

# Our strategy and group imperatives

## Refining our strategic aspirations

Over the last several years, and to enable successful strategy execution, group imperatives were introduced to focus the organisation on key and urgent deliverables. As we enter a new era for Sasol, these imperatives form part of our business-as-usual activities, and have been incorporated within the relevant business and functional areas.

### Operations Excellence

Our ability to develop and manage integrated value chains and complex production processes is a key competitive advantage. Through this imperative, we improved the reliability, sustainability and maintainability across Sasol's value chains by developing standardised, world-class management systems and implementing best practice in our plants and businesses. We also seek to continually develop competent and engaged people who adopt these practices and deliver targeted performance. We have embedded this focus area in our Regional Operating Hubs.

In 2014, we developed and implemented 17 new best practice initiatives across the group. These initiatives, coupled with various other operational volume improvements, realised efficiencies of approximately R1,3 billion and energy efficiency improvements of R1 billion.

### Capital Excellence

This imperative aims to ensure the flexible and effective use of capital in the group's project pipeline. The associated programme was successfully concluded in 2014, and achieved key functional improvements.

The optimisation and prioritisation of our project portfolio is now supported by a streamlined capital approval process. We have a more rigorous planning and quality review process in place, which is in line with international best practice. Our business case review process, to inform consistent and improved decision-making, is world-class. In addition, we have a more comprehensive training, development and certification programme for all people working on capital projects. These improvements will ensure that we are able to deliver projects that meet all key parameters, in a shorter time, at a lower cost and yielding better returns on investment. In terms of our new operating model, this imperative has been absorbed into the Technology portfolio.

### Business Excellence

This imperative involves enhancing our business performance and improving our marketing and sales capabilities.

We introduced a Business Performance Enhancement Programme in 2013, co-ordinated by a cross-functional team, to align and close-out the management interventions implemented over the last three years. These changes culminated in the implementation of our value chain-based operating model, which will enable Sasol to be more efficient, effective and competitive.

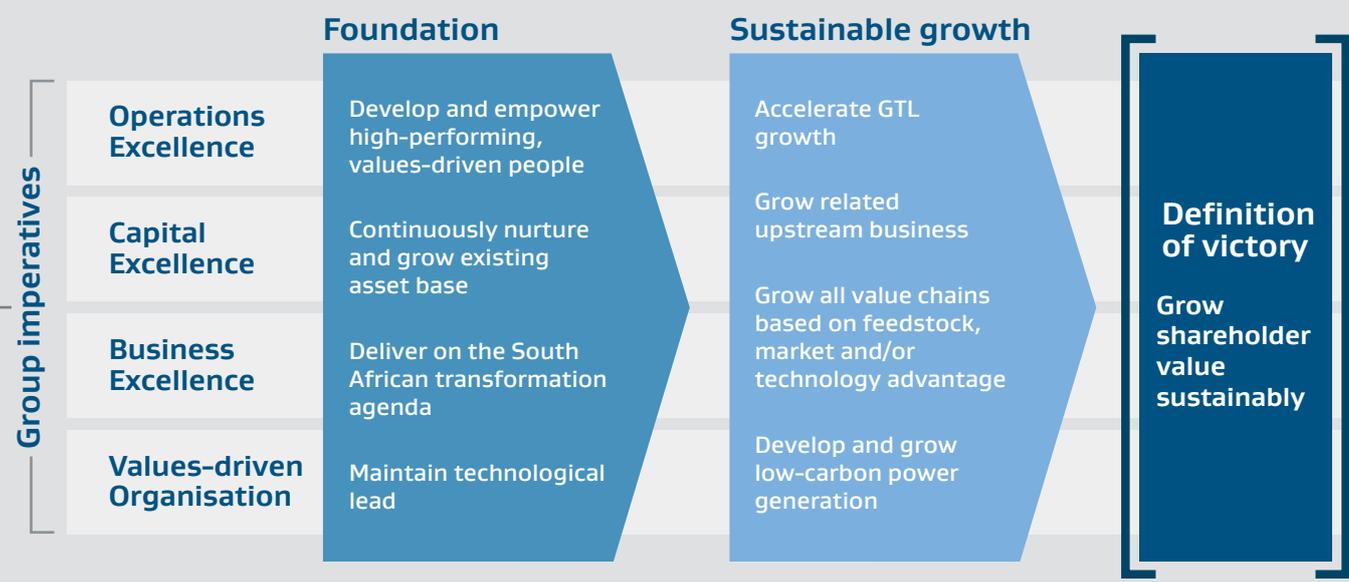
In addition, we have implemented specific programmes to improve the effectiveness of our customer engagements and to drive sales. A Sasol Key Account Management programme was piloted in 2014 and will be fully implemented in 2015.

### Values-driven Organisation

Sasol's culture – the way in which we do things – will ultimately determine our long-term success. To further instil our values-driven, high-performance culture, we identified three critical behaviours that will enable us to effectively implement our new operating model. The critical behaviours are: work to a common game plan; take a One Sasol, one bottom line approach; and embrace empowered accountability, diversity and inclusion.

We continue to support leaders and teams through coaching interventions, enabling them to manage change, while driving high performance. We have adapted our performance management systems and supporting interventions to ensure that the critical behaviours become embedded in our culture.

## Our strategic agenda



### Foundation

#### Develop and empower high-performing, values-driven people

This underscores the importance of a high-performance culture, adherence to our shared values and individual accountability. We invest significantly in skills development and training, focused leadership development and succession planning. In our quest to attract, develop and retain the right people and to encourage diversity and inclusion, there has been a substantial shift in our performance management approach.

#### Continuously nurture and grow our existing assets base

This requires that we continue to improve the efficiency and reliability of our facilities; while achieving a world-class safety record and reducing our environmental impact.

#### Deliver on the South African transformation agenda

We view broad-based black economic empowerment (BBBEE) as a business imperative, and our commitment to transformation has seen us achieve a level 3 BBBEE contributor status, based on our significant progress in advancing black ownership, women's empowerment, skills development and procurement.

#### Maintain technological lead

Through research and development, managing technology and constantly innovating, we continue to improve our value propositions and grow our competitive advantage.

### Sustainable growth

#### Accelerate GTL growth

This requires that we accelerate the application of our gas-to-liquids (GTL) offering, based on its attractive economics, given the large price differential between gas and oil and transportation fuel margins, particularly in North America. We aim to continuously improve the economics of our technologies while considering a wider range of options to monetise gas resources.

#### Grow related oil and gas upstream business

This requires the exploration and development of hydrocarbon resources to secure the feedstocks we need, and to capitalise on the benefits of integration with our downstream technologies.

Having confirmed our longer-term strategy, to be a leading integrated hydrocarbon monetiser, this element of our growth pillar moves firmly into focus.

#### Grow all value chains based on feedstock, market and/or technology advantage

Our growth aspirations are focused on the monetisation of hydrocarbon and chemicals feedstocks and include our gas-to-liquids (GTL), gas-to-chemicals (GTC) and gas-to-power (GTP) value propositions. The delivery of our strategic projects in North America and Southern Africa underpin this focus.

#### Develop and grow low-carbon power generation

Our aim is to develop low-carbon power generation opportunities with a particular focus on Southern Africa. We are leveraging one of Sasol's key competitive advantages and mitigating increasing energy costs external to the group.