

Our governance framework for sustainability

Applying best practice in the interest of Sasol and its stakeholders

We began driving sustainable development as a group-wide strategic business objective in 2000. Since then, we have systematically embedded sustainability principles throughout our activities. Our governance framework provides the group with the policies, structures, targets and reporting systems necessary to address the material risks and opportunities that sustainable development presents.

Sasol Limited Board

At Sasol Limited board level, the following committees were primarily responsible for overseeing sustainability issues:

The Risk and SHE

Committee considers the top risks and SHE issues and monitors progress of mitigating actions. The committee shares its findings and recommendations on risk assessments and management policies, material risks and sustainability matters with the Audit Committee, which is responsible for overseeing the integrated reporting process.

The Nomination, Governance, Social and Ethics Committee

performs the functions of both a Nomination and Governance Committee, and a Social and Ethics Committee as required by the South African Companies Act, 71 of 2008. The committee monitors the company's social impact and oversees legal compliance, and ensures sound ethical practices.

The Audit Committee

ensures greater integration between its work and that of the Risk and SHE Committee, particularly in terms of integrated reporting and the application of the combined assurance model.

Leadership structures

The President and Chief Executive Officer (CEO) is accountable to the board for the successful implementation of the group strategy and overall management of the group. He chairs the Group Executive Committee (GEC), which comprises the Chief Financial Officer (CFO) and other vice presidents who support the CEO in fulfilling this responsibility. His mandate includes responsibility for safety, health and environment (SHE) in accordance with the Sasol SHE policy.

Information on the Sasol SHE policy is available on our website, www.sasolsdr.com

Executive Vice President and Executive Director: Sustainability and Human Resources in 2014 was responsible for advancing the group-wide sustainability agenda through the Sasol Inzalo Foundation and Stakeholder Relations, as well as Enterprise Development and Supplier Development.

Executive Vice President: Upstream and Business Enablement in 2014 shares responsibility for advancing the safety, health and environmental (SHE) agenda with the CEO.

The following sub-committees supported the GEC on sustainability-related issues:

- **The Group Executive SHE Committee**, chaired by the CEO, addresses SHE governance issues. It meets quarterly and is attended by GEC members, functional heads and business unit managing directors.
- **The Issues Alignment and Integration Committee**, chaired by the Executive Director: Sustainability and Business Transformation, aligns and integrates the group's response to those issues that have a significant impact on Sasol and/or are important to our key stakeholders.
- **The Sasol Business Transformation Process Committee**, chaired by the Executive Director: Sustainability and Business Transformation, manages business transformation in line with South African legislation and to deliver on our long-term business goals.
- **Various Project Mandating Committees**, each chaired by a GEC member, address key issues relating to capital projects, climate change, air quality, waste management and land risk management.

AFS The composition, mandate and activities of these and other board committees are outlined in more detail in the corporate governance section of our annual financial statements.

Functional structures

Over the last three years, there was specific focus on integrating activities across different functional areas to ensure an aligned approach to sustainability.

Various group functions co-ordinate our strategic approach to sustainable development:

SHE: direction and governance for SHE excellence

The SHE function comprises experts based in the Corporate Centre, Professional and Specialised Services (PSS) and business units. The CEO, GEC and the Risk and SHE committee mandate the SHE function to design SHE management systems and processes. They ensure and assure adherence to group SHE requirements and the effective management of SHE risks. Each business unit is required to track its SHE performance and report quarterly to their respective boards on major SHE risks and liabilities, progress against group targets, and any major incidents and occurrences of non-compliance. The Corporate Centre reports on consolidated SHE performance, compliance and risk management to the relevant corporate governance structures.

A significant development during the reporting period was the finalisation of the One Sasol SHE Excellence approach. This management framework supports our goal of achieving zero harm and sustainability through a risk-based, standardised and systematic approach. It is supported by clear procedures that provide direction on how SHE requirements should be met, as well as by a set of toolkits to assist in implementing best-practice performance requirements. It reduces the complexity of SHE practices through standardisation across our different operating sites and geographies, and ensures alignment of the SHE-related roles and responsibilities of business management and the SHE function. The focus of the approach is to identify key undesirable SHE events and their mitigation.

Human Resources (HR): developing and empowering values-driven high-performance people

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

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

The group HR function encompasses talent management, learning, rewards, employee relations, diversity and transformation, and human resources activities. HR teams in each business unit implement HR strategy and policies. Further information on the activities and performance of the HR function is provided on pages 41 to 45.

Public and Regulatory Affairs: building, nurturing and protecting our reputation

The Public and Regulatory Affairs function manages various sustainability-related issues including corporate branding and communications, the Sasol Global Foundation, enterprise and supplier development, and regulatory and stakeholder affairs. A review of our social investment activities is provided on page 59, and our enterprise development activities on page 65.

Governance and Ethics: promoting an ethical culture

Ethics management is a dedicated function within Sasol, headed by the Chief Ethics Officer. The group ethics office manages the implementation of the Sasol code of ethics through a comprehensive programme with two main focus areas: proactively advancing an ethical culture in Sasol; and handling ethical transgressions. Internal audit provides the board with assurance that ethics compliance processes are working as designed. Ethics officers are appointed for each business entity and function, with various group functions also serving as focal points. Details on our recently revised code of ethics and our ethics line are provided on page 61.

Risk Management

The responsibility and accountability for Sasol's global enterprise risk management process resides with the Chief Risk Officer. The Group Risk Management function, under the leadership of the Chief Risk Officer, is responsible for developing, implementing and monitoring the enterprise risk management processes across the group.

For further detail of Sasol's governance of risk management please refer to:

 The Form 20-F for a detailed comprehensive review of risks.

 The Annual Integrated Report for the top risk and mitigation actions.

 Our online report, which can be found at www.sasolsdr.com, includes additional detail of our approach to engaging with stakeholders and our sustainability-related memberships, as well as a review of fines, penalties and settlements.