



DRIVING ENTERPRISE AND SUPPLIER DEVELOPMENT



Stimulating economic growth through small business development

The development of independent entrepreneurs is one of the most effective ways of stimulating economic growth and creating jobs in our communities

A growing small and medium enterprise (SME) sector is vital for broadening economic participation and delivering on economic development priorities. It also supports our aim to diversify our supply chain. We have established a dedicated enterprise and supplier development function to drive these objectives. This economic growth imperative has been included in the 2014 list of material sustainability focus areas.

Our approach to SME development aims to support and nurture small businesses through integrated technical and business development support, as well as mentoring and coaching for entrepreneurs. In South Africa, the Sasol Siyakha Enterprise and Supplier Development Fund provides our SME suppliers with loan funding to bolster their sustainability and create an enabling environment for them to thrive. Since its establishment in 2008, the fund has disbursed over R65 million. This year the fund provided 11 SMEs with R11,1 million in loan funding.

Through our work in small business development, we have learnt that access to infrastructure and facilities is one of the key growth enablers for SMEs. We are developing the 172-hectare ChemCity Eco-Industrial Park (CEIP) in Sasolburg, where serviced stands will be sold to businesses at competitive rates for them to conduct general and industrial business activities. The CEIP is being developed in phases, with occupation of the first phase underway. Civil infrastructure for the second phase is in progress. When complete, our total investment in this initiative will be over R185 million.

The CEIP will provide on-site business development and technical support services for qualifying SMEs in the Vaal Triangle, thereby promoting local economic development in the area.

Partnering with relevant stakeholders is a key contributor to our success in supporting SMEs. Together with the Department of Trade and Industry (dti), we are creating a R50 million business incubator facility at the CEIP. This facility forms part of the dti's campaign to roll out 200 business incubators nationwide. The development will include a 2 000 m² building that will provide office-based incubation services. A further four buildings will cater for the incubation of small-scale manufacturing businesses. Four of the five buildings were constructed using alternative building technology acquired from SMEs supported by Sasol.

In October 2011, we partnered with the Department of Science and Technology to develop a plant oil and extract facility in the Limpopo province. The aim of this project is to apply innovative technology to local natural resources to create sustainable livelihoods in the area. Agriculture is an important economic sector in the greater Tzaneen area, with fruit such as oranges, grapefruit, mangoes, avocados and bananas produced at both small and commercial scale. As the implementing partner, Sasol brought expertise in cosmetic formulations, by-product beneficiation, small entrepreneurial development and the incubation of small businesses. In 2014, the project reached full commercialisation.

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



INVESTING IN SOUTHERN AFRICA'S GROWTH AND DEVELOPMENT



“As a large corporation, we serve a higher purpose than just running our businesses profitably. At Sasol, we seek to play a constructive role as a transformative employer of choice and, more broadly, as an active corporate citizen. South Africa is the cornerstone of our global operations, and we see large-scale stakeholder benefit in our ongoing investment in the growth and development of the country and the region.”

David E Constable
President and Chief Executive Officer
Sasol Limited

Throughout our 64-year history, Sasol has played an important role in the industrialisation, growth and socio-economic development of South Africa and the broader region. Our Project 2050 commitment to extend our integrated value chain in Southern Africa to the middle of the century underpins our long-term focus. The initiatives associated with Project 2050 are fully supportive of the South African Government's New Growth Path and Vision 2030, as set out in the National Development Plan.

Our commitment to supporting local and regional economic development, job creation and security of supply in liquid fuels, chemicals and low-carbon electricity, is reflected in some of our most significant capital investments:

- The next two phases of our R14 billion mine-replacement projects in Secunda are on track. These capital projects are critical to replace much-needed, large-scale coal reserves and to extend the lifespan of our Southern Africa integrated value chain. The first phase, the R3,5 billion Thubelisha Shaft at Twistdraai Colliery, was inaugurated in 2012. The colliery sustained 1 600 jobs at the mine, with an additional 2 000 workers on site during the peak of construction.
- Our R14 billion Synfuels growth programme in Secunda, due to be completed at the end of the 2014 calendar year, will increase production by 3,2% off a 7,3 million ton baseline, ensuring ongoing operational reliability and efficiency.
- We are investing R13 billion in expanding our hard wax production facilities in Sasolburg.
- Our R1 billion limestone ammonium nitrate granulation plant, inaugurated in 2012, uses the latest energy efficiency and waste minimisation technologies, and meets more than 25% of South Africa's nitrogen fertiliser demand.



- In early 2014, we inaugurated a R1,9 billion ethylene purification unit in Sasolburg, which will support the local plastic industry's demand for polyethylene.
- Commissioned in December 2012, our R1,5 billion gas-fired power generation plant in Sasolburg is now capable of producing 175 megawatt (MW) of power. Using natural gas from Mozambique, this is South Africa's first stand-alone gas-to-power plant. As a result of this and other projects, we have a cumulative capacity to self-generate up to 70% of our electricity requirements in South Africa, easing national power constraints and promoting low-carbon electricity generation.
- In Mozambique, we have advanced the development of our 175 MW gas-fired electricity generation plant at Ressano Garcia, in partnership with the country's state-owned power utility, Electricidade de Moçambique. Beneficial operations are planned for the fourth quarter of calendar year 2014.

Looking to the future, we are pursuing new hydrocarbon resources, with a particular focus on natural gas. This is important not only to secure feedstock to grow our integrated Southern Africa value chain, but also to enhance regional energy security and to diversify the energy mix.

Through our core business activities, we create significant value for the region. Not only are we one of the largest taxpayers in South Africa, we also contribute significantly to the country's foreign exchange reserves by providing locally produced liquid fuels. We also make a substantial contribution to job creation in the country, both directly and indirectly. During the past three annual maintenance shutdowns at our Synfuels plant in Secunda, an average of 15 000 additional employment opportunities were created each year. Between February 2009 and June 2014, during the construction periods of our various mega-projects in Sasolburg, we created over 20 000 jobs. Through our retail network of 380 Sasol service stations across South Africa, we indirectly employ an additional 11 500 people.

Our determination to ensure that this growth is undertaken in a sustainable and responsible manner is reflected in the nature of the commitments and activities described throughout this report. We recognise that for the company and the countries within which we operate to grow, we need to invest in the health, wellbeing and continuing development of people and their communities; and we need to foster relationships grounded in trust and respect.

