

SASOL LIMITED

SAFETY, SOCIAL AND ETHICS COMMITTEE

TERMS OF REFERENCE

1. PURPOSE AND OBJECTIVES

- 1.1 The Safety, Social and Ethics Committee (the Committee) has been appointed by the Sasol Limited Board of Directors (the Board) as a committee of the Board to provide integrated strategic direction on group-wide sustainability, safety, social and ethics matters for the Sasol Group (the Group), including acting as the social and ethics committee for Sasol Limited (the Company) and its South African subsidiaries as contemplated in the Companies Act 71 of 2008 (the Companies Act) as set out in Annexure A.
- 1.2 The Committee has an independent oversight role with responsibility for monitoring and reporting on Sasol's social and economic development requirements and other codes of good practice relating to good corporate citizenship, the environment, health, public safety and consumer protection.

2. CONSTITUTION AND MEMBERSHIP

- 2.1 The Committee shall comprise at least five members, the majority of whom shall be non-executive directors.
- 2.2 The Board shall appoint an independent non-executive director as the Chairman of the Committee, who shall not be the Chairman of the Board, and determine the period for which he or she shall hold office.
- 2.3 The President and Chief Executive Officer (CEO) shall be a member of the Committee.
- 2.4 A Committee Secretary shall be appointed in terms of the Sasol Limited and Sasol Group Delegation of Authority.

3. MANDATE

3.1 Social and Ethics responsibilities

The Committee will be responsible to:

- 3.1.1 oversee and monitor the ethical conduct of the Company in order to ensure the establishment of an ethical culture in the Company, and to approve the Group Code of Conduct and statements on ethical standards and requirements;

- 3.1.2 monitor the Group's culture and employee wellbeing, as well as the progress with cultural initiatives, to ensure the establishment of the desired culture in the Group, contributing to the wellbeing and productivity of employees, with the Remuneration Committee specifically reviewing the on-going appropriateness and relevance of the remuneration policy and associated matters so that this Committee can focus on the appropriateness of Sasol culture initiatives;
- 3.1.3 oversee and monitor the Group's policies and standing on human rights in terms of regulatory requirements and codes which apply to it or to which it subscribes¹;
- 3.1.4 oversee and monitor the Group's policies and standing on anti-corruption in terms of regulatory requirements and codes which apply to it or to which it subscribes²;
- 3.1.5 monitor the Group's activities relating to good corporate citizenship in terms of regulatory requirements and codes which apply to it or to which it subscribes, including:
 - 3.1.5.1 the Group's contribution to the development of the communities in which its activities are predominantly conducted or within which its products or services are predominantly marketed³; and
 - 3.1.5.2 the Group's record of sponsorship, donations and charitable giving⁴;
- 3.1.6 Group's activities relating to consumer relationships, including the Group's compliance with consumer protection laws⁵.

3.2 Labour and Employment

The Committee will be responsible to:

- 3.2.1 monitor the Group's policies and standing in terms of regulatory requirements and codes which apply to it or to which it subscribes, including in relation to decent work, working conditions, forced and child labour, and the elimination of discrimination in the workplace⁶;
- 3.2.2 monitor the status of the Group's labour relations to ensure that labour action and work disruption is minimised⁷; and

¹ Reg 43(5)(a)(i)(aa)

² Reg 43(5)(a)(i)(aa) and (bb)

³ Reg 43(5)(a)(ii)(bb)

⁴ Reg 43(5)(a)(ii)(cc)

⁵ Reg 43(5)(a)(iv)

⁶ Reg 43(5)(a)(i)(aa) and Reg 43(5)(a)(v)(aa)

⁷ Reg 43(5)(a)(v)(bb) incorporating Group Top People Risk profile

- 3.2.3 monitor the Group's contribution toward the educational development of employees⁸ and ensure that the Group's skills profile is aligned to its business requirements; and
- 3.2.4 monitor the Group's promotion of equality and compliance with local regulatory requirements to achieve equality and transformation in the jurisdictions where it operates, including employment equity, economic empowerment and local content requirements⁹.

3.3 Sustainability

The Committee will be responsible to:

- 3.3.1 monitor the strategies, policies, performance and the progressive implementation of the Sasol sustainability (and SHE), social and ethics policies and practices, including joint ventures in respect of which Sasol has the right or power to fulfil the functions as set out in these Terms of Reference;
- 3.3.2 monitor that independently managed subsidiaries, joint ventures, associates and significant investments to develop guidelines and practices congruent with Sasol's sustainability (and SHE), social and ethics policies as determined from time to time as well as the sustainability decision management framework to ensure risk informed, equitable trade-offs;
- 3.3.3 consider reports covering matters relating to substantive sustainability risks and liabilities relating to:
 - 3.3.3.1 Sasol's operating model entities (OMEs) (and may request such reports from appropriate directors or management);
 - 3.3.3.2 managed subsidiaries and joint ventures (and may request such reports from the relevant representatives of the companies serving on the boards of these companies or their equivalent committees);
 - 3.3.3.3 independently managed subsidiaries, joint ventures, associates and significant investments where appropriate, and may request the relevant representatives of Sasol serving on the boards of these companies or their equivalent committees to assess whether such matters are receiving due attention in a manner congruent with Sasol's Code of Conduct and SHE policy;
- 3.3.4 assess and approve Sasol's sustainability management in terms of its strategy in relation to sustainability material issues, including the

⁸ Reg 43(5)(a)(v)(bb) incorporating Group Top People Risk profile

⁹ Reg 43(5)(a)(i)(cc) and (dd)

sustainability focus areas, in line with King IV and other relevant reporting requirements as well as boundary conditions informed by Sasol's strategic balanced scorecard metrics and targets and objectives set by the Policy, Sustainability and Stakeholder Relations Committee (PPSR);

- 3.3.5 monitor key indicators on accidents and incidents within Sasol premises and facilities, involving Sasol employees, and ensure that there is a systematic approach to prevent their recurrence, as well as to limit the severity of any accidents and incidents that may still occur and mitigate the consequences of possible incidents and, where appropriate, require that such information is communicated throughout the Group;
- 3.3.6 review high severity incidents that occur in a quarter and ensure an accurate and consistent internal reporting system is in place for incidents and accidents;
- 3.3.7 consider substantive national and international regulatory and technical developments in all fields relevant to the company's identified sustainability material issues and, in particular, the sustainability focus areas as amended from time to time;
- 3.3.8 encourage participation, co-operation and consultation on sustainability matters of governments, national and international organisations, other companies and other environment, health and safety bodies;
- 3.3.9 consider the impact of Sasol's activities, products and services on the environment, health and public safety and, where appropriate, amend its policy or approach¹⁰; and
- 3.3.10 report to the Board on the status of social, ethics and sustainability issues.

3.4 Sustainability reporting

The Committee will:

- 3.4.1 consider progress based on quarterly sustainability reports in respect of the reporting process, and disclosure controls applicable to ensure the integrity of the contents of the sustainability matters included in the Integrated Report and its alignment with other reports and compliance with regulatory requirements applicable to the Company;
- 3.4.2 approve the scope of assurance on material sustainability issues and review assurance obtained regarding the integrity, reliability and validation of the Sasol group's sustainable development report; and

¹⁰ Reg 43(5)(a)(iii)

- 3.4.3 review and evaluate the disclosure of sustainability issues in the annual Integrated Report and approve the annual sustainable development report, informing the Audit Committee of any material sustainability matter which may have an impact on the financial statements as well as enabling the Audit Committee to provide assurance to the Board that the disclosure is reliable and does not conflict with the financial information.

3.5 Stakeholder management

The Committee will monitor the Group's activities in terms of regulatory requirements and codes which apply to it or to which it subscribes, relating to stakeholder relations, reputation management and advertising¹¹.

3.6 Risk management and Assurance

The Committee supports the Board in ensuring effective risk management oversight, specifically in relation to material risks within its scope (Group top risk themes allocated to the Committee). The Committee gives effect to its responsibility through:

- 3.6.1 ensuring the effective monitoring of the allocated Group top risk themes, i.e. risk themes allocated to the Committee;
- 3.6.2 considering and reviewing management's feedback and/or assurance provider reports on the design and operating effectiveness of existing key risk responses (focus on major or significant deficiencies), aligned to the Combined Assurance Plans;
- 3.6.3 considering management updates on action plans identified to remediate any key responses with significant or major deficiencies;
- 3.6.4 considering management's feedback on key developments that have a potential material impact on the allocated Group top risk themes (materiality informed by the risk materiality lens applied at Group level), as well as the appropriateness of existing key responses or any new/additional key responses required; and
- 3.6.5 providing feedback through the Committee Chairperson to the Board on any material risk related matters, specifically the key responses with major or significant deficiencies, key developments with a material impact, any new/additional key responses required or any potential breach of approved financial risk appetite and tolerance levels (as relevant and appropriate).

¹¹ Reg 43(5)(a)(iv)

4. MEETINGS AND PROCEEDINGS

- 4.1 Meetings of the Committee will be held as the Committee deems necessary, provided that the Committee shall meet at least four times each year. Meetings should be organised in order to maximise attendance. The Chairman of the Committee or any member of the Committee, with the consent of the Committee Chairman, may call a special meeting at any other time.
- 4.2 At least two stakeholder roundtables will be conducted on an annual basis with members of the Committee and as arranged by the Committee Secretary, in consultation with the Committee Chairman.
- 4.3 The notice of each meeting of the Committee, confirming the venue, time and date and enclosing an agenda of items to be discussed shall, other than under exceptional circumstances, be forwarded to each member of the Committee not less than five working days prior to the date of the meeting.
- 4.4 The meetings of the Committee may be held in person, by telephone, by telepresence or such other form of long-distance conference facility, as the circumstances may require (such person shall be deemed as being present at the meeting), provided that the required quorum is met.
- 4.5 The quorum for decisions of the Committee shall be a majority of non-executive directors present for that particular decision. A decision shall be deemed as passed if a majority vote on the matter for decision is passed by the members present at the Committee.
- 4.6 A decision that could be voted on at a meeting of the Committee may instead be adopted by written consent of a quorum of members, given in person, or by electronic means, provided that each member received notice of the matter to be decided. A decision made in such manner has the same effect as if it had been approved at a meeting.
- 4.7 Where decisions are required by way of written resolution, a quorum shall constitute a majority of non-executive directors, one of whom shall be the Committee's Chairman.
- 4.8 Persons identified by the Committee will attend meetings as and when required by the Committee.
- 4.9 Unless varied by these Terms of Reference, meetings and proceedings of the Committee will be governed by the Company's Memorandum of Incorporation (MOI) regulating the meetings and proceedings of directors and committees.
- 4.10 The Committee Secretary shall take minutes of meetings. Minutes of all meetings shall be circulated to all the members of the Committee, and may

also, if the Chairman of the Committee so decides, be circulated to directors. Any director may, provided that there is no conflict of interest and with the agreement of the Chairman, obtain copies of the Committee's minutes.

4.11 In performing the role of a Social and Ethics Committee as reflected above, the Committee shall be entitled to place reliance on the work and reports of any employee, advisor or committee of the Board that has responsibility for any function falling within the role of the Committee.

4.12 The Chairperson of the Committee tables a report to the annual general meeting and attends the Company's annual general meeting to answer questions relating to the report tabled or concerning matters within the mandate of the Committee.

5. REMUNERATION

5.1 Having regard to the functions performed by the members of the Committee in addition to their functions as directors and pursuant to the specific power conferred upon the Board by the memorandum of incorporation of the Company, members of the Committee may be paid such special remuneration as shall be recommended by the Board and approved by the shareholders.

5.2 Such special remuneration shall be in addition to the annual fees payable to directors.

6. LIMITED LIABILITY

6.1 The deliberations of the Committee do not reduce the individual and collective responsibilities of Board members, with regard to their fiduciary duties and responsibilities, and they must continue to exercise due care, skill and judgment, in accordance with their legal and statutory obligations.

6.2 Subject to the above provisions and any relevant legislation and codes of best practice, the members of the Committee shall not attract any personal liability arising from their appointment and the Company shall indemnify members of the Committee to the extent possible in terms of its approved directors' and officers' liability insurance coverage.

7. GENERAL

7.1 The Committee, in carrying out its tasks under these terms of reference, may obtain such outside or other independent professional advice as it considers necessary to carry out its duties.

7.2 The Board will ensure that the Committee has access to professional advice, both internal and external to the Company, in order to perform its duties.

- 7.3 The Committee may require from any director, prescribed officer or employee of the Company any information or explanation necessary for the performance of the Committee's functions.
- 7.4 These Terms of Reference may be amended as required, subject to the approval of the Board, and will be reviewed on an annual basis.
- 7.5 The Committee shall assess its and its members' effectiveness at least once every two years.
- 7.6 The Chairperson of the Committee, or a person nominated by him/her, will report to the shareholders at the Company's annual general meeting on any matter within its mandate.

The functions of the Committee in terms of regulation 43(5)(a)-(c) of the Companies Act, 2008

The Committee will:

1. Monitor the company's activities, having regard to any relevant legislation, other legal requirements or prevailing codes of best practice, with regard to matters relating to:
 - 1.1 social and economic development, including the company's standing in terms of the goals and purposes of-
 - 1.1.1 the 10 principles set out in the United Nations Global Compact Principles (**Appendix 1**); and
 - 1.1.2 the OECD recommendations regarding corruption (**Appendix 2**);
 - 1.1.3 the Employment Equity Act; and
 - 1.1.4 the Broad-Based Black Economic Empowerment Act;
 - 1.2 good corporate citizenship, including the company's –
 - 1.2.1 promotion of equality, prevention of unfair discrimination, and reduction of corruption;
 - 1.2.2 contribution to development of the communities in which its activities are predominantly conducted or within which its products or services are predominantly marketed; and
 - 1.2.3 record of sponsorship, donations and charitable giving;
 - 1.3 the environment, health and public safety, including the impact of the company's activities and of its products or services;
 - 1.4 consumer relationships, including the company's advertising, public relations and compliance with consumer protection laws; and
 - 1.5 labour and employment, including-
 - 1.5.1 the company's standing in terms of the International Labour Organization Protocol on decent work and working conditions; and
 - 1.5.2 the company's employment relationships, and its contribution toward the educational development of its employees.
2. Draw matters from within its mandate to the attention of the Board as occasion requires.
3. Report, through one of its members, to the shareholders at the company's annual general meeting on the matters within its mandate.

The Ten Principles¹²

The UN Global Compact's ten principles in the areas of human rights, labour, the environment and anti-corruption enjoy universal consensus and are derived from:

- The Universal Declaration of Human Rights
- The International Labour Organization's Declaration on Fundamental Principles and Rights at Work
- The Rio Declaration on Environment and Development
- The United Nations Convention Against Corruption

The UN Global Compact asks companies to embrace, support and enact, within their sphere of influence, a set of core values in the areas of human rights, labour standards, the environment and anti-corruption:

Human Rights

- Principle 1: Businesses should support and respect the protection of internationally proclaimed human rights; and
- Principle 2: make sure that they are not complicit in human rights abuses.

Labour

- Principle 3: Businesses should uphold the freedom of association and the effective recognition of the right to collective bargaining;
- Principle 4: the elimination of all forms of forced and compulsory labour;
- Principle 5: the effective abolition of child labour; and
- Principle 6: the elimination of discrimination in respect of employment and occupation.

Environment

- Principle 7: Businesses should support a precautionary approach to environmental challenges;
- Principle 8: undertake initiatives to promote greater environmental responsibility; and
- Principle 9: encourage the development and diffusion of environmentally friendly technologies.

Anti-Corruption

- Principle 10: Businesses should work against corruption in all its forms, including extortion and bribery.

¹² Source: The Ten Principles available at: <http://www.unglobalcompact.org/AboutTheGC/TheTenPrinciples/index.html>

OECD Policy Guidelines for Preventing Corruption

OECD Recommendation on Principles for Transparency and Integrity in Lobbying (2010)

On 18 February 2010, the OECD Council approved the OECD Recommendation on Principles for Transparency and Integrity in Lobbying. This is the first international policy instrument to provide guidance for policy-makers on how to promote good governance principles in lobbying. The instrument is an important contribution to support cleaner, fairer and stronger economies as it promotes open government and a level playing field for businesses and stakeholders in developing and implementing public policies.

OECD Recommendation on Enhancing Integrity in Public Procurement (2008)

Millions in tax payers' money are lost annually to waste, fraud and corruption in public procurement. OECD countries demonstrated their commitment to prevent risks to integrity in the entire procurement cycle, from needs assessment to contract management and payment. The OECD Recommendation provides policy guidance for the implementation of international instruments developed by the OECD as well as other organisations such as the United Nations, the World Trade Organisation, the World Bank and the European Union.

OECD Recommendation on Guidelines for Managing Conflict of Interest in the Public Service (2003)

Conflicts of interest in both the public and private sectors have become a major matter of public concern world-wide. These guidelines provide the first international reference framework for reviewing existing solutions and modernising mechanisms in line with good practices in OECD countries.

Also available in French, Albanian, Bosnian/Serb, Romanian/Moldovan, Russian, and Ukrainian.

OECD Recommendation on Improving Ethical Conduct in the Public Service including Principles for Managing Ethics in the Public Service (1998)

Increased concern about decline of confidence in government and corruption has prompted governments to review their approaches to ethical conduct. In response to these challenges, the Public Management Committee agreed to a set of Principles for Managing Ethics in the Public Service to help countries review the institutions, systems and mechanisms they have for promoting public service ethics. These principles identify the functions of guidance, management or control against which public ethics management systems can be checked. They draw on the experience of OECD countries, and reflect shared views of sound ethics management.