

SUSTAINABILITY REPORT 2020



SASOL

This Sustainability Report for 2020 has been certified by CertiQuality (certificate number BS10/21) in relation to compliance with GRI standards for data collection and validation systems.

SEC NEWGATE communication, graphic design and layout consultants.

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A unified and positive response to the many challenges of 2020

Taking stock of the events of 2020 can be a difficult exercise, especially when considering those more imponderable and subtle aspects of the triple bottom line – the social, environmental and economic dimensions. In 2020, the pandemic has had such a great impact that it risks distorting the assessments and parameters used.

With its dramatic burden of uncertainty and pain, the pandemic is yet another demonstration of how, in a changing world, challenges and threats – but also opportunities – have effects that are felt ever more globally and rapidly.

Sasol Italy's response to these challenges in 2020, including but not limited to the health crisis, was positive not only in terms of its effectiveness, as the report explains, but also because it was unified, shared, coherent and conscientious.

These four words, even more than the widespread term 'resilience', are key concepts for the future, as they represent qualities that both individuals and organisations will need to adopt in order to face the challenging changes ahead of us.

Sasol Italy (and, indeed, the whole Group) and, as one of its main strategic assets, the people who represent it have clearly demonstrated all four of these qualities during 2020. Precisely because our corporate response was unified, shared, coherent and conscientious, we never lost sight of the many other challenges that we have had to confront.

All of these – including a market with unstable and fluctuating raw material prices; the need to bring ongoing improvements to the environmental performance of our processes; our extreme and indispensable attention to safety; and the need to take better care of and interpret market needs – have tested and demonstrated the company's excellent performance of the company, as the



information shown in this report reveals.

With a keen eye on the future and these complex and changing scenarios, Sasol therefore launched a new organisational model in 2020: Sasol 2.0. In Italy, too, we are deploying this model with the aim of working in an increasingly competitive, flexible and lean way.

The data reported in this publication allows us to look to the future with calmness and optimism as a company – one able to respond to external signals, incorporate them in its activities, and organise itself sustainably so as to interpret those signals in the best possible way. This holds true whether customers, institutions, our colleagues or our suppliers are involved.

We are committed to fulfil the needs of all our stakeholders and intend to expand and improve our set of relationships with them. This sustainability report represents a key element in this process of discussion and dialogue.

We hope you enjoy reading it.

A handwritten signature in white ink, appearing to read 'Francini', positioned above the name of the Managing Director.

Managing Director Sasol Italy

SASOL ITALY

01

SASOL ITALY AND OUR “SUSTAINABLE DEVELOPMENT GOALS”

Sasol is an integrated global chemical and energy group with its headquarters in South Africa and a territorial presence structured around three different territories (the Americas, Eurasia and Africa). With effect from 1 June 2020, the Group launched a range of new organisational solutions, currently being implemented across its various production sites and platforms. They are intended both to maximise the efficiency of our processes and to significantly boost the centrality of our sustainability strategies in all of our production cycles and decision-making processes. The reorganisation project, termed “Sasol 2.0”, will in the near future involve the company at a global level and in every single production unit. (In Italy, the reorganisation project was unveiled in November 2020.). It presents a concrete response to the competitiveness, efficiency and sustainability challenges now faced by a global company operating in the chemical and energy sector. The guiding principles of the new organisational model are two-fold:

- The making of a distinction between the chemical business – which by its nature and thanks to the Group’s territorial presence is global in scope – and the energy business, which in contrast represents an activity located essentially in South Africa, where Sasol is a market leader;
- The shift in the focus of production from a product-based approach to one based on markets and customers.

As for the Group’s chemical activities (the sector in which Sasol Italy and its sites operate), these new paradigms involve a restructuring into four business areas:

- **Essential Care Chemicals**
- **Base Chemicals**
- **Performance Solutions**
- **Advanced Chemicals**

The production of these, often involving cycles integrated between different plants, where one supplies semi-finished products that feed into another plant’s or process’ production cycle, is organised across a series of plants and offices (in 43 locations in 23 countries globally) that are organised within two production platforms, the Americas and Eurasia.

In view of the further challenges that the pandemic has added to an already complex and changing scenario, 2020 has significantly and continuously tested the company’s ability to respond and adapt. Sasol Italy has thereby done its very best to meet the need for efficiency, safety and adaptability seen over recent years.



Figure 1:
Production sites and the global presence
of Sasol's chemical business

Similarly, Sasol products are also marketed globally, with about 120 destination countries and 7,500 customers, representing an annual sales volume of 5 million tonnes and total revenues of just under €6 billion.

A series of central functions (management of human resources, finance and investments, and optimisation of development and strategies) help to define strategic objectives and identify the operational lines and initiatives needed to achieve these.



Thanks to these functions, the new focus on markets and customers – with the identification of four product areas covered by the same number of global managers across a single geographical platform, combined with the division by business areas (chemical and energy) – allow our people and resources to be focused with renewed efficiency, resilience and adaptability on different market situations. This positive attitude, as the tragic Covid-19 crisis has shown, has been able to produce concrete responses even in difficult times. Indeed, resilience is the key element underlying Sasol’s future organisational model. It is based on portfolios of differentiated products supported

by dedicated technologies and processes; a more agile and efficient mode of organisation that guarantees a better working environment; the Group’s significant competences in the fields of technology and innovation; and the whole organisation’s genuine commitment to achieving its ‘triple bottom line’ goals. These corporate objectives combine human well-being, the protection of natural resources, and profitability – in other words, “People, Planet and Profit”.

All this is neatly summarised in the Group’s new set of values and newly defined corporate purpose. These key elements represent the “watchwords” of the new reorganisation project.

Sasol, in fact, sees itself as committed to “innovation for making the world a better place”, a mission that is being guided by the values of safety, sensitivity, inclusiveness, measurability and, indeed, resilience:



The Eurasia Regional Operating Segments include our manufacturing facilities and product marketing activities in Europe and Asia. Our regional operations hub includes:



- GERMANY
- AUSTRIA
- SLOVAKIA
- ITALY
- UNITED KINGDOM
- CHINA

The approximately 2,200 highly skilled employees across the Eurasia region produce a complete portfolio of chemicals, including commodities and special chemicals, using a wide variety of mainly proprietary technologies.

Our product range includes surfactants, surfactant intermediates, fatty alcohols, mineral oil-based paraffin waxes, wax emulsions and petroleum gelatines, as well as very high-purity alumina. Our product offering includes:

ORGANICS

Our organic products are used in a wide range of applications such as detergents, industrial intermediates, paints and coatings, personal care products and lubricants, as well as a wide range of special applications including oil recovery in spent oil wells, phase-change materials and catalysts for the production of polymers.

WAXES

These products are used in a wide range of applications, such as hot-melt adhesives, bitumen modification, building panels, personal care and cosmetics, industrial applications, packaging, pharmaceutical products, polymer processing, rubber and tyres. Candles are another important market for our waxes.

As for the impact of the Covid-19 crisis on Sasol's production and business in Italy resulting from the prolonged lockdown, this was limited, with only specific products affected. Examples included jet fuel, given the almost total restrictions on commercial flights during 2020, and the chemical catalysts used by the automotive industry (a product not present, however, in Sasol Italy's portfolio). At the beginning of the pandemic, the Terranova dei Passerini production site, in Lodi province, was closed for about 30 days in line with all activities within the area known as Italy's first "red zone".

INORGANICS

Our inorganic specialties are used in a wide range of applications, such as catalysts in the automotive and chemical industries and in refineries. Very high-purity (99.999%) alumina is used as a raw material for synthetic sapphires, lasers, LED lighting and medical prostheses.

Apart from this one, temporary, exception, Sasol's Italian production sites were always included in the official lists of activities required for strategic continuity. This objective was achieved by juxtaposing remote working solutions with the adoption of preventative and safety measures to protect plant operators during their shifts. As might be expected, both personal care and especially home products saw a strong growth in demand, which also affected Sasol Italy's production chain. In the second half of 2020, there was a slow but progressive return to normality as regards both the availability and price of raw materials.

SASOL FOOTPRINT IN ITALY



In Italy, Sasol is represented by three plants and a head office, with a total workforce (as of 30 December 2020) of 630 people and revenues of approximately €1 billion. The Italian plants produce mainly chemical intermediates and raw

materials, for which the main applications involve detergents, personal care and other industrial sectors such as lubricants, paints, solvents and jet fuel.

OUR LOCATIONS

AUGUSTA (SYRACUSE)

The Sasol Italy Spa factory in Augusta, in the province of Syracuse, Sicily, employs 371 people. Covering 136 hectares, it is the largest of our Italian plants and produces, in its operational cycles, a variety of products derived from materials of oil-based and petrochemical origin. The factory is characterised by an integrated production cycle involving the raw materials kerosene, benzene and methane, while the products manufactured consist of paraffins, olefins, alkylates and alcohols, as well as important secondary products comprising jet fuel, paraffinic diesel, virgin naphtha, head and tail alcohols, and heavy alkylates. The factory is located in the northern part of the Syracuse-Priolo-Augusta industrial zone. The premises of the Sasol Italy plant are located in a highly complex industrial setting, identified in Legislative Degree L426/98 as an "Industrial Site of National Interest". The plant also includes the Punta Cugno docks (as part of a government coastal concession agreement and shared with the Italian Navy). These are linked to the factory's internal storage facilities by pipelines of approximately 3 km in length. On the edge of the site, a cogeneration plant was constructed for the production of electricity and steam, with methane as the raw material. The 49 MW power plant supplies electricity to the Sasol plants and feeds the remaining energy produced to the national grid. The plant supplies steam in the quantities required by the Augusta plant. The plant is connected with other major production facilities within the industrial zone by means of pipelines that supply more than 50% of its raw materials, thus avoiding the use of maritime and/or road transport and thereby significantly reducing environmental impacts and transport-related risks. Technical gases, such as nitrogen and oxygen, are also supplied directly from the SOL plant housed within our manufacturing site.

TERRANOVA DEI PASSERINI (LODI)

The Terranova dei Passerini factory, situated in the province of Lodi, employs 130 people and produces non-ionic, anionic, ester and amide surfactants, covering a total area of approximately 33 hectares. Some 87.5% of the raw materials used by the factory come from other Sasol plants. The main raw materials involved consist of ethylene propylene oxide, linear and branched alcohols, linear alkylbenzene (LAB) and sulphur, while the finished products consist of non-ionic surfactants, anionic surfactants and esters. The site manufactures a broad portfolio of non-ionic and anionic surfactants and constitutes a key element in the company's strategy of product differentiation. It is a strategic facility for Sasol Italy, as it operates streamlined and customised production cycles and is able to respond effectively and quickly to customer requirements, including those involving small quantities of products for SMEs. The factory's operations combined with its on-site research and development capacity therefore enable it to respond flexibly to the demands of the market including those of any new business sectors. The plant's production cycle involves the transformation of raw materials into intermediate products. It mainly produces active ingredients for detergents and personal care as well as emulsifiers, plasticisers and lubricants. It should be noted that, at the start of the pandemic the plant was completely closed for about 30 days, as the site was included in the first "red zone" established in Italy in the area around Lodi.

SARROCH (CAGLIARI)

The Sarroch site, in Sardinia, is the smallest plant in Italy. With a footprint of around 6 hectares and a workforce of 36 people, it is hosted within the Sarlux site (Sarlux being part of the Saras group). The plant produces n-paraffins from kerosene using high-efficiency technology and supplies products to the Augusta and Terranova facilities as well as to customers. The plant's production cycle is integrated with that of the refinery from which it receives, via a pipeline, its raw material (diesel or kerosene) and to which it returns dewaxed kerosene and virgin naphtha, also via a pipeline. The splitting process enables a variety of paraffinic cuts to be obtained: some are sent to the Augusta factory for subsequent processing, while a small number are reserved for direct sale to end customers. Utility services are provided by the Sarlux installations as regards demineralised water, cooling water, steam, utility air, instrument air, and distribution of nitrogen, fuel gas and H₂.

MILAN

A total of 93 people are employed at Sasol Italy's Milan head office located on Viale Forlanini 23. The head office is home to the company's general management team and a number of teams that work closely with the Eurasia head office in Hamburg. These include, among others, the Legal, Finance & Controlling, HR, Supply Chain and Customer Care departments, and the Sasol Italy Energy division.

I SITI NON PRODUTTIVI

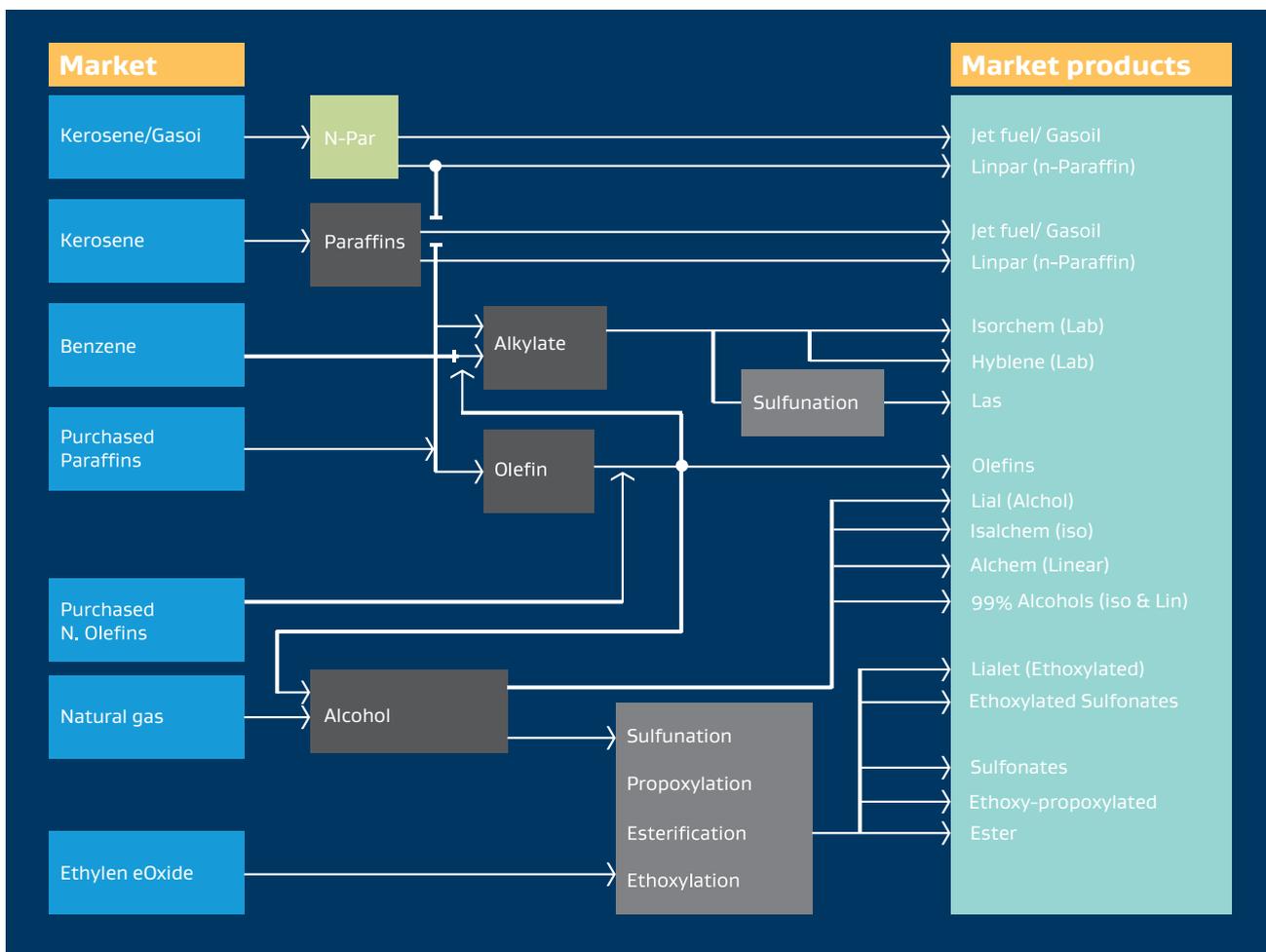
There are two sites owned by Sasol Italy that have been decommissioned over time and are currently subject to soil and sub-soil decontamination activities. These are Paderno Dugnano (MI), the former site of a research centre, and Porto Torres (SS), where a linear alkylbenzene (LAB) production plant used to be based.



INTEGRATED PRODUCTION

In respect of the production activities present in Italy, the changes effected by the new reorganisation have been limited in scope, especially as regards the organisation of personnel and of functions dedicated to production. Any small adjustments that were needed have been carried out in continuity with the past. This is because production activities at the Sasol Italy plants are already highly

integrated – a philosophy fully in line with the principles of the reorganisation. This has the benefit of enabling control of the entire production chain by creating intermediate products required for the various processes performed by other plants thereby fulfilling all customer requirements. A plant's finished products thus become intermediate products for the subsequent processing phases performed by plants downstream.



■ AUGUSTA ■ SARROCH ■ TERRANOVA DEI PASSERINI

Image 2:
Flow chart of connection of productions from different sites in Italy

In particular, every production plant in Italy, in its current configuration, produces finished and semi-finished products both for the market and to supply the production needs of other Group sites. The n-paraffins produced from kerosene in Augusta are supplemented by heavier cuts (in terms of carbon numbers) from the Sarroch plant, which uses kerosene and diesel as its raw materials. This enables a greater variety of alcohols and alkylates to be produced with different cuts, suitable

for different market segments. While some of Augusta's finished products are, in turn, sold on, others are shipped to Terranova dei Passerini, which also receives other materials from other sites. There, by means of ethoxylation and reputational processes, they undergo further transformations that allow more than one hundred different types of products to be marketed.

Output	Augusta (ton/year)	Sarroch (ton/year)	Terranova dei Passerini (ton/year)
Products			
N-paraffin	163.320	65.443	
Alkylated	241.441		
N-olefins	83.362		
Alcohol	78.271		
Ethoxylates			69.117
Sulfonates			58.852
Ester			977
Secondary products			
Jet fuel	771.092		
Deparaffined gasol		157.483	

Table 1:
2020 productions from different sites (ton/year)

PRODUCT RESEARCH AND DEVELOPMENT

Our products: a task involving continuous research

In line with the overall reorganisation of the Group's activities especially as regards the identification of four product families around which production is organised, research activities carried out at the two Italian operational hubs – Augusta and Terranova dei Passerini – have also been split into those related to the detergent sector and those aimed at other applications based on the development of new molecules. This subdivision has the dual objective of pursuing our environmental sustainability principles while also meeting our customers' needs, especially in the area of "differentiated products": in other words, those used in industrial and production activities outside of the detergent cleaning and household cleaning sectors. This is because the two main macro-sectors to which Sasol's chemical sector activities have been allocated are characterised by different market conditions and a different strategic position within the company's development model. While our detergents and hygiene manufacturing operations involve mature products that contribute large volumes to Sasol's business and achieve levels of profit that are now difficult to influence, differentiated products are aimed at new markets and present interesting prospects for growth and ROI. Such considerations form the basis of the operational choices made by Sasol Italy's Research and Development team, which, in the detergents sector, has worked predominantly on customer relationship management. As regards differentiated products, in contrast, previously initiated experiments have continued and been supplemented by others.

Research and Development activities are concentrated in the Augusta and Terranova dei Passerini Research Centres, where 22 full-time resources were employed in 2020 (working mainly at the Terranova centre). It should be noted that the figures for local staff are only indicative, as R&D is an activity performed at a global level, covering

all locations. At present, there are approximately 300 employees assigned to R&D activities for the Group's chemical business. They work in close cooperation and synergy with each other, often collaborating on joint projects.

Due to the Covid-19 crisis, laboratory activities were managed in accordance with the same rules that covered other day-to-day functions, using forms of remote work where and whenever possible. This did not have a significant impact on the activities carried out, however. Smart working has actually proved to be an effective option, especially with regard to research activities aimed at solutions for customers and at managing the relationship with them. If anything, this way of working has facilitated results and optimisations that make it likely that some forms of remote working will be maintained in an integrated and partial way even in the future. From a budgetary point of view, €3.2 million euros were spent on R&D activities in 2020 – a similar figure to previous years. Much of this involved fixed costs that cannot be reduced, including but not limited to staff costs. This explains the lack of effect from the pandemic on the overall economic value invested in research activities.

About 60% of this amount refers to costs and activities carried out directly in Italian centres, while the remaining 40% represents research projects carried out in other Group plants – at Marl and Brunsbüttel in Germany and Lake Charles in the US – in line with the global R&D management principle cited above.

As for research projects undertaken in Italy during 2020, the hygiene product initiative is worth mentioning firstly.

This is because Sasol Italy applied for an authorised exemption from the emergency regulations issued in response to the initial phases of the pandemic to produce sanitising gel in line with WHO guidelines for internal and non-commercial purposes only. In June 2020, the Augusta and Terranova dei Passerini plants therefore began to produce and distribute, free of charge, a total 3,000 litres of sanitising gel to company staff and local authorities requesting it.

As regards research in high-added-value sectors, 2020 saw several activities being developed.

The Metalworking & Lubricant (MW&L) sector is proving to be a highly important differentiated sector for Sasol and is therefore benefiting from a large proportion of the company's research efforts. In order to strengthen the product portfolio using raw and intermediate materials already present in the production cycle, Sasol has started to develop a series of ethers that are expected to have interesting qualities in MW&L applications. Work has also continued with a major technology provider on the possibility of boosting Sasol's alkylate portfolio with high-molecular-weight products that may be of interest for both the lubricants market and other differentiated applications. Finally, taking advantage of the opportunities that arise from such a diverse entity as Sasol, work has been carried out on wax product emulsions obtained through the use of surfactants produced in house. The aim here is commercialise new solutions in the MW&L field. All this research has run in parallel with our technical support activities. Despite being managed remotely due to the Covid-related restrictions, this work has allowed us to maintain contact with customers and also reach new ones with the aim of offering Sasol products to improve and update their formulations.

In order to benefit from an interesting business opportunity in the Enhanced Oil Recovery (EOR) field, the foundations have been laid for the development of a new family of products, which although present in the market are not yet part of the Sasol product portfolio. Laboratory activities have enabled us to identify the optimum operating conditions for producing a key intermediate, which will be further processed for use in the EOR field. These efforts will allow us to fill a gap left by a competitor that has left the market, opening up new opportunities for the company. In addition, by observing the laboratory results on some short-chain linear alcohol derivatives, certain characteristics have been identified which, once patented, will enable us to promote these products in oil-field and EOR applications.

In the agrochemicals field, work has begun on the emulsion of a Sasol product that offers some potentially interesting properties for tobacco cultivation. This testifies to how horizontal synergies can be identified within the company's product portfolio that result in innovative technical solutions. In addition, we have also developed a new compound, synthesised on the basis of Italian raw materials and found within the Group. This is currently in the testing phase in particular formulations for both the agricultural sector and the emulsion polymerisation sector, in which we believe it may well have some potential.

Finally, in the building and construction sector, the company has been working on the promotion of a secondary product that, in combination with emulsifiers already produced by Sasol, shows promising characteristics.

LOGISTICS

In line with the principles underlying the Sasol 2.0 reorganisation, logistics – which was already managed for efficiency purposes on the basis of product type – is now being handled in accordance with the distinction between inbound and outbound logistics. In specific terms, the inbound term deals with the movement of raw materials between the various Group offices and production sites. However, raw materials found in the oil market and transported by bulk ship (involving specific transportation issues that require consolidated know-how) are, together with shipments of finished products, the responsibility of the outbound logistics team.

In 2020, Sasol transported approximately 1.5 million tonnes of finished products. These volumes are transported mainly by ship (approximately 77%, also taking into account the intermodal marine component), followed by transfers via dedicated pipelines (approximately 11%) and road transport (12%).

Both logistics sectors are committed to and focused on ensuring that sustainable choices and methods are applied in the planning and handling of their materials. Sustainability in this sense is the overriding theme that involves a range of aspects, from local distribution and pipeline-based transportation to maritime, road and intermodal transport over medium/long distances. Despite some structural issues and constraints associated with the specific transport modes associated with certain products, Sasol Italy is committed to seeking less environmentally burdensome solutions whenever possible. For example, increasing use is being made of intermodal transport, which combines road haulage for the final stage with other solutions. As for inbound traffic, at Augusta and Sarroch everything is now handled intermodally, with “short sea” shipping is used in

conjunction with rail services. Other measures have been planned and are in the process of being implemented with the aim of further reducing loads transported by road haulage for the benefit of intermodal solutions.

The Logistics team, particularly with regard to road transport, pays specific attention to the environmental assessment of suppliers and the modes of transport provided. It gives priority to suppliers whose objectives include reducing their emissions by investing in more efficient engines and/or engines powered by renewable fuels in order to limit consumption and reduce emissions. Today all of the vehicles in use are of Euro 5 or Euro 6 standard. Natural gas-powered engines have also been found to further improve transport-related emissions. Service providers are accredited and registered, following pre-qualification, for a renewable period of two years. The pre-qualification process takes into account the type of vehicle fleet involved and its environmental qualities, the presence of any certifications and financial soundness of the provider. In addition to pre-qualification, three audits are carried out each year in the field so as to analyse service data, any accident patterns, and the technical methods used.

At the level of the Sasol Eurasia platform, “blacklists” of operators not considered reliable have been established. These lists are constantly updated based on inputs from the various locations. Individual carriers are also subject to annual audit campaigns aimed at verifying the condition of their vehicles, their attention to environmental issues, and their compliance with specific procedures.

Recently, starting in 2020, companies have been appointed that offer the now preferred option of intermodal transportation solutions, except where specific delivery requirements require the use of road transport alone.

Audit activities are also carried out in respect of shipowners, in accordance with the international standards adopted by the Group. Vessels are subject to external technical inspections by a specialised third-party company (London-based ShipVet) before they embark on the voyage for which they have been commissioned. The verifications performed also include checks to see whether a specific ship is included in the sectoral “blacklist” as a result of infringements of or non-compliance with international safety standards.

With regard to logistics similarly, it is essential that a comparison is undertaken of all operators in the supply chain that provide added value through sustainable logistics (whether logistics operators, trade associations or customers) in order to define medium-term strategies that might benefit the entire system. In this context, Sasol is involved in a number of working groups for the purpose of contributing its experience and adopting the industry’s best practices itself. In particular, Sasol represents Federchimica representative on the logistics committee of the Tavolo per la Carta di Padova (the “Padua Charter Round Table”). This sustainable logistics initiative was launched in 2020 by a number of operators and trade associations. Driven by Sasol’s commitment, the Federchimica industry body has now adhered to and signed up to the Padua Charter, thereby helping – thanks to its substantial experience and the expertise of its members – to make this initiative a great opportunity for discussion and exchanging information, facilitating an additional avenue for involvement in this field.

Finally, at the individual production unit level, Sasol manages and maintains ongoing operational relationships with the bodies charged with monitoring transport, especially maritime transport, such as the port authorities. With these bodies, it is now standard practice to hold discussions aimed at evaluating potential issues and defining procedures for improving the safety and sustainability of transport operations.



METHODOLOGICAL NOTE

This Sustainability Report is the third published by Sasol Italy and is drawn up in compliance with the principles of the GRI Sustainability Reporting Standards, the most up to date and widely used non-financial reporting standards. The report has been externally reviewed and certified for adherence to the standards. The document has been prepared in line with the GRI Standards: Core option.

This report therefore sets out the data relating to the results achieved by Sasol Italy in the Corporate Social Responsibility field during the 2020 calendar year.

The scope of the report includes the Milan headquarters, the three factories within Italy (including the cogeneration plant managed by Sasol Italy Energia, a 100% subsidiary, at the Augusta site). With regard to economic data, as the contribution of Sasol Italy Energia is not relevant, this has not been reported. With regard to decontamination activities only, the report also covers the two decommissioned sites of Paderno and Porto Torres.

This document has been prepared in accordance with the principles for defining report content proposed by the GRI:

- **COMPLETENESS:** the material topics considered in the report are covered in their entirety and constitute the environmental, social and economic aspects of most relevance for the company's activities, thereby allowing for a complete evaluation of the company's performance in the reporting year.
- **STAKEHOLDER INCLUSIVENESS:** this document lists the company's stakeholders and the ways in which they are involved, and takes into account their interests in defining the contents of the report.

- **MATERIALITY:** the topics reported have been identified on the basis of their relevance to both the company's business and its stakeholders.

- **SUSTAINABILITY CONTEXT:** Sasol Italy's performance is considered in the wider context of the sustainability of the company's business.

In preparing the report, quality-based principles have been followed, namely:

- **ACCURACY:** the information reported has been prepared with the aim of understanding and assessing sustainability performance over the reporting period.

- **RELIABILITY:** the information presented in the document has been collected, processed and validated by the managers responsible for each function. The economic information is consistent with that reported in the annual financial report.

- **CLARITY:** the report has been written in clear and accessible language, partly by using charts and tables to depict the company's performance.

- **COMPARABILITY:** the indicators presented in the report are reported for the three-year period 2018-2019-2020 – unless otherwise indicated – and accompanied by a comment on how they have changed in such a way as to allow performance levels to be compared over time.

- **BALANCE:** the contents of this document report the company's performance in a balanced way, accurately indicating progress made with regard to results.

- **TIMELINESS:** the report takes into account any events that occurred up to 31 December 2020 that may be significant for evaluating the company's performance.

The evaluation of the management methods for each process takes place in line with the Deming Cycle (Plan-Do-Check-Act). Performance is monitored with the aid of a series of indicators used for defining the checks, in line with corporate risk management policies including those related to HSE and to legal compliance. A series of internal and external audits, planned annually, are performed to monitor adherence to proper management principles and the application of the guidelines defined in line with the company's policy. A system of sharing information with all of the Group's plants also enables the results of inspections to be evaluated and if necessary applied both inside and outside the Sasol Italy plants. Benchmark analyses are undertaken at the corporate level to review the objectives and principles underlying the policies. Great attention is paid to external stakeholders' complaints and requirements for the purpose of continuous improvement based on the needs expressed by those stakeholders.

Group policy guidelines are available to all employees on the company intranet and form the basis of Sasol Italy's system of operational procedures.

Reporting on management methods is carried out by the Corporate team and forms the basis of management improvement initiatives for the coming years. Verification of the document and its compliance with GRI standards has been subject to certification by CertiQuality, which ensures that adherence to those standards can be confirmed.

For more information on this and previous reports, feel free to contact Sasol Italy's communications office at stampa@it.sasol.com



MATERIALITY ANALYSIS

The purpose of this document is to provide stakeholders with a report on the economic, environmental and social impacts they consider significant. The representative sample identified consists of 1061 external and internal stakeholders. Specifically, the following participants responded to the questionnaire sent by email:

- 405 external Italian stakeholders including local and national institutions, opinion leaders, customers, suppliers, news organisations, universities, and employers’ organisations and trade unions;
- all Sasol Italy employees, including both daytime and shift workers;
- 31 stakeholders, customers and suppliers outside Italy, selected from participants in the Ecovadis programme.

