



**SASOL**



# **SASOL LIMITED**

## **Sustainability reporting**

Supporting information to Integrated Report 30 June 2016

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## OUR APPROACH TO SUSTAINABILITY REPORTING

The Integrated Report is our primary annual report to stakeholders. Material matters, which could substantially affect Sasol's ability to create value in the short, medium and long term as a result of not being able to execute our strategy, form the anchor of the succinct content of the report.

Our sustainability reporting, informed by the Global Reporting Initiative (GRI) G4 guidelines, supports Sasol's Integrated Report and forms part of the suite of reporting publications including the Annual Financial Statements and Form 20-F.

Sustainability reporting aims to provide information of specific relevance to certain stakeholders. Consequently, the primary focus of our sustainability reporting is on two material matters: 'Investing in our people' and 'Promoting sustainability'. The remaining two material matters: 'Responding to the volatile macro-economic environment' and 'Unlocking value by optimising and growing our business' are dealt with in the Integrated Report.

The content of this publication is more concise than previous years. It clearly explains our holistic approach to the management of sustainability with a particular focus on promoting a greater appreciation of the strategic value of social, human and natural capital to Sasol. Information which has been comprehensively addressed previously has not been repeated in this report. Similarly, relevant information contained in the other suite of reporting publications is cross-referenced.

Recognising this concise focus of the report, our approach to sustainability reporting is augmented by the following:

- Supplementary information available on the Sasol website (downloads tab), or otherwise disclosed from time to time.
- Our extensive stakeholder engagement process that includes communication and the sharing of sustainability information to our widespread stakeholder base. Our approach to partnering with our stakeholders is explained in the Integrated Report. Our approach on leveraging transparency via requests for access to environmental information is explained in this publication.

Through our sustainability reporting we seek to facilitate inclusive and meaningful dialogue for purposes of partnering with our stakeholders. We appreciate that certain stakeholders may require additional information, have further questions or wish to raise comments.

The suite of reports are available on our website, [www.sasol.com](http://www.sasol.com), or on request from Sasol Public Affairs. Contact details are available in the Integrated Report.

To share your opinion if you have any views on issues described in this report, or on the report itself, please email us at: [sustainability.reporting@sasol.com](mailto:sustainability.reporting@sasol.com).



For glossary, acronyms and abbreviations, refer to [www.sasol.com](http://www.sasol.com)

## Our approach to reporting on material matters



# OUR MATERIAL MATTER: INVESTING IN OUR PEOPLE

## Promoting safety

At Sasol we strive for zero harm through the risk-based One Sasol SHE Excellence Approach. Our approach centres on understanding and managing our risk profile and implementing a standardised control regime across the company, strengthened by clear policies and procedures, leading practice incident investigation and behavioural science. Senior management across the operations, supported by the group Safety, Health and Environment (SHE) executive team, provide visible commitment and lead our safety effort.

## Our initiatives in 2016

### Risk analysis

We identified high-hazard units, as well as high-risk scenarios and associated controls; we refined our process hazard analysis methodology.

### Process safety

We continued to interact on process safety issues with various global networks, including the European Process Safety Centre, the Institution of Chemical Engineers (IChemE), and the chemical sector's Responsible Care® initiative. We conducted regular internal and external audits to evaluate our performance. We approved a medium-term process safety roadmap with emphasis on asset integrity and operational discipline. We commenced a process safety training programme for frontline operations and plan to put approximately 8 500 employees through the programme over the next three years. We implemented six process leading indicators (derived from the American Petroleum Institute) that focus on process safety information, risk studies, and safety critical equipment.

### Incident investigations process

We standardised our incident classification, reporting and investigation requirements across SHE and product stewardship, and increased our focus on investigating 'high potential' near-miss incidents.

### Service provider safety management

Service provider management has been streamlined through a single international process that includes an online supplier registration, risk-based ranking process, and a generic SHE specification.

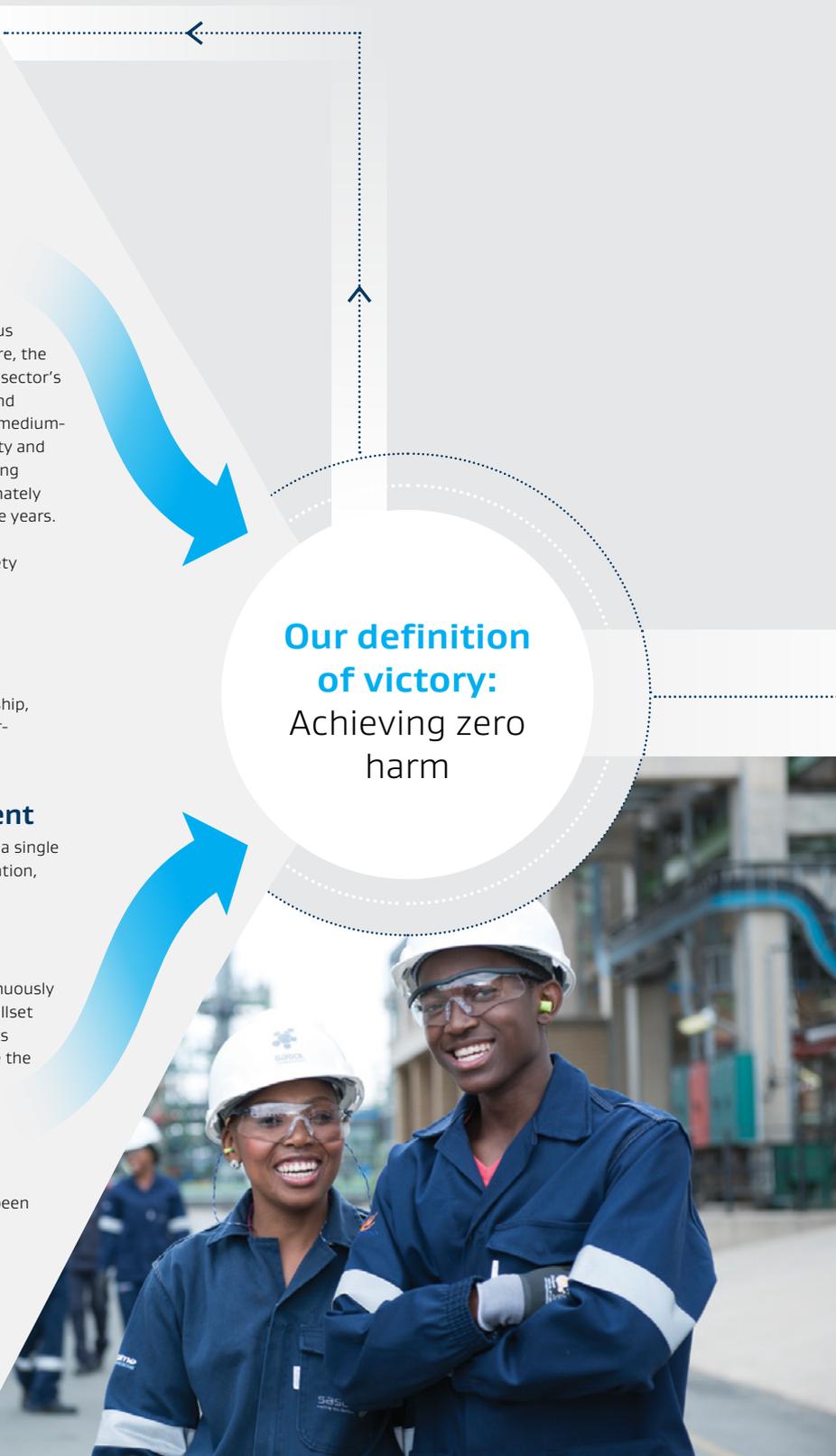
### Behaviour and culture

Leadership sets the behavioural tone from the top. We continuously support our leaders by providing them with the necessary skillset to drive safety. Our dedicated team of industrial psychologists and behaviour-based safety specialists continued to enhance the effectiveness of our safety behavioural programmes.

### Capacity and capability

We have developed and launched a process safety graduate development programme; seven engineers-in-training have been enrolled to date, with two completing the programme.

**Our definition  
of victory:**  
Achieving zero  
harm



## Our 2016 performance

➔ Notwithstanding our relentless safety focus, tragically we experienced two work-related fatalities\*:

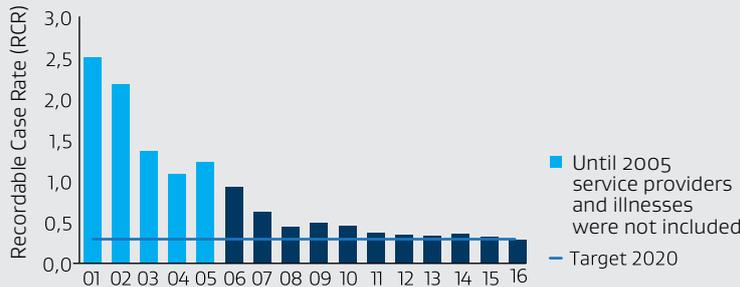
**Mr Mondli Hlabisa:**  
worked at our Secunda Synfuels Operations.

**Mr Gerhardus Francois Bronkhorst:**  
worked at our Sigma mine.

\*Subsequent to 30 June 2016, we experienced three tragic fatalities, of which two were due to a motor vehicle accident on a public road. Management has implemented focused interventions to ensure safe operations.

➔ Group Recordable Case Rate (RCR):  
**0,29**

Sasol Recordable Case Rate (RCR)



The Recordable Case Rate (RCR) is a measure for reporting work-related injuries. The RCR is the number of fatalities, lost workday cases, restricted work injuries and medical treatment cases for every 200 000 employee hours worked.

➔ Number of significant fires, explosions and releases (FERs):  
**19**

Reduction in FERs:  
**29,6%**

Number of significant and major FERs



### MANAGING SAFETY RISKS

During 2016, we reviewed our top SHE risk profile in relation to our risk reduction aspirations and targets, and are implementing action plans developed to address priority improvement areas. The identification of our key risks or key undesirable events (KUEs) and associated critical preventative and corrective controls has enabled us to not only strengthen these key controls, but also enhance our assurance processes that allow us to better understand the effectiveness of the controls. We focus on risk management as a key process to improve our safety performance. Our supply chain team has done significant work to mitigate the risks of safety or environmental incidents occurring in the supply chain. For more information please see page 9.

## Occupational health and employee wellbeing

Effectively managing health risks in the workplace forms an important part of our ongoing commitment to zero harm. Promoting a healthy workforce through an integrated health and wellness approach contributes not only to employee health but also to the safety performance of our employees and service providers, and enhances productivity and efficiency.

### Our initiatives in 2016

#### Strategic focus

We revised our strategic focus, which will enable us to reposition the occupational health function globally, promoting standardisation of occupational health delivery with improved integration into business processes, and supportive management systems and reporting, as well as health risk management and control.

#### Medical surveillance

Maintained our medical surveillance programme to ensure that every permanent employee, and the employees of service providers, meet the inherent health requirements of the job.

#### Independent assessments

External occupational health consultants conducted further baseline occupational health assurance assessments in Sasol's South African operations.

#### Hearing conservation programme

We revised the programme for our South African operations by applying better preventive approaches. As a proactive measure, we are investigating non-reportable percentage loss of hearing cases to enable effective implementation of preventative controls.

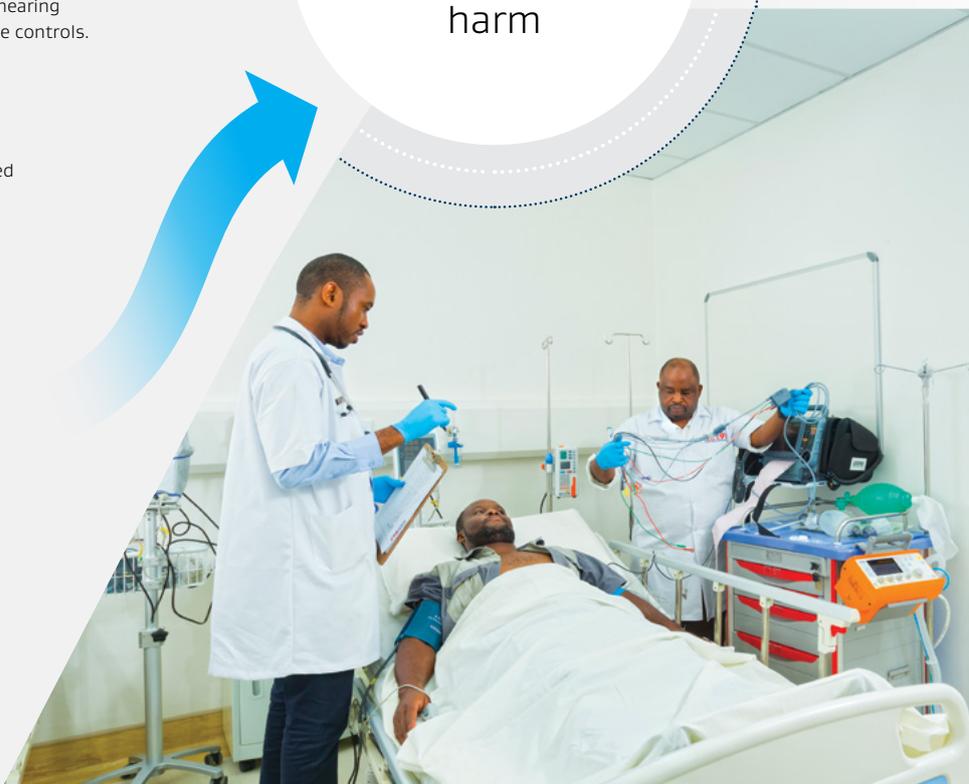
#### Medical emergencies

We are rolling out a medical emergency response plan across our Southern African operations. The standardised emergency response plan has the benefit of limiting the potential long-term health consequence of workplace accidents.

#### HIV/Aids programme

We maintained our HIV/Aids response programme, which focuses on prevention through awareness, education and access to testing, counselling and treatment. We provided support services to HIV-positive employees and their families, as well as to service providers.

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Achieving zero  
harm



## Our 2016 performance

→ ODIR\* is **0,07** meeting our 2016 target of 0,075

The Occupational Disease Incident Rate (ODIR) includes work-related noise-induced hearing loss and lung diseases such as asbestos-related lung diseases, pneumoconiosis, silicosis, occupational asthma and the irreversible allergy-related lung conditions caused by workplace exposures. This is a new indicator set during the past year to drive a reduction in new permanent illnesses per year.

\*ODIR

Since 2007, Sasol reported and disclosed permanent occupational illnesses as an inclusion into the RCR. The current focus is reporting new permanent occupational illnesses as the Occupational Disease Incident Rate (ODIR) which shows the incidence of new permanent occupational-related illnesses per 200 000 hours worked.

→ **New cases of pneumoconiosis:**  
**9** reduced from 14 during 2015 (due to sustained dust control initiatives in our mines)

→ **Drug utilisation compliance level of**

**88%**  
among HIV/Aids positive employees

→ **New cases of noise-induced hearing loss:**  
**35** up from 31 during 2015 (on account of a proactive hearing loss measure programme)

→ **HIV screening, counselling and testing taken up by**  
**3 273**  
employees and service providers

 For further details please refer to performance tables on pages 18 – 22

### DRIVING EMPLOYEE WELLBEING

Our occupational health programme seeks to prevent and mitigate all occupational health risks, and applies to all permanent employees and the employees of service providers. The programme is governed by a set of group standards, procedures, scorecards and targets.

## Developing and empowering values-driven, high-performing people

Our human resources strategy seeks to enable effective delivery of Sasol's business strategy. We strive to provide a work environment that attracts, develops and retains the best talent, promotes a values-driven, high-performance culture, encourages diversity and transformation, and fosters sound employee relations.

### Our initiatives in 2016

#### Restructuring to enhance business performance

We continued with our organisational restructuring and the realignment of employee placements at senior management level to achieve our Business Performance Enhancement Programme (BPEP) goals as well as to conserve cash in response to the lower-for-longer oil price reality.

#### Embedding our values-driven, high-performance culture

We made further progress embedding our three critical behaviours across the organisation: work to a common game plan; adopt a One Sasol, one bottom-line approach; and embrace empowered accountability. We measured the progress of our change journey and its impact on our workforce through a quarterly 'change risk assessment'. We also measured levels of employee engagement through the Heartbeat survey and actions arising from the survey are underway.

#### Rewarding high performance, incentivising positive behaviour

We maintained our performance management and remuneration frameworks, designed to reward employees for their performance, giving equal emphasis to delivery and behaviour. Every Operating Model Entity's incentive scorecard sets minimum targets for safety performance, financial results and (in our South African operations) for employment equity.

#### Driving cultural transformation and workplace diversity

We continued to implement our Diversity 10-Point Plan, which provides a set of qualitative measures designed to enable the achievement of our diversity objectives, including the recruitment, development and retention of candidates from under-represented groups, as well as measures to enhance gender equity.

#### Maintaining positive employee relations

We maintained constructive relationships with all representative unions and works councils that enjoy consultative or negotiating powers on issues of mutual interest. More than 60% of our employees in South Africa are members of trade unions.

#### Developing diverse, high-performing employees and nurturing future talent

We continued to invest in sponsored study and technical learning programmes, as well as leadership, career and succession development plans. To secure a pipeline of future talent, we invested significantly in skills development, ranging from basic literacy and school level programmes to technical training for professionals, through some of the largest bursary, graduate development and internship programmes in Southern Africa.

#### Our definition of victory:

Build a sustainably profitable organisation of talented, diverse, competent and inspired people, who face the future with confidence



## Our 2016 performance

### → Invested

**R154,84** million  
on graduate professionals development programmes

**R293,8** million  
in bursaries and  
learnerships

**R398,9** million  
in developing skills  
among black employees  
in South Africa

### → **9%** Employee turnover rate

### → Employees

**726**

left the organisation through voluntary  
retrenchments or early retirements

**26 767**

participated in our internal learning and  
development programmes

### → Good progress in our 2017 South Africa employment equity plan and women empowerment strategy

 For further details please refer to performance tables on pages 18 – 22

# OUR MATERIAL MATTER: PROMOTING SUSTAINABILITY

## Delivering social value

Being a trusted and credible stakeholder partner and member of the communities in which we operate is at the core of our approach to our socio-economic development contribution. The Sasol Global Foundation (SGF), set up in 2013, manages the integrated delivery of our social investments across the group. The SGF's Board of Governors comprises Sasol's senior leadership including the Joint Presidents and CEOs.

### 2016 AT A GLANCE

- We embarked on a renewed process to build valuable relationships with all our community stakeholders.
- Following regular engagements with members of host communities, we have realigned our social investments towards the following programmes that seek to respond more directly to communities' desired outcomes:
  - enabling access to and delivery of effective quality education;
  - stimulating local economic development and job creation through small business development;
  - bolstering the pool of technical, vocational and science, technology, engineering and mathematics (STEM)-related skills;
  - facilitating collaboration to advance the delivery of municipal services; and
  - promoting the protection of the environment.



### HIGHLIGHTS

- Supported the Science Fellowship programme promoting graduates and researchers in chemistry and environmental science, thereby building research capacity in universities across South Africa.
- Authored and delivered to the Department of Basic Education in South Africa, Grade 10 Technical Mathematics and Technical Science workbooks.
- Memorandum of Understanding with Pedagogical University in Mozambique to support teachers' training programme to improve the quality of education for Grades 8 – 12 in STEM-related subjects and to promote learner readiness for university to pursue qualifications and careers in the oil and gas-related sector. Forty two teachers have undergone training, reaching over 4 200 learners.
- Hosted Sasol Techno X in the Secunda regional hub, attracting 22 000 participants from 300 schools.
- Twenty three start-up SMMEs enrolled in our incubation programme at the Sasol Business Incubator at Sasolburg Eco-Industrial Park.
- Fifty five participants engaged in Sasol Siyazenzela six-month entrepreneurship training programme.
- Upgraded community infrastructure in South Africa as part of the ground-breaking Sasol Ikusasa public private partnership. We invested R121 million in Secunda and R47 million in Sasolburg during the year, with a further R187 million planned for 2017. The total planned Ikusasa investment amounts to R800 million.
- Handed over new health centres to the Government of Mozambique and the community, meeting the needs of approximately 90 000 people.

## Preferential procurement and supply chain management

Ensuring responsible management of Sasol’s extensive supply chain is critical to maintaining our production integrity and ensuring alignment with our principles and practices relating to sustainable development. Preferential procurement within our supply chain provides a valuable opportunity for driving social and economic transformation.

### 2016 AT A GLANCE

- Our Supply Chain team has defined a supply chain sustainability framework and approach that aims to manage our supply chain risks, realise cost efficiencies, encourage good governance and ensure effective management of economic, environmental and social impacts. We are implementing group-wide controls to mitigate the risks within each of the following four priority risk areas:
  - a significant safety or environmental incident;
  - a significant infrastructure or supplier capability constraint that could disrupt supply;
  - non-compliance to laws, regulations or standards leading to reputational damage, fines, criminal proceedings or loss of income; and
  - a significant supply chain business enablement failure that could disrupt supply.
- We focus specifically on promoting local spend around our major operating hubs in South Africa, as well as targeting black-owned enterprises to support Broad-Based Black Economic Empowerment.
- As a signatory to the South African government’s Department of Trade and Industry (the dti) Local Procurement Accord, we have been implementing various initiatives to fast track the engagement of local and regional suppliers:
  - we have identified over 130 new high-potential suppliers in various procurement categories;
  - we have engaged with inactive local suppliers and are working closely with them to improve their service offering;
  - our Enterprise Supplier Development teams continue to provide new and existing suppliers with targeted interventions aimed at enhancing their business viability; and
  - we are further assisting the new suppliers in meeting supplier application and supplier accreditation requirement.
- Through our standard terms and conditions in agreements with contractors, we actively drive local preferential procurement in any sub-contracting that our suppliers might undertake. We are currently reviewing our standard request for quotation or proposal documentation for suppliers, by requesting that plans for the use of local labour are included.

### HIGHLIGHTS

- Conducted approximately 512 supplier safety audits based on standard Sasol supplier requirements.
- Combined preferential procurement expenditure in the Sasolburg and Secunda regions in 2016 increased to R2,2 billion (Note: this amount is based on a combination of the old and new B-BBEE Codes, and Sasol has applied the Revised Codes of Good Practice from April 2016).
- While local preferential procurement spending increased in 2016, the number of service providers entering our facilities declined significantly, mainly as a result of reduced capital project activity. This trend is expected to continue into the future.



## Ethical behaviour and human rights

Promoting high ethical standards, combating corruption, and respecting human rights throughout our sphere of influence is an important part of our drive to deliver social value through our core activities.

### 2016 AT A GLANCE

- Our recently revised Code of Ethics (the code) governs our approach to ensuring sound ethical behaviour, combating corruption and respecting human rights. The principles, standards and commitments in the code apply globally, uniformly and without exception to all Sasol businesses, employees, directors, service providers and business relations.
- At least every two years, senior and middle management, as well as employees identified as being in 'high risk' positions, are required to formally certify that they know and understand our Code of Ethics and its associated guidelines. We provide regular training to our Ethics Officers in all aspects of ethics management.
- In terms of our human rights policy, we strive to identify, assess and manage human rights impacts and risks throughout our activities. We aim to make a positive and constructive contribution to the reduction and elimination of human rights abuses within our sphere of influence, and require our suppliers, partners and customers to uphold the same standards.
- Employees and other stakeholders can report any breach of the Code of Ethics via the Sasol EthicsLine, our independently managed, anonymous reporting facility. During 2016 we updated our system of tracking, reporting and closing out calls to ensure alignment with the revised Code of Ethics.

### HIGHLIGHTS

- There are 472 calls made to the EthicsLine, many of which had multiple allegations.
- Of the 182 substantiated allegations, 29% related to dishonesty, 32% to irresponsibility, 22% to unfairness and the remainder to disrespect.
- We evaluate all our investment decisions against the Sasol Code of Ethics in terms of the countries where we may invest, or the partners with whom we may consider doing business.
- Country risk assessments are performed before entering any given country; these assessments include screening for potential human rights non-compliance or violations.
- As a signatory of the United Nations Global Compact (UNGC), we have again published an annual Communication on Progress reviewing our performance against each of the ten UNGC principles, including the principles on human rights.



For more information please refer to our UNGC COP on [www.sasol.com](http://www.sasol.com).



## Product stewardship

Managing the SHE risks associated with our products and enhancing their SHE performance and sustainability throughout their lifecycle are central to our ongoing commitment to achieving zero harm. We achieve this through a risk-based approach, partnership and sustainable product development.

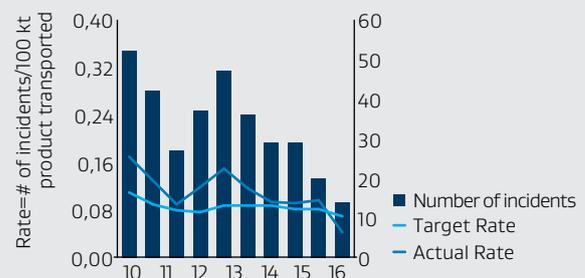
### 2016 AT A GLANCE

- We sustained our commitment to industry best practices through our membership with the International Council of Chemicals Associations (ICCA) Chemicals Policy and Health Leadership Group (CP&H LG).
- We remained focused on the six elements of Responsible Care®.
- We contributed to the Strategic Approach to International Chemicals Management (SAICM), which commits us to ensuring chemical usage that minimises significant adverse impacts on health and the environment, beyond 2020.
- We continued to strengthen our relationships with government where we have a common SAICM goal and have committed to support government in reviewing regulatory frameworks on safe chemicals management.
- We developed and implemented critical controls to address product transportation incidents and product safety data and document integrity failure.
- We reviewed the governance process and addressed gaps for the non-compliance with international chemical control legislation.
- We worked with the International Council of Chemicals Associations (ICCA) to promote safe chemicals management in Africa.
- We provided external training in partnership with the Chemical and Allied Industries' Association of South Africa (CAIA) with the focus on the implementation of the Globally Harmonised System (GHS) for the classification and labelling of chemicals.

### HIGHLIGHTS

- Implementation of ICCA Global Product Strategy (GPS) as a key mechanism in promoting SAICM and forming the basis of our approach to product stewardship and product sustainability.
- Provide training under the United Nations Environment Programme (UNEP) and ICCA MoU and expanding Responsible Care® in Africa.
- We remain focused to the compliance requirement of the GHS to the South African products.
- Participation in the ICCA CP&H Leadership Group as a voice for the chemical sector within an economy in transition.
- We will continue with reviews and implementation of the new Responsible Care Global Charter by the ICCA.

#### Transport



The TloP for road transportation was defined as the total number of significant transportation incidents per 100 kiloton of product transported.

### SAFE PRODUCT TRANSPORTATION

**Transport incidents:** 14 significant transport-related incidents occurred across the group, resulting in 14 tragic third-party fatalities. This compares to 20 significant incidents and nine third-party fatalities in 2015. Our transport incidents rate (measures as the number of significant incidents per 100 kilotons of product transported) improved by 55% to 0,043 against a target of 0,070 and was our lowest recorded rate to date. In 2016, in line with industry best practice, we introduced a new product transport indicate of performance (TiOP) for product transported by road. We also plan to establish new key performance indicators (KPIs) for rail, air and marine transport.

## Sustainable air quality

Our ability to anticipate and respond to the changing regulatory and policy landscape is one of our most material challenges, particularly in the context of air quality legislation in South Africa.

### 2016 AT A GLANCE

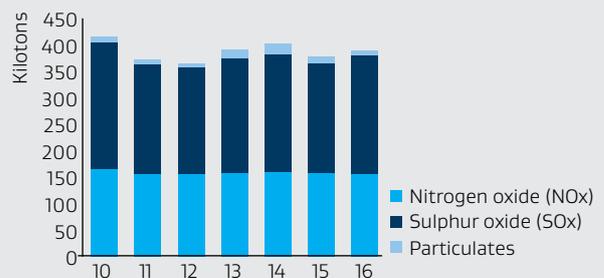
- We seek to ensure legal compliance and remain committed to sustainable ambient air quality improvement, and to minimise the environmental impact of our activities. We monitor our performance, disclose non-compliances with licence conditions and the management thereof to the relevant authorities and report environmental incidents.
- We made significant progress this year in rolling out the environmental compliance module of our enterprise resource planning software system (SAP) at our South African operations. The aim is to enhance our management of compliance. We have continued to embed a new environmental incident classification system, seeking to record and investigate all environmental incidents, and implement effective controls to prevent recurrence of such incidents.
- In South Africa, legislated minimum emissions standards (MES) make provision for stringent industrial point source emission limits. The MES, which require retro-fitting of some of our plants, pose significant compliance challenges for some of our existing plants from a technical and financial feasibility perspective. In pro-actively managing these risks, Sasol applied for and received initial postponements of compliance timeframes for some of the legislated MES in 2015. As part of our postponement applications, we have outlined air quality improvement plans to meet the MES. These improvement plans include a roadmap to achieve an 80% reduction in emissions of six volatile organic compounds (VOC) by June 2020 (on our 2009 baseline), as well as successful implementation of offset plans for our Secunda and Sasolburg facilities.



### OUR AIR FOOTPRINT

- Over the past year, we experienced and reported some compliance challenges associated with our atmospheric emissions licences. We continue to implement corrective and preventative controls to sustain legal compliance.
- We have spent approximately R20 billion on environmental projects over the past 10 years, averaging almost R2 billion annually. In the past six years R2,7 billion has been spend to reduce VOC emissions with the VOC abatement project. Another R2,2 billion was spent on the tar tank replacement and R2,6 billion on the coal tar filtration East project to bring further reductions in VOC emissions about.
- Total NOx emissions: 156 kilotons (kt) down from 157 kt in 2015, remained fairly constant with a marginal improvement.
- Total SOx emissions: 223 kt, up from 208,0 kt in 2015, the increase mainly due to higher sulphur content in the coal feedstock.
- Total particulate (fly ash) emissions: 9,82 kt as compared to 11,7 kt in 2015. Participate matter emission decreased for a second year in a row, mainly due to strict adherence to operating requirements and the successful completion of maintenance on certain of our electrostatic precipitators in Secunda.
- A complaint from neighbouring Zamdela community in Sasolburg relating to dust generated from coal and ash stockpiles was reported. We immediately responded by implementing controls to address the complaint and will continue to assess the progress.

#### Atmospheric Emissions



For more detail on our management of environmental compliance requirements, see section 3D of the Form 20-F.

## Climate change and energy efficiency

As a carbon-intensive company we recognise that we have a particular responsibility and opportunity to contribute to finding solutions to the policy and physical implications of climate change.

### 2016 AT A GLANCE

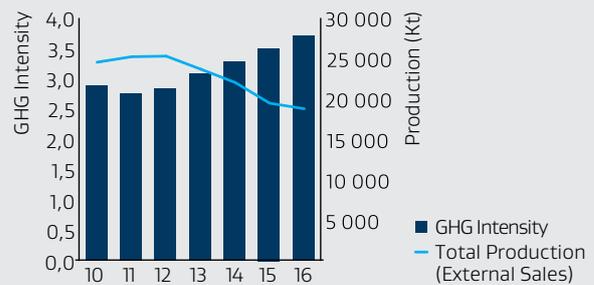
- In South Africa, where most of our Greenhouse Gas (GHG) emissions occur, we participate actively in government policy on climate change mitigation. We believe that a cautious and aligned approach should be adopted in developing climate change policy that balances national priorities of reducing unemployment and achieving economic growth with international commitments negotiated through the United Nations Framework Convention on Climate Change (UNFCCC).
- Sasol has been issued a carbon budget (emission limit) by the South African Department of Environmental Affairs (DEA) applicable for 2016 – 2020 for our South African operations. This carbon budget will be our new absolute GHG target for our South African operations. Regional targets will not be developed for our international operations owing to their well-established regulatory environments. We will report on our performance against our targets in our future sustainability reporting.
- We have a long-standing commitment to promoting energy efficiency, and are one of the founding signatories to the Energy Efficiency Accord, a voluntary commitment between leading South African companies and the South African Department of Energy.
- After the excellent 2015 utility energy efficiency improvement for our operations in South Africa, we have set the objective to sustain that level of performance for 2016 with an Energy Intensity Index (EII) target of 1 using 2015 as the new baseline.

Sasol is voluntarily taking part in the trial phase of the South African carbon budget process. Our carbon budget for South Africa has now been approved for the next five years. In total, our budget contemplates a limit of 301,7Mt carbon dioxide equivalents over the five years, making provision for growth. From 2020 onwards mandatory budgets will be set in line with government requirements. We will provide government the necessary data to enable them to set appropriate limits. Due to this process, Sasol has closed out on its previously stated GHG target.

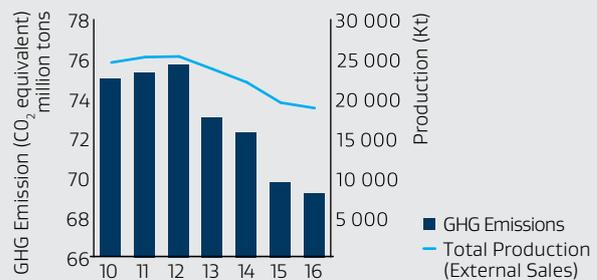
### OUR CARBON FOOTPRINT

- Our total GHG emissions globally (measured in CO<sub>2</sub> equivalent) reduced from 69,7 million tons (Mt) in 2015 to 69,3 Mt in 2016, our CTL process in Secunda primarily contributed to an improvement in our group GHG footprint. This figure includes direct emissions associated with our processes and our own tanker fleets (Scope 1 emissions), as well as the indirect emissions associated with our electricity imports (Scope 2 emissions).
- Our GHG emissions intensity (tons CO<sub>2</sub> per ton production) increased to 3,68 in 2016 from 3,58 in 2015, mainly due to lower production associated with a major shutdown at our Sasolburg operations. Once operational, the LCCP is likely to reduce the GHG intensity on a ton/ton basis.
- Compliance with our regional GHG requirements will continue. Should our targets be revised these will be communicated through our Integrated Report. We will also continue to measure and report against our GHG intensity targets.

GHG Intensity



GHG Emissions



## Water stewardship

For Sasol in South Africa, water is a critical feedstock, primarily used for steam generation, process cooling and the production of hydrogen. As many of our larger facilities, suppliers and surrounding communities are located in water-stressed areas, we have a heightened responsibility for ensuring good water stewardship.

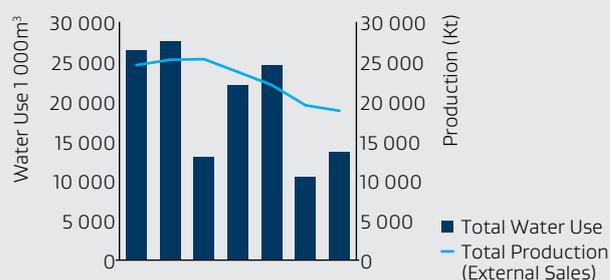
### 2016 AT A GLANCE

- Our largest operations in South Africa are dependent on the Integrated Vaal River System (IVRS), where water demand exceeds the system's sustainable supply capability. In our ongoing engagements with governmental policymakers, we provided formal input into proposed water quality objectives for the IVRS, as well as proposed amendments to the national water pricing strategy.
- Following a protracted application process, our Sasolburg Operations received a new water use licence, with ambitious timeframes to meet challenging discharge limits; we have continued our engagements with authorities on this matter.
- We introduced new water-use efficiency targets for our most water-intensive Operating Model Entities (OMEs), for a five-year period up to 2020:
  - Sasolburg Operations: maintain the 2015 baseline of 9,6 tons of water use per ton of saleable production, and reported a 10% deterioration against the baseline during 2016;
  - Secunda Synfuels Operations: achieve a 2,5% improvement in water intensity against actual consumption in 2014 of 11,58 tons of water use per ton of saleable production, but reported a 1% deterioration against the baseline during 2016; and
  - mining, restricted the increase in potable water use to a maximum of 10%, and reported a 10% improvement against baseline during 2016.
- In addition to these specific targets, all OMEs have committed to manage water responsibly and to ensure that our water footprint will not fundamentally increase (without growth reasons) over the next five years.
- We developed a water security risk indicator to provide an early indication of the water security risks facing our South African operations, which enables us to take appropriate measures with our stakeholders to minimise the risk of production losses.
- We are involved in a water conservation/water demand management baseline-setting project for the Metsimaholo Local Municipality in Sasolburg, in collaboration with Rand Water, German Agency for International Cooperation (GIZ) and the Department of Water and Sanitation.

### OUR WATER FOOTPRINT

- Total water consumption increased from 135,5 million m<sup>3</sup> in 2015 to 138,6 million m<sup>3</sup> and falls within normal fluctuations in demand.
- Total quantity of water recycled in 2016 was 174,7 million m<sup>3</sup>, compared to 196,7 million m<sup>3</sup> in 2015. The change is ascribed to a refinement in measuring and reporting on this metric.
- For the 2015 CDP Water Disclosure response Sasol achieved a commendable B score, scoring well on disclosure on direct risk and exposure, governance, strategy and context but falling short on the information supplied on water risks in the supply chain.
- As part of our corporate water stewardship effort, Sasol participates in programmes supporting Govan Mbeki Municipality and Metsimaholo Local Municipality as part of the Department of Water and Sanitation (DWS) War on Leaks Programme. We committed close to R4 million which helped leverage R8 million of partnership funding for these programmes.
- We responded to a call-to-action by the Minister of Water and Sanitation for greater support for drought relief efforts through the Strategic Water Partnership Network (SWPN) and contributed R1 million through our Public Affairs Department. Through the SWPN we also drive joint collaboration in water conservation projects as part of our water stewardship effort.
- We also provide support in addressing some of the challenges in operating the Integrated Vaal River System. The storage in the IVRS has progressively worsened over this past year due to the current drought and infrastructure challenges experienced. We have worked closely with the Planning and Operations divisions of the DWS to respond to the risks facing the IVRS and collectively made recommendations to mitigate such risks.

Total Water Use



For more detail on our communication on progress commitments to the UNGC CEO Water Mandate refer to <http://ceowatermandate.org>

## Waste, contaminated land and biodiversity

Recent changes to waste management legislation in South Africa in particular, require us to find alternative solutions to some waste management and disposal at many of our existing operations, and to ensure continued responsible management of land and biodiversity.

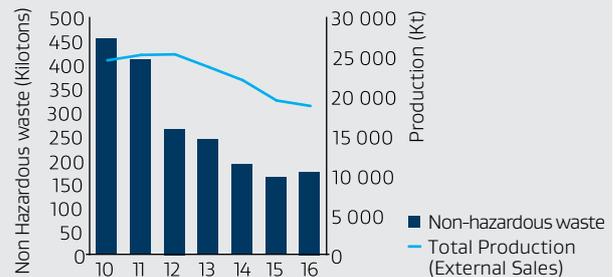
### 2016 AT A GLANCE

- Our approach to waste management is informed by the general principles of the waste management hierarchy set in legislation. We are working in partnership with selected universities and third-party waste managers to explore innovative opportunities for waste minimisation and reduction, including the composting of some of our industrial waste sludges.
- We have continued to have productive engagements with regulators through the Industry Waste Management Forum established between business and the South African Department of Environmental Affairs.
- In May 2014, the contaminated land provisions set out in Part 8 of the National Environmental Management: Waste Act came into effect, requiring owners of 'significantly contaminated' land, or those who undertake an activity that has the potential to cause land to be significantly contaminated, to notify the DEA of any such occurrence. We have submitted all notifications where required and are following the directions received from the DEA.
- Our approach to biodiversity varies and is tailored to respond to the specific situation. Biodiversity assessments are conducted on all significant new developments as part of all environmental impact assessments. We do not currently have operations in areas that have been declared 'biodiversity hotspots' – areas identified as being critical or endangered eco-regions. We do, however, have interests in areas of potential sensitivity, particularly linked to our upstream exploration and production activities.

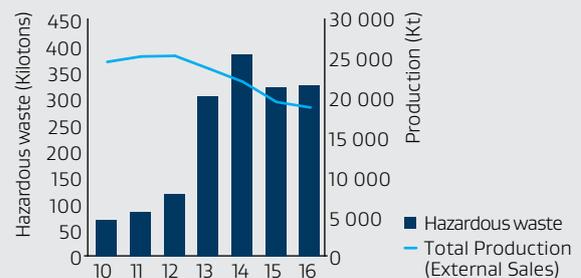
### OUR WASTE FOOTPRINT

- Generated 323,3 kt of hazardous waste compared to 320 kt in 2015. On-site remedial activities increased the volumes.
- Generated 174,5 kt of non-hazardous waste, up from 162 kt in 2015. Lake Charles reported larger quantities due to the construction work.
- Total recycled waste decreased to 70 kt from 76 kt. The change is likely to be ascribed to a refinement in measuring and reporting on this metric.

#### Non-hazardous Waste



#### Hazardous Waste



## Advancing transparency via requests for information

Sasol regularly communicates with its stakeholders on sustainability matters. Sasol recognises the rights of interested and affected parties as provided for in the South African Promotion of Access to Information Act, 2 of 2000 (PAIA) (the Act). In 2016, Sasol received various PAIA requests for access to information as explained in the Integrated Report.

Requests for environmental information received are detailed below. In accordance with the Act, we responded to requests received from non-governmental organisations, private entities and via the Department of Environmental Affairs (DEA). We agreed to and facilitated the disclosure of information relating to:

- Sasol's notifications on contaminated land management in terms of Part 8 of the National Environmental Management: Waste Act, 59 of 2008 and the DEA's responses thereto; these were specifically in relation to our Secunda, Sasolburg operations and Energy business in South Africa;
- Confirmation that no enforcement initiatives (such as directives and non-compliance notices) had been instituted by the Department of Water and Sanitation (DWS) against Sasol in relation to dams relevant to our Secunda Synfuels operations;
- Waste licences, including applications and subsequent applications for amendments; and
- Environmental legal compliance assessments and other technical reports.

Over the past two years, we also received specific requests for information regarding licences governing our atmospheric emissions. Copies of Sasol's atmospheric emission licences (AELs) in effect at the time of its various postponement applications were made available to all interested and affected parties as part of the public participation process, together with copies of relevant atmospheric impact reports and annual emission reports. Following informal requests from, and engagements with, key stakeholders, we also made available redacted copies of the amended AELs reflecting the outcomes of the government's postponement decisions. This approach will also be followed for postponement applications that are already underway.

In advancing our environmental disclosure objectives, we also initiated an update of our PAIA manual. It now provides for automatic access by any interested and affected party to key environmental licences and supporting documentation relevant to environmental licence applications and amendments. Sasol remains committed to address specific needs of our widespread stakeholder base through various means.



# DATA AND ASSURANCE

This section provides a consolidated review of our quantitative performance data over the past five years relating to our material matters. The basis for identifying these matters is provided on page 1.

The quantitative performance data covers our performance on issues pertaining to:

## HUMAN CAPITAL

Our People: focusing on safety, occupational illness and skills development.

## SOCIAL CAPITAL

Society: focusing on our economic value added and our Broad-Based Black Economic Empowerment procurement expenditure.

## NATURAL CAPITAL

The Environment: addressing GHG emissions, air pollutants, solid waste, energy and material use, water, land and biodiversity, and legal compliance.

## Our reporting boundary, assurance and certification

The performance data reported in these tables has been aggregated from our construction, exploration, production, research and development, marketing and sales activities that are under our operational control in all of the countries where we operate. Data is included for the following joint arrangements: National Petroleum Refiners of South Africa (Natref) and Sasol Petroleum Temane in Mozambique. Quantitative performance data is not included for those operations where we do not have operational control or management control, for example ORYX GTL in Qatar and Sasol-Huntsman in Germany. All data is collected by the individual operations and reported on a monthly basis to the Sasol group Risk and SHE Function using a common database, and in accordance with the group sustainable development reporting standard. Data is collected and processed by the Operating Model Entities using the best available methodologies and techniques for measurement, calculation and analysis. The years referred to relate to Sasol's financial reporting period (i.e. 2016 relates to the period from 1 July 2015 to 30 June 2016).

Although every effort has been taken to ensure the accuracy of the data, we recognise that some data may be subject to uncertainty relating, for example, to different interpretations of the internal reporting guidelines, and possible human error in recording and submitting the data.

The improvement of data quality and accuracy is receiving ongoing attention in accordance with the recommendation of our external assurance provider. At the beginning of the year, we implemented a Global Data Management System (SAP Sustainability Performance Management (SuPM)), for key non-financial performance indicators. This system is aimed at ensuring the appropriate governance of the data collection process and to assist in the assurance of the data collected. It also provides for the appropriate approval of data at source level.

In addition, we have completed retraining on group procedures and key performance indicator definitions. The Senior Vice Presidents and Executive SHE committee have commenced with regular discussions on reporting process effectiveness and data quality issues. We have formalised an internal review process of group-wide SHE&SD data and have initiated a Technical Working Group to address SHE&SD data issues. Selected SHE&SD data have been integrated into the scope of second party audits; Sasol Assurance Services (SAS) have completed audits on non-financial, non-SHE sustainability data, and PricewaterhouseCoopers (PwC) has completed an annual external SHE&SD assurance. SAS also provides an overall assessment of the adequacy and effectiveness of the combined assurance landscape related to data integrity. In parallel, the Sasol SOX governance team reviewed and are implementing controls and testing to this reporting process.

The Sasol SHE assurance sub-function manages the external certification process for our operations. These include the International Organisation for Standardisation (ISO) 14001 and Occupational Health and Safety Assessment Series (OHSAS) 18001 certification, SHE regulatory compliance audits and third Party Responsible Care® verification audits. All our OMEs requiring ISO 14001 and OHSAS 18001 certification have achieved certification, while most of our German operations are Eco Management and Audit Scheme (EMAS) validated. A number of North American operations are Responsible Care ISO 14001 (RC14001) certified.

Our sustainability reporting follows the GRI's G4 Sustainability Reporting Guidelines (Core), including the GRI's Mining & Metals and Oil & Gas sector supplements. We apply the reporting criteria of the United Nations Global Compact (UNGC), and meet the 21 advanced criteria. We provide a detailed GRI table and a UNGC Communication on Progress at [www.sasol.com](http://www.sasol.com), along with a concise review of our contribution to the UN Sustainable Development Goals (SDGs).

## SUPPORTING GLOBAL INITIATIVES

- We play an active role in developing and implementing the global chemical industry's Responsible Care® initiatives, and participate in working groups of the European Chemical Industries Council (CEFIC) and South African Chemical and Allied Industries Association (CAIA).
- We have been a signatory to the United Nations Global Compact (UNGC) since 2001, and in March 2008 we endorsed the UNGC CEO Water Mandate.
- We participate in the Global Product Strategy (GPS) initiative of the International Council of Chemical Associations (ICCA).
- We support the principles of the Extractive Industries Transparency Initiative (EITI).
- We participate in the annual climate change and water disclosures of the CDP.
- A member of the National Business Initiative (NBI).

## Human capital – Our people

	2016	2015	2014	2013	2012
Employee numbers <sup>1</sup>	<b>30 100</b>	30 919	33 049	34 629	34 916
Employee turnover	<b>2 624</b>	3 494	1 826	1 807	1 136
<b>Safety</b>					
Recordable Case Rate	<b>0,29</b>	0,32	0,36	0,33	0,37
Employee and service provider fatalities	<b>2</b>	1	5	5	4
Employee and service provider fatal injury frequency rate	<b>0,002</b>	0,001	0,004	0,005	0,003
Significant fires, explosions and releases <sup>3</sup>	<b>19</b>	27	30	43	42
Significant transport incidents <sup>4</sup>	<b>14</b>	20	29	29	36
Total number of first aid cases	<b>695</b>	582	641	926	961
Total number of person hours worked (million)	<b>170,1</b>	178,35	213,97	229,19	222,91
<b>Occupational illness<sup>5</sup></b>					
Noise-induced hearing loss	<b>35</b>	31	23	15	23
Lung illnesses	<b>48</b>	69	78	60	59
Asbestosis	<b>1</b>	0	0	1	1
Tuberculosis <sup>6</sup>	<b>26</b>	37	36	32	30
Mesothelioma	<b>0</b>	0	0	0	0
Pneumoconiosis	<b>9</b>	14	21	21	20
Other lung illness	<b>12</b>	18	21	6	8
Other	<b>0</b>	0	2	1	1
<b>Skills development<sup>7</sup></b>					
Investment in employee learning <sup>7</sup> (R million)	<b>678</b>	692	901	898	819
Investment in learning as a % of payroll	<b>4,1</b>	4,8	6,2	6,4	6,7
Investment in black employees <sup>8</sup> (R million)	<b>399</b>	510	653	625	537
Development interventions	<b>94 208</b>	154 793	230 523	230 871	137 703
Investment in bursary scheme (R million) <sup>9</sup>	<b>49,22</b>	40,3	47,0	54,7	38,2
Undergraduate and postgraduate bursars	<b>369</b>	440	577	719	585
Employees currently on a chartered accountant training programme	<b>5</b>	13	16	19	20
Investment in South African universities (R million)	<b>15</b>	15,7	15	25	25
Technical personnel in global venture support programme	<b>0</b>	0	103	327	466
Number of employees receiving leadership training	<b>1 197</b>	2 872	9 191	5 732	5 281

NR Not reported.

- Global Headcount (HC) refers to employees that are assigned to approved Sasol organisational structure Staff Establishment positions, including permanent and non-permanent structures (project positions, NPE positions) as well as individuals that exist outside of formally approved Sasol organisational structures (VER/VR, interim positions). These actual headcount figures are not tracked by group Organisational Design (OD), however, the principles defined below are aligned to those used by OD for Staff Establishment measurement and reporting. Global Headcount includes permanent and non-permanent employees and the group's share of employees within joint operations, but excludes contractors/service providers, bursary holders, non-executive directors, equity accounted joint ventures and associates' employees as per the relevant regional payroll system.
- The Recordable Case Rate (RCR) is a measure for reporting work-related injuries. The RCR is the number of fatalities, lost workdays cases, restricted work injuries and medical treatment cases for every 200 000 employee hours worked. From 2006 onwards, our RCR includes both employees and service providers.
- A fire, explosion or release (FER) incident is registered as 'significant' when it meets any of the following criteria: (i) it involves a fatality or lost workday case; (ii) it results in damage of more than US\$25 000; or (iii) it causes a release in excess of the relevant threshold quantity for that chemical as defined by the Centre for Chemical and Process Safety (CCPS).
- Transportation incidents are the significant incidents which occur during the road, land and marine transportation of our product.
- Illnesses are recorded as work-related as a precautionary measure. The various evaluation authorities may subsequently classify them as not work-related, in which instance they are removed from the records. In addition, service provider illnesses have been recorded.
- Tuberculosis (TB) is by and large not work-related. For mineworkers it is reportable to the authorities as a 'medical monitoring illness'. HIV/Aids increases the risk of contracting TB and the majority of TB patients are HIV positive.
- Investment in employee learning excludes the compulsory 1% skills levy.
- Black employees refers to African, Coloured and Indian people – for the purposes of South African employment equity considerations.
- Investment in bursaries for the first time include bursaries for our international operations with operational costs excluded.
- Investment in skills development further reduced during 2016 as a result of the Response Plan, but will be ramped up again in following years.

## Social capital – Society

	2016 Rm	2015 Rm	2014 Rm	2013 Rm	2012 Rm
Turnover	172 942	185 266	202 683	169 891	159 114
Dividends paid to shareholders	10 680	12 739	13 248	10 787	9 600
Employees	26 372	24 370	30 747	24 033	19 662
Providers of debt (interest paid)	4 593	3 348	2 455	2 108	1 833
Governments-direct taxes	8 332	8 830	12 929	11 337	10 120
<b>Broad-Based Black Economic Empowerment (B-BBEE)</b>	<b>2016</b>	2015	2014	2013	2012
B-BBEE verification certificate*	Level 8	Level 4	Level 3	Level 4	Level 4
Preferential procurement (score out of 25)**	12,4	18,6	18,7	17,9	14,5
Preferential procurement (R billion) from all suppliers***	17,8	36,9	33,4	28,6	20,5

\* In 2016, in terms of the Department of Trade and Industry's revised Codes of Good Practice, our B-BBEE contributor status declined to level 8 from level 4. We view B-BBEE in South Africa as a business imperative and have embarked on a project to realise over time the goals envisaged by the revised codes.

\*\* Score changed in 2016 to 25 as a result of the new code, previous years it was out of 20. The new qualification methodology pertaining to the B-BBEE recognition level contributed to the lower score during 2016. Specific strategies and action plans have been implemented to assist Sasol in achieving a level 4 status by 2020.

\*\*\* The decrease in preferential procurement numbers stems from the lower Contribution Levels and only measuring certificates based on the new B-BBEE codes, so Sasol are not measuring suppliers with old certificates. This figure will increase as new certificates are being submitted which is also supported by a dedicated initiative to support the B-BBEE codes requirements.

## Natural capital – The environment

	2016	2015 <sup>a</sup>	2014 <sup>b</sup>	2013 <sup>c</sup>	2012	Level of assurance
<b>Production performance</b>						
Total production (External Sales) (kilotons)	18 806	19 490*	22 050	23 696	25 302	Limited
<b>Greenhouse gases (GHG)<sup>1</sup> (kilotons)</b>						
Direct methane (CH <sub>4</sub> )	119	117	120	118	114	Limited
Nitrous Oxide (N <sub>2</sub> O)	0,45	0,77	0,89	0,61	0,81	Limited
Direct carbon dioxide (CO <sub>2</sub> ) Scope 1	58 329	58 786	60 530	60 942	59 126	Limited
Indirect carbon dioxide (CO <sub>2</sub> ) Scope 2	8 046	8 065	8 726	9 012	9 777	Limited
Indirect carbon dioxide (CO <sub>2</sub> ) Scope 3	0,52	0,75	0,76	412	719	Limited
<b>Total greenhouse gas (CO<sub>2</sub> equivalent)</b>	<b>69 250</b>	69 772	72 275	73 053	72 278	Limited
<b>GHG intensity (CO<sub>2</sub> equivalent/ton product)</b>	<b>3,68</b>	3,58*	3,28	2,98	2,83	Limited
<b>Atmospheric emissions (kilotons)</b>						
Nitrogen oxides (NO <sub>x</sub> )	156	157	159	158	155	
Sulphur oxides (SO <sub>x</sub> )	223	208	223	215	202	
VOC indicator of performance	46,2	46,5	47,6	47,5	47,2	
Particulates (fly ash) <sup>2</sup>	9,8	11,7	19,3	17,5	-	
<b>Waste (kilotons)<sup>2</sup></b>						
Hazardous waste	323	320	382	303	116	
Non-hazardous waste	175	162	189	262	264	
Total waste	498	482	571	1 032	1 318	
Recycled waste	70	76	89	546	937	
<b>Energy use (thousand gigajoules)<sup>4</sup></b>						
Electricity (purchased)	28 810	28 747	31 337	31 423	34 441	
Feedstock to electricity (self-generated)	33 367	30 350	48 490	38 691	30 944	
Feedstock to steam	271 416	280 383	276 703	281 309	276 426	
Mobile fuel use	346	609	671	859	736	
Stationary fuel use	3,3	35	4	NR	NR	
Fuel gas	66 261	61 786	57 230	68 828	69 017	
Other energy use	12 770	11 928	10 821	6 691	7 739	
Total energy use	412 973	413 838	425 257	427 801	419 294	

\* Total production (external sales) restated for 2015 due to further refinement in the methodology and its alignment with the new operating model, reduced from 20 855 kilotons. This has a direct effect on the GHG intensity also restated for 2015.

a All data from ORYX GTL excluded as they report separately.

b All data from Sasol Solvents Germany excluded due to the sale of the operations.

c All data from our operations in Iran excluded due to the sale of the operations.

## Natural capital – The environment (continued)

	2016	2015	2014	2013	2012	Level of Assurance*
<b>Material use (kiloton)<sup>5</sup></b>						
Coal (dry ash-free basis)	17 963	17 674	17 556	17 896	17 040	
Crude oil processed (kilotons)	4 529	4 457	4 133	3 392	5 492	
Crude oil processed (mm bbl)	33,44	32,90	30,51	25,05	40,54	
Nitrogen from air <sup>6</sup>	528	718	1 356	3 527	409	
Oxygen from air	12 747	12 711	14 907	15 017	14 064	
Natural gas (kilotons) <sup>7</sup>	2 099	2 800	3 949	3 616	4 031	
Natural gas (bscf)	101,35	135,20	190,69	174,61	194,64	
Other (eg chemicals, feedstock)	5 841	5 136	6 357	6 892	7 673	
Total material use	43 708	43 496	48 259	50 340	50 751	
<b>Water (thousand cubic meters)</b>						
Total water use	138 622	135 458	149 552	147 001	148 372	
Liquid effluent	27 544	28 573	35 833	33 307	34 122	
Water recycled <sup>8</sup>	174 704	196 682	186 751	145 466	142 754	
<b>Land and biodiversity (hectares)<sup>9</sup></b>						
Surface area affected by operations	6 820	6 629	5 245	4 518	2 671	
Area dedicated to conservation	2 773	5 333	5 335	2 324	3 046	
<b>Land use and mining (hectare)</b>						
Surface mining area <sup>10</sup>	0	1 284	1 284	1 284	1 284	
<b>Underground mining area</b>	44 149	45 796	44 897	43 421	46 004	
Total area disturbed <sup>11</sup>	44 149	47 080	46 181	47 786	50 373	
<b>Legal compliance<sup>12</sup></b>						
Fines, penalties and settlements (number)	0	0	0	7	3	
Fines, penalties and settlements (US\$m)	0	0	0	0,04	0,06	

\* Assurance refers to the 2016 parameters independently verified by the external assurance provider in 2016, in accordance with the statement on page 23. A description of the level of assurance is provided in the independent assurance statement on page 23.

