

W0. Introduction

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W0.1

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**(W0.1) Give a general description of and introduction to your organization.**

Sasol is an international integrated chemicals and energy company that is proudly rooted in our South African heritage. Our South African operations include a coal-to-liquids and chemicals facility, gas-to-chemicals facility and refining capacity that is vertically integrated to a retail liquid fuels network. We also supply fuels to other licensed wholesalers in the region. Sasol also has chemical manufacturing and marketing operations in South Africa, Europe, the Middle East, Asia and the Americas.

A significant part of our operations requires the use of large volumes of water. Maintaining water supply to our operations needs to be viewed against the backdrop of drought conditions periodically occurring in several regions of South Africa. Sasol engages actively with a collaborative approach on sustainability issues via various fora. Particularly relevant to water is our endorsement of the United Nations Global Compact CEO Water Mandate, since March 2008, and our membership in the Strategic Water Partners Network (SWPN). In the reporting year, we applied the United Nations Global Compact CEO Water Mandate's six focus areas to assist us in responding to water risks; and reporting comprehensively on our progress. One of the focus areas of the CEO Water Mandate is to assist companies in contributing to Goal 6 of the 2030 SDGs.

In the year, Sasol embedded sustainability at the core of its strategy by prioritising four sustainability focus areas and four relevant Sustainable Development Goals (SDGs). Sasol is committed to improving our water use efficiency and pollution prevention initiatives whilst partnering with host governments to resolve water related challenges.

In assessing Sasol's responses to this questionnaire, it is important to note that Sasol's primary disclosure and communication of its official position on material matters, including water management, is through its annual suite of reporting publications which can be accessed on the following website [www.sasol.com](http://www.sasol.com). For more information on Sasol's water related risks, see our Form 20F disclosure on [www.sasol.com](http://www.sasol.com). These documents already cover water considerations and their impact on Sasol's business operations and strategy, and the related risk management and governance processes in a holistic way, providing a more detailed description than that provided within this questionnaire. In this regard, the prompts in this questionnaire, in particular the risk identifiers, time horizons, likelihood and magnitude of impacts, differ in some respects from our own internal approach. Thus, we have used best efforts in responding to the questions contained within this document by aligning with our own internal approach. For instance, in this questionnaire we have provided a view on the potential financial impacts regarding water issues on Sasol in alignment with the application of our own enterprise risk management framework.

Lastly, it is important to note that we are continuously refining our water risk management and response approach through detailed scenario analysis to inform robustness testing of our strategy and appropriate mitigation and adaptation responses. Our CDP data reporting is on a timeline that corresponds with our previous financial reporting year because the submission date of the CDP is usually before our current financial year end and auditing cycle. If the CDP submission continues to be later than 31 July, we will endeavour to align our reporting timelines for future submissions.

W-CH0.1a

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**(W-CH0.1a) Which activities in the chemical sector does your organization engage in?**

- Bulk inorganic chemicals
- Specialty organic chemicals
- Specialty inorganic chemicals

W-OG0.1a

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**(W-OG0.1a) Which business divisions in the oil & gas sector apply to your organization?**

- Upstream
- Midstream/Downstream
- Chemicals

W0.2

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**(W0.2) State the start and end date of the year for which you are reporting data.**

	Start date	End date
Reporting year	July 1 2020	June 30 2021

W0.3

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**(W0.3) Select the countries/areas in which you operate.**

- China
- Germany
- Italy
- Mozambique
- South Africa
- United States of America

**W0.4**

**(W0.4) Select the currency used for all financial information disclosed throughout your response.**

ZAR

**W0.5**

**(W0.5) Select the option that best describes the reporting boundary for companies, entities, or groups for which water impacts on your business are being reported.**

Companies, entities or groups over which financial control is exercised

**W0.6**

**(W0.6) Within this boundary, are there any geographies, facilities, water aspects, or other exclusions from your disclosure?**

No

**W0.7**

**(W0.7) Does your organization have an ISIN code or another unique identifier (e.g., Ticker, CUSIP, etc.)?**

Indicate whether you are able to provide a unique identifier for your organization.	Provide your unique identifier
Yes, an ISIN code	ZAE000006896

**W1. Current state**

**W1.1**

**(W1.1) Rate the importance (current and future) of water quality and water quantity to the success of your business.**

	Direct use importance rating	Indirect use importance rating	Please explain
Sufficient amounts of good quality freshwater available for use	Vital	Vital	DIRECT: Sasol primarily uses good quality water to generate steam and cool processes, both of which are essential to run operations. Thus, water is considered a vital input for our operations. INDIRECT: Sasol also has an extensive value chain reaching into, for example, urban settlements (fuels and chemicals) and agriculture sectors where linkages to water availability and water quality are important considerations. Our South African operations use over 80% of Sasol's total water demand which is sourced from the Integrated Vaal River System (IVRS). The electricity utility Eskom, which supplies a portion of the required electricity to Sasol's South African operations, is also reliant on the IVRS for water and is a critical supply chain partner. Thus, an insufficient supply of water would pose a risk to our operational continuity. Sasol therefore also views the indirect use of water for our supply chain partners as a vital consideration. FUTURE: Due to the quality of the water supplied from IVRS continuing to be highly variable and progressively to be of a poor quality, it is projected that our direct water demand (specifically for Sasol Secunda Operations) will grow in the oncoming years. Indirect water use for urban use is expected to grow, however, water for electricity use is expected to decrease with increase in renewable energy opportunities.
Sufficient amounts of recycled, brackish and/or produced water available for use	Vital	Important	DIRECT: Sasol's Fischer Tropsch (FT) process generates significant quantities of process water as a by-product of the production process. This water is upgraded and recycled back into the process as cooling water, thereby reducing Sasol's demand on freshwater withdrawal. This reduces our operating costs associated with water usage, as well as ensures operational continuity. Therefore, we consider this a vital operational input. INDIRECT: In South Africa, there is a large reliance on recycled urban drainage for downstream use. Our South African operations use over 80% of Sasol's global water demand which is sourced from the Integrated Vaal River System (IVRS). In the case of the IVRS, the management of urban return flows (from both a quality and quantity perspective) affects the water security of all water users in the catchment. Accordingly, indirect recycled/brackish/produced water remains an important consideration in Sasol's water value chain. FUTURE: Sasol continues to investigate new technologies to improve recycling efficiencies and identify opportunities to recycle effluents. We envisage the amounts of direct recycled water to increase specifically at our Secunda Operations (SO) as potential future recycling investments are estimated to offset a further 6 ML/day of river water use (SO uses in the order of 240 ML/day of river water). In support of advancing future Indirect use, the greater reuse and recycling of municipal effluent opportunities are being explored which would reduce demand for fresh water from the IVRS.

**W1.2**

**(W1.2) Across all your operations, what proportion of the following water aspects are regularly measured and monitored?**

	% of sites/facilities/operations	Please explain
Water withdrawals – total volumes	100%	Water withdrawals are measured from all sites globally and is reported on as part of our sustainability performance management (SuPM) process. FREQUENCY: Water withdrawal readings are taken daily and reported monthly on our internal reporting system (SuPM). MEASUREMENT: Calibrated meters are used to measure water withdrawal volumes.
Water withdrawals – volumes by source	100%	Sasol water withdrawals are as follows: - River Water – 73,39% - Potable Water – 9,02% - Desalinated Water – 1,51% - Produced Water – 6,68% - Other Water – 9,40% FREQUENCY: Water withdrawal readings are taken daily and reported monthly on our internal reporting system (SuPM). MEASUREMENT: Calibrated meters are used to measure water withdrawal volumes.
Entrained water associated with your metals & mining sector activities - total volumes [only metals and mining sector]	<Not Applicable>	<Not Applicable>
Produced water associated with your oil & gas sector activities - total volumes [only oil and gas sector]	100%	Produced water is only generated by our Sasol Secunda Operations which falls within the Oil and Gas sector. FREQUENCY: Water withdrawal readings are taken daily and reported monthly on our internal reporting system (SuPM). MEASUREMENT: Calibrated meters are used to measure water withdrawal volumes.
Water withdrawals quality	100%	Water quality is critical to our operations. The quality of water withdrawn is continuously analysed. A deteriorating quality results in increased demand for water, increased treatment costs and additional salt handling burden. FREQUENCY: Water withdrawal readings are taken daily and reported monthly on our internal reporting system (SuPM). MEASUREMENT: Calibrated meters are used to measure water withdrawal volumes.
Water discharges – total volumes	100%	Compliance to volumes of water discharges is part of an aspect of our water use authorization conditions and is therefore continuously monitored. FREQUENCY: Water discharge readings are taken daily and reported monthly on our internal reporting system (SuPM). MEASUREMENT: Calibrated meters are used to measure water discharge volumes.
Water discharges – volumes by destination	100%	The volumes of water discharged by destination are known because of our water use authorizations. About 63% of the volume discharged is to the river and 37% to water service providers for treatment. FREQUENCY: Water discharge readings are taken daily and reported monthly on our internal reporting system (SuPM). MEASUREMENT: Calibrated meters are used to measure water discharge volumes.
Water discharges – volumes by treatment method	100%	Water discharge volumes are known but not reported by treatment method on SuPM but as a total. FREQUENCY: Water discharge readings are taken daily and reported monthly on our internal reporting system (SuPM). MEASUREMENT: Calibrated meters are used to measure water discharge volumes.
Water discharge quality – by standard effluent parameters	100%	Water discharge quality (standard effluent parameters) is measured and recorded according to our water use license conditions. FREQUENCY: Water discharge readings are taken daily and reported monthly on our internal reporting system (SuPM). MEASUREMENT: Calibrated meters are used to measure water discharge volumes.
Water discharge quality – temperature	100%	Temperature measurements are taken based on our sites water use authorisations. In South Africa, where the bulk of our discharges occur, the regulator specifies that the temperature of the effluent discharged must not exceed 3 degrees centigrade above ambient. In SO's license conditions it is specified that temperature of the effluent discharge should be in the region of 25 to 30 degrees centigrade. For SO they must discharge at ambient temperature. FREQUENCY: Water discharge temperature readings are taken daily but are not reported monthly on our internal reporting system (SuPM). MEASUREMENT: Calibrated temperature meters are used to measure water withdrawal volumes. In South Africa where the bulk of our discharges occur the regulator specifies that the temperature of the effluent discharged must not exceed 3 degrees centigrade above ambient.
Water consumption – total volume	100%	Our water consumption is known and reported monthly on our Sustainable Performance Management program (SuPM). FREQUENCY: Daily readings are taken but reported monthly on SuPM. MEASUREMENT: Measurements are taken using calibrated meters.
Water recycled/reused	100%	SEO reuses treated domestic sewage water in its daily operations. FREQUENCY: Recycled water measurements are taken daily and reported monthly on our internal reporting system (SuPM).
The provision of fully-functioning, safely managed WASH services to all workers	100%	Potable water for domestic purposes is as supplied by the Municipality. We do not make our own or distribute to any party outside of our battery limit. This ensures that Sasol employees have access to good quality drinking water, water for cooking, cleaning and solid waste management systems. Provision of WASH services is also in compliance to the South African Occupational Health and Safety (OSH) Act, applicable to the South African operations. FREQUENCY: Potable water quality is measured on a monthly basis and reported on SuPM. MEASUREMENT: Rand Water provides water quality information and water quality testing is done within our own laboratories as well.

**W1.2b**

**(W1.2b) What are the total volumes of water withdrawn, discharged, and consumed across all your operations, and how do these volumes compare to the previous reporting year?**

	Volume (megaliters/year)	Comparison with previous reporting year	Please explain
Total withdrawals	147947	About the same	CHANGE: Total withdrawals decreased marginally (-3.0%) from previous year which was 152,480 ML/year. The following threshold for comparison was used: < -30% Much lower > -30%, < -10% Lower > -10%, < 10% About the same < 30%, > 10% Higher > 30% Much higher. This increase was attributed to full commissioning of the Lake Charles Chemical Project (LCCP) in the US. FUTURE: Withdrawals are expected to increase with projected increased demand for river water by Secunda Synfuel Operations due to progressively deteriorating feed water quality.
Total discharges	31365	About the same	CHANGE: Total discharge for the previous year was 31,662 ML, resulting in a 0,9% decrease in discharge. FUTURE: Discharges are anticipated to decrease with future recycling and reuse initiatives being planned by SO and SEO.
Total consumption	116582	About the same	CHANGE: Total consumption is 3,5% lower than previous year's consumption of 120,818 ML mainly. FUTURE: It is anticipated that the consumption of river water remains about the same or decrease with SO and SEO looking at setting water reduction targets.

**W-OG1.2c**

**(W-OG1.2c) In your oil & gas sector operations, what are the total volumes of water withdrawn, discharged, and consumed – by business division – and what are the trends compared to the previous reporting year?**

	Volume (megaliters/year)	Comparison with previous reporting year %	Please explain
Total withdrawals - upstream	109	About the same	Change: This is due to our Gas Sourcing Operations (GSO) which experienced a 9% increase in water withdrawal, relative to the previous year. Volumes are insignificant compared to Sasol's Total Withdrawals. Future: We expect the water withdrawals to continue to fluctuate within historic demands.
Total discharges – upstream	12	Much Lower	Change: A 45% decrease in discharge volume was reported compared to the previous year because of process improvements. Future: We expect the water withdrawals to continue to fluctuate within historic demands.
Total consumption – upstream	107	Higher	Change: Total consumption is 39% higher due to increase in withdrawals. Future: Decrease in overall consumption in future due to potential setting of water targets.
Total withdrawals - midstream/downstream	2377	About the same	Change: Natref is regarded as a downstream operation. Slight increase was observed due to increase in production due to lifting of COVID restrictions. Future: In the next year, it is anticipated that Natref will experience an increase in total withdrawals as it is anticipated that it will return to full capacity.
Total discharges – midstream/downstream	1467	About the same	Change: Lower by 3% as a result of reduced production. Future: It is anticipated that Natref will return to full capacity in reporting year FY2022, thus a slight increase in total discharges may be expected.
Total consumption – midstream/downstream	910	Higher	Change: Higher as a result of the COVID restrictions being lifted. Future: It is anticipated that Natref will return to full capacity in reporting year FY2022, thus there might be an increase in total consumption.
Total withdrawals – chemicals	135532	About the same	Change: Decrease by 5% due to the loss of production at LCCP. Future: Increase with full production at LCCP being restored
Total discharges – chemicals	28001	About the same	Change: Decrease by 5% due to the loss of production at LCCP. Future: Increase with full production at LCCP being restored
Total consumption – chemicals	107531	About the same	Change: Decrease by 2% due to the loss of production at LCCP. Future: Increase with full production at LCCP being restored
Total withdrawals – other business division	<Not Applicable>	<Not Applicable>	<Not Applicable>
Total discharges – other business division	<Not Applicable>	<Not Applicable>	<Not Applicable>
Total consumption – other business division	<Not Applicable>	<Not Applicable>	<Not Applicable>

**W1.2d**

**(W1.2d) Indicate whether water is withdrawn from areas with water stress and provide the proportion.**

	Withdrawals are from areas with water stress	% withdrawn from areas with water stress	Comparison with previous reporting year	Identification tool	Please explain
Row 1	Yes	76-99	About the same	WWF Water Risk Filter	DESCRIPTION OF TOOL: Water Security Indicator STRESSED AREA DEFINITION: Stressed area has been defined using the WWF Water Risk Filter, which defines a water stress as the ratio between total freshwater withdrawn in a given year, expressed as a percentage of the total renewable water resources. Sites falling within the category >=25 and <70% are considered high risk water stressed areas and >=70% very high risk water stressed areas. South Africa has been identified as a water scarce country which is in a state of drought. CHANGE: A 4% increase in withdrawals from our South African Operations due to divestment of assets at LCCP.

**W1.2h**

**(W1.2h) Provide total water withdrawal data by source.**

	Relevance	Volume (megaliters/year)	Comparison with previous reporting year	Please explain
Fresh surface water, including rainwater, water from wetlands, rivers, and lakes	Relevant	108560	About the same	RELEVANCE: Sasol Operations in South Africa withdraw significant quantities of fresh surface water. Accordingly, the supply of water is critical (and thus relevant) to achieve operational sustainability. CHANGE: Our fresh surface water withdrawals for 2020 was 115,493 ML/year. The 6% decrease is mainly attributed to divestment of our LCCP assets. FUTURE: Our Freshwater use is projected to increase due to a deterioration in water quality from the IVRS.
Brackish surface water/Seawater	Not relevant	<Not Applicable>	<Not Applicable>	RELEVANCE: None of our operations use brackish surface water/seawater and thus withdrawal of this water source is not applicable. FUTURE: Sea water is anticipated to be used in the future for greenfield Green Hydrogen production.
Groundwater – renewable	Relevant	13899	About the same	RELEVANCE: Some of our operations are in regions where there is no access to river water supply. Therefore, ground water supply becomes the next viable source and is subsequently relevant to Sasol. CHANGE: Our Groundwater withdrawal increased marginally in FY21, relative to FY20, where 13,412 ML was withdrawn. FUTURE: In North America, the use of ground water is expected to remain stable.
Groundwater – non-renewable	Not relevant	<Not Applicable>	<Not Applicable>	RELEVANCE: None of our operations withdraw non-renewable groundwater and thus, withdrawal from this source is not relevant. FUTURE: It is not anticipated that non-renewable groundwater will be used in the future.
Produced/Entrained water	Relevant	9875	About the same	RELEVANCE: The water produced in our operational process enables us to reduce our dependence on freshwater withdrawn from rivers. Therefore, produced water is relevant to Sasol. CHANGE: There was a marginal decrease in produced water due to SO decreasing production due to maintenance challenges. FUTURE: Based on projected trends, it is anticipated that future volumes of produced water will most likely remain the same.
Third party sources	Relevant	15585	About the same	RELEVANCE: Sasol utilizes potable water from municipalities for both industrial and domestic usage. Accordingly, it is relevant to our operations. This includes potable water use and desalinated water for our Eurasian operations (EaO). CHANGE: Potable water sourced from 3rd parties increased in FY21. This is attributed to a deterioration in water quality to our SA operations hence an increase in potable water use. FUTURE: It is anticipated that future water withdrawal from 3rd party sources will increase as a result of projected growth projections for EaO and a deterioration in river water quality for South African Operations.

## W1.2i

(W1.2i) Provide total water discharge data by destination.

	Relevance	Volume (megaliters/year)	Comparison with previous reporting year	Please explain
Fresh surface water	Relevant	20883	About the same	RELEVANCE: Discharge to fresh surface water is regulated and provisional to compliance with our WUL. Thus, surface water discharge is relevant to Sasol. CHANGE: Discharge has marginally increased from 19,934 ML/year in FY20 to 20,883 ML/year in FY21, which is a ~4.5% increase. This is attributed to deteriorating feedwater quality. FUTURE: Projected future trends indicate a decrease in discharge due to the implementation of efficiency measures.
Brackish surface water/seawater	Not relevant	<Not Applicable>	<Not Applicable>	RELEVANCE: Our water use authorisations does not permit any of our operations to discharge into brackish surface water or seawater. Treatment, reuse and recycling of any effluent water ensures that we remain compliant with our WUL. FUTURE: It is anticipated that discharges to seawater will occur in the future due to our Green Hydrogen ambitions.
Groundwater	Not relevant	<Not Applicable>	<Not Applicable>	RELEVANCE: Our water use authorisations do not permit any of our operations to discharge into groundwater. Treatment, reuse and recycling of any effluent water ensures that we remain compliant with our WUL. FUTURE: It is not anticipated that discharges to groundwater will occur in the future.
Third-party destinations	Relevant	8597	Lower	RELEVANCE: Some of our operations discharge into a municipal network for further treatment, hence this discharge destination is relevant to Sasol. CHANGE: Discharges to municipalities decreased to 8,597 ML/year in FY21 compared to 11,728 ML/annum in FY20, which is a ~26.7% decrease. This is attributed to divestment of assets. FUTURE: It is anticipated that future discharge to third party destinations will increase if river water quality continues to deteriorate.

## W1.2j

(W1.2j) Within your direct operations, indicate the highest level(s) to which you treat your discharge.

	Relevance of treatment level to discharge	Volume (megaliters/year)	Comparison of treated volume with previous reporting year	% of your sites/facilities/operations this volume applies to	Please explain
Tertiary treatment	Relevant	20883	About the same	71-80	Relevance: Effluent discharged into the river from Secunda Operations (SO) and Sasolburg Ekundustria Operations (SEO) undergoes tertiary treatment. This is a requirement of our water use authorisation. A volume of 20,883 ML/annum in FY21 was treated. This increased by 5% compared to FY20 due to stormwater management challenges. Current: Disinfection occurs at both SO and SEO before release into the environment. Future: This practice is expected to continue and the conditions for disinfection is expected over time to become more stringent.
Secondary treatment	Relevant	20883	About the same	71-80	Relevance: Effluent from SO and SEO requires secondary treatment as per our water use authorisation before discharge into the natural environment. A volume of 20,883 ML/annum in FY21 was treated. This increase by 5% compared to FY20 due to production challenges. Current: Various water treatment technologies are used onsite for secondary treatment to meet compliance requirement Future: Efficiency of treatment will have to improve to increasing compliance requirements.
Primary treatment only	Relevant but volume unknown	<Not Applicable>	<Not Applicable>	<Not Applicable>	
Discharge to the natural environment without treatment	Not relevant	<Not Applicable>	<Not Applicable>	<Not Applicable>	Relevance: Our Water use authorisation and the nature of our effluents does not allow for discharge without treatment. Current: not practised Future: It is not anticipated that in the future discharges to the natural environment will occur without treatment due to the nature of our operations.
Discharge to a third party without treatment	Relevant	8597	About the same	11-20	Relevance: Discharges to municipalities are done without treatment as this is mainly domestic sewer and permitted industrial effluents. A volume of 8597 ML/annum was discharged to 3rd parties without treatment. This decreased is attributed to divestment of assets. Current: 3rd Party service provide is used to treat EAO's effluent stream Future: This practice is expected to continue.
Other	Not relevant	<Not Applicable>	<Not Applicable>	<Not Applicable>	Relevance: No other discharges to report

## W1.3

(W1.3) Provide a figure for your organization's total water withdrawal efficiency.

	Revenue	Total water withdrawal volume (megaliters)	Total water withdrawal efficiency	Anticipated forward trend
Row 1	68000000	116791	582236.644946956	80% of the water withdrawal comes from the Energy Business (EB) Unit. Revenue fo the EB. To decrease due to water reduction targets being set and greenhouse gas reduction roadmap

## W-CH1.3

(W-CH1.3) Do you calculate water intensity for your activities in the chemical sector?

Yes

## W-CH1.3a

(W-CH1.3a) For your top five products by production weight/volume, provide the following water intensity information associated with your activities in the chemical sector.

**Product type**

Specialty organic chemicals

**Product name**

Synthetic Fuels from our Sasol Secunda Operations

**Water intensity value (m3)**

11.49

**Numerator: water aspect**

Total water consumption

**Denominator**

Ton

**Comparison with previous reporting year**

About the same

**Please explain**

EXPLANATION: Current performance against target is a 1% improvement against the baseline. This improvement is mostly attributed to not having similar low production instances as to what was recorded in 2020 because of COVID-19 and the unplanned shutdown. INTERNAL METRICS: The metric is used to reduce river water demand by driving reuse and recycling. FUTURE: Few opportunities exist to reuse and recycle, however far greater savings can be realised elsewhere in the catchment. STRATEGY: As part of Sasol's water security strategy, we are assessing the setting of contextual water targets.

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**Product type**

Specialty organic chemicals

**Product name**

Organic products produced at our Sasolburg operations

**Water intensity value (m3)**

11.19

**Numerator: water aspect**

Total water consumption

**Denominator**

Ton

**Comparison with previous reporting year**

Higher

**Please explain**

EXPLANATION: Current performance against target is a 14% deterioration against baseline. The water intensity target deteriorated due to production challenges that were experienced. INTERNAL METRICS: The metric is used to reduce river water demand by driving reuse and recycling. FUTURE: Few opportunities exist to reuse and recycle, however far greater savings can be realised elsewhere in the catchment. STRATEGY: As part of Sasol's water security strategy, Sasol is investigating the implementation of contextual water targets in the Upper Vaal catchment.

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### W-OG1.3

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(W-OG1.3) Do you calculate water intensity for your activities associated with the oil & gas sector?

Yes

### W-OG1.3a

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(W-OG1.3a) Provide water intensity information associated with your activities in the oil & gas sector.

**Business division**

Chemicals

**Water intensity value (m3)**

11.34

**Numerator: water aspect**

Total water consumption

**Denominator**

Other, please specify (tons saleable product)

**Comparison with previous reporting year**

About the same

**Please explain**

EXPLANATION: Water intensity targets were set for Secunda Operations (SO) and Sasolburg Ekundustria Operations (SEO). Both fall into the chemical division and have water intensity values of 11.49 and 11.19 m3/ton saleable product. Taking the weighted average of individual water intensities resulted in a water intensity of 11.34 m3/ton of saleable product. This combine water intensity is about the same compared to FY20. INTERNAL METRICS: Intensity metrics for our SEO and SO operations are used to determine whether or not we are meeting our annual voluntary water use efficiency targets. FUTURE: The intensity targets will become more stringent due to measures being implemented by SO and SEO. STRATEGY: Both SO and SEO are looking at measures to reuse and recycle effluent to reduce river water demand.

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## W1.4

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### (W1.4) Do you engage with your value chain on water-related issues?

Yes, our suppliers

Yes, our customers or other value chain partners

## W1.4a

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### (W1.4a) What proportion of suppliers do you request to report on their water use, risks and/or management information and what proportion of your procurement spend does this represent?

#### Row 1

##### % of suppliers by number

26-50

##### % of total procurement spend

51-75

#### Rationale for this coverage

WHY: Sasol had sent self-response questionnaires to all our significant-spend suppliers (in accordance with Sasol's Rand spend), to enable Sasol to understand the investment/ impact of suppliers against sustainability issues, including water risks. INCENTIVES: Suppliers were in no way incentivised to respond; however, the questionnaire prompted suppliers to think about their sustainability if they haven't started doing so.

#### Impact of the engagement and measures of success

INFO REQUESTED: The types of questions posed to our strategic suppliers included: • Please rate the importance (current and future) of water quality and water quantity to the success of your organization? • Has your organization experienced any detrimental impacts related to water in the reporting year? • Does your organization undertake a water-related risk assessment? • Is your organization exposed to water risks, either current and/or future, that could generate a significant change in your business, operations, revenue or expenditure? • Does water present strategic, operational or market opportunities that significantly reduce your organisation's ability to produce or manufacture products and services? INFO USAGE: The information that the suppliers provided was used to understand whether the suppliers have adequate measures to address water risks. SUCCESS: The threshold of success was based on a response rate of above 80% and we achieved an 86% response rate. This questionnaire was not sent out in FY20 due to organisational restructuring, however, our supplier base didn't change much in FY21.

#### Comment

For our strategic suppliers, water as a commodity is becoming increasingly valuable. The response from the Sasol Supply Chain Sustainability Questionnaire done in FY19 showed that 37% of our Strategic suppliers indicated that water was vital for their operations. Further, 23% of respondents indicated that their organisations were exposed to water risks, either currently or in future, and that this could generate a significant change in their business operations' revenue.

## W1.4b

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### (W1.4b) Provide details of any other water-related supplier engagement activity.

#### Type of engagement

Innovation & collaboration

#### Details of engagement

Educate suppliers about water stewardship and collaboration

#### % of suppliers by number

26-50

#### % of total procurement spend

26-50

#### Rationale for the coverage of your engagement

The focus has been on our utility suppliers, Eskom (the South African national electricity utility), Department of Water and Sanitation in South Africa, various relevant Water boards and local municipalities in order to drive water conservation in the catchment and improve service delivery. These suppliers have been earmarked as having the greatest impact on Sasol's operational continuity. Water and electricity supply impacts our operations directly.

#### Impact of the engagement and measures of success

BENEFICIAL OUTCOMES: Some beneficial outcomes of our supplier engagements with our relevant and significant suppliers includes: • Municipalities and Water Boards (water utilities) are increasingly receptive to exploring innovative technologies on advanced pressure controllers to reduce water losses. As a result, we have successfully supported the municipalities in Sasolburg and Secunda in implementing advanced pressure reduction systems in reducing water losses • We have also educated these suppliers on setting contextual water targets. SUCCESS: Sasol measures success of our supplier engagements through the number of questionnaire responses obtained from our suppliers. Sasol achieved success in having more than 80% of strategic suppliers responding to the questionnaire, assisting us in understanding our supplier water-related risks better.

#### Comment

In FY22, we have implemented a multi-stakeholder approach to improve feed water quality in the Grootdraai Dam catchment. Also exploring water reuse opportunities with Rand Water and host municipalities as an alternative source of river water supply.

## W1.4c

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#### **(W1.4c) What is your organization's rationale and strategy for prioritizing engagements with customers or other partners in its value chain?**

Sasol prioritises engagement with the regulatory authorities regarding security of water supply.

**PARTNERS ENGAGED:** We have ongoing engagements with the South African Department of Water and Sanitation (DWS) on various aspects related to Sasol's water requirements from the Integrated Vaal River System.

**RATIONALE:** This engagement is a priority for Sasol to address challenges related to the long-term assurance of supply, operations and maintenance of relevant infrastructure and in efforts to improve water quality supplied to our operations.

**METHOD/ STRATEGY:** Sasol provides technical support to the DWS to sustain pumping infrastructure. In terms of potable water supply, Sasol provides our host municipalities with support in terms of reducing water losses and improving supply infrastructure. This approach supports our efforts to achieve security of supply and reduces the risk of production interruption related to water supply.

**SUCCESS:** Sasol measures the success of these engagements through monitoring the volumes and quality of water supplied to our operations.

## **W2. Business impacts**

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### **W2.1**

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#### **(W2.1) Has your organization experienced any detrimental water-related impacts?**

No

### **W2.2**

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#### **(W2.2) In the reporting year, was your organization subject to any fines, enforcement orders, and/or other penalties for water-related regulatory violations?**

No

## **W3. Procedures**

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### **W-CH3.1**

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#### **(W-CH3.1) How does your organization identify and classify potential water pollutants associated with its activities in the chemical sector that could have a detrimental impact on water ecosystems or human health?**

**RATIONALE:** Due To our Responsible Care commitments and water use license obligations.

**POLICIES AND PROCESSES:** Sasol has a comprehensive enterprise risk management (ERM) process in place, which focuses on all business-related risks, which includes an assessment of any water pollutants as a result of our activities. The ERM process ensures that water risks are systematically identified, assessed and managed. Sasol's risk management approach delivers risk profiles at a group and operating model entities (OMEs) level. OMEs include our operating business units, regional operating hubs, strategic business units and functions. OME's are responsible for identifying and classifying, amongst others, water quality challenges.

