where we anticipate drilling frontier wells. The recommendations are implemented, with Sasol working closely with skilled operators who have the expertise and technology to work within the legal parameters set by government.

Sasol has received queries from concerned members of the community regarding recent seismic surveys carried-out for proposed offshore drilling. We take care to follow the mandatory regulation processes. As such, our surveys were all conducted during the appropriate season when less marine fauna is anticipated to be present in the area.

### Contributing to SDG 15 – Life on land through our conservation efforts

In addition, the management of our conservation areas involves the clearing out of invasive species on lands that we manage as well as investigative work on the serval cat population in Secunda. Through our efforts to minimise environmental impact and conserve biodiversity, Sasol has contributed new knowledge to the scientific community through the serval cat population investigations and the results from the project provide positive data on the possibility of industry and biodiversity co-existing.

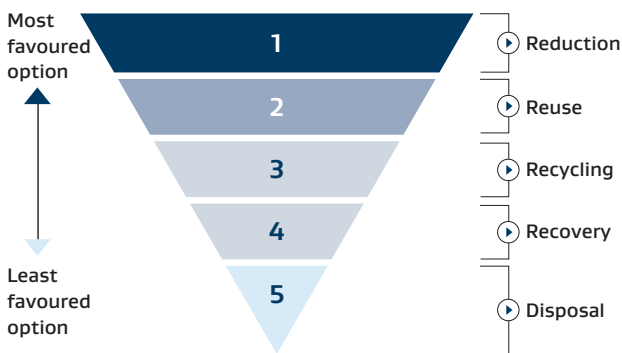


The serval cat project is a case-study of how industry and nature can harmoniously co-exist in the same environment. SSO is exploring the factors around the flourishing of the serval cat community in the secondary operating area with the aim of supporting its conservation.



## Waste

Our waste management approach centres on complying with applicable legislation and adhering to waste management hierarchy principles. Since waste management requirements are specific to each individual OME, technical roadmaps have been developed at an OME level to implement programmes to meet existing and future legal requirements.



Source:  
The waste management hierarchy diagram is based on 1979 original work by Ad Lansink: Directive 2008/98/EC of the European Parliament and of the Council of 19 November 2008 on waste and repealing certain Directives (Text with EEA relevance)

In maintaining our social licence to operate, achieving compliance alone is not sufficient. Our stakeholders expect us to go beyond compliance in applying the waste management hierarchy in managing our waste streams. Sasol's approach to waste management has undergone significant changes over the years in response to changing legislation and industry practices. Most on-site waste disposal practices have been discontinued and these legacy sites closed and rehabilitated.

Sasol continues to explore ways to improve on waste management practices, notably in implementing waste minimisation initiatives and alternative usage solutions. New approaches and projects will be required to better align our waste management practises with the waste management hierarchy. Coal ash is a material generated by Sasol in large volumes and despite significant amounts of ash being reused from SO, more focus is required to further enable the beneficial use of ash at our Secunda Operations.

### Risks

Risks associated with our waste footprint include:

- Continued reliance on disposal of waste.
- Inability to implement technically viable and cost effective solutions for specific waste streams.
- Interpretation of the application of the waste hierarchy.



Driving to create market for small to medium ash beneficiation operations, providing employment and economic growth while managing ash responsibly.



Identifying and implementing reuse of waste; Decreased waste generation by 4%, and increased recycled waste by 4% in 2019.

- Third party waste service providers' inability to sustainably accommodate Sasol waste streams.
- Ability to beneficiate ash in line with government expectations.
- As a significant producer of polymers, being linked to addressing the impact of post-consumer plastics on freshwater and marine ecosystems (see also our product sustainability focus area: single use plastics on page 67).

### Mitigating risks associated with our waste footprint

Sasol is convinced that effective alternative waste handling solutions can be found and implemented in order to move our waste handling up the waste hierarchy. We have therefore undertaken the following actions:

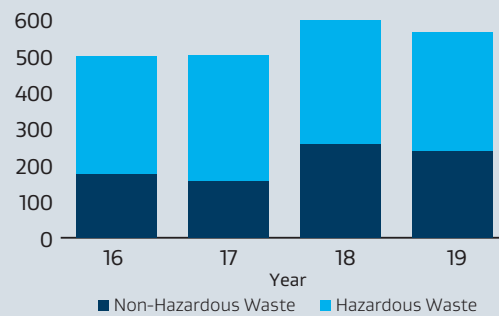
**Ash related:** Sasol is in support of the use of coal ash to create jobs and contribute positively to the South African economy. As such, we are members of the South African Coal Ash Association (SACAA) and support the primary goal to promote the responsible use of coal ash. We are also supporting the DEFF-led Chemicals & Waste Phakisa initiatives. As a significant ash generator, Sasol is expected to support ash reuse by increasing the availability of ash to small and big off-takers and ash users. To this end, Sasol has submitted applications for the exclusion of Sasol ash from the definition of waste for specific applications. The exclusion will remove the legislative hurdle in the form of waste management licence requirement for ash reuse. This will make ash more accessible by small off-takers and users. In Sasolburg infrastructure is in place to cater for significant ash quantities required by big off-takers and users. An investigation is underway to determine the feasibility of making ash available to potential off-takers.

**Other waste:** We have found reuse opportunities for some of the types of waste that landfill prohibitions have restricted the disposal of, as well as for some waste that was being routed to the SO incinerators that have subsequently been decommissioned pending the completion of the additional air abatement technologies being installed. We continue to actively seek out improved methods and opportunities for waste reuse or better disposal solutions where necessary.

## Performance

Hazardous waste generation decreased from 338 kt in 2018 to 328 kt in 2019, mainly as a result of operational requirements that necessitated an overall reduction in bio-basin desludging at the SSO water recovery process. We generated 237 kt of non-hazardous waste, down from 258 kt in 2018, due to a reduction in the amount of coal riddlings generated at SO. Total recycled waste increased from 101 kt to 105 kt.

Total waste (kilotons – kt)



Enviro Cycle riders service the community of eMbalenhle with waste collection as well as educational awareness



## Single-use plastics

As global awareness of the impact of plastics on the environment increases, focus on the use of single-use plastics in consumer packaging is growing. A sign of this is the growing number of countries banning certain single-use plastics, most notably the 2019 EU parliament approved plan to ban items such as straws, plastic plates and cutlery by 2021. Given this growing trend and Sasol's role as part of the community of responsible resin producers, during 2019 Sasol worked on developing a coordinated multi-faceted response on this issue, which will be implemented under a dedicated governance structure.

Plastic litter in the environment and our oceans is unacceptable, and our initiatives globally will aim to address this challenge. This includes direct and partnership initiatives supporting plastics education, improving household waste management, bolstering recycling and contributing to marine litter collection. A significant component of this response will take place through the global Alliance to End Plastic Waste (AEPW), of which Sasol is the only African founding member. The alliance, currently made up of approximately thirty member companies, has committed over US\$1,0 billion with the goal of investing US\$1,5 billion over the next five years to help eliminate plastic waste in the environment. The Alliance membership represents global companies located throughout North and South America, Europe, Asia, Southeast Asia, Africa, and the Middle East. Sasol is currently the only signatory headquartered in Africa.

Our direct interventions include a number of community initiatives already underway in line with the waste

hierarchy principle of reducing, reusing, recycling and responsibly disposing of plastic waste. An example of such a community initiative is the Enviro Cycle programme in eMbalenhle. The Sasol Enviro Cycle programme is a skills development programme which employs the use of Sasol branded tricycles to assist in house-to-house collection of waste in eMbalenhle as well as to educate the community. The collection of waste and sorting at the source is a critical part in the recycling value chain that prevents the formation of illegal dumping sites which is the cause of communicable diseases and pollution.

To date the project has shown significant success with respect to creating awareness around the value of waste, educating the communities of the problems associated with poor disposal, visibly cleaner streets, clean-up and conversion of illegal dumps into garden patches that the local communities have taken ownership of.



## Compliance

Sasol depends on natural resources including coal, crude oil, natural gas and water for our business activities. Our activities have an unavoidable impact on the environment; however we remain committed to minimising these impacts while recognising that the majority of our material environmental challenges are associated with our South African operations.

Sasol is committed to complying with all applicable laws and obligations arising from our environmental authorisations. Legal compliance is one of our values and is also embedded in our Code of Conduct. By acting in accordance with this commitment, we create a business culture we can all be proud of and one that supports sustainability. Enabled by our Group Compliance Policy and associated Compliance Programmes, ongoing compliance is managed, by dedicated environmental teams with the support of subject matter experts for water, waste, air quality, climate change, land and biodiversity management.

### Managing and reporting on our compliance challenges

Sasol follows a robust process aimed at reporting and mitigating environmental incidents, including any deviations from legal requirements that could lead to environmental harm. This approach has a strict incident classification system which includes assessing incidents based on their potential to create significant degradation of the receiving environment. This robust approach ensures that all incidents are thoroughly investigated in order to remedy appropriately. Learnings sprouting from these investigations are shared throughout the Group to minimise the likelihood of a similar incident occurring again in future.

We continue an approach to environmental compliance management that is transparent and collaborative. We engage with authorities regularly through established forums and also proactively where we anticipate or identify compliance challenges. **We report non-compliances with conditions of authorisations as well as environmental incidents, including details of the corresponding corrective and preventative measures.** Our reporting further includes submission of periodic, quarterly and annual reports. We also communicate to our stakeholders on our performance.

We collaborate with the authorities on environmental inspections conducted at our various facilities. Our responses to findings, among others, include key remedial interventions aimed at sustaining compliance. For the financial year no final enforcement actions have been instituted for our South African operations.

Engagement the DEFF is ongoing to conclude the required review of the waste management licences for Satellite Operations in Ekandustria. Additionally, feedback in relation to hazardous and general waste management and storage at the site was provided.

Following engagements reported on previously, an Integrated Waste Management Licence (IWML) for SSO and SCO in Secunda was issued.

SSO engaged DEFF regarding the conclusion of Terms of Reference (ToR) for the establishment of a monitoring committee for the Sasol Vanadium Waste Disposal Facility.

SCO reported, as required by its Atmospheric Emission Licence (AEL), a section 30 NEMA incident where normal maintenance exceeded 48 hours as well as atmospheric emission exceedances following the re-commissioning of the plant after the annual shutdown.

SO similarly reported the release of vinyl chloride monomer (VCM) and polyvinyl chloride (PVC) into the atmosphere on account of a disc rupture, process water overflow and effluent line rupture. These discs are designed to rupture and release pressure in order to avoid a process safety incident. Through process optimisation we have minimised the number of these ruptures.

Air quality exceedances in relation to metals and particulates were experienced and reported to the authorities by Satellite Operations: Ekandustria. These were expediently resolved through the installation of a new scrubber. At the same site, sulphur dioxide emissions monitoring was temporarily interrupted.

Energy notified the authorities of its intent to optimise the tank bund integrity at its Alrode depot to align with applicable standards.

Mining reported a pipeline leak, the overflow of a pollution control dam, a dirty water sump overflow and an unsealed borehole discharging mine water into the natural environment.

Incidents were reported by SSO in line with the reporting requirements specified in their WUL. These included incidents related to an unknown contamination source, overflow of the water recovery sump, transfer of high conductivity effluents and ash to the receiving environment.

All reported incidents have been duly investigated and remedial actions are being implemented.

## South African authority inspections

DWS conducted various routine inspections associated with water use and compliance at:



### 1 Mining operations

**Findings at Mining** related to the comprehensiveness of monitoring, abstraction volumes and uses as well as waste water discharge quality. Mining submitted responses to the DWS including Water Use Licence (WUL) amendment applications. Further mitigation actions also include monitoring relevant parameters, constantly reviewing the monitoring programme to fully understand liabilities and improving mitigation strategies.

### 2 Secunda Synfuels Operations (SSO)

**SSO** was issued with a notice of intention to issue a directive which it responded to following the DWS inspection. Supplementary information was provided on, dam capacity, measurements of discharge and disposal volumes and meeting of water quality objectives with a view to enable the DWS to reconsider their initial findings. These findings involve matters that are subject to pending water use licence and amendment applications. Engagements are ongoing to clarify aspects related to SSO's response in resolving the matter.

In 2019 the Gert Sibande local authority also conducted inspections at SSO. Inspections were conducted on water, waste and air quality compliance. Reports are still awaited. The Environmental Management Inspectorate also conducted a site visit based on a complaint received from a third party regarding Sasol's management of waste water associated with its Benfield operations. The inspection authority subsequently confirmed that the matter had been closed out without any findings requiring further action from Sasol.

### 3 Sasolburg Operations (SO)

**SO** submitted a response to its inspection report which aimed to correct some observations. The submission provided detailed representations on the findings raised, related to the lining of dams, wastewater discharge quality parameters and approval of the previously submitted groundwater management plan. The exceedances and incidents referred to in the report (including mitigation actions) were duly reported to the DWS regional office as well as the respective monthly compliance reports or relevant incident reports as required by the WUL. Incidents reported under section 20 of the National Water Act included an industrial effluent spill and a pipe rupture in an effluent discharge line into the Leeuwspruit. General authorisation registrations were done for water uses related to pipeline crossings. A separate inspection on the bioworks at SO resulted in no findings being raised.

### 4 Natref in Sasolburg

DWS conducted an inspection at **Natref** and although no findings were communicated, the formal report is still awaited. Natref is engaging the DWS to correct errors in its recently amended WUL, in particular to ensure that it correctly aligns with the original licence which is still referenced.

### 5 Base Chemicals (BC)

Our **BC** operations at Witbank conducted extensive environmental assessments and following from this, guidance was provided by the DWS that informed pending general authorisation registrations. It was confirmed that a WUL application was not necessary.

### Global authority inspections

During 2019, our operations globally have been subject to various environmental authority inspections and associated compliance enforcement actions. We collaborated fully with authorities during these inspections, resolved enquiries and duly responded to subsequent enforcement actions.

#### North America

Authorities performed a hazardous waste inspection of the existing Lake Charles Facility at Sasol North American Operations (NAO), which included a site visit and a review of documents. No areas of concern were noted and a No Penalty Administrative Order of Consent (AOC) to settle the matter of over reporting of emissions in 2016 for two operational units with no penalty paid was agreed to.

#### Eurasia

Our Eurasian Operations underwent various authority inspections related to waste, air quality, groundwater and contaminated land management. No deviations were noted at our operations in Hamburg, Germany and Nanjing, China. At our operations in Novaky, Slovakia, a report is awaited on environmental inspections recently conducted by regional and local authorities. However, no deviations were noted in preceding inspections.

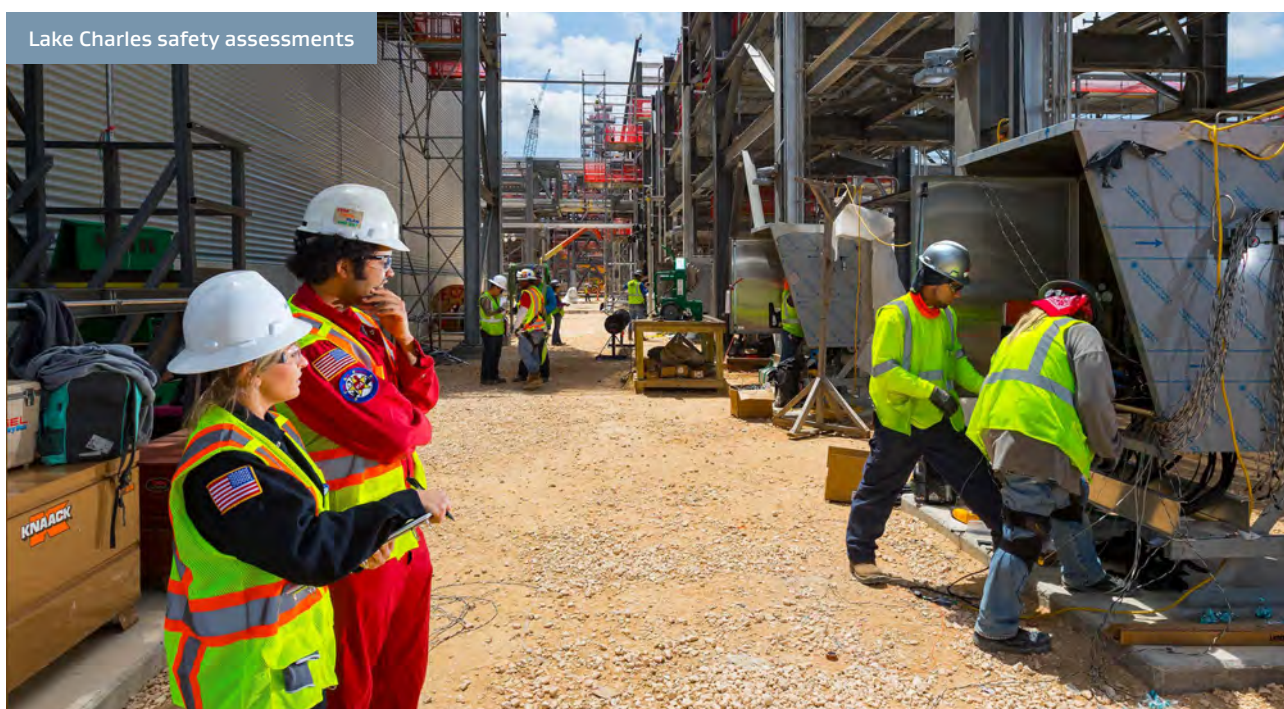
At our operations in Augusta, Italy, a joint inspection and sampling campaign was undertaken by Sasol and the authorities. The sampling results confirmed compliance with applicable limits. The annual visit by the National Environmental Control Authority occurred and the final report issued in February 2019 confirmed that no violations were identified. The National Minister of Environment (MoE) issued a request to the Augusta operations for a review of the Integrated Environmental Authorisation following the issuing of the Best Available Technique

(BAT) Reference Document which has been adopted under the Industrial Emissions Directive (IED, 2010/75/EU). This implies that new environmental operating limits could be set to ensure compliance of the plant to the new BAT. Sasol issued a proposal and engagements with the Ministry are ongoing. In Terranova and Sarroch, Italy, periodic inspections on our Environmental Permit and Emission Trading Regulations were respectively carried out. No deviation on the former was identified and one recommendation for improvement was made and implemented for the latter.

At our Brünsbuttel operations in Germany, the environmental authorities requested an external report following a flaring incident in September 2018. As a result, the flare will be upgraded. In collaboration with the authorities, agreed plant process changes will be implemented at the waste gas incineration unit to enable sustained compliance with emission limits. Also in Germany, at Marl, engagements with the environmental authorities are ongoing with regards to the perceived impact of the operations on the abstraction of water from the Rhine River for drinking water purposes. Specific dioxane waste water limits may be imposed.

#### Mozambique

In Mozambique the environmental authorities were engaged, along with the communities, to manage the risk of encroachment and excavations on flow lines. The environmental regulator in Mozambique conducted an inspection at our Central Processing Facility (CPF). In addressing the findings raised, the corrective action plan includes the upgrading of the industrial effluent plant, the installation of various monitoring points for several environmental media in the nearby communities and the enhancement of the environmental management plan to ensure comprehensive groundwater monitoring.





# Data and assurance



## Data, risk and reporting assurance

Every effort has been taken to ensure the accuracy of the reported data. We recognise that some data may be subject to uncertainty relating, for example, to different interpretations of the internal reporting guidelines and possible human error in recording and submitting data.

The continuous improvement of data quality and accuracy is receiving ongoing attention. Our Global Data Management System (SAP Sustainability Performance Management – SuPM) for key SHE non-financial performance indicators aims at ensuring the appropriate governance of our data collection process and assists in the assurance of the data collected. It also provides for the appropriate approval of data at source level. This system enables the reporting of our data at a disaggregated level by location as can be noted with the Natural Capital - Our Environmental data on pages 73 to 79.

In addition, we consistently retrain our employees on Group procedures and key performance indicator definitions. The Executive SHE Committee has regular discussions on the reporting process effectiveness and assurance of data quality issues. We have formalised and follow an internal review process of group-wide SHE and sustainable development (SHE&SD) data and have initiated a Technical Working Group to address issues and queries that may arise around this.

Selected SHE&SD data reporting processes have been integrated into the scope of second party audits. Sasol Assurance Services (SAS) has completed audits on non-financial SHE and non-SHE sustainability data. Nexia SAB&T, together with PricewaterhouseCoopers Inc. (PwC) have completed our annual external SHE&SD data assurance. SAS also provides an overall assessment of the adequacy and effectiveness of the combined assurance landscape related to data integrity. In parallel, the Risk and SHE Audit team continues to review and recommend implementation of controls and testing of this reporting process.

### Risk assurance

The Sasol SHE risk-based assurance sub-function within the Group Risk and SHE function oversees the process for provision of combined assurance for our SHE risks which includes the external certification process for our operations. External certification includes the International Organisation for Standardisation (ISO) 14001 and 9001 as well as Occupational Health and Safety Assessment Series (OHSAS) 18001 certification and third-party Responsible Care® verification audits. SHE regulatory compliance audits are also conducted to assist in compliance management and assurance in addition to the Group Compliance programme.

Most of our operations in Germany are ECO Management and Audit Scheme (EMAS) validated and our wax operations in Hamburg, Germany are Energy Management Systems (ISO 50001) certified. North American Operations are Responsible Care® (RCMS) or ISO 14001 (RC14001) certified.

### Reporting assurance

Our Sustainability Report follows the GRI's Sustainability Report Standards, including the GRI's Mining & Metals and Oil & Gas sector supplements. We apply the reporting criteria of the UNGC and this report meets the 21 advanced criteria.



We provide a detailed GRI table and a UNGC Communication on Progress at [www.sasol.com](http://www.sasol.com).

Selected performance information has been subject to external assurance as per the Assurance Report on page 81.

Inspection and monitoring of measurement instrumentation, South Africa



## Data and assurance (continued)

### Performance data

#### Human Capital – Our people

	Footnote	2019	2018	2017	2016	Level of assurance 2019
Employee numbers	1	31 429	31 270	30 900	30 100	
Employee turnover		1 780	1 560	1 523	2 624	
<b>Safety</b>						
Recordable Case Rate	2	0,26	0,27	0,28	0,29	Limited
– Employee		0,31	0,30	0,36	0,34	
– Service provider		0,22	0,25	0,23	0,25	
Lost Work Day Case Rate (LWDCR)		0,10	0,11	0,12	0,13	
– Employee		0,13	0,15	0,17	0,17	
– Service provider		0,08	0,09	0,09	0,10	
Employee and service provider fatalities		3	4	5	2	Limited
– Employee		2	3	4	2	
– Service provider		1	1	1	–	
Employee and service provider fatal injury frequency rate		0,003	0,004	0,006	0,002	
Total major and significant fires, explosions and releases	3	20	15	21	19	Limited
– Major fires, explosions and releases		1	1	–	–	
– Significant fires, explosions and releases		19	14	21	19	
Major and significant product road transport incidents		8	7	10	14	Limited
Total number of first aid cases		883	801	724	695	
Total number of person hours worked (million)		187,6	180,9	171,7	170,1	
– Employee		77,5	76	74	73	
– Service provider		110,1	104	98	97	
<b>Occupational illness</b>						
<b>Irreversible occupational diseases (IROD) have permanent health effects</b>	4					Limited
Asbestosis		–	–	2	1	
Mesothelioma		–	1	–	–	
Chronic obstructive airway disease (COAD)		21	–	6	–	
Occupational asthma (including allergic sensitisation)		1	2	1	12	
Pneumoconiosis		12	14	9	9	
Noise-induced hearing loss		31	15	21	35	
Chronic work-related upper limb disorder (WRULD)		0	–	1	–	
Other		1	5	1	–	
<b>Reversible occupational diseases (ROD) have temporary health effects</b>						
Reactive airway dysfunction syndrome (RADS)		41	40	36	26	
Tuberculosis		4	1	–	NR*	
Allergic reactions other than RADS		34	34	29	26	
Post-traumatic stress disorder (PTSD)		1	5	1	NR*	
Heat-related disease		–	–	–	NR*	
Shift worker's sleep disorder		–	–	2	NR*	
Work-related upper limb disorder (WRULD)		–	–	1	NR*	
Work-related upper limb disorder (WRULD)		1	–	3	NR*	
<b>Skills development</b>						
Total skills development expenditure (R million)		1 392	1 284	1 024	740	Limited
Investment in employee learning (R million)	5	1 272	1 128	970	678	
Investment in learning as a % of payroll		6,8	6,3	5,1	4,1	
Investment in black employees (R million)	6	978	811	500	399	
Development interventions (number of individual interventions)	7	195 888	177 717	158 796	94 208	
Investment in bursary scheme (R million)		60,8	50,5	53,0	49,22	
Undergraduate and postgraduate bursars		1 042	462	473	369	
Number of employees receiving leadership training	8	7 481	9 898	2 005	1 197	
Number of employees in Sasol's maintenance artisan learner pools		809	702	551	301	

\*NR – Not Reported

## Natural Capital – Our environment

	Footnote	2019	2018	2017	2016	Level of assurance 2019
<b>Production performance</b>						
<b>Production meant for external sale (kilotons)</b>	9	<b>18 446</b>	17 836	18 472	18 806	Reasonable
Secunda		<b>6 736</b>	6 720	6 974	7 019	
Sasolburg		<b>1 467</b>	1 585	1 561	1 461	
Mining		<b>3 209</b>	3 192	2 976	3 331	
Natref		<b>4 271</b>	3 578	3 964	4 067	
Eurasia		<b>1 277</b>	1 341	1 345	1 309	
North America		<b>688</b>	707	811	793	
Mozambique		<b>53</b>	54	64	62	
Satellite Operations, Strategic Business Units and Functions		<b>745</b>	659	776	763	
<b>Greenhouse gases (GHG) (kilotons)</b>						
<b>Direct methane (CH<sub>4</sub>)</b>	10	<b>105,04</b>	109,18	110,68	119,25	Reasonable
Secunda		<b>96,16</b>	98,34	99,52	100,10	
Sasolburg		<b>5,34</b>	7,24	7,42	10,54	
Mining		<b>3,49</b>	3,55	3,73	4,01	
Natref		–	–	–	–	
Eurasia		–	–	–	–	
North America		<b>0,04</b>	0,04	–	–	
Mozambique		–	–	–	–	
Satellite Operations, Strategic Business Units and Functions		<b>0,01</b>	0,01	0,01	4,61	
<b>Nitrous Oxide (N<sub>2</sub>O)</b>		<b>1,64</b>	1,44	0,51	0,45	Reasonable
Secunda		<b>0,90</b>	1,18	0,34	0,31	
Sasolburg		<b>0,73</b>	0,26	0,16	0,14	
Mining		–	–	–	–	
Natref		–	–	–	–	
Eurasia		–	–	–	–	
North America		<b>0,01</b>	0,01	–	–	
Mozambique		–	–	–	–	
Satellite Operations, Strategic Business Units and Functions		–	–	–	–	
<b>Direct carbon dioxide (CO<sub>2</sub>) Scope 1</b>		<b>56 004</b>	56 731	57 281	58 329	Reasonable
Secunda		<b>48 418</b>	49 411	49 284	50 152	
Sasolburg		<b>4 557</b>	4 517	5 017	5 196	
Mining		<b>16</b>	18	16	16	
Natref		<b>932</b>	791	903	938	
Eurasia		<b>610</b>	698	773	748	
North America		<b>1 163</b>	988	978	953	
Mozambique		<b>261</b>	258	260	273	
Satellite Operations, Strategic Business Units and Functions		<b>47</b>	51	51	53	
<b>Indirect carbon dioxide (CO<sub>2</sub>) Scope 2</b>	11	<b>7 653</b>	7 756	7 659	8 046	Reasonable
Secunda		<b>5 596</b>	5 580	5 598	6 089	
Sasolburg		<b>400</b>	723	527	468	
Mining		<b>726</b>	697	705	739	
Natref		<b>289</b>	248	263	261	
Eurasia		<b>108</b>	125	170	162	
North America		<b>498</b>	349	360	289	
Mozambique		–	–	–	–	
Satellite Operations, Strategic Business Units and Functions		<b>36</b>	37	37	39	
<b>Indirect carbon dioxide (CO<sub>2</sub>) Scope 3</b>	12	<b>0,05</b>	0,59	0,78	0,52	Limited
Secunda		–	–	–	–	
Sasolburg		–	–	–	–	
Mining		–	–	–	–	
Natref		–	–	–	–	
Eurasia		–	–	–	–	
North America		–	–	–	–	
Mozambique		<b>0,05</b>	0,59	0,78	0,52	
Satellite Operations, Strategic Business Units and Functions		–	–	–	–	

## Data and assurance (continued)

	Footnote	2019	2018	2017	2016	Level of assurance 2019
<b>Total greenhouse gas (CO<sub>2</sub> equivalent)</b>		<b>66 558</b>	67 412	67 632	69 250	Reasonable
Secunda		<b>56 492</b>	57 586	57 267	58 633	
Sasolburg		<b>5 297</b>	5 483	5 763	5 947	
Mining		<b>822</b>	797	807	847	
Natref		<b>1 221</b>	1 038	1 166	1 199	
Eurasia		<b>717</b>	823	943	910	
North America		<b>1 665</b>	1 340	1 338	1 242	
Mozambique		<b>261</b>	258	260	274	
Satellite Operations, Strategic Business Units and Functions		<b>83</b>	88	89	198	
<b>GHG intensity (CO<sub>2</sub> equivalent/ton production)</b>		<b>3,61</b>	3,78	3,66	3,68	Reasonable
Secunda		<b>8,39</b>	8,57	8,21	8,35	
Sasolburg		<b>3,61</b>	3,46	3,69	4,07	
Mining		<b>0,26</b>	0,25	0,27	0,25	
Natref		<b>0,29</b>	0,29	0,29	0,29	
Eurasia		<b>0,56</b>	0,61	0,70	0,70	
North America		<b>2,42</b>	1,89	1,65	1,57	
Mozambique		<b>4,92</b>	4,74	4,08	4,38	
Satellite Operations, Strategic Business Units and Functions		<b>0,11</b>	0,13	0,11	0,26	
<b>Atmospheric emissions (kilotons)</b>						
<b>Nitrogen oxides (NO<sub>x</sub>)</b>		<b>125,8</b>	146,9	151,6	155,8	Reasonable
Secunda		<b>108,4</b>	129,6	131,9	136,5	
Sasolburg		<b>14,7</b>	14,8	16,7	16,8	
Mining		–	–	–	–	
Natref		<b>1,2</b>	0,9	1,5	1,1	
Eurasia		<b>0,5</b>	0,4	0,4	0,4	
North America		<b>1,1</b>	1,2	1,1	1,1	
Mozambique		<b>0,0</b>	–	–	–	
Satellite Operations, Strategic Business Units and Functions		–	–	–	–	
<b>Sulphur oxides (SO<sub>x</sub>)</b>		<b>170,7</b>	188,6	201,6	222,6	Reasonable
Secunda		<b>146,7</b>	165,4	166,5	195,4	
Sasolburg		<b>19,0</b>	20,6	29,0	19,5	
Mining		–	–	–	–	
Natref		<b>4,9</b>	2,6	6,1	7,6	
Eurasia		–	–	–	–	
North America		–	–	–	–	
Mozambique		–	–	–	–	
Satellite Operations, Strategic Business Units and Functions		–	–	–	–	
<b>Volatile Organic Compounds (VOC) Indicator of Performance</b>	13	<b>33,7</b>	28,0	41,0	46,1	Reasonable
Secunda		<b>33,7</b>	28,0	41,0	45,2	
Sasolburg		–	–	–	–	
Mining		–	–	–	–	
Natref		–	–	–	0,9	
Eurasia		–	–	–	–	
North America		–	–	–	–	
Mozambique		–	–	–	–	
Satellite Operations, Strategic Business Units and Functions		–	–	–	–	
<b>Particulates (fly ash)</b>		<b>10,6</b>	10,2	10,0	9,8	Reasonable
Secunda		<b>9,8</b>	9,4	9,2	8,9	
Sasolburg		<b>0,7</b>	0,7	0,8	0,9	
Mining		–	–	–	–	
Natref		–	–	–	–	
Eurasia		<b>0,1</b>	0,1	0,0	0,0	
North America		–	–	–	–	
Mozambique		–	–	–	–	
Satellite Operations, Strategic Business Units and Functions		–	–	–	–	

	Footnote	2019	2018	2017	2016	Level of assurance 2019
<b>Waste (kilotons)</b>	14					
<b>Hazardous waste</b>		<b>328</b>	338	348	323	Limited
Secunda		236	253	250	243	
Sasolburg		44	46	52	47	
Mining		4	1	6	2	
Natref		24	18	20	12	
Eurasia		18	18	15	15	
North America		1	1	3	4	
Mozambique		–	–	–	–	
Satellite Operations, Strategic Business Units and Functions		1	1	1	1	
<b>Non-hazardous waste</b>		<b>237</b>	258	154	175	Limited
Secunda		127	117	52	92	
Sasolburg		45	76	26	12	
Mining		5	5	26	4	
Natref		3	1	1	1	
Eurasia		18	17	11	11	
North America		16	21	17	38	
Mozambique		–	–	–	–	
Satellite Operations, Strategic Business Units and Functions		23	17	20	18	
<b>Total waste</b>		<b>565</b>	596	502	498	Limited
Secunda		362	368	302	338	
Sasolburg		89	122	78	58	
Mining		9	7	33	2	
Natref		27	19	22	12	
Eurasia		36	35	26	27	
North America		18	22	20	42	
Mozambique		–	–	–	–	
Satellite Operations, Strategic Business Units and Functions		24	21	21	19	
<b>Recycled waste</b>		<b>105</b>	101	151	70	Limited
Secunda		33	31	68	38	
Sasolburg		21	23	22	7	
Mining		6	6	20	4	
Natref		2	–	–	–	
Eurasia		23	24	20	21	
North America		–	–	–	–	
Mozambique		–	–	–	–	
Satellite Operations, Strategic Business Units and Functions		21	17	20	1	
<b>Energy use (thousand gigajoules)</b>	15					
<b>Electricity (purchased)</b>		<b>26 225</b>	28 476	28 064	28 810	
Secunda		19 006	20 281	20 112	21 291	
Sasolburg		1 360	2 630	1 915	1 635	
Mining		2 464	2 534	2 563	2 581	
Natref		983	901	956	912	
Eurasia		708	886	1 272	1 212	
North America		1 582	1 100	1 110	1 053	
Mozambique		–	–	–	–	
Satellite Operations, Strategic Business Units and Functions		123	138	137	125	
<b>Feedstock to electricity (self-generated)</b>	16	<b>43 202</b>	42 006	45 223	46 747	Restated 2018 & 2017
Secunda		19 291	19 284	17 830	18 249	
Sasolburg		20 798	18 321	23 667	26 360	
Mining		–	–	–	–	
Natref		–	–	–	–	
Eurasia		2 129	3 466	2 744	1 166	
North America		–	–	–	–	
Mozambique		904	850	893	875	
Satellite Operations, Strategic Business Units and Functions		80	86	90	97	
<b>Feedstock to steam</b>		<b>251 513</b>	258 587	261 403	271 416	
Secunda		228 518	234 916	236 619	246 927	
Sasolburg		21 606	22 545	23 614	23 749	
Mining		–	–	–	–	
Natref		–	–	–	–	
Eurasia		1 389	1 126	1 170	740	
North America		–	–	–	–	
Mozambique		–	–	–	–	
Satellite Operations, Strategic Business Units and Functions		–	–	–	–	

## Data and assurance (continued)

	Footnote	2019	2018	2017	2016	Level of assurance 2019
<b>Mobile fuel use</b>	17	<b>590</b>	629	521	346	
Secunda		183	224	156	5	
Sasolburg		–	–	–	–	
Mining		265	240	216	218	
Natref		15	20	11	9	
Eurasia		–	–	–	1	
North America		33	–	–	–	
Mozambique		12	8	8	8	
Satellite Operations, Strategic Business Units and Functions		130	137	129	105	
<b>Stationary fuel use</b>		<b>3,4</b>	3,4	3,6	3,3	
Secunda		–	–	0,6	–	
Sasolburg		–	–	–	–	
Mining		–	–	–	–	
Natref		–	–	–	–	
Eurasia		0,4	0,4	0,1	0,7	
North America		2,2	2,1	1,8	1,4	
Mozambique		–	–	–	–	
Satellite Operations, Strategic Business Units and Functions		0,7	0,9	1,1	1,1	
<b>Fuel gas</b>		<b>68 445</b>	62 264	67 106	66 261	
Secunda		17 581	15 018	16 135	16 453	
Sasolburg		5 403	5 977	6 123	5 913	
Mining		–	–	–	–	
Natref		7 996	7 122	8 364	8 039	
Eurasia		8 623	9 106	10 765	9 681	
North America		25 017	21 172	21 933	22 036	
Mozambique		3 061	3 031	2 934	3 238	
Satellite Operations, Strategic Business Units and Functions		761	838	851	902	
<b>Other energy use</b>		<b>12 663</b>	12 134	13 038	12 770	
Secunda		8 116	6 624	6 164	5 307	
Sasolburg		323	374	1 127	2 571	
Mining		–	–	–	–	
Natref		818	648	774	1 154	
Eurasia		2 861	3 874	4 239	3 032	
North America		545	614	717	683	
Mozambique		–	–	–	–	
Satellite Operations, Strategic Business Units and Functions		–	–	17	22	
<b>Total energy use</b>		<b>402 641</b>	404 028	418 151	429 009	Reasonable
Secunda		292 695	296 285	298 436	308 405	
Sasolburg		49 490	49 847	56 446	60 229	
Mining		2 729	2 774	2 779	2 800	
Natref		9 811	8 690	10 105	10 114	
Eurasia		15 711	18 459	20 190	15 681	
North America		27 179	22 888	23 762	23 773	
Mozambique		3 977	3 889	3 835	4 121	
Satellite Operations, Strategic Business Units and Functions		1 097	1 195	1 225	1 262	
<b>Material use (kiloton)</b>	18					
<b>Coal (dry ash-free basis)</b>		<b>17 038</b>	17 474	17 961	17 963	
Secunda		17 038	17 474	17 856	17 805	
Sasolburg		–	–	105	158	
Mining		–	–	–	–	
Natref		–	–	–	–	
Eurasia		–	–	–	–	
North America		–	–	–	–	
Mozambique		–	–	–	–	
Satellite Operations, Strategic Business Units and Functions		–	–	–	–	
<b>Crude oil processed (kilotons)</b>		<b>4 749</b>	3 979	4 379	4 529	
Secunda		–	–	–	–	
Sasolburg		–	–	–	–	
Mining		–	–	–	–	
Natref		4 749	3 979	4 379	4 529	
Eurasia		–	–	–	–	
North America		–	–	–	–	
Mozambique		–	–	–	–	
Satellite Operations, Strategic Business Units and Functions		–	–	–	–	

	Footnote	2019	2018	2017	2016	Level of assurance 2019
<b>Crude oil processed (mm bbl)</b>		<b>35,1</b>	29,4	32,3	33,4	
Secunda		–	–	–	–	
Sasolburg		–	–	–	–	
Mining		–	–	–	–	
Natref		<b>35,1</b>	29,4	32,3	33,4	
Eurasia		–	–	–	–	
North America		–	–	–	–	
Mozambique		–	–	–	–	
Satellite Operations, Strategic Business Units and Functions		–	–	–	–	
<b>Nitrogen from air</b>		<b>560,5</b>	583,9	583,3	528,4	
Secunda		–	–	–	–	
Sasolburg		<b>560,3</b>	583,7	583,1	528,2	
Mining		–	–	–	–	
Natref		–	–	–	–	
Eurasia		<b>0,2</b>	0,2	0,2	0,2	
North America		–	–	–	–	
Mozambique		–	–	–	–	
Satellite Operations, Strategic Business Units and Functions		–	–	–	–	
<b>Oxygen from air</b>		<b>10 936,3</b>	11 854,8	12 872,6	12 746,8	
Secunda		<b>10 234,0</b>	10 979,0	12 059,0	11 994,0	
Sasolburg		<b>696,6</b>	869,7	813,6	752,8	
Mining		–	–	–	–	
Natref		–	–	–	–	
Eurasia		–	–	–	–	
North America		<b>5,7</b>	6,1	–	–	
Mozambique		–	–	–	–	
Satellite Operations, Strategic Business Units and Functions		–	–	–	–	
<b>Natural gas (kilotons)</b>		<b>1 871,2</b>	2 006,6	2 007,4	2 099,3	
Secunda		<b>1 194,7</b>	1 156,1	1 219,1	1 357,5	
Sasolburg		<b>663,7</b>	837,0	786,1	741,8	
Mining		–	–	–	–	
Natref		–	–	–	–	
Eurasia		<b>10,3</b>	11,0	–	–	
North America		<b>2,3</b>	2,3	2,2	–	
Mozambique		–	–	–	–	
Satellite Operations, Strategic Business Units and Functions		<b>0,2</b>	0,2	–	–	
<b>Natural gas (bscf)</b>	19	<b>90,4</b>	96,9	96,9	101,4	
Secunda		<b>57,4</b>	55,8	58,9	65,6	
Sasolburg		<b>32,0</b>	40,4	38,0	35,8	
Mining		–	–	–	–	
Natref		–	–	–	–	
Eurasia		<b>0,5</b>	0,5	–	–	
North America		<b>0,1</b>	0,1	0,1	–	
Mozambique		–	–	–	–	
Satellite Operations, Strategic Business Units and Functions		<b>0,0</b>	0,0	–	–	
<b>Other (e.g. chemicals, feedstock)</b>		<b>3 872</b>	4 071	4 123	5 841	
Secunda		<b>1 048</b>	1 120	1 076	2 795	
Sasolburg		–	–	–	–	
Mining		–	–	–	–	
Natref		–	–	–	–	
Eurasia		<b>1 288</b>	1 398	1 356	1 347	
North America		<b>1 531</b>	1 550	1 644	1 656	
Mozambique		–	–	–	–	
Satellite Operations, Strategic Business Units and Functions		<b>5</b>	4	47	44	
<b>Total material use</b>		<b>39 027</b>	39 969	42 093	44 894	Reasonable
Secunda		<b>29 515</b>	30 779	32 377	34 109	
Sasolburg		<b>1 921</b>	2 290	2 288	3 210	
Mining		–	–	–	–	
Natref		<b>4 749</b>	3 979	4 379	4 529	
Eurasia		<b>1 298</b>	1 409	1 356	1 347	
North America		<b>1 539</b>	1 558	1 646	1 656	
Mozambique		–	–	–	–	
Satellite Operations, Strategic Business Units and Functions		<b>5</b>	4	47	42	

## Data and assurance (continued)

	Footnote	2019	2018	2017	2016	Level of assurance 2019
<b>Water (thousand cubic meters)</b>						
<b>River water</b>		<b>107 405</b>	107 207	109 365	107 332	
Secunda		<b>80 776</b>	83 598	87 113	84 229	
Sasolburg		<b>22 182</b>	21 577	20 043	20 994	
Mining		–	–	–	–	
Natref		<b>2 446</b>	2 025	2 209	2 107	
Eurasia		<b>4</b>	8	1	3	
North America		<b>1 997</b>	–	–	–	
Mozambique		–	–	–	–	
Satellite Operations, Strategic Business Units and Functions		–	–	–	–	
<b>Desalinated water</b>		<b>689</b>	994	960	955	
Secunda		–	–	–	–	
Sasolburg		–	–	–	–	
Mining		–	–	–	–	
Natref		–	–	–	–	
Eurasia		<b>689</b>	994	960	955	
North America		–	–	–	–	
Mozambique		–	–	–	–	
Satellite Operations, Strategic Business Units and Functions		–	–	–	–	
<b>Potable water</b>		<b>12 685</b>	12 729	12 566	15 420	
Secunda		<b>5 887</b>	6 935	6 873	9 191	
Sasolburg		<b>2 984</b>	1 752	1 586	1 985	
Mining		<b>1 520</b>	1 495	1 782	1 899	
Natref		<b>184</b>	280	169	110	
Eurasia		<b>1 660</b>	1 591	1 439	1 549	
North America		<b>243</b>	246	238	282	
Mozambique		–	–	–	–	
Satellite Operations, Strategic Business Units and Functions		<b>206</b>	430	479	403	
<b>Other water (e.g. borehole water)</b>		<b>13 480</b>	13 514	14 241	14 731	
Secunda		–	–	–	–	
Sasolburg		–	–	–	–	
Mining		–	–	–	–	
Natref		–	–	–	–	
Eurasia		<b>6 557</b>	6 546	7 380	7 863	
North America		<b>6 838</b>	6 882	6 767	6 795	
Mozambique		85	86	94	72	
Satellite Operations, Strategic Business Units and Functions		1	1	1	0	
<b>Total water use</b>		<b>134 260</b>	134 445	137 061	138 622	Limited
Secunda		<b>86 663</b>	90 533	93 914	93 604	
Sasolburg		<b>25 167</b>	23 328	21 628	22 979	
Mining		<b>1 520</b>	1 495	1 782	1 899	
Natref		<b>2 630</b>	2 305	2 378	2 217	
Eurasia		<b>8 910</b>	9 139	9 781	10 370	
North America		<b>9 078</b>	7 129	7 005	7 077	
Mozambique		<b>85</b>	86	94	72	
Satellite Operations, Strategic Business Units and Functions		<b>207</b>	430	480	403	
<b>Liquid effluent</b>		<b>30 281</b>	29 771	29 034	27 544	
Secunda		<b>3 767</b>	3 417	3 066	4 060	
Sasolburg		<b>16 973</b>	16 477	15 220	12 821	
Mining		<b>340</b>	360	307	213	
Natref		<b>1 550</b>	1 486	1 505	1 366	
Eurasia		<b>3 671</b>	3 757	4 597	4 854	
North America		<b>3 928</b>	4 212	4 308	4 199	
Mozambique		<b>21</b>	32	–	–	
Satellite Operations, Strategic Business Units and Functions		<b>31</b>	31	31	30	
<b>Water recycled</b>		<b>177 680</b>	178 398	178 420	174 704	Limited
Secunda		<b>110 138</b>	104 131	101 599	95 047	
Sasolburg		<b>8 403</b>	7 791	9 629	8 496	
Mining		<b>3 387</b>	2 973	2 769	3 444	
Natref		–	–	–	–	
Eurasia		<b>55 752</b>	63 504	64 375	67 677	
North America		–	–	–	–	
Mozambique		–	–	49	40	
Satellite Operations, Strategic Business Units and Functions		–	–	–	–	



	Footnote	2019	2018	2017	2016	Level of assurance 2019
<b>Land and biodiversity (hectares)</b>	20					
<b>Surface area affected by operations</b>		<b>20 856</b>	19 959	19 852	13 352	Restated
Secunda		7 338	7 338	7 338	7 338	
Sasolburg		1 070	1 070	1 070	1 356	
Mining		10 595	10 580	10 580	4 592	
Natref		204	204	204	204	
Eurasia		82	90	97	–	
North America		924	34	34	–	
Mozambique		495	381	381	–	
Satellite Operations, Strategic Business Units and Functions		148	148	148	148	
<b>Area dedicated to conservation</b>		<b>6 142</b>	6 143	6 143	6 143	
Secunda		3 044	3 044	3 044	3 044	
Sasolburg		665	665	665	665	
Mining		2 051	2 051	2 051	2 051	
Natref		–	–	–	–	
Eurasia		22	24	24	24	
North America		–	–	–	–	
Mozambique		–	–	–	–	
Satellite Operations, Strategic Business Units and Functions		360	360	360	360	
<b>Land use and mining (hectare)</b>						
Underground mining area	21	27 836	27 184	29 514	28 877	
<b>Legal compliance</b>	22					
Fines, penalties and settlements (number)		–	–	1	–	
Fines, penalties and settlements (US\$m)		–	–	0,018	–	

## Social Capital – Our society

	2019 Rm	2018 Rm	2017 Rm	2016 Rm
<b>Value added statement (unaudited)</b>				
Turnover	203 576	181 461	172 407	172 942
Less: Purchased materials and services	145 061	118 720	98 697	106 473
<b>Value added</b>	<b>58 515</b>	62 741	73 710	66 469
Finance income	1 861	3 159	2 639	2 328
<b>Wealth created</b>	<b>60 376</b>	65 900	76 349	68 797
Employees	31 924	30 013	26 872	26 372
Providers of equity	11 727	9 369	9 767	12 482
Providers of loan capital (interest)	8 195	7 327	6 029	4 593
Direct taxes paid to government	5 847	6 633	7 134	8 332
Reinvested in Group	2 683	12 559	26 547	17 018
<b>Wealth distribution</b>	<b>60 376</b>	65 901	76 349	68 797
<b>Number of employees for the year</b>	<b>31 429</b>	31 270	30 900	30 100
Turnover per employee (Rands)	6 477 290	5 803 087	5 579 514	5 745 580
Value added per employee (Rands)	1 861 804	2 006 438	2 385 437	2 208 272
Wealth created per employee (Rands)	1 921 017	2 107 472	2 470 841	2 285 615
<b>Broad-Based Black Economic Empowerment (B-BBEE)</b>	<b>2019</b>	2018	2017	2016
B-BBEE verification certificate	Level 4	Level 6	Level 8	Level 8
Preferential procurement (score out of 25)	20,8	17,4	14,9	12,4
Preferential procurement (R billion) from all suppliers	48,7	44,9	38,0	17,8

## Data and assurance (continued)

### Footnotes

1. Employee numbers refers to employees that are assigned to approved Sasol organisational structure Staff Establishment positions, including permanent and non-permanent structures (project positions, non-permanent employee positions) as well as individuals that exist outside of formally approved Sasol organisational structures. These actual headcount figures are not tracked by Group Organisational Design (OD).
2. The Recordable Case Rate (RCR) is a measure for reporting work-related injuries. The RCR is the number of fatalities, lost workdays cases, restricted work injuries and medical treatment cases for every 200 000 employee hours worked.
3. A fire, explosion or release (FER) incident is registered as 'major' when it meets any of the following criteria: (i) it has a FER severity index score of 40 and greater; (ii) it results in on-site fatality or multiple hospitalisation cases, or off-site injury; or (iii) it results in direct financial loss greater than US\$ 1 000 000. A FER incident is registered as 'significant' when it meets any of the following criteria: (i) it has a FER severity index score of 26 and greater but less than 40; (ii) it results in a lost workday case (LWDC) or more serious injury; (iii) it results in direct financial loss greater than US\$ 100 000; or (iv) 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. 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. In addition, service provider illnesses have been recorded. Reversible and irreversible occupational diseases are now separated and additional reporting categories have been included to enable a comprehensive disease overview required for continuous improvement and a proactive approach in occupational health management.
5. Investment in employee learning excludes the compulsory 1% skills levy.
6. Black employees refers to African, Coloured and Indian people – for the purposes of South African employment equity considerations.
7. Investment in skills development ramped up during 2017, despite the Response Plan, as committed during 2016.
8. Post Response Plan a centralised Leadership Development Cost Centre was created intended to encourage higher participation in Leadership Development. Previously OMEs had carried the costs and had been cost conservative in their participation rates, as a result the centralisation has yielded desired results. These Leadership programmes include LEAD, LEAP, LODP, LSDP, POLC, etc.
9. Production – external sales – The boundaries of this figure only include a product that is destined for sale to Sasol customers, and does not include a product utilised or sold between the Sasol Group of companies. Stable production was experienced at Natref and resulted in increased production for external sale as compared to 2018, in which planned shutdowns occurred.
10. Greenhouse gas (GHG) emissions have been calculated and reported in accordance with the GHG Protocol ([www.ghgprotocol.org](http://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 and Sasol Exploration & Production International. 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. Our GHG emission intensity (tons CO<sub>2</sub>e per ton of production – external sales) decreased to 3,61 in 2019 from 3,78 in 2018, due to an increase in the production – meant for external sale and a decrease in total GHG CO<sub>2</sub>e.
11. The reduced indirect CO<sub>2</sub> Scope 2 emission for this year are as a result of the SSO total shutdown in September 2018, as well as less electricity purchased by SO following increased own electricity generation.
12. Indirect carbon dioxide (CO<sub>2</sub>) Scope 3 includes only the emissions as a result of the charter flights to Vilanculos, Mozambique where our Central Processing facility is located. These flights have been discontinued resulting in the significant decrease in these Scope 3 emissions. Other categories of Scope 3 emissions on page 11 of the CCR and in our CDP submission available at [www.sasol.com](http://www.sasol.com).
13. An explosion (reported as a process safety incident with no injuries) in 2018 resulted in material damage to two of the regenerative thermal oxidisers (RTOs), which has limited the envisaged reductions during the current reporting period. The remaining five RTOs were also decommissioned as a process safety measure. The impact of this unfortunate incident on the VOC target achievement is being assessed, since the RTOs play a crucial role in determining the delivery of the 80% VOC reduction target.
14. 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 on-site (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.
15. Energy use: all energy use data are calculated at the standard measurement unit in gigajoules (GJ) to ensure standard calculation in the group.
16. Feedstock to electricity (self-generated) increased as a result of additional sources such as methane rich gas. This inclusion was adjusted for previous years and resulted in the restatement of the 2017 and 2018 figures. This therefore also affects the total energy use figures for the same years.
17. Mobile fuel use increased due to increased use of vehicles during shutdowns and construction.
18. Material use: all material data are calculated at the standard measurement unit of kilotons (Kt) to enable calculation of input material across the group.
19. Natural gas (material use) stayed constant as a result of the same quality of pure-gas produced and used in the plant.
20. 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. The surface area affected by operations has been updated for the years 2017 to 2018, following an internal audit review of the land use figures. The figures have been updated to include the secondary area adjacent to the Secunda Complex primary area.
21. Underground mining area exclude pillars left underground and have been restated for the period 2013 – 2016.
22. 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.
23. The increase in the preferential procurement number is due to more new B-BBEE certificates and affidavits being received from suppliers.

## Independent Auditor's Assurance Report on the selected sustainability information in Sasol Limited's Sustainability Report

### To the Directors of Sasol Limited

We have undertaken an assurance engagement in respect of the selected sustainability information, as described below, and presented in the 2019 Sustainability Report of Sasol Limited (the "Company", "Sasol" or "you") for the year ended 30 June 2019 (the Report). This engagement was conducted by a multidisciplinary team including environmental and assurance specialists with relevant experience in sustainability reporting.

### Subject matter

We have been engaged to provide a reasonable assurance opinion and a limited assurance conclusion on the selected sustainability information listed below. The selected sustainability information described below has been prepared in accordance with the Company's reporting criteria that accompanies the sustainability information on the relevant pages of the Report (the accompanying reporting criteria).

### Reasonable assurance

Product meant for external sale	Kiloton	Group	73
Greenhouse gases: Total Greenhouse gasses (CO <sub>2</sub> equivalent)	CO <sub>2</sub> equivalent kiloton	Group	74
Greenhouse gases: Carbon dioxide (CO <sub>2</sub> ) – direct (Scope 1)	Kiloton	Group	73
Greenhouse gases: Carbon dioxide (CO <sub>2</sub> ) – direct (Scope 2)	Kiloton	Group	73
Greenhouse gases: Direct Methane (CH <sub>4</sub> )	Kiloton	Group	73
Greenhouse gases: Nitrous oxide (N <sub>2</sub> O)	Kiloton	Group	73
Greenhouse gases: Intensity	Rate	Group	74
Total energy use	Thousand GJ	Group	76
Total material use	Kiloton	Group	77
Atmospheric emissions: Fly ash	Kiloton	Group	74
Atmospheric emissions: Nitrogen oxides (NO <sub>x</sub> )	Kiloton	Group	74
Atmospheric emissions: Sulphur oxides (SO <sub>x</sub> )	Kiloton	Group	74

### Limited assurance

Recordable Case Rate (RCR), including employees and service providers	Rate	Group	72
Fatalities	Number	Group	72
Major and significant fires, explosions and releases	Number	Group	72
Major and significant product road transportation incidents	Number	Group	72
Total irreversible occupational diseases (IROD)	Number	Group	72
Greenhouse gases: Carbon dioxide (CO <sub>2</sub> ) – direct (Scope 3)	Kiloton	Group	73
Total water use	Thousand m <sup>3</sup>	Group	78
Water recycled	Thousand m <sup>3</sup>	Group	78
Total hazardous waste	Kiloton	Group	75
Total non-hazardous waste	Kiloton	Group	75
Total waste	Kiloton	Group	75
Recycled waste	Kiloton	Group	75
Skills development spend	South African Rands	Group	72
Total workforce	Number	South Africa	25

We refer to this information as the "selected sustainability information for Reasonable Assurance" and "selected sustainability information for Limited Assurance", respectively, and collectively as the "selected sustainability information".

### Your responsibilities

The Directors are responsible for the selection, preparation and presentation of the selected sustainability information in

## Data and assurance (continued)

accordance with the accompanying reporting criteria as set out on the corporate website <http://www.sasol.com/sustainability/sustainability-disclosure> (the "Reporting Criteria").

This responsibility includes:

- the identification of stakeholders and stakeholder requirements, material issues, commitments with respect to sustainability performance, and
- the design, implementation and maintenance of internal control relevant to the preparation of the Report that is free from material misstatement, whether due to fraud or error.

The Directors are also responsible for determining the appropriateness of the measurement and reporting criteria in view of the intended users of the selected sustainability information and for ensuring that those criteria are publicly available to the Report users.

### 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 practices 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.

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

### Our independence and quality control

We have complied with the independence and other ethical requirements of Sections 290 and 291 of the Independent Regulatory Board for Auditors' Code of Professional Conduct for Registered Auditors (Revised January 2018) and parts 1 and 3 of the Independent Regulatory Board for Auditors' Code of Professional Conduct for Registered Auditors (Revised November 2018) (together the IRBA Codes), which are founded on fundamental principles of integrity, objectivity, professional competence and due care, confidentiality and professional behaviour. The IRBA Codes are consistent with the corresponding sections of the International Ethics Standards Board for Accountants' Code of Ethics for Professional Accountants and the International Ethics Standards Board for Accountants' International Code of Ethics for Professional Accountants (including International Independence Standards) respectively.

The firm applies the International Standard on Quality Control 1, and accordingly maintains a comprehensive system of quality control including documented policies and procedures regarding compliance with ethical requirements, professional standards and applicable legal and regulatory requirements.

### Our responsibility

Our responsibility is to express either a reasonable assurance opinion or limited assurance conclusion on the selected sustainability information as set out in the Subject Matter paragraph, based on the procedures we have performed and the evidence we have obtained. We conducted our assurance engagement in accordance with the International Standard on Assurance Engagements 3000 (Revised), Assurance Engagements other than Audits or Reviews of Historical Financial Information (ISAE 3000(Revised)), 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 plan and perform our engagement to obtain the appropriate level of assurance about whether the selected sustainability information are free from material misstatement.

The procedures performed in a limited assurance engagement vary in nature and timing, and are less in extent than for a reasonable assurance engagement. As a result the level of assurance obtained in a limited assurance engagement is substantially lower than the assurance that would have been obtained had we performed a reasonable assurance engagement.

#### (a) Reasonable assurance

A reasonable assurance engagement in accordance with ISAE 3000 (Revised), and ISAE 3410, involves performing procedures to obtain evidence about the measurement of the selected sustainability information and related disclosures in the Report. The nature, timing and extent of procedures selected depend on the auditor's professional judgement, including the assessment of the risks of material misstatement of the selected sustainability information, whether due to fraud or error.

In making those risk assessments we have considered internal control relevant to the Company's preparation of the selected sustainability information. A reasonable assurance engagement also includes:

- Evaluating the appropriateness of quantification methods, reporting policies and internal guidelines used and the reasonableness of estimates made by the Company;
- Assessing the suitability in the circumstances of the Company's use of the applicable reporting criteria as a basis for preparing the selected sustainability information; and
- Evaluating the overall presentation of the selected sustainability performance information.

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

#### (b) Limited assurance

A limited assurance engagement undertaken in accordance with ISAE 3000 (Revised), and ISAE 3410, involves assessing the suitability in the circumstances of the Company's use of its reporting criteria as the basis of preparation for the selected sustainability information, assessing the risks of material misstatement of the selected sustainability information whether due to

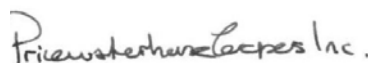
fraud or error, responding to the assessed risks as necessary in the circumstances, and evaluating the overall presentation of the selected sustainability information. A limited assurance engagement is substantially less in scope than a reasonable assurance engagement in relation to both risk assessment procedures, including an understanding of internal control, and the procedures performed in response to the assessed risks. Accordingly, for the selected sustainability information where limited assurance was obtained, we do not express a reasonable assurance opinion about whether the Company's selected sustainability information have been prepared, in all material respects, in accordance with the accompanying reporting criteria.

The procedures we performed were based on our professional judgement and included inquiries, observation of processes followed, inspection of documents, analytical procedures, evaluating the appropriateness of quantification methods and reporting policies, and agreeing or reconciling with underlying records.