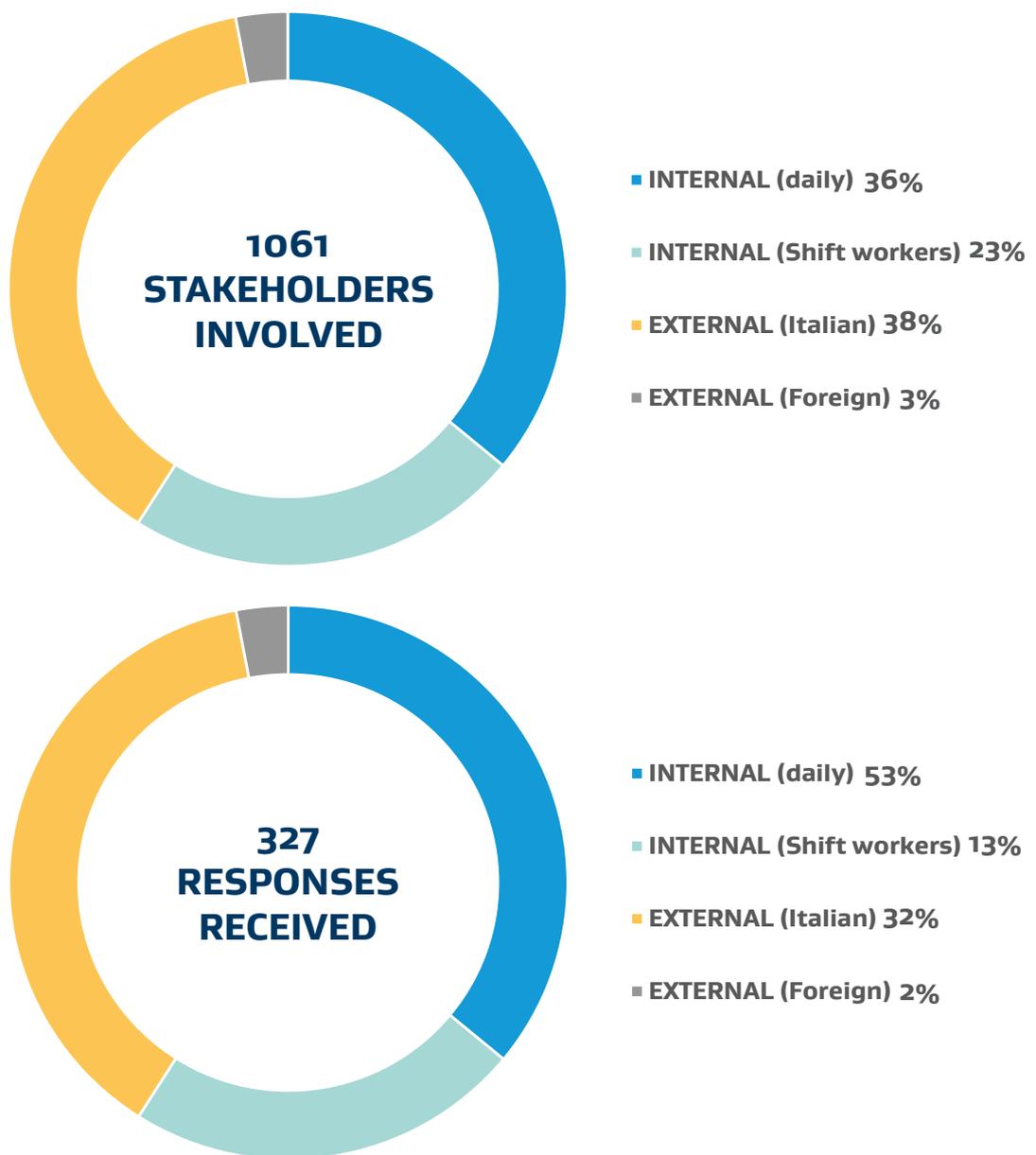
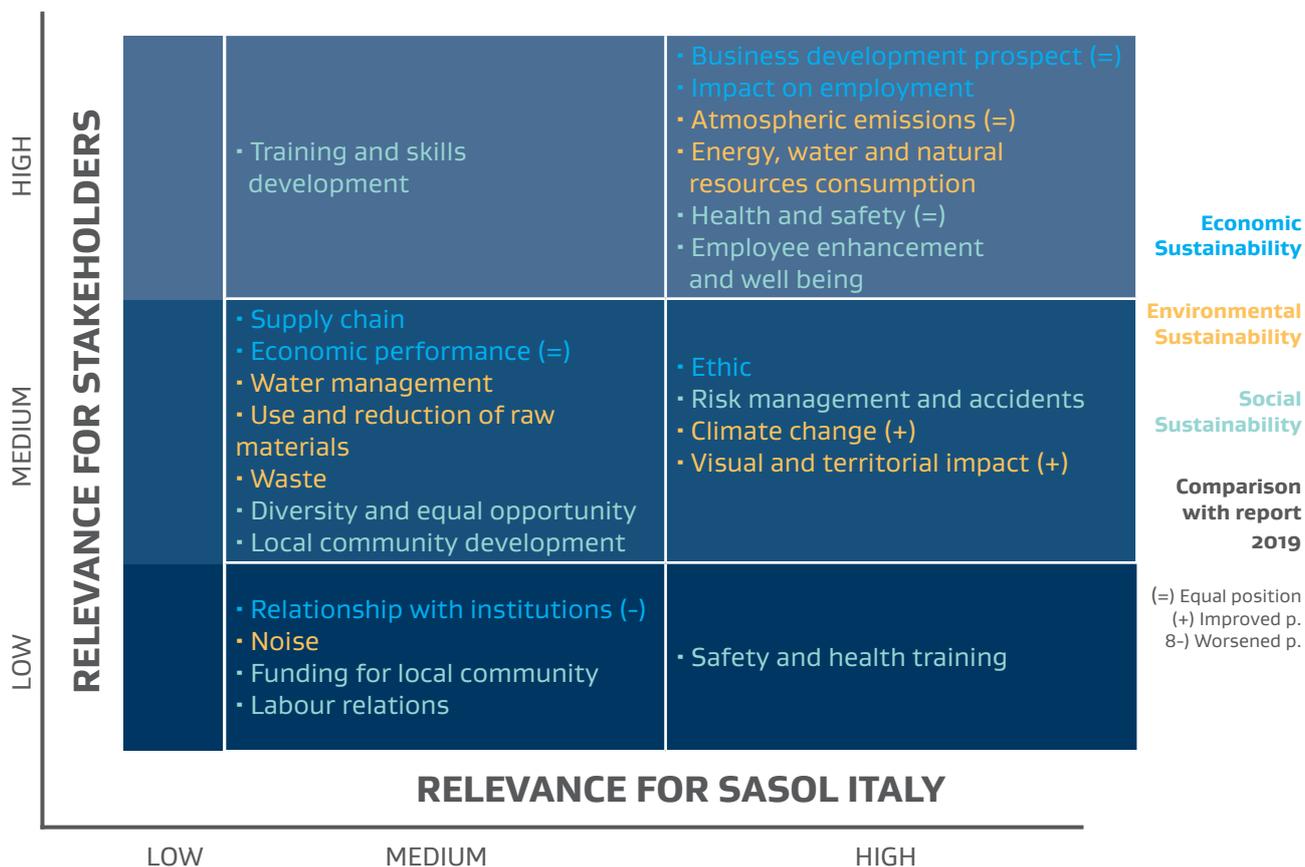


Image 3:
% shares of the stakeholder panel composition and of respondents

The responses to the questionnaire were analysed, with those obtained from internal stakeholders separated out from those of external stakeholders in order to understand the priorities of both groups and compare them with the communication requirements

identified by Sasol. The results of the materiality analysis were presented to and discussed with Sasol Italy's senior management team so that items for inclusion in the 2020 Sustainability Report could be identified. The results of this discussion are shown in the following matrix.



In the analysis, some new topics were also considered, while for those already included in the 2019 Sustainability Report, there were no substantial changes. Issues relating to external noise, not considered relevant by the stakeholders, are not dealt with as there are no sensitive external receptors in the three production plants. Similarly, issues relating to the management, in terms of time, of organisational changes, have not been addressed as they are considered to be of little relevance to stakeholders.

As can be seen from the charts shown below, the topics considered most important by the sample interviewed were subdivided into the following thematic areas:

- **ECONOMIC SUSTAINABILITY:** impacts related to employment, business and its development, ethics and economic performance. As a misalignment emerged between internal and external stakeholders as regards the aspects of greatest interest, it was decided to also treat the supply chain issue as important so as to meet the needs of external parties, who are under-represented in the among the respondents relative to internal stakeholders.

- **ENVIRONMENTAL SUSTAINABILITY:** consumption of energy, water and natural resources, atmospheric emissions, climate change and waste. In this case, responses were similar for both internal and external stakeholders.

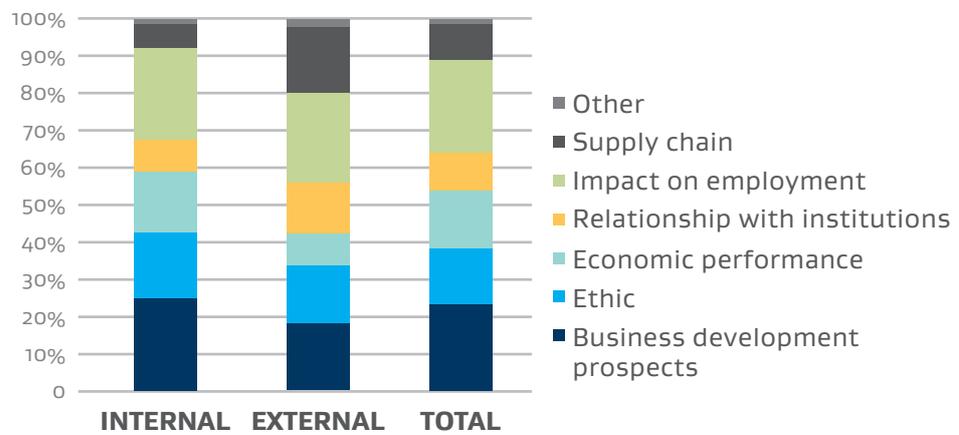
- **SOCIAL SUSTAINABILITY:** employee health and well-being, health and safety, training and skills development. In this case, too, a misalignment emerged between the stakeholders' preferences. For the sake of equity, we chose to include the issue of local community development as the fourth main point of interest rather than diversity and equal opportunities, issues that were on an equal footing in the total count.

The questionnaire sent to stakeholders also included a survey about which of the three topics was of greater interest than the others.

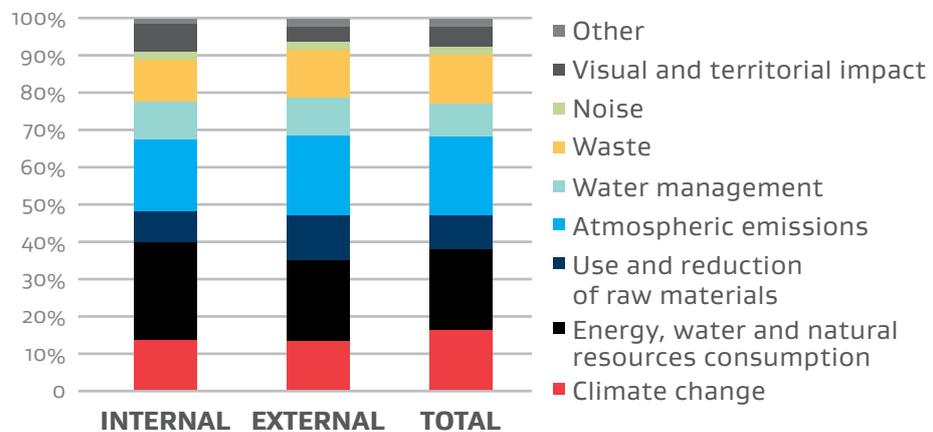
It emerged that environmental sustainability was of wider interest among our stakeholders.

Pandemic-related aspects, which last year strongly influenced responses regarding issues of employee health and safety, have been given less coverage this year. In any case, a section of the questionnaire was dedicated to the stakeholders' suggestions for the aspects of greatest interest related to management of the pandemic.

5.A: ECONOMIC SUSTAINABILITY



5.B: ENVIRONMENTAL SUSTAINABILITY



5.C: SOCIAL SUSTAINABILITY

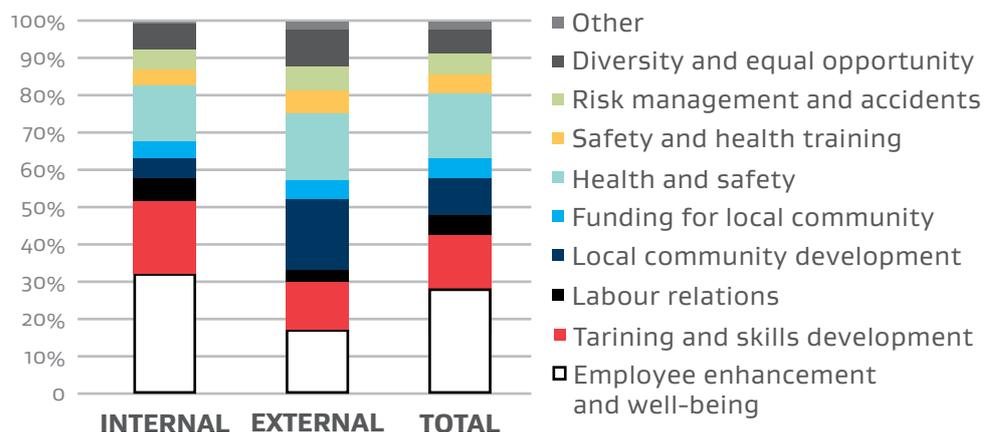


Image 5 A.B.C: Results of the materiality analysis in the three reporting domains

OUR STAKEHOLDERS

Sasol Italy has continued to work on identifying and better categorising its stakeholders so as to shape and animate our modes of engagement and ways of listening to their concerns. Thanks to our efforts so far and our continuous engagement with best practices in the sector, combined with Sasol's strategic focus on activities involving listening to and building relationships with its communities, the organisation has become a "first mover" in just a few years as compared to many other companies. Since April 2020, a genuine practice has been established and shared with all representatives of the company – who are entrusted with the task of managing the relationship with our stakeholders – for regularly verifying the status of the commitments made

with the various corporate stakeholders. The aim here is to monitor progress and identify areas for improvement and intervention where necessary. The cultivation of a constant, constructive dialogue, focused on listening to the needs and requirements of all of our stakeholders, is of strategic importance for Sasol Italy in order to build a long-lasting relationship of trust. We strongly believe that only by sharing our goals can tangible results be achieved with regard to sustainability initiatives. With each of our stakeholders, we share a step-by-step route map that continues and develops over time, using different modes of involvement:



- **INSTITUTIONS**, at national and local level, through continuous participation in the full range of debating and discussion forums. In particular, at the national level, with ministries that are strategically relevant for our business (such as the Environment and Economic Development Ministries), by attending thematic meetings regarding specific regulatory updates. At the local level, we promote concrete dialogue with regional governments, with the mayors of the municipalities in which our factories are located, with local councillors and with all institutional representatives.
- **TRAINING BODIES, UNIVERSITIES AND SCHOOLS** at all levels, with which we undertake a variety of initiatives every year, including internships, apprenticeships, dissertation projects, scholarships and work-school dual-training projects, as part of a collaborative approach to getting young people ready for the world of work.
- **LOCAL AND NATIONAL MEDIA**, by cultivating a relationship of sharing based on transparency about our company's performance and results, including by means of reports such as this one.
- **CITIZENS**, by promoting opportunities that encourage the comparison and dissemination of accurate and contextualised news, creating a relationship based on trust and integrity.
- **EMPLOYEES**, our most valuable asset, by making them feel part of "One Sasol", proud to work for the company and proactive witnesses to our commitment and sense of responsibility in all our activities. For the 2020 edition of the report, we decided to extend the opportunity to take part in the materiality analysis to all employees by means of a specific questionnaire.
- **TRADE UNIONS AND EMPLOYERS' ORGANISATIONS**, by jointly contributing to a system of cutting-edge industrial relations in the sector that is able to bring innovation to the company and to the entire chemical market.
- Our **CUSTOMERS AND SUPPLIERS**, , by listening to and collaborating with them and through adherence to the high professional standards required by Sasol so that they see us as a reputable company that is attentive to their needs, and by viewing them as part of our sustainable development process.
- For the 2020 edition of the Sustainability Report, an additional standard category was created for materiality analysis consisting of **STAKEHOLDERS OUTSIDE ITALY**, mainly customers, members of this group can contribute their different perspective to the analysis and identification of the key issues to be included in the report.

OUR PARTICIPATION IN TRADE ASSOCIATIONS AND BODIES

Sasol Italy is involved in a range of various programmes and initiatives focused on sustainability and is also a member of trade associations. It thereby aims to proactively contribute to the dialogue with institutions and to map out, in conjunction with its stakeholders, the future scenarios faced by industry and the chemical sector. More specifically, at the local and national level the company is a member of:

- Federchimica, the Italian national chemical industry association, which represents 1,400 companies employing a total of more than 92,000 employees, grouped into 17 sectoral associations, which are, in turn, sub-divided into 37 product groups.
- Directly related to its participation in Federchimica is Sasol's role in the management of the Responsible Care programme, the voluntary initiative aimed at promoting the sustainable development of the chemical industry worldwide. In Italy, a total of 170 companies of various sizes in the chemical sector have joined this initiative (see box for more information).
- Confindustria Siracusa, a local employers' association consisting of over 250 small, medium and large companies, offering goods and services in the manufacturing, construction, mining, tertiary, transportation, tourism, private health, chemical and agri-food sectors in the province of Syracuse.
- Assolombarda, the association of companies operating in the Metropolitan City of Milan and the provinces of Lodi, Monza and Brianza, and Pavia, involving more than 6,800 associated national and international companies of all sizes that produce goods and services across all market sectors. The member companies employ more than 409,800 people.

- Confindustria Sardegna Meridionale, which represents about 1,400 companies with approximately 35,000 employees operating in southern Sardinia.
- CIPA, the Industrial Consortium for the Protection of the Environment, with which Sasol Italy is involved in conjunction with the other companies within the Syracuse petrochemical hub. CIPA is a data collection network consisting of 12 peripheral stations for measuring pollutants and six weather stations, along with a data collection and processing centre. It covers an area of 150 km².
- IAS, Industria Acqua Siracusana, the cooperative purification plant of which the majority shareholder is the Syracuse Industrial Development Area (which is being wound up), with a minimum number of shares also reserved for the municipalities of Priolo Gargallo and Melilli; the rest of the share package is reserved for the large oil and petrochemical companies in the industrial area.
- Finally, Sasol Italy participated in the Ecovadis evaluation, an independent platform for the evaluation of over 65,000 groups and companies in 200 sectors across 160 countries (see box for more information).

RESPONSIBLE CARE

"Responsible Care" is the voluntary program to promote the Sustainable Development of the global Chemical Industry, according to values and behaviors oriented to Safety, Health and the Environment, in the more general context of Corporate Social Responsibility. Currently the "Responsible Care" Program is adopted by over 10,000 chemical companies, in more than 60 countries around the world. In Italy, the "Responsible Care" Program, launched in 1992 and managed by Federchimica, is currently pursued with commitment and determination by about 170 large, medium and small companies, including Sasol.

Joining the program means having a continuous comparison to share the best business practices, aimed at increasing the sustainability parameters of the member companies, through dedicated Technical-Scientific Committees and working groups. Every year the Responsible Care Steering Committee, which also includes Sasol, issues a Report on the performance data of Italian chemical companies compared to those of companies in other production sectors.

Some interesting facts: from an environmental point of view, chemistry is already in line with the EU's 2022 and 2030 targets.



Responsible Care[®]

Since 1990, it has reduced greenhouse gases by 54%, and since 2000, it has improved energy efficiency by 49%. Emissions into the atmosphere have been drastically reduced by 97% since 2005. The chemical industry is strongly committed to the pursuit of the circular economy: the amount of waste generated for the same production decreased by 7.7% compared to 2017; recycling is among the first methods of disposal (26.8%

in sharp increase) and only 4.8% are used to landfill.

The chemical industry can also proudly claim its primacy among the virtuous manufacturing sectors in the field of safety and health in the workplace. The chemical industry has a very low number of occupational accidents and diseases: they have decreased at an average annual rate by 2.7% and 5.4% respectively since 2010.

ECOVADIS

EcoVadis is an independent platform for evaluating more than 65,000 groups and companies in 200 sectors in 160 countries, using CSR (Corporate Social Responsibility) assessment criteria based on the sustainability standards of thousands of external sources: NGOs, trade unions, international organizations, local governments and auditing organizations.

In 2019, EcoVadis' independent consultants evaluated Sasol Italy's Sustainability performance by awarding it a Platinum medal and placing it in the best 1% of companies in the sector.

The evaluation covered the areas of environment, labour and human rights, ethics and sustainable procurement. For each of these areas, documents, policies and processes already in place were evaluated that testify to Sasol Italy's commitment to harmonizing its economic, social and environmental performance.



During 2020, through all its participation and collaboration with the aforementioned external parties, Sasol Italy focused on two main commitments and priorities:

- The sharing of coordinated and coherent response strategies in the health security field between the various plants situated in the same industrial and production zone.

- Coordinated management of the economic and social response to the continuing emergency situation and the restrictions imposed by the strategies deployed to respond to the pandemic. Notwithstanding the specific company policies involved and their application, Sasol Italy has, indeed, been committed to sharing proposals and concrete projects with other companies in the region. In the hydrogen sector, for example, this approach was taken in the handling, from an administrative perspective, of Covid-19 as an occupational disease.

CORPORATE GOVERNANCE STRUCTURE

Sasol Italy's corporate governance system oversees the management and control of the company's business activities and is the fundamental element underlying the creation of value for its shareholders and its various stakeholders.

Sasol Italy is 99.94% controlled by Sasol European Holdings Ltd.; the remaining capital is held by a total of 30 third-party shareholders.

The governance of Sasol Italy is organised in accordance with the traditional management and control model, comprising the Shareholders' Meeting, Board of Directors and Board of Statutory Auditors. Management of the company is therefore assigned to the Board of Directors, supervisory functions are

assigned to the Board of Statutory Auditors, while statutory auditing and financial control are both assigned to the External Auditors appointed by the Shareholders' Meeting.

In addition, a system of proxies and powers of attorney has been defined with the aim of ensuring the segregation of tasks and powers and improving flows and processes related to observance of regulations. This also constitutes an instrument of management, supervision and oversight pursuant to Legislative Decree 231/2001.

SHAREHOLDERS' MEETING

The Shareholders' Meeting is the body that formulates and expresses the corporate will that is subsequently implemented by the Board of Directors. As well as the shareholder with an absolute majority – Sasol European Holding Ltd., a company under English law that is, in turn, controlled by the parent company Sasol Limited, listed in Johannesburg and New York – a total of 30 small shareholders are entitled to participate in Sasol Italy SpA's Shareholders' Meeting. These are natural or legal persons holding residual shares (less

than 0.1%). The Shareholders' Meeting's most important duties include the appointment of the members of the Board of Directors and the Board of Statutory Auditors, their remuneration and responsibilities, the approval of the company's financial statements and distribution of profits, the purchase and sale of treasury shares, any amendments to the Articles of Association, and the issuance of convertible bonds.

BOARD OF DIRECTORS

The Board of Directors is vested with the broadest possible powers of ordinary and extraordinary administration, with the exception of those reserved by law exclusively for the Shareholders' Meeting.

The Board of Directors, appointed by the Shareholders' Meeting, is also called upon to ensure the company's sustainable growth over the medium to long term, by including in its assessments any elements that might become relevant by means of an appropriate system for monitoring and managing the level of risk. In pursuit of these objectives, the Board of Directors – by evaluating and monitoring the company's strategic, industrial and financial plans – assesses and monitors opportunities and significant changes in business prospects as well as any risk situations to which the company is exposed.

The current Board of Directors, composed of four members, was reappointed at the Shareholders' Meeting for the approval of the financial statements for the period ending 30 June 2020; that meeting was convened on 28 October 2020 in accordance with the Anglo-Saxon standards adopted at Group level. The board has been appointed to serve for three years, i.e., until the approval of the financial statements for the period ending 30 June 2023. The members of our Board of Directors are as follows:

- **Antonio Marano, Chairman**
- **Filippo Carletti, Director**
- **Francois Conradie, Director**
- **Christian Schindler, Director**

At the aforementioned Shareholders' Meeting of 28 October 2020, the appointment of Mr Filippo Carletti as Chief Executive Officer was also confirmed, while a new independent chairman, Mr Antonio Marano, was appointed to replace Mr Sciumè. The latter appointment was also necessary for adherence to the Sasol Group's governance policies, which provide for a maximum term of ten years for certain corporate positions.



BOARD OF STATUTORY AUDITORS

The Board of Statutory Auditors oversees the company's compliance with the law and with its Articles of Association, adherence to the principles of proper administration, and the suitability of the organisational, administrative and accounting structures adopted by the company. The Board of Statutory Auditors also monitors the effectiveness of the internal control and internal audit systems, oversees the statutory audit of the annual and consolidated accounts, and reciprocally shares data and information with the External Auditors so that each body can discharge its duties.

The Board of Statutory Auditors was also reappointed by the Shareholders' Meeting held on 28 October 2020. With the exception of one of its members, who withdrew having reached retirement age, the other two auditors, including the Chairman of the Board of Statutory Auditors, were confirmed in their roles. All members of the Board of Statutory Auditors fulfil the requirements related to eligibility, integrity and professionalism set down in law. In addition, the Statutory Auditors are chosen from persons who can be judged as independent. The duration of the appointments to this supervisory body is the same as that of the Board of Directors, i.e., three years. The current members of the Board of Statutory Auditors will therefore remain in office until 30 June 2023.



EXTERNAL AUDITORS, ORGANISATION AND MANAGEMENT MODEL PURSUANT TO LEGISLATIVE DECREE 231/01, AND CODE OF ETHICS

The external auditors constitute an external and independent body tasked with verifying what is reported in the financial statements and in the accounting records, with collecting data on the company's economic situation, evaluating the internal control procedures and verifying the application of the applicable accounting, fiscal and tax-related regulations.

The firm of auditors is appointed by the Shareholders' Meeting on the proposal of the Board of Statutory Auditors. The Sasol Group's consolidated financial statements are audited by companies forming part of the PricewaterhouseCoopers network, which the Shareholders' Meeting of 15 November 2019 selected as the firm commissioned to perform the statutory audit up until the approval of the financial statements for the period ending 30 June 2022.

To complete its corporate governance structure, the Company has also established a Supervisory Body pursuant to Italian Legislative Decree 231/2001.

Organisational and Management Model (pursuant to Legislative Decree 231/01)

As part of its internal control and risk management system, Sasol Italy SpA's Board of Directors adopted, with effect from 5 March 2008, its own organisation, management and control model pursuant to Legislative Decree no. 231/2001 ("Model 231"). This was done in order to avoid the risk that certain crimes or administrative offences giving rise to administrative liability on the company's part might be committed, in the interest of or for the benefit of the company, by what are termed "senior" managers ["soggetti apicali"] or

by persons subject to their direction or supervision. In this way, the company – as well as complying with the provisions of Legislative Decree 231 of 2001 on the administrative responsibility of companies – is able to protect its position and reputation and fulfil stakeholders' expectations.

In accordance with the best practices of the sector, the drafting of the Model was preceded by a detailed mapping out of business areas deemed to be "sensitive" (i.e., susceptible to the commission of crimes). Relevant aspects considered included corruption, relations with the public sector, health and safety at work, the environment, and any preventative and control measures required.

Model 231 is a dynamic, shared document. It is dynamic because it can respond to any regulatory and organisational change. And it is shared because its creation has involved the company's entire workforce both in the pre-development stage, in terms of assessing the risks involved, and in the implementation phase, with regard to training and information. The Model is periodically updated in order to adapt it to any changes in the internal organisation and the activities carried out, and in consideration of the continuous expansion of the list of crimes that can give rise to liability for companies and entities in general under Legislative Decree 231/2001 with the aim of making the predicate offences envisaged in the aforementioned decree clearer and more effective in the event of significant violations or circumventions of the requirements contained therein. The Model was most recently updated on 28 October 2020 and is available, in its entirety, on the Sasol Italy Spa corporate website.

The Supervisory Board (SB), as an expressly delegated body, has full and autonomous powers of initiative, intervention and control with regard to the operation, effectiveness and observance of Model 231, and continuously monitors activities that could potentially lead to commission of the aforementioned offences. The company's Supervisory Board consists of two external members, including the Chairman, and one internal member, the company's Legal Manager.

The company has also adopted a Code of Ethics, which outlines the principles of corporate ethics to which it adheres in detail. The Code of Ethics is a fundamental document for the company. Every employee, partner, supplier and consultant subject to strict adherence to the principles set down in it in their dealings with the company.

The content of the Code of Ethics calls for compliance with the principles of decency, fairness, transparency, honesty, respect for the dignity of the person, and integrity. The ways in which results are achieved are therefore just as important as the results themselves. Decency underpins the company's commitment to operate responsibly by applying rigorous ethical and corporate governance standards.

The Code of Ethics is distributed to all employees and referred to in the company's contracts whether these involve either the purchase or sale of a product or service.

In conjunction with Model 231, the Code of Ethics serves a set of guidelines that all those who come into contact with the company must scrupulously comply with.

The Code of Ethics therefore groups together all of the values that the Group acknowledges, shares and promotes, in the awareness that conduct inspired by the principles of diligence, decency and fairness constitutes an important driver of economic and social development.

The Code is mandatory for all Group companies, representing an indispensable set of values and principles that nevertheless take into account the cultural, social and economic diversity of the various countries in which Sasol operates.

Compliance with and implementation of Model 231 and the Code of Ethics are of primary importance for the Sasol Group's proper functioning, reliability, reputation and image and for the satisfaction of its customers. They therefore constitute the foundations of the company's current and future development.

The commitments described in the Code of Ethics are aimed at both employees and all those who interact with Sasol. Customers, collaborators, consultants, suppliers and shareholders are therefore called upon to protect and respect the reputation and integrity of the group, each in accordance with their role.

The review and update of the Code of Ethics, scheduled for 2020, was not completed due to the recent Covid-19 situation and the restrictions imposed on the performance of activities in person. However, as part of a more general review of procurement policies at European level, work continued on surveying the current situation regarding the application of the Code of Ethics in the various countries with the aim of harmonising these.

