

Promoting effective product stewardship

Managing the safety, health and environment (SHE) risks associated with our products and enhancing their SHE performance and sustainability throughout their lifecycle forms a key part of our commitment to ensuring zero harm

We strive to deliver on our commitment to product stewardship through alignment with the mechanisms established by the international chemical industry, such as the Responsible Care® Global Charter and the International Council of Chemical Associations (ICCA) Global Product Strategy. Both these initiatives were launched by the ICCA at the United Nations International Conference on Chemical Management in Dubai in February 2006. We formally recommitted to the Global Charter in February 2012. This makes Sasol party to the Strategic Approach to International Chemicals Management (SAICM), a policy framework that commits us to the 2020 goal of using chemicals in such a way as to minimise significant adverse impacts on health and the environment.

We take a risk-based, scientific and lifecycle oriented approach to managing our products. This is undertaken in partnership with our suppliers, customers and other stakeholders in the product value chain, including transport service providers.

We have identified three main possible product stewardship events:

- non-compliance to international chemical control legislation;
- product transportation incidents; and
- irresponsible or illegal disposal of product.

To address the causes of these undesirable events, we have prioritised the following focus areas:

- **Compiling and maintaining a detailed Sasol product inventory.** In October 2011, we introduced a comprehensive chemical information management system that sought to establish a product inventory for all our products, from raw materials, intermediates and final products to industrial waste streams. We completed the final product and industrial waste stream inventory in 2013. We plan to complete the inventory for raw materials and procured chemicals by 2016.
- **Improving our product transportation safety strategy.** We have concluded a review of the product transportation safety strategy, with the specific goal of reducing product transportation incidents by road. All internal parties in the value chain, from product stewardship to supply chain management, are working together on this matter.

- **Define a recycling strategy for used Sasol product packaging material.** We are in the process of mapping the landscape of Sasol's product packaging material management to identify the controls needed to manage the potential irresponsible or illegal use of any used Sasol packaging material.

In line with our risk-based approach to SHE issues, we have initiated a programme to implement the chemical risk assessment methodology developed by the ICCA as part of its Global Product Strategy. This year, we became members of the Chemical Distributions Institute for Terminals, in an effort to promote safe chemicals management where our products are handled in terminals around the world. Through this initiative, we have accredited auditors that can audit terminals.

Our 2014 performance on product stewardship

To measure our performance in implementing the Responsible Care® Product Stewardship management practice standard, all our South African business units undergo a third-party verification audit by externally accredited auditors every three years. In addition, an internal auditing team undertakes a yearly second-party audit. Our product stewardship performance this year – as measured in terms of the Responsible Care® Product Stewardship Practice-in-Place (PiP) – improved from 83% in 2013 to 85%. To meet our target of 90% PiP, we are focusing on developing risk-based product stewardship plans for each business unit.

One significant incident of product stewardship non-conformance occurred during the year. This related to the inappropriate size and location of labelling of Sasol product being shipped into Europe. The labelling was not in accordance with the international and European regulations relating to the carriage of dangerous goods, and resulted in a warning letter being received from The Netherlands Shipping Inspectorate. Immediate steps were taken to rectify the non-conformance and avoid any future recurrence.



PROMOTING EFFECTIVE PRODUCT STEWARDSHIP *continued*

Contributing to global product stewardship initiatives

We continue to play a leadership role in contributing to enhancing the safe use of chemicals worldwide, primarily through our involvement in the International Council of Chemical Associations' Chemicals Policy and Health Leadership Group.

For the past seven years Sasol experts have been advising South African government representatives on the implementation of the Globally Harmonised System of Classification and Labelling of Chemicals (GHS). We also participated in the United Nations sub-committee of experts on the GHS as vice-chair of the sub-committee, representing the South African Department of Trade and Industry.

Promoting climate change mitigation in our product chain

We have assessed the gate-to-gate carbon footprint of some of our primary products, which we communicate to customers on request. To ensure accuracy, we continue to conduct carbon footprint calculations for a selection of Sasol's products.

We supply customers with natural gas (NG) and methane-rich gas (MRG), enabling them to switch from coal and thereby reduce their direct emissions. As a result of our increased intake of natural gas from Mozambique, we have been able to increase our supply of NG and MRG to consumers. This year our total NG supplies to customers amounted to 37,50 Petajoules, while total MRG sales amounted to 23,2 Petajoules. As a result of these sales and the resulting substitution from coal to gas, we estimate that our customers reduced their total direct emissions of GHG by 3,1 million tons during this reporting period.

Maintaining positive relations with customers

We sell most of our products to businesses, rather than to individual consumers. Sasol Oil contributes the highest percentage of external customer revenue for the group

Sasol Oil's direct sales to retail convenience centres in South Africa is the most visible manifestation of the Sasol brand with consumers. We maintain an active relationship with our franchisees through regional and national councils. To manage potential compliance risks, we train relevant personnel on the implications of the South African Consumer Protection Act 68 of 2008. Tailored compliance training is being provided to all affected stakeholders.

Monitoring and managing our market reputation

We monitor our reputation among consumers in South Africa through the Reputation Institute of South Africa's annual Reprtrak Survey. The latest results released in 2014 showed a deterioration from 69,05 to 62,07. There has been a declining trend of public trust in large South African corporations, as measured by the Reputation Institute since 2010, as it reflects a broader public sentiment on companies, particularly in an environment of weak economic growth and prospects, as well as inequality. We do not currently participate in similar rating initiatives in other countries, but will be seeking to do so as our presence increases in North America.



Our online report, which can be found at www.sasolsdr.com, includes additional information on our research on fuels technology and the recent launch of clean diesel in South Africa.

