



# UNITED NATIONS GLOBAL COMPACT

Communication on progress including  
CEO Water Mandate 2020



**The United Nations Global Compact is an international initiative for companies that are committed to responsible business. Within the Global Compact there are ten principles that specify the behaviour expected from signatories covering: human rights, labour, environment and anti-corruption. Sasol has been a signatory to the UN Global Compact since 2001.**

The table provides a brief overview of our implementation of the ten principles. Best practices that meet the 21 Global Compact Advanced Criterion are included throughout this document. More detailed information is available in our 2020 Integrated Report and Sustainability Report and in our GRI Standards content index.

This submission is intended as a stand-alone document and covers the period 1 July 2019 to 30 June 2020. Where appropriate, the UNGC Communication on Progress (COP) contains references to actions and policies relating to human rights, labour, anti-corruption and the environment. Where we have targets in certain areas, these have also been included.

The COP is available at [www.sasol.com](http://www.sasol.com) (as an additional document in the sustainability disclosure section).

Although this COP statement itself has not been assured by a credible third party, key aspects of our sustainability report have been assured; an independent assurance statement is available in our sustainability report.

Our sustainability report from which this information is drawn, adheres to the GRI Sustainability Reporting standards.

The group profile and the context in which we operate can be found on our website ([www.sasol.com](http://www.sasol.com)).

## INCORPORATING THE UNITED NATIONS' SUSTAINABILITY DEVELOPMENT GOALS (SDGs) INTO THE COP (CRITERION 15)

Operating responsibly is central to Sasol's business strategy, seeking to strike a balance between economic imperatives and environmental, social and governance (ESG) considerations. Sasol recognises that it has significant potential to make a meaningful contribution towards realising the SDGs and is committed to doing so. Towards this goal, Sasol has used the SDGs as a framework to identify four strategic sustainability focus areas: i) resilience in a lower carbon future, ii) minimising our total environmental footprint, iii) developing safe and sustainable operations, and iv) growing shared value. Having mapped Sasol's activities against the SDGs over the last five years, we now better understand how our activities align with the SDGs and where we can strategically create the most value for our business, the environment and society. While we do illustrate how Sasol's current activities make an impact across all 17 SDGs in our 2020 Sustainability and Integrated Report's, we have identified four primary SDGs that align with our strategic sustainability focus areas. This core selection will build on the contribution our current activities make to the SDGs; inclusive of UN-aligned Sasol targets and indicators. Sasol commits to focusing on SDGs 8, 12, 13 and 17, as outlined in the table below:

Economy and society	
<b>SDG 8</b> <b>Decent work and economic growth</b>	<b>Growing shared value:</b> Create value for our shareholders and society, and continue to contribute to socio-economic development in our host communities.  <b>Safe and enduring operations:</b> Drive transformation and gender equality, while always operating responsibly, reliably and efficiently to safeguard the health and safety of our employees and communities.
<b>SDG 12</b> <b>Responsible consumption and production</b>	<b>Minimise our total environmental footprint:</b> Continuously improve the environmental performance of our operations across water, air, waste, biodiversity, energy and climate change.  Ensure responsible sourcing and product stewardship across the value chain, to address plastics and waste, and to mitigate environmental, health and safety impacts across the product lifecycle.
Environment	
<b>SDG 13</b> <b>Climate Change</b>	<b>Resilience in a lower carbon future</b> Support global climate change agreements and adapt to a changing climate by shifting our portfolio to less carbon-intensive businesses, reducing our emissions and transforming our operations through lower-carbon feedstocks.
Partnerships	
<b>SDG 17</b> <b>Partnerships for the goals</b>	<b>A cross-cutting imperative</b> Forge stronger relationships with all our stakeholders, collaborate and build constructive partnerships to enhance our contribution to economy, society and environment.

Further detail on our contribution to the above SDGs, and the other thirteen, is provided in our integrated and sustainability reports.

Further supporting materials and 'focus stories' are available online at [www.sasol.com](http://www.sasol.com).

# IMPLEMENTING THE GLOBAL COMPACT TEN PRINCIPLES INTO STRATEGIES AND OPERATIONS

## LETTER OF COMMITMENT

From Sasol's President and Chief Executive Officer

Sasol's group executive committee (GEC) formally adopted sustainable development as a group-wide strategic business objective in 2000. Since then, we have been progressively integrating sustainable development principles into our activities, in the expectation that a commitment to sustainable development yields a competitive advantage.

