



sasol
reaching new frontiers

A NEW ERA FOR SASOL

Sustainable Development Report
30 June 2014



Sasol is an international integrated energy and chemicals company that leverages the talent and expertise of our more than 33 000 people working in 37 countries. We develop and commercialise technologies, and build and operate world-scale facilities to produce a range of high-value product streams, including liquid fuels, chemicals and low-carbon electricity.



A NEW ERA FOR SASOL

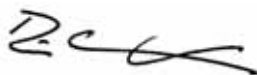
Being a responsible and sustainable organisation is paramount to Sasol. In practice, this means we prioritise safety, and always promote ways to improve the environmental and social impacts of our activities, ensuring our presence results in positive benefits for our stakeholders.

We believe business, as a collective, has a critical role to play in meeting the challenges of a changing world – mitigating environmental risks, preserving natural resources, and enhancing economic development and opportunity. Sasol's determination to ensure that our growth is undertaken in a responsible and sustainable manner is reflected in the nature of the commitments and activities described throughout this report.

We recognise that for the company and the countries within which we operate, we need to invest in the health, wellbeing and continuing development of people and their communities, and we need to foster relationships grounded in trust and respect.

For us, at Sasol, sustainability is no longer just about doing business responsibly – it is also about identifying key social and sustainability challenges, and finding ways to work with others to resolve them.

The 2015 fiscal year marks the beginning of a new era for Sasol – as a repositioned, restructured and focused organisation. It also signifies a time of growing stakeholder collaboration and partnerships.



David E Constable
President and Chief Executive Officer



ABOUT THIS REPORT

Our Sustainable Development Report covers the activities of all Sasol's businesses for the operating period of 1 July 2013 to 30 June 2014. These activities include exploration, appraisal, research and development, construction, production (mining, oil and gas, coal-to-liquids, gas-to-liquids, chemicals and power generation), and marketing and sales.

Data is included for the following joint ventures: National Petroleum Refiners of South Africa (Natref), Sasol Petroleum International in Mozambique, ORYX GTL in Qatