



sasol



ENABLING OUR STRATEGY TO DELIVER VALUE

SASOL LIMITED

Sustainability Report

30 June 2018





**Stephen
Cornell**
Joint CEO

**Bongani
Nqwababa**
Joint CEO

OUR GOAL

To responsibly address our **environmental challenges** with consideration for the **interest of our stakeholders**


To uphold our **value and commitment to zero harm** by ensuring a safe and healthy workforce and reliable, safe and sustainable operations

IR Integrated Report
The Integrated Report is our primary report to stakeholders.

SR Sustainability Report
Supporting information to the Integrated Report. Prepared in accordance with the GRI Sustainability Report Standards.
Our approach of leveraging transparency via requests for access to environmental information is explained in this publication.

20-F Form 20-F
Our annual report issued in accordance with the Securities Exchange Act of 1934 in the United States of America.

AFS Annual Financial Statements
The financial statements and remuneration report, prepared in accordance with International Financial Reporting Standards.

 Supplementary information, including a glossary, acronyms and abbreviations, is available on the Sasol website. (in the downloads tab), or otherwise, as disclosed from time to time.

ABOUT THIS REPORT

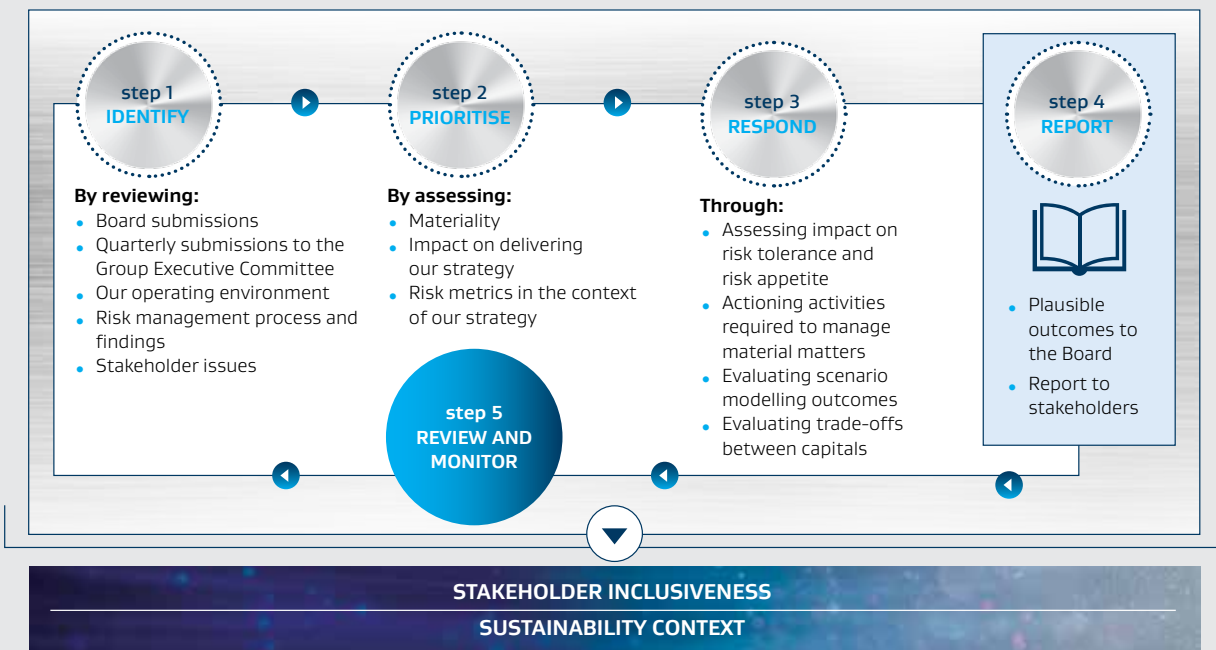
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OUR APPROACH TO SUSTAINABILITY REPORTING IS ALIGNED WITH OUR BUSINESS PRIORITIES

Our Sustainability Report covers our performance in the reporting period and reflects on our most relevant and prominent sustainability focus areas, as informed by Sasol's Material Matters.

We use the following process to manage our material matters:



Integrating Sustainability

In the Integrated Report, we provide a synopsis of the environmental, social and governance (ESG) issues that we aim to balance in the short and medium to longer term for our business. Our commitment to safety, the environment and communities shape how we manage our business and execute on our strategy to deliver sustainable growth and accelerated shareholder returns. In this report, which is supplementary to the Integrated Report¹, we share more detail on Sasol as a safe, responsible and efficient business. We explain our focus on continuously improving the way we operate to prevent incidents and to identify, minimise or avoid adverse environmental and social impacts, while using the Six Capitals to create value.

<p>NATURAL CAPITAL</p> <p>In the face of growing environmental pressures, we drive energy efficiency and look to further reduce our greenhouse gas (GHG) emissions while delivering on air quality compliance roadmaps in South Africa. We actively participate in the global dialogue on energy and climate policy.</p>	<p>SOCIAL AND RELATIONSHIP CAPITAL</p> <p>We help to develop local economies by creating jobs, sourcing from local suppliers and supporting community projects based on the needs of the local communities.</p>	<p>HUMAN CAPITAL</p> <p>Our people are at the heart of our business and we recruit, retain, develop and reward our talented people to ensure business success. To enhance employee performance, we maintain effective engagement while growing and strengthening our leadership capabilities as part of our aspirational culture.</p>
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1. Where we predominantly deal with Financial Capital, Manufacturing Capital and Intellectual Capital

Sustainability Report

Supporting information to the Integrated Report.

This report, presented as supporting information to our Integrated Report, provides a concise overview of our approach to managing our material sustainability issues, with emphasis on the strategic value of social, human and natural capital. Information which has been comprehensively addressed previously has not been repeated in this report. Similarly, relevant information contained in the suite of reporting publications is cross-referenced.

Through our Sustainability Report we seek to facilitate inclusive and meaningful dialogue for the purpose of partnering with our stakeholders.

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We communicate regularly with a broad stakeholder base on issues of significant interest or impact to them, including our performance, decisions and activities in relation to environmental, social and governance (ESG) issues. We also report on disclosure, optimisation of access to information and on stakeholder engagements.

Boundary conditions

Our sustainability overview for the period 1 July 2017 to 30 June 2018 covers the activities of Sasol's operating entities. This includes our Operating Business Units, Regional Operating Hubs and Strategic Business Units.

Data is included for our National Petroleum Refiners of South Africa (Natref) joint venture 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.

This overview focuses on issues that affect the long-term success of our business, and our impact on the economy, environment, our people and the communities in which we operate. It also focuses on issues that are important to our key stakeholders as it relates to our material matters. The process we followed in identifying our material focus areas is described in our Integrated Report.

Our Sustainability Report has been developed in accordance with the GRI Standards. We have also applied the advanced level reporting criteria of the United Nations Global Compact (UNGC), and meet the 21 advanced criteria. A comprehensive GRI table and a detailed UNGC Communication is available on our website.

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 our ESG aspects of our operations. This year, we provide an online format only, that allows readers to access the report by focus area or download it in full as a PDF. The focus stories and booklets referred to in the report can similarly be accessed or downloaded. Additional sustainability information can be found at:

www.sasol.com | [Sasol Integrated Annual Report](#) | [Employee newsletters](#) | [Investor reports](#)

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Supporting global initiatives

Sasol engages actively with a collaborative approach 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 (CEPIC), 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.
- 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 support the principles of the Extractive Industries Transparency Initiative (EITI).
- We participate in the annual climate change and water disclosures of the 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.
- Sasol has been independently assessed according to the FTSE4Good criteria, and has satisfied the requirements to remain a constituent of the FTSE4Good index.

TOPIC SELECTION FOR THE SUSTAINABILITY FOCUS AREAS






Our Sustainability Report focuses on the key sustainability challenges the company faces and shares some of the many ways we are responding.

Each year, we follow a structured approach to selecting the report’s content and confirming its validity against the Material Matters, the Six Capitals and from identifying and understanding topics that are important to our stakeholders as well as the main business challenges which Sasol has faced during the reporting period.

This assessment considers sustainability performance against the Sasol Sustainability Framework (which we introduced to you last year) and which is informed by global agendas such as the Sustainable Development Goals. We have listed the selected focus areas and topics in the order they are set out in our Material Matters, rather than prioritising them.




MATERIAL MATTERS WHICH IMPACT ON OUR ABILITY TO CREATE VALUE


 SAFETY	 MACRO-ECONOMIC ENVIRONMENT	 DELIVERING VALUE-BASED GROWTH	 HUMAN CAPITAL MANAGEMENT	 ENVIRONMENTAL SUSTAINABILITY
<p>Safety is our top priority. It is integral to our culture. Our approach to ensuring a safe workplace for Sasol’s people and our contractors is built on a strong foundation of leadership and competency and is strengthened by clear policies and procedures. We believe zero harm is possible, through a singular focus and disciplined teamwork.</p>	<p>Sasol operates in a cyclical environment which is increasingly volatile. Oil prices and foreign exchange rates continue to be influenced by a host of factors that include geopolitics. Disruptive technologies are altering the way businesses operate.</p>	<p>Through our clear strategic choices, we are well positioned to remain competitive and drive sustainable, value-based growth for all. We will deliver this by driving continuous improvement, harnessing technology and talent, developing a diverse portfolio, embracing more digital solutions and better engaging our stakeholders.</p>	<p>Effective human capital management is critical to the execution and delivery of our strategy. By promoting diversity and cultural transformation, attracting, developing and retaining high-performing people, engaging all employees and respecting human rights we are able to operate our facilities safely, reliably and sustainably, and deliver on our growth objectives.</p>	<p>In a context in which industry is increasingly being held accountable for its impact on the environment and is under pressure to deliver greater societal value, Sasol regards its response to environmental challenges not simply as a compliance obligation but rather as a business and social imperative.</p>

These topics determine the Sustainability Report’s content under the focus areas of:

SAFETY, SOCIAL AND ETHICS



- Promoting workplace safety
- Process safety
- Ensuring a healthy workforce
- Developing and retaining high performance people
- Social value
- Ethical behaviour
- Respecting human rights



Safeguarding and respecting people:
 – our employees, service providers and neighbours are fundamental to how we do business. This includes having global standards, processes and tools in place to manage safety, our people development and how we engage with communities.

ENVIRONMENTAL AND PRODUCT SUSTAINABILITY



- Environmental compliance
- Driving sustainable air quality
- Responding to climate change and energy security challenges
- Promoting water stewardship
- Driving waste and land risk management
- Ensuring product stewardship



We aim to comply with all environmental regulations, continually improve our performance, and prepare for future challenges and opportunities.



SAFETY, SOCIAL AND ETHICS

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PROMOTING WORKPLACE SAFETY

Our approach to safety

Sasol strives for world class safety performance, having recognised the impact our activities may have on the health and safety of people. Our aspirational culture and refreshed values says: “I am my team, and my team is Sasol. I care for people”. We are committed to ensuring a safe, healthy, engaged and productive workforce, with the required skills, knowledge and experience to succeed. Our safety approach is built on a strong foundation of visible felt leadership and competency, and is strengthened by clear policies and procedures.



We ensure that Safety is a top priority.



We care for our people and support their development.

Safety is integral to our culture.

“A safe work environment is a critical enabler to help us realise our aspirational culture.

Remember if you can't do it safely, don't do it!”

Affirmation of aspirational culture by Bongani Ngwababa at the Joint CEO engagement, held in March 2018 at Sasol Place

We are determined to reach our ultimate goal of zero harm and believe that our aspirational culture significantly contributes to this journey. To reach this goal, we remain focused on further strengthening our key Safety, Health and Environment (SHE) capabilities. These include ongoing management of SHE risks with a preventative mindset and accelerating the rate at which we internalise learnings, in particular from actual and potential high severity incidents.

To further improve our SHE risk results we have standardised and optimised our SHE risk management processes. Our emphasis is on identifying and understanding the SHE risks facing our organisation; managing and monitoring these risks; defining and applying effective governance and assurance processes and, ultimately, analysing and improving our SHE performance. We apply a combined assurance approach where, by means of line management oversight on control effectiveness, assurance is obtained that controls are operating effectively. This includes field verification of critical controls and verification conducted by internal as well as independent external assurance providers.

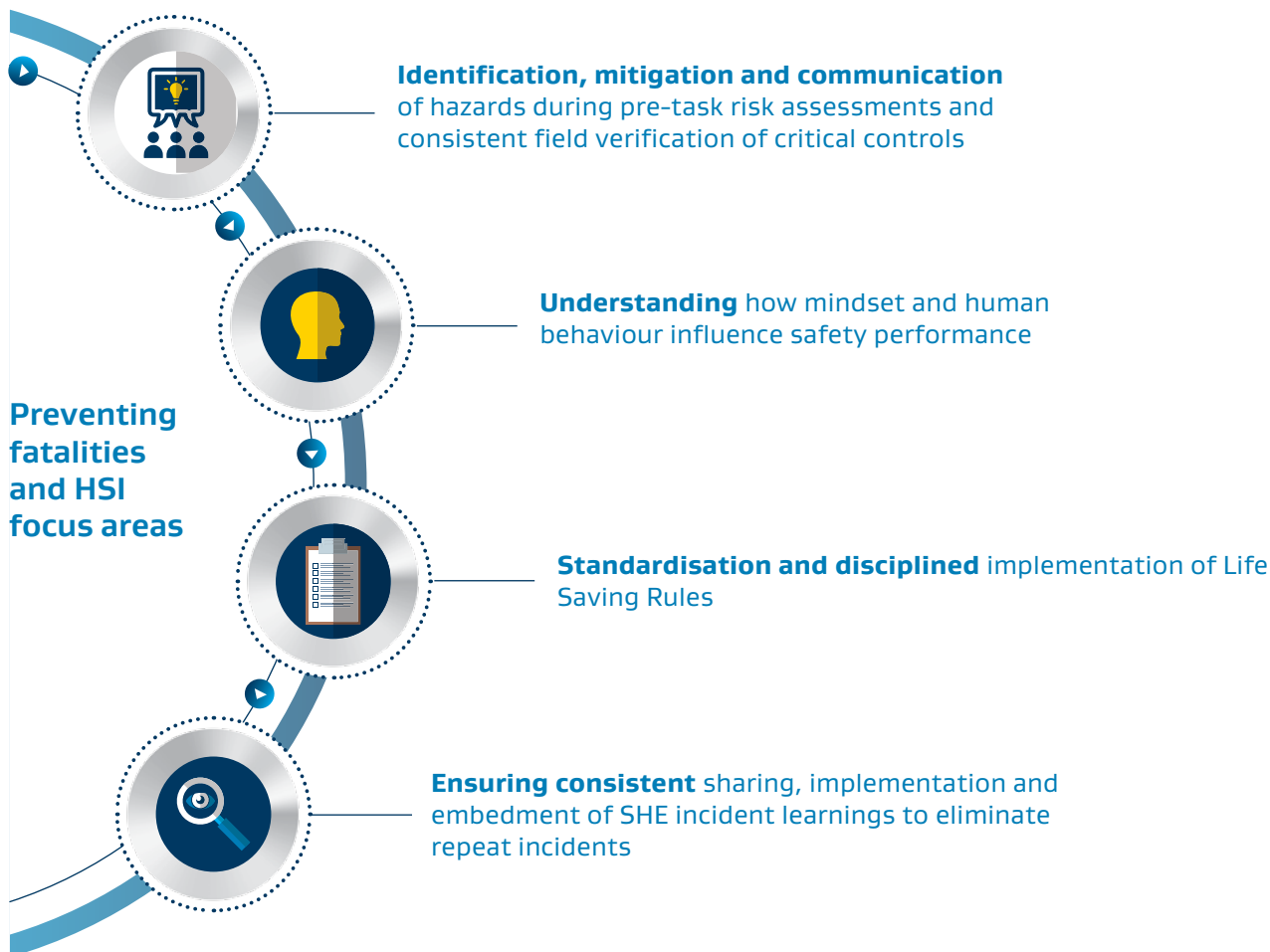
We are deeply saddened to report that we had four work-related fatalities and six high severity injuries this year. An incident, which resulted in the tragic death of an employee, was investigated as a fatality and the harm was determined to have been self-inflicted. The main learnings from this investigation were, however, taken on board and implemented with the learnings of the other tragic fatalities and high severity injuries.

Our thoughts remain with the families of the employees who tragically lost their lives in work-related incidents at Sasol this year:

- **Nelson Vilanculo** (Exploration and Production International) was fatally injured when struck by a vehicle at our Mozambique Operations on 25 August 2017;
- **Dumisani Sibanyoni** (Sasol Mining) was fatally injured when he was struck by a trailer on 6 December 2017;
- **Mandla Mahlangu** (Sasol Mining) passed away following a trackless mobile machinery incident underground on 24 January 2018; and
- **Nefthali Sepeame** (Sasol Mining) sustained fatal injuries whilst he was operating underground mining equipment on 9 February 2018.

Response to safety incidents

A senior executive safety workshop was conducted as a necessary intervention to evaluate industry best practices and strengthen the standardised approach to prevent fatalities and high severity injuries (HSI) across the Group. Four focus areas (below) were identified which form the basis of our HSI programme. By managing SHE risks, coupled with the provision of assurance that the causes of HSIs are understood and that learning from these are assimilated in our organisation, we aim to avoid repeat incidents. The HSI programme is centred on the elimination of fatalities and the prevention of HSIs as part of an intensive effort to achieve our goal of zero harm.



The implementation of the focus areas is supported by the rollout of a change management programme as well as a toolkit with performance requirements per focus area.

We believe that quick wins from the programme can be achieved with the disciplined implementation of the pre-task risk assessment and life saving rules, of which more detail is shared below and on the following page.

Pre-task risk assessment:

Before the task begins, supervisors check in with their teams to evaluate employees' emotional well being .	Employees with well being concerns are supported to ensure they are not at risk when executing tasks.	Supervisors share learning from previous tasks and ensure team members' understanding of relevant life saving rules and critical controls.	A formal pre-task risk assessment is done for high risk tasks, or a verbal pre-task risk assessment is conducted for low risk tasks.	During task execution, focus is given to life saving rules and critical controls .	The task is stopped when the risk changes or an incident occurs and a new pre-task risk assessment is conducted.	After the task, lessons learned during execution and from near misses are shared and evaluated.
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Life Saving Rules:

Our twelve Life Saving Rules were benchmarked internally and externally and revised as a specific set of easily understood and recognised rules. These rules drive the desired leadership and safety behaviour of all our employees.

Measuring our safety efforts

Sasol this year again allocated 70% of the annual safety short-term incentive (STI) target to pro-active, leading indicators against which performance is rewarded or penalised, as the case may be. In addition to the leading and lagging indicators, a modifier penalty for fatalities is applied on the total incentive so that there is a direct link between the safety record achieved and the manner which senior management is rewarded. Measuring in this way reflects how we are focusing safety performance on proactive initiatives under the STI. This is done to help us continuously improve and adapt, translating our strategic agenda into objectives and targets geared for SHE Excellence. It is encouraging to report that the Group recordable case rate (RCR) has improved to 0,27 from 0,28, our lowest level yet. The lost workday case rate improved to 0,11 from 0,12. We had six high severity injuries in 2018 which is equal to the 2017 results.



To view our life saving rules and rollout video, click here

Process Safety

Over and above the four HSI focus areas, Sasol continues to drive process safety. The decreasing trend in the number of significant fires, explosions and releases (FERs) and in the severity rate of FERs continues to show improvement over the last five years. This can be attributed to the following:

- the **identification** of critical controls related to loss of containment;
- **focusing** combined assurance on critical control effectiveness;
- **implementing** a management system for process safety leading and lagging indicators; including for process safety critical equipment;
- **improving effectiveness of** root cause analysis for high severity process safety incidents; and
- **sharing of learnings** for actual and potential high severity process safety incidents.

There was one major and 14 significant process safety incidents in 2018 against our target of fewer than or equal to 19 incidents. This compares favourably with 21 significant incidents in 2017.

The programme of training front line supervisors and employees on Process Safety Management (PSM) is showing good results. Similar training programmes for PSM specialists in Process Hazard Analysis Leadership, Layer of Protection Analysis and FER Incident Investigations have contributed to increased capacity and capability.

ENSURING A HEALTHY WORKFORCE

We apply a holistic approach to employee health and wellbeing. Through our risk-based, integrated occupational health and wellness framework, we aim to achieve long-term health and wellness performance, thereby maintaining a healthy workforce that is able to work safely and productively for the duration of their careers.

REDUCING OCCUPATIONAL EXPOSURE

One of our key objectives is to manage our employees' occupational exposure. We do this by identifying health hazards and assessing the risk to health. We also quantify relevant exposure to either eliminate or reduce such exposure to chemical and physical health stressors through specific controls in the workplace.

Our risk-based approach also allows us to evaluate, analyse, monitor and manage long-term exposure to occupational health stressors and provide preventative measures for a range of occupational health risks. This includes a hierarchy of controls for known exposure, from at-source elimination through engineering design, to exposure reduction strategies, including administrative controls and the provision of suitable personal protective equipment.

SUPPORTING HEALTH AND WELLNESS SERVICES

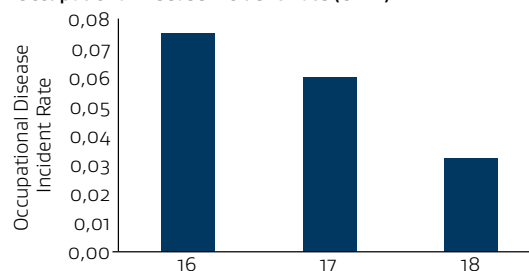
An occupational health system enablement project was launched for our Southern African operations. Its objective is to support health and wellness services through an integrated risk-based management system. Organisational health performance profiles, based on key industry leading and lagging health and wellness indicators, will now be made possible using accurate data. In turn, this informs continuous health and wellness improvement initiatives towards maintaining a healthy workforce.

Governance on occupational health has also been optimised through the setting of performance requirements and facilitating integration into other business areas.

MANAGING OCCUPATIONAL HEALTH

We seek to manage and prevent occupational, work-aggravated and lifestyle diseases. To achieve this, we focus on the early detection of occupational diseases, and aim to reduce incapacities due to work related and lifestyle diseases. Our **injury on duty** and medical emergency management programmes include medical emergency response planning.

Occupational Disease Incident Rate (ODIR)



In the reporting period, further improvement was recorded in the number of statutory reported occupational diseases, down to 29 from 39 in the previous financial year. This contributed to an improved occupational incident rate (ODIR) of 0.03.

This downward trend can be ascribed to a variety of factors which includes the application of coal dust suppression initiatives at our mining operations. The deployment of engineering, administrative and personal protective equipment controls resulted in meeting our equipment-noise reduction milestone targets. As a leading indicator to prevent future occupational diseases from occurring, we continue to identify and monitor non-reportable work related noise induced hearing loss cases. We also continue to closely monitor occupational and biological exposure for potential and known exposure to identified carcinogens and teratogens within the petrochemical environment. In our medical surveillance processes, we have improved proactive diagnostic screening. This, together with our improved understanding of noise effects and insights from dust monitoring, delivers an optimised control regime.

Importantly, we retain our ongoing focus on hearing conservation and dust suppression initiatives for our operations. This is to ensure mitigation of noise-induced hearing loss (NIHL) and lung disease (predominantly coal-worker's pneumoconiosis at our operations in South Africa), with these being the most frequently reported occupational diseases across the Group.

Enabling employee wellness

Sasol's wellness vision is to provide an infrastructure for wellness related benefits that supports our employee value proposition. We aim to optimise the wellness of our employees with a multidimensional approach, including information sharing, education and empowerment of employees so that they can ultimately take responsibility for their own wellness.

Our three wellness-focus areas with underlying components are as follows:



Components:

- HIV/AIDS (see our HIV Wellness focus story)
- Lifestyle diseases
- Health plans



Components:

- Employee assistance programme
- Financial wellness



Components:

- Absenteeism management
- Death benefits
- Disability benefits
- Retirement plans

Supporting health and wellness services

An occupational health system enablement project was launched for our Southern African operations. Its objective is to support health and wellness services through an integrated risk-based management system. This system will provide accurate data derived from key industry leading and lagging health and wellness indicators, which will enable the development of an integrated health profile for our South African operations. We have optimised our governance approach for occupational health to include the setting of performance requirements and the integration of health with other business areas such as wellness and human resources. Overall, this will achieve sustainable long-term health and wellness performance.

Occupational Health Governance Framework

Our Occupational Health Governance Framework helps position integration to deliver sustainable health and wellness results.



* Medical emergency response plan

DEVELOPING AND RETAINING HIGH PERFORMING PEOPLE

Attracting, developing and retaining high performing people is fundamental to creating value. We are committed to fostering positive relationships with our employees, developing our leadership capacity, promoting a culture of diversity and developing talent and critical skills.

OUR 2018 PERFORMANCE AT A GLANCE

Employees



Total employee turnover rate



Absenteeism rate



Adherence rate to our employment equity targets in South Africa

Investments

R268 million

in bursaries, learnerships, apprenticeships and internships

R102 million

on graduate professional development programmes



Employee training

1 665 learners, apprentices and internships

26 757 employees participated in our internal learning and development programmes

9 898 employees received leadership training



GROWING CRITICAL SKILLS

Across our global operations we build and sustain a talent pipeline through our bursary and learnership programmes whilst actively monitoring employee turnover to enable a sufficient supply of critical skills for our operations. In South Africa, Sasol has pledged commitment to the national Youth Employment Service (YES) campaign which is a partnership between government and corporates to drive capacity to shift South Africa's narrative towards one of growth and optimism by providing employment opportunities for the youth in our country. In Mozambique, management placed more emphasis on driving localisation and critical skills development to ensure sustainability of operations.

PROMOTING ORGANISATIONAL CULTURE AND DIVERSITY

We launched our vision and purpose together with our refreshed values and aspirational culture. These building blocks pave the way for the exciting next phase in our organisation's culture transformation journey. Integral to our aspirational culture is that we value and promote diversity and inclusion. Our diversity 10-point plan continues to provide a set of qualitative measures designed to enable the achievement of our objectives in meeting our Employment Equity targets, including the recruitment, development and retention of candidates from under-represented groups, as well as measures to enhance gender equity. We launched "Let's talk about women in Sasol", to encourage all of us to talk openly and honestly about how we can accelerate progress on gender equity. In South Africa, the appointment of persons with disabilities has been included as a measurement on our people scorecard. Nearly four years since we launched a programme to develop women in North America, we are proud to have doubled our female workforce in our North American Operations. The programme has been designed to touch each workforce development pipeline entry point and includes university partnerships and scholarship funding. In Eurasia, we also continue to focus on gender diversity and driving women empowerment strategies that are fit-for-purpose and these are progressing well according to plan.

DEVELOPING LEADERSHIP CAPABILITY AND CAPACITY

We have critically reviewed our leadership approach and engaged our leaders to redefine the leadership style and approach we believe will be instrumental in bringing our aspirational culture to life. Our refined leadership style comes to life in the way we lead and how we live the values of the organisation. By inspiring high performance, promoting innovation and becoming multipliers of people performance, which is being embedded through the LEAD Sasol programme, we endeavour to build a resilient organisation. In this vein, we also placed more emphasis on the roll-out of multiple leadership development programmes, with particular emphasis on frontline leadership capability building to strengthen the relationship with our employees.

DEVELOPING GLOBAL TALENT

Our global talent forums are well embedded in the organisation and provides a clear overview on key and critical talent segments. This also helps us with the integration of our global talent development programmes. Specific focus has also been placed on the rotation of Young Professionals through our global mobility programme, as well as development opportunities for our Young Engineers and our Learning, Experiencing, Accelerating Potential (LEAP) participants. These participants are selected for their potential to develop into senior leadership roles in the organisation. This development programme includes placement into a full-time job for a defined period to gain practical experience.

ENSURING LABOUR STABILITY AND EMPLOYEE PRODUCTIVITY

Sasol recognises the right of employees to collective bargaining and to freedom of association in accordance with all relevant labour legislation. We maintain constructive and healthy relationships with all representative trade unions and works councils across our regions namely; South Africa, Mozambique, North America and Eurasia respectively. These stakeholders retain consultative or negotiating powers on issues of mutual interest. In an endeavour to further embed operations stability and employee productivity improvement, we have focused on the effectiveness of our partnership forums to collaborate on the delivery of our business objectives. Further, we have also delivered multi-year wage agreements across most of our regions. Finally, across our global operations, focused attention has been placed on heightened employee engagement and strengthening the relationship with our employees. In this regard, specific interventions have been rolled out to empower our leaders, with particular emphasis on frontline leadership capability building to improve connectivity with our employees.

EMPLOYEE WELLBEING

In order to improve the well-being of our employees, specific interventions namely; affordability assessments, financial management and debt counselling programmes were implemented with the aim of enhancing the quality of life of our employees so that they are more focused and productive. During 2018, the organisation further launched a **Quality of Life Survey** for our South African employees. The survey outcomes will enable the organisation to review and align our benefit structures to better address the needs of our employees and improve their experience with the organisation. In essence, the survey assessed the current living standards of our employees and which of our benefit offerings are most and least valued. This initiative placed the organisation in a better position to review our employee value proposition journey.

SOCIAL VALUE

STRENGTHENING OUR POSITION AS A CREDIBLE STAKEHOLDER PARTNER

Effective stakeholder engagement is fundamental to delivering our strategy and creating value for all stakeholders.

<p>KEY MESSAGE</p> <hr/> <p>WHY STAKEHOLDERS MATTER</p> <p>Our success and the sustainability of our business depends on the support of our stakeholders. The process of protecting, creating and growing value is advanced through our relationships with key stakeholders, making it a business imperative to understand and be responsive to their needs and interests.</p>	<p>OUR STAKEHOLDER APPROACH OBJECTIVES</p> <p>Position Sasol to be experienced as a credible partner and build trust with all our stakeholders.</p> <hr/> <p>Make meaningful socio-economic impacts in the countries and communities in which we operate.</p>
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In South Africa, in an effort to build trust and win support, we conducted an external stakeholder perception audit and listening exercise focusing on government, non-governmental organisations and fence-line communities. We used this feedback to map a journey to 2022 and beyond to redefine our relationship goal.

Key factors that emerged:

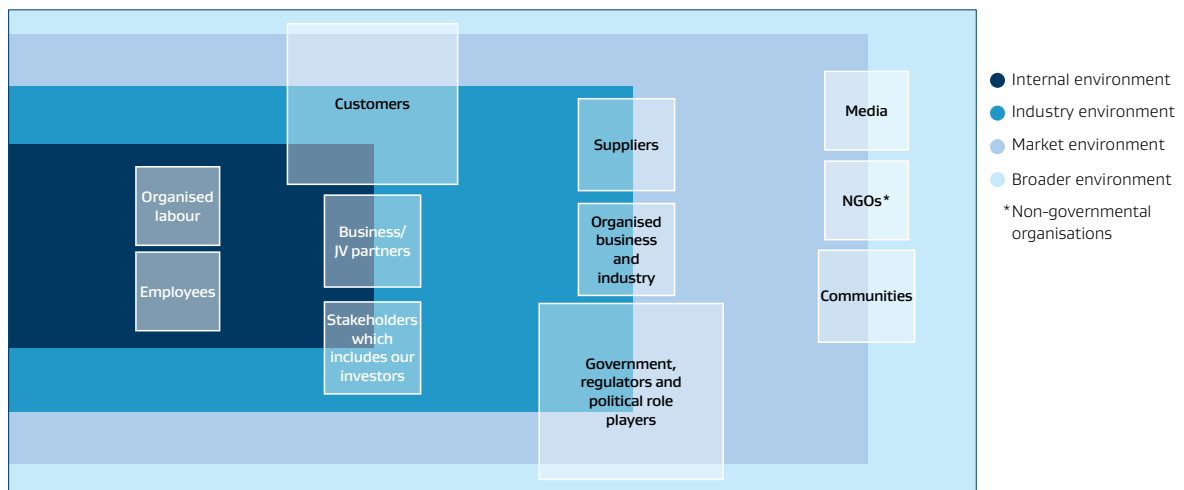
<p>Our stakeholders are diverse, and localised solutions are important to remain relevant and have impact.</p>	<p>We need to focus on contributing towards improving the quality of people’s lives, primarily by enabling meaningful economic participation, especially of fence-line communities.</p>	<p>Good governance and leadership with integrity are important.</p>
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Our stakeholders

Our stakeholders are persons or groups who are directly or indirectly affected by our operations, as well as those who have interests in our business and/or the ability to influence outcomes.

Sasol has a complex network of stakeholders, often with competing interests that include local communities, national, provincial or local government authorities, politicians, religious leaders, civil society organisations and groups with special interests, the academic community and media. In addition, they include employees, investors, suppliers, customers and business partners.

Our stakeholders include the following:



We are determined to use the reach of our business to create opportunities in the areas where we operate.

SASOL'S PROMISE TO SOCIETY

We recognise that in today's world, stakeholder engagement is about working collaboratively with stakeholders to find solutions for more inclusive economies. As a global firm with strong roots in South Africa, our promise to society is that we will seek to employ inclusive and sustainable business practices that enable development in the geographies and communities where we operate. Our products touch and enhance the quality of people's lives every day and we see great potential to do more to enable economic development. In addition, using our extensive value chain, we commit ourselves to facilitating inclusive and local supply chains, enabling local economies and the development of critical skills.

OUR RESPONSE TO OUR STAKEHOLDERS PRIORITIES

Sasol has a number of fence-line communities globally. There are growing expectations from communities that Sasol contributes to lowering unemployment and enabling meaningful economic participation by creating opportunities in its value chain, particularly in South Africa and Mozambique.

Community stakeholders have an increasingly important role, specifically in the environmental space with the power to impact Sasol's ability to do business.

A multi-pronged and multi-year, integrated response to community development aimed at enabling economic access is in place. This response consists of the following:

- Effective Social Investment programme as indicated below.
- Community engagement – Proactive multi-stakeholder engagements to agree on development priorities. Engagements to build the knowledge base of our stakeholders on top priority issues.

In addition, an integrated, organisation-wide programme is in place to enhance Sasol's reputation with all stakeholders, comprising:

- Delivery on our commitments;
- Changes to Sasol's culture and ways of working as it relates to stakeholders;
- Measurement and reporting on reputation performances; and
- Ensuring Sasol's value proposition to its stakeholders is developed and that we are embedded in conversations on topics that matter to stakeholders.

2018 SOCIAL INVESTMENT HIGHLIGHTS

Benefited **907** students through the Sasol bursary programme

During 2018 we increased the total Group Social Investment spend globally by 21% since 2017 to a total spend of

R817,7 million

Increased access to HIV/Aids HEALTHCARE facilities in Southern Africa to over

380 000 community members

Increased the Sasol Siyakha Fund loan book to

R301,7 million and loans were granted to 91 SMMEs since 2008

- As in previous years, our **2018 Social Investment spend** in globally, exceeded the South African best practice of **1% of net profit after tax**.
- Increased reach of our **STEM education support programmes in South Africa and Mozambique** to **6 million learners**, students and teachers.
- Enabled a step change in our **early childhood development (ECD) programme**.
- Over **2 800 Sasol employees** are registered in Sasol for Good employee volunteering activities, benefiting 220 000 people and reaching 497 causes.

2018 ENGAGEMENT WITH OUR STAKEHOLDERS

Aligned with our strategy, we continue engaging our stakeholders through a multi-stakeholder engagement approach.

Our 2018 stakeholder engagement plan was informed by Sasol and stakeholders' priority issues. We responded to stakeholder concerns while also progressing strategic business issues, and working to proactively build more trust-based relationships. We engaged with communities, environmental non-governmental organisations, Parliamentary Portfolio Committees, ministers, government officials, the media, as well as Sasol employees.

Quarterly, we track the commitments we have made to stakeholders, specifically in South Africa and Mozambique. This allows management to ensure that we continue to progress in meeting these commitments. Most of our initiatives to meet these commitments are on track.

Government

During the year, we continued to participate and support national conversations aimed at improving the economic trajectory in South Africa and Mozambique. We participated in a number of global leadership forums and continued to maintain good working relationships with governments and regulatory authorities in the countries in which we operate.

In South Africa, Sasol is actively engaged in the 2030 scenario work and has contributed to a national small business fund. We are also an early-adopter in the Youth Employment Service Initiative to provide work opportunities and training to 1 000 youth over a four-year period. Sasol is a member of the task team focusing on the economic rejuvenation of the Vaal Triangle.

We have embarked on an intensive engagement plan with key stakeholders to find sustainable solutions to issues related to the environment as well as our contribution to transformation in South Africa.

On 6 February 2018, we inaugurated our R13,6 billion FTWEP plant in Sasolburg. Together with our French partner, Air Liquide, we hosted the Minister of Environmental Affairs, Ms Edna Molewa, who inaugurated the €200 million, 17th oxygen train at our Secunda complex on 26 March 2018. Post year-end, on 5 July 2018, the Minister of Mineral Resources opened the Shondoni Mine in Mpumalanga as part of our R14 billion mine replacement programme.

Sasol has demonstrated our commitment to Mozambique through participation in the **Advancing Mozambique** campaign as a key investor. Through these types of platforms, we promote Mozambique as an attractive investment destination, and openly stated our commitment to Mozambique for the long term.

In addition, we focused on maintaining good working relationships with government authorities in the countries in which we operate, keeping them informed of our activities, ongoing projects and key concerns as well as engaging on a wide range of policy, regulatory and licensing issues.

Employees

This year reflected a step change in employee engagement. Our Joint CEOs undertook numerous site visits and held town hall sessions with employees at our various operational sites and offices in the US, Europe and Southern Africa. Information shared at these engagements covered several strategic focus areas for the organisation, including safety, Sasol's strategy and annual priorities, culture transformation and broad-based black economic empowerment (B-BBEE) in South Africa. Surveys conducted after these engagements indicated that employees are mostly satisfied with the quality, relevance and range of information shared by the Joint CEOs, and that the sessions had improved their understanding of our business.

We have had extensive engagements with employees on Sasol Khanyisa, explaining the significant opportunities it will create for Sasol, the community and our employees. At the same time, we've emphasised our commitment to being a best-in-class employer with meritocracy based business practices which reward our entire employee base, regardless of race, ethnicity or gender, through our reward and benefit structure. Due to the design of Sasol Khanyisa, it is considered an ownership structure and does not form part of our Sasol benefit structure.

We have made great progress with our Sasol for Good employee volunteering programme. Employees from a wide range of professional backgrounds have pledged 3 000 hours over the past year making a real impact across a range of worthy projects.

Community

Sasol is a significant employer and investor in the health, education and skills of local communities across Southern Africa in partnership with local authorities, NGOs and the business community.

As public services come under extreme pressure, we know we have to find new ways to listen, collaborate and invest to play a positive role in the priorities of these communities. Our focus is on improving service delivery, access to health services as well as significant investments in education and skills development. In response to community concerns and needs, we have made a concerted effort to enhance our small business development value proposition. The Sasol Inzalo Foundation bursaries have now been expanded to include non-science, technology, engineering and mathematics qualifications.

Regarding service delivery in our fence-line communities in South Africa we remain concerned about the effectiveness of local government in delivering required services. While we continue to support service delivery effectiveness, we recognise that more sustainable solutions to local government effectiveness must be found.

In South Africa Sasol engages with communities to address concerns raised and co-create sustainable solutions to some

of the more difficult challenges. During the year, we have had a number of engagements with local economic development and community forums focusing on finding ways in working together to address local challenges. We have also engaged on a national level to explore how Sasol can support local government to be more sustainable.

Engagements have focused on community development, local government collaboration on infrastructure projects, as well as our offset projects aimed at improving air quality.

In Mozambique, engagements with our Community Liaison Forum focused on ensuring fair job allocation amongst communities and to finding solutions to issues of mutual interest.

Our North American operations have developed regional social investment signature projects based on feedback received from a wide spectrum of community stakeholders, as well as Sasol employees. These initiatives are built on a foundation of partnerships with local residents and community organisations that have a vested interest in the success of the programmes.

Finally, a number of programmes have been developed in Qatar, including Definitely Able and Accessible Qatar, focusing on inclusion and awareness of the disabled community in society.

Media

There continues to be strong media interest in Sasol across a range of issues that span our entire business, including strategy, capital investments, operations and financial performance. To strengthen relationships and improve the media's understanding of our organisation, a number of roundtable discussions were held on (i) our new B-BBEE ownership scheme, Sasol Khanyisa (ii) our refined value-based growth strategy and (iii) the changing environmental landscape in South Africa.

This year, we built relationships with top tier media companies in both the UK and US markets. We continuously monitor coverage of Sasol on a global basis and measure sentiment to identify reputation risk affecting the organisation.

Capital Markets Day

In addition, in 2018 we engaged investors on our new B-BBEE ownership scheme, Sasol Khanyisa, and shared our refined value-based growth strategy through our capital market days held in Johannesburg (South Africa) and New York City (US).

Investors

Regular engagements with large institutional investors held through bi-annual roadshows and conferences held in South Africa, the UK and the US.

INCREASING LOCAL CONTENT AND ADDRESSING SOCIAL CHALLENGES

Our preferential procurement practices and local content requirement prerequisites in the areas we operate provide us with an opportunity to drive local requirements and, in South Africa, provide a specific focus on social and economic transformation within our sphere of influence.

MANAGING OUR SUPPLY CHAIN EFFECTIVELY

Our Supply Chain function (Supply Chain) is responsible for ensuring the sustainable supply of utilities, goods, services and products for our business. The Supplier Management process facilitates ethical, fair and equal treatment of suppliers and the continuous improvement of our integrated value chain to deliver optimum value to the benefit of Sasol.

Supply Chain has implemented the Supply Chain Governance Framework, which has a specific focus on supplier management. On an annual basis, all our supply chain employees are required to declare their support and commit to diligent behaviour to prevent any form of bribery and corruption. Employees are also trained regularly to ensure the understanding and implementation of anti-bribery and corruption (ABAC) practices. We have also implemented processes for ABAC practices in our dealings with suppliers.

To deliver greater value to our communities, our small business development programmes have been relocated to our Supplier Management and Transformation department within Supply Chain in order to ensure integration with the broader supply chain and grow our preferential procurement base, rather than dealing with them as an aspect of Corporate Social Investment.

ENSURING ECONOMIC TRANSFORMATION

The economic transformation strategy is focusing on procurement practices towards local content requirements in South Africa, and provides a valuable opportunity to drive social and economic transformation. We have a deliberate focus on economic transformation in South Africa in order to provide meaningful and sustainable mainstream business opportunities for previously disadvantaged businesses and communities. We do this with the intention of creating and utilising an equitably representative supplier base, particularly in the regions in which we operate. We have made good progress with regards to Broad-Based Black Economic Empowerment (B-BBEE).

We have implemented a fence-line community supplier strategy to accelerate the achievement of our preferential procurement targets towards exempted micro-enterprises (EMEs) and qualifying small enterprises (QSEs). Furthermore, our enterprise and supplier development teams will continue to provide new and existing suppliers with targeted interventions and financial support aimed at enhancing their business and improving the skills level of suppliers.

OUR AIM

To create meaningful opportunities for transformed businesses to work with us.

To accelerate the development of small transformed businesses.

THE ASSOCIATED RESULT



2018 HIGHLIGHTS AT A GLANCE



Supplier technical and safety audits conducted based on standard Sasol supplier requirements.



Suppliers have been trained on the Supplier Code of Ethics and ABAC requirements.



Preferential procurement expenditure in the Sasolburg and Secunda regions up from R2,6 billion in 2017.

A large number of opportunities have been identified in the economic transformation environment and to date

30 contracts have been assigned to suppliers in the different regions.

Managing our suppliers effectively

In line with our ABAC policy, a set of commitments, principles and standards have been implemented as part of the Sasol supplier application and verification process. These will be fully implemented over a 36-month period to ensure ABAC compliance as per the Foreign Corrupt Practices Act (FCPA), UK Bribery Act and the UNGC Guidelines.

We have implemented a process, which screens existing and new suppliers to ensure that they are legally compliant in terms of the Sanction Screening Legislation. Screenings are also being performed on supply purchase orders and deliveries from suppliers. Further, we have engaged with suppliers who deviate from, or do not support, our supplier code of ethics. Our aim is to achieve a commitment to acceptable levels of ethical behaviour and suppliers are being trained on the specific requirements contained in the code.

Suppliers need to be Occupational Health and Safety Assessment Series (OHSAS) certified and compliance with prescribed environmental standards is a requirement in the supplier accreditation protocol. Suppliers are required to have procedures and records in place for recording and investigating non-conformances to indicate immediate actions taken to avoid problems pending further investigation.

During the supplier application process, all suppliers need to agree that they will comply with the minimum standard set for supplier safety management. Suppliers agreed to the SHE requirements as part of their contractual commitment. ESG compliance audits are conducted on an *ad hoc* basis with our material suppliers.

Further we conducted a supplier risk analysis to identify potential risks to reliable supply and preventative mitigation actions have been implemented in areas of high risk exposure. A number of risks and mitigation actions have been addressed to ensure continued and uninterrupted support to our business.



ETHICAL BEHAVIOUR

Promoting high ethical standards and combating 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 for the Group in February 2018. At least every two years, senior and middle management, as well as employees identified as being in potentially exposed positions, are required to formally certify 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 in South Africa protects whistle blowers when making a 'protected disclosure' (disclosure). Managers must act in accordance with these provisions when encountering whistle blowing. At Sasol, a disclosure made to the Sasol EthicsLine (our independently managed anonymous reporting facility), to a legal adviser to obtain legal advice and to an employer in accordance with any agreed procedure, is protected. Certain disclosures made to external parties are also protected.

Training policies and processes

Ethics training is given to all new and existing employees across the Sasol Group. During 2018 a total of 1247 new employees received ethics related training by the Group Ethics Office. In addition, Sasol has trained a total of 328 learners on ethics during the period. The Group Ethics Office also supported the Assurance Services Function in a drive to encourage ethical conduct. A training course called Exploring Ethics and Economic Crime was attended by 1 014 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 four Ethics Officers were appointed and trained. Further, 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 57 officers receiving training this year.

SOCIAL ETHICS LINE AND INVESTIGATION ACTIVITY

- During 2018, **651 calls** were made to the EthicsLine, many of which had multiple allegations of ethics breaches. This represents an increase from the 482 calls reported in 2017. The additional calls are mainly related to an increase in cybercrime of a nature where unknown persons attempt to extract money from the public through 'request for quote', and employment scams.
- Of the **287 substantiated allegations**, 61% related to dishonesty, 16% to irresponsibility, 12% to unfairness and the remainder to disrespect.
- The Group Ethics office provides **assurance that appropriate corrective actions are taken** on ethical transgressions. **In 14 instances the investigations or disciplinary processes resulted in service terminations.** These related to behaviour such as fraud and misrepresentation, falsification, assault and disorderly conduct, legal and policy non-compliance, theft and unsatisfactory performance. A total of 55 allegations resulted in verbal-, written-, serious- and final warnings.



substantiated allegations in 2018.



substantiated allegations in 2017.



RESPECTING HUMAN RIGHTS

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

Meeting our human rights commitments

Our policy on respecting human rights is incorporated in our Code of Conduct and is guided by the United Nations Guiding Principles on Business and Human Rights, the International Bill of Human Rights, the International Labour Organization's Declaration on Fundamental Principles and Rights at Work and the Sustainable Development Goals (SDGs), namely SDG 3 (Good Health and Wellbeing), 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. We conduct human rights due diligence reviews of new business opportunities with the aim of avoiding adverse human rights impacts on our workforce, service providers and the communities in which we operate.

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.

We assess and manage the potential environmental, health and community impacts of our projects in line with international standards and impact assessments are embedded in our project process. Our community engagement mechanisms allow our neighbours to raise concerns about the impacts of our activities and enable us to respond to those concerns through credible and effective non-judicial processes, informed by the UN Guiding Principles on Business and Human Rights.

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. 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 newly accepted 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.

DEVELOPING A STANDALONE HUMAN RIGHTS POLICY

We are drafting a stand-alone Human Rights policy to reinforce 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. It will also enable us to identify policy gaps and initiate a process that alerts us to new areas of human rights risk. We believe it will also help increase trust levels with external stakeholders, as we will be positioned to understand and address their concerns. Ultimately, a robust Human Rights policy will further demonstrate our commitment to international good business practice, and provide us with the tools to embed our commitments within our organisation.





ENVIRONMENTAL AND PRODUCT SUSTAINABILITY

03

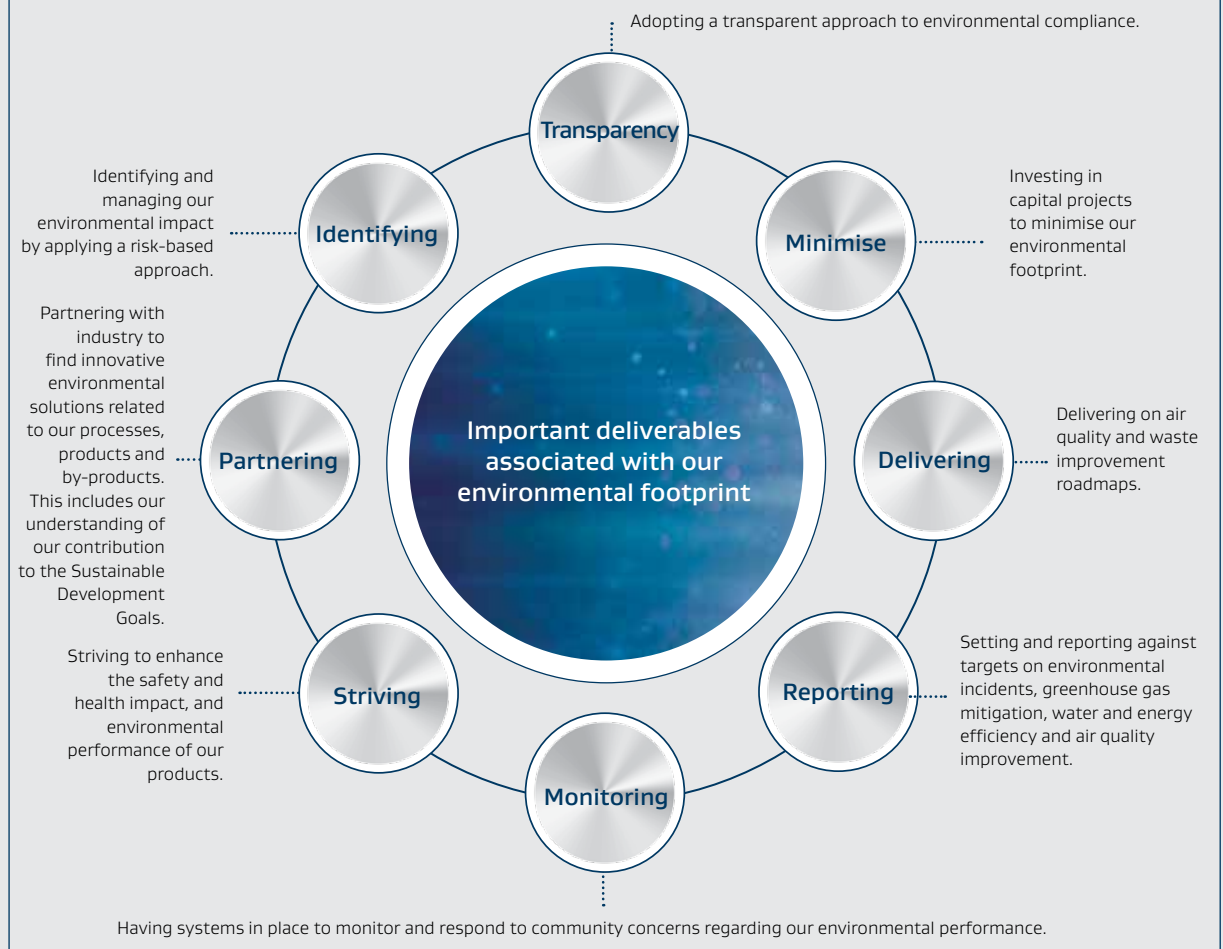
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We secure our licence to operate by driving sustainable air quality, waste and land risk management and by responding to the climate change and energy security challenges. We also promote responsible water use and ensure product stewardship.

Our commitment to the environment

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 our material environmental challenges are mainly associated with our South African operations.

We invest significantly in reducing our environmental footprint, and in enhancing the positive environmental and social contribution of our products and processes. We do this by following an integrated approach:



In the following pages more detail is provided on our continued efforts to sustain compliance with all applicable laws and obligations arising from our environmental authorisations. Further detail is also provided about our efforts to drive sustainable air quality improvements, respond to climate change and promote energy efficiency, water stewardship, product stewardship and land risk management while moving up the waste hierarchy.

RESPONDING TO CLIMATE CHANGE AND ENERGY SECURITY CHALLENGES

Sasol is committed to responding to our climate change risks through the development and implementation of an appropriate mitigation response to enable the long term resilience of the company's strategy and business operations, including reducing our emissions and promoting energy efficiency within our operations.

For Sasol, a short-, medium- and long-term view of our climate change risks and opportunities is taken, with the use of scenario analysis across our diversified portfolio to inform decision-making.

Key processes in South Africa, especially coal gasification and combustion, result in relatively high carbon dioxide emissions. Sasol is committed to reducing its overall impact on the environment, whilst developing and implementing an appropriate climate change mitigation response to enable the long term resilience of the company's strategy and business operations. In light of this, Sasol has identified environmental sustainability as one of our top risk events, including climate change as a key issue in the context of our support for the Paris Agreement and the national circumstances of the countries in which we operate.

Sasol's value based growth strategy has been developed by leveraging our core strengths in response to global megatrends, one of which is climate change. Climate change and economic considerations influenced Sasol's decision to focus on lower carbon intensive growth and to no longer consider investments in greenfield CTL and GTL facilities.

Managing our impact on climate change

Sasol's foundation business in South Africa will continue to utilise coal as its primary feedstock, and therefore our climate change related efforts will focus on reducing our emissions profile through efficiency improvements, the selective use of natural gas to generate electricity based on gas availability as it is our aspiration to increase the use of natural gas.

Since the signing of the Paris Agreement, stakeholder awareness and expectations regarding climate change continue to gain momentum. Our key stakeholders are increasingly interested in the enhanced disclosure of climate change risks and the long term resilience of Sasol's strategy and business model. Sasol acknowledges this external heightened focus on climate change management and its associated disclosure approach. This acknowledgement is reflected in our voluntary adoption of the recommendations made by the Task Force for Climate Related Financial Disclosures (TCFD) in 2018. Sasol continues to engage with key stakeholders as we progress with TCFD and our related disclosure journey.

This year Sasol engaged with key shareholders regarding a proposed shareholder resolution requiring a separate Climate Change Report to be developed and published in August 2019. We recognise that the appropriate management of climate related issues may require further elevation and the provision of optimised assurances. We therefore support the objective of the resolution and confirmed our intent to update our existing Climate Change booklet into a more comprehensive report which will be published in August 2019.

This report will by and large align with the outcomes envisaged in the proposed resolution. Accordingly, the report will aim to include an update of Sasol's climate change scenario work; an overview of the activities to manage our risk and opportunities related to climate change; an overview of our adaptation strategy and Sasol's view of long-term greenhouse gas (GHG) targets and internal fiscal instruments. Oversight of this process through Sasol's internal governance structures, including Board committees, will provide a measure of independent review through representation of external, non-executive directors in these structures.

Energy efficiency

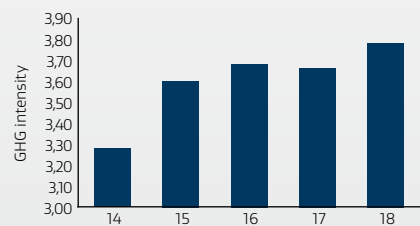
We have a long-standing commitment towards promoting energy efficiency (EE) as a key business driver. We strive to continuously improve the EE of all our manufacturing in support of asset integrity, and this year we committed to the global Energy Productivity 100 initiative.

OUR CARBON FOOTPRINT

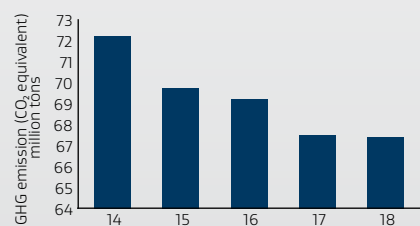
- We report our GHG emissions consistent with the recommendations of the Intergovernmental Panel on Climate Change (IPCC). Our total global GHG emission (measured in CO₂ equivalent) decreased marginally to 67,4 million tons (Mt) in 2018 from 67,6 Mt in 2017. This figure includes direct emissions associated with our processes and our own road tanker fleets (Scope 1 emissions), as well as the indirect emissions associated with our electricity and steam imports (Scope 2 emissions).
- Our GHG emission intensity (tons CO₂e per ton of product - external sale) increased to 3,78 in 2018 from 3,66 in 2017, due to the decrease in the product – external sale² as a result of external electrical infrastructure failure.

² The definition of product – external sale differs from Total Production reported in the annual financial statements. The boundaries of this figure only includes product that is destined for sale to Sasol customers, and does not include product utilised or sold between the Sasol Group of companies.

GHG intensity



GHG emissions



20-F Further information on Sasol's climate change management approach can be found in Sasol's Form 20F, CDP and the climate change focus story.

ENVIRONMENTAL COMPLIANCE

Sasol is committed to complying with all applicable laws and obligations arising from our environmental authorisations. On-going compliance is managed, by dedicated environmental managers with the support of subject matter experts for water, waste, air quality, climate change and land and biodiversity management. It is enabled by our Group Compliance Policy and associated Compliance Programmes.

Global authority inspections

During the reporting period, our operations globally have been subject to various environmental authority inspections and associated compliance enforcement actions. We collaborated fully with the authorities during these inspections, resolved enquiries and duly responded to subsequent enforcement actions. Key aspects are highlighted below.

In **South Africa**, the Department of Water and Sanitation (DWS) conducted various routine inspections at some of our mining collieries in Secunda and Sasolburg, at the Secunda Synfuels Operations' (SSO) sewage plant, as well as at our Sasolburg Operations (SO) and Natref in Sasolburg. The reports for SO and SSO are still awaited. Sasol Mining has subsequently submitted requests for amendment of impractical monitoring conditions (which have already been discussed with the DWS). The findings at Natref were related to water quality exceedances as a consequence of the specified location for monitoring, with the associated unintended consequence that Natref's monitoring results are impacted by downstream users. This is being addressed through a pending amendment application.

Air Quality compliance

The Gert Sibande local licensing authority conducted an air quality compliance inspection at our Secunda Chemical Operations (SCO) in Secunda and the report is awaited. We previously reported that the Department of Environmental Affairs' (DEA) enforcement directorate communicated its intentions regarding enforcement action related to air quality exceedances associated with three thermal oxidation units at SO. This was surpassed by a new, but related notice of intention to implement administrative enforcement action, issued in early 2018. Following an extensive response submitted by SO, the DEA confirmed that it would not proceed with further administrative enforcement action in this matter. It remains SO's intent to only re-commission these incinerators when it is satisfied that ongoing compliance can be sustained with the requirements of its recently varied atmospheric emission licence (AEL).

No final enforcement actions were instituted and no fines and penalties were imposed as a consequence of these inspections or the enforcement actions reported in 2017.

Further afield

In **Mozambique**, the environmental authority conducted an environmental compliance inspection at Sasol's operations, and commended Sasol on its commitment to and overall compliance performance. Our **Eurasian Operations** underwent various inspections. No deviations were noted at our operations in Novaky, Slovakia. A hazardous waste warehouse at our China operations was upgraded to meet the specifications of the Nanjing Environmental Bureau. At our operations in Augusta, Italy, a joint inspection and sampling campaign were undertaken by Sasol and the authorities. The sampling results confirmed compliance with applicable groundwater limits. At our Brunsbüttel operations in Germany, the industrial emissions directive inspection noted no deviations from a waste management perspective, but abatement equipment was subsequently installed to bring the plant into compliance with the applicable atmospheric emission limits. No deviations were noted at Hamburg Sasol Wax's tank farm, hydrogenation plants and the ammonia cooling plant. Following an inspection at our operations in Marl, the authority confirmed its support for the plant's mitigation of dioxin levels in waste water and periodic status reports are submitted to the authority.

In **North America**, a warning letter was received from the environmental regulatory authorities following a previous inspection, noting concerns regarding water sampling. Sasol submitted a response, thereby preventing further enforcement action being instituted. In addition, a notice of potential penalty (NOPP) was received from the authorities in Louisiana in relation to an unauthorised release from the Comonomer Unit. In the same NOPP received, a dust complaint was also cited in relation to the Lake Charles Chemical Project (LCCP) construction activities. A settlement offer in the amount of USD 2500 has been proposed to settle this enforcement matter.

Proactively reporting on significant compliance challenges

Our approach to environmental compliance management continues to be 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 and the management thereof, as well as corrective and preventative measures to address these. This includes the reporting of environmental incidents as per statutory requirements and the submission of periodic, quarterly and annual reports. We also communicate to our stakeholders on our performance.

Engagements with Department of Water and Sanitation

Our South African operations had several engagements with the DWS for purposes of clarifying requirements under water use licenses (WULs) or aspects pertaining to pending license or amendment applications. In an effort to streamline registrations and applications, Satellite Operations and SO engaged around general authorisations, involving river crossing and other impacts to water courses, as these relate to pipeline construction and related maintenance work. Risk assessments to inform general authorisation registrations are under way. Our Base Chemicals (BC) operations invited the DWS to its operations in Witbank to confirm its general authorisation registrations and other water use requirements. Subsequently, a new WUL application was submitted.

At our SSO, the DWS was engaged on a number of water related matters including the water quality objective exceedance at a surface monitoring station and challenges experienced with sewage effluent quality that do not consistently meet bacteriological specifications. Apart from the pending amendment application, which address these challenges, mitigation actions also include the feasibility assessment of a wetland, seepage trenches and the progression of an extensive Graben study. Authorisation for additional water uses has been submitted. Ad hoc water challenges, including those relating to contaminated storm water run-off and groundwater contamination, are being investigated and reported to the DWS by SO and Satellite Operations for its Ekandustria operations. Our Satellite Operations submitted a WUL amendment application to appropriately address challenges with groundwater limits being exceeded.

Engagements with Department of Environmental Affairs

Engagements with the local licensing authority and the DEA are ongoing to conclude the required review of the atmospheric emissions license (AEL) for our Satellite operations in Ekandustria and for the waste management licenses for SCO. SSO's waste management license was reviewed without any issues being raised by the authorities. Natref, SSO and SO received varied AELs, reflecting the postponement decisions received from the National Air Quality Officer with regards to applicable minimum emission standards for certain point sources. In addition, Natref sought a variation to include specific operating conditions to apply during start-up and shutdown to proactively address challenges experienced outside of normal operating conditions. SSO continues to engage with the DEA and local licensing authorities to enable sustained compliance in transitioning to the requirements of the varied AEL and clarifying the monitoring requirements related to hydrogen sulphide in anticipation of meeting the applicable new plant standards in 2020. Engagements regarding the challenges associated with meeting the new plant standards for boiler sulphur dioxide in 2020 are also ongoing.

Engagement with environmental authorities

In Mozambique the environmental authorities are also engaged regarding approvals required for the landfilling of waste, the renewal of existing licenses to operate and new authorisation requirements for looplines.

Incidents reported during the period

Incidents reported by the South African operations, in accordance with statutory requirements, include reporting of an interruption in the 12-month SO₂ running average monitoring required for the burning grounds of the Satellite operations in Ekandustria. The required air quality monitoring has subsequently been restored.

Sasol Mining reported pipeline leaks, the overflow of pollution control dams, and alleged pollution from one of its storage dams. Base Chemicals reported a spill of approximately 2 000 litres of diesel associated with the attempted theft of product from a tanker and SO reported the release of vinyl chloride into atmosphere on account of a ruptured pipeline.

A leak from an underground pipeline at operations of Natcos in Durban resulted in the contamination of land and surface water and was consequently reported by Natref.

DRIVING SUSTAINABLE AIR QUALITY

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.

Improving air quality at our operations

We remain committed to compliance and to promoting sustainable ambient air quality improvement at all our operations. We continue to entrench leading environmental indicators at all our operations, in line with our proactive incident prevention philosophy. We investigate emission incidents to ensure the Group-wide sharing of lessons learnt and associated optimisation of applicable control regimes.

Meeting minimum emission standards

- In South Africa, legislated minimum emission standards (MES) required that our plants meet existing plant standards for point sources by April 2015. Subsequently, more stringent new plant standards must also be met by April 2020. We already meet most of the MES for existing plants, and we believe we are on track to concurrently meet both the remaining existing and new plant standards for all MES, with the exception of boiler plant sulphur dioxide (SO₂) by April 2025. Our roadmaps, in certain respects, therefore aim for an integrated solution for purposes of meeting both new and existing plant standards and we discuss these in more detail below.
- We are executing our committed air quality improvement roadmaps and our community-based offsets whilst simultaneously advancing technology assessments for certain challenging standards where no feasible solutions currently exist to meet the requirements. In February 2018, we communicated at the Parliamentary Portfolio Committee Environmental Affairs (PPCEA) session that our roadmaps are progressing as planned. Our presentation in this regard can be downloaded from the website <http://pmg-assets.s3-website-eu-west-1.amazonaws.com/180206sasol.pdf>. To ensure success and enable compliance, we continue to fund and commit capital to environmental compliance projects. We have a capital allocation framework to assist us in allocating such capital and prioritising capital allocation towards the retention of Sasol's licence to operate. Details regarding capital allocation and utilisation are included in the annual financial statements.
- While we continue to make good progress, we will be reliant on further postponements to 2025 in order to enable the safe and successful execution of the associated projects within the committed timeframes, and to seek a longer-term solution for the challenging new plant standard

for SO₂ emissions. Sasol's air quality impact on the surrounding airshed is assessed as part of our postponement application and these reports, together with further information, are available via the following link at

<https://www.srk.co.za/en/za-sasol-postponements>.

These assessments confirm that Sasol's emissions do not cause exceedances of the national ambient air quality standards. We have, however, identified that a significant concern in the vicinity of our plants is the high ambient concentration of particulate matter (PM) (including smoke), which is especially evident during winter months as a result of domestic coal burning for heating and cooking. We provide more detail about the opportunity for Sasol to help improve overall air quality in our section on beyond-the-factory-fence initiatives.

- Over this past year, we have made significant progress to meet the new plant standards at our Secunda facility, including the successful commissioning of seven regenerative thermal oxidisers as part of the reduction of volatile organic compounds (VOCs) in the tar value chain. Additionally VOC abatement equipment has been installed on a tank to reduce emissions. The installation of medium frequency inverters in a boiler is under way and is aimed at helping to reduce particulate matter emissions, as well as high frequency and high voltage pulse energisation inverters are being installed for testing.
- For Sasolburg Operations, of the more than 100 stacks on site, only seven stacks (thermal oxidation and boilers) do not meet existing plant standards as yet. For Steam Station 2, both existing and new plant standards for PM will be met by 2020. During the year, we have installed nitrous oxide and particulate matter abatement technologies on a boiler and testing of the technology is in progress.
- Sasol has raised the challenges that it faces in meeting the new plant standards in relation to SO₂ standards with government and in the PPCEA. It is important to note that the measured levels of SO₂ in the airsheds where we operate are well below the internationally accepted health standard requirements. As mentioned, at some of the government engagement sessions, presentations were delivered in which Sasol explains the challenge it faces in complying with new plant standards; however we remain committed to finding sustainable solutions to address this and to advancing our technology assessments, either alone or in collaboration with others. Our presentations also reflect how Sasol, in the meantime, continues to

reduce its emissions through the implementation of our onsite air quality improvement roadmaps, including our community-based offsets.

- We conduct detailed measurement and monitoring of our operations' emissions to ensure we understand and adequately manage the impact of our facilities on air quality and duly report on our compliance. In addition, Sasol publishes its data on both the South African Air Quality Information System (SAAQIS) (<http://www.saaqis.org.za/>) and on the South African National Atmospheric Emission Inventory System (NAEIS) (https://saaelip.environment.gov.za/SAAEIP/NAEIS_FACILITY/Pages/Main/Login.aspx). The SAAQIS site is open to the public and reflects overall trends on all emissions. NAEIS is the online national reporting platform for government for air pollutant emission inventories which Sasol updates every year before end March as required by the National Environmental Management Air Quality Act of 2004. Sasol submits monitoring data to the authorities as well as our annual compliance reports as per the requirements of our AELs.
- As part of our prior postponement applications, an independent third party modelling study was conducted to evaluate the ambient impact of hydrogen sulphide emissions (H₂S emissions) from the Secunda Synfuels sulphur recovery plant. Predicted daily H₂S concentrations were compared against the World Health Organisation (WHO) (2000) 24-hour health-based guideline. No exceedances of the guideline were found. Sasol took this one step further. Dr Willie van Niekerk of Infotox was consulted and the Sasol H₂S predicted results compared favourably on an even more conservative health effect screening level as indicated in peer reviewed literature.

Proposed amendments to the air quality regulatory framework (the National Framework)

Following our own internal analysis and ongoing technology investigations, Sasol has participated this past year in a stakeholder engagement process in relation to proposed amendments to the National Air Quality Framework and Minimum Emission Standards regulations under the National Environmental Management: Air Quality Act, with a focus on contributing to the advancement of the framework in diverse respects. Sasol supports alternative mechanisms that would enable sustainable improvement in ambient air quality while addressing the sulphur dioxide compliance challenge. In the medium term, Sasol relies on obtaining postponements together with other mechanisms such as air quality offsets to address our compliance challenges. We remain concerned about the limitations of the postponement mechanism, while proposed changes to the regulatory framework could also negatively impact Sasol's approach to placing reliance on compliance extensions beyond 2025. We also continue to engage

with the regulatory authorities to provide for the legislated recognition of offsets. Where we are unable to rely on mechanisms available in law or to find appropriate feasible solutions, we may, of necessity, elect to decommission or mothball essential parts of our plant for purposes of mitigating the potential non-compliance risks.

Improving air quality in our communities

Sasol's air emission offset intervention is based on a diverse set of activities, which are informed by a detailed baseline assessment conducted in 2017. These activities are contained in area specific programmes aligned with the offset implementation plan.

The aim of the programme is to gain experience and understanding in conducting offset programmes while continuously improving the quality of life, including air quality improvements for the communities benefiting from the interventions.

The programme is inherently intended to grow and adapt over time as experience, successes, shortcomings and learnings are obtained. Sasol strives for a collaborative, constructive relationship where all parties play a meaningful role toward the successful execution of the offset implementation plan. For this reason, much emphasis is placed on ongoing stakeholder engagement and community participation as part of this plan.

Based on the result of pilot studies, better insulation of reconstruction and development programme (RDP) houses coupled with improved cooking and heating methods reduces households' need to use solids fuels like coal and wood for energy, thereby reducing air emissions, specifically particulate matter.

Currently non-attainment to the ambient air quality standard for particulate matter smaller than 10 microns in diameter (PM₁₀) exists in the Zamdela airshed. Moreover, the baseline study highlighted the noticeable contribution of waste burning and veldfires to the particulate matter load in the Zamdela airshed. The baseline findings were echoed through stakeholder engagement with the communities residing in Zamdela, Amelia and Iraq. This ultimately informed the inclusion of appropriate interventions focusing on waste and veldfires in the offset implementation plan.

These interventions included the improvement in waste collection through the introduction of more than 70 waste skips in the affected communities. To date in excess of 10 000 tons have been successfully removed from these areas. In order to limit emissions from uncontrolled veldfires, Sasol has deployed a rapid intervention fire-fighting vehicle to assist local authorities with veldfires in the Sasolburg region. Furthermore, Sasol has facilitated the development of proactive measures such as grass cutting in order to reduce the severity of pollution emanating from these veldfires.

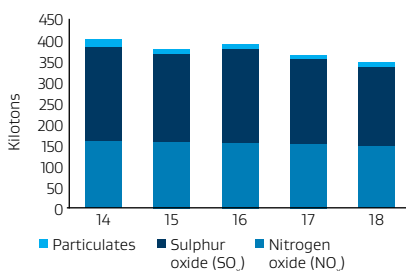
The Mpumalanga Department of Education has approved the rollout of a pollution-focused training and awareness programme in up to 27 primary schools.

DRIVING SUSTAINABLE AIR QUALITY (CONTINUED)

Sasol’s actual spend on offset projects for 2016 and 2017 was R19 million. This ramped up considerably during 2018 to a total of R55 million for 2018. The budget for subsequent years will be confirmed as better information becomes available in the detailed cost model which Sasol is developing.

These projects referred to above primarily relate to our committed roadmaps required to meet the promulgated new plant standards. In addition, Sasol adopted a voluntary internal target to reduce specific VOC emissions by 80% by 2020, from a 2009 baseline. Due to an unforeseen issue which prevented us from completing a shut-down tie-in during the year, one of the projects on our roadmap will only be completed in 2021. While this setback will regrettably delay attaining the target by a year, we are pleased that the projected reductions from these projects are anticipated to exceed the 80% targeted reductions, with a reduction of about 40% already achieved by the end of 2018.

Atmospheric Emissions



OUR AIR FOOTPRINT

- Large-scale maintenance shutdown at Natref Operations, as well as a statutory shutdown at Secunda Operations took place during the reporting period, impacting our atmospheric releases, as do changes in the feedstock composition and utilisation over the period.
- As a result of the progress with our air quality roadmap, VOC emissions have reduced from 41,80 kilotons in 2017 to 27,74 kilotons over the reporting period. This significant reduction is due to the commissioning of several abatement projects during the last 12 months.
- Our total NO_x emissions of 147 kilotons (kt), showed marginal improvement, down slightly from 152 kt in 2017.
- The reduction in total SO_x emissions to 189 kt, down from 202 kt in 2017, was a result of reduced coal sulphur content.
- Total particulate (fly ash) emissions remained relatively constant at 10 kt compared with 10 kt in 2017.
- The atmospheric emission licences (AELs) for some of our operations have been reviewed and renewed, as part of an ongoing process.

SECUNDA DELIVERING ON OUR APPROVED OFFSET PLANS

EMBALENHLE	BASELINE First source apportionment measurements and quality of life assessment has been completed.
LEBOHANG, EMBALENHLE	FEASIBILITY FOR ROADS Source apportionment results confirmed that the impact of dust from unsurfaced roads is minimal, therefore this option will not be considered further.
LEBOHANG, EMBALENHLE	INFORMAL HOUSING INSULATION Insulation of 24 serviced informal houses with polyurethane foam together with a stove swap in Lebohang has been completed. Further measurements such as the summer temperature impact measurements and indoor air quality is being conducted.
EMBALENHLE	VELD FIRE MANAGEMENT Grass cutting and veld fire management activities are ongoing by the Secunda Synfuels Operations emergency management team, with their scope of activities enhanced to support greater mitigation of veld fires as part of the offset plan.
LEBOHANG, EMBALENHLE	INSULATION OF RDP HOUSES The census to identify the eligible households is in progress and contracting with the households will commence in January 2018. Business activities are progressing to gear up for implementation, starting with approximately 500 to 700 houses between July 2017 and June 2018.
LEBOHANG, EMBALENHLE	EDUCATION AND AWARENESS The target audiences are the communities of eMbalenhle and Lebohang where offsets are implemented and 27 primary schools in Govan Mbeki Municipality. A questionnaire was compiled and will be used in the pre-assessment phase of the campaign.

Secunda

Distribution of stoves and gas heaters
24 households exchanged their coal stove with either a Kitchen King stove or an LPG stove and a gas heater.



Secunda

Grass cutting and veld fire management activities | Firebreaks were prepared at Sasol conveyor belts and grass cutting was noted in Secunda town in Zone 3 and 5.



DRIVING SUSTAINABLE AIR QUALITY (CONTINUED)

Secunda

Education and awareness campaign training of field officers for pre-assessment door to door campaign in eMbalenhle.



eMbalenhle North: Buyani primary school



Lebohang: Chief Ampie Mayisa high school

Secunda

Education and awareness campaign training of field officers for pre-assessment door to door campaign in eMbalenhle.



Ambient air quality monitoring stations at eMbalenhle and Lebohang

SASOLBURG AND NATREF DELIVERING ON OUR APPROVED OFFSET PLANS

ZAMDELA

BASELINE

First source apportionment measurements and quality of life assessment has been completed.

VEHICLE EMISSIONS

20 staff members from the Fire and Traffic Departments trained. 20 vehicles were tested during a practical session and eight failed the recommended emission levels test for the specific vehicle. Vehicles that fail the test are required to undertake the necessary maintenance interventions. Vehicle testing is now routinely conducted by the local authorities.

VELD FIRE MANAGEMENT

Rapid response vehicle handed over to the Municipality in November 2017. Vehicle being employed to actively fight fires.

DOMESTIC WASTE MANAGEMENT

Waste removal piloting activities within Zamdela were successful and the number of sites will be expanded to 100. A total of 100 skips have been placed in 2018. Approximately 10 000 tons of waste has been removed from the community. Our RDP housing insulation programme has commenced in eMbalenhle, near Secunda, and we have met our target of completing 500 houses by 30 June 2018.

EDUCATION AND AWARENESS

An order is being placed for content development and the implementation of the education plan in schools and the broader community.

Sasolburg and Natref

Veld fire management project



Delivery of the rapid intervention vehicle

PROMOTING WATER STEWARDSHIP

Water, as a resource, is becoming increasingly limited as world demand for water increases. A significant part of our operations requires the use of large volumes of water. Maintaining water supply to our operations needs to be viewed against the backdrop of drought conditions occurring in several regions of South Africa.

Actively responding to the water challenge

Sasol's coal mining, upstream oil and gas activities, chemicals and fuels production and supply chain logistics all have a direct link with water. As some of our larger facilities, suppliers and host communities are located in water-stressed areas, we have a heightened responsibility to apply good water stewardship practices.

Water is a critical feedstock for steam generation, process cooling and the production of hydrogen in various Sasol processes. Water is also a resource that our activities may expose to harm, notably effluent discharges or even chemical and oil spills. Sasol is required to pre-treat water and upgrade effluents in a way which promotes re-use and recycling. Further, Sasol produces products used generically in water treatment including disinfection, pH adjustment and scale-inhibition. Some of our polymer products are used to manufacture water storage tanks and water piping products.

Managing water supply risks

Water risks are assessed using the Sasol global enterprise risk management approach. Through this approach, we assess the impact of water risks to our North American, Eurasian, Mozambique and South African Operations. Currently the greatest water risks lie within our South African Operations, with the Integrated Vaal River System (IVRS) being relied on to supply 88% of the Group total water demand.

The water supply to Sasol's operations from the IVRS remains secure but long-term water supply risks persist due to a growing supply-demand imbalance which increases the probability of water restrictions being imposed on our operations in the long term. Sasol continues to actively respond to this risk through site and catchment based activities which advance water supply to all catchment users.

We are in support of the strategy being driven by the Department of Water and Sanitation (DWS) to reduce urban losses, treating and recovering legacy mine water and implementing Phase 2 of the Lesotho Highlands Water Project. Progress with these projects is achieving varied results and we continue to engage the DWS in expediting these actions to advance long-term water security for all users of the IVRS.

The DWS has reconstituted a strategy steering committee for the IVRS on which Sasol is represented.

While the current IVRS water levels are encouraging, compared to the previous period, the system continues to experience infrastructure challenges increasing the risk to our South African Operations. Sasol continues to provide ad-hoc support to the DWS to maintain infrastructure availability.

We have implemented site-specific water targets and continue to participate in the planning and performance monitoring activities of the IVRS. On-going participation in integrated watershed management initiatives is key to our water stewardship focus.



UN Global Compact CEO Water Mandate

Sasol has endorsed the UNGC CEO Water Mandate's water stewardship framework to assist in responding to water risks through on-site and catchment-based activities. As a signatory to the UNGC CEO Water Mandate we have again published an annual Communication on Progress against the six focus areas.

In November 2017, Sasol's Joint CEOs recommitted Sasol to the CEO Water Mandate. One of the focus areas of the CEO Water Mandate is to assist companies in contributing to Sustainable development Goal (SDG) 6 – Clean water and sanitation, which considers the sustainable management and access to water and sanitation for all. In order to contribute to SDG 6, businesses should recognise the rights of communities to water and sanitation and support government and other stakeholder efforts to provide universal access to clean water and sanitation. Sasol is accordingly committed to improving our water use efficiency and pollution prevention initiatives whilst partnering with host governments to resolve key water related challenges.

Disclosure is key to informing stakeholders on our water related risk mitigation initiatives. For the 2017 CDP Water Disclosure response, Sasol received a respectable B score on our CDP Water disclosure, which was above our industry average and that of our peers in our reporting sector. To improve on this score, Sasol will enhance its understanding of related supply chain water risks.

Reporting against voluntary water targets

Sasol's largest water users continue to report against voluntary water targets, agreed in 2015 and applicable up to 2020. Our Sasolburg Operations' target is to maintain the 2015 baseline of 9,8 tons of water use per ton product – external sale³; this year we deteriorated by 6,4% against the baseline. This is attributed to a greater demand for river water due to the need for increased fire water and dilution requirements. The Secunda Synfuels Operations' target is to achieve a 2,5% improvement in water intensity against actual consumption in 2014 of 11,6 tons of water per ton of saleable product. This year we reported a 2.1 % deterioration against the baseline. The deterioration can be attributed to low production due to external electrical infrastructure failure.

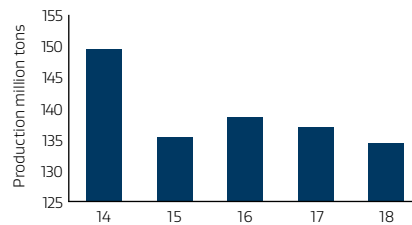
Further, our mining operations reported a 29.3% reduction in water demand during 2018 against the 2015 baseline, well exceeding the target to restrict the increase in potable water use to a maximum of 10%.

3. The definition of product – external sale differs from Total Production reported in the annual financial statements. The boundaries of this figure only includes product that is destined for sale to Sasol customers, and does not include product utilised or sold between the Sasol Group of companies.

OUR WATER FOOTPRINT

- Our total water consumption decreased from 137,1 million m³ in 2017 to 134,4 million m³ in 2018.
- The total quantity of water recycled was 178,4 million m³ which is constant as compared to 2017.
- River water use decreased from 109,3 million m³ to 107,2 million m³.
- Potable water use has increased from 12,5 million m³ in 2017 to 12,7 million m³.
- Effluent discharge increased from 29,3 million m³ to 29,6 million m³.

Total water use



For more information refer to our UNGC COP and our Water CDP on www.sasol.com (in the downloads tab).

DRIVING WASTE AND LAND RISK MANAGEMENT

The changing legal and policy landscape, particularly in South Africa, requires us to continuously find alternative solutions to some of our waste management and disposal practices. We also ensure the continued responsible management of land and biodiversity.

Managing our waste

Our approach to waste management is informed by the general principles of the legislated waste management hierarchy. In South Africa, we are working in partnership with selected third party waste service providers to explore innovative opportunities for waste minimisation and reduction. We have prioritised investigations for our waste incinerators in Sasolburg and Secunda and have identified promising alternative waste management options that are both environmentally responsible and capital efficient, but which require time to develop and test.

In response to meeting landfill prohibitions, which came into effect in August 2017, Sasol's Operations in South Africa identified alternative destinations to successfully divert identified high calorific waste streams from landfill, and in some instances incineration, to higher-order waste-to-energy solutions. We are phasing out or improving many on-site waste disposal practices including closing and rehabilitating legacy waste sites in both Sasolburg and Secunda.

Further, a progressive waste minimisation strategy continues to be implemented. Reduce, reuse and recycle options are in progress for addressing liquid/moisture containing waste streams, which will significantly advance the waste roadmap into 2019. In Sasolburg, a wax spent catalyst recycling project was implemented with a third party service provider which recycles 50% of the volume of this specific waste generated.

We have developed Globally Harmonised System (GHS) compliant waste safety data sheets for our process waste streams to enhance the responsible handling and transport in South Africa.

We further continue to have constructive engagements with regulators through the Industry Waste Management Forum established between business and the National Department of Environmental Affairs (DEA).

The Secunda waste ash disposal facility's waste management license (WML) was successfully amended during 2018, ensuring license compliance.

Managing our land risk

Our operations in South Africa continue to make progress when it comes to site assessments to advance land risk management for the areas where authority notifications to this end have been received in terms of Part 8 of the National Environmental Management: Waste Act. Significant progress has also been made into investigations to address soil and groundwater areas where elevated concentrations of certain parameters are observed. Once the investigations have been concluded a remediation order will be applied for from the authorities after which the remedial activities can be implemented where required.

All the required remedial activities at our Sasolburg Operations' Sasol One Waste site have been implemented, except the installation of the capping system at the old tar pits. This will be undertaken during 2019.



Promoting biodiversity

Our approach to biodiversity management varies across our operations and activities, and is tailored to respond to the specific situation. Biodiversity assessments are conducted on all significant new developments as part of environmental impact assessments. We do not currently have operations in areas that have been declared ‘biodiversity hotspots’. We do, however, have interests in areas of potential sensitivity, particularly linked to our upstream exploration and production activities in Mozambique where our potential impacts are assessed and managed as referred to above.

Sasol Secunda is the new home to two white rhinos. The rhinos were purchased by Sasol in an effort to support the vegetation management by introducing bulk grazers that will improve the species diversity of the protected grassland biome.

The industrialised secondary zone of the Secunda Operations continues to draw considerable interest from conservationists and researchers, who have discovered that the 3 000 hectare area is home to not only South Africa’s densest known population of servals, but also a wealth of other carnivores, some of which are appearing outside their known ranges. These open areas owned by Sasol are managed as game conservancies with the goal of contributing to valuable research efforts.

Sasol North America is sponsoring the Longleaf Legacy Project (www.longleaflegacy.com), dedicated to the heritage, restoration and rebirth of the longleaf pine forest – an endangered and historically significant ecosystem. Project partners are engaged in a multi-year effort to restore the local ecosystem to its former majestic condition. The project began in 2016 and encompasses restoration efforts of more than 70 acres of longleaf pine habitat located in park.

We are also embarking on a biodiversity study in Mozambique. The Environmental Impact Assessment (EIA) for the Production Sharing Agreement (PSA) development identified an area - the Nhangonzo Coastal Stream – that has been provisionally classified according to the International Finance Corporation (IFC) Performance Standard 6 as a critical habitat. This classification is based on an extensive biodiversity survey completed in 2015. According to the PSA Field Development Plan, approved in 2016, Sasol will be drilling production wells in this area, and is required to submit a biodiversity management plan to the environmental authorities. The biodiversity management study currently underway is intended to identify the appropriate mitigation and management actions for this area.

Sasol Qatar has been active in seeking to raise environmental awareness in Qatar. Sasol partnered with Friends of the Environment Centre (FEC) to develop the **Qatar e-Nature** mobile application (app).

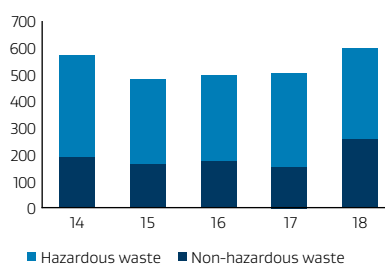
Incorporating interactive and engaging features, the app allows users to explore the rich and varied species of flora, birds and insects of Qatar.

In Sasolburg good progress was made to eradicate alien and invasive species in the Bongani Mabaso Ecopark and the Leeuspruit Nature Reserve.

OUR WASTE FOOTPRINT

- We generated 338kt of hazardous waste, down from 348kt in 2017. The decrease is mainly due to lower solar pond effluent disposal at Natref and waste reduction initiatives at Sasolburg Operations.
- We generated 257 kt of non-hazardous waste, up from 154 kt in 2017. The increase is mainly due to the reporting of an additional waste stream at Secunda Synfuels Operations as well as increased production at Sasolburg Operations.
- Total recycled waste decreased to 100 kt from 151 kt. The decrease is due to improved data accuracy from our Mining Operations in 2018 compared to 2017.
- An on-site class A landfill site was commissioned in Secunda. This landfill site is earmarked to handle waste streams generated during shutdown, in particular, and due to unstable operating conditions and that are not suited for off-site management.

Total waste



For more information refer to our UNGC COP on www.sasol.com (in the downloads tab).

ENSURING PRODUCT STEWARDSHIP

As an integrated chemicals and energy company with an expanding production and sales footprint, limiting the health, safety and environmental impacts throughout the life cycle of our products is integral to our sustainability efforts. Through our business partnership with suppliers and customers, and our stakeholder engagement approach, we promote the responsible storage, use, conversion and final disposal of our products.

Our approach to product stewardship

Enhancing our SHE performance and sustainability throughout the product lifecycle is central to our on-going 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.

We are advancing key focus areas to ensure alignment with the Strategic Approach to International Chemicals Management (SAICM) goals through to 2020 and to ensure compliance with changing international chemical control legislation. Our system and technology enablers are being expanded to incorporate other requirements, including classification of mixtures under the Globally Harmonised System (GHS) and regulatory tracking. By undertaking a global review of our product inventory, we are developing internal standards to improve the integrity of our systems and ensure that our product data is uniform, consistent and complete.

We remain focused on compliance with all applicable regulatory requirements, both current and emerging. For example, in our European operations, we ensured that we successfully met the May 2018 deadline for registration of small tonnage chemicals under the European Union regulation, REACH (Registration, Evaluation, Authorisation and Restriction of Chemicals) which addresses the production and use of chemical substances.

Safe product transportation

Significant focus continues in advancing our product logistics performance including the loading, transportation and safe storage of our products. For example, at our Base Chemicals division, critical controls to prevent and address undesirable high severity incidents in product transportation have been identified for both internal and external service provider fleets. Our critical controls leverage the potential of digitalisation, including the introduction of telematics systems into pool cars and product transportation fleets.

Seven significant transport incidents occurred across the Group, resulting in four tragic third-party driver fatalities. This compares to 10 significant

incidents resulting in five third-party and two service provider driver fatalities in 2017. Our product transport indicator of performance (TIoP)* improved from 4,09 in 2017 to 2,2, against a target of 3,9 representing a 46% improvement. These improvements reflect our continued focus on strengthening controls to prevent incidents

Customer focus on product sustainability

Sasol continues to work closely with our customers to align with their changing sustainability needs and to ensure continued business growth. Increasingly, we collaborate with key customers in developing chemical products that help to meet their goals and societal needs for more sustainable products, supply chain innovation, and ethical partnerships with strong corporate social responsibility practices. Customers are focused on products that improve their energy efficiency, while at the same time reducing waste. Efforts are underway to understand our portfolio of 'sustainable products' – those that impart downstream value-chain sustainability improvements relative to conventional analogous products. We also participate in corporate social responsibility evaluations conducted by independent service providers (e.g. EcoVadis) and support audits of our operations conducted as part of these exercises.

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. Some of our customers purchase our polymers to manufacture industrial and consumer plastic packaging. Given this growing trend, Sasol is undertaking work to develop a coordinated response on this issue.

Plastic litter in the environment and our oceans is unacceptable and Sasol has a number of community initiatives underway in line with the waste hierarchy principle of reducing, re-using, recycling and responsibly disposing of plastic waste. Our initiatives globally include supporting plastics education, improving waste management, bolstering recycling and contributing to marine litter collection. We continue to explore ways in which we can make further meaningful contributions to sustainable plastics waste management.

* Measured as the severity index of product transport incidents over one million km travelled.

Our major specialty chemicals functional product clusters include products that respond to customer needs in delivering downstream, value-chain sustainability benefits. Selected examples are shown below:

Product cluster


ALCOHOL AND SURFACTANTS	INORGANICS	FISCHER-TROPSCH (FT) HARD WAXES
 <p>Product example Cold wash detergents and dry cleaning solvents</p> <p>Sustainability benefits imparted Our detergent alcohols enable the production of surfactants for detergents that allow use of lower temperatures for cleaning of fabrics. This improves overall energy consumption in the product lifecycle in addition to other benefits such as an increased lifetime of garments.</p> <p>We produce an approved alternative dry-cleaning solvent to perchloroethylene, which is less volatile and reduces health risks to dry cleaning operators.</p>	 <p>Product example Ultra high purity aluminas (UHPA)</p> <p>Sustainability benefits imparted As a support for catalysts, UHPA enables refineries to meet stringent final fuel specifications, reduce air emissions from their direct operations and also serves as a support for particulate emission filters in vehicle diesel engines. UHPA enables the production of LEDs, which, when used in lighting applications, enables greenhouse gas emission reductions relative to conventional incandescent bulbs.</p>	 <p>Product example Waxes</p> <p>Sustainability benefits imparted In candles, FT waxes displace paraffin and palm fat candles. In construction applications, these waxes are emulsified and then applied in reconstructed fibreboards which are used indoors for flooring, construction material or wooden equipment. Relative to paraffin wax, less FT wax is required per unit of fibreboard, reducing volatile organic compound emissions. FT waxes used for asphalt modification result in lower energy consumption (reduced asphalt production temperature), reduced emissions and enhanced pavement performance and durability.</p>

During the reporting period, we continued to respond to customer queries on various product stewardship related matters. In 2018, as a result of customer engagement, three sustainability audits were conducted by third parties at three of our production facilities globally. The results of these audits confirm our performance (EcoVadis gold rating), which has continued to improve over the years. In 2017, we were rated in the top 5% of evaluated chemical companies globally. In 2018, Performance Chemicals received a sustainability performance award from a major international customer. A new initiative was also launched in South Africa to engage our key customers in implementing product stewardship and Responsible Care® practices at their own sites. In addition, we provided product awareness and training to some of our customers.

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. Under the auspices of the International Council of Chemicals Associations (ICCA) Responsible Care® in Africa Task Force, we support the adoption of the Responsible Care® initiative Kenya.

In South Africa we work with government in advancing our common goals relating to the SAICM and in reviewing regulatory frameworks on safe chemicals management.

 For more information refer to our UNGC COP on www.sasol.com (in the downloads tab).



04

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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.

In addition, we consistently retrain our employees on Group procedures and key performance indicator definitions. The SHE Vice Presidents and Executive SHE committee have 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, 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 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 German Operations are Eco Management and Audit Scheme (EMAS) as well as Energy management systems (ISO 50001) validated. Our 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.



For more information refer to our UNGC CDP on www.sasol.com (in the downloads tab).

PERFORMANCE DATA

Human capital – Our people

						2018 external assurance +
	2018	2017	2016	2015	2014	Level of assurance
Employee numbers ¹	31 269	30 900	30 100	30 919	33 049	
Employee turnover	1 560	1 523	2 624	3 494	1 826	
Safety						
Recordable Case Rate ²	0,27	0,28	0,29	0,32	0,36	Limited
– Employee	0,30	0,36	0,34	0,32	0,37	
– Service provider	0,25	0,23	0,25	0,32	0,36	
Lost Work Day Case Rate (LWDCR)	0,11	0,12	0,13	0,13	0,15	
– Employee	0,15	0,17	0,17	0,14	0,16	
– Service provider	0,09	0,09	0,10	0,12	0,14	
Employee and service provider fatalities	4	5	2	1	5	Limited
– Employee	3	4	2	0	3	
– Service provider	1	1	0	1	2	
Employee and service provider fatal injury frequency rate	0,004	0,006	0,002	0,001	0,004	Limited
Total major and significant fires, explosions and releases	15	21	19	27	30	Limited
Major fires, explosions and releases ³	1					
Significant fires, explosions and releases ³	14	21	19	27	30	Limited
Significant product road transport incidents	7	10	14	20	29	Limited
Total number of first aid cases	801	724	695	582	641	
Total number of person hours worked (million)	180,8	171,7	170,1	178,35	213,97	
– Employee	76	74	73	82	92	
– Service provider	104	98	97	96	118	
Occupational illness⁴						
Irreversible occupational diseases (IROD) have permanent health effects and are recorded as:						
Asbestosis	0	2	1	0	0	
Mesothelioma	1	0	0	0	0	
Chronic obstructive airway disease (COAD)	0	6				
Occupational asthma (including allergic sensitisation)	2	1	12	18	21	
Pneumoconiosis	14	9	9	14	21	
Noise-induced hearing loss	15	21	35	31	23	
Chronic work-related upper limb disorder (WRULD)	0	1	0	0	0	
Other	5	1	0	0	2	
Total	37	41	57	63	67	
Reversible occupational diseases (ROD) have temporary health effects and are recorded as:						
Reactive airway dysfunction syndrome (RADS)	1	0	NR	NR	NR	
Tuberculosis	34	29	26	37	36	
Allergic reactions other than RADS	5	1	NR	NR	NR	
Post-traumatic stress disorder (PTSD)	0	0	NR	NR	NR	
Heat related disease	0	2	NR	NR	NR	
Shift worker's sleep disorder	0	1	NR	NR	NR	
Work-related upper limb disorder (WRULD)	0	3	NR	NR	NR	
Total	40	36	26	37	36	
Skills development						
Investment in employee learning ⁵ (R million)	1 128	970	678	692	901	
Investment in learning as a % of payroll	6,3	5,1	4,1	4,8	6,2	
Investment in black employees ⁶ (R million)	811	500	399	510	653	
Development interventions (number of individual interventions) ⁷	177 717	158 796	94 208	154 793	230 523	
Investment in bursary scheme (R million)	50,5	53,0	49,22	40,3	47,0	
Undergraduate and postgraduate bursars	462	473	369	440	577	
Number of employees receiving leadership training	9 898 ^d	2 005	1 197	2 872	9 191	
Number of employees in Sasol's maintenance artisan learner pools	702	551	301	296	696	

Footnotes are explained on page 39.

PERFORMANCE DATA

Natural capital – The environment

	2018	2017	2016	2015 ^a	2014 ^b	2018 external assurance+
						Level of assurance
Production performance						
Product meant for external sale (kilotons) ⁸	17 836	18 472	18 806	19 490*	22 050	Reasonable
Greenhouse gases (GHG)⁹ (kilotons)						
Direct methane (CH ₄)	109	111	119	117	120	Reasonable
Nitrous Oxide (N ₂ O)	1,44	0,51	0,45	0,77	0,89	Reasonable
Direct carbon dioxide (CO ₂) Scope 1	56 731	57 281	58 329	58 786	60 530	Reasonable
Indirect carbon dioxide (CO ₂) Scope 2	7 756	7 659	8 046	8 065	8 726	Reasonable
Indirect carbon dioxide (CO ₂) Scope 3 ¹⁰	0,59	0,78	0,52	0,75	0,76	Reasonable
Total greenhouse gas (CO₂ equivalent)	67 412	67 632	69 250	69 772	72 275	Reasonable
GHG intensity (CO₂ equivalent/ton product)	3,78^e	3,66	3,68	3,58*	3,28	Reasonable
Atmospheric emissions (kilotons)						
Nitrogen oxides (NO _x)	147	152	156	157	159	Reasonable
Sulphur oxides (SO _x)	189	202	223	208	223	Reasonable
VOC indicator of performance ¹¹	28,0	41,0	46,2	46,5	47,6	
Particulates (fly ash)	10,2	10,0	9,8	11,7	19,3	Reasonable
Waste (kilotons)¹²						
Hazardous waste	338	348	323	320	382	Limited
Non-hazardous waste	258	154	175	162	189	Limited
Total waste	596	502	498	482	571	Limited
Recycled waste	101	151	70	76	89	
Energy use (thousand gigajoules)¹³						
Electricity (purchased)	28 470	28 064	28 810	28 747	31 337	
Feedstock to electricity (self-generated) ¹⁴	28 546	26 708	33 367	30 350	48 490	
Feedstock to steam	258 587	261 403	271 416	280 383	276 703	
Mobile fuel use ¹⁵	629	521	346	609	671	
Stationary fuel use	3,4	3,6	3,3	3,5	4	
Fuel gas	62 264	67 106	66 261	61 786	57 230	
Other energy use	12 134	13 038	12 770	11 928	10 821	
Total energy use	413 470	396 844	412 973	413 838	425 257	Reasonable
Material use (kiloton)¹⁶						
Coal (dry ash-free basis)	17 474	17 961	17 963	17 674	17 556	
Crude oil processed (kilotons)	3 979	4 379	4 529	4 457	4 133	
Crude oil processed (mm bbl)	29,38	32,33	33,44	32,90	30,51	
Nitrogen from air	584	583	528	718	1 356	
Oxygen from air	11 855	12 873	12 747	12 711	14 907	
Natural gas (kilotons)	2 007	2 007	2 099	2 800	3 949	
Natural gas (bscf) ¹⁷	96,91	96,91	101,35	135,20	190,69	
Other (eg chemicals, feedstock)	4 071	4 123	5 841	5 136	6 357	
Total material use	39 969	41 926	43 708	43 496	48 259	Reasonable
Water (thousand cubic meters)						
Total water use	134 445	137 061	138 622	135 458	149 552	Limited
Liquid effluent	29 629	29 313	27 544	28 573	35 833	
Water recycled	178 398	178 420	174 704	196 682	186 751	Limited
Land and biodiversity (hectares)¹⁸						
Surface area affected by operations	12 780	11 344	11 470	6 629	5 245	
Area dedicated to conservation	3 353	5 743	5 792	5 333	5 335	
Land use and mining (hectare)						
Underground mining area ¹⁹	27 184	29 514	28 877	28 168	27 459	
Legal compliance²⁰						
Fines, penalties and settlements (number)	0	1	0	0	0	
Fines, penalties and settlements (US\$m)	0	0,018	0	0	0	

Footnotes are explained on page 39.

PERFORMANCE DATA

Society capital – Society

Value added statement (unaudited)	2018 Rm	2017 Rm	2016 Rm	2015 Rm	2014 Rm
Turnover	181 461	172 407	172 942	185 266	202 683
Less: Purchased materials and services	118 720	98 697	106 473	102 837	(116 746)
Value added	62 741	73 710	66 469	82 429	85 937
Finance income	3 159	2 639	2 328	3 331	5 364
Wealth created	65 900	76 349	68 797	85 760	91 301
Employees	30 013	26 872	26 372	24 370	30 747
Providers of equity	9 369	9 767	12 482	14 185	24 085
Providers of loan capital (interest)	7 327	6 029	4 593	3 348	2 455
Direct taxes paid to government	6 633	7 134	8 332	8 830	12 929
Reinvested in Group	12 559	26 547	17 018	35 027	31 085
Wealth distribution	65 901	76 349	68 797	85 760	91 301
Number of employees for the period	31 270	30 900	30 100	30 919	33 400
Turnover per employee	5 803 087	5 579 514	5 745 580	5 991 978	6 068 353
Value added per employee	2 006 438	2 385 437	2 208 272	2 665 966	2 572 964
Wealth created per employee	2 107 472	2 470 841	2 285 615	2 773 699	2 733 563
Broad-Based Black Economic Empowerment (B-BBEE)	2017		2016	2015	2014
B-BBEE verification certificate, with a goal of reaching at least a level 4 status by 2020 ^a	Level 6	Level 8	Level 8	Level 4	Level 3
Preferential procurement (score out of 25)**	17,4	14,9	12,4	18,6	18,7
Preferential procurement (R billion) from all suppliers***	44,9	38,0	17,8	36,9	33,4

^a In 2016, in terms of the Department of Trade and Industry's revised Codes of Good Practice, our B-BBEE contributor status declined to level 8 from level 4. We view B-BBEE in South Africa as a business imperative and have embarked on a project to realise over time the goals envisaged by the revised codes.

^a All data from ORYX GTL excluded as they report separately.

^b All data from Sasol Solvents Germany excluded due to the sale of the operations.

^c All data from our operations in Iran excluded due to the sale of the operations.

^d Post Response Plan a centralised Leadership Development Cost Centre was created intended to encourage higher participation in Leadership Development. Previously OME's 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.

^e Our GHG emission intensity (tons CO₂e per ton of product - external sale) increased to 3,78 in 2018 from 3,66 in 2017, due to the decrease in the product - external sale as a result of external electrical infrastructure failure.

^{*} Production - external sales restated for 2015 due to further refinement in the methodology and alignment with the operating model, reduced from 20 855 kilotons. This has a direct effect on the GHG intensity also restated for 2015.

^{**} Score changed in 2016 to 25 as a result of the new code, previous years it was out of 20. The new qualification methodology pertaining to the B-BBEE recognition level contributed to the lower score during 2016 and 2017. Specific strategies and action plans are being implemented to assist Sasol in achieving a level 4 status by 2020.

^{***} The increase in the preferential procurement number is due to more new B-BBEE certificates and affidavits being received from suppliers.

NR: Not reported

⁺ Assurance refers to the 2018 parameters independently verified by the external assurance provider in 2018, in accordance with the statement provided on page 42.

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 hospitalization cases, or off-site injury; or (iii) it results in direct financial loss greater than US\$ 1 000 000. A FE 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 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.

9 Greenhouse gas (GHG) emissions have been calculated and reported in accordance with the GHG Protocol (www.ghgprotocol.org) and the Intergovernmental Panel on Climate Change (IPCC) 2006 Guidelines. In our GHG measurements, we have included 100% of the emissions for the following joint ventures (JVs): Natref in South Africa 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.

10 Indirect carbon dioxide (CO₂) Scope 3 includes only the emissions as a result of the charter flights to Vilanculos, Mozambique where our Central Processing facility is located.

11 VOC indicator of performance decreased due to implementation of projects on the VOC roadmap.

12 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.

13 Energy use: all energy use data are calculated at the standard measurement unit in gigajoules (Gj) to ensure standard calculation the Group.

14 Feedstock to electricity (self-generated) increased as a result of including additional sources such as methane rich gas.

15 Mobile fuel use increased due to increased use of vehicles during shutdowns and construction.

16 Material use: all material data are calculated at the standard measurement unit of kilotons (Kt) to enable calculation of input material across the Group.

17 Natural gas (material use) stayed constant as a result of the same quality of pure-gas produced and used in the plant.

18 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.

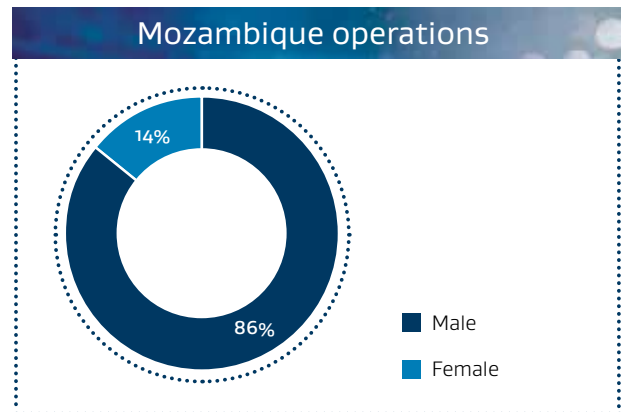
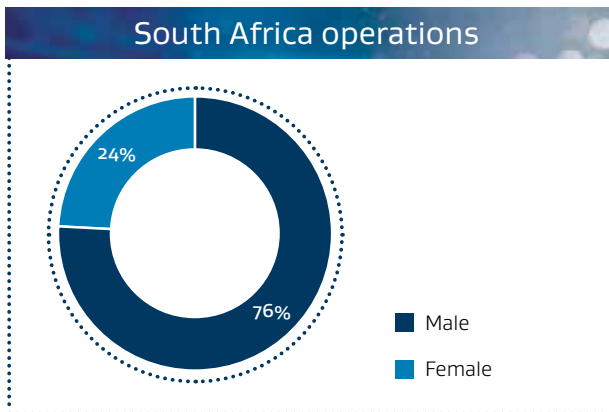
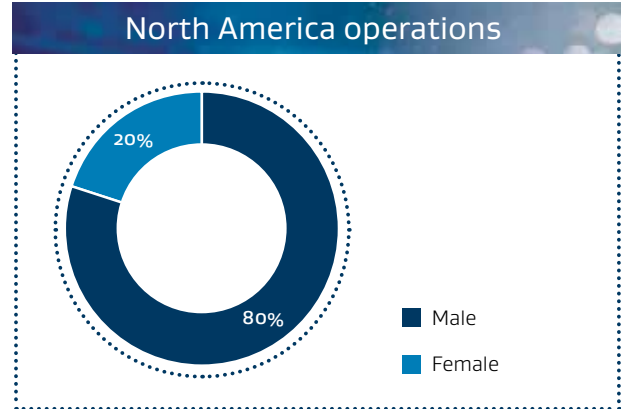
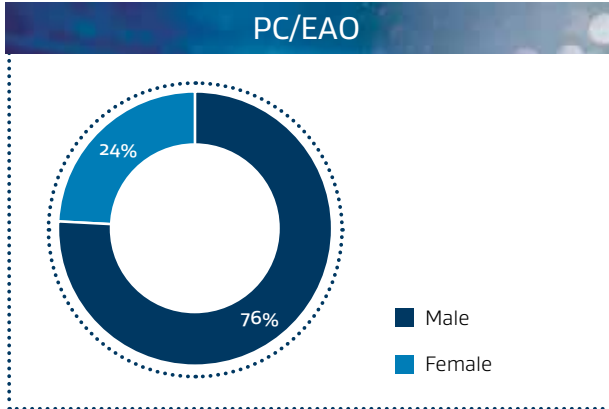
19 Underground mining area exclude pillars left underground and have been restated for the period 2013 - 2016.

20 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.

PERFORMANCE DATA

Our 2018 employee diversity performance for South Africa

The following graphs indicate our gender diversity across the areas in which we operate.



Workforce diversity profile¹ for our South African operations (as at 30 June 2018 vs June 2017)

Percentage	Male								Female								Foreign Nationals ³				Total employees in category	
	A		C		I		W		A		C		I		W		Male		Female		2018	2017
	2018	2017	2018	2017	2018	2017	2018	2017	2018	2017	2018	2017	2018	2017	2018	2017	2018	2017				
%	2018	2017	2018	2017	2018	2017	2018	2017	2018	2017	2018	2017	2018	2017	2018	2017	2018	2017	2018	2017	2018	2017
Top management	6	6	2	1	3	2	18	21	2	2	1	1	2	2	2	1	5	3	0	0	41	39
Senior management	14,6%	15,4%	4,9%	2,6%	7,3%	5,1%	43,9%	53,8%	4,9%	5,1%	2,4%	2,6%	4,9%	5,1%	4,9%	2,6%	12,2%	7,7%	0,0%	0,0%	100,0%	100,0%
Middle management	116	110	19	17	108	107	508	511	45	42	13	11	35	36	112	114	15	15	2	2	973	965
Junior management	11,9%	11,4%	2,0%	1,8%	11,1%	11,1%	52,2%	52,9%	4,6%	4,4%	1,3%	1,1%	3,6%	3,7%	11,5%	11,8%	1,6%	1,6%	0,2%	0,2%	100,0%	100,0%
Semi-skilled	973	944	136	124	284	295	1 453	1 504	586	524	80	76	215	225	700	714	65	61	20	17	4 512	4 484
Defined decision-making	21,6%	21,0%	3,0%	2,8%	6,3%	6,6%	32,2%	33,5%	13,0%	11,7%	1,8%	1,7%	4,8%	5,0%	15,5%	15,9%	1,4%	1,4%	0,4%	0,4%	100,0%	100,0%
Total permanent employees	5 284	5 205	259	243	288	292	3 337	3 434	1 590	1 447	190	179	163	159	1 206	1 242	37	41	12	13	12 366	12 255
Non-permanent²	42,7%	42,5%	2,1%	2,0%	2,3%	2,4%	27,0%	28,0%	12,9%	11,8%	1,5%	1,5%	1,3%	1,3%	9,8%	10,1%	0,3%	0,3%	0,1%	0,1%	100,0%	200,0%
Total including non-permanent employees	6 478	6 379	128	99	86	71	731	744	1 263	1 129	57	54	15	10	171	174	195	200	2	3	9 126	8 863
Non-permanent²	71,0%	72,0%	1,4%	1,1%	0,9%	0,8%	8,0%	8,4%	13,9%	12,7%	0,6%	0,6%	0,2%	0,1%	1,9%	2,0%	2,1%	2,3%	0,0%	0,0%	100,0%	100,0%
Defined decision-making	611	596	9	13	4	4	94	93	204	215	6	4	0	0	7	10	6	8	1	1	942	944
Total permanent employees	64,9%	63,1%	1,0%	1,4%	0,4%	0,4%	10,0%	9,9%	21,7%	22,8%	0,6%	0,4%	0,0%	0,0%	0,7%	1,1%	0,6%	0,8%	0,1%	0,1%	100,0%	100,0%
Total permanent employees	13 468	13 240	553	497	773	771	6 141	6 307	3 690	3 359	347	325	430	432	2 198	2 255	323	328	37	36	27 960	27 550
Total permanent employees	48,2%	48,0%	2,0%	1,8%	2,8%	2,8%	22,0%	22,9%	13,2%	12,2%	1,2%	1,2%	1,5%	1,6%	7,9%	8,2%	1,1%	1,2%	0,1%	0,1%	100,0%	100,0%
Non-permanent²	26	64	1	0	0	2	5	3	21	38	2	0	0	1	2	2	1	0	0	0	58	110
Non-permanent²	44,8%	58,3%	1,7%	0,0%	0,0%	1,8%	8,6%	2,7%	36,2%	34,5%	3,5%	0,0%	0,0%	0,9%	3,5%	1,8%	1,7%	0,0%	0,0%	0,0%	100,0%	100,0%
Total including non-permanent employees	13 494	13 304	554	497	773	773	6 146	6 310	3 711	3 397	349	325	430	433	2 200	2 257	324	328	37	36	28 018	27 660
Total including non-permanent employees	48,2%	48,1%	2,0%	1,8%	2,8%	2,8%	21,9%	22,7%	13,2%	12,3%	1,2%	1,2%	1,5%	1,6%	7,9%	8,2%	1,2%	1,2%	0,1%	0,1%	100,0%	100,0%

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

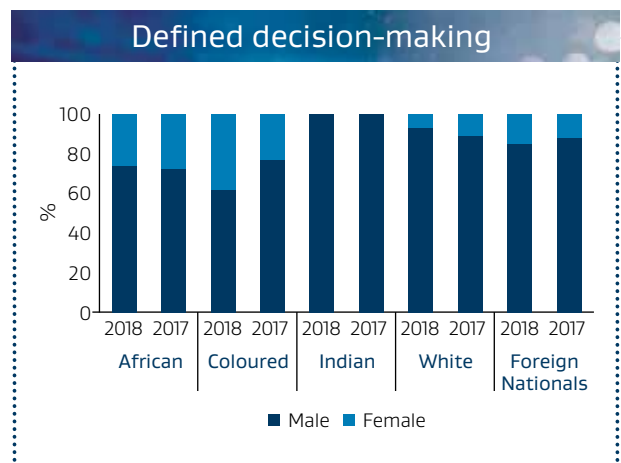
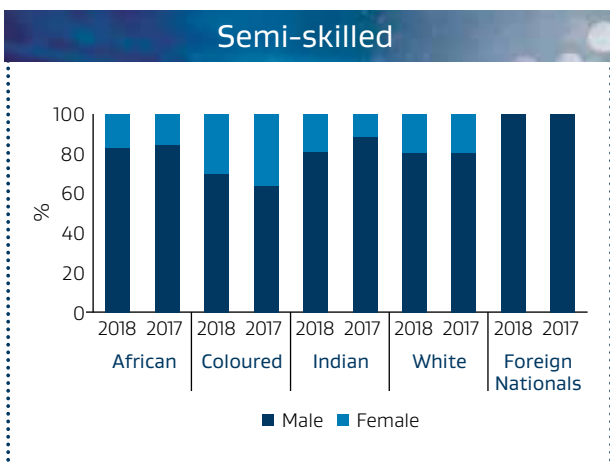
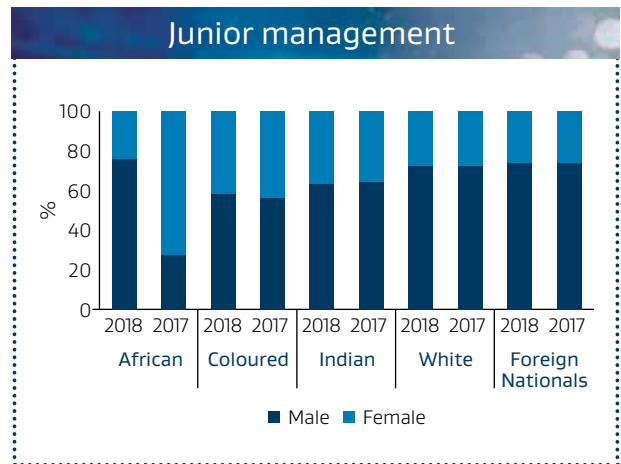
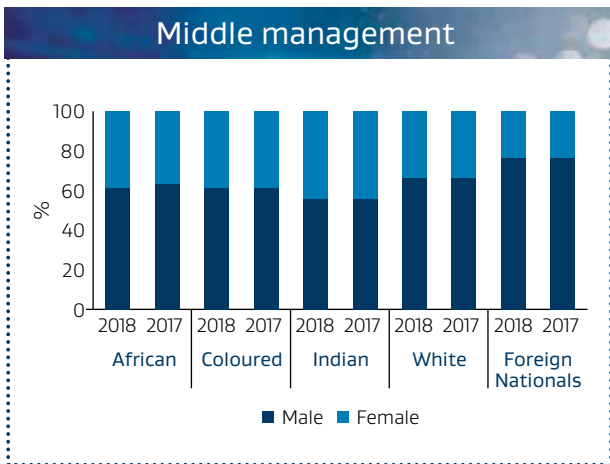
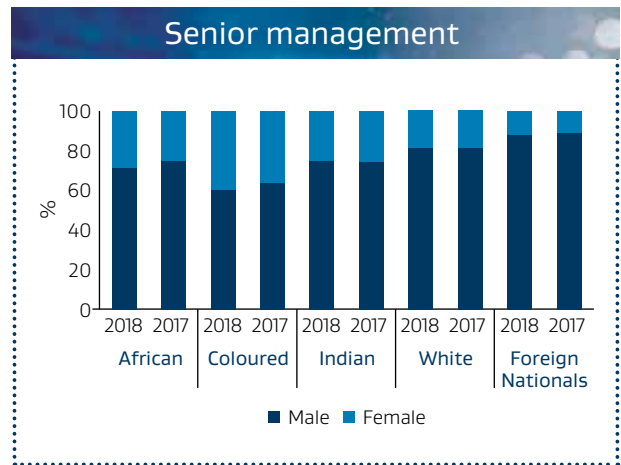
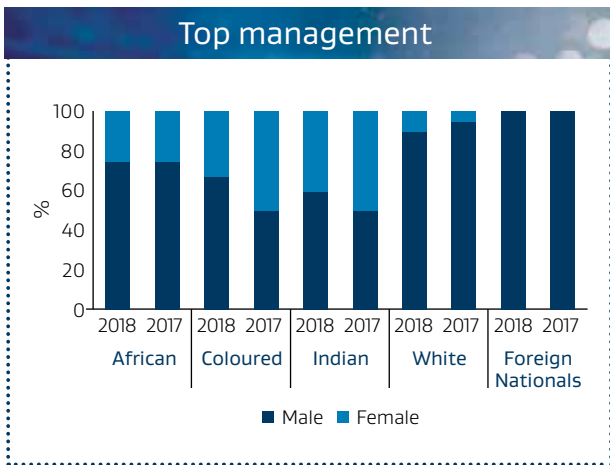
¹ Workforce diversity profile as per the South African Department of Labour Guidelines.

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

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

PERFORMANCE DATA

Our 2018 employee diversity performance for South Africa (continued)



* 2017 workforce diversity numbers include South African inbound expats.

INDEPENDENT ASSURANCE REPORT TO THE DIRECTORS OF SASOL LIMITED

We have been engaged by the directors of Sasol Limited (the “Company”) to perform an independent assurance engagement in respect of Selected Sustainability Information reported in the Sasol Limited Sustainability Reporting for the year ending 30 June 2018 (the “Report”). This report is produced in accordance with the terms of our contract with the Company dated 16 January 2018.

Independence, Quality Control and Expertise

We have complied with the independence and other ethical requirements of the Code of Professional Conduct for Registered Auditors issued by the Independent Regulatory Board for Auditors (IRBA Code), which is founded on fundamental principles of integrity, objectivity, professional competence and due care, confidentiality and professional behaviour. The IRBA Code is consistent with the International Ethics Standards Board for Accountants Code of Ethics for Professional Accountants (Part A and B).

The firm applies 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 engagement was conducted by a multi-disciplinary team of health, safety, environmental and assurance specialists with extensive experience in sustainability reporting.

Scope and Subject Matter

The subject matter of our engagement and the related levels of assurance that we are required to provide are as follows:

Reasonable assurance

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

- Product meant for external sale (kiloton) (page 38)
- Total Greenhouse Gas (GHG) (CO₂ equivalent kiloton) (page 38)
- Total Scope 1: direct GHG emissions (kiloton) (page 38)
- Total Scope 2: indirect GHG emissions (kiloton) (page 38)
- Total Scope 3: indirect GHG emissions (kiloton) (page 38)
- Total Direct Methane (CH₄) (kiloton) (page 38)
- Total Direct Nitrous Oxide (N₂O) (kiloton) (page 38)
- GHG intensity rate (page 38)
- Total energy use (thousand GJ) (page 38)
- Total materials use (kiloton) (page 38)
- Atmospheric emissions: Particulates Fly Ash (kiloton) (page 38)
- Atmospheric emissions: Nitrogen Oxides (NO_x) (kiloton) (page 38)
- Atmospheric emissions: Sulphur Oxides (SO_x) (kiloton) (page 38)

Limited assurance

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

- Recordable Case Rate (RCR), including employees and service providers (page 37)
- Number of Fatalities (employees and service providers) (page 37)
- Number of significant fires, explosions and releases (page 37)
- Number of significant transport incidents (page 37)

- Total water use (thousand m³) (page 38)
- Water recycled thousand m³) (page 38)
- Total hazardous waste (kiloton) (page 38)
- Total non-hazardous waste (kiloton) (page 38)
- Total waste (kiloton) (page 38)

We refer to this information as the “Selected Sustainability Information for Reasonable Assurance” and / or “Selected Sustainability Information for Limited Assurance”, respectively, and collectively as the “Selected Sustainability Information”.

We have carried out work on the data reported for 30 June 2018 only and have not performed any procedures with respect to earlier periods, except where specifically indicated, or any other elements included in the Report and, therefore, do not express any conclusion thereon. We have not performed work in respect of future projections and targets.

Respective responsibilities of the Directors and PricewaterhouseCoopers Inc and Nexia SAB&T Inc.

The directors are responsible for selection, preparation and presentation of the Selected Sustainability Information in accordance with the criteria set out in the Company’s Group Procedure for sustainable development reporting definitions set out on the corporate website <http://www.sasol.com/investor-centre/financial-reporting/sustainable-development-report/latest> referred to as the “Reporting Criteria”. The directors are also responsible for designing, implementing and maintaining of internal controls as the directors determine is necessary to enable the preparation of the Selected Sustainability Information that are free from material misstatements, whether due to fraud or error.

Our responsibility is to form an independent conclusion, based on our reasonable assurance procedures, on whether the Selected Sustainability Information for Reasonable Assurance has been prepared, in all material respects, in accordance with the Reporting Criteria.

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

This report, including the conclusion, has been prepared solely for the directors of the Company as a body, to assist the directors in reporting on the Company’s sustainable development performance and activities. We permit the disclosure of this report within the Report for the year ended 30 June 2018, to enable the directors to demonstrate they have discharged their governance responsibilities by commissioning an independent assurance report in connection with the Report. To the fullest extent permitted by law, we do not accept or assume responsibility to anyone other than the directors as a body and the Company for our work or this report save where terms are expressly agreed and with our prior consent in writing.

Assurance work performed

We conducted our assurance engagement in accordance with International Standard on Assurance Engagements (ISAE) 3000 (Revised): Assurance Engagements other than Audits and Reviews of Historical Financial Information, and, in respect of greenhouse gas emissions, International Standard on Assurance Engagements (ISAE) 3410: Assurance Engagements on Greenhouse Gas Statements, issued by the International Auditing and Assurance

Standards Board. These standards require that we comply with ethical requirements and that we plan and perform the assurance engagement to obtain either reasonable or limited assurance on the Selected Sustainability Information as per the terms of our engagement.

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

Our work in respect of the Selected Sustainability Information included the following procedures:

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

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

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

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

Inherent limitations

Non-financial performance information is subject to more inherent limitations than financial information, given the characteristics of the subject matter and the methods used for determining, calculating, sampling and estimating such information. The absence of a significant body of established practice on which to draw allows for the selection of different but acceptable measurement techniques which can result in materially different measurements and can impact comparability. Qualitative interpretations of relevance, materiality and the accuracy of data are subject to individual assumptions and judgements.

The precision of different measurement techniques may also vary. Furthermore, the nature and methods used to determine such information, as well as the measurement criteria and the precision thereof, may change over time. It is important to read the Report in the context of the Company's Group Procedure for sustainable development reporting definitions set out on the corporate website.

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

Conclusions

Reasonable assurance

Based on the results of our reasonable assurance procedures, in our opinion, the Selected Sustainability Information for the year ended 30 June 2018, has been prepared, in all material respects, in accordance with the Reporting Criteria.

Limited assurance

Based on the results of our limited assurance procedures nothing has come to our attention that causes us to believe that the Selected Sustainability Information for the year ended 30 June 2018, has not been prepared, in all material respects, in accordance with the Reporting Criteria.

Other matters

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

 www.sasol.com



PricewaterhouseCoopers Inc.

Registered Auditor

Director: Jayne Mammatt

Johannesburg

27 August 2018



Nexia SAB&T Inc.

Registered Auditor

Director: Nondumiso Medupe

Centurion

27 August 2018

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 include:



FTSE Russell (the trading name of FTSE International Limited and Frank Russell Company) confirms that Sasol has been independently assessed according to the FTSE4Good criteria, and has satisfied the requirements to become a constituent of the FTSE4Good Index Series. Created by the global index provider FTSE Russell, the FTSE4Good Index Series is designed to measure the performance of companies demonstrating strong Environmental, Social and Governance (ESG) practices. The FTSE4Good indices are used by a wide variety of market participants to create and assess responsible investment funds and other products.

Carbon footprint calculation: Sasol's Sustainability Report process

We calculated the CO₂ emissions associated with the business travel of the consultants who assisted Sasol in compiling this report and auditing the data. Using the World Resources Institute's SafeClimate carbon footprint calculator, this amounted to 6 271 tons of CO₂ equivalent.

The suite of reports is available on our website, www.sasol.com, or on request from Sasol Corporate Affairs. Should you have any further queries or comments regarding this report, or our sustainability performance, please email our Corporate Affairs at corporateaffairs@sasol.com.