Governance of sustainable development issues and how we embed activities into our Operating Model Entities (OMEs) and functions is covered in detail in the review of our leadership and governance on pages 58- 65 of our Integrated Report 2020 **(Criterion 1)**. We continue to work towards improved performance with respect to our sustainability metrics; we publicly declare targets for safety, energy efficiency, greenhouse gas (GHG) emissions and water use. These targets are described in our 2020 Integrated Report (IR), 2020 Sustainability Report (SR), CEO Water Mandate response. The 2020 Climate Change Report (CCR) provides granular detail of emission reduction roadmap towards our 10% reduction target by 2030.

Recognising that our impacts extend beyond our operations we continue to increase our focus on the entire value chain. We engage proactively with stakeholders in our value chain. We screen suppliers and contractors and require compliance with our code of ethics. We engage in supplier awareness-education and development, and have introduced contractual clauses to address shortcomings. **(Criterion 2)**.

Sasol's approach to promoting sustainable development is aligned with mitigating the key risks facing the Group. The section entitled strategically managing our group top risks, on pages 52-57 of our 2020 Integrated Report, outlines the principal risks facing Sasol and shows how these risks have been used to identify the material matters which impact on our ability to create value. Inherent in this process, is gaining an understanding of our stakeholders' issues and their expectations (see page 8-9 of our Sustainability Report 2020). In the section aligning with our stakeholders (Integrated Report page 44-47), we review how we are addressing stakeholder concerns. Additional detail on our approach can be found in the GRI Standards content index, disclosure numbers 102-42, 102-43 and 102-44 **(Criterion 21)**.

Our commitment to social investment is reviewed in the growing shared value section of our Sustainability Report 2020 (pages 46-65). We focus our efforts in environmental stewardship, education, skills development, community development, economic transformation and local content and Sasol for good. **(Criterion 16)**.

We engage at all levels of government in order to contribute to the formation of sound public policy. We engage directly with government, as well as through industry bodies such as the South African National Business Initiative (NBI) and Business Unity South Africa (BUSAs). Sasol views its contribution to public policy as critical in supporting the UN SDGs. **(Criterion 17)**.

A specific focus is our collaboration with government regarding water resource management. We partner with the Vaal River Strategy Steering Committee and the Water Sector Leadership group in order to understand our role within the National Water Resource Strategy.

At a local level we partner with various municipalities to increase capacity, repairing household leaks and reducing municipal unaccounted for losses **(Criterion 18)**.

Our CEO's letter addressing Sasol's commitment to the ten principles of the UN Global Compact is available with our UNGC COP at [www.sasol.com](http://www.sasol.com), under sustainability disclosures. **(Criterion 19)**.

The Sasol board assumes ultimate responsibility for sustainability strategy, with three board committees (the Nomination and Governance committee, Safety, Social and Ethics Committee, and the Audit Committee) ensuring an aligned approach. **(Criterion 20)**.

Dear Stakeholder

### United nations global compact commitment

Our commitment to the United Nations Global Compact (UNGC) commenced in 2001. We are pleased to reaffirm that commitment and pledge our support for the ten principles and the 21 criterion of the advanced level programme.

Sasol's definition of victory is to advance chemical and energy solutions that contribute to a thriving planet, society and enterprise. Our efforts to deliver this goal are guided by the principles of the UNGC. Over the course of our participation we have worked to embed the ten principles into the way we do business and continually strive to improve our performance. We are also committed to engaging in collaborative projects which advance the broader development goals of the United Nations, particularly the Sustainable Development Goals (SDGs).

The review of our strategy and performance, provided in our Integrated Report 2020 and supplemented with our Sustainability and Climate Change Reports, demonstrate our commitment to the principles of the UNGC and support for the SDGs.

The highlights of our achievements are contained within the Communication on Progress (COP), available at [www.sasol.com](http://www.sasol.com) and also uploaded to the UNGC website.

We continue to view the UNGC as a valuable guide to Sasol's operations and we are pleased to pledge our active support and engagement.

Sincerely



**Fleetwood Grobler**  
President and Chief Executive Officer

21 August 2020



# COMMUNICATION ON PROGRESS

Global Compact Principle	Brief COP Statement	Reference to additional information
<b>Human rights</b>		
<b>1. Support and respect the protection of international human rights within their sphere of influence.</b>	<p>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.</p> <p>Sasol has a standalone Human Rights Policy that is incorporated into a Group-wide Code of Conduct (Code). The Code frames our human rights commitments and applies to our employees, business partners and service providers. The Code takes guidance from 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 SDGs 3, 4 and 8.</p> <p>A Supplier Code of Conduct further governs the conduct of Sasol and all of our subsidiaries, sub-contractors, consultants, distributors and suppliers. The code outlines our commitments to human rights, labour rights, environmental protection and anti-corruption practices and describes our 'expectations regarding suppliers' performance on these issues. Verification of compliance with the code is subject to audits by Sasol or a designated third party.</p> <p>Human rights principles are incorporated in Sasol's labour relations policies, SHE policies and corporate social responsibility policies. <b>(Criterion 3).</b></p> <p>We also conduct periodic human rights due diligence reviews of our activities. As part of our internal due diligence process, country risk assessments are performed before entering any given country. These assessments include screening for potential human rights non-compliance or violations. All new business opportunities and investment agreements go through this screening process.</p> <p>Calls to Sasol's Ethics Line (our independently managed anonymous reporting facility), are monitored and the group ethics office ensures remedial action is taken where appropriate. <b>(Criterion 4).</b></p>	<p><b>Human rights:</b> SR page 22</p> <p><b>Ethics:</b> SR page 23</p> <p><b>Focus story – Supply chain:</b> at <a href="http://www.sasol.com">www.sasol.com</a></p>
<b>2. Make sure their own corporations are not complicit in human rights abuses.</b>	<p>We aim to identify and manage human rights-related risks and to remediate any adverse impacts where necessary. We use a risk-based methodology that considers human rights and community impacts in-line with international standards. This is driven through our One Sasol SHE Excellence Approach and by ensuring compliance to all applicable legislation. Our Human Rights Policy and Code of Conduct reinforces our commitment to the advancement of human rights and assists in deepening a Sasol culture of respect for human rights.</p> <p>As we expand our business activities into new regions, we strive to follow the principles of the OECD Guidelines for Multinational Enterprises, and recognise that further monitoring may be required to provide full assurance that there is no potential complicity in human rights abuses. Compliance is managed through joint venture Memorandum of Understandings and through contracts with suppliers and service providers. Impact assessments are embedded into our projects, as well as community engagement processes that enable various stakeholders to raise concerns about our impacts and activities.</p> <p>We are committed to providing human rights awareness and training programmes, integrating human rights issues more formally in our project and country risk assessment, and developing mechanisms for human rights awareness-raising, communication, monitoring and assurance. Sasol contracts include compliance to our Supplier Code of Conduct as a key requirement for doing business with Sasol and, where required, we encourage suppliers to implement their own code of conduct. <b>(Criterion 5).</b></p>	<p><b>Human rights:</b> SR page 22</p> <p><b>Focus story – Supply chain:</b> at <a href="http://www.sasol.com">www.sasol.com</a></p>