With regard to Model 231, the periodic mapping of processes and information flows is continuing.



COMMITTEES INFLUENCING SUSTAINABILITY STRATEGY-RELATED DECISIONS

At the highest level and for the entire Group, the CEO together with the Group Executive Committee set the strategic guidelines for the company's approach to the issue. At the chemical business level, the leadership team is a global management and control structure. It is headed up by the Vice-President Chemicals and involves ten functional areas, including heads of the four product lines, the heads of operations and of EHS, and the four strategic functions of finance, human resources and staffing, development and innovation, and legal affairs. Below this level and with a more territorial focus linked to the different production platforms involved, the Eurasia leadership team has operational competence and a composition similar to the global leadership team.

All these committees are directly involved and are major players in the process of defining, promoting and understanding the sustainability objectives and strategies adopted at the corporate level.

In this sense, as well as performing a leadership and oversight role, the committees also act as a sounding board for the requests, suggestions and operational feedback formulated and gathered by the organisation, at all levels from the bottom up. There is, indeed, a high level of awareness that the necessary organisational, cultural and management changes related to sustainability also require a conscious and determined commitment at an individual level. This is why all levels of the business are involved and are aware of the fact that the measures to be taken are designed to support our sustainability strategy. Sasol Italy follows the strategies set by the committees described above, implementing them at a regional level.



SOCIO-ECONOMIC COMPLIANCE

Sasol Italy applies particular controls to ensuring compliance with the laws in force that apply in the company's field of activity. These controls are reported in a compliance report updated on a quarterly basis and managed by Sasol Limited's central legal team. At the operational level, a register of applicable laws has been created for each country, broken down by department.

The Governance department is responsible for this register with regard to HSE aspects. Every month, a check is carried out on existing laws and on any regulatory updates. In addition to the controls established by law, Sasol Italy is subject to external and internal audits aimed at verifying legal compliance. The Supervisory Body carries out checks relating to the predicate offences covered by Model 231.

With regard to financial aspects, in compliance with applicable legislation, Sasol Italy has appointed a firm of Statutory Auditors to express an opinion on the contents of its Financial Statements and its Consolidated Financial Statements. It makes a substantive assessment regarding the company's financial position, financial performance and cash flows in accordance with the regulatory framework of reference.

During the regular audits, the Board of Statutory Auditors also acquires knowledge and supervises, to the extent of its competence, the suitability of the company's organisational structure and its compliance with the principles of proper administration.

During 2020, there were no violations of corporate obligations or irregularities, nor were any significant monetary sanctions or non-monetary sanctions recorded for non-compliance with laws and regulations in the socio-economic field. This report, although

voluntary, is also drawn up with the same strict criteria reserved for company documentation verified and certified by law. Any errors should be considered the result of inadvertent errors.

During 2020, our legal compliance activities were extended to a new and unexpected area in terms of evaluating how the rules of access to and presence in the workplace should be applied in the light of the restrictions imposed under Italy's emergency Covid-19 legislation. For all sites, assessments were carried out on the safety measures adopted and their degree of compliance with the new government directives on the prevention of risks to health. As a Group, additional prudential rules were introduced that involved the adoption of standards of protection for those workers present in plant offices. The fact that the Terranova dei Passerini plant was situated within the first region of Italy that was subject to lockdown gave the company more time and capacity to respond to the situation.

Smart working started immediately, such that, within a few days, all relevant staff were supplied with a laptop. At the same time, IT security for the network was maintained through the use of a platform allowing the use of private PCs for a limited period of time.

SUPPLIERS' CODE OF CONDUCT

Since 2016, the Suppliers' Code of Conduct has been utilised during the qualification phase to ensure that, right from the negotiation stage, any potential suppliers adapt to Sasol's mandatory rules and principles in relation to economic relations with third parties.

The key principle of the Code of Conduct can be summed up in the concept of zero tolerance for inappropriate, discriminatory and/or illegal behaviour, regardless of the economic value of the service or product being purchased. The company is therefore committed to verifying, from the selection phases onwards, the other

parties' corporate culture and sharing with those parties the set of values and principles outlined in the Sasol Code of Conduct.

Sasol Italy is also constantly committed to developing relationships with suppliers that share its values and operate in accordance with its Code of Conduct, being aware that the company's objectives can only be pursued with the support of trusted suppliers. This requires the utmost respect for professional and personal ethics in our mutual relationships.

THE KEY PRINCIPLES OF THIS CODE CONSIST OF:

- Respect, protection and promotion of human rights
- Combating forced labour and child labour
- Prevention of harassment, retaliation and bullying
- Respect for diversity and prevention of discrimination
- Respect for freedom of association and collective bargaining rights
- Provision of safe and healthy working conditions
- Protection of the environment and respect for the rights of local communities
- Prevention of conflicts of interest, including offering and receiving gifts, entertainment and hospitality
- Compliance with the company's policy on gifts, entertainment and hospitality
- Accuracy and completeness of information on the quality and safety of the company's products and services
- Accuracy in the management of records
- Legal compliance
- Combating corruption, bribery and money laundering
- Full respect for competition law
- Protection of confidential information and intellectual property

In the pre-qualification process for suppliers, particular attention is paid to whether they hold international certifications as a further guarantee of reliability, especially as regards management of safety and environmental protection (ISO 14000 and ISO 45001 certifications), which are key aspects for Sasol. In addition, sites within larger industrial areas, such as Augusta and Sarroch share their experiences in the selection and pre-qualification of suppliers to define standards and benchmarks useful to all companies.

During periods of lockdown, company departments responsible for safety and technical services have issued new access rules and procedures to any external suppliers carrying out activities in the plant or requiring access to deliver materials within the plant. All of the suppliers involved immediately complied with these without any instances of non-conformity or particular issues being recorded. Even so, Sasol provided all necessary assistance in overcoming any difficulties in order to better illustrate how the new procedures should be applied.

In the event of any non-conformity, a dedicated team supported suppliers in adjusting their procedures. Both during and after the period of the lockdown restrictions, no suppliers needed to be suspended, demonstrating the various parties' excellent levels of cooperation in jointly managing the Covid-related situation. Needless to say, opportunities for contact and the number of people from external companies present within the company fell dramatically during 2020 (from an average of 50 people per day to 20 people per day, with the exception of scheduled shut-downs).

OUR MANAGEMENT PRACTICES IN THE FIELD OF ANTI-CORRUPTION

The Sasol Group has produced and adopted a specific anti-corruption policy for each of the companies and joint ventures that it controls and for all of its employees and contractors. Entities that Sasol does not control or in which it does not have a majority shareholding are nonetheless urged and guided to apply the aforementioned policy or produce their own one inspired by the Sasol principles.

The anti-corruption policy is manifested in procedures relating to the due diligence of suppliers and customers, the prohibition of so-called “facilitation payments”, the verification and management of conflicts of interest, the monitoring of gifts and other benefits

received by or offered to employees, and the management of relations with public officials, and also by detecting specific warning signs that may indicate specific corruption risks and which must therefore be immediately reported to management.

On a two-yearly basis, targeted training activities are carried out, partly in the context of ongoing training linked to the Organisation and Management Model. During 2020, no incidences of corruption were recorded.

SASOL'S RISK MANAGEMENT POLICY

Sasol is committed to effectively managing risks in pursuit of its strategic objectives, with the ultimate goal of increasing value in a sustainable way for all of its stakeholders, by incorporating risk management into its key decision-making processes and day-to-day activities.

As part of the efforts aimed at ensuring an effective response to Covid-related risks in 2020, the company and responsible departments adapted their risk management practices to the specific circumstances involved. In particular, the exceptional situation being faced created two sets of challenges. The first of these involved the organisational change and the reduction in the numbers of staff present on site – changes that were necessary to deal with the situation.

The second concerned the need to further integrate risk management practices in the performance of business-related operational activities. The work carried out, which was also shared by the entire company across its territories, has allowed a series of lessons to be learned that have ultimately led to the establishment of a plan, launched in 2021, to review risk management policies. In other words, the response to the 2020 pandemic constituted a formidable “stress test” – one that has proven useful in identifying both the key success factors for a risk management system, such as agility and flexibility, and in developing and evaluating the overall organisation's response, which has been positive in terms of resilience.

OPERATING PRACTICES

Sasol's approach to identifying and responding to risks is based on the "bow-tie" methodology, represented schematically below:

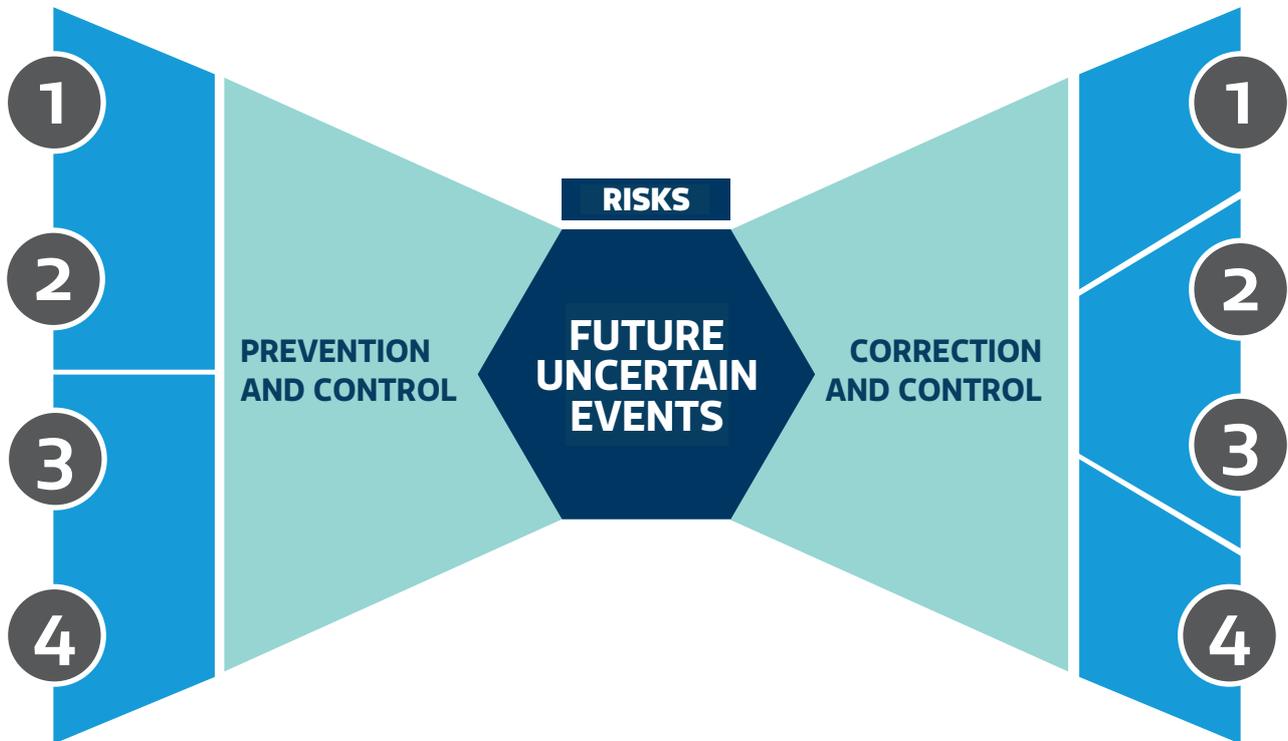


Image 6:
The risk management process

The aim is to identify appropriate controls for reducing the likelihood and impact of events considered critical to our sustainability. Risk events are not assessed in isolation; instead, where appropriate, the interdependence of impacts is identified. The controls identified are performed and monitored by means of a "chain"-type process of verifications. This ensures that the controls are implemented, correctly executed and are effective so that continuous improvement principles can be adopted if revisions are required.

The approach adopted in the management of the Covid-19 crisis represents a concrete application of this principle in that the existing internal organisation responsible for emergency management (by means of a systemic and localised approach) could be adapted to cope with the requirements arising from a global emergency.

EMERGENCY MANAGEMENT OF COVID PREVENTION AND SAFETY

Sasol Italy immediately found itself having to organise its line of response to the health challenges resulting from the pandemic as the two of its four Italian sites were situated in Lombardy, the region most severely affected. In particular, the plant at Terranova

dei Passerini was included in the country's first "red zone", established in the Lodi area during February 2020.

TERRANOVA DEI PASSERINI AND THE EMERGENCE OF COVID IN ITALY

The Terranova dei Passerini plant was closed for a period of approximately 30 days when the first red zone was instituted in Italy, in February 2020. In those circumstances, notwithstanding the need to protect the plant's 131 employees compulsorily kept away from work due to the general lockdown, Sasol Italy's commitment lay in ensuring safety by managing the scheduled suspension of production activities. Due to the types of products manufactured at the Terranova factory (surfactants used in various products for detergents and personal care), the plant was defined as an "essential producer" and allowed to restart production activities in order to supply the raw materials needed by companies involved in the production of sanitisers and detergents. This was done in order to meet the strongly increased demand for such products in response to the spread of the virus. This initial crisis anticipated the subsequent restrictions that would be applied across the whole of the country.

In its wake, the local management team – with the support of the entire corporate organisation in Italy – collaborated with the supervisory bodies when the first containment and control protocols were put in place. The early experience gained by the Terranova site enabled Sasol to establish and implement the procedures needed at all of the other sites operating around the country in a timely way.

Following the first shut-down, on-site activity was, as mentioned, resumed using different methods as regards the organisation and attendance of staff.

In terms of preventing and actively monitoring the risk of virus circulation within company sites, much of our success was due to the key principle of evaluating rules and procedures while incorporating them in the actual organisational contexts in which they are to be applied. This principle has always formed part of Sasol Italy's safety policies. The whole workforce – including employees of external companies who were required to attend company sites regularly and continuously due to service needs – was divided into two distinct groups based on the type of work carried out: shift-workers and those who work on a fixed daily schedule. For workers in the first group, all verification, screening and control activities were assigned to each worker's specific team. For day workers, in contrast, the control group within which contact chains and instances of direct exposure needed to be checked was the same as the office/department for which the specific individual worked.

Wide-scale, continuous screening was carried out using rapid molecular swabs. (In 2020, two systematic testing campaigns were implemented involving more than 800 swabs.)

Partly thanks to presence of Group companies internationally, Sasol Italy was able to immediately access and distribute PPE and sanitising gels – of which around 3,000 litres were manufactured internally using existing production processes – even when procurement of these items represented a national emergency at the start of the pandemic. The company also distributed masks to local law enforcement and health authorities.

The dedicated working groups that have been established in all company offices for Covid-related risk management and control has paid particular attention to ensuring that the new organisational procedures have been

well received by workers. In this context, it should be noted that there have been very few registered non-conformities and none has required any corrective actions to be taken. This outcome, which can be attributed to the active participation of employees and collaborators, is also the result of specific information and awareness campaigns launched from the very start of the pandemic aimed at making everyone aware of the new behaviours and rules to be adopted.

Another element that featured strongly in the management of this unprecedented health emergency has involved increasing our regular long-term practice of exchanging information and experiences both with different company sites and with the various companies that operate within the same industrial zone. Augusta, Sarroch and Terranova dei Passerini have, in fact, increasingly shared information to ensure a harmonised approach and ensure that similar responses and procedures are adopted wherever possible.

This increased collaboration will culminate with an important event to be held in the Augusta industrial zone with a specific focus on dealing with the pandemic. Four of the companies operating from there – the Lukoil and Sonatrach refineries and the Versalis and Sasol Italy chemical plants – have pooled their resources and skills to set up, in terms of authorisation procedures, spatial organisation and operational management, a vaccination hub for workers in the zone. This was opened

in May 2021 at Isab-Lukoil’s after-work premises. The project was strongly promoted by the Confindustria Siracusa federation in cooperation with the provincial healthcare agency ASP Siracusa and the Sicily Region’s health department.



Image 7: Opening ceremony of the vaccination hub in Augusta's industrial area that was promoted by companies operating in the area

MANAGEMENT OF THE COVID-19 CRISIS: ALTERNATIVE WORKING METHODS

The other significant area of involvement that required a robust response from the company during the Covid-19 crisis concerned the management of working arrangements and access to work spaces. Sasol Italy had already been engaged for some time, both at Group level and within Italy, in a process of trialling new methods of working, which it had already started to discuss with trade unions. It therefore found itself in a good position to introduce – rapidly and on a widespread basis – new organisational models and alternative modes of working in response to the health crisis.

Sasol Italy's production activities were included in the official list of strategic activities that were allowed to continue even during the country's national lockdown that was imposed in March, April and May 2020.

Work shifts were then readjusted and all gates equipped with a system that connected the registration of an incoming worker's badge with the taking of his or her temperature. The turnstiles would then only open if the worker's body temperature was below 37.5 degrees.

However, with the gradual return to normal working life – a process that had not been fully achieved by the end of 2020 – the systematic work of dialogue and exploration with social partners was resumed in experimental ways aimed at achieving flexible modes of working on a permanent and organic basis. This process will for the first time be achieved in concrete terms during 2021, with the launch of the "FOR Working" project, born out of a 2020 agreement between the Federchimica and Federfarma employers' associations and the Filctem-CGIL, Femca-CISL and Uiltec-UIL trade unions. This will see 20 employees in Milan work without time constraints but with a focus on flexibility, objectives and specific results, the three key terms that make up the acronym "FOR".

INTERNATIONAL CERTIFICATIONS AND STANDARDS

All administration of ISO standards relating to quality, environment and occupational health and safety is performed with the aid of the integrated management system (IMS). The voluntary adoption of this system allows Sasol Italy to comprehensively address these key areas while implementing a process of continuous improvement and achieving high levels of performance. The integrated management system incorporates:

- **ISO 9001:** a quality management system that enables us to maintain very high production standards by meeting requirements related to the supply chain, from our suppliers to our customers.
- **ISO 14001:** an environmental management system designed to minimise impacts on environmental matrices by means of both technical measures and advanced training for workers and all those involved with the company. Particular attention is also paid to the relationship with internal and external stakeholders and to continuous dialogue with those stakeholders.
- **ISO 45001:** an occupational health and safety management system, which has replaced the previous British Standard OHSAS 19001, for reducing work-related hazards; this is achieved by means of both preventative actions and the cultural and professional development of workers and all those involved with the company. The three Italian sites transitioned to the ISO standard in 2019 following a compliance check. The system also includes risks defined as “significant” pursuant to the Seveso II Ministerial Decree 105 of 2015.
- **ISO 17025:** which is used for the accreditation of the analyses performed at the Augusta laboratory.

These three systems were brought into effect independently of one another. Sasol, in fact, certified its quality management system as long ago as 1995 and subsequently certified its environmental and safety systems in 2004 and 2006 respectively. It then effectively integrated the three systems, harmonising them with its corporate systems. Today, in fact, the company has a matrix-type certification system for all sites within the Eurasia platform that enhances and reinforces the logic of a single and coordinated approach to coordinated quality, safety and environmental management.

During 2020, a series of inspections and checks were carried out at all company sites aimed at identifying any discrepancies and inconsistencies in the certified systems, in line with standard practice and despite the pandemic, as a result of which some inspection visits were replaced by remote documentation checks. All of the checks were successfully passed, confirming that the various systems have now been fully integrated and that the workers concerned are now totally accustomed to work in accordance with the procedures. Following the audits, all certifications were renewed for three years.

In view of the fact that Sasol Italy's products are used as semi-finished products in the global detergent and personal care market, the company has recognised the importance of verifying whether its products are used in markets with specific needs based on custom and tradition, such as Jewish and Islamic practices. Our attention to these matters has been reflected in the fact that virtually all the products manufactured at each of our plants have been Kosher-certified, as confirmed in 2020. Kosher certification is issued following a specific visit by a rabbi, who, by analysing the characteristics of the raw materials and the production cycle, has certified the "compatibility" of the product with Jewish tradition.

Finally, the certification of the Terranova dei Passerini plant for the sustainable use of palm oil and its derivatives is worth mentioning. This certifies that such products are only used if they are obtained in compliance with specific regulations. Aspects covered include the protection of local workers and ensuring that all certified finished products are obtained only from raw materials of certified origin based on the mass balance principle as far as the input and output of the systems is concerned).





CERTIFICATE No. 36342/18/S-5G

IT IS HEREBY CERTIFIED THAT:

Sasol Italy Spa

IS INCLUDED IN THE CERTIFICATION AWARDED TO THE ORGANIZATION Sasol Germany GmbH IN COMPLIANCE WITH THE STANDARDS

ISO 9001:2015

Table with 2 columns: Operative units (Registered name - Site address) and Specific field(s) of activities. Lists various production and marketing units of Sasol Italy Spa.

The validity of this certificate is dependent on the validity of main certificate No. 36342/18/S

Table with 2 columns: Issue/Expiry dates and Renewal/Revision dates. Shows first issue on 15.03.2018 and expiry on 27.04.2024.

Alessandro Romzi, Certification EMEA Region, Senior Director

Signature of Alessandro Romzi

RINA Services S.p.A. Via Corsica 12 - 16128 Genova



Page 1 of 1



CERTIFICATE No. EMS-7089/AN-4G

IT IS HEREBY CERTIFIED THAT:

Sasol Italy Spa

IS INCLUDED IN THE CERTIFICATION AWARDED TO THE ORGANIZATION Sasol Germany GmbH IN COMPLIANCE WITH THE STANDARDS

ISO 14001:2015

Table with 2 columns: Operative units (Registered name - Site address) and Specific field(s) of activities. Lists various production and marketing units of Sasol Italy Spa.

The validity of this certificate is dependent on the validity of main certificate No. EMS-7089/AN

Table with 2 columns: Issue/Expiry dates and Renewal/Revision dates. Shows first issue on 15.03.2018 and expiry on 27.04.2024.

Alessandro Romzi, Certification EMEA Region, Senior Director

Signature of Alessandro Romzi

RINA Services S.p.A. Via Corsica 12 - 16128 Genova



Page 1 of 1



CERTIFICATE No. OHS-3254-10G

IT IS HEREBY CERTIFIED THAT:

Sasol Italy Spa

IS INCLUDED IN THE CERTIFICATION AWARDED TO THE ORGANIZATION Sasol Germany GmbH IN COMPLIANCE WITH THE STANDARDS

ISO 45001:2018

Table with 2 columns: Operative units (Registered name - Site address) and Specific field(s) of activities. Lists various production and marketing units of Sasol Italy Spa.

The validity of this certificate is dependent on the validity of main certificate No. OHS-3254

Table with 2 columns: Issue/Expiry dates and Renewal/Revision dates. Shows first issue on 15.03.2018 and expiry on 27.04.2024.

Alessandro Romzi, Certification EMEA Region, Senior Director

Signature of Alessandro Romzi

RINA Services S.p.A. Via Corsica 12 - 16128 Genova



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Kasher Certificate document in Italian and Hebrew. Includes title 'CERTIFICATO DI KASHERUT', company name 'SASOL ITALY S.P.A.', and a handwritten signature of the Rabbi Capo di Bologna. The certificate certifies that products are kosher according to Jewish laws.





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Our management of Covid-related risks has been efficient and is a natural extension of the business behaviours already set down in our rules and procedures. In 2020, as well as ensuring full control of any contagion risk within our plants, Sasol Italy made progress with its projects, supported local communities and saw an increase demand for many of its products.

ECONOMIC
SUSTAINABILITY

02



THE ADMINISTRATION, FINANCE AND CONTROL DEPARTMENT

The Administration, Finance and Control department handles administrative, accounting and fiscal management issues, ensures that national and international accounting standards for the preparation of the Group's statutory financial statements and IFRS reports are properly applied, deals with the management control of the company, and ensures that business processes comply with

applicable regulations. The objective is to gain immediate feedback on the financial issues affecting the company in order to provide data useful for guiding strategies focused on business objectives and furnishing our shareholders with reliable information. To this end, the Finance and Control administration team publishes a monthly report containing expected results and projections for the following months.

“
The downturn in revenues due to Covid, which resulted in lower economic transfers outside company sites, was counterbalanced by our success in fully safeguarding the quantity and quality of the work generated by Sasol Italy, so that no jobs were lost and no employees laid off in 2020.

ECONOMIC VALUE DIRECTLY GENERATED AND DISTRIBUTED

Following on from the previous report, the economic value directly generated and distributed has been determined on the basis of the accounting figures used for calculating the gross value added ("GVA") for Sasol Italy. The figures for the year 2020, extracted by calendar year and based on national accounting standards, were affected by the crisis situation resulting from the pandemic.

The economic value directly generated in 2020 was approximately €814.8 million. This represents a decrease of approximately €178.9

million relative to the previous year, equivalent to a reduction of approximately 18%. This change was generated by the sharp downturn in the market.

Of the economic value generated, approximately €793.16 million was distributed in 2020 – a reduction of €173.3 million, almost directly proportional to the decrease in the economic value generated.

The distribution of the economic value generated was as follows:

- Operating costs of €744.3 million, a reduction of €168.1 million compared to the previous year, equivalent to an 18% decrease. This figure includes costs incurred for the purchase of raw materials used in production and costs for services from third-party suppliers; the reduction in operating costs was generated mainly by the decrease in variable production costs related to the fall in market prices for the raw materials involved.
- Salaries and benefits paid to employees of €43.2 million. The reduction of €5.9m compared to the previous year is attributable mainly to the non-recognition of the performance bonus in application of the cash conservation measures introduced by the Group following the negative impacts on Sasol's accounts of the Covid-19 pandemic and the low level of oil prices.
- €2.6 million on financial charges and interest paid to credit institutions and the Sasol Group.
- Public administration costs of €3.0 million, mainly consisting of national and local taxes.
- Community investments of around €0.1 million, consisting of donations of intensive care respirators, masks and an ambulance to the Syracuse Hospital to support it in the Covid-19 emergency. The investments necessary to relieve the pressure on the health system were made in collaboration with other firms operating in the industrial zone. The Prefecture coordinated social aspects within the zone so as to respond to the pandemic with targeted measures at the most critical points.

Million euros	2018	2019	2020
GENERATED ECONOMIC VALUE	1241,1	993,7	814,8
Operation costs	1138,4	912,4	744,3
Wages and staff benefits	49,8	49,1	43,2
Capital purveyors	2	2,3	2,6
Public sector	3,7	2,6	3,0
Community investments	-	-	0,1
DISTRIBUTED ECONOMIC VALUE	1193,9	966,4	793,2
RETAINED ECONOMIC VALUE	47,2	27,3	21,7

Table 2:
Distribution and generated economic value 2018-2020 (x000€)

The economic value retained in 2020, equal to the difference between the generated economic value and the distributed economic value, was €21.7 million. This item, consisting of the sum of net profits for the period and the amount of depreciation and provisions, fell by €5.6 million compared to 2019. The decrease is derived from the net loss for 2020 of approximately €7.5 million, a decline of approximately €5.5 million profit compared to 2019. This loss is attributable mainly to a contraction in margins achieved on sales of finished products resulting from an unfavourable market and material price scenario. The drastic fall in the price of oil products in the first half of 2020 significantly impacted the company's results.

In the 2020 calendar year, share capital amounted to €169.7 million while borrowing amounted to €92 million. In 2020, a total of 1,443 thousand tonnes of main products and dewaxed products intended for sale were produced – 276 thousand tonnes more than in 2019.

LOCAL IMPACTS

Over recent years, Sasol Italy has invested significantly in enhancing the environmental sustainability of its sites and the health and safety of its direct and indirect workforce.

This forms part of the Sasol Group's strategy, which favours concrete actions aimed at the well-being of the community.

During 2020, this strategy was strongly influenced by the pandemic. Sasol, in fact, participated in a series of initiatives to combat the spread of Covid-19 across Italy by coordinating with the relevant authorities and the other parties involved. These initiatives are described in the insert dedicated to Covid-19.

MARKET PRESENCE

The proper application of an ethical remuneration policy also contributes to the creation of a balanced economy in the area in which the company grows and develops. This, in turn, drives the expansion of the local economy.

Sasol operates in a competitive sector. It therefore adopts an approach to its remuneration policy that is designed not only to fulfil the parameters agreed in national collective bargaining but also make the company competitive in the market and attractive to the human resources needed to fuel the company's skills and development.

In the 2020 reporting period, the global pandemic has, without doubt, significantly impacted revenues while seeing Sasol committed to safeguarding internal employment levels as much as possible. This, however, has made it less likely that the company will be able to take on additional workers. Of the staff hired during the reporting period, 80% were male and 20% female.

The remuneration received by manual workers is perfectly aligned with the contractually defined parameters (100%). Clerical staff, meanwhile, are paid 119% of the minimum contractual salary provided for in the National Collective Agreement.

The remuneration policy is one of the ways in which the company takes care of its employees, ensuring that they are treated in a manner that is not only respectful of applicable rules and regulations in force but in line with the proper recognition of the activities carried out without any distortion on the basis of gender, ethnicity, religion or other potentially discriminatory factor.

SUPPLIERS

The guidelines set down in Sasol Italy’s policy for dealings with third-party companies are aimed at maximising value for the entire organisation.

Sasol Italy has always been actively focused on the search for and creation of solid and mutually beneficial relationships with third-party companies, while ensuring that its requirements are understood as compliant with policies of equity and price adequacy.

Firm principles and robust governance processes underpin Sasol Italy’s approach and ensure that its shared values are effectively applied. This requires ethical conduct in all activities carried out in the fulfilment of business commitments. The general criteria used by Sasol Italy in evaluating its partners are based mainly on the following aspects:

- Compliance with health, safety, environmental and quality requirements;
- Quality and technology of the product supplied including with a view to Industry 4.0 principles;
- Technical, managerial and organisational capacity;
- Economic and financial reliability;
- Requirements for compliance with applicable regulations including adherence to the control principles set down in the organisation, management and control model pursuant to Legislative Decree 231/01 as amended and supplemented.

Finally, in line with the guiding principle of “zero harm”, Sasol’s policy is one of zero accidents in the workplace, incorporating specific training sessions for the continuous improvement of safety levels for third parties.

	2018	2019	2020
Number of company from satellite activities	308	292	270
Generated turnover	39.919	41.981	31.632
Of which local entities	20.743	26.115	19.880
Of which regional entities	942	2.403	1.031
Of which Italian entities	14.976	12.729	10.293
Of which foreign entities	3.257	734	428

Table 3:
Satellite external companies 2018-2020

During the 2020 calendar year, Sasol Italy benefited from the services of 270 third-party companies for carrying out mechanical, electro-instrumental and construction-related maintenance of its plants and supplying materials, engineering services and a variety of industrial services. The figure, slightly down on previous years, can be attributed to the decrease in certain activities as a result of the crisis situation and the difficulties faced in carrying out specific activities at the plants given the restrictions on movement

imposed under the various decrees. In 2020, 62% of orders placed with services and suppliers were awarded to local suppliers – a similar proportion to 2019 and approximately 10 percentage points higher than 2018. Local suppliers are those who have administrative offices, branches and operational offices in the same province as the three Sasol production plants. (For the Augusta site, the provinces of Catania and Ragusa were also included.)