NR: Not reported

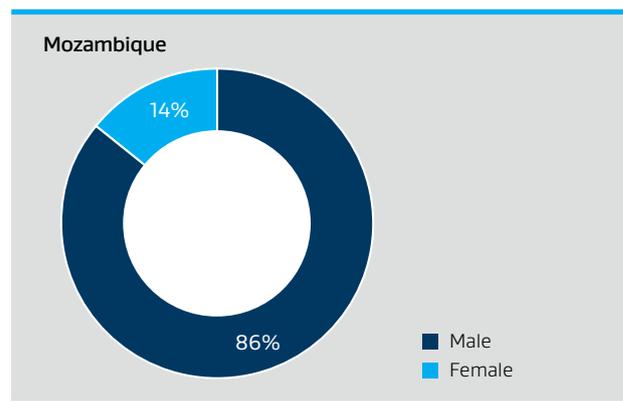
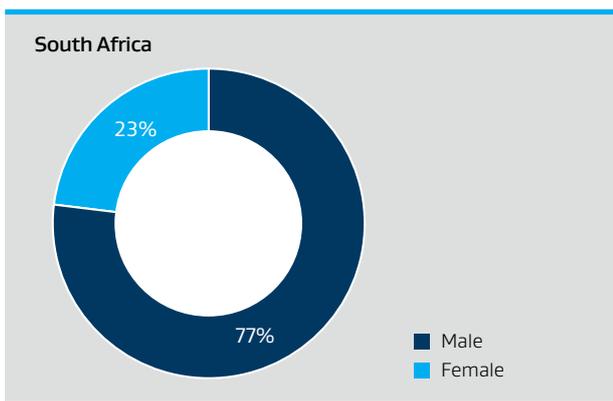
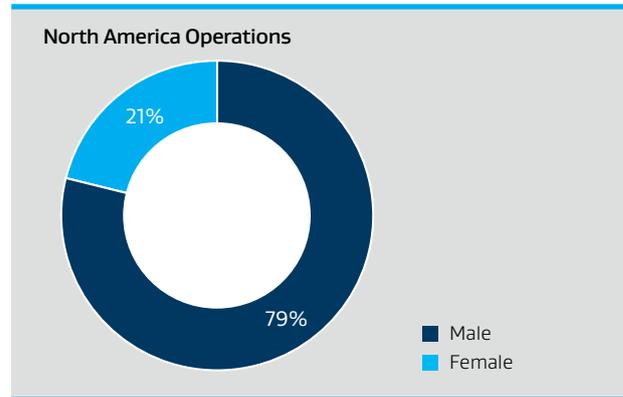
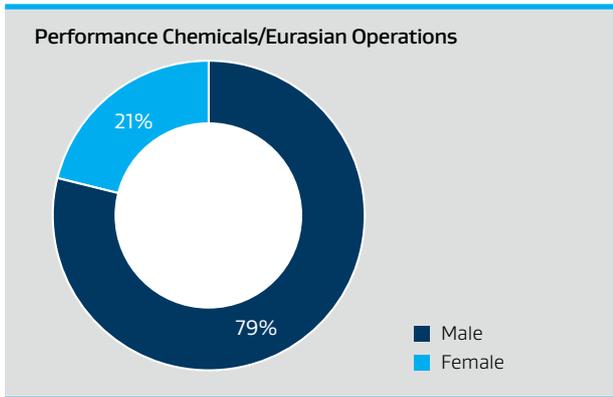
- Greenhouse gas (GHG) emissions have been calculated and reported in accordance with the GHG Protocol ([www.ghgprotocol.org](http://www.ghgprotocol.org)) and the Intergovernmental Panel on Climate Change (IPCC) 2006 Guidelines. In our GHG measurements, we have included 100% of the emissions for the following joint ventures (JVs): Natref in South Africa and Sasol Exploration & Production International. Data for those JVs where we do not have a significant influence or operational control is not included. An external assurance provider has once again independently verified our direct and indirect emissions levels.
- Fly ash reduced due to a stricter control and operating philosophy.
- Waste: the definitions of waste vary widely around the world. For reporting purposes, we use the applicable definitions of regulatory authorities. In situations with insufficient guidance from legislation, the definitions of hazardous waste are reported if it is (i) removed from the premises for disposal and/or treatment, or (ii) disposed of on-site (e.g. by landfill). These figures exclude coarse ash from gasification and fly ash from boilers. Non-hazardous waste is waste which requires disposal on a general waste landfill site. Recycled waste is materials left over from manufacturing or consumption, which may be reused or recycled. Hazardous and non-hazardous waste figures have included recycled waste figures since 2013. The data reported in this report has been corrected historically using the revised calculation. The reporting on total waste generated by Sasol operations has been revised to exclude the reuse of legacy coal ash which explains the significant decrease in total waste recycled from 546 kt in 2013 to 89 kt in 2014.
- Energy use: all energy use data are calculated at the standard measurement unit in gigajoules (GJ) to ensure standard calculation the group.
- Material use: all material data are calculated at the standard measurement unit of kilotons (Kt) to enable calculation of input material across the group.
- Nitrogen from air fluctuated due to many different factors, of which the safemaking of equipment during shutdowns is a major contributor.
- Less natural gas has been used in 2016 due to the major shutdown in Sasolburg, requiring less gas for production.
- The change is ascribed to a refinement in measuring and reporting on this metric.
- Managing land use and biodiversity: we do not have operations in areas that have been declared biodiversity hotspots (areas identified as being critical or endangered eco-regions). However, we do have interests in areas of potential sensitivity, particularly as part of some of our upstream exploration and extraction activities. In accordance with our environmental management practices, the protection of biodiversity issues is addressed formally in new projects through environmental impact assessments (EIAs) and in existing projects through environmental management plans and/or programmes (EMPs). We are also working to assess the biodiversity of the habitats in land currently owned, leased or managed throughout the group.
- Surface mining area reduced to zero as strip mining has ceased. All previous surface mine areas have now been rehabilitated.
- Note that the measurement criteria applied to this KPI was changed from the FY15 criteria, pillars are now excluded from the calculation. Previous years have not been restated.
- Legal compliance: the figure includes significant fines and penalties for non-compliance with all applicable international, regional, national and local laws and regulations associated with safety, health and environmental issues. Payments include fines due to non-compliance with laws, regulations and permits, compensation payments and regular proactive payments made as a result of non-compliance with regulations where there is a potential for any enforcement action. The payments do not include levies, or costs for lawyers and product liabilities. For more information on competition matters, please refer to the Annual Financial Statements.

## Carbon footprint calculation: Sasol's sustainability reporting

We calculated the CO<sub>2</sub> emissions associated with the business travel of the consultants who assisted Sasol in compiling this report and auditing the data. Using the World Resources Institute's SafeClimate carbon footprint calculator, this amounted to 2,5 tons of CO<sub>2</sub> equivalent.

## Our 2016 employee diversity performance

The following graphs indicate our gender diversity across the areas in which we operate.



Investing in our people

Promoting sustainability

## Workforce diversity profile<sup>1</sup> for our South African operations (as at 30 June 2016)

Percentage	Male								Female								Foreign Nationals <sup>3</sup>				Total employees in category		
	A		C		I		W		A		C		I		W		Male		Female				
	2016	2015	2016	2015	2016	2015	2016	2015	2016	2015	2016	2015	2016	2015	2016	2015	2016	2015	2016	2015	2016	2015	
Top management	6	5	1	1	2	2	20	22	2	2	1	1	1	1	1	1	1	1	1	0	0	35	36
Senior management	108	112	18	22	106	106	532	597	35	33	10	11	36	35	116	116	16	17	2	3	979	1 052	
Middle management	895	898	116	101	287	306	1 550	1 622	466	428	68	68	227	233	718	758	64	67	19	18	4 410	4 499	
Junior management	4 906	4 107	245	231	299	282	3 499	3 529	1 276	1 031	164	145	152	152	1 221	1 257	51	64	13	18	11 826	10 816	
Semi-skilled	6 222	7 177	93	102	58	63	745	839	1 101	1 188	51	45	10	19	172	186	208	289	2	5	8 662	9 913	
Defined decision	645	708	12	9	3	3	103	113	231	239	5	5	0	0	12	17	10	19	1	0	1 022	1 113	
<b>Total permanent employees<sup>2</sup></b>	<b>12 782</b>	<b>13 007</b>	<b>485</b>	<b>466</b>	<b>755</b>	<b>762</b>	<b>6 449</b>	<b>6 722</b>	<b>3 111</b>	<b>2 921</b>	<b>299</b>	<b>275</b>	<b>426</b>	<b>440</b>	<b>2 240</b>	<b>2 335</b>	<b>350</b>	<b>457</b>	<b>37</b>	<b>44</b>	<b>26 934</b>	<b>27 429</b>	
Non-permanent	10	217	0	2	0	0	17	27	7	54	4	1	2	0	24	3	0	2	0	0	64	306	
<b>Total including non-permanent employees</b>	<b>12 792</b>	<b>13 224</b>	<b>485</b>	<b>468</b>	<b>755</b>	<b>762</b>	<b>6 466</b>	<b>6 749</b>	<b>3 118</b>	<b>2 975</b>	<b>303</b>	<b>276</b>	<b>428</b>	<b>440</b>	<b>2 264</b>	<b>2 338</b>	<b>350</b>	<b>459</b>	<b>37</b>	<b>44</b>	<b>26 998</b>	<b>27 735</b>	

A – African, C – Coloured, I – Indian, W – White.

<sup>1</sup> Workforce Diversity profile as per the South African Department of Labour Guidelines.