## Communication progress (continued)

Global Compact Principle	Brief COP Statement	Reference to additional information
<b>Labour</b>		
<b>3. Freedom of association and the effective recognition of the right to collective bargaining.</b>	<p>We recognise the right of employees, including those of our suppliers, to collective bargaining and freedom of association, in accordance with all relevant local labour legislation as specified in our Code of Conduct. We maintain constructive relationships with all representative unions and works councils that enjoy consultative or negotiating powers on issues of mutual interest. We regularly review and update our employee relations' policies, in line with business and legislative requirements, to promote healthy employee relations. We have ensured that our human resource policies and procedures are consistent across all our operations globally. This includes provision for consultation with unions, works councils and employees in accordance with relevant local labour legislation <b>(Criterion 6).</b></p>	<p><b>Human Capital:</b> Labour management: SR page 16-19</p>
<b>4. The elimination of all forms of forced and compulsory labour.</b>	<p>The Code of Conduct and Sasol's commitment to the UN Global Compact principles specifically prevent forced labour. All labour is sourced from the open labour market; employees are provided with labour contracts in accordance with relevant labour legislation and are free to resign at any time. Our risk management and stakeholder engagement processes expose our levels of risk with respect to labour principles. <b>(Criterion 7).</b> We have forged strong relationships with trade unions and we regularly engage and discuss our progress in addressing labour standards. Through the implementation of our supplier engagement plan we review the practices of suppliers and contractors. We also conduct due diligence investigations in respect of prospective transactions, contracting parties and business partners. We have not detected any significant issues relating to incidents of forced or compulsory labour. The Ethics Line is available to all employees (and other stakeholders) to report any transgressions.</p>	<p><b>Human Capital:</b> Labour management: SR page 16-19</p> <p><b>Human rights:</b> SR page 22</p> <p><b>Code of Conduct:</b> at <a href="http://www.sasol.com">www.sasol.com</a></p>
<b>5. The effective abolition of child labour.</b>	<p>The Code of Conduct and Sasol's commitment to the UN Global Compact principles specifically prevent forced and child labour. While Sasol does not make use of child labour in any of its operations, we recognise that there could be a trade-off in some developing countries where a policy of not allowing child labour deprives families of access to an income and food. We do not support child labour, but should we invest in these regions we would focus on developing programmes that assist with educating children and also look after their families. We monitor and ensure our compliance with the labour legislation in all of the countries within which we operate. Through the implementation of our supplier engagement plan, we review the practices of suppliers and contractors <b>(Criterion 8).</b></p> <p>We also conduct due diligence investigations in respect of prospective transactions, contracting parties and business partners. We have not detected any significant risks of child labour being used. We train and provide opportunities for school leavers, who are all people of age within International Labour Organization (ILO) requirements.</p>	<p><b>Human Capital:</b> Labour management: SR page 16-19</p> <p><b>Human rights:</b> SR page 22</p> <p><b>Code of Conduct:</b> at <a href="http://www.sasol.com">www.sasol.com</a></p>
<b>6. The elimination of discrimination in respect of employment and occupation.</b>	<p>In line with our business and human resource principles, we promote workplace equality and seek to eliminate all forms of unfair or arbitrary discrimination. Incidents are dealt with in accordance with the group's disciplinary procedures and where proven, appropriate disciplinary action is taken which includes dismissal.</p> <p>We are committed to embracing a culture of inclusion, driving employment equity goals and enhancing diversity across the group. In our South African operations, we have set clear targets to address past inequalities.</p> <p>In our organisation, diversity signifies all aspects of peoples' differences including race, religion, gender, disability, culture, sexual orientation, nationality, thinking and skills. These initiatives form the backbone of our strategy for promoting broad-based black economic empowerment (B-BBEE) in South Africa.</p> <p>We achieved our targets this year under our diversity 10-point plan, which provides a set of qualitative measures designed to enable the achievement of our diversity objectives, including the recruitment, development and retention of candidates from under-represented groups, as well as measures to enhance gender equity.</p> <p>Our Women Empowerment Strategy and Women Mentoring circles help us focus on empowering women and improving their representation at all levels of the organisation. In South Africa, the appointment of persons with disabilities has been included as a measurement on our scorecard. <b>(Criterion 6, 7 and 8).</b></p> <p>We continue to promote high ethical standards, combat corruption and promote respect for human rights by creating awareness of our Code of Conduct, provide an independent whistleblowing facility and conduct periodic human rights due diligence reviews of our activities and new business opportunities.</p>	<p><b>Human Capital:</b> Labour management: SR page 16-19</p> <p><b>Human rights:</b> SR page 22</p> <p><b>Ethics:</b> SR page 23</p>

Global Compact Principle	Brief COP Statement	Reference to additional information
<b>Environment</b>		
<b>7. Support a precautionary approach to environmental challenges.</b>	<p>A precautionary approach to environmental management informs our SHE Policy and is evidenced, for example, by our implementation of environmental impact assessments and management plans, due diligence reviews, product stewardship initiatives and risk assessments. The SHE function is responsible and accountable for implementation of the One Sasol SHE Excellence Approach and co-ordination of activities across the Group.</p> <p>Where particular applications or uses of our products are scientifically considered harmful, and effective risk reduction measures cannot reasonably be implemented, we adopt a principle of not selling the product for that application. Climate change among other economic and environmental considerations influenced our decision to no longer consider investments in greenfield coal-to-liquids (CTL) and gas-to-liquid (GTL) technology. Our sustainability report includes targets relating to water, energy efficiency, GHG emissions, health and safety, and volatile organic compounds and our performance against these measures.</p> <p>We have improved our supplier monitoring with respect to environmental standards, based on OSHAS 14001. This is used as a guideline for supplier assessments. 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. <b>(Criterion 9).</b></p>	<p><b>Minimising our environmental footprint:</b> SR page 30 - 43</p> <p><b>Focus story – Supply chain:</b> at <a href="http://www.sasol.com">www.sasol.com</a></p>
<b>8. Undertake initiatives to promote greater environmental responsibility</b>	<p>Our commitment to this all-encompassing principle is evidenced in the nature of our SHE policies, programmes and targets, our product and water stewardship approaches, our commitment to compliance, and the improvements we have made in our environmental performance, as reported in our SR.</p> <p>We have better integrated sustainability into our business strategy and are refining aligned environmental targets and KPIs. We are investigating alternative water and energy supply options for our operations.</p> <p>Our operations are ISO14001 certified and the implementation of SAP Sustainability Performance Management has widened the scope of data we are able to collect. Our Operating Model Entities (OMEs) have approved management plans outlining how they propose to meet our globally applicable Sasol SHE One Excellence Approach. This includes the investigation of alternative options for water and energy, and technical roadmaps for enhancing waste management. We have audited systems in place to measure, monitor and report annually against our own performance targets and indicators. We report annually against the GRI environmental indicators. We are reporting in alignment with the recommendations of the Task Force for Climate-related Financial Disclosures (TCFD) in our CCR. We have committed to implementing an integrated global energy management system within 10 years, as part of our joining the EP100 initiative in 2018. We are a founding member of the global alliance to end plastic waste. Our Ethics Line provides process for the declaration of, and response to, environmental incidents. <b>(Criterion 9, 10, and 11).</b></p>	<p><b>Product stewardship:</b> SR page 26-28</p> <p><b>Water:</b> SR page 36-37</p> <p><b>Waste:</b> SR page 38-39</p> <p><b>Energy efficiency:</b> SR page 44-45</p> <p><b>Resilience in lower carbon future:</b> SR page 44-45;</p> <p>Climate Change Report</p>
<b>9. Encourage the development and diffusion of environmentally friendly technologies.</b>	<p>Our company has been built on the basis of pioneering research and development of innovative technologies. Recognising the challenges of operating plants and equipment that are subject to increasing demands for improved resource efficiency and reduced emission intensity, we continue to invest in research and development and new equipment and practices aimed at minimising our environmental footprint.</p> <p>Our product stewardship approach involves identifying opportunities in enhanced product design, technology and digitalisation. We are investigating alternative water and energy supply technologies to support our operations. We develop and invest in technologies to treat, reuse and recycle water from our operations to reduce our demand, minimise our environmental footprint and reduce our exposure to water-related risks.</p>	<p><b>Minimising our environmental footprint:</b> SR page 30 - 43</p> <p><b>Focus story – Supply chain:</b> at <a href="http://www.sasol.com">www.sasol.com</a></p>

Global Compact Principle	Brief COP Statement	Reference to additional information
<b>Anti-Corruption</b>		
<b>10. Work against corruption in all its forms, including extortion and bribery.</b>	<p>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 commitment to combating corruption is embodied in our Code of Conduct (updated in February 2018) <b>(Criterion 12).</b></p> <p>Enforcement of the Code is facilitated through our ethics forum and ethics reporting telephone lines, and the inclusion of the Code within employee performance appraisals. Employees are 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. Our Supply Chain Governance Framework ensures the identification and management of ABAC risks on a daily basis. We maintain ethics officers and champions within the organisation, and engage with suppliers on our code of conduct, supplier code of ethics and good procurement processes. Corruption risk is considered within risk assessments conducted for all operations. Internal audit procedures also consider the risk of corruption within any process that is reviewed, along with the controls to mitigate the risk. <b>(Criterion 13).</b></p> <p>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. In our sustainability report we disclose the outcomes of our internal ethics line, as well as on progress in our ethics governance practices. In our detailed GRI content index a response is provided to all the GRI indicators. <b>(Criterion 14).</b></p>	<p><b>Supply chain transformation and responsible sourcing and procurement:</b> pages 62-63</p> <p><b>Focus story – Supply chain:</b> at <a href="http://www.sasol.com">www.sasol.com</a></p>

# CEO WATER MANDATE COMMUNICATION ON PROGRESS

Sasol's CEO remains committed to the CEO Water Mandate, which provides a water stewardship framework to assist in responding to water risks through on-site and catchment-based activities. The mandate comprises six key focus areas in which companies commit to improvements over time and where appropriate. Feedback against each of the focus areas is provided on the following pages.