INVESTMENTS

At Sasol Italy, the main aim of every new initiative is to improve the sustainability of the company's production sites by maintaining or developing the production capacity of the plants while still guaranteeing safe conditions of work and reducing environmental impacts in line with all leading standards and technologies. The Group's policy involves achieving excellence in production through continuous improvement in terms of safety, the environment, workers' health, prevention of major accidents, and quality, while adhering to its already noted objective of "zero harm". In the 2020 calendar year, several projects were completed, most of

which were initiated in previous years but which allowed the expected benefit to be achieved during the reporting year. Some new projects were also authorised. As reported in the Annual Investment Plan, total spending was undertaken of approximately €30 million (on a cash basis), divided between non-routine maintenance, technology improvements, the environment, safety, innovation and sustainability (including R&D). The following table shows the figure for each Filtec over the three-year reporting period:

AREA	2018	2019	2020
	Total (Mln€)	Total (Mln€)	Total (Mln€)
Extraordinary maintenance	15,1	25,6	20,6
Technological revamping	4,4	14,6	1,4
Environment	2,3	1,5	3,8
Safety	2,8	1,1	2,5
Innovation	0,4	0,9	1,0

Table 4:
Value and shares of investments per functional area 2018-2020

It should be noted that, despite the exceptional nature of the year 2020 as a result of the pandemic, environmental and safety investments have more than doubled. This shows that we have not reduced our focus on these areas and that their strategic importance is affirmed. Our most recent investments include the installation of double bottoms on tanks, thereby improving diffuse emissions including odorous emissions; the performance of scheduled maintenance ("turn-around") operations on alkylation and Paco15 plants; continuous improvements resulting from HazOp (hazard and operability) analyses;

the creation of a new water treatment plant for the elimination of fluorides; the implementation of advanced-technology control systems; and the application of operational and functional safety improvements.

Among those approved, the most economically challenging investments concerned:

- The alkylation turn-around procedure (scheduled extraordinary maintenance of the LAB production plant in Augusta);
- The Pacol5 turn-around procedure (scheduled extraordinary maintenance of the Augusta paraffin-oil production plant for the loading of alkylation units);
- Construction of the waste water sea discharge and defluoridation system (environmental improvement project involving the industrial water treatment and recovery plant at the Augusta site).

Investments are managed by the Capital and Project Management (PM) function within the Technical Services team. The processes used by the Group to ensure the proper sustainability of investments involve development and authorisation processes that take into account all aspects of the project proposals, including the sustainability of the business.

There are two procedures used, depending on the size of the proposal. The first is the Business Development Investment (BDI) process, based on the "7 Gates" methodology, which tracks the project right up to the performance verification phase. The second is the Management of Change (MOC) process, based on a series of assessments of project aspects within the site, including those related to reducing impacts on safety and the environment.

Both of these processes involve an initiative development phase that takes place at the time when process basics are defined and the resulting basic engineering plan is issued. This phase culminates in the receipt of all necessary authorisations, internal and external, for implementation of the work. The post-development phase consists of the implementation or execution phase of the initiative.

The investment completion process closes with a start-up phase and verification of how well the investment has performed.

The investments made during this year at the various Sasol Italy sites involved activities aimed at enhancing the performance and management of existing plants and adapting the quality of our products in line with developing market needs and with legislation and environmental protection, safety and occupational hygiene regulations, notably IEA (Integrated Environmental Authorisation) requirements for the Augusta and Sarroch plants.

Most of the activities were contracted and executed as part of the existing framework contracts concluded between Sasol and local companies. This has generated significant revenues for the local area. In addition, all of the activities undertaken to enhance the sustainability of our production sites has indirectly resulted in improved environmental impacts for the surrounding communities.

Some investments were aimed at improving both the volume and quality of our commercial commitments. These include completion of the reactivation of the Pacol4 plant in December 2019, which enabled an increased quantity of olefins to be produced for use as a raw material for fatty alcohols in the Augusta plant in 2020.

TAX

The company is also committed to ensuring compliance with all laws and regulations in the field of taxation, to optimising and simplifying the management of taxes at a corporate level, and to calculating the proper overall tax burden for Sasol Italy. For this reason, there is a taxation department within the company whose responsibilities include that of ensuring that the taxes associated with the company's activities are correctly calculated in line with current legislation and that payments are made in compliance with legal deadlines. The company departments are also involved, with regard to their specific competence areas, with a tax coordination role performed by the taxation department.

Every month, the taxation department issues a "tax calendar" showing all of the taxes and charges to be paid during the following month and also indicating which department of a particular site is responsible for this. A set of procedures in place within the plant governs

the flow of information and defines roles and responsibilities. The Sasol Italy SpA Regulatory Universe Tax Document is updated annually, With the support of external consultants, this is drawn up in such a way as to take account of any legislative changes applicable to the company in the field of taxation. This document is a useful tool for verifying compliance with legislation. Together with other documents on tax matters, the document is approved by the CEO, who implements the taxation strategy. The corporate governance team regularly carries out checks on regulatory updates, including in relation to taxation, and also receives audits from external consultants in order to verify the correct interpretation of the rules. For its part, the enterprise risk management team evaluates the risks of non-compliance with tax laws for all regions and ensures that the relevant corrective and preventative actions are included in the appropriate register.

The Global Tax Strategy and Management Policy, meanwhile, outlines the principles that govern the Group's approach to fiscal risk management in order to ensure that the company meets its corporate governance requirements by means of effective tax planning. The Group strives to organise its tax affairs efficiently, always remaining in compliance with the laws applicable in all of the jurisdictions in which it operates. It also endeavours to maintain a cooperative relationship with the tax authorities and to perform all of these activities in an open, transparent and constructive manner. The Group's approach to tax management is aimed at ensuring that:

- tax considerations feed into commercial decision-making;
- stakeholders' interests are acknowledged and respected;
- appropriate controls are in place and are monitored;
- there is adequate fiscal planning at the financial level in order to regulate cash flows.

The Group Tax team has been entrusted with leading the management of fiscal matters across all Group companies, while endeavouring to provide durable value to the organisation by achieving alignment with its strategy and objectives.



A YEAR ON THE FRONT LINE IN THE COVID-19 PANDEMIC

In 2020, Covid was undoubtedly the greatest challenge that we – not only as a company but also as a country – were called upon to face. This in itself justifies the need to include an additional chapter in the Sustainability Report specifically dedicated to describing the company's contribution to Italy's response to this challenge, in terms of management, planning and concrete support to the localities within which it operates.

In a unified and more detailed way than the references necessarily made within the other sections of this report, we outline below the main areas of corporate involvement in combating the pandemic, along with the guidelines that inspired those interventions. This is accompanied by first-person reports from two people who, due to their role, area of competence and involvement, have worked on the "front line" of the Covid-19 crisis more than others this year: the company's Medical Officer and the head of its Health and Prevention team.

"LIFE AS A COMPANY MEDICAL OFFICER DURING THE PANDEMIC"



Mario Lazzaro

Derived from the Greek word "pandemos", a pandemic is a disease that affects the whole ("pan") population ("demos"). It is a condition that relies on a lack of immunity and thus of defence and that therefore allows a disease to spread rapidly. Human history has been characterised by dozens of epidemics and pandemics, sometimes caused by unknown micro-organisms and in other cases by viruses with which we have become very familiar. The most recent comparable situation during the last century occurred in 1918, when the infamous "Spanish flu" virus infected half a billion people, resulting in at least 50 million deaths.

The current pandemic has been and remains an extremely trying experience. We have seen the sudden onset of a completely unknown disease, with a very high number of infected and a significant number of deaths concentrated in the weakest population groups. We've seen a national health organisation that has shown itself to be ill-equipped to handle such a large number of patients with respiratory problems, some of them serious and some very serious.

Sasol Italy – "my" company, in fact, since it is where I have spent my entire career, alongside others engaged in the production of essential goods – had to quickly re-organise its management and operating model. Instead of halting our activities, we necessarily decided to relaunch and outrun the virus.

As head of Sasol Italy's health department for more years than I can remember now, I immediately made myself available to my colleagues both at our production sites and at our head office in Milan. Needless to say, even I was initially bewildered by what we were facing. In a short time, however, I discovered "unsuspected" internal energies that allowed me to reorder my thinking.

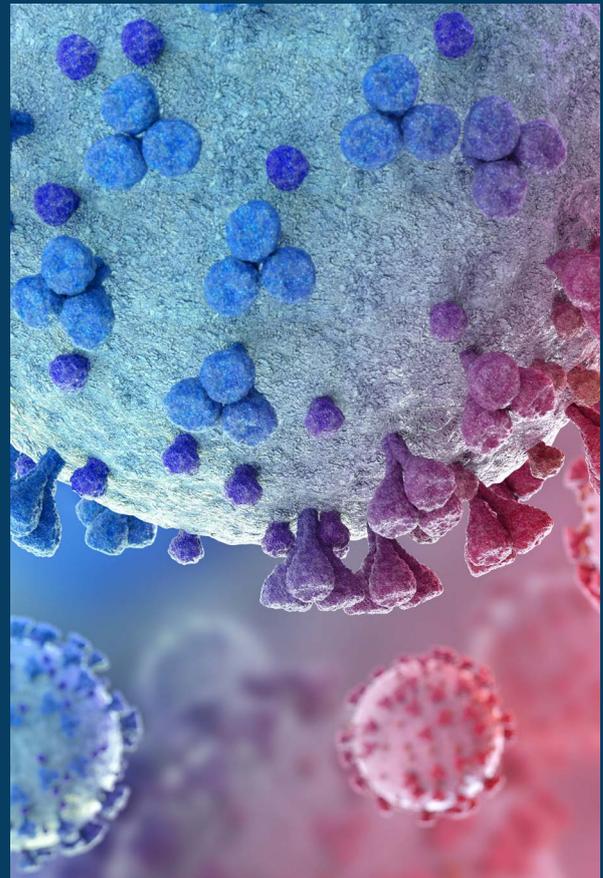
As the first bulwark in dealing with epidemics medical surveillance has continued with unchanged vigour and precision, with simple adaptations made to cope with the new restrictions and necessary precautions.

Fortunately, with respect to Covid – and despite the fact that, within the company, we have seen a significant number of people infected as a result of infections outside the factories in line with national patterns – we have not recorded any relevant clinical cases. I have followed some of my colleagues who required hospitalisation, but in the cases affecting us, everything has been resolved for the best. Even more importantly, we have managed each case in such a way that, thanks to effective internal tracking, the contagion and its dynamics have not affected our internal operations.

I have done my best to answer everyone's questions. On an emotional level, the human relationship with many colleagues was really quite complex, as I saw my own fear reflected in their faces and their questions my own fear. After all, none of us is automatically an "expert" when faced with a pandemic.

For my part, I chose to work like a hamster on a wheel: by running and working and running and working. I won't deny that, on more than one occasion, I sat down and looked – in vain – for a rational explanation of what was happening.

Before long, however, I got back to work as a hamster on the wheel. The truth is that when you play such a complex role at work, so to speak, you can find yourself in such a wide range of situations that this starts to feel almost like normal life.



It should be said and reiterated, however, that nothing is comparable to what has happened over the last two years. Right from the initial stages, I quickly realised that providing "psychological" support would be vital. I made a commitment to take care of my colleagues – and, indeed, many have taken care of me on more than one occasion – and to monitor how employees were coping and intervene where necessary. I will leave them to decide how satisfied they are with my performance.

During critical periods, I visited the factories and offices on several occasions, taking all necessary precautions, and had face-to-face meetings with those in the workplace, while having countless contacts and phone calls with others.

Both of these modes of "attendance" have, in my opinion, been very useful. I remember sitting on a plane on one occasion in seat 1-A, in the company of just one other passenger sitting some distance away.

For safety's sake, I had to stay away from my family. Even so, my wife and my daughters have helped me through this crisis and they have always stayed close despite the physical distance involved.

We have faced a great deal of fear, but together we have faced it and overcome it, with a sense of responsibility. We have strictly observed the prescribed rules (regarding PPE, social distancing, washing our hands and so on) and have behaved very carefully and responsibly.

At the start of the pandemic, when we still didn't even know if the protections would be enough to protect us, Sasol Italy decided to donate equipment (which came almost exclusively from China) to the healthcare sector in particular.

Our choice of this approach meant that, as the weeks went by, we saw multiple gestures of solidarity from companies and, of course, from Sasol Italy, towards both the healthcare sector and the public and social sectors. It should be said that our management team has really risen to the occasion in this regard, showing a precise ability to focus its activities and make decisions.

Then, in December 2020, came the vaccine and with it real hope of seeing light at the end of the tunnel. In record time, the race to knowledge perfected and provided the world with products to combat this infectious disease. Mass vaccination is proceeding, which will lead to widespread and hopefully lasting immunity. More than 80% of our workforce has been vaccinated and I am aware that even the few who have not yet done so are using every precaution and utilising the swab tests to protect themselves, their family members and co-workers.

As a human being, I am hopeful that we will no longer be living in uncertainty next year. As a doctor, meanwhile, I am aware that there the Italian healthcare system faces major organisational issues across the whole country. The challenge lies in ensuring that responsibility and ethics prevail so that we can return to delivering many of the prevention and monitoring services and the focus on other conditions that we with-it have deferred and to some degree are still deferring.

We are coming to the end of a tragic but also crucial experience from a human and empathic point of view, an experience that will leave us with countless memories and many new rules.

Mario Lazzaro

SASOL ITALY'S MANAGEMENT MODEL AND APPROACH TO THE PANDEMIC

A crisis unit was established – one that, in fact, already existed in the organisational structure of each plant (albeit with a local model for managing crisis scenarios). The organisational structure was therefore well suited to dealing with a phenomenon of global dimensions. The committee determined a series of actions, both preventative and corrective, which were introduced with the appropriate adjustments at the individual sites. It decided establish the model adapted to the management of a global health risk as a permanent feature. In light of this review and inclusion among the risk scenarios of the global pandemic, a whole series of aspects and consequences of events related to the pandemic scenario (for example, from financial, production and other perspectives) have been added to our risk management policies and associated operating practices. On the part of Sasol Italy, this demonstrates considerable resilience and a clear vision

for the future. The health crisis linked to the Covid-19 pandemic was, in fact, addressed by Sasol Italy based on the strong existing foundation of our procedures and rules of conduct together with our health risk analysis and evaluation systems. As with all companies in the chemical and energy sector, these form part of the set of operational standards that have been defined over the years as a result of a regulatory and management system in continuous evolution. The exceptional nature and global scope of recent events, however, have created a clear need to establish new procedures and adapt our existing ones. In this way, we can respond clearly and effectively to the two key requirements involved: protecting the health of those working in the company's plants and ensuring the continuance of its production processes. This is especially true for products in the hygiene segment, which experienced a sharp increase in demand during the pandemic.

STRATEGIES AND MEASURES FOR PREVENTION, CONTAGION RISK REDUCTION AND CONTACT TRACING

Overall, the system of preventive and management measures included in the modes of working drawn up during the crisis has enabled us to achieve excellent results in terms of reduced circulation of the virus and service continuity. Only 3% of all staff, in fact, have tested positive for the virus, with none of those cases requiring admission to intensive care and only a few requiring standard hospitalisation.

It should be noted, moreover, that the positive cases identified are all associated with infections contracted outside our factories. This demonstrates the efficiency of both our infection control system and, especially, our

procedures for tracing the direct contacts of those testing positive. To this end, in cases where a Sasol employee or a worker from an external company tested positive, we immediately mapped out the network of people exposed to the risk of direct contact (both on the shifts and within the work teams of the workers concerned and those involved in any work entrusted to external companies). This enabled us to systematically inform and perform verification tests for all relevant parties.

Wide-scale, continuous screening was carried out using rapid molecular swabs, involving a total of 830 tests (either rapid swabs, PCR tests or oropharyngeal nasal swabs). Testing was performed during 2020 in two campaigns, the first taking place between June and July 2020, and the second repeated towards the end of the year. Note that we chose not to use the saliva-based “rapid kits”, as they are termed, in view of their lower levels of reliability.

In terms of the information gathered, the approach adopted and the results obtained confirm the complete effectiveness of the measures adopted at the various company plants and also, on a trial basis, at the Milan head office. These rules ensured that we could continue working in line with health and safety standards during the crisis and are assisting with our gradual return to normality. Our work is a positive example of a major unified effort that society, workers and trade unions were able to implement in order to prevent and combat the spread of the novel coronavirus.

In contrast to the provisions of the national emergency decree regarding the non-compulsory nature of testing after the quarantine period in the event of direct exposure to a person who has tested positive for the virus (originally 21 days, later reduced to 14 then 10 and most recently 5 days), Sasol Italy has, for any employees in this situation, provided the option of taking a free-of-charge swab test before returning to work.

With the exception of the Terranova dei Passerini plant, which required separate treatment due to its specific location within the “red zone”, no plants were shut down during 2020. This demonstrates that any contacts with the virus and the few positive cases recorded among Sasol Italy’s employees and suppliers originated outside company sites. Similarly, the company has always ensured maximum traceability of the chain of direct contacts by means of specific screening activities.

ORGANISATION OF WORK: SMART WORKING AND ON-SITE WORKING PRACTICES

The other major area of involvement that required a robust response from the company during the Covid-19 crisis concerned the management of working arrangements and access to work spaces. As regards the identification of new flexible working methods, Sasol Italy has, as with other aspects, already been engaged for some time in a process of defining new experimental practices, both at Group level and in Italy. Positive discussions about these have already been initiated with trade unions. All this ongoing work has therefore created favourable conditions for the rapid introduction, on a wide scale as justified by the health emergency, of new organisational models and different working

methods. These are strongly supported by a corporate and individual culture that is open to change and the balancing of needs. Sasol Italy’s production activities were included in the official list of strategic activities that were allowed to continue even during the country’s national lockdown that was imposed in March, April and May 2020. Any working activities directly related to plant management and to service and support activities – such as security, maintenance and supply management – which require a “field” presence, have been reorganised on the basis of the following criteria:

- assessment of the minimum number of resources required;
- production requirements related to supply obligations;
- manufacturing operations that can be suspended due to a downturn in or disappearance of demand.

Depending on the sites and productions activities involved, this analysis has led to the restructuring of shift patterns. In some cases, these have been temporarily extended or have seen changes in the numerical composition of teams, with the primary objective always being the protection of health and the reduction of individual risk.

ACTIONS IN SUPPORT OF WORKERS AND LOCAL COMMUNITIES

Partly thanks to presence of Group companies internationally, Sasol Italy was able to immediately access and distribute PPE and sanitising gels even when procurement of these items represented a national emergency at the start of the pandemic. In particular in the initial stages when it was especially difficult to locate personal protective equipment on the market, the Italian company received masks from the Group, which had purchased them centrally. Stocks of these items were also made available at company sites to law enforcement and front-line healthcare personnel involved in prevention and treatment .

The company also requested special authorisation to produce and distribute, free of charge, almost 3,000 litres of sanitising gel both internally and to external bodies requesting it. This was done with the aid of the machinery and processes present within our factories.

However, the support provided to the community has also extended to other more demanding and long-lasting forms of involvement.

In addition, all gates were equipped with a system that connected the registration of an incoming worker's badge with the taking of his or her temperature. The turnstiles would then open only if the worker's body temperature was below 37.5 degrees.

In addition to the overall reduction in staff present at our facilities – which was limited to “necessary” workers only so as to ensure social distancing in all circumstances – staggered shifts or delayed access patterns were also adopted. These involved gaps of 15 or 30 minutes to avoid multiple people remaining for extended periods in areas such as canteens, turnstiles and other locations that represent physical “bottlenecks”.

In the Syracuse area, for example, this includes the provision of equipment to twelve ICU wards and also our participation, with other companies in the Augusta industrial zone, in the creation of a vaccination hub. This came fully into service for both our workers and the local populations during 2021 as part of the major effort made by health authorities at the start of the vaccination campaign.

Internally, it is worth mentioning the enormous effort made by the company's health team in providing psychological support to workers during the continuing period of uncertainty and restrictions resulting from national and local regulations. During 2020, Sasol Italy also ensured that the entire company workforce was covered by an insurance policy that provided for the payment of an allowance and a care package in the event of Covid-19 infection and subsequent hospitalisation.

ENVIRONMENTAL SUSTAINABILITY



03

ENERGY EFFICIENCY ASPECTS

Sasol Italy reports energy consumption on a monthly basis as a necessary tool for the pursuit of operational excellence and for highlighting any points of improvement or areas in which efficiency might be enhanced.

The following chart shows, with reference to the Sasol Italy sites, changes in the energy intensity index calculated as the ratio of consumption (GJ), of both electricity and heat, to the tonnage produced.

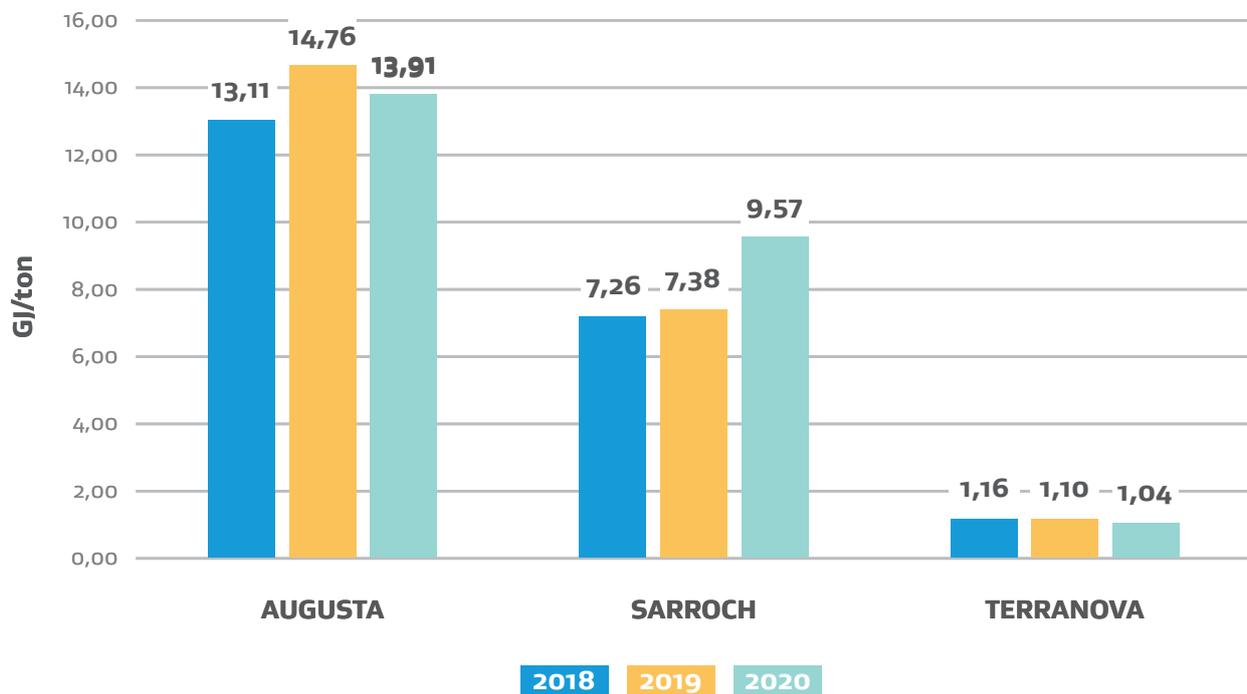


Image 8:
Energy intensity index for the three sites
2018-2020 (Gj per ton)

Given the increase in the production of semi-finished products for the hygiene and sanitation industry, typical plant emissions of the plants have remained almost unchanged, as have the efforts made to reduce water withdrawal from external sources.

For the year 2020, the Augusta and Terranova sites recorded a decrease in the energy intensity index of about 6% compared to 2019, while the Sarroch plant saw an increase of about 30%, set against a reduction in production of 37%. The factors that caused the rises in the energy intensity index are external to the management and performance of the plant and are related to various factors that led to a series of production stoppages. In particular, the need to halt plant activities at Sarroch, first for scheduled maintenance and then due to the interruption in the services supplied by Sarlux, making continuous operations impossible. In addition, the quality of the supply in terms of its TNP (total normal

paraffins, as a percentage by weight of linear paraffins) also decreased by an average of 13% compared to 2019. This contributed to the plant's achievement of a lower rate of production than in previous years.

As regards the 2020 energy consumption targets that the EU had set itself in terms of achieving 20% lower energy consumption than 2005, Sasol Italy can be said to have played its part by contributing positively to the goal of reducing both electricity and heat consumption for some years now. The values are as follows:

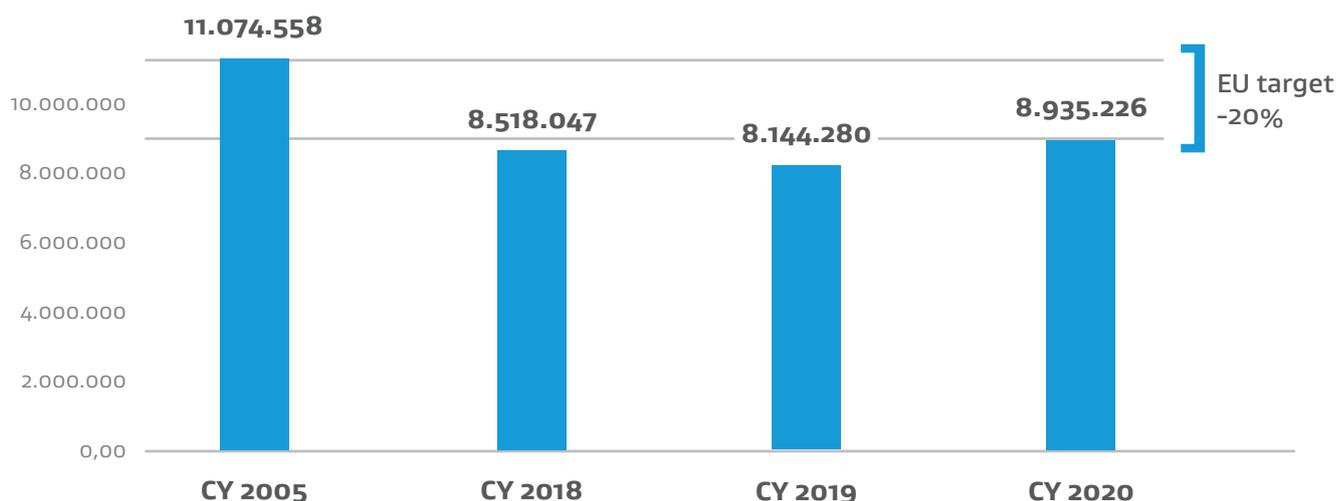


Image 9:
Overall energy consumption data Sasol Italy 2018-2020

Electricity and heat consumption is about 9% higher for the reporting year compared to 2019, set against a production increase of 6% for the reasons set out above. As is evident from the data presented, Sasol Italy has for several years fulfilled its contribution to reducing the amount of energy consumed in the country system in line with the performance of the chemical industry overall.

The following chart shows the breakdown of energy consumed by the different sources. From this, it can be seen that in recent years, as compared to the reference year for the reduction targets (2005), increasing the proportions of lower-impact fuels has effectively enabled the options resulting in the most unfavourable emissions to be eliminated.

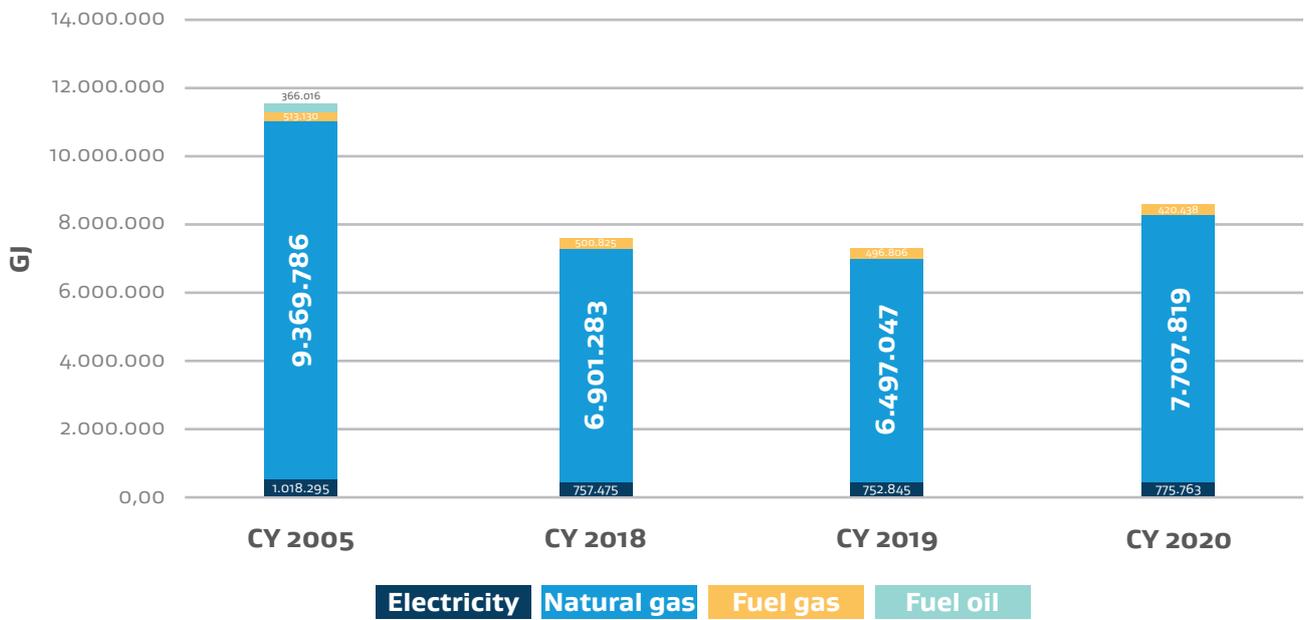


Image 10:
Energy consumption for source 2018–2020 and comparison with reference year 2005 (Gj)

For the future, the company aims to continue in this positive direction by setting itself increasingly challenging targets from an

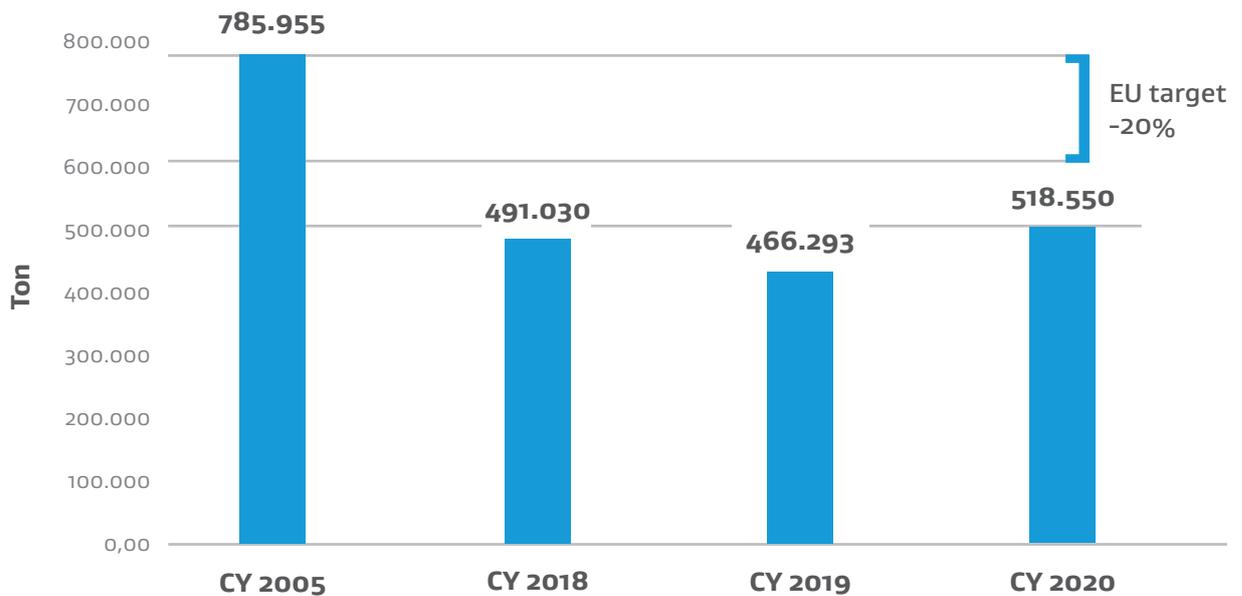
environmental sustainability perspective, including with regard to the European Green Deal policy.

REDUCTION OF GREENHOUSE GASES

The company has drawn up and implemented energy policies that have resulted in a continuous improvement in internal energy efficiency. They have generated a 34% reduction in CO₂ emissions, effectively helping the company in its contribution to the achievement of the national target set by the EU for 2020

(the reduction of emissions to 80% of 2005 levels). Shown below are the figures for CO emissions, both direct and indirect, and the emission intensity index, in relation to the tonnes of production for sale.

11.A



11.B

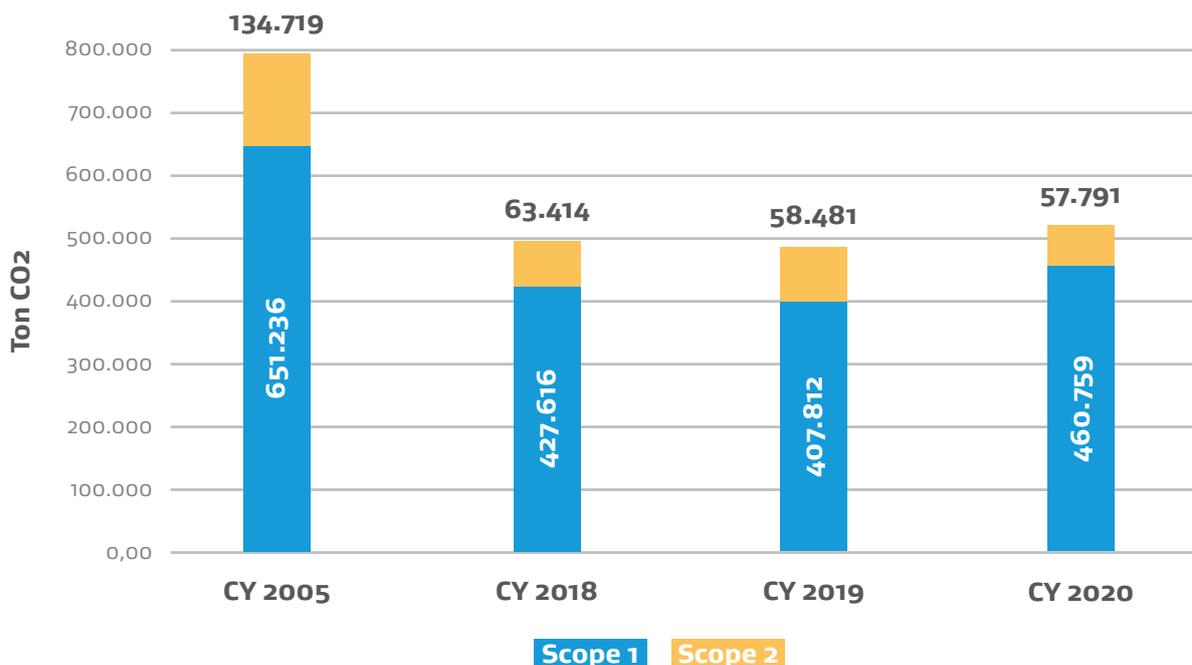
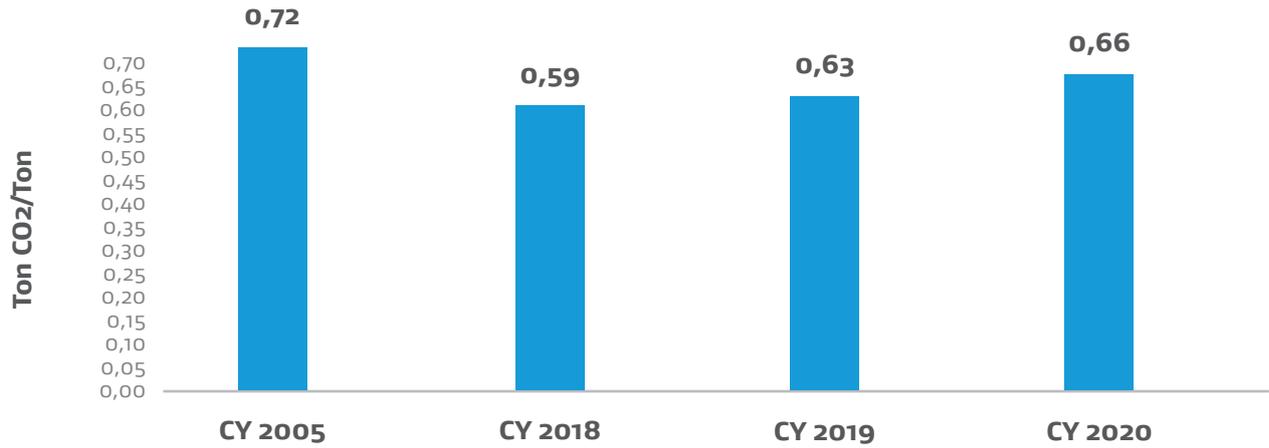


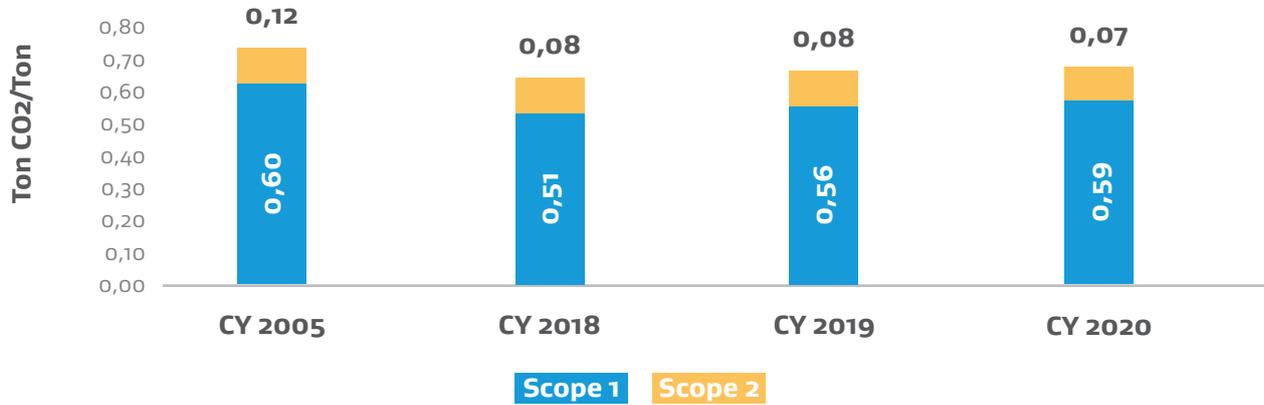
Image 11 a and b: CO₂ emissions from Sasol Italy plants 2018-2020 and comparison to reference year 2005 and with scope 1 and scope 2 scenarios (ton)

*Per scope 1 si intendono le emissioni dirette di gas climalteranti (GHG) che provengono dall'utilizzo di combustibili mentre per scope 2 le emissioni indirette di GHG da consumi energetici che risultano dalla generazione di elettricità e vapore acquistati

12.A



12.B



Images 12 a and b: CO₂ intensity index 2018-2020 and comparison to reference year 2005 and with scope 1 and scope 2 scenarios (ton of CO₂ per ton of production)

While the overall emission reduction target has been achieved, the intensity index shows an increase in the last year. This increase is due to the stoppages and restarts experienced by the Sarroch plant and the low n-paraffin content (TNP) of the supply, as already outlined in the section on energy.

With the climate legislation that forms part of the European “Green Deal”, the EU has set itself the binding objective of achieving carbon neutrality by 2050. This will require a significant reduction in current levels of greenhouse gas emissions over the next few decades.

As an intermediate step towards carbon neutrality, the EU has raised its ambitions for climate action and its targets for 2030, committing to reduce overall emissions by at least 55% by that year. Sasol intends to remain aligned with these goals, achieving net-zero emissions by 2050 and accelerating the transition to a low-carbon world in support of the goals set down in the Paris Agreement. For this reason, the company is identifying the actions that need to be taken to determine its methods of production in the future.

ELECTRICITY GENERATION ASPECTS

The Augusta site operates a combined cycle gas turbine (CCGT), in other words a combined cycle electricity and steam cogeneration plant powered by natural gas, with an installed power generation capacity of 49 MW. All of the steam produced by the plant is fed into the steam network of the Augusta site, while any electricity generated and not consumed within the site is transferred to the national grid.

The following bar chart summarises the figures relating to the production of electricity and thermal energy, compared to the consumption of natural gas, the fuel supplied to the CHPP:

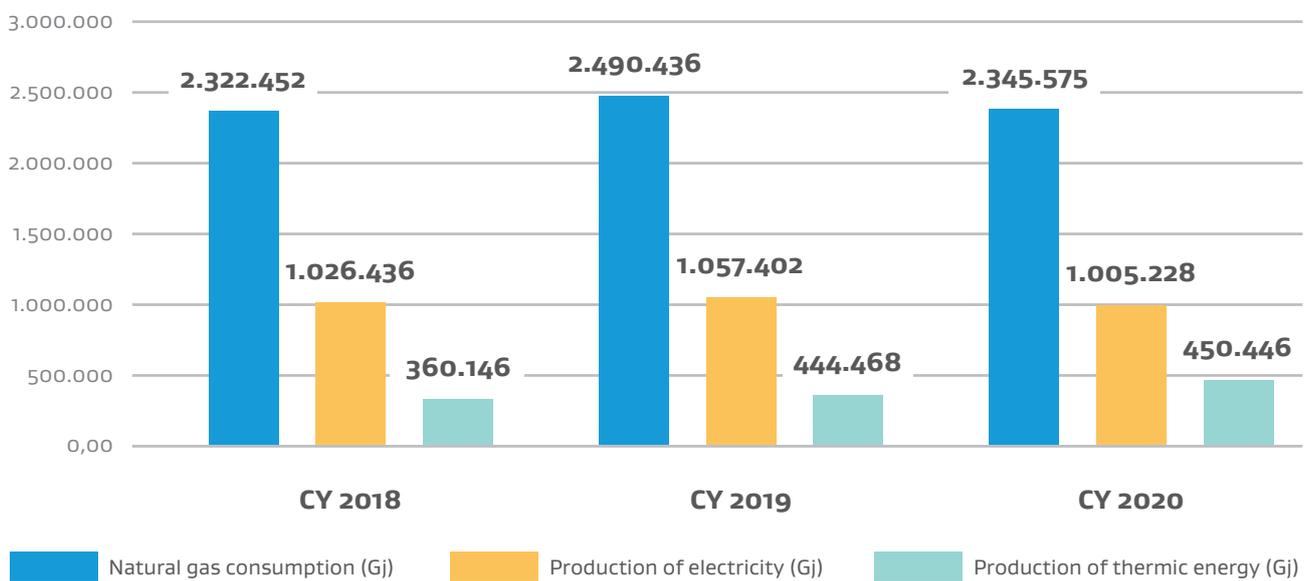


Image 13:
comparison of gas consumptions and energy and steam generation 2018-2020 (Gj)

In 2020, the plant generated 5% less electricity and the same quantity of steam relative to 2019, set against a reduction in natural gas consumption of around 6%. At this plant too, Sasol is constantly endeavouring to continuously improve energy efficiency and

reduce CO₂ emissions. Specific emissions of CO₂ per GJ of electricity and heat produced has decreased over the last 3 years by 8%, as can be seen in the following chart:

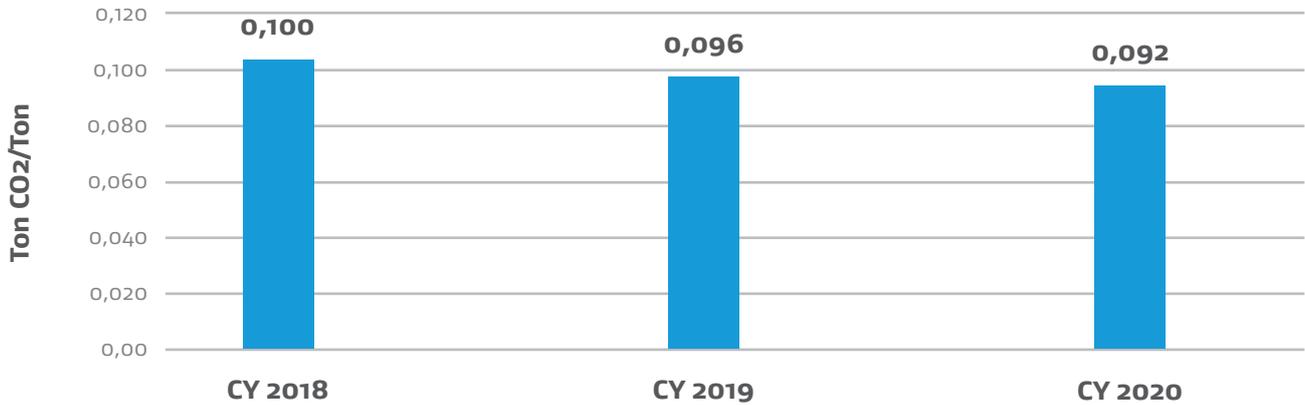


Image 14:
CO₂ emissions per energy generated by the CCGT plant (ton of CO₂ per GJ)

WATER USAGE

The use of water is essential in industrial processes. In highly industrialised countries such as those in the West, these account for around one-quarter of the total consumption of this natural resource.

Sasol uses water in its plants mainly to transport the heat required in chemical processes (steam) or for cooling the plants. The company is committed to reducing water consumption in all of its factories by means of a careful policy of water management.

In accordance with the requirements set down in the relevant authorisations and the internal procedures of the various plants' management systems, water consumption is measured

by calibrated instruments. The figures are monitored and recorded, and periodic reports on water consumption are drawn up and then sent to the inspection bodies. On a monthly basis, the figures are also transmitted digitally to the central business teams so that the degree of compliance with Sasol's sustainability strategies and any additional measures can be assessed.

The company's organisation structure is activating the necessary controls so that consumption is kept not only below the regulatory limits in force but also so that any environmental impacts associated with consumption can be reduced.

WATER WITHDRAWN

Below, we show the aggregated figures for all plants in terms of the type of water supply represented and the percentage incidence of water withdrawal at the various production sites:

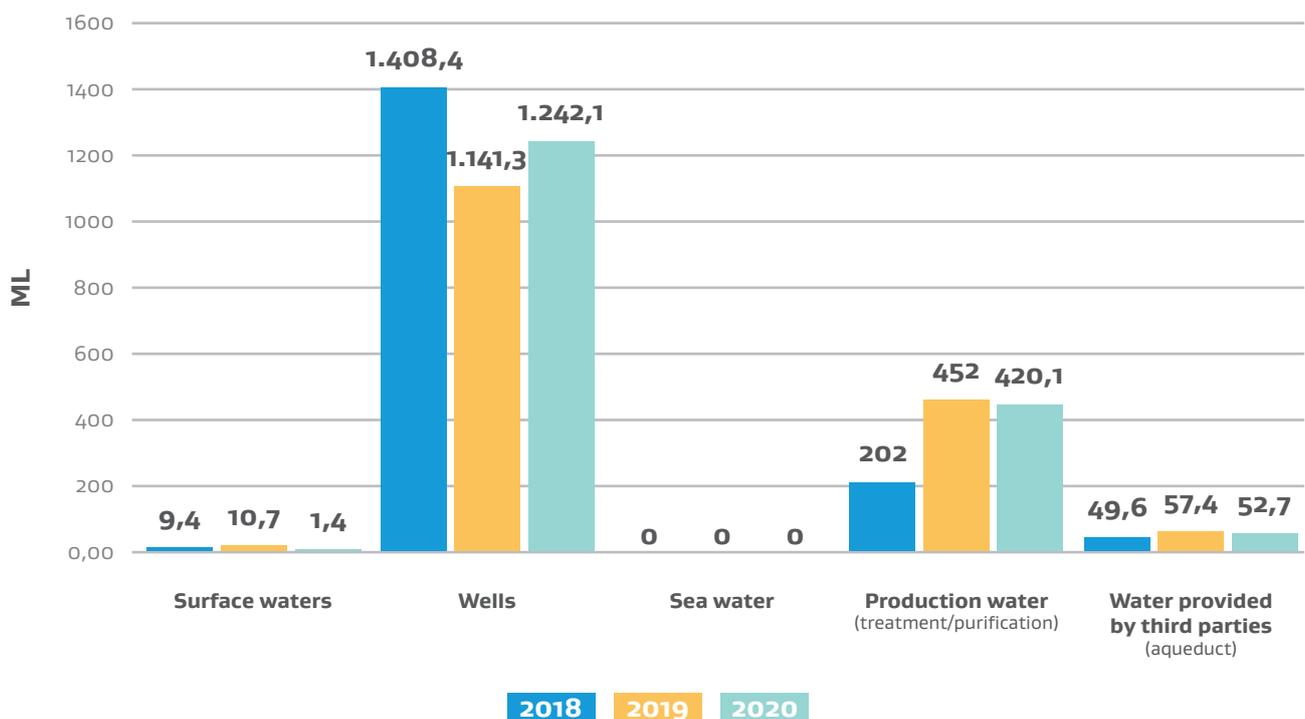


Image 15: Overall water withdrawal from Sasol Italy per hydric sources 2018-2020 (ML)

PROPORTIONAL WITHDRAWALS AT SITES

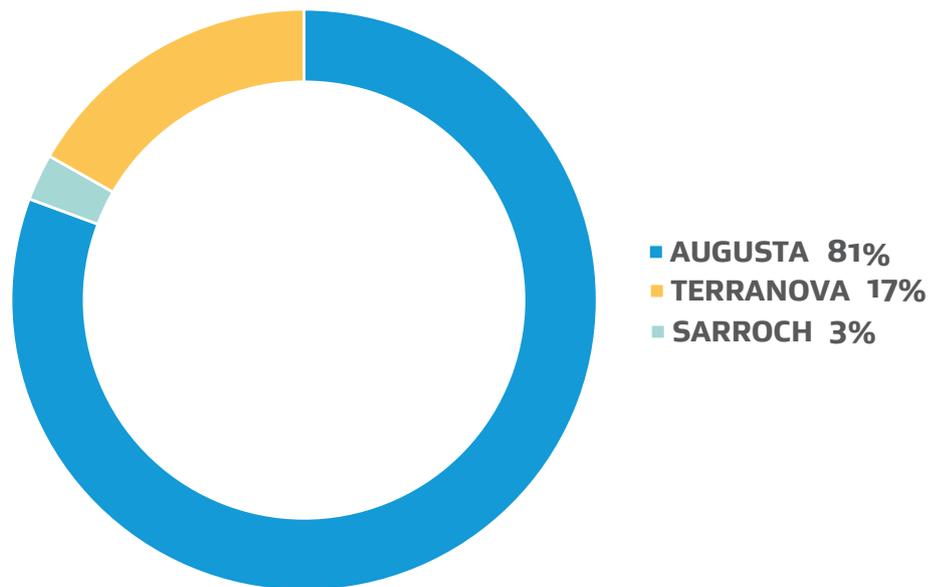


Image 16:
% of water withdrawals per production site over total consumption (2020)

As can be seen, the overwhelming majority of water withdrawals are carried out in the Augusta plant. The water required for the plant is drawn from the following supply sources: five wells with a total authorised withdrawal capacity of 1,482,823 m³/year; and the Marcellino river, a source of supply used only in emergencies by the fire service. The whole of Sicily is classified as an area of extremely high water stress by the Aqueduct Water Risk Atlas.

Since 2017, Augusta has also been the location for a treatment plant that transforms industrial waste water, including initial rainwater, into demineralised water that is reused in the industrial process. The plant that facilitates this wastewater treatment (WWT) process is able to treat 90 mc/h of waste water by producing 60 mc/h of demineralised water and 30 mc/h of salt-rich water, which is sent to the consortium plant. In 2020, there was an increase in the amount of water taken from wells of approximately 16% compared to 2019 and a decrease in recovered water of about 4%. The factors that generated this difference

relate to the amount and distribution of rainwater. Specifically, any instances of rainfall were very intense but of short duration and therefore prevented optimal recovery in the sewer system. This can be seen from the data provided by CIPA (the Industrial Consortium for the Protection of the Environment), which indicates that the area experienced 31% less rainfall in 2020 than in 2019. In addition, steam had to be integrated in the PACOL 4 plant to support the production cycle. The figure is, however, in line with average consumption for the last three years. The WWT process enabled 31% of the water discharged to be recovered within the production cycle.

There are still plans to upgrade the WWT plant to approximately 150 mc/h so as to produce purified water, thereby reducing withdrawals by a further 15% and allowing total recovery of up to approximately 65%. However, this objective has not yet been achieved. Our current focus is on achieving WWT 100% availability (and thus maximising wastewater/demi conversion) by making circulation conditions in the sewage system compatible with plant requirements at all times.

To cool its machinery, the factory utilises a closed circuit culminating in a cooling tower. This solution for reusing the water that is cooled downstream of the exchange in the machinery enables water consumption to be reduced considerably, thereby preventing, among other things, the introduction of heat into the environment. The same process of reintroducing the water within the closed

circuit is performed with the water treated by the WWT plant.

At the Terranova dei Passerini plant, the water supply is sourced from two groundwater drainage wells. Public aqueduct water is also used for civil purposes.

The water taken from the wells is utilised for industrial purposes (steam production, process water, cooling water and fire-fighting water). Good management practices have reduced water withdrawal by approximately 10% as compared to the previous year.

The water supply used at the Sarroch site is sourced from Sarlux (the company that manages shared services at the multi-company site), a third-party provider that draws water from the CACIP industrial consortium. The water withdrawn is utilised for industrial and civil purposes.

WASTEWATER DISPOSAL

Each factory is equipped with authorised discharges managed in line with the limits specified in the authorisation documents and controlled in line with the monitoring and control plans applied. All of the improvements planned and implemented are intended to improve the quality of the wastewater in terms of reducing the concentration of pollutants transferred to the final receiver. This is done both with the aid of dedicated treatment sections and through proper management of the sources at which wastewater is produced, which are constantly monitored. In some cases, the water undergoes preliminary treatment and is then transferred to its final destination.

In Augusta, there are three discharge points: SF1, SF2 and SF3. SF1 is authorised to discharge rainwater that falls in non-industrialised areas (roads, yards, green areas) near the Marcellino river, after removing what is

termed initial rainwater, which is collected at the SF2 discharge point and directed to the cooperative purification plant. SF2 is for the discharge of industrial wastewater and rainwater within the plant areas, as well as the water from the hydraulic barrier. SF3 is where aqueous concentrate is discharged from the reverse osmosis section of the WWT system.

Both the industrial wastewater and the rainwater undergo initial pre-treatment involving de-oiling in the API tanks, to then flow into the WWT plant for treatment as described in the previous paragraph.

SF2 terminates in the consortium pipeline that transfers the water to the plant belonging to the IAS (Industria Acque Siracusane) consortium for final treatment.

The substances that can result from the production cycle of the plant and that are treated by the IAS consortium wastewater treatment plant, as established on the basis of the Proposal for a Decision of the European Parliament and of the Council 2000/0035, are benzene, nickel, lead, cadmium and mercury. The discharge limits (ELVs) were determined by the competent authority (the Ministry of Ecological Transition) during the IEA release process. In the three-year period from 2018 to 2020, there were no instances of non-compliance with the discharge limits for the parameters in question.

At Terranova, there is a wastewater treatment plant (WTP), which was the subject of major renovation investment in 2013 and now consists of a chemical-physical treatment section used for treating process waters with a high organic load, a biological treatment section using activated sludge for treating process water, and a tertiary plant downstream of the sludge settling vessel, consisting of sand filters and activated carbon filters.

Authorisation has been granted for discharge of the water from the plant into a body of surface water, the Valguercia Canal. Since 2012, a plant has been available for treating the liquid stream leaving the reputational plant, to separate out sodium sulphate before the liquid stream is sent to the water treatment plant.

At the Sarroch plant, liquid effluents are sent to a third-party provider that operates a specific treatment plant (STP) involving authorised

discharge to sea. Sasol periodically monitors the water discharges delivered to the treatment plant in compliance with its Monitoring and Control Plan. As will be explained in the section on “Decontamination activities”, any water coming from the wells created for the remediation of groundwater for which Sasol is responsible is treated in a plant to restore to the limits of acceptability applicable to the specific treatment plant (STP). The pollutants present in the treated waters consist mainly of hydrocarbons.

The amount of annual wastewater that the factories send to the final destination is strongly influenced by the levels of rainfall during the reporting period. This is because, in compliance with Sasol’s environmental protection policies, any rain falling within the boundaries of the plants is treated as industrial wastewater and sent to the collection system for potentially polluted water (oily sewage), being classified as this. The same applies to what is termed “initial rain water”, which falls on shared areas such as roads and yards that are not covered by industrial plants. Accordingly, the levels of potentially polluted rainwater and those of initial rainwater contribute to the total quantity of industrial wastewater recorded.

ML	Augusta				Sarroch				Terranova dei Passerini			
	2018	2019	2020	Discharge	2018	2019	2020	Discharge	2018	2019	2020	Discharge
Surface waters	4,4	4,4	4,4	SF1 to Marcellino river	0	0	0		228	142	117	Water treatment facility
Risorse idriche di terze parti	1003,9	491,2	627,9	SF2 to IAS treatment facility	19	19	14,5	To industrial sewer pipeline	0	0	0	

Table 5:
Water discharge flows from the three production sites 2018-2020 (ML)

In 2020, the Augusta plant recorded an increase of about 28% of wastewater sent to the IAS cooperative treatment plant. As mentioned above, this was because the quantity of water recovered in the WWT fell by 4%, while the quantity supplied from wells was higher, partly as a result of weather conditions that did not allow for the optimal recovery of rainwater.

The above charts show the figures relating to industrial wastewater recorded at the discharge points.

The quality of the discharges in terms of COD (chemical oxygen demand) is shown in the following table.

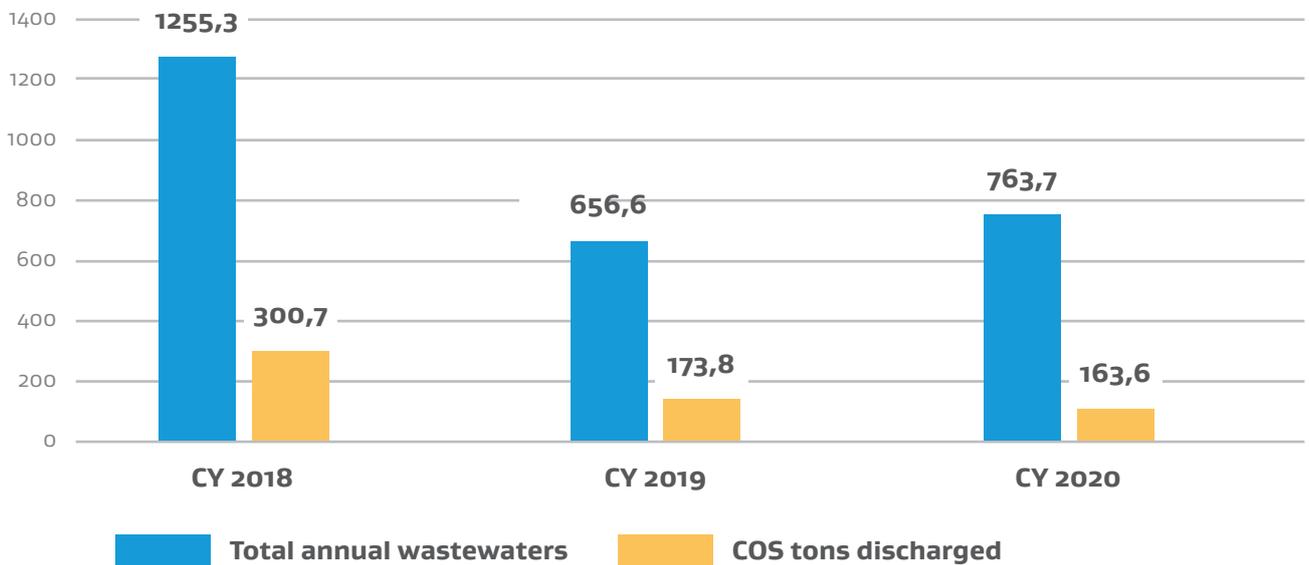


Image 17:
Total wastewaters and COD discharged 2018-2020 (ton)

EFFICIENCY OF WATER USE

The following chart shows the trend for the last three years in the total specific water reuse index for the Sasol Italy plants, i.e., the actual water requirement of the Sasol processes compared to the water withdrawn.

As can be seen from the chart, over the last two year there has been an increase in water reuse.

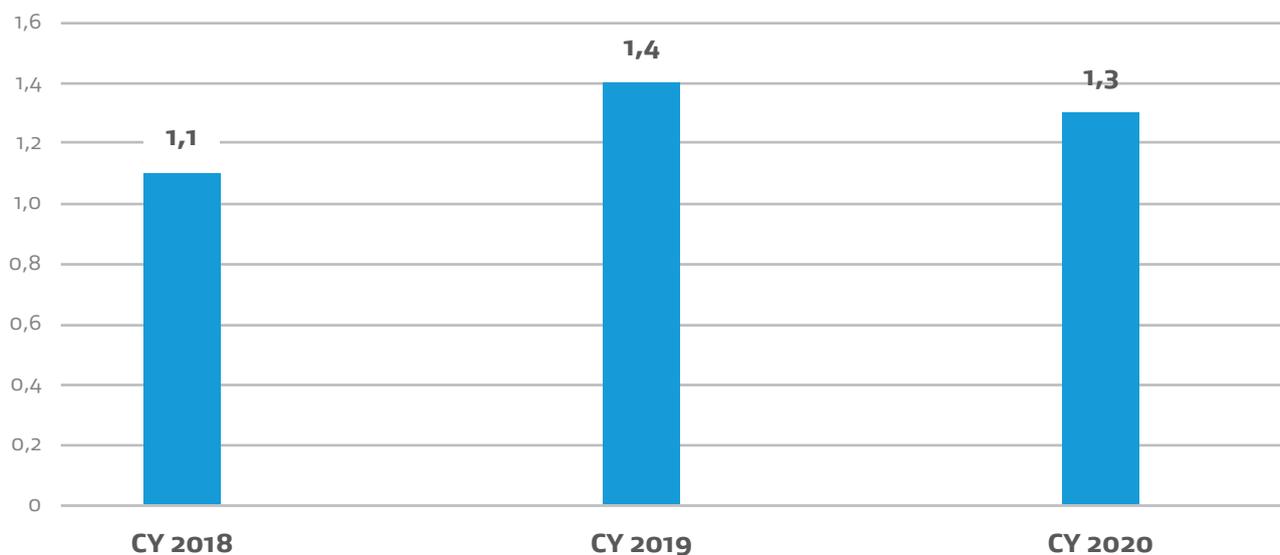


Image 18:
Specific hydric reuse index (total water consumption over withdrawal from external sources ratio)

MANAGEMENT OF ATMOSPHERIC EMISSIONS

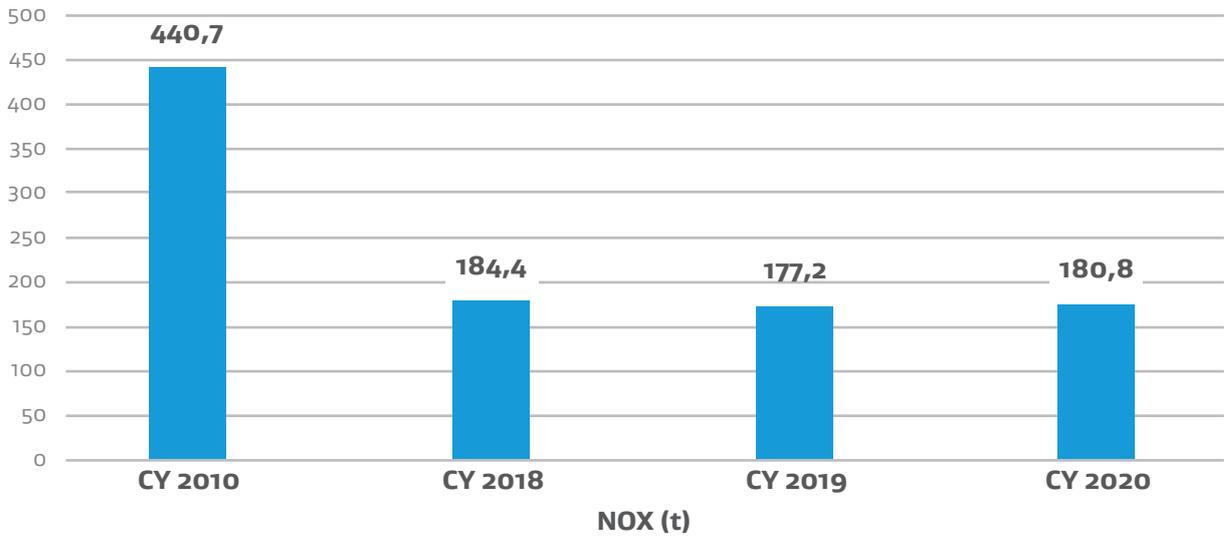
Sasol Italy is working towards progressively reducing all of its atmospheric emissions to the greatest technically possible degree. On the basis of how they are dispersed externally, these emissions can be classified as “vented”, i.e., passing through chimneys and other concentration systems; “diffuse”, when they come from large surfaces such as the roofs of the tanks or from the collection tanks; or “fugitive”, i.e., those produced by any occasional leakage of substances from joints, valves and other moving parts of the systems. For several years now, Sasol has carried out periodic monitoring of its atmospheric emissions in accordance with Integrated Environmental Authorisations (IEAs) and applicable legislation so as to implement the most effective management and technical measures possible. It is worth pointing out that, in some cases, because of their odour the substances emitted, while not posing a risk to health, constitute one of the impacts experienced most clearly by the population. Substances exist, in fact, that, if present in the air in even very small quantities, are sources of unpleasant smells.

The following charts show trends in emissions associated with the main pollutants (NO_x, SO_x and CO) recorded across the whole of Sasol Italy. Methodologies set down in the IEA and/or equivalent document were used for the calculation. The indicators were calculated by direct measurements and by calculating the total quantity by discontinuous measurements in accordance with Presidential Decree 416/2001 and EPA calculation methods.

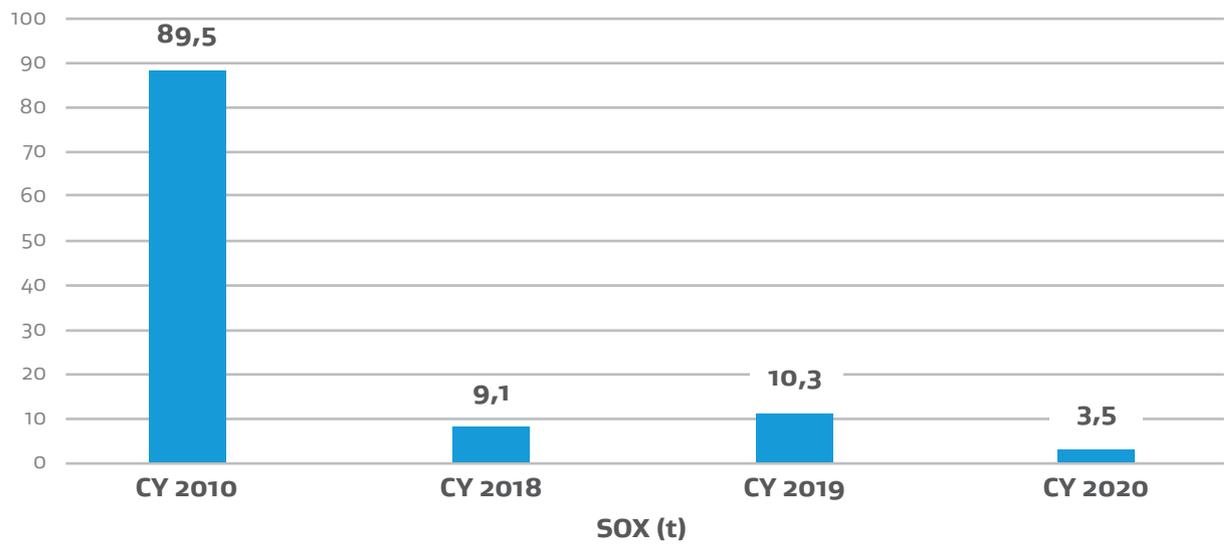
In particular, as compared to 2010, the year in which the environmental improvements related to the new authorisations (AIA) began, NO_x emissions decreased by 58.9%, SO_x emissions by 96% and CO emissions by 30%. Compared to the previous reporting year, however, the results remained substantially similar for CO and NO_x, while there was a strong decrease in SO_x, due to the interruptions in the operation of the Sarroch Molex plant and the use of loads desulphurised in advance.

Outlined below are details of Sasol Italy's emission monitoring systems and the improvements made over the last few years.

19.A



19.B



19.C

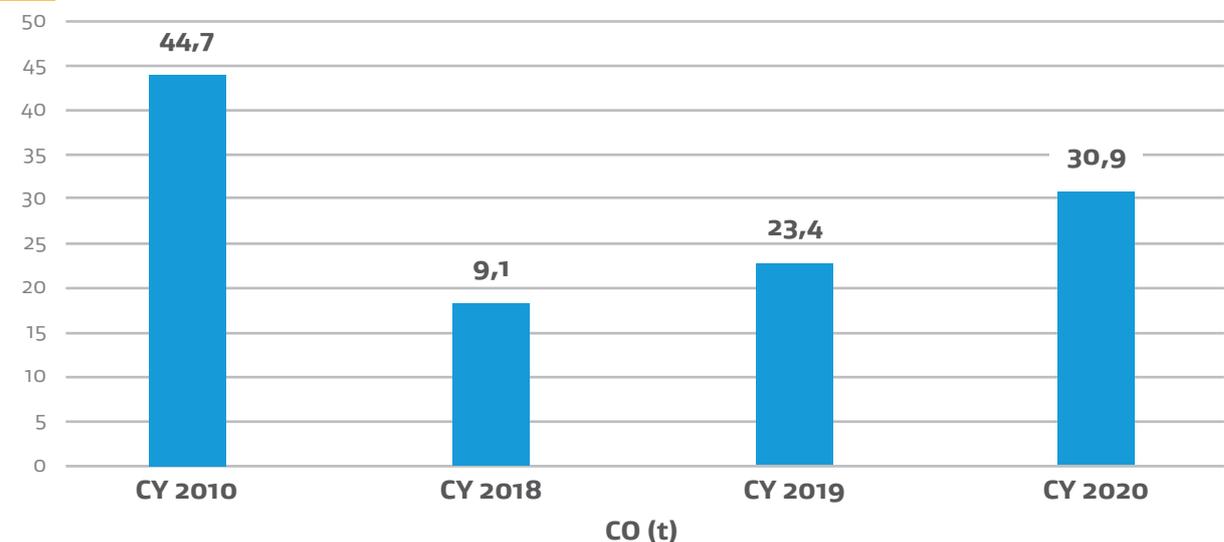


Image 19 a, b and c: Atmospheric emissions from Sasol Italy for NOx, SOx and CO 2018-2020 and comparison with reference year 2010 (ton)

AUGUSTA PLANT

The factory's atmospheric emissions are managed in accordance with the applicable Integrated Environmental Authorisation (IEA). For some time now, the Augusta factory has used natural gas as its main fuel, together with a small proportion of the process gas produced by the various plants. The use of natural gas as the main fuel drastically reduces the presence of pollutants such as SO_x and dust; conversely, high-quality combustion processes reduce the concentration of CO and VOC in the fumes vented to chimneys.

The vented emissions are emitted by nine active chimneys 24 hours a day, by a tenth non-continuous chimney (for the plant's steam integration boiler) and also by the emergency flare and by a thermal oxidiser for the treatment of the pipeline vapours.

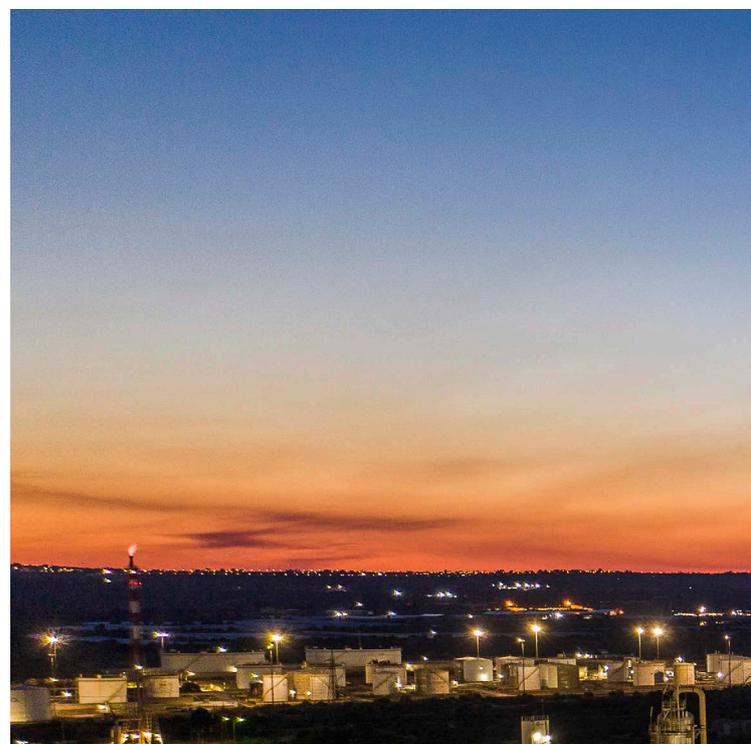
The emissions vented to the nine chimneys are monitored by continuously operating analysers (EMS – emission monitoring system – for CO and NO_x parameters) and by non-continuous analyses performed by accredited external laboratories for the other parameters. At the tenth chimney, which powered by natural gas and therefore by its nature highly desulphurised, only discontinuous NO_x emissions monitoring is carried out.

The results of the checks carried out are sent to the competent authorities, which verify compliance by means of on-site inspections.

The fugitive emissions are those associated with any leakage of the joints of the control devices, such as valves, flanges and machinery. These emissions are measured using the LDAR (leak, detection and repair) programme, which also facilitates immediate maintenance interventions that further restrict the quantity of atmospheric emissions.

Diffuse emissions are those emitted from the floating covers of the storage tanks and from the purification plant tanks in which the hydrocarbon phase is recovered before the liquid waste is sent for final treatment.

This specific source was responsible for virtually no emissions thanks to the floating covers used for the API tanks. With regard to storage tanks with floating covers, thermal camera monitoring and the resulting maintenance activities allow the level of atmospheric emissions to be kept to a minimum. All of these activities make use of what are known as the BATs (best available techniques) applicable to the type of machinery present in the factory.



TERRANOVA DEI PASSERINI PLANT

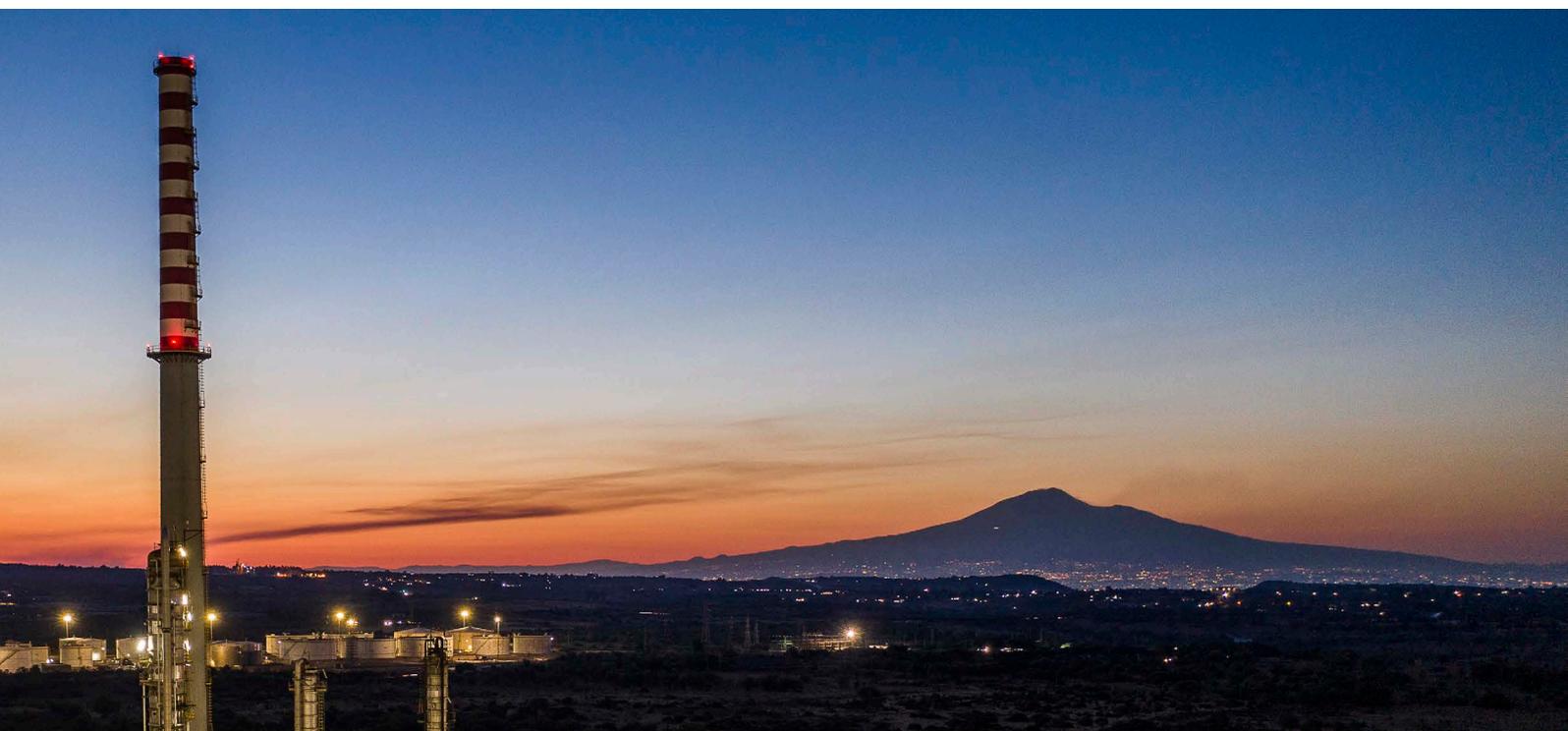
The factory's atmospheric emissions essentially consist of emissions vented to the chimneys of the production facilities. Diffuse and fugitive emissions are therefore not considered relevant in this case. Emissions from the ethoxylation plant (process reactors, vacuum system and the ethylene oxide and propylene oxide storage tank vents) are vented to a chimney controlled by a "scrubber"-type abatement system (filter). There are three other chimneys that vent emissions from the finishing and scaling section.

SARROCH PLANT

The plant produces vented, diffuse and fugitive emissions.

The plant's vented emissions consist of the fumes from the chimney (E8) that come from the process furnaces. The chimney is monitored by a continuous emission monitoring system (EMS) for the following CO, SO_x and NO_x parameters and also by measurement of the flow rate and temperature of the fumes. Other parameters are monitored on a non-continuous basis by certified external laboratories.

Fugitive and diffuse emissions come from storage tanks, pumps, lines (flanged couplings) and valves. With regard to fugitive emissions, Sasol implements a specified annual inspection and monitoring plan, based on the requirements of applicable Integrated Environmental Authorisation (IEA). This LDAR programme (leak, detection and repair) allows for the estimated emissions to be calculated for the fugitive emission sources identified for the factory.



WASTE MANAGEMENT

Sasol has always been committed to considering how waste can undergo treatment for recovery purposes rather than viewing it as scrap, at the end of its life, that needs to be sent to landfill. The quantity of waste generated depends on activities such as maintenance, cleaning of machinery, and new investments or demolitions that are planned and carried out over the year. Other waste comes from soil and groundwater decontamination operations, research and laboratory activities, and the need to replace process catalysts. Since these are strategic and mandatory activities, the quantity of waste is not affected by an efficiency parameter designed to reduce waste quantities systematically. What can make a difference is a strategy based on estimating the reuse of waste, which also accords with the principles of the circular economy.

Operational and document management for the waste cycle is carried out by a team of dedicated and qualified staff who work through the entire administrative process of waste tracking, from production and temporary storage to specification of the final disposal method at dedicated external

plants. In 2020, Sasol Italy sent for recovery and disposal a quantity of waste equivalent to approximately 6,727 tonnes – a figure 48% lower than the previous year. A total of 4,260 tonnes of hazardous waste and 2,467 tonnes of non-hazardous waste were produced, of which 73% of the hazardous waste and 87% of the non-hazardous waste was recovered.

The Augusta site was responsible for 77% of the waste. During 2020, it sent 70% of its hazardous waste and 95% of its non-hazardous waste for recovery. At Terranova dei Passerini, in contrast, 99% of the hazardous waste and 65% of the non-hazardous waste was recovered.

In Sarroch, given the size of the plant, only a very small quantity of waste is normally produced, equivalent to 6% of the total. For this, the recovery rate was 48% for hazardous waste and 70% for non-hazardous waste. At the production sites, no instances of non-compliance with the requirements set down in the Integrated Environmental Authorisations or with environmental legislation were identified, as also confirmed by the checks carried out by the inspection bodies.

The following table shows the quantities of waste, expressed in tonnes, produced by Sasol Italy:

Total locations	2018 Ton	2019 Ton	2020 Ton
Hazardous wastes total weight	5.324	4.932	4.260
Sent to recovery	2.800	3.516	3.121
Final dismissal	2.524	1.416	1.139
Non hazardous wastes total weight	3.695	7.960	2.467
Sent to recovery	2.448	4.830	2.151
Final dismissal	1.247	3.130	316

Table 6:
Hazardous and non hazardous waste production from Sasol Italy 2018-2020 (ton)

DECONTAMINATION ACTIVITIES

The sustainability of a production site cannot be separated from actions aimed at improving the environmental conditions of the area in which it is located, taking into account also the soil and groundwater on which the facilities are situated, including any inactive ones. Sasol evaluates such activities as part of its priority actions by investing in resources that can help achieve the objectives set by applicable legislation, those based on the specific conditions for each site, and those requested by the competent authorities. The Sasol sites at Augusta and Sarroch fall within the areas identified by the Ministry of Ecological Transition as Sites of National Interest (SINs), while the Porto Torres site is no longer operational. The areas thus defined, which are considered to be of significant environmental interest, fall under the jurisdiction of the Ministry of Ecological Transition, which gives instructions on the entire decontamination process right from the initial stages of characterising the groundwater and soil. As well as other ministries (such as the Ministry of Health), territorial bodies and trade unions are involved in the investigation and decision-making phases and have the right to comment on, prescribe and even reject the documentation under investigation prepared by Sasol.

The decontamination process for the Terranova dei Passerini and Paderno Dugnano plants – including the decommissioned plant – is, in contrast, the responsibility of the Lombardy Region. The region has, which, in turn, delegated the relevant municipalities to be involved in and to coordinate the various local bodies that are required to express an opinion during the preliminary and decision-making phases.

Sasol's decontamination processes relate to approximately 120 hectares of land, of which

around 90 hectares are occupied by plants and products for industrial production. In accordance with applicable legislation, once the free areas are restored for their expected uses, a substantial part of the free areas may be subject to planning focused on the green economy. All of the sites owned by Sasol have been characterised and the results, validated by the competent inspection bodies, have enabled the immediate implementation of groundwater prevention measures (Emergency Safety Measures or ESMs).

In each plant, prevention activities have been implemented since the years 2003/2004. In general, the analyses performed provide evidence of a trend whereby pollutants in the groundwater are decreasing. This is due to both the efficiency of the preventative systems and the application of proper environmental protection management, based on the prevention of environmental accidents and on the activities for controlling the design and management of plants.

The preparation of the site-specific Health Risk Analysis (HRA), based on examination of the characterisation results, lays the foundations for establishing the objectives for the decontamination. The HRA is drawn up in accordance with ministerial guidelines based on the concept of maximum precaution.

Since 2001, Sasol Italy has invested approximately €24.9 million in decontamination activities at its sites: in 2020, the direct costs for decontamination activities were in excess of €1.2 million. The company has already set aside approximately €9.5 million for the activities scheduled over the coming years. These costs do not take into account any investments related to the protection of environmental matrices and control measures.

AUGUSTA PLANT

The area around the Augusta Plant falls within the boundary of the Priolo Gargallo-Melilli-Augusta Site of National Interest (SNI). In accordance with applicable legislation, since 2001 the Site has been carrying out the decontamination process, characterising all areas owned by Sasol. Since 2004, the company has activated a series of hydraulic barriers in accordance with the legislation and guidelines set down by the competent authorities. These barriers are designed to contain and capture any groundwater that crosses the site.

As part of its periodic monitoring of the condition of the aquifer, the plant implements a monitoring plan approved by the inspection bodies. The periodic monitoring continues to demonstrate a significant improvement in groundwater quality, confirming that the prevention measures adopted are working, including those related to the proper management and maintenance of the plants. The operational safety plan (OSP) for water and land is being reviewed by Sasol following the approval of its risk analysis by the Ministry of the Environment.

SARROCH PLANT

The Sarroch plant is situated inside the facility currently owned by Sarlux but previously owned by Versalis (part of the Eni group), where a shared water-front hydraulic barrier is operational. (The Sasol plant covers a waterfront that represents about 15% of the barrier's length). In this case too, monitoring has highlighted a substantial reduction in pollutants over time. The water remediation project, which had a total of approximately a €1.2 million and was cosponsored by Versalis, has been completed. The project became operational in the first few months of 2021.

PADERNO DUGNANO PLANT

The site at Paderno Dugnano, where there used to be a research centre for the production of Sasol equipment, was discontinued following the decision to move research activities onto the premises of the production sites. In this area, the decontamination of the aquifer is undergoing final testing. Since 2010, in fact, a hydraulic barrier has been operational, incorporating treatment of the groundwater and its

re-introduction into the aquifer.

Its operating principle involves draining from the aquifer the water to be "purified", which, instead of going into a sewage system, rendering it no longer usable, is reintroduced in a controlled way into the aquifer. Within just four years, this technology has made it possible to achieve a concentration of pollutants below the limits set down in legislation and in the decontamination objectives. The request for verification of the "rebound" effect has therefore been prepared. This will involve switching off the current hydraulic barrier to verify whether the remediation objectives have actually been achieved.

PORTO TORRES PLANT

The Sasol site at Porto Torres was completely decommissioned in 2014 and is divided into two non-contiguous areas. An emergency safety measure is in operation in both areas of the site. The Ministry of Ecological Transition, at a meeting of a technical panel, requested additions to the document submitted, thereby making the approval of the HRA subject to the execution of four quarterly soil gas projects in the two areas owned by SASOL and the removal of an accumulation of pyrite ash in one of these defined SASs. The works aimed at removing the pyrite ash were carried out during 2021. The inclusion of the HRA is expected to be presented in 2021. As a result of this activity, Sasol is evaluating possible projects for generating electricity from renewable sources, integrated with the decontamination activities; these evaluations form part of the strategy adopted for achieving sustainable development objectives.

TERRANOVA DEI PASSERINI PLANT

At the Terranova dei Passerini site, the characterisation showed the presence of some pollutants not attributable to the production cycle and therefore resulting from previous contamination. The site-specific risk analysis has been submitted to the competent bodies for approval. Also at this plant, monitoring is taking place to verify changes in concentrations of pollutants in the groundwater that, in recent years, have remained constant.

THE “NO FLY” INVESTIGATION

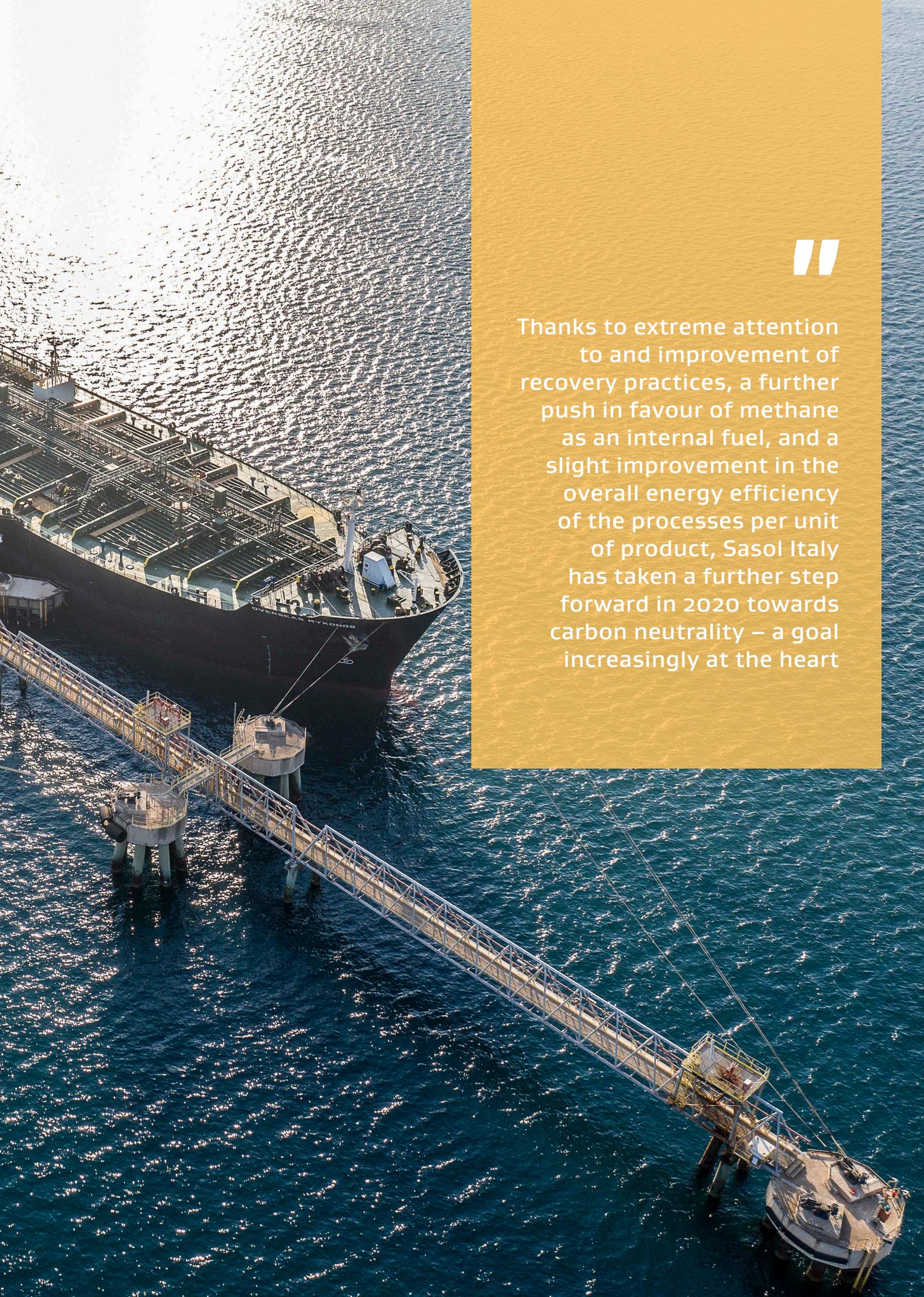
On 21 February 2019, Sasol Italy’s Augusta plant, together with other companies within the Syracuse petrochemical hub, became subject to a precautionary seizure order in the context of the “No Fly” investigation. From the outset, the company has provided full collaboration with the Syracuse Public Prosecutor’s Office and is confident that it can demonstrate the correctness of its operations and the results of its commitment to sustainability.

On 23 May of the same year, Sasol Italy obtained the positive acceptance of its request to dismantle the Augusta plant in a ruling issued

by the Syracuse Public Prosecutor’s Office. The ruling was issued following the verification of the technical documentation submitted and the site inspection by consultants working for the Public Prosecutor’s Office, who confirmed the fundamental suitability of Sasol’s management of the site.

During 2020, there were no further procedural actions by the prosecutor. The notice of conclusion of the preliminary investigation was issued in June 2021.





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Thanks to extreme attention to and improvement of recovery practices, a further push in favour of methane as an internal fuel, and a slight improvement in the overall energy efficiency of the processes per unit of product, Sasol Italy has taken a further step forward in 2020 towards carbon neutrality – a goal increasingly at the heart

SOCIAL
SUSTAINABILITY



04

DEVELOPMENT OF HUMAN RESOURCES

Sasol views its people as the company's most valuable resource, being a team of professionals who, through their day-to-day work, are responsible for creating value and innovation.

We believe that the development and growth of our workforce is the best way of investing in our future. Sasol is committed to continuously promoting a stimulating work environment, one that allows everyone to fully demonstrate their value and potential. The well-being of those who work for Sasol is key. For this reason, we favour a culture that allows and encourages freedom of expression and, through sharing, brings change and growth.

These qualities were evident during the 2020 crisis, as the company's workforce took a constructive attitude so as to prevent the situation – one that was already serious for the company – from becoming unsustainable.

This must also be said in anticipation of the implementation of Sasol 2.0, the global organisation project that was needed to respond to a context that was evolving very quickly and that, therefore, required a company that was both robust in its business and resilient.

With their expertise, background and culture, Sasol's 630 employees form part of the unique mosaic that makes our motto a reality: together, we are "One Sasol".

We believe in the development of our people and in respect for diversity, having as guiding principles our Group Values, above all that of "Care" –in other words taking care of others.

Despite the focus on safety and on smart working, our employees were still able to benefit from professional growth and training opportunities in 2020. These included the training activities that were first added as part of the new company reorganisation within the Sasol 2.0 plan, which is focused on increasing our efficiency and operational flexibility.



SASOL'S PEOPLE

In 2020, a full 100% of the company's 630 workers were employed on permanent contracts, as we believe that the maximum possible stability of employment is a prerequisite for ensuring that our staff identify with the company, for signalling that we value their contribution and for providing concrete evidence of the company's robustness.

During the year under review, there were 11 new employees hired, about 50% fewer than in 2019. This can be explained by the exceptional nature of the year due to the pandemic. In total, 45% of employees are under 30 years of age; in the reporting period, there were 13 terminations of employment, two more than the previous year. The age composition of Sasol Italy's workforce represents a perfect balance between experience and new talent. The average age of Sasol Italy's employees is 46, a similar age to that of the previous year.

The table below shows staff turnover rates and aggregated data on the new hires in the reporting period:

	2018	2019	2020
Turn over rate	1,9%	1,7%	2,1%
Total number of staff	622	632	630
New hires ratio	2,7%	3,3%	1,7%
Total number of new hires	17	21	11
GENDER CLASSIFICATION			
Women	7	6	2
Men	10	15	9
AGE CLASSIFICATION			
Up to 30 years	3	6	5
30 – 50 years	14	15	5
Over 50 years	0	0	1
GEOGRAPHIC CLASSIFICATION			
Southern Italy (Sicily and Sardinia)	8	10	9
Northern Italy (Lombardia)	9	11	2

Table 7:
Turn over and new hires in Sasol Italy per gender, age and geography 2018 – 2020

The average length of service is 18 years. This demonstrates the loyalty of our people and ensures that the company can draw on a consolidated set of skills deriving from our employees' experience and deep knowledge of our markets, processes and business tools.

A total of 13 employees, all male, left the organisation in 2020, either voluntarily or as a result of dismissal or retirement. Of these, one is under 30, four are aged between 30 and 50 and the remaining eight are over 50 years of age. Seven of these employees were based in Southern Italy (Sardinia and Sicily) and six in Lombardy.

Sasol Italy's workforce is highly qualified. Almost two-thirds of employees have at least one high school diploma. A total 24% of our employees have a university degree – a significant increase, in view of the fact that in 2008 graduates accounted for only 14% of the total workforce. Of these, a good 70% graduated in science and technology, compared to the average for all Italian companies of 24.6%. A full 100% of graduate employees are managers or white-collar staff.

The following charts show the data relating to the human resources employed by Sasol Italy in the three-year period from 2018 to 2020:

SASOL ITALY STAFF

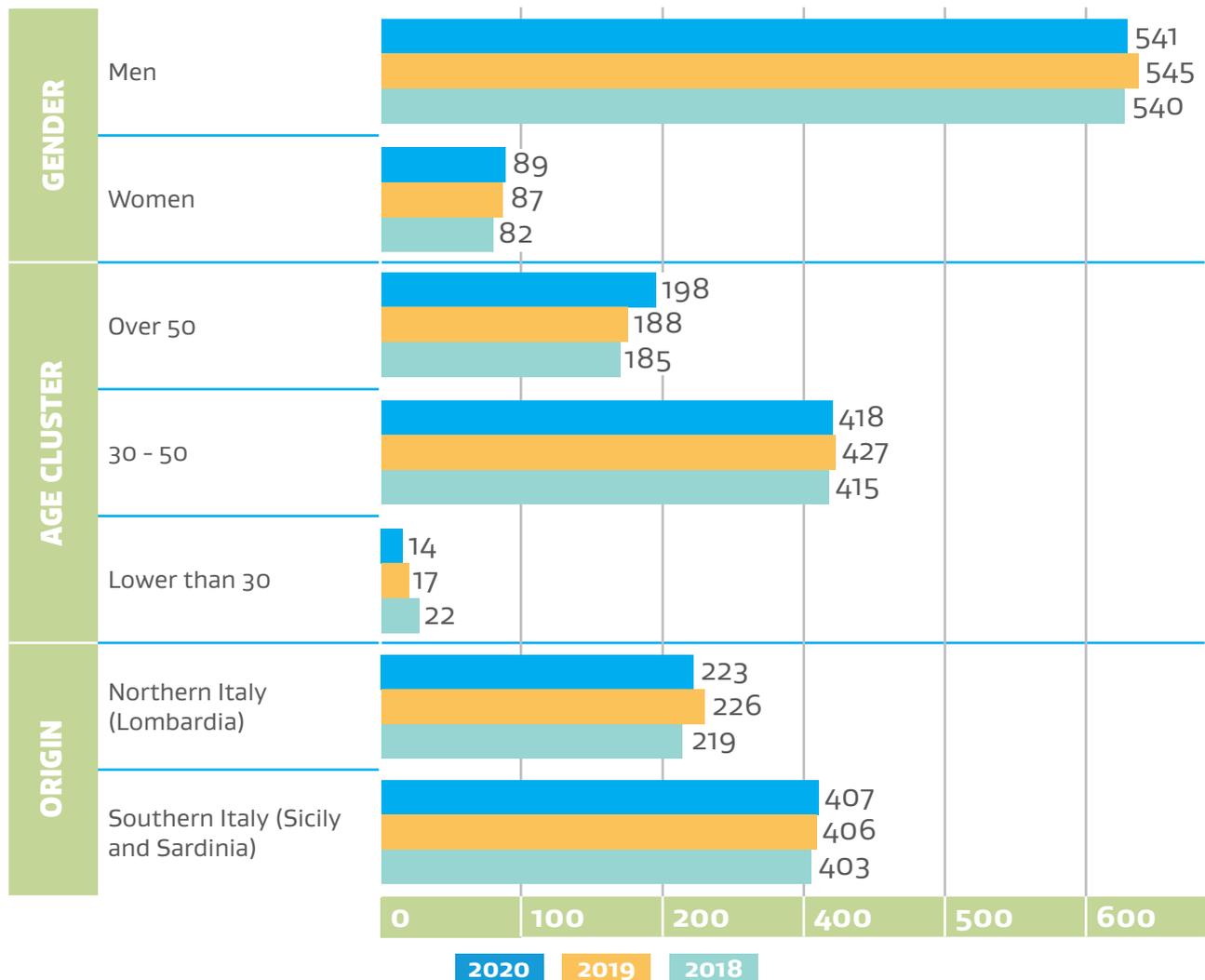


Table 20: Sasol Italy staff composition according to gender, age and geography 2018 – 2020

SKILLS DEVELOPMENT

To ensure the continuous development of skills – a strategic asset for the company – the HR function carries out an annual predictive assessment of training needs with the managers of the individual departments. Following this process, it draws up:

- an internal training plan, closely linked to the duties involved, aimed at enhancing the skills of the individual worker and facilitating his or her development in the setting in which he or she already operates, including mandatory safety training activities and activities related to Model 231.
- an external training plan. This latter category includes both the mandatory training required by law in safety matters, if carried out externally, and training for the purposes of improving soft skills, at an individual or team level, as identified from time to time by the departmental managers. The aim here is to build value in terms of both organisational and individual development.

In 2020, approximately 3,219 total hours of training were provided, including HSE training. Of these, 438 hours were funded with the aid of multi-sectoral funds (“Fondi Interprofessionali”).

The hours of training provided to employees decreased in relation to 2019 due to the legal restrictions imposed in response to Covid-19. This prevented the regular provision of several training courses. For some training programmes, continuity was ensured by the use of online platforms. For others, however, the planned training sessions could not be provided.

In addition to the more traditional training plans related to the company’s training needs, every year Sasol organises projects on specific topics, with a particular focus on organisational and behavioural change and in line with the Group’s objectives. These projects help to create value in economic, reputational and well-being terms. These and other projects form part of a wider set of initiatives developed across Sasol, which aim to raise employees’ awareness of relevant issues and make our organisation a cutting-edge and innovative place to work. Company training is financed with the aid of multi-sectoral funds (Fondi Interprofessionali), thanks to the collective signing of corporate agreements with relevant union representatives at all of company locations. These agreements enable joint training projects to be arranged that guarantee continuous professional development within the company. The activities scheduled for 2020 were suspended due to Covid-19.

The average hours of training per employee were as follows:

	Hours
Average training hours per head	5,11
GENDER	
Women	3,97
Men	5,30
CATEGORY	
Workers	7,49
Employees	4,26
Middle management	4,66
Managers	0

Table 8:
Average hours of training per person according to gender and qualification 2020

VOYAGER

During 2020, activities related to the Voyager project now implemented across all Sasol Italy sites continued. The purpose of the programme is to optimise the way of working and automate certain processes, with a view to improving organisational and production dynamics (efficiency of business continuity). Continuous improvement and change are the two pillars of the Voyager initiative. In aid of the programme, a specific training plan has been defined and introduced for plant staff, while new IT systems (such as the electronic register) have been implemented to support

managers and those working with them on the path towards technological innovation and the use of new tools. In this regard, the acquisition of new organisational and working tools has been supported by specific training to develop the digital skills needed for improving and facilitating organisational change.

PERFORMANCE EVALUATION

The periodic performance review system is intended to ensure that clear and challenging objectives are set in relation to each person's role and potential.

Regular performance monitoring helps to assess employees' progress and enable an understanding of how they can achieve their objectives.

The percentage of employees receiving regular performance reviews is reported below.

The average hours of training per employee were as follows:

23% of staff has undergone performance assessment	
PERCENTAGE PER GENDER	
Women	40%
Men	20%
PERCENTAGE PER CATEGORY	
Workers	0%
Employees	2%
Middle management	89%
Managers	79%

Table 9:
Percentage ratio of Sasol Italy staff which undergone performance assessment 2020

DIVERSITY AND EQUAL OPPORTUNITIES

Sasol Italy, in line with Group policies, favours and adopts the measures necessary for promoting and maintaining diversity and inclusion. These are also among the strategic elements applied in the setting of the company's personnel recruitment policies.

At Sasol, we are united by behaviours that help us establish and maintain business relationships based on trust, whether these involve a project, a construction site, work in

a distribution warehouse or the provision of operational support within a plant. The term "behaviour" here is key, as we have deliberately replaced our code of ethics with the adoption of a code of conduct, as it represents an integral element of Sasol's values and our aspirational culture. Through our actions, we support the company's reputation and ensure its long-term success.

· **If we value safety, health and the environment**, we take care of ourselves and our partners. others at work and we behave respecting our natural resources.

· **If we value our employees**, support their growth and development, demonstrate we respect them and promote our diversity. collective.

· **If we act with respect and integrity and guarantee**, we have the courage to speak out when we notice an injustice.

· **If we value responsibility and the fulfillment of what we promise**, we take on responsibility. of our actions and those of our teams.

Our seven shared values underpin our code of conduct and define our organization. When we act according to these values, we guarantee sustainability. of a company of which all we can be proud, a successful, ethical company that contributes to our economy and society. and where the integrity. and respect are non-negotiable.

A diverse management team, in terms of gender differences, cultural diversity, age and skills, forms part of the company's policy of value creation, including by means of high-quality training in the form of courses and thematic workshops.

During 2020, no instances of discrimination were recorded by the Ethics Committee.

The HR function, in collaboration with the managers of the individual functions, writes the job description for a vacancy in conjunction while analysing the company's requirements.

During the year under review, 14% of Sasol Italy's employees were women, the same proportion as the previous year. If we consider only day workers (in

other words, exclude shift workers), women make up 30% of the workforce. With regard to the three years in which these figures have been reported, we see a rising trend and assume that this increase will continue over subsequent years in line with the equal opportunities policy implemented by the company. Sasol Italy is also committed to ensuring equal economic treatment and equity between women's and men's wages. The salaries of women in the "White-collar worker" wage-grade category are 2.2% higher than those of men. For the "Supervisor" category, the female salary is 0.90% lower than that of men

The vast majority of those at “Manager” level were appointed or hired at least 15 years ago. Since 2005, there have been only three appointments of internal staff as managers. Female managers have an average salary in line with that of male managers.

For the year 2020, a breakdown of employees by work category is shown in the table.

Staff category	Year 2020				TOTAL
	Managers	Middle management	Employees	workers	
Total number of staff	19	138	299	174	630
GENDER					
Women	3	36	50	0	89
Men	16	102	249	174	541
AGE CLUSTER					
Under 30	0	1	4	9	14
30 – 50 years	0	76	205	137	418
Over 50	19	61	90	28	198
GEOGRAPHIC ORIGIN					
Southern Italy (Sicily and Sardinia)	3	71	202	131	407
Northern Italy (Lombardia)	16	65	97	43	223

Table 10:
Classification of Sasol Italy staff per gender, age and geography according to their qualification (2020)

OUR INDUSTRIAL RELATIONS

The participatory model that characterises industrial relations in the chemical sector has contributed to company’s development of an open, transparent and constructive relationship with the RSU (Italy’s unitary trade union representative body). This has

enabled us to conclude innovative second-level agreements and benefit from all the possibilities offered by the National Collective Bargaining Agreement in terms of company-level bargaining.

This model plays a key role in ensuring compliance with rules and ethical relationships, and in ensuring timeliness in addressing any issues and in defining negotiated solutions in line with agreements reached. Above all, in this year marked by the pandemic, the support of trade unions and workers' representatives has been continuous and fruitful. This has enabled us take a highly collaborative approach to the various actions implemented at our operating sites and Milan head office in responding to the crisis.

A participatory system within our business process should be seen as an important element in enhanced professional development and, at the same time, in ensuring that our organisational processes are implemented more effectively. Thanks to this system of prior and continuous participation in which people can express their views as equals and be treated as important and worthy of respect, any problems have been dealt with in a timely and flexible way. This also applies to face-to-face discussions and non-negotiation-related situations as well as our reorganisation, which has been implemented within a relatively short timescale.

In a constantly changing economic and business scenario, in fact, the mutual reliability of the parties, the adoption of ethical behaviours, and consistency in the implementation of the agreements reached are all strategic factors in keeping the company competitive. A number of areas for discussion at local and national level have been identified as essential elements of this participatory system, including:

THE "GROUP OBSERVATORY"

Still operational within the Group, the Observatory is convened at least once a year and aims to analyse any issues that might have an impact on the company's economic and production-related performance, based on information relating to market and production dynamics.

THE "CORPORATE ECONOMIC SCENARIO COMMITTEE"

Established by means of a second-level agreement in 2013 and then known as the "Corporate Development Committee", this body meets at least once a year and aims to analyse and understand business strategies and objectives, with particular reference to their impacts on economic performance, on Sasol Italy's growth, and on verifying how the company's business decisions are being implemented in relation to the overall strategy. This committee is also tasked with identifying new models of participation and welfare. It represents a non-negotiating discussion forum that has become a best-practice model for the entire chemical industry. In fact, when the National Collective Bargaining Agreement was renewed on 15 October 2015, the "Corporate Economic Scenario Committee" was accepted as a model in the agreement for the chemical-pharmaceutical sector.

THE "SITE OBSERVATORY"

Established by means of a second-level agreement in 2017, this body meets at least three times a year and aims to address issues related to site performance in line with the Group's objectives.

THE PROFIT-SHARING SCHEME

In line with Group policy, Sasol Italy has arranged for the option of paying out an annual profit-sharing bonus. This is a variable amount, recognition of which is linked to the company's levels of productivity, profitability, quality, efficiency and innovation at a global level. The applicable second-level agreement sets out the guidelines for drawing up the Group's remuneration policies in compliance with the specifics of Italian legislation. The profit-sharing scheme is one of the company's main tools for sharing and redistributing its global business profits.

Due to the rather complex financial challenges facing the company worldwide in 2020, our employees did not receive either the performance bonus or the other incentives provided for by the policy. This accords with the company's intention to compensate workers, once the difficult times are over, for any sacrifices they have had to make. This also applies to the voluntary reduction in the annual salary applied by managers and company executives, who requested this based on the centrally drawn-up deficit reduction forecasts.

OTHER BENEFITS

Since 2010, the company has provided its employees with economic benefits with regard to season tickets for local public transport services (buses, trams, metro and trains), covering the cost of the season ticket. This

is aimed at assisting our employees with expenses incurred in travelling between their home and place of work, as well as encouraging the use of alternative more sustainable modes of transport compared to private car use.



WELFARE AT SASOL ITALY

On the subject of social sustainability, the attention that has always been given to contractual welfare provisions is certainly relevant and testifies to the importance we attach to our employees' well-being and the provision of supplementary benefit funds. Over the years, both parties have always chosen to focus on enhancing the contractual Fonchim pension funds and the FASCHIM supplementary healthcare funds in accordance with the national collective bargaining agreement. These welfare programmes are therefore offered to all employees.

In addition to the provisions of the national collective agreement, the company has taken out supplementary health insurance; for employees enrolled in FASCHIM, 70% of the family registration fee is paid by the company. The agreement also provides for additional supplementary insurance that is intended to top up what is already provided for in the sector's contractual health funds. The coverage effectively reimburses the portion of medical fees not covered by the sectoral pension fund, as indicated in the tariff. The coverage applies to both employees and managers (FASCHIM for employees and FASI for managers). Coverage also extends to employees' immediate families. A distinctive element of Sasol Italy's health insurance scheme is the way in which management of the FASI and FASCHIM elements is integrated with Unisalute (the supplementary healthcare fund) via a single submission of all documentation to request the reimbursement of medical fees. A single IT system, in fact, assists the employee when requesting the reimbursement and thereby facilitates reimbursement from both funds.

As part of the supplementary benefit scheme, the shares from the former attendance bonus scheme repealed by the National Collective Bargaining Agreement of 15 October 2015 were paid into the Fonchim fund.

Sasol Italy also provides insurance for its employees and managers to cover occupational accidents and accidents outside work. This coverage is provided 24 hours a day, on a worldwide basis, both during professional activities and in the performance of any other non-professional activities.



SAFEGUARDING THE HEALTH AND SAFETY OF SASOL'S PEOPLE

On the health-related front, our occupational health teams aim to standardise the approach taken to the associated issues across all sites, to the applicable legislation and to the guidelines set at corporate level with regard to employees' health and well-being.

The company's Occupational Health Service has the fundamental skills for effectively assessing the risks associated with each task, the workplace environment and the organisation of activities. The critical analysis of employee health monitoring provides valuable information on the effectiveness of the preventative measures adopted at each plant and helps ensure that appropriate mitigation measures are taken. In addition, it allows any illnesses or changes to be detected in relation to incorrect lifestyle-related practices and habits.

The role of the Medical Officer, therefore, is not limited to solely identifying and resolving problems related to the workplace and workers' duties but also includes the broader aims of protecting the health of Sasol's people. In addition, the Medical Officer participates on a permanent basis in meetings planned with the Workers' Representatives for Health, Safety and Environment (WRHSEs) in order to share any aspects related both to risk assessment and management and to health promotion initiatives for all employees. These opportunities for discussion are also useful for gathering the WRHSEs' suggestions for new screening activities.

In such activities, the Medical Officer makes use of specialist doctors and external bodies for organising and implementing programmes for medical surveillance and prevention of occupational diseases and for workers' health in general.

The objective of the medical surveillance initiative is, firstly, to safeguard the state of health of each individual worker ("state of health" referring here to his or her condition of physical, mental and social well-being) and, secondly, to prevent the onset of occupational diseases. This involves the use of any biological "dosage" indicators that might highlight inappropriate exposure to risk and biological "damage" indicators that allow the onset of harmful effects related to any exposures to be detected at an early stage. In 2020, from the end of February onwards, these activities focused on managing our pandemic response and on applying the various guidelines issued by the Italian Government and the internal rules established by the Corporate team.

In addition to the medical surveillance measures taken, which include preventative and periodic checks on the general health of employees and on the risk factors present in the workplaces, activities were undertaken focused on controlling the spread of the coronavirus and on assessing those individuals who can be classed as vulnerable. The Medical Officer has sat on all of the committees involved in managing working methods at the production sites and the Milan head office and has acted as our point of contact with the authorities – particularly those in charge of health – covering the regions in which the Sasol sites are located.

The following table includes the data on the health-related activities undertaken in 2020. As highlighted in the notes, priority was given to interventions related to the need to combat the spread of Covid-19. This involved both the activities undertaken and the suspension

of certain instrumental investigations, such as spirometry, which usually form part of the screening carried out within the company but were prohibited by the pandemic restrictions imposed at a national level.

Activity	Quantity	Remarks
Single contacts with individuals	3.144	An average daily of 20 contacts
Medical examinations	605	-
Instrumental tests	834 of which: 331 audiometric tests 503 heart scans	Spirometries - a test related to individual respiratory capacity – were not carried out in agreement with control entities in the context of prevention strategies to contrast Covid-19
Laboratory tests	830	Data includes the Working Medicine exams and serological analysis campaigns and swab tests that Sasol has made available to its employees at the plants and Milan office.

Table 11:
Quantitative data of the factory GP at Sasol Italy in 2020

For the reporting year, no deaths resulting from occupational diseases were recorded. There were two reports of oncological diseases concerning workers who had already retired.

Because our operations involve chemical and petrochemical plants, exposure to chemical agents is the main risk factor for occupational diseases. Such risks are managed in accordance with current legislation through preventative measures, by training employees on the special characteristics of the substances present in the production cycle, and by means of regular medical examinations aimed at monitoring biological indicators.

As regards the internal policy, in addition to the provisions of Legislative Decree 81/08 regarding the requirement for a medical examination upon any return to work from

illness and/or injury involving absences longer than 60 days, Sasol Italy also undertakes medical checks on any plant personnel assigned to certain specific duties (mainly specialist processes) even when they return after just a few days of absence.

Medical records are kept by the Medical department, which guarantees the protection of privacy and professional secrecy. In compliance with obligations under applicable legislation, all medical documentation is made available for all forms of control solely to the supervisory bodies (the SPRESAL health and safety services provided by the public health agency, local health units, local health authorities and INAIL, Italy's national occupational health insurance agency). Any worker may request a copy of his or her medical records in writing at any time.

In 2020, the Occupational Health team had to suspend its information and training campaigns for staff on topics such as work-related stress, healthy lifestyles, our drug use and alcohol abuse policies, and education and training on first aid. These campaigns were replaced by the provision of continuous information on the Covid-19 rules and on the correct use of disinfectants and masks, along with accurate information on health aspects related to the virus. This was necessary to counter incorrect information circulating on unverified information sites.

The Medical Officer's activities also support emergency management functions in terms of healthcare-related matters, as set down in Legislative Decree 81/08.

To facilitate this, the Augusta plant is provided with an on-duty nurse on a 24-hour basis. At the Sarroch plant, the management of health emergencies is linked to the multi-site organisation that allows for intervention by the Sarlux health facility, which is available 24 hours a day. At the Terranova dei Passerini plant, 24-hour emergency personnel and the intervention of Italy's national health service are available. For the Milan administrative office, first aiders can provide assistance during office opening hours.

THE HEALTH PROJECT

As well as its the work protocol and in accordance by the applicable regulations, Sasol operates a "Health Project", which aims to promote health and prevention. Every year, in fact, employees have free access to additional health check-ups, vaccines and check-ups, with a particular focus on specialist examinations, ultrasound diagnostics, and endoscopies.

In 2020, due to the pandemic, the project was suspended.

SAFETY AS A PRIORITY

Sasol Italy is strongly committing to achieve our objective, set at Group level, of zero harm – in other words, zero accidents – by disseminating a culture of safety, so that this becomes the guiding principle for our day-to-day activities, both inside and outside the factory.

All of our teams' initiatives are designed to consolidate a precautionary mindset with regard to the risks and consequences of every action, based on detailed risk assessments and on analysing dangerous and unwanted events that might potentially result in accidents.

To further improve our performance, activities have been organised at a global level based on both best practices and the continuous comparison of incidents occurring in all plants around the world. Through a process of sharing, we identify a number of hazardous situations and work to prevent them by implementing the most effective solutions globally.

This is not a simple matter of standardisation but rather a process of customisation that serves to integrate the most effective measures into the real-life situations involving our sites. This is also done in relation to the regulations applicable in the various countries.

By analysing high-risk situations and events (HSIs or "high severity incidents") that occurred both within the company and in other contexts, we were able to improve the identification of root causes, analyse their impact and put in place more effective mitigation measures. These events are discussed and analysed in various committees at all levels of the organisation.

The emergency nature of the pandemic has required the company to observe a significant number of safeguarding rules. It was therefore necessary to draw up risk analysis documents assessing the impact that this new biological risk – one not derived from operational processes or the work environment – had on our organisation and our workers. This effort resulted in the issuance of new procedural rules and controls whose implementation would ensure the health of both those entering our plants and, above all, of neighbouring communities, so as to avoid any outbreaks of infection in the workplace. Thanks to these initiatives, we have had no cases of infection occurring at Sasol sites.

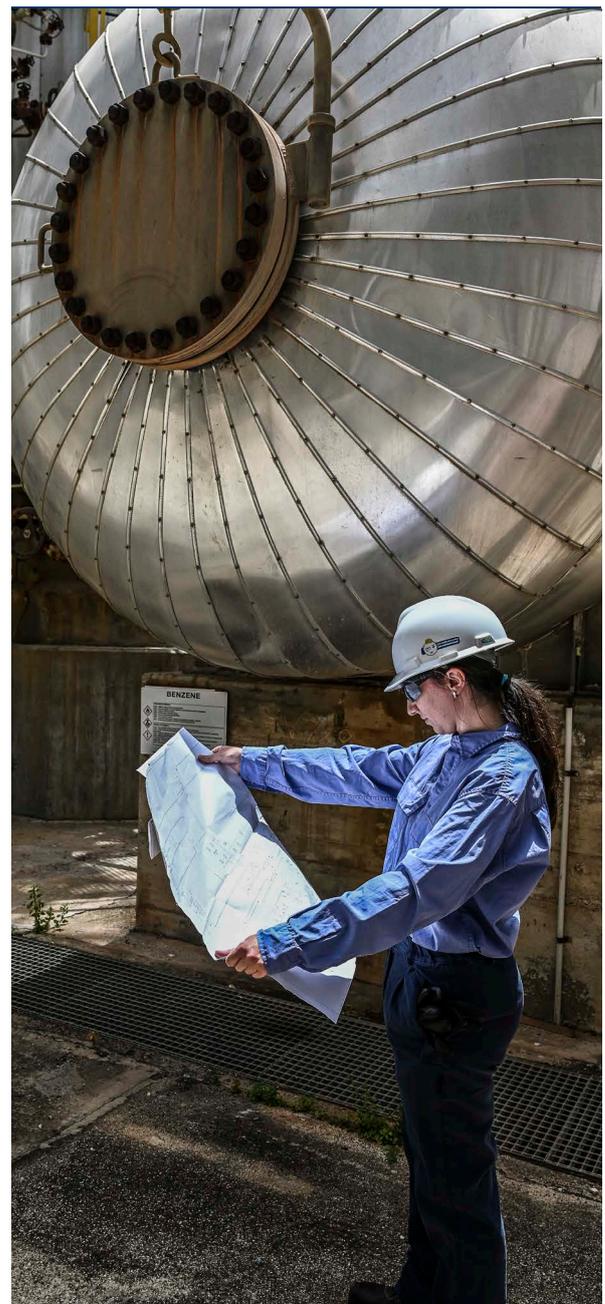
PREVENTION AND MITIGATION OF OCCUPATIONAL HEALTH AND SAFETY IMPACTS WITHIN COMMERCIAL RELATIONSHIPS

With regard to suppliers and contractors, three actions are needed in order to avoid and mitigate significant negative impacts on workplace health and safety directly related to operational activities:

- during the negotiation phase, there should be clauses within the specifications that govern EHS issues within the contract and that refer to procedures and guidelines attached as tender documentation together with the DUVRI (document for the evaluation of interference risks);
- during the early phases of the contracts, specific training is provided to all workers who access our sites on local hazards and on the behaviours that Sasol expects to be adopted within its own plants in order to safeguard its own workers' and others' safety; in this phase, among other things, the operating procedures to be followed are explained so that their content can be shared with the contractors' staff;

- implementation of scheduled refresher training sessions that also examine any unwelcome incidents that have occurred during the work activity.

The actions listed above are included in the company procedures drafted in compliance with the ISO 45001 standards voluntarily applied by the company. Contractors' workers, like all Sasol personnel, are therefore subject to the company's occupational health and safety management system.