Most operations also have Integrated Water and Waste Management Plans (IWWMPs) with action plans in place to address pollution and water quality deterioration risks. This also demonstrates that processes and plans are in place to identify and address water-related risks. An IWWMP, and the regular updating thereof, is also a standard condition that is included in water use authorisations. Online daily measurements are conducted at all sites, which allows quick detection of changes and/or incidents which may impact watercourses. The system allows for instant text messaging (SMS) communication, which will alert the required persons to investigate. Releases into water courses are governed by our authorisations. Incident are investigated with a root cause analysis performed when impacts on a watercourse has occurred to determine the source and prevent similar incidents in future. Learnings from incidents are also shared across the organisation.

Sasol's upstream oil and gas activities as well as manufacturing and distribution of our products can potentially contribute to pollution of a water course:

- Effluent discharged from our water treatment processes may contain inorganic and organic pollutants;
- Overflow of effluent storage dams;
- Spillage of our products; and
- Sewage spillages from domestic wastewater treatment works.

**STANDARDS:** For the IVRS Resource Quality objectives have been established by the regulator which inform our water use authorisation conditions. Compliance standards are set that have to be adhered to for authorised discharges into the receiving watercourses.

**VARIATIONS ACROSS VALUE CHAIN:** Variations exist based on the regulatory authorities.

### **W-CH3.1a**

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**(W-CH3.1a) Describe how your organization minimizes adverse impacts of potential water pollutants on water ecosystems or human health. Report up to ten potential pollutants associated with your activities in the chemical sector.**

Potential water pollutant	Value chain stage	Description of water pollutant and potential impacts	Management procedures	Please explain
Inorganic (Sulphate, nitrates, ammonia, chloride, fluoride and phosphates)	Direct operations	POTENTIAL IMPACT: Above certain concentration levels, inorganic compounds are detrimental to aquatic and plant life existing in surface and ground water. Thus, these compounds have the potential to negatively impact a water ecosystem. SCALE/ MAGNITUDE: These will contribute to the salt load to the already contaminated Vaal River from which our supply is sourced. Even though in terms of load on the catchment this maybe small, it would be in our interest to mitigate such pollutants entering the river system.	Compliance with effluent quality standards	RISK MANAGEMENT: Our water use and discharge activities are governed by authorisations. Non-compliance to these authorisations can result in compliance enforcement including the withdrawal or suspension of authorisations. Thus, by complying with authorisations and legal requirements, we manage the risk of negatively impacting water ecosystems. SUCCESS: Success is measured by not having any environmental incidents occurring, in this regard. Environmental incidents are tracked and monitored monthly.
Organic compounds	Direct operations	POTENTIAL IMPACT: Organic compounds can be found in the effluent produced from our operational process. High discharges of organic compounds into surface and ground water can result in damage to aquatic life. SCALE/ MAGNITUDE: This will contribute to the COD (i.e., chemical oxygen demand) load to the already contaminated Vaal River, from which our feedstock supply is sourced. Even though in terms of load this maybe small, it would be in our interest to mitigate such pollutants.	Compliance with effluent quality standards	RISK MANAGEMENT: Our water use and discharge activities are governed by water authorisations. Non-compliance to these authorisations can result in compliance enforcement action, including the potential closure of our facilities. Thus, by complying with water regulations we manage the risk of negatively impacting aquatic and plant life existing in surface and ground water. SUCCESS: Success is measured by not having any environmental incidents occurring, in this regard. Environmental incidents are tracked and monitored monthly.
E.Coli from sewage treatment plant	Direct operations	POTENTIAL IMPACT: Sasol Operations in Secunda and Sasolburg treat the town's sewerage and the treated effluent is discharged under authorisation to the river. Inefficient treatment could result in the discharge of E.Coli into the river, which may result in waterborne illnesses. Neighbouring communities use this water as potable water for farming and other domestic needs. Subsequently, these communities may be exposed to a higher risk of contracting waterborne illnesses. SCALE/ MAGNITUDE: This will contribute to the E. Coli contamination in the already contaminated Vaal River from which our feedstock supply is required. Even though in terms of load this maybe small, it would be in our interest to mitigate such pollutants.	Compliance with effluent quality standards	RISK MANAGEMENT: Our water use and discharge activities are governed by water authorisations. Non-compliance to these authorisations can result in compliance enforcement action including the potential closure of our facilities. Thus, by complying to water regulations we manage the risk of discharging E. Coli into the river and avoid the spread of waterborne diseases. SUCCESS: Success is measured by not having any environmental incidents occurring, in this regard. Environmental incidents are tracked and monitored on a monthly basis.

**W-OG3.1**

**(W-OG3.1) How does your organization identify and classify potential water pollutants associated with its activities in the oil & gas sector that may have a detrimental impact on water ecosystems or human health?**

RATIONALE: Responsible Care commitments and Water Use license Compliance

POLICIES AND PROCESSES: Sasol has a comprehensive enterprise risk management (ERM) process in place, which focuses on all business-related risks, which includes pollution risks. The ERM process ensures that water risks are systematically identified, assessed and managed. Sasol's risk management approach delivers risk profiles at a group and operating model entities (OMEs) level. OMEs include our operating business units, regional operating hubs, strategic business units and functions. OME's are responsible for identifying and classifying water quality challenges. Most operations also have Integrated Water and Waste Management Plans (IWWMPs) with action plans in place that deal with water pollutants. This also demonstrates that processes and plans are in place to identify and address water-related risks An IWWMP and the regular updating thereof is also a standard condition that is included in Water Use Licences WULs. Online daily measurements are conducted at all sites which allows quick detection of changes and/or incidents which affect the watercourses. The system allows for SMS communication which will alert the required persons to investigate. Chemical analysis is performed weekly or when incidents are detected. Releases into water courses are governed by our WULs. Incident reports/root cause analysis is performed when impacts on the watercourses occurred to determine the source and prevent similar incidents in future.

IMPACTS CONSIDERED:

Sasol's upstream oil, gas and mining as well as manufacturing and supply chain can potentially contribute to pollution of a water course:

- Effluent discharges from our water treatment processes containing inorganic and organic pollutants;
- Overflow of effluent storage dams;
- Spillage of our products; and
- Sewage spillage from domestic wastewater treatment works.

STANDARDS: In the IVRS Resource Quality objectives have been established by the regulator which is included in our water use authorisation. These are the compliance standards that have to be adhered to in terms of discharges into the receiving ecosystems.

VARIATIONS ACROSS VALUE CHAIN: Variations exist based on the regulatory authorities.

**W-OG3.1a**

**(W-OG3.1a) For each business division of your organization, describe how your organization minimizes the adverse impacts on water ecosystems or human health of potential water pollutants associated with your oil & gas sector activities.**

Potential water pollutant	Business division	Description of water pollutant and potential impacts	Management procedures	Please explain
Chemicals	Chemicals	POTENTIAL IMPACT: Above a certain concentration level inorganic compounds, hydrocarbons are detrimental to aquatic and plant life existing in surface and ground water. Thus, the compounds have the potential to negatively impact a water ecosystem. SCALE/MAGNITUDE: This will contribute to the salt load freshwater ecosystems from which our feedstock supply is required. Even though in terms of load this maybe small, it would be in our interest to mitigate such pollutants entering the river system.	Compliance with effluent quality standards	Please explain RISK MANAGEMENT: Our water use and discharge activities are governed by water authorisations. Non-compliance to these authorisations can result in compliance enforcement action including the potential closure of our facilities. Thus, by complying to water regulations we manage the risk of negatively impacting aquatic life and plant life existing in surface and ground water. SUCCESS: Success is measured by not having any environmental incidents in this regard. Environmental incidents are tracked and monitored monthly.

### W3.3

**(W3.3) Does your organization undertake a water-related risk assessment?**

Yes, water-related risks are assessed

### W3.3a

**(W3.3a) Select the options that best describe your procedures for identifying and assessing water-related risks.**

**Value chain stage**

Direct operations

**Coverage**

Full

**Risk assessment procedure**

Water risks are assessed as part of an established enterprise risk management framework

**Frequency of assessment**

Annually

**How far into the future are risks considered?**

More than 6 years

**Type of tools and methods used**

Enterprise risk management

**Tools and methods used**

Other, please specify (Sasol's Enterprise and Risk Management Framework)

**Contextual issues considered**

Water availability at a basin/catchment level  
 Water quality at a basin/catchment level  
 Stakeholder conflicts concerning water resources at a basin/catchment level  
 Water regulatory frameworks  
 Access to fully-functioning, safely managed WASH services for all employees

**Stakeholders considered**

Customers  
 Employees  
 Investors  
 Local communities  
 Regulators  
 Suppliers  
 Water utilities at a local level  
 Other water users at the basin/catchment level

**Comment**

A Sasol global enterprise risk management process has been adopted. The Group Risk and SHE function is responsible for developing risk management processes monitoring the implementation thereof by OMEs across the group including water risks related to security of supply and extreme weather.

**Value chain stage**

Supply chain

**Coverage**

Partial

**Risk assessment procedure**

Water risks are assessed as part of an established enterprise risk management framework

**Frequency of assessment**

Annually

**How far into the future are risks considered?**

More than 6 years

**Type of tools and methods used**

Other

**Tools and methods used**

Other, please specify (Internal company methods • The Vaal Water Resource Planning Model)

**Contextual issues considered**

Water availability at a basin/catchment level  
Water quality at a basin/catchment level  
Stakeholder conflicts concerning water resources at a basin/catchment level  
Water regulatory frameworks  
Access to fully-functioning, safely managed WASH services for all employees

**Stakeholders considered**

Customers  
Employees  
Investors  
Local communities  
Regulators  
Suppliers  
Water utilities at a local level  
Other water users at the basin/catchment level

**Comment**

This tool is used to guide our water utility supply risk from the IVRS.