One of the focus areas of the mandate is to assist companies in contributing to 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 need to 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 address key water related challenges.

Focus area	Brief COP Statement	Reference to additional information
<b>Human rights</b>		
<b>1. Direct Operations</b>	<p>Sasol's water footprint lies in our Southern Africa (South Africa and Mozambique), Eurasian (Germany, Italy and China) and North American (USA) operations. While the assurance of water supply to all operations is currently secure, the medium to long term assurance for some operations (specifically in South Africa) is less so.</p> <ul style="list-style-type: none"> <li>Water use in North American Operations has increased significantly with the new Lake Charles Chemical Complex Project (LCCP) being commissioned and is projected to increase total Group water demand by 15%.</li> <li>Our South African operations are highly dependent on the Integrated Vaal River System (IVRS) for water.</li> </ul> <p>Our water performance compared to the previous year are as follows:</p> <ul style="list-style-type: none"> <li>Our total water consumption increased from 134,2 million m<sup>3</sup> to 142,6 million m<sup>3</sup> which is mainly attributed to the start-up of our Lake Charles Chemicals Project (LCCP).</li> <li>River water use increase from 107,4 million m<sup>3</sup> to 115,9 million m<sup>3</sup> due to the commissioning of LCCP.</li> <li>Potable water use has increased from 12,6 million m<sup>3</sup> to 12,9 million m<sup>3</sup> which is attributed mainly to an increased in demand for potable water in Secunda for industrial purposes to offset a deterioration in river water quality.</li> </ul> <p>Sasol's largest water users have set voluntary water targets applicable for a five-year period up to 2020:</p> <ul style="list-style-type: none"> <li>Our Sasolburg Operations' target is to maintain the 2015 baseline of 9,8 tons of water use per ton of saleable production; this year we achieved a 10,4 % deterioration against the baseline. This is due both to lower production and higher water use than the 2015 baseline.</li> <li>Our Secunda Synfuels Operations' target is to achieve a 3% improvement in water intensity against actual consumption in 2016 of 11,58 tons of water per ton of saleable production; this year we reported a 3,0% deterioration against the baseline due to poor feedwater quality.</li> <li>Our mining operations reported a 32% improvement during 2020 against the 2014 baseline, meeting their target of restricting the increase in potable water use to a maximum of 10%.</li> </ul> <p>In 2018 we started the process of setting context-based water targets. A potable water reduction target of 5% till 2020 has been set for Sasol Group based on our 2016 baseline while we continue to support our host municipalities implement water conservation or water demand management initiatives. In 2020 we achieved an 18% reduction in Group Potable water demand against the 2016 baseline.</p> <p>Our current water targets end in 2020. Sasol has commenced the process of setting new water targets post 2020 by supporting the UNGC CEO Water Mandate in piloting contextual water targets for the Upper Vaal Catchment. Sasol contributed U\$20 000 to this study. The recommendation from the pilot study was for users of water from the IVRS to set a water quantity target to reduce river water demand from the system by reducing water losses onsite and within municipalities. The outcomes of the piloting study will be used in shaping Sasol's future water targets.</p>	<p><b>Water management:</b> SR page 36-37</p> <p><b>Focus story: Responding to the water situation in South Africa:</b> at www.sasol.com</p>

Focus area	Brief COP Statement	Reference to additional information
<b>Human rights (continued)</b>		
<b>1. Direct Operations (continued)</b>	<p>Sasol has invested in the following water management best practice and recycling initiatives to reduce environmental risks and indirectly reduce demand:</p> <ul style="list-style-type: none"> <li>Our Sasolburg Operations has embarked on a process to reduce wastewater discharge volumes specifically from the Midland site. One example includes the recovery of flocculated water, initially used at Steam Station 2, which is now re-routed to Midland to displace potable water intake (phase 1). Consequently, this also had a beneficial effect on the abstraction and potable water requirements.</li> <li>Our Sasol Chemical Operations (SCO) invested R381 million in the Nitro Dam Water Treatment plant made up of two units, the Ultrafiltration or Reverse Osmosis Unit and the Triple Effect Evaporation or Thermal Unit. Beneficial operation was reached on both units in December 2019.</li> <li>Our Sasol Secunda Operations (SSO) made several investments which include: (1) R43 million to refurbish a cooling tower blowdown recovery unit. The units throughput offset the river water use equivalent of 4,8% of the facilities' daily raw water abstraction amount. (2) R39 million on implementing three separate projects to improve storm water management and seepage reduction via cut off trenches, thereby reducing SSO's potential environmental impact. (3) Over R100 million to construct a pollution control dam for the Charlie 1 domestic waste landfill site to effectively manage storm water run-off and seepage.</li> <li>Mining is finalising the development of a water use authorisation (WUA) compliance tool to develop a risk profile of the water use related risks for each mine. This is a proactive approach of assessing high-risk water activities to facilitate timeously prioritized and implemented actions to address the identified risks.</li> </ul>	<p><b>Water management:</b> SR page 36-37</p> <p><b>Community related water projects:</b> Environmental Stewardship SR pages 48-49 www.sasol.com</p>
<b>2. Watershed Management</b>	<p>The greatest need for water is for our South African operations requiring over 80% of Sasol's global demand, specifically our Secunda Synfuels Operations (SSO) and our Sasolburg Operations (SO).</p> <p>The water demand for these operations is supplied from the Integrated Vaal River System (IVRS) as river water. Our potable water for our South African Operations is also sourced from the IVRS through Rand Water. Sasol is the largest private sector user of River Water from the IVRS having a demand of about 3,5% of the system.</p> <p>Demand from the IVRS is currently outstripping supply hence given the major risk we face regarding water supply, Sasol's mitigating actions have included:</p> <ul style="list-style-type: none"> <li>Providing technical support and advice to DWS on critical water supply pump stations in South Africa.</li> <li>Tracking the performance of the IVRS.</li> <li>Maintaining relationships with the operators of pump stations. These relationships are critical to obtaining early warning signals for critical water supply challenges. Regular engagements with operators on the ground have informed us of supply challenges as it happened so that we could escalate these issues with the DWS.</li> <li>Continuously participating in planning sessions to ensure security of supply to our operations.</li> <li>Escalating challenges through formally submitting letters to the office of the Minister.</li> <li>Constituting quarterly engagements with the DWS to resolve issues with water use license applications and amendments. The quarterly engagements have also helped in resolving issues with the awarding of water use licences and has created a platform to raise other water use challenges.</li> <li>Attending operational meetings to understand the challenges faced by the operators which creates a platform for industry to contribute to the challenges being faced by the DWS. Sasol has always positioned itself to support the DWS where feasible rather than continuously raising challenges.</li> </ul>	<p><b>Water management:</b> SR page 36-37</p> <p><b>Focus story: Responding to the water situation in South Africa:</b> at www.sasol.com</p>