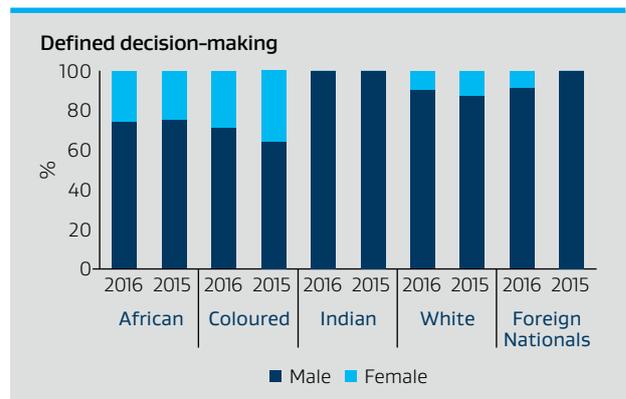
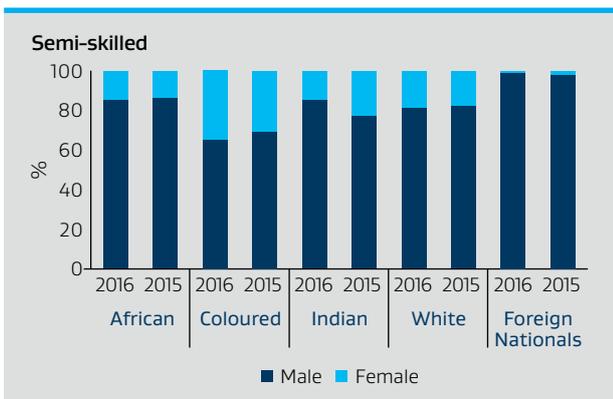
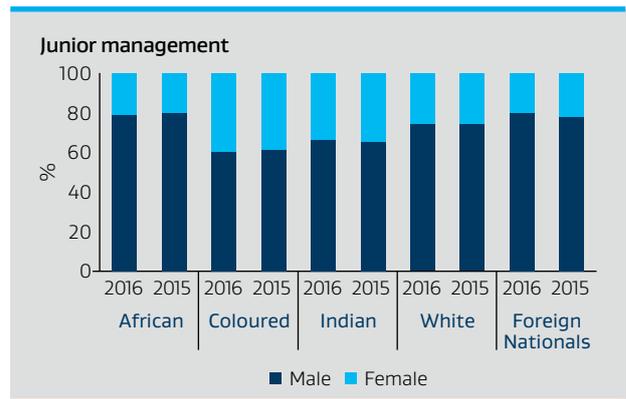
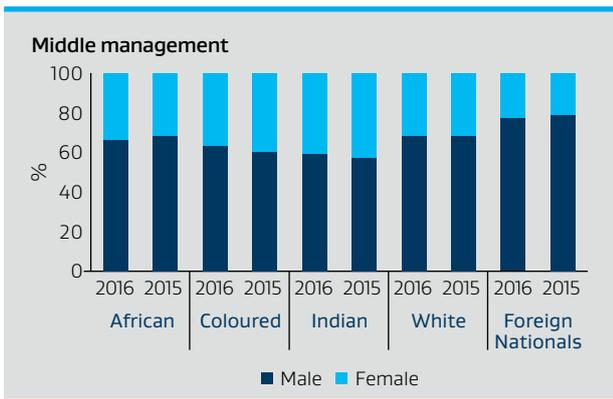
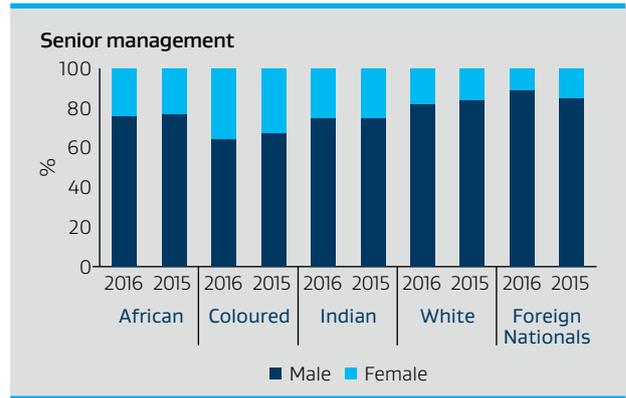
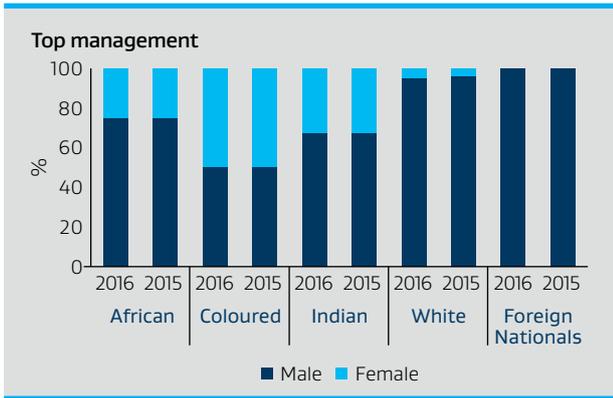
<sup>2</sup> Non-permanent employees employed for more than three months are counted as permanent employees.

<sup>3</sup> Foreign nationals are employees employed in South Africa that are not South African citizens.

Managing environmental and regulatory challenges

Data and assurance

## Our 2016 employee diversity performance (continued)



\* Foreign nationals are employees employed in South Africa who are not South African citizens.

# INDEPENDENT ASSURANCE REPORT TO THE DIRECTORS OF SASOL LIMITED

We have been engaged by the directors of Sasol Limited (the 'Company') to perform an independent limited assurance engagement in respect of Selected Sustainability Information reported in the company's Integrated Report for the year ending 30 June 2016 (the 'Report'). This report is produced in accordance with the terms of our contract with the company dated 25 January 2016.

## Independence, quality control and expertise

We have complied with the independence and other ethical requirements of the Code of Professional Conduct for Registered Auditors issued by the Independent Regulatory Board for Auditors (IRBA Code), which is founded on fundamental principles of integrity, objectivity, professional competence and due care, confidentiality and professional behaviour. The IRBA Code is consistent with the International Ethics Standards Board for Accountants Code of Ethics for Professional Accountants (Part A and B).

The firm applies International Standard on Quality Control 1 and, accordingly, maintains a comprehensive system of quality control including documented policies and procedures regarding compliance with ethical requirements, professional standards and applicable legal and regulatory requirements.

Our engagement was conducted by a multi-disciplinary team of environmental and assurance specialists with extensive experience in sustainability reporting.

## Scope and subject matter

The subject matter of our engagement and the related level of assurance that we are required to provide are as follows:

### Limited assurance

The following Selected Sustainability Information in the Report was selected for an expression of limited assurance:

- Production: total external sales (kiloton) (page 19)
- Total Greenhouse Gases (GHG) (tCO<sub>2</sub>e) (page 19)
- Total Scope 1: direct GHG emissions (kiloton) (page 19)
- Total Scope 2: electricity indirect GHG emissions (kiloton) (page 19)
- Total methane (CH<sub>4</sub>) (kiloton) (page 19)
- Total direct nitrous oxide (N<sub>2</sub>O) (kiloton) (page 19)
- GHG intensity rate (page 19)

We have carried out work on the data reported for the year ended 30 June 2016 only and have not performed any procedures with respect to earlier periods, except where specifically indicated, or any other elements included in the 30 June 2016 Integrated Report and, therefore, do not express any conclusion thereon. We have not performed work in respect of future projections and targets.

## Respective responsibilities of the directors and PricewaterhouseCoopers Inc.

Sasol's directors are responsible for delegating to management, and overseeing and approving, the selection, preparation and presentation of the Selected Sustainability Information in accordance with the criteria set out in the Company's Group Procedure for sustainable development reporting definitions set out on the corporate website [www.sasol.com](http://www.sasol.com) referred to as the "Reporting Criteria". Sasol's directors are also responsible for delegating to management, and overseeing, the designing, implementing and maintaining internal controls as the directors determine is necessary to enable the preparation of the Selected Sustainability Information that are free from material misstatements, whether due to fraud or error. Management provides regular reports to the directors at the Risk & SHE Committee on progress and areas of concern. The directors obtain external assurance on certain Selected Sustainability Information which is reported on at the Risk & SHE Committee.

Our responsibility is to form an independent conclusion, based on our limited assurance procedures, on whether anything has come to our attention to indicate that Selected Sustainability Information has not been prepared, in all material respects, in accordance with the Reporting Criteria.

This report, including the conclusion, has been prepared solely for the directors of the company as a body, to assist the directors in reporting on the company's sustainable development performance and activities. We permit the disclosure of this report within the Report for the year ended 30 June 2016, to enable the directors to demonstrate they have discharged their governance responsibilities by commissioning an independent assurance report in connection with the Report. To the fullest extent permitted by law, we do not accept or assume responsibility to anyone other than the directors as a body and the Company for our work or this report save where terms are expressly agreed and with our prior consent in writing.

## Assurance work performed

We conducted our limited assurance engagement in accordance with International Standard on Assurance Engagements (ISAE) 3000 (Revised): Assurance Engagements other than Audits and Reviews of Historical Financial Information, and, in respect of greenhouse gas emissions, International Standard on Assurance Engagements (ISAE) 3410: Assurance Engagements on Greenhouse Gas Statements, issued by the International Auditing and Assurance Standards Board. These standards require that we comply with ethical requirements and that we plan and perform the assurance engagement to obtain limited assurance on the Selected Sustainability Information as per the terms of our engagement.

Our work included examination, on a test basis, of evidence relevant to the Selected Sustainability Information. It also included an assessment of the significant estimates and judgements made by the directors in the preparation of the Selected Sustainability Information. We planned and performed our work so as to obtain all the information and explanations that we considered necessary in order to provide us with sufficient evidence on which to base our conclusion in respect of the Selected Sustainability Information.

### **Our limited assurance procedures primarily comprised:**

- Reviewing the processes that Sasol Limited have in place for determining the Selected Sustainability Information included in the Report;
- Obtaining an understanding of the systems used to generate, aggregate and report the Selected Sustainability Information;
- Conducting interviews with management at head office and selected operations;
- Evaluating the data generation and reporting processes against the Reporting Criteria;
- Performing key controls testing and testing of accuracy of data report on a sample basis at head office and the selected operations for the Selected Sustainability Information; and
- Reviewing the consistency between the Selected Sustainability Information and related disclosures in the Report.

A limited assurance engagement is substantially less in scope than a reasonable assurance engagement under ISAE 3000 (Revised). Consequently, the nature, timing and extent of procedures for gathering sufficient appropriate evidence are deliberately limited relative to a reasonable assurance engagement, and therefore less assurance is obtained with a limited assurance engagement than for a reasonable assurance engagement. The procedures selected depend on our judgement, including the assessment of the risk of material misstatement of the Selected Sustainability Information, whether due to fraud or error. In making those risk assessments, we consider internal control relevant to the company's preparation of the Selected Sustainability Information in order to design procedures that are appropriate in the circumstances.

We believe that the evidence we have obtained is sufficient and appropriate to provide a basis for our conclusion.

### **Inherent limitations**

Non-financial performance information is subject to more inherent limitations than financial information, given the characteristics of the subject matter and the methods used for determining, calculating, sampling and estimating such information. The absence of a significant body of established practice on which to draw allows for the selection of different but acceptable measurement techniques which can result in materially different measurements and can impact comparability. Qualitative interpretations of relevance, materiality and the accuracy of data are subject to individual assumptions and judgements. The precision of different measurement techniques may also vary. Furthermore, the nature and methods used to determine such information, as well as the measurement criteria and the precision thereof, may change over time. It is important to read the Report in the context of the company's group Procedure for sustainable development reporting definitions set out on the corporate website.

In particular, where the information relies on carbon emissions conversion factors derived by independent third parties, or internal laboratory results, our assurance work has not included examination of the derivation of those factors and other third party or laboratory information.

### **Conclusion**

Based on the results of our limited assurance procedures nothing has come to our attention that causes us to believe that the Selected Sustainability Information for the year ended 30 June 2016, has not been prepared, in all material respects, in accordance with the Reporting Criteria.

### **Other matters**

The maintenance and integrity of the Sasol corporate website is the responsibility of Sasol Directors. Our procedures did not involve consideration of these matters and, accordingly, we accept no responsibility for any changes to either the information in the Report or our independent assurance report that may have occurred since the initial date of presentation on the Sasol website.



PricewaterhouseCoopers Inc.

**Director: Jayne Mammatt**

*Registered Auditor*

Johannesburg

27 September 2016