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**Value chain stage**

Other stages of the value chain

**Coverage**

Partial

**Risk assessment procedure**

Water risks are assessed as part of an established enterprise risk management framework

**Frequency of assessment**

Annually

**How far into the future are risks considered?**

1 to 3 years

**Type of tools and methods used**

Enterprise risk management

**Tools and methods used**

Other, please specify (Sasol's Enterprise Risk Management Framework)

**Contextual issues considered**

Water availability at a basin/catchment level  
Water quality at a basin/catchment level  
Stakeholder conflicts concerning water resources at a basin/catchment level  
Water regulatory frameworks  
Access to fully-functioning, safely managed WASH services for all employees

**Stakeholders considered**

Customers  
Employees  
Investors  
Local communities  
Regulators  
Suppliers  
Water utilities at a local level  
Other water users at the basin/catchment level

**Comment**

This relates to reputational risks links to water services at municipalities which contribute to the stability of our operations.

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**W3.3b**

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**(W3.3b) Describe your organization's process for identifying, assessing, and responding to water-related risks within your direct operations and other stages of your value chain.**

**TOOL APPLICATION:** Water risks are identified using Sasol's Enterprise Risk Management Framework Risk Breakdown Structure. Sasol's Enterprise Risk Management process uses a 7 x 7 matrix that assesses, evaluates and rates the risk. Is used as a tool internally. The Vaal Water Resource Planning tool is used to identify and respond to catchment risks.

**OUTCOMES:** Water supply risks are identified as a Group Top Risk. Sasol is a signatory to the UN Global Compact CEO Water Mandate and we adopt the Mandate's water stewardship framework for responding to water risks. The water security situation for the Sasol SA Operations is continuously assessed by the sustainable water group housed within the SHE Function, who remain actively involved in the planning and operation performance monitoring of the Integrated Vaal River system (IVRS). We identified drought conditions, poor governance by DWS and deterioration of water quality to be a high risk in the Vaal so a decision was made to initiate a project to identify and implement water consumption reduction and efficiency opportunities to mitigate against a water supply risk.

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## W4. Risks and opportunities

### W4.1

#### (W4.1) Have you identified any inherent water-related risks with the potential to have a substantive financial or strategic impact on your business?

Yes, both in direct operations and the rest of our value chain

### W4.1a

#### (W4.1a) How does your organization define substantive financial or strategic impact on your business?

Sasol's risk management approach delivers top risk profiles at group and entity levels, identifying those risks that could potentially significantly impact our business and delivery on our strategy, in the context of an ever-changing internal and external operating context. Sasol has a robust and standardised Enterprise Risk Management (ERM) Framework, incorporating relevant risk management and governance practices recommended by South Africa's King IV Code for Corporate Governance, the Committee of Sponsoring Organizations' Enterprise Risk Management Integrated Framework and the International Standards Organisation's 31000 Standard. Sasol uses a standard risk matrix to analyse, rank and prioritise its top risks, including water risks in terms of potential likelihood and impact.

Our impact criteria include both quantitative and qualitative impacts, with impact categories spanning financial, operational, market, people, legal & regulatory, and geopolitical / reputational. As risks relate to uncertainty, the quantitative impacts expressed are based on the potential and not absolute impact of the risk occurring.

DEFINITION: A substantive financial or strategic impact would be an issue that has the potential to prevent value creation in the short, medium and/or long term by preventing Sasol's ability to execute its strategy, meet its business objectives or remain competitive.

METRIC: Sasol has defined Group-level quantitative and qualitative materiality impact metrics and thresholds ("materiality lens") which enable the identification of substantive business changes. The "materiality lens" potential substantive high impact quantitative criteria includes Financial (> of a certain % of Group EBITDA impact, or (> of a certain Group cash fixed cost impact), Operational (Group impact on the integrated value chain of > a certain period), Market (impacts of > of a certain % of specific key/critical product lines, or loss of > of a certain (> of a certain % of the Groups market share), Legal & Regulatory (fines / penalties / legal action with total impact of (> of a certain % of Group turnover), and Geopolitical/Reputational (share price impact of (> of a certain %).

THRESHOLD: An impact would be considered to be substantive if the financial impacts of the above-mentioned metrics exceed thresholds exceeds a range of ZAR 300 million to ZAR 4.5 billion.

APPLICABILITY: This definition for substantive impact defined by Sasol applies to our Direct Operations.

EXAMPLE: Substantive change can be brought about due to the following factors:

- Physical: this is mostly related to failure of the infrastructure supplying Sasol from the IVRS which will impact on operations i.e. loss of production/revenue. Deterioration of water quality will result in Sasol incurring more costs to pre-treat the water prior to use.
- Regulatory: include targets or restrictions that DWS may impose in the future on Sasol. This will have significant impact on Sasol since water is required at a high assurance of supply and any reduction target or restriction will imply Sasol investing in capital intensive treatment solutions to meet demand.
- Reputational: These are related around our communities and investors. Communities have a right to basic services like water and sanitation. By not having such services could lead to community protest actions. Further, our employees live in these communities and we have a responsibility to their health and well-being.

### W4.1b

#### (W4.1b) What is the total number of facilities exposed to water risks with the potential to have a substantive financial or strategic impact on your business, and what proportion of your company-wide facilities does this represent?

	Total number of facilities exposed to water risk	% company-wide facilities this represents	Comment
Row 1	2	76-99	Sasolburg Ekundustria Operations (SEO) abstract about 60 ML/day of raw water through the Zuikerbosch pump station directly from the Vaal River downstream from the Vaal Dam. The SEO Operations make up 17% of Sasol's total demand. Sasol Secunda Operations (SO) consumes 65% of Sasol's demand. The demand from the Vaal river system continued to exceed sustainable supply.

### W4.1c

**(W4.1c) By river basin, what is the number and proportion of facilities exposed to water risks that could have a substantive financial or strategic impact on your business, and what is the potential business impact associated with those facilities?**

**Country/Area & River basin**

South Africa	Orange
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**Number of facilities exposed to water risk**

2

**% company-wide facilities this represents**

26-50

**Production value for the metals & mining activities associated with these facilities**

<Not Applicable>

**% company's annual electricity generation that could be affected by these facilities**

<Not Applicable>

**% company's global oil & gas production volume that could be affected by these facilities**

26-50

**% company's total global revenue that could be affected**

21-30

**Comment**

The bulk of Sasol's water demand is to meet water requirements of the Sasol Secunda and Sasolburg Operations. Water risks can materialise such as water restrictions and water quality risks, which could have an operational impact on our SA operations.

**W4.2**

**(W4.2) Provide details of identified risks in your direct operations with the potential to have a substantive financial or strategic impact on your business, and your response to those risks.**

**Country/Area & River basin**

South Africa	Orange
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**Type of risk & Primary risk driver**

Acute physical	Other, please specify (Flooding)
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**Primary potential impact**

Reduction or disruption in production capacity

**Company-specific description**

A study was undertaken by Sasol to develop a first order estimate of the types of impacts and financial losses which arose from extreme weather events over the past decade. The study was titled "Understanding adaptation: Assessment of the impact of historic weather events" and showed that the Secunda operations in South Africa face a greater risk of flooding. Flood occurrences could result in disruptions to our Secunda operations, with a resultant production interruption.

**Timeframe**

More than 6 years

**Magnitude of potential impact**

Medium

**Likelihood**

Likely

**Are you able to provide a potential financial impact figure?**

Yes, an estimated range

**Potential financial impact figure (currency)**

<Not Applicable>

**Potential financial impact figure - minimum (currency)**

100000000

**Potential financial impact figure - maximum (currency)**

362000000

**Explanation of financial impact**

The financial impact is based on six recorded incidents of production loss due to flooding and heavy rain over the period 2004-2010. The financial impact of these six events was R362 million in lost production

**Primary response to risk**

Develop flood emergency plans

**Description of response**

In response to flooding risk, we have initiated the implementation of the following mechanisms: - Ensuring maintenance plans and monitoring of systems to manage weather risk. - Adequate incorporation of weather risks in operations' risk registers. - Comparing facilities' operating envelopes with projected future climatic conditions. - Reviewing emergency preparedness procedures at the business unit level. - The operating philosophy of effluent dams are being revised; since the design to manage 1-in-50 year

flood scenario was deemed no longer sufficient. The company has also embarked on a comprehensive programme aimed at mitigating such future risks. The second assessment identified adaptation actions and measures to manage the current and future risk posed by rainfall and flooding. These include: - Engaging with other operations experiencing similar impacts (lesson sharing); - Improving preparation procedures; - Improving recording and reporting around rainfall and flooding events to continually improve understanding of the risks; and - Implement low-cost adaptation measures (including systematic improvement of maintenance efforts, investigation into rainwater harvesting technologies, investigation into the enhancement of desalination capacity). A weather readiness guideline has also been developed and approved as a tool aimed to equip the operations to mitigate the risk associated with an extreme weather event.

#### Cost of response

950000

#### Explanation of cost of response

The direct cost of the initial studies amounted to approximately R950,000 which has been used to calculate the cost of the response. There are also internal human resource costs associated with managing this risk.

#### Country/Area & River basin

South Africa	Orange
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#### Type of risk & Primary risk driver

Acute physical	Other, please specify (Severe weather events)
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#### Primary potential impact

Increased cost of capital

#### Company-specific description

Sasol commissioned the development of a climate change adaptation strategy. Site-specific engagements were held to determine the extent to which the business is exposed to physical climate change risks. One of the risks identified was the increased frequency of heavy rainfall events resulting in increased discharge to the environment and additional cost to the business. For example, in February and December 2017 and March 2018 the Sasolburg operations experienced significant rainfall events (230mm in 3 days in February 2017, 76mm in 24 hours in December 2017 and 90mm in 24 hours in March 2018) which exceeded the 1 in 100-year flood events. This had no reported direct impact on the production at the operations but there were several overflows into the environment. This was complicated by high volumes of contaminated storm water ingress into the Sasol site from the neighbouring municipality, which infrastructure has been compromised due to age and poor maintenance. No fines or penalties were incurred from this incident. However, significant capital was spent to upgrade the on-site stormwater system. This required increased capital investment from Sasol.

#### Timeframe

Current up to one year

#### Magnitude of potential impact

Medium

#### Likelihood

Likely

#### Are you able to provide a potential financial impact figure?

Yes, a single figure estimate

#### Potential financial impact figure (currency)

70000000

#### Potential financial impact figure - minimum (currency)

<Not Applicable>

#### Potential financial impact figure - maximum (currency)

<Not Applicable>

#### Explanation of financial impact

R70 million was based on the capex and opex investment made into upgrading the stormwater system.

#### Primary response to risk

Develop flood emergency plans

#### Description of response

At a Group level, Sasol commissioned the development of a climate change adaptation strategy which also considers the impact of climate change on water. As part of this work, downscaled climate modelling was conducted at 4 of Sasol's main production sites to assist Sasol in developing adaptation measures that are meaningful at each site.

#### Cost of response

1100000

#### Explanation of cost of response

A service provider was appointed to conduct the adaptation strategy. The direct cost of the adaptation strategy was R1,1 million. There are also internal human resource costs and capital and maintenance costs associated with managing this risk that are not included in this cost.

## W4.2a

**(W4.2a) Provide details of risks identified within your value chain (beyond direct operations) with the potential to have a substantive financial or strategic impact on your business, and your response to those risks.**

**Country/Area & River basin**

South Africa	Orange
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**Stage of value chain**

Supply chain

**Type of risk & Primary risk driver**

Acute physical	Other, please specify (Declining water quality)
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**Primary potential impact**

Reduction or disruption in production capacity

**Company-specific description**

For Sasol's Secunda operations, the primary source of supply to Secunda Operations (SO) is via the Grootdraai Dam, within the Integrated Vaal River System (IVRS), and associated transfer system. Grootdraai Dam water quality has been progressively deteriorating and has reached levels above 300 µS/cm conductivity. Optimum conditions for SO is for the water quality to be below 240 µS/cm. This deteriorating water quality has resulted in an increase in SO's demand for river water due to reduced boiler efficiencies and to manage an increase in the salt loading capacity on site. This poses an additional risk to Sasol's business model.

**Timeframe**

1-3 years

**Magnitude of potential impact**

Medium-high

**Likelihood**

More likely than not

**Are you able to provide a potential financial impact figure?**

Yes, an estimated range

**Potential financial impact figure (currency)**

<Not Applicable>

**Potential financial impact figure - minimum (currency)**

500000000

**Potential financial impact figure - maximum (currency)**

1400000000

**Explanation of financial impact**

To deal with this water quality risk Sasol may have to invest in capital expensive water treatment technologies. Focusing on the source of the pollution in the catchment will be a more feasible and cheaper option. The range in capital investment was derived from an internal study to consider various technical and managerial options.

**Primary response to risk**

Supplier engagement	Promote investment in infrastructure and technologies for water saving, re-use and recycling among suppliers
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**Description of response**

Sasol has been engaging with the Department of Water and Sanitation (DWS), Rand Water and Eskom on collective catchment-based action to resolve the water quality challenge in the Grootdraai Dam catchment. Sasol is in the process of scoping a joint catchment-based study to investigate sources of pollution.

**Cost of response**

1500000

**Explanation of cost of response**

Secunda Operations committed to fund a multistakeholder approach to a water quality study in the Grootdraai Dam Catchment. The Water Research Commission is the implementing agent and have appointed Rhodes University to carry out the study. The cost of response is the cost associated with conducting this study.

**W4.3**

**(W4.3) Have you identified any water-related opportunities with the potential to have a substantive financial or strategic impact on your business?**

Yes, we have identified opportunities, and some/all are being realized

**W4.3a**

**(W4.3a) Provide details of opportunities currently being realized that could have a substantive financial or strategic impact on your business.**

**Type of opportunity**

Resilience

**Primary water-related opportunity**

Increased resilience to impacts of climate change

**Company-specific description & strategy to realize opportunity**

WHY IT IS STRATEGIC: Water security is considered a key risk for Sasol and it is understood that the effects of climate change in the future could exacerbate this risk further, particularly for our South African operations. Water is a critical feedstock for our business and a key resource for the communities we operate in and many of our current or planned facilities are located in areas with water quantity, quality or delivery challenges. ACTIONS: Sasol believes there is an opportunity to assist in advancing water security for the country, beyond just the gates of its own operations. Through the process of piloting context-based water targets in the Upper Vaal Catchment, we realised that by setting such targets both the business and catchment can benefit. The pilot work concluded that Sasol should consider setting a water quantity target by reducing surface water demand. This can be done either internally or through supporting Rand Water and its municipal customers reduce water losses. The aim of the latter would be to support municipalities to achieve their targets and enable security of allocation to all users. EXAMPLE: Our previous water loss reduction projects at Emfuleni local municipality and metsimaholo local municipality are good examples of success.

**Estimated timeframe for realization**

1 to 3 years

**Magnitude of potential financial impact**

Medium

**Are you able to provide a potential financial impact figure?**

Yes, a single figure estimate

**Potential financial impact figure (currency)**

435000000

**Potential financial impact figure – minimum (currency)**

<Not Applicable>

**Potential financial impact figure – maximum (currency)**

<Not Applicable>

**Explanation of financial impact**

Sasol's river water demand from the Integrated Vaal River System (IVRS) for FY21 was 116 million m3. To illustrate the financial implications should a reduction target of 15% be set the following: Sasol would be required to invest in treating / upgrading wastewater at an approximate cost of R25 m3. This will cost in the region of R435 million. As an alternative response Sasol could assist Rand Water with implementing Project 1600 to save on their current river water demand which would come at a cost of R3 m3. This would result in a net positive financial impact of approximately R52 million to Sasol.

**W5. Facility-level water accounting**

**W5.1**

**(W5.1) For each facility referenced in W4.1c, provide coordinates, water accounting data, and a comparison with the previous reporting year.**

**Facility reference number**

Facility 1

**Facility name (optional)**

Sasol Secunda Operations located in the Town of Secunda in the Mpumalanga Province

**Country/Area & River basin**

South Africa	Orange
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**Latitude**

-26.515779

**Longitude**

29.191392

**Located in area with water stress**

Yes

**Primary power generation source for your electricity generation at this facility**

<Not Applicable>

**Oil & gas sector business division**

Midstream/Downstream

**Total water withdrawals at this facility (megaliters/year)**

99668

**Comparison of total withdrawals with previous reporting year**

About the same

**Withdrawals from fresh surface water, including rainwater, water from wetlands, rivers and lakes**

82427

**Withdrawals from brackish surface water/seawater**

0

**Withdrawals from groundwater - renewable**

0

**Withdrawals from groundwater - non-renewable**

0

**Withdrawals from produced/entrained water**

9864

**Withdrawals from third party sources**

7377

**Total water discharges at this facility (megaliters/year)**

4907

**Comparison of total discharges with previous reporting year**

Much higher

**Discharges to fresh surface water**

4907

**Discharges to brackish surface water/seawater**

0

**Discharges to groundwater**

0

**Discharges to third party destinations**

0

**Total water consumption at this facility (megaliters/year)**

94761

**Comparison of total consumption with previous reporting year**

About the same

**Please explain**

The volume consumed in 2020 was 94,386 megalitres. The amount consumed increased by 1% due to the deterioration in river water quality in the Integrated Vaal River System (IVRS). Consumption is expected to increase in the future to compensate for the continued deterioration in river water quality. This trend is confirmed by the Vaal Water Resource planning tool.

**Facility reference number**

Facility 2

**Facility name (optional)**

Sasolburg Operations located in Sasolburg Town in the Free State Province.

**Country/Area & River basin**

South Africa	Orange
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**Latitude**

-26.515779

**Longitude**

29.191392

**Located in area with water stress**

Yes

**Primary power generation source for your electricity generation at this facility**

<Not Applicable>

**Oil & gas sector business division**

Midstream/Downstream

**Total water withdrawals at this facility (megaliters/year)**

22867

**Comparison of total withdrawals with previous reporting year**

About the same

**Withdrawals from fresh surface water, including rainwater, water from wetlands, rivers and lakes**

20834

**Withdrawals from brackish surface water/seawater**

0

**Withdrawals from groundwater - renewable**

0

**Withdrawals from groundwater - non-renewable**

0

**Withdrawals from produced/entrained water**

0

**Withdrawals from third party sources**

2033

**Total water discharges at this facility (megaliters/year)**

16689

**Comparison of total discharges with previous reporting year**

About the same

**Discharges to fresh surface water**

16689

**Discharges to brackish surface water/seawater**

0

**Discharges to groundwater**

0

**Discharges to third party destinations**

0

**Total water consumption at this facility (megaliters/year)**

4145

**Comparison of total consumption with previous reporting year**

Lower

**Please explain**

The decrease in consumption was attributed to production related challenges. Consumption is expected to increase in the future to compensate for the continued deterioration in river water quality according to the Vaal Water Resource planning tool.

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**W5.1a**

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**(W5.1a) For the facilities referenced in W5.1, what proportion of water accounting data has been third party verified?**

**Water withdrawals – total volumes**

**% verified**

76-100

**Verification standard used**

The standard used was ISAE3000. Audit was conducted by Price Waterhouse Coopers (PWC). Detailed audits were conducted on 5 major facilities and the rest of our facilities underwent a desktop audit.

**Please explain**

<Not Applicable>

**Water withdrawals – volume by source**

**% verified**

76-100

**Verification standard used**

The standard used was ISAE3000

**Please explain**

<Not Applicable>

**Water withdrawals – quality by standard water quality parameters**

**% verified**

76-100

**Verification standard used**

It is verified through the WUL auditing process but not captured on SuPM.

**Please explain**

<Not Applicable>

**Water discharges – total volumes**

**% verified**

76-100

**Verification standard used**

The standard used was ISAE3000

**Please explain**

<Not Applicable>

**Water discharges – volume by destination**

**% verified**  
76-100

**Verification standard used**  
The standard used was ISAE3000

**Please explain**  
<Not Applicable>

**Water discharges – volume by final treatment level**

**% verified**  
Not verified

**Verification standard used**  
<Not Applicable>

**Please explain**  
It is verified through the WUL auditing process but not captured on SuPM.

**Water discharges – quality by standard water quality parameters**

**% verified**  
Not verified

**Verification standard used**  
<Not Applicable>

**Please explain**  
It is verified through the WUL auditing process but not captured on SuPM.

**Water consumption – total volume**

**% verified**  
Not verified

**Verification standard used**  
<Not Applicable>

**Please explain**  
Consumption is not a parameter monitored on SuPM

**W6. Governance**

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**W6.1**

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**(W6.1) Does your organization have a water policy?**  
Yes, we have a documented water policy, but it is not publicly available

**W6.1a**

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**(W6.1a) Select the options that best describe the scope and content of your water policy.**

	Scope	Content	Please explain
Row 1	Company-wide	Commitment to water stewardship and/or collective action Other, please specify (SHE Policy)	Our organisation has recently amended its SHE policy incorporating our commitments to water management. This policy will be published in FY23.

**W6.2**

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**(W6.2) Is there board level oversight of water-related issues within your organization?**  
Yes

**W6.2a**

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**(W6.2a) Identify the position(s) (do not include any names) of the individual(s) on the board with responsibility for water-related issues.**

Position of individual	Please explain
Director on board	The Board reviews the Sustainability Report each year. The board director must sign off all reviews. The Sustainability Report is part of the annual suite of reports. It is supplementary to the Integrated Report and outlines what sustainability means for Sasol in greater detail. There is a dedicated water update under the section "Minimising our environmental footprint". Under our fourth focus area "Growing Shared Value", we also set out case studies of our water stewardship initiatives and community involvement regarding water for the reporting period. Our approach to water stewardship is informed by the United Nations Global Compact CEO Water Mandate, of which Sasol is a signatory. The Directors of the board are thus ultimately responsible for water-related issues identified within Sasol. Example of a water-related decision: The Board (headed by the director) made a decision to set Group Water Targets.

**W6.2b**

**(W6.2b) Provide further details on the board's oversight of water-related issues.**

	Frequency that water-related issues are a scheduled agenda item	Governance mechanisms into which water-related issues are integrated	Please explain
Row 1	Sporadic - as important matters arise	Monitoring implementation and performance Overseeing major capital expenditures Reviewing and guiding strategy Setting performance objectives	The Sasol Limited Board's Risk and SHE Committee provides oversight of Sasol's risk management activities and considers the top risks which include water risks. Recommendations are made on water risk mitigation plans, including Sasol operations' Integrated Water and Waste Management Plans (IWWMPs) which have supporting action plans. The implementation of these plans are monitored by the Risk and Sustainability Function. Water targets are also approved by the Board.

**W6.2d**

**(W6.2d) Does your organization have at least one board member with competence on water-related issues?**

	Board member(s) have competence on water-related issues	Criteria used to assess competence of board member(s) on water-related issues	Primary reason for no board-level competence on water-related issues	Explain why your organization does not have at least one board member with competence on water-related issues and any plans to address board-level competence in the future
Row 1	Yes	The Board is comprised of mostly independent non-executive directors. It recognises and embraces the benefits of having a diverse set of skills amongst its members. In appointing directors to the Board, the specific skills, expertise and competencies of each member is carefully considered in relation to Sasol's vision, long-term strategic direction and key risks to the organisation in relation to overall Board and executive management capabilities. This is enabled through an approved succession plan which is in place with selection criteria including capabilities to manage water related risks and opportunities. Effectiveness and performance of the Board, its committees and individual directors is evaluated every two years. In alternate years, or as is necessary, provision is made for reflection by the Board of its performance, including that of its committees, chair, and members. A skills and competency assessment of individual directors was conducted by a global firm in 2021 including a benchmark against an international peer group. The competencies required for Future Sasol were discussed at length and the identified short-term experience and skills were prioritised to enhance the Board's already vast mix of international and local capabilities and competencies in the fields of extraction, energy (including hydrogen), natural resources, renewables, engineering, climate change and sustainability, innovation (research and development) and technology. The Board also undergoes regular training on sustainability matters including water risk management. Our 2021 Integrated Report provides the skills and experience of our Board in more detail, specifically those regarding the "Social, SHE and Sustainability" elements which are inclusive of climate considerations.	<Not Applicable>	<Not Applicable>

**W6.3**

(W6.3) Provide the highest management-level position(s) or committee(s) with responsibility for water-related issues (do not include the names of individuals).

**Name of the position(s) and/or committee(s)**

Chief Executive Officer (CEO)

**Responsibility**

Assessing water-related risks and opportunities  
Managing water-related risks and opportunities

**Frequency of reporting to the board on water-related issues**

Quarterly

**Please explain**

POSITION: Sasol's President and CEO is part of the Group Executive Committee (GEC), alongside the Executive Vice Presidents of the group. The CEO, through the GEC, is accountable for recommending to the Board for approval the Company's strategy and long-term plans. The GEC guides sustainability management throughout the group and coordinates development of the Group's objectives, targets and initiatives including water management. REPORTING: Quarterly, the Group Risk and Sustainability function prepares a Dashboard update and a Risk Report, which features 19 top risks and major developments of Sasol's business. This is signed off by the GEC (and ultimately the CEO). Water management is included in these reports based on the risk of production interruptions due to water supply. RESPONSIBILITIES: Accountability for our response to water challenges rests with the GEC (and in turn the CEO), which receives advice and assistance from various GEC sub-committees & specialists within the Group.

W6.4

(W6.4) Do you provide incentives to C-suite employees or board members for the management of water-related issues?

	Provide incentives for management of water-related issues	Comment
Row 1	No, not currently but we plan to introduce them in the next two years	Individual Operating Management Entities have set short term incentives (STI). Our Sasolburg Ekundustria Operation (SEO) have set STI on their short-term water targets.

W6.5

(W6.5) Do you engage in activities that could either directly or indirectly influence public policy on water through any of the following?

Yes, direct engagement with policy makers

W6.5a

(W6.5a) What processes do you have in place to ensure that all of your direct and indirect activities seeking to influence policy are consistent with your water policy/water commitments?

PROCESS: Sasol's Group Executive Committee (GEC) is accountable for our responses to changes regarding water policy changes and developments. The GEC receives advice and assistance from various GEC subcommittees, other governance structures and specialists. The GEC is supported by the Policy, Sustainability and Stakeholder Relations Committee (PSSR), with responsibilities assumed from the former Climate Change and Environmental Policy Steering Committee (CCEP). Strategic prioritisation of our water response is provided via the CCEP, with specific oversight on our scenario analysis and other considerations. The PSSR reports into the SSEC – the Safety, Social and Ethics Committee.

The SSEC assesses and approves Sasol's sustainability management in terms of the strategy and material matters, in line with King IV and other reporting requirements, as well as boundary conditions informed by Sasol's strategic metrics, targets and objectives.

A Group Sustainability function has been established, with effect from 1 July 2019, to coordinate the development of Sasol's sustainability approach. The Sustainability function, including the Enterprise Risk Management function, are led by the Chief Sustainability and Risk Officer.

ACTION ON INCONSISTENCY: A planning meeting is convened prior to the CCEP meeting, to ensure alignment and address any challenges that arise. At this planning meeting inconsistencies are addressed.

W6.6

(W6.6) Did your organization include information about its response to water-related risks in its most recent mainstream financial report?

Yes (you may attach the report - this is optional)

W7. Business strategy

W7.1

**(W7.1) Are water-related issues integrated into any aspects of your long-term strategic business plan, and if so how?**

	Are water-related issues integrated?	Long-term time horizon (years)	Please explain
Long-term business objectives	Yes, water-related issues are integrated	> 30	ISSUES: The issue of security of water supply is integrated into our long-term strategic business plan as water is a key resource in our operational process. Future projections for the Integrated Vaal River System (IVRS) indicate that if the DWS augmentation projects are not realised on time, this will present a risk to achieving long term assurance of water supply to Sasol South African operations. Due to the potential severity of this risk, water-related strategies and plans have been included in our planning (1-Environmental Roadmap) to achieve the objective of sustainable operations up to 2050. EXAMPLE: A specific example is the investigation of feasible options to reduce river and potable water demand, as well as commissioning of studies to identify alternative sources of water supply.
Strategy for achieving long-term objectives	Yes, water-related issues are integrated	> 30	ISSUES: Due to the severity of the risk of long-term water security, Sasol has developed multiple mechanisms, to mitigate this water risk up to 2050. These mechanisms include: • Driving water efficiency projects within our operations. • Investigating alternate sources of supply. • Investigating other strategic opportunities beyond our direct operations. Note: Sasol is in the process of investigating new context-based water targets post FY20. EXAMPLE: In the process of setting short and long term water reduction targets
Financial planning	Yes, water-related issues are integrated	5-10	ISSUES: The mitigation of water security risks (as detailed in our business strategy) requires investment into capital projects that, for example, improve operational water efficiency or provide an alternative water supply. Thus, financial planning is an essential part of the long-term business strategy to ensure that appropriate water projects and initiatives can be implemented. EXAMPLE: Our water-related financial planning is done based on the needs of the various operating entities, subject, however, to governance on capital allocation. Our largest water using OME's are our Sasol Secunda Operations and Sasolburg Ekundustria Operations. Accordingly, these two operations are advancing options of reducing river water demand.

**W7.2**

**(W7.2) What is the trend in your organization's water-related capital expenditure (CAPEX) and operating expenditure (OPEX) for the reporting year, and the anticipated trend for the next reporting year?**

**Row 1**

**Water-related CAPEX (+/- % change)**

43

**Anticipated forward trend for CAPEX (+/- % change)**

15

**Water-related OPEX (+/- % change)**

10

**Anticipated forward trend for OPEX (+/- % change)**

15

**Please explain**

EXPLANATION OF CHANGE: The CAPEX expenditure for 2021 significantly increase when compared to expenditure in 2020. Even though Sasol embarked on a company-wide cost and capital expenditure containment drive in 2020, it had to spend significant CAPEX on essential infrastructure maintenance and renewals in 2021. It is expected that the cost containment drive will continue in 2022 while still maintaining a CAPEX reduction focus. Therefore, it is expected that 2022 forecasted CAPEX should be within +/- 15% change for next year. The increase in OPEX mostly relate to increase in labour, electricity and water cost. It is anticipated that the increasing OPEX trend with will continue for 2022. WATER-RELATED EXPENDITURE: It was for Capex spend.

**W7.3**

**(W7.3) Does your organization use scenario analysis to inform its business strategy?**

	Use of scenario analysis	Comment
Row 1	Yes	In 2021, Sasol updated our climate related scenario analysis to inform our strategic decisions. As part of our value-based growth strategy, climate change considerations have influenced Sasol's decision to no longer consider investments in greenfield coal to liquid (CTL) and gas to liquid (GTL) facilities, or further increasing Sasol's current crude oil refining capacity. Sasol developed three new scenarios, namely the Current Pathway; Cooperative World; and Accelerating to 1.5°C. Following the outcomes of the scenario analysis study conducted, Sasol has shifted our focus towards lower carbon intensive value-based growth through: • Expanding our specialty chemicals business; • Growing our exploration and production portfolio by securing additional natural gas for our South African operations, and potentially aiding in the decarbonisation of the Southern Africa electricity sector; • Expanding our fuels retail footprint.