Focus area	Brief COP Statement	Reference to additional information
<b>Human rights (continued)</b>		
<b>3. Collective action</b>	<p>Given the scale of water-related challenges, we recognise the need to work collaboratively with a range of partners.</p> <p>In addition to our existing and proposed partnerships with municipalities to pursue water conservation opportunities, we have continued to contribute to the activities of the South African Strategic Water Partners Network (SWPN). A representative from Sasol, Martin Ginster continued to co-chair the activities of the SWPN together with the acting Director General of the DWS.</p> <p>Sasol is a partner to the Mine Water Coordinating Body (MWCB) which is a public-private platform established to encourage collaboration between the coal mining industry, government and other stakeholders to address the risks associated with effluent water created by the mining industry.</p> <p>Sasol continues to contribute to the Water and Sanitation Sector Leadership Group SDG6 Task Team (WSSLGTT), hosted by DWS.</p>	<p><b>Water Management:</b> SR page 36-37</p> <p><b>Focus story: Responding to the water situation in South Africa:</b> at <a href="http://www.sasol.com">www.sasol.com</a></p>
<b>4. Community engagement</b>	<p>Approximately 240 000 litres of sanitiser was donated in South Africa and 60 000 litres in Mozambique to communities, hospitals and government to reduce the spread of COVID -19 infections.</p> <p>In Secunda, we continued to support the Govan Mbeki Local Municipality (GMM) by investing approximately R60 million in water infrastructure projects over the last few years where we:</p> <ul style="list-style-type: none"> <li>Upgraded the sewer network in surrounding townships, thus preventing sewage spillages and improving the health of our employees and community.</li> <li>Supported GMM's turn around project of fixing and repairing water leaks including the appointment and secondment of five plumbers as well as back office support to the municipality.</li> </ul> <p>In Sasolburg we continued to support the Metsimaholo Local Municipality (MLM) through the implementation of the following projects:</p> <ul style="list-style-type: none"> <li>Water Demand Management Programmes in Zamdela where three mobile maintenance units were deployed in the water and sanitation department of the local municipality which resulted in an overall reduction of water losses from 40% to 10% in the greater Sasolburg area.</li> <li>Ongoing mechanical, electrical and civil work on 11 sewerage pump stations which ensures effective biowaste management.</li> <li>Ongoing support for an additional maintenance unit for exclusive use for sump cleaning, maintenance of pump stations infrastructure and servicing of pumps has been commissioned.</li> <li>Remedial work to prevent the ingress of stormwater into the Sasolburg Sewage system was completed. This intervention has been effective in the reduction of the load to the Sasol Bioworks, specifically during high rainfall periods.</li> <li>Extensive civil and security upgrades have been done at the Welgelegen Pump Station in the Eco Park, including the installation of two new pumps and a new transformer.</li> <li>Leak repairs on the main sewer reticulation systems and replacement of pipeline sections has ensured full functionality of the sanitation system in the Park.</li> <li>CCTV inspection of the main sewerage network.</li> <li>Completion of a sewerage and stormwater master plan.</li> </ul> <p>Our Mining operations implemented the following projects as part of the Social and Labour Plans from 2016 to 2020:</p> <ul style="list-style-type: none"> <li>Upgrading of the Greylingstad sewer and wastewater treatment works with a spend of R22 million.</li> <li>Construction of a water pipeline from eMbalenhle to Charl Cilliers, with a cost of R12 million, providing the Charl Cilliers community better access to water.</li> <li>Construction completed on a stormwater drainage system in Lebohang Township in Leandra at a cost of R1,8 million.</li> </ul>	<p><b>COVID-19 Response:</b> SR page 10-11</p> <p><b>Water management:</b> SR page 36-37</p> <p><b>Environmental Stewardship:</b> SR page 48-49</p> <p><b>Focus story: Responding to the water situation in South Africa:</b> at <a href="http://www.sasol.com">www.sasol.com</a></p>

Focus area	Brief COP Statement	Reference to additional information
<b>Human rights (continued)</b>		
<b>5. Public Policy</b>	<p>Sasol continues to respond to policy, planning and regulatory developments as they arise including translating technical implications for Sasol and responding accordingly with technical inputs. This year Sasol contributed to the following:</p> <ul style="list-style-type: none"> <li>South African National Water Security Framework.</li> <li>South African National Water Resource Strategy 3.</li> </ul> <p>We continue to demonstrate that there is business value in beyond fence water conservation partnerships with host municipalities. The lessons learnt from these partnerships will be used to further inform the development of government policy on incentivising such initiatives.</p>	<p><b>Water management:</b> SR page 36-37</p> <p><b>Focus story: Responding to the water situation in South Africa:</b> at <a href="http://www.sasol.com">www.sasol.com</a></p>
<b>6. Transparency</b>	<p>Sasol again responded to the annual CDP previously known as (Carbon Disclosure Project) Water Disclosure initiative.</p> <p>For the 2019 CDP Water questionnaire response Sasol received a "B" score (no "A" List companies in our Activity Group). Improvement areas identified were in the areas of Governance, specifically developing a group water policy and establishing incentives for the management of water related issues.</p>	<p><b>Water:</b> SR page 36-37</p> <p><b>Focus story: Responding to the water situation in South Africa:</b> at <a href="http://www.sasol.com">www.sasol.com</a></p>

Water is a critical feedstock for our processes, used primarily for steam generation, process cooling and the production of hydrogen. Water is also a significant consideration across much of our value chain, which extends into urban settlements, agriculture and mining. As many of our larger facilities, suppliers and surrounding communities are located in water-stressed areas, we have a heightened responsibility for ensuring good water stewardship.