RISK MANAGEMENT IN THE HSE FIELD

At Sasol, in line with the vision of a leadership team that manages a complex multinational company in the chemical and energy fields, and in support of our goal of creating added value for our customers, shareholders and other stakeholders, the risks associated with the achievement of our business objectives are managed proactively. The guidelines for implementing this policy are set down in the Enterprise Risk Management (ERM) policy. It outlines a process for identifying hazards and the associated risk analysis, which must serve as the basis for the monitoring activities implemented by the organisation.

Risk management also requires that a “risk owner” be identified, responsible for the area in which the risk arises and for ensuring that controls are implemented and are effective. Within Sasol, this process is termed the “First Level of Assurance”.

To this are added the various controls carried out during both the internal and external audits that are planned on a basis of the “Combined Assurance Model” (CAM), which involves all levels of the organisation right up to the top.

Risks in the field of safety, health and the environment are also mapped out in line with the model described above. This risk assessment is not limited in its scope to employees of the plant but also extends to external providers and contractors. In fact, given the large number of activities outsourced in the maintenance field and in new developments and services, Sasol pays the same attention to third parties’ levels of performance and care in the HSE field as it does to those of its direct employees.

For this reason, all third-party companies are required to demonstrate that they fulfil certain professional requirements, particularly for activities where the level of risk is considered high. Great attention is also paid to the risks of interference between internal and outsourced activities. A lack of legal certification, for example, automatically prevents access to the company’s factories, as does a failure to attend initial training or refresher courses delivered by Sasol on a periodic basis or in the context of particular events, such as maintenance shut-downs or work in confined spaces.

The “bow-tie” visualisation scheme for the risk analysis and controls, which is used for a list of activities considered critical, takes into account the causes and controls linked to the contractors’ activities. For this reason, on-site visits aimed at monitoring the behaviour of all workers have been implemented. This means that, in the risk model in use, all locations inside the plant are subject to monitoring. This monitoring covers all activities, including outsourced ones.

In each plant, there is a Prevention and Protection Service Manager (PPSM), who operates in accordance with applicable legislation and implements company policies. In addition to legal courses, our PPSMs and QSE managers undergo training in the form of the workshops, in accordance with our company policy that sees the professional development of staff, in all sectors, as a fundamental success factor.

THE OBJECTIVE OF ZERO HARM

This objective is set at all levels of the organisation. As a result, everyone at Sasol Italy knows that their safety, health and respect for the environment – and the safety of others – forms the basis of the way they work. Manual workers, both via their managers and during the daily work organisation meetings (structured in line with the Voyager initiative), can report any dangerous situations. This facilitates the application of provisional safeguards until the anomaly is resolved.

Reports are also made following daily “safety walks” – in other words, inspections carried out in areas of the plant included in a special check-list, drawn up by line managers and the QSE function. The company encourages its staff to continuously look out for any non-conformities on site. The daily meetings also provide an important opportunity for involving workers in a structured way in the identification of risks. Analysis of hazardous situations, near misses and accidents is an important practice for detecting non-conformities, conducting a proper investigation and investigating causes.

Knowledge of the causes of such situations makes it possible to proceed with actions aimed at mitigating and eliminating them, thereby lowering the levels of risk. Information on accidents is shared with all Sasol plants around the world. This enables risks and similar improvement measures to be identified at any production site.

Every week, plant managers organise meetings on HSE issues. The topics covered are generally related to initiatives promoted by the company, to updates in regulations and to the status of improvement actions during the implementation phase.

Information about any near misses is also passed on during these meetings. Every day in the production departments, in line with the Voyager initiative, preparations are made for the day’s activities, including any safety issues.

All of these monitoring activities and those involving interaction with the various organisational levels provide continuous indications for effectively revising the analysis and for managing risks in line with the risk management process.

LIFE-SAVING RULES

In recent years, Sasol has developed and disseminated “life-saving rules” at its operational sites. This set of twelve safety rules specifies the behaviours required in relation to the activities carried out within the plant.

Wearing personal protective equipment, not accessing work environments under the influence of alcohol or drugs, always complying with fall protection requirements when working at height, following procedures before, during and after work activities, and obtaining a work permit before entering confined spaces, are just some of the rules established.

In each of the plant’s control rooms and common areas, brochures and posters have been posted listing the life-saving rules. This represents an immediate and effective tool to encourage the adoption of responsible behaviours in all activities that take place in such a complex work environment as that of the Sasol plants.



Image 22: Example of communication tools to share information on prevention and safety at Sason Italy’s venues

FIGURES ON SAFETY AT SASOL

In 2020, the number of hours worked at Sasol – one of the parameters of exposure to the risk within the company – was 1,039,828, a figure more or less equal to the previous year. The number of hours worked by contractors recorded over the same period was 615,733, almost half the number of hours worked in 2019.

In 2020, just one non-commuting accident was recorded at the Terranova dei Passerini plant while, at the other two plants and the Milan office, no accidents were recorded. The only recorded accident resulted in an absence from work of more than three days but was classified as not resulting in serious consequences. No accidents were recorded for contractors during the twelve months of 2020.

On the basis of these figures, the risk characterisation ratio (RCR), i.e., the number of accidents compared to the number of hours worked on a 200,000-hour basis, calculated for Sasol staff only, is 0.19. Sasol Italy, in accordance with the centrally defined company policy, treats contractors' staff working at Sasol sites with the same care as its own workers; Sasol therefore uses an overall RCR, calculated to include the number of accidents and hours worked by contractors and suppliers. In 2020 for Sasol Italy, the figure was 0.12. Just as they have done over the last three years, staff from external companies have contributed in a very positive way to our safety performance, having not been involved in any recorded accidents at our plants.

The trend in terms of accidents at the operational sites and the Milan head office over the last three years is shown in the following table:

YEAR	Milan	Augusta	Terranova	Sarroch
2018	0	1	0	0
2019	1*	1+1*	1	1+1*
2020	0	0	1	0

*accident occurring on the road to work

Table 12:
number of accidents in each of Sasol Italy's facilities 2018 – 2020

It should be noted that no instances of injury due to Covid-19 contagion has occurred at our production sites or at our Milan office.

The following chart shows trends in the RCR index for Sasol Italy during the reporting period as compared to trends for Italian

companies from the manufacturing sector and the chemical and petrochemical sector (based on figures taken from the INAIL site):

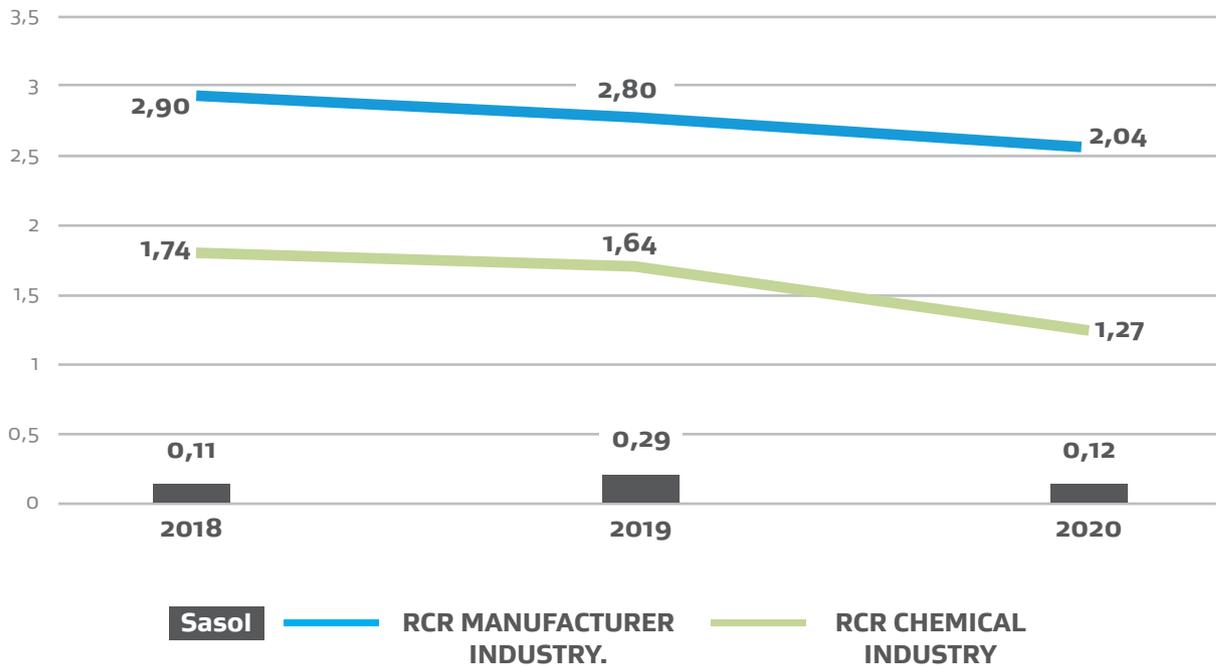


Image 23: RCR index trend at Sasol Italy and comparison with average sector index in the manufacture and chemical industries (2018 – 2020)

ASPECTS RELATED TO MAJOR ACCIDENT HAZARDS

All Sasol Italy production plants are classified as sites of “Major Accident Risk” pursuant to Legislative Decree 105/15. For this reason, as well as drafting a risk assessment in line with Legislative Decree 81/08, plant managers also have to draw up a safety report that considers all incidental scenarios that could potentially have an effect even outside the plant areas.

The safety report goes through a phase of examination by the Regional Technical Committee to verify that all the requirements under the aforementioned decree are fulfilled and that the incidental scenarios and consequent prevention and mitigation actions are properly structured and effective.

The decree also specifies that a company’s safety management system should be adapted in line with the system indicated in the decree itself. A committee of the Ministry of the Environment verifies this compliance. The safety report must be updated every five years unless substantial changes are made to the production process and organisation. It is currently being updated for the Sasol sites and will be issued in April 2021.

PRODUCT SAFETY

The REACH regulation – Registration, Evaluation, Authorisation and Restriction of Chemicals [Reg. 1907/2006/EEC], and the CLP regulation – Classification, Labelling and Packaging – [Reg.1272/2008/EEC] are the two key regulations governing the trade in chemicals within Europe, ensuring that they are prepared, marketed and used with the utmost respect for the environment and human health.

REACH requires every manufacturer or importer of chemicals to carry out a risk assessment of their uses for each chemical. The CLP regulation specifies that each type of chemical must be marketed with a specific classification and that this classification must be communicated to the European Chemicals Agency (ECHA). All information on both the registration and classification of products has to be reported in the safety data sheets and labels.

During the reporting period, the Product Safety team worked to improve the registration dossiers of twelve substances in order to ensure that they remained in compliance with any updated legislative deadlines and in full alignment with decisions reached within the product defence associations.

With regard to the CLP regulation, the European Chemical Agency (ECHA) was notified well in advance of the expiry of the Law on 1 January 2021 of all 101 mixtures used by Sasol Italy that fall within the scope of the regulation. This notification allows them to be freely marketing within each country of the European Union provided that each preparation is identified with a specific ID code (UFI code). The activity was followed by the revision, issuance and distribution of specific safety data sheets, in addition to 130 new MSDSs.

SAFETY TRAINING

Education, information and training are important elements in our programme of protecting the health and safety of workers and disseminating a culture of safety. The regulations require the employer to provide each worker – at the time of hiring, when they change job, or when new work equipment and/or hazardous substances are introduced – with appropriate and specific training in health and safety with particular regard to the employee’s specific work and duties.

In addition, as required by Sasol’s HSE policies, training is also provided to the staff of third-party companies operating in our plants for any reason. These are the means by which Sasol intends to also disseminate its culture of safety to any stakeholders who interact directly with its internal staff.

The training of workers on safety issues therefore plays a fundamental role as a management tool that promotes and disseminates the company’s workplace safety culture and the importance of accident prevention. In addition, such training provides an indispensable opportunity for the company to share knowledge, raise awareness, and see conscious and responsible behaviours adopted.

Learning about safety involves gaining a knowledge and an awareness of one’s role, acquiring the ability to assume responsibility, recognising the social value of work, and learning to manage risk both individually and collectively. Learning about safety also involves growing the company’s inventory of knowledge, as only by doing this can we tackle the risks of the future.

In 2020, Sasol employees benefited from 2,781 specific training hours, about half of the figure for 2019. This was mainly due to the impossibility of organising classrooms for training (apart from virtual ones) and the fact that day workers had been working from home for some time.

As well as the aspects described above, safety training also covered specific topics related to the application of protocols for management of the pandemic and to the instructions issued by employers at the various Sasol locations.

Sasol Italy promotes other educational opportunities designed to disseminate its culture of safety that are not counted in this list. These include, for example, “Safety Moments”, consisting of insights on the topic at the start of any meeting held in the company. There have been numerous communications on the rules applied at the various plants, including many relating to changes to the procedures in force within the plants as regards the application of the protocols mentioned above. Each training session ends with a test that allows participants to rate the effectiveness of the session they have attended.

OTHER SOCIAL SUSTAINABILITY INITIATIVES

Due to the pandemic, it was not possible for the planned social initiatives to take place. These included the Sasol Schools (sharing of school-work activities) and the presentation of the Sustainability Report, as had been done in recent years. This was because of the need to avoid gatherings and to follow the protocols imposed by the authorities. Sasol's efforts focused on supporting its local communities in coping with the sudden crisis resulting from the spread of the virus.

In this challenging context, Sasol Italy was included among the companies classified as essential and of public utility in the Prime

Ministerial Decree of 11 March 2020. Sasol plants continued their production activities in order to ensure that the community had access to goods essential for managing the emergency. In addition, during the most critical weeks of the crisis and in light of the fears for the health of the communities local to its plants, Sasol – together with other companies within the industrial zones – worked to locate PPE for its workers and, where possible, for the community. This initiative is described in detail in the central insert of this report covering the company's response to the challenges of Covid-19.

THE CIPA EXPERIENCE

Together with the other companies in the Syracuse petrochemical hub, Sasol Italy contributes to an important initiative launched in the mid-1970s that aims to verify the overall impact of the industrial zone. Participation in the consortium demonstrates the company's willingness to ensure that it is involved in the debate with the full range of stakeholders interested in environmental sustainability.

The Industrial Consortium for the Protection of the Environment (CIPA) is a data collection network consisting of 12 peripheral stations for measuring pollutants and six weather stations, along with a data collection and processing centre. It covers an area of 150 km². The main aim of CIPA is to promote knowledge and awareness of the environmental situation in Syracuse's industrial zone, with particular attention given to assessing air quality through the identification of pollutant concentrations released into the northern part of the province of Syracuse.

CIPA undertook a study during the lockdown period (March-April 2020) on the effect that reductions in activities, such as vehicular traffic, had on air quality within the Syracuse industrial zone. The results showed very clearly that concentrations of nitrogen oxides (NO_x) and benzene were reduced. The study may well constitute an important source of analytical data for improving air quality in the area.

ACTIVITIES WITH SIGNIFICANT ACTUAL AND POTENTIAL NEGATIVE IMPACTS ON LOCAL COMMUNITIES

The reporting scope for this GRI consists of Sasol Italy's production plants. These are situated in complex industrial areas (in the case of the Sarroch and Augusta plants or in isolated areas (in the case of Terranova dei Passerini). In all cases, they are some distance from i.e., population centres and settlements. This fact limits or even cancels out all of those impacts associated with the parameter of "adjacency" with the community. The parameters that have been evaluated, on the other hand, are those relating to the general situation as regards the presence of a petrochemical plant in the local area.

In general, the sensitive data and vulnerabilities that the community takes into account are different from one site to another.

In Augusta, for example, the presence of an industrial zone that is economically predominant compared to other economic initiatives in the area (partly because of the knock-on effect of sub-contracted activities) focuses the community's attention on aspects related to health and the environment, as well as on those of an economic and employment-related nature. Sasol is one of the large groups with a presence in the Syracuse industrial zone and, together with other companies, participates in activities focused on environmental protection – thereby significantly reducing the zone's ecological impact over the years – and on attention to the use of natural resources. This report contains quantitative data on the environmental aspects involved.

The Sarroch plant, which is considerably smaller than the Augusta facility, has an even smaller impact. It is located in a context in which the refinery and the Saras petrochemical plants, within which we jointly situated contribute – together with the tourism sector – to the area's economic resilience and, through the application of stringent technical standards, to the responsible management of resources. These aspects are also documented in this report.

Finally, the Terranova dei Passerini plant is situated in a more isolated location. Communities are less aware of the presence of the plant and, for this reason, are more attentive to problems related to the movements of heavy goods vehicles and to economic impacts. With regard to the volume of traffic associated with the transport of goods, the plant contributes only in a limited way, with around 20 tankers per day leaving the site (and therefore not counting any incoming loads).

The table below outlines the main impacts on local communities discussed in the paragraphs above:

Paragraph	Impact	
Economic value directly generated and distributed	Positive impact more. reduced due to the state of emergency due to pandemic	
Impact on the territory	Concentrated for initiatives in support of the population for health emergency management	
Investments	The ability to carry out the Investments has been impacted by pandemic	
Suppliers	Suppliers Available on the territory in number reduced	
Greenhouse gas reduction	Contribution to achieving the European objective 2020 CO2 reduction but slightly increasing compared to 2019	
Water consumption	Increasing withdrawal from wells in Augsburg due to low rainfall that did not have allowed the recovery of rainwater and greater demand from the plants of steam	
Emissions management in atmosphere	Significantly reduced OSx and NOx and CO increased slightly	
Reclamation	The activity in development on all sites in particular for the site of Paderno Dugnano is configured the possibility to certify the reclamation	
Prevention and mitigation of health impacts and safety at work inside of trade relations	Analysis of contractual indications and activity of company policy applications and strong support for pandemic management	

 Low
  Medium
  High

Table 13: Synthetic framework and matching matrix of the impacts reported in the Sustainability report

In evaluating 2020, we feel obliged to point out that, at all of our sites, negative impacts were felt in connection with the poor management of the pandemic. Just as in the rest of Italy, in the areas where our factories are located healthcare has been susceptible to crisis situations with regard to the availability of beds and ICU facilities and the

ability to supply protective equipment such as masks and disinfectants. As can be seen from this report, Sasol did its part, being aware that an outbreak at any one of our plants would create further pressure in an already critical situation.



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Once again, 2020 was a year of zero accidents. The management of the additional risks associated with the pandemic has shown, both on the ground and in concrete terms, that the culture of prevention and safety is deeply rooted in all of us at Sasol Italy. Thanks to there being no cases of infection inside our factories and our efficient contract tracing system, we have reduced circulation of the virus within the company to a physiological minimum.



GLOSSARIO

A

Accidents at work (recordable cases)

These are workplace accidents that result in one of the following situations: death, days absent from work, limitation of work duties or transfer to another job, and medical care over and above simple first aid.

Alcohol

Alcohols are organic compounds with a paraffin-like structure, in the molecules of which a hydrogen atom is replaced by a hydroxyl group (-OH).

Alkylate

Reaction product of a benzene paraffin, used in particular in the preparation of detergents.

Anti-corruption policy

A set of principles, rules and internal regulations that protect the organisation from events that may constitute non-compliant conduct by an individual who induces someone, in exchange for money or other benefits and/or advantages, to act in way contrary to their duties and obligations.

Analisi di materialità

Processo di individuazione dei temi materiali con il quale l'organizzazione ha definito l'ordine di priorità dei temi materiali per l'inclusione nel report di sostenibilità, ossia tramite sondaggi diretti e indiretti tra gli stakeholder, inclusi quelli interni alla organizzazione.

API tanks (separators)

These are devices designed to separate the oily residues of the production process from the wastewater discharged by the plants, which is usually reused in the process.

Audit

Independent assessment to determine the extent to which the criteria or standards set have or have not been met.

B

Best practice

Good practice or best practice is sometimes defined as the experiences, procedures or actions that have led to the best results, including in other contexts. These are therefore deemed to serve as guidelines.

“Bow-tie” methodology

“Bow-tie” methodology is a way of mapping out the risk analysis. The bow-tie shape contains the elements involved firstly in the risk analysis (the causes and consequences) and secondly in mitigation of the risks (prevention and correction).

C

CHPP

This is an acronym for “combined heat and power plant” – a plant that produces both electricity and heat (see combined cycle cogeneration).

Circular economy

A model of production and consumption that involves sharing, leasing, reusing, repairing, reconditioning and recycling existing materials and products for as long a time as possible. This extends the life cycle of products, helping to minimise waste. Once the product can no longer perform its functions, the materials of which it is composed are reintroduced, wherever possible, into the economic cycle. They can thus be continuously reused within the production cycle, generating additional value.

Climate change

Any climatic change attributed directly or indirectly to human activity that alters the composition of the world’s atmosphere and is in addition to the natural climate variability observed over comparable time periods.

CLP

An EU regulation aligning the system for classifying, labelling and packaging chemicals (and mixtures of chemicals) with the global harmonised system for the classification and labelling of chemicals. It is the acronym for “classification, labelling and packaging”.

CO

This stands for carbon monoxide, which is produced by combustion reactions in the absence of air – in other words, when the oxygen present in the air is not sufficient to convert all of the carbon into carbon dioxide.

CO₂

Carbon dioxide is one of the gases classified as having a “greenhouse” effect.

COD

Chemical oxygen demand (COD) is an indicator of water pollution, i.e., the amount in mg of oxygen needed to chemically oxidise (organic and inorganic) pollutants in one litre of water.

Combined cycle cogeneration

A process for the combined production of electricity and heat. These two forms of energy are produced in a cascade within a single plant. Such processes offer high overall efficiency and which can utilise environmentally sustainable sources of energy (such as natural gas).

Commuting accident

An accident that occurs on the journey between the workplace and a place not related to work (e.g., place of residence, place where you usually eat your meals). The modes of transport include but are not limited to motor vehicles, rail vehicles, bicycles and walking.

Corporate Social Responsibility

Voluntary action, i.e., the voluntary integration of the social and environmental concerns of businesses into their commercial operations and relations with stakeholders.

D

Decarbonisation

This is the process of reducing the proportion of carbon atoms to hydrogen atoms in energy sources.

Decontamination of a site

This refers to all measures aimed at eliminating pollutants and sources of pollution or reducing the concentrations of pollutants in the soil, subsoil, surface water or groundwater to a level equal to or below concentration rates that no longer pose a risk to health and the environment.

E

Economic value generated and distributed

The economic value generated and distributed is the numerical expression of a company's ability to produce wealth (the economic value generated) and then distribute it to the various stakeholders (the economic value distributed). One of the components of the distributed economic value is the withheld economic value, i.e., the part of the economic value generated that relates to any anticipated and deferred taxes, amounts set aside, and the profit for the year.

Emission

From an environmental point of view, an emission is any solid, liquid or gaseous substance introduced into the environment.

Energy efficiency

This represents the ability of an organisation to achieve results by using less energy while increasing its overall performance.

Energy intensity

This represents the ratio between energy consumption and the tonnes of product intended for sale.

F

Financial policy

Business process that deals with the safe use of products placed on the market by the organisation in accordance with the requirements of European legislation.

G

Governance structure or governing body

The formalised group of people entrusted with authority within an organisation across all organisational levels.

Green Deal

The European Green Deal is an action plan aimed at promoting the efficient use of resources by moving to a clean and circular economy, restoring biodiversity and reducing pollution.

Greenhouse gas

Greenhouse gases are those gases in the atmosphere that can retain, to a substantial degree, a considerable part of the infrared component of the solar radiation affecting the Earth with the effect of increasing its average temperature.

GRI standard

The GRI (Global Reporting Initiative) sets guidelines for the voluntary reporting of issues related to sustainable development.

H

Halal

A term that, in the Islamic sphere, refers what is allowed in terms of behaviour, language, clothing and diet.

Hub

Meaning the central element, this refers a main routing node within a network for data and products.

I

IEA

It is the acronym for Integrated Environmental Authorisation, required by some companies in order to comply with the principles of integrated pollution prevention and control (IPPC) specified by the European Union.

IFRS (IAS)

The IAS (International Accounting Standards) are the accounting standards recognised internationally. These standards are issued by a group of accounting professionals with the aim of standardising accounting rules globally. The accounting standards are also referred to by the acronym "IFRS" (International Financial Reporting Standards).

Impact

Unless otherwise specified, this refers to an organisation's effect on the economy, the environment and/or society. In other words, it represents the organisation's (positive or negative) contribution to sustainable development.

INAIL frequency Index

This refers to the number of accidents as proportion of the total hours worked (with 1,000,000 hours as the basis).

Indicator

A value representing the state or trend of a general situation or a particular sector over a given period.

Inorganic (product)

A value representing the state or trend of a general situation or a particular sector over a given period Any compound that does not contain carbon atoms, with the exception of, carbon dioxide (CO₂) and carbonic acid (H₂CO₃), the associated salts, bicarbonates, carbonates, and carbon monoxide (CO).

Integrated logistics

This is a business management process governing the shipment of materials for production or of products from the point of origin to the point of arrival and in which all management activities are interconnected and interdependent.

Integrated logistics

A set of policies, guidelines, and operating instructions that govern the organisation's business processes.

Integrated production

A production cycle is integrated when the product produced by a plant is used as the raw material at a subsequent plant for the creation of other products.

Investment

Use of sums for initiatives related to the objectives of process efficiency, minimisation of sustainability impacts, or increasing the company's value.

ISO standards

ISO stands for the International Organisation for Standardisation, an independent, non-governmental international organisation with 165 national standardisation bodies. Through its members, it brings together experts to share knowledge and develop voluntary, consensus-based, market-relevant international standards that support innovation and provide solutions to global challenges, including those associated with sustainability.

J

Job description

Analytical description, formalised in writing, of the main characteristics of an organisational role.

K

Kosher

The set of religious rules guiding the dietary practices of observant Jewish people. The word "kosher" means compliant with the law, suitable or permitted.

L

LDAR

This is the acronym for "leak detection and repair", a useful technique that consists of monitoring and containing fugitive emissions, or in other words the emissions of organic substances in the form of vapours from system components such as valves, flanges and pump/compressor seals.

M

Major accident hazard (MAH)

This refers to the likelihood that, due to uncontrolled phenomena, a fire, explosion or release of a dangerous substance from an industrial plant utilising certain substances will result in a hazard to human health and/or the environment either inside or outside the plant.

Material issue

An issue that reflects the economic, environmental and social impact considered significant by the organisation or that profoundly influences the assessments and decisions of its stakeholders.

Materiality analysis

The process of identifying the material topics selected by the organisation for establishing the order of priority for the material issues to be included in the sustainability report, for example with the aid of direct and indirect surveys of stakeholders, including those within the organisation.

MATTM

The Italian Ministry of Environment.

N

NO_x

This is a generic acronym that collectively refers to all nitrogen oxides and their mixtures, typically produced during combustion processes involving the use of oxygen.

O

Occupational diseases

Negative health impacts resulting from exposure to hazards in the workplace.

Olefin

This refers to a class of hydrocarbon compounds having a double bond between two carbon atoms of the hydrocarbon chain.

Organic (product)

A compound in which one or more carbon atoms are joined to atoms of other elements (mainly hydrogen, oxygen, nitrogen).

Oropharyngeal

This refers to an examination, using medical instruments, aimed at collecting organic substances both in the oral and nasal cavities. It has been the preferred sampling technique for carrying out PCR swabs.

P

Pandemic

An epidemic with a tendency to spread globally, thereby rapidly covering very large areas and even continents. A pandemic can be said to exist only in the presence of the following three conditions: a highly virulent organism, a lack of specific immunity in humans, and the possibility of transmission from person to person.

Paraffin

It is the common name (as opposed to "alkylates", the chemical name) given to hydrocarbons with a molecule containing a chain of carbon atoms.

PCR (polymerase chain reaction)

A technique used to amplify DNA fragments in a test tube with both ends known. With PCR, it is possible to amplify and isolate a specific segment of DNA (amplicon) from the genome of living species. It is one of the techniques used to diagnose Covid-19 in population swabs.

R

RCR

Recordable case rate is the frequency index used by the organisation and represents the number of accidents in relation to the total hours worked (with 200,000 hours as the basis).

REACH

A European Union regulation adopted for the purpose of improving the protection of human health and of the environment from the risks that may arise from chemicals. It is an acronym for "Registration, Evaluation and Authorisation of Chemicals".

Reference year

The historical figures (for example, for a specific year) against which a measurement is tracked over time.

Reporting period

The specific time span covered by the information reported. This varies according to the material issue involved.

Risk

Risk is assessed by taking into account firstly the reported probability of occurrence of an unwanted event capable of affecting the achievement of the organisation's objectives and secondly the damage that this event will cause if it happens.

S

Scale-up

Switching from experimentation in a small-scale plant to large-scale industrial production.

Scope (of the report)

This describes the areas of impact of a material issue and the organisation's involvement in such impacts. The scope may vary depending on the specific issue involved.

Shareholder

Azionista, possessore di azioni di una azienda.

Sistema di gestione integrato

Insieme delle politiche, delle linee guida e delle istruzioni operative che regolano i processi aziendali della organizzazione.

Sostenibilità

A person or entity holding shares in a company.

SO_x

The abbreviation SO_x denotes the family of sulphur oxides generated by the oxidation of sulphur in processes involving the thermal oxidation of fuels that contain this element (usually as an impurity).

Specific emission

This measures the quantity of the emitted substance in relation to the level of production.

Stakeholder

An entity that or individual who may with reasonable probability be significantly affected by the organisation's activities, products and services or whose actions may with reasonable probability affect the organisation's ability to successfully implement its strategies and achieve its objectives.

Supplier

An organisation or individual providing a product or service used in the organisation's supply chain. A supplier is characterised by a genuine business relationship with the organisation.

Sustainable development goals

The UN's objectives for progress made on sustainability issues. Reference is made to the description of these (indicated by the acronym SDG) in the United Nations' Agenda 2030.

Sustainability

See sustainable development.

Sustainability statement

This is an organisation's statement of intent with regard to sustainability that sets out its vision and strategy.

Sustainable development/sustainability

Development that meets the needs of the present generation without compromising the ability of future generations to meet their own needs. Sustainable development has three dimensions: economic, environmental and social.

T

Troubleshooting

The logical and systematic processes of identifying the causes of any issues to be remedied in a product or process. This usually starts with the monitoring of the system so that it can be improved while ensuring that the cause of the inefficiency does not reoccur.

W

Water discharges

Wastewater, either treated by special plants or untreated, that is discharged into a receiving body of water or into a public or private sewage system.

Water withdrawn

The water that the organisation draws directly from bodies of surface water (rivers, lakes or the sea), from groundwater (wells) or from public or private water mains and that it uses for industrial and civil purposes.

Waxes

A wax is a mixture of hydrocarbons containing mainly linear and i.e., long-chain paraffins, i.e., those with a number of carbon atoms greater than 16. The name derives from the similarity of appearance and behaviour with natural waxes.

WWT

This is the acronym for wastewater treatment, in other words an industrial wastewater treatment plant.

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