**W7.3a**

**(W7.3a) Provide details of the scenario analysis, what water-related outcomes were identified, and how they have influenced your organization's business strategy.**

	Type of scenario analysis used	Parameters, assumptions, analytical choices	Description of possible water-related outcomes	Influence on business strategy
Row 1	Water-related	RCP 2.6 IEA Sustainable Development Scenario	In 2018, Sasol commissioned a further addition to our adaptation work to develop a climate change adaptation strategy. A critical component of the adaptation work was the use of downscaled climate modelling, which applies global climate models to a specific location, at a finer resolution, to assist in informing decisions regarding our existing infrastructure, in light of climate change impacts. The results of the climate modelling consistently indicated future warmer regimes for all of Sasol's sites. Surface temperature increases of between 1 and 4 °C is anticipated by mid-century (2050), with an increase in the number of extreme hot days. For all sites, the increase in the number of extreme hot days was projected to increase as much as five-fold from the current 5-10 days a year to 25 days in the year. One of the other risks identified via the modelling work was the increased frequency of heavy rainfall events. This was found to result in increased water discharge to the environment from Sasol's facilities as a result of overflow from onsite water storage facilities, resulting in additional cost to the business. Furthermore, additional climate-related risks identified include increased intensity of cyclones and hurricanes on our operations, particularly our Mozambique and US operations.	RESPONSE: In response to the water-related outcomes identified, Sasol is in the process of finalising an adaptation strategy that will focus our attention on integrating climate change risks (including those related to water) into our existing business processes and developing site-specific actions to address these risks. The risks associated with hurricanes and cyclones are managed in Houston, Lake Charles and Mozambique using robust preparedness measures. Low cost adaptation measures and actions have been identified and implemented to manage these risks which includes: - Engaging with other operations experiencing similar impacts (lesson sharing); - Improving preparation procedures; - Improving recording and reporting around cyclone, hurricane and tornado events and their impacts to continually improve understanding of the risks; - Implement low-cost adaptation measures (including improving maintenance contracts systematically), - Continue to engage with government to feed into policy development process on a national level and to support development of adaptation interventions on a wider scale. In response to increasing surface temperatures and increased extreme rainfall events. Measures are taken to manage heat stress and mitigate against flooding events TIMELINES: measures are taken to manage heat stress and mitigate against flooding events

**W7.4**

**(W7.4) Does your company use an internal price on water?**

**Row 1**

**Does your company use an internal price on water?**

Yes

**Please explain**

Sasol uses an internal price on water to justify funding decisions on all projects requiring any water utilities. The price was established after considering the cost of procurement, treatment and environmental impacts of water usage. The price we pay for water differs due to the infrastructure needs to supply water. River water costs Secunda Operation and Sasolburg Operations approximately R7/m3 and R3/m3 respectively. These Operating Model Entities (OME's) plan for inflation related increases.

**W7.5**

**(W7.5) Do you classify any of your current products and/or services as low water impact?**

	Products and/or services classified as low water impact	Definition used to classify low water impact	Primary reason for not classifying any of your current products and/or services as low water impact	Please explain
Row 1	No, but we plan to address this within the next two years	<Not Applicable>	Important but not an immediate business priority	Sasol Product Stewardship team is busy developing new KPI's with one being Lifecycle Assessments of all products. and improved understanding of products impact to the environment.

**W8. Targets**

**W8.1**

**(W8.1) Describe your approach to setting and monitoring water-related targets and/or goals.**

	Levels for targets and/or goals	Monitoring at corporate level	Approach to setting and monitoring targets and/or goals
Row 1	Company-wide targets and goals Business level specific targets and/or goals Site/facility specific targets and/or goals	Targets are monitored at the corporate level	In 2015, Sasol set voluntary water efficiency targets driven by our largest water using business in South Africa. These were applicable up to 2020 but extended to 2021 while new water targets were finalised. Being a large water user, we track and monitor the performance of the Integrated Vaal River System (IVRS) in terms of storage capacity of the system and the dams. Any deviations in operating rules are addressed directly with the Department of Water and Sanitation (DWS). In FY17, we commenced the discussion on setting a group potable reduction water target. This target was implemented in FY19. Considering that our water targets ended in FY20, Sasol has been guided by the UNGC CEO Water Mandate in developing Contextual Based Water Targets. In January 2022, the Operations Policy, Stakeholder and Governance meeting approved the methodology to develop short-term (Phase 1) and long-term (Phase 2) water targets. This decision was noted at the February 2022 Safety, Social and Ethics Committee (SSEC). The short-term water targets and commitments for the three largest water using operating model entities (OMEs) being SO, SEO and Mining, have been developed and approved (refer to Table 6a for detail). As development on the 2030 and 2050 GHG emission reduction roadmaps progress and final pathway selection is done, the long-term water targets will be developed. OME Short-term water targets and commitments: SO: i) Maintain the condition based (receiving feedwater <300 uS/cm) water intensity at the FY16 baseline of 11,3 tons of water per ton of saleable product. ii) Develop a water loss reduction strategy to address unaccounted water losses by 2025. iii) To work towards achieving Green Drop Certification status by 2025. iv) Support multi-stakeholder catchment assessments to identify opportunities to advance management of the Upper Vaal including Waterval catchment; and v) Commit to continue beyond fence line involvement in communities to address water, sanitation and other priorities. SEO: i) A 7.5% reduction in fresh-water usage for production on the Sasolburg sites by end of 2025 as measured against a FY21 baseline. ii) To continue in pursuing the existing potable water target for the Sasolburg sites of an average monthly use of 150 000 m3 /month over a financial year by end of 2025. iii) To continue to actively drive water loss reduction programs by addressing water leaks which are within operational control. iv) Maintaining SEO's Green Drop Certification for the Sasolburg Bio-works. v) Providing support to multi-stakeholder catchment assessments to identify opportunities to advance management of the Upper Vaal. vi) Continuing beyond fence line involvement in communities where appropriate to address water, sanitation and other environmental priorities. Mining : To ensure potable water use does not increase more than 15% against FY19 baseline of 1 520 megalitres by FY25.

---

(W8.1a) Provide details of your water targets that are monitored at the corporate level, and the progress made.

**Target reference number**

Target 1

**Category of target**

Water use efficiency

**Level**

Site/facility

**Primary motivation**

Water stewardship

**Description of target**

Secunda Operations aimed to achieve a 2,5% improvement in water intensity against actual consumption in 2014 of 11,58 tons of water used per ton of saleable production.

**Quantitative metric**

Other, please specify (tons of water use per ton of product)

**Baseline year**

2014

**Start year**

2016

**Target year**

2021

**% of target achieved**

1

**Please explain**

SO reported a 1% improvement against the baseline. This improvement is mostly accredited to not having similar low production instances experienced in the previous year on account of Covid-19 and the pit-stop shutdown.

---

**Target reference number**

Target 2

**Category of target**

Water use efficiency

**Level**

Site/facility

**Primary motivation**

Water stewardship

**Description of target**

Sasolburg Ekandustria Operations aimed to maintain the 2015 baseline of 9,81 tons of water use per ton of saleable product.

**Quantitative metric**

Other, please specify (tons of water use per ton of product)

**Baseline year**

2015

**Start year**

2016

**Target year**

2021

**% of target achieved**

0

**Please explain**

The water intensity target deteriorated by 14% due to production challenges that were experienced.

---

**Target reference number**

Target 3

**Category of target**

Water consumption

**Level**

Site/facility

**Primary motivation**

Water stewardship

**Description of target**

Mining reported a 25% improvement during 2020 against the 2015 baseline, meeting their target of restricting the increase in potable water use to a maximum of 10%.

---

**Quantitative metric**

% reduction in total water consumption

**Baseline year**

2015

**Start year**

2016

**Target year**

2021

**% of target achieved**

25

**Please explain**

Mining reported a 25% improvement during 2020 against the 2015 baseline, meeting their target of restricting the increase in potable water use to a maximum of 10%.

**Target reference number**

Target 4

**Category of target**

Water consumption

**Level**

Company-wide

**Primary motivation**

Water stewardship

**Description of target**

Reduce Group Potable Water Target by 5%

**Quantitative metric**

Other, please specify (Group potable water reduction target of 5% by FY20)

**Baseline year**

2016

**Start year**

2018

**Target year**

2021

**% of target achieved**

13

**Please explain**

This target has been achieved mainly due to enhancements implemented by SSO

**W9. Verification**

**W9.1**

**(W9.1) Do you verify any other water information reported in your CDP disclosure (not already covered by W5.1a)?**

Yes

**W9.1a**

**(W9.1a) Which data points within your CDP disclosure have been verified, and which standards were used?**

Disclosure module	Data verified	Verification standard	Please explain
W6 Governance	Total water use and recycled water	ISAE 3000	Limited Assurance done by 3rd party service provider. Refer to 2020 Sasol Sustainability Report

**W10. Sign off**

**W-FI**

**(W-FI) Use this field to provide any additional information or context that you feel is relevant to your organization's response. Please note that this field is optional and is not scored.**

W10.1

(W10.1) Provide details for the person that has signed off (approved) your CDP water response.

	Job title	Corresponding job category
Row 1	Executive Vice President: Strategy, Sustainability and Integrated Services	Other C-Suite Officer

W10.2

(W10.2) Please indicate whether your organization agrees for CDP to transfer your publicly disclosed data on your impact and risk response strategies to the CEO Water Mandate's Water Action Hub [applies only to W2.1a (response to impacts), W4.2 and W4.2a (response to risks)].

Yes

SW. Supply chain module

SW0.1

(SW0.1) What is your organization's annual revenue for the reporting period?

	Annual revenue
Row 1	

SW1.1

(SW1.1) Could any of your facilities reported in W5.1 have an impact on a requesting CDP supply chain member?

SW1.2

(SW1.2) Are you able to provide geolocation data for your facilities?

	Are you able to provide geolocation data for your facilities?	Comment
Row 1	Please select	

SW2.1

(SW2.1) Please propose any mutually beneficial water-related projects you could collaborate on with specific CDP supply chain members.

SW2.2

(SW2.2) Have any water projects been implemented due to CDP supply chain member engagement?

SW3.1

(SW3.1) Provide any available water intensity values for your organization's products or services.

Submit your response

In which language are you submitting your response?

English

Please confirm how your response should be handled by CDP

	I understand that my response will be shared with all requesting stakeholders	Response permission
Please select your submission options	Yes	Public

Please confirm below

I have read and accept the applicable Terms