Given the circumstances of the engagement, in performing the procedures listed above we:

- Interviewed management and senior executives to obtain an understanding of the internal control environment, risk assessment process and information systems relevant to the sustainability reporting process;
- Inspected documentation to corroborate the statements of management and senior executives in our interviews;
- Tested the processes and systems to generate, collate, aggregate, monitor and report the selected sustainability information;
- Performed a controls walkthrough of identified key controls;
- Inspected supporting documentation on a sample basis and performed analytical procedures to evaluate the data generation and reporting processes against the reporting criteria;
- Evaluated the reasonableness and appropriateness of significant estimates and judgments made by the directors in the preparation of the selected sustainability information; and
- Evaluated whether the selected sustainability information presented in the Report are consistent with our overall knowledge and experience of sustainability management and performance at the Company.

### Reasonable assurance opinion and limited



**PricewaterhouseCoopers Inc.**

Director: Jayne Mammatt

Registered Auditor  
4 Lisbon Lane  
Waterfall City  
Jukskei View  
2090

28 October 2019

### assurance conclusion

#### (a) Reasonable assurance opinion

In our opinion and subject to the inherent limitations outlined elsewhere in this report, the selected sustainability information set out in the Subject Matter paragraph above for the year ended 30 June 2019 are prepared, in all material respects, in accordance with the reporting criteria.

#### (b) Limited assurance conclusion

Based on the procedures we have performed and the evidence we have obtained, and subject to the inherent limitations outlined elsewhere in this report, nothing has come to our attention that causes us to believe that the selected sustainability information as set out the Subject Matter paragraph above for the year ended 30 June 2019 are not prepared, in all material respects, in accordance with the reporting criteria.

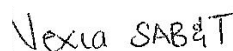
#### Other matter(s)

Our report includes the provision of limited assurance on "Total Irreversible occupational diseases (IROD)", "Recycled waste", "Skills Development Spend", and "Total Workforce". We were previously not required to provide assurance on these indicators.

The maintenance and integrity of Sasol's website is the responsibility of Sasol's 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 Sasol's website.

#### Restriction of liability

Our work has been undertaken to enable us to express a reasonable assurance opinion and a limited assurance conclusion on the selected sustainability information to the directors of the Company in accordance with the terms of our engagement, and for no other purpose. We do not accept or assume liability to any party other than the Company, for our work, for this report, or for the conclusion we have reached.



**Nexia SAB&T Inc.**

Director: Ayisha Ramasike

Registered Auditor  
119 Witch-Hazel Avenue  
Highveld Technopark  
Centurion  
0169

28 October 2019

## Additional information

Under our commitment to sustainable development as a strategic priority, the work that we do is subject to independent review. Recognitions, participation in indexes, initiatives and commitments are included below.

### Support to global and national initiatives:



### Sasol engages actively and collaboratively on sustainability issues via various fora:

- We play an active role in developing and implementing the global chemical industry's Responsible Care® initiatives, and participate in working groups of the European Chemical Industries Council (CEFIC), South African Chemical and Allied Industries Association (CAIA) and the American Chemistry Council (ACC).
  - We retain our focus on continually improving performance in line with meeting Responsible Care® management practices as a global signatory.
  - We have been a United Nations Global Compact (UNGC) signatory since 2001, and have endorsed the UNGC CEO Water Mandate since March 2008.
  - We sustain our commitment to industry best practices through our membership of the International Council of Chemicals Associations (ICCA), Chemicals Policy and Health Leadership Group (CP&HLG) and we continue to work with ICCA to promote safe chemicals management.
  - We participate in the annual climate change and water disclosures of the Carbon Disclosure Project (CDP).
  - We are a member of the National Business Initiative (NBI), of the Strategic Water Partners Network (SWPN) as well as of the South African Petroleum Industry Association (SAPIA) and Business Unity South Africa (BUSA).
  - Sasol is a member of the Minerals Council of South Africa (Mincosa), formerly the Chamber of Mines.
  - We have signed-up to the EP100 which is a global collaborative initiative on energy productivity.
  - Only African founding member to the global Alliance to End Plastic Waste, which seeks to eliminate plastic waste from the environment.
- Sasol has been independently assessed according to the FTSE4Good criteria, and has satisfied the requirements to remain a constituent of the FTSE4Good index.

## Process safety



**Sasol's US Mega Project** | Sasol started up two of the project's seven units earlier this year, with the remaining units expected to come online later this year and early next year. The project reached 96 percent overall completion as of Mar. 31, 2019.  
Discover <https://youtu.be/b5Wj00e4eHY>

## Labour



**Sasol Khanyisa** | Sasol's flagship Broad-Based Black Economic Empowerment ownership structure that holds a 25% direct and indirect shareholding in Sasol South Africa Limited (SSA).  
Discover <https://www.sasolkhanyisa.com>



**#Limitless** | Sasol in conjunction with South African Football Association (SAFA) have unveiled #Limitless, an initiative aimed at garnering more support for, and inspiring participation in, women's football. #Limitless is made-up of various programmes, designed to shine a spotlight on the sport.  
Discover [https://youtu.be/3jMRZ\\_CIR3Y](https://youtu.be/3jMRZ_CIR3Y)



**#WeAreSasol** | At the heart of the aspirational culture is the idea of accountability ("I am Sasol" and "We are Sasol") zooming in on ownership and the idea that culture is not "out there", "someone else's job".  
Discover <https://youtu.be/MUfkpVEb2bE>



**#SasolTechnoX** | Science, Maths & Technology Exhibition. Sasol hosted the 18th flagship career exhibition, Sasol Techno X, from 13 to 17 August 2018 at the Boiketlong Sport Centre in Sasolburg, Free State.  
Discover <https://www.sasoltechnox.co.za/>  
<https://youtu.be/ZAszTOGGcPk>



**#SasolBursary** | The Sasol bursary programme is a critical talent lever to enable us to meet our strategic and transformation objectives. It is a talent-based scheme for South African citizens, where applicants who meet the minimum criteria may be invited to a selection interview.  
Discover <https://youtu.be/aaLaPVF2-Ow>

## Communities and upliftment



**#SasolinSociety** | Sasol has joined forces with the Chemical Educational Foundation (CEF) to provide STEM education resources to Emerson Elementary, our Houston-based Partner in Education school.  
Discover <https://youtu.be/l3cQDj4cjKY>



Sasol's Partners in Education programme enlists employees to help students in the public school system develop life skills with an emphasis on at-risk youth. Jonathan Paiz and his mentee have forged a unique bond that underscores Sasol's commitment to serve our communities.  
Discover <https://youtu.be/PrmZcFT3ENk>



**#SasolinSociety** | Better Healthcare Fundiswa Ncubentombi Hospital.  
Discover <https://youtu.be/thjaNtvQ23o>



**#SasolinSociety** | Enabling small business in Mozambique, one of the many stories that bring to life the role we play in our key geographies. From enterprise development to investing in education.  
Discover <https://society.sasol.com/>  
<https://youtu.be/tH2tCTXugjY>

## Supply chain



**Sasol ESD** | Sasol's commitment to growing the country's SMME sector was on display at the 8th Annual Proudly SA Buy Local Summit and Expo in Sandton in March 2019. Sasol showcased 10 SMEs that are supported by providing them with the platform to promote their businesses. Among these were DM Minerals Group Pty Ltd (DM Minerals), founded by its Group CEO Doctor Motswadire in 2015.  
Discover <https://youtu.be/9BRikr00X0A>





## Disclaimer: Forward-looking statements

Sasol may, in this document, make certain statements that are not historical facts and relate to analyses and other information which are based on forecasts of future results and estimates of amounts not yet determinable. These statements may also relate to our future prospects, expectations, developments and business strategies. Examples of such forward-looking statements include, but are not limited to, statements regarding exchange rate fluctuations, volume growth, increases in market share, total shareholder return, executing our growth projects (including LCCP), oil and gas reserves, cost reductions, our Continuous Improvement (CI) initiative and business performance outlook. Words such as “believe”, “anticipate”, “expect”, “intend”, “seek”, “will”, “plan”, “could”, “may”, “endeavour”, “target”, “forecast” and “project” and similar expressions are intended to identify such forward-looking statements, but are not the exclusive means of identifying such statements. By their very nature, forward-looking statements involve inherent risks and uncertainties, both general and specific, and there are risks that the predictions, forecasts, projections and other forward-looking statements will not be achieved. If one or more of these risks materialise, or should underlying assumptions prove incorrect, our actual results may differ materially from those anticipated. You should understand that a number of important factors could cause actual results to differ materially from the plans, objectives, expectations, estimates and intentions expressed in such forward-looking statements. These factors and others are discussed more fully in our most recent annual report on Form 20-F filed on or about 28 October 2019 and in other filings with the United States Securities and Exchange Commission. The list of factors discussed therein is not exhaustive; when relying on forward-looking statements to make investment decisions, you should carefully consider both these factors and other uncertainties and events. Forward-looking statements apply only as of the date on which they are made, and we do not undertake any obligation to update or revise any of them, whether as a result of new information, future events or otherwise.

## Sasol contacts

### Postal and electronic addresses and telecommunication numbers

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Sandton 2146  
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Telephone: +27 (0) 10 344 5000  
Website: [www.sasol.com](http://www.sasol.com)

### Business address and registered office

Sasol Place  
50 Katherine Street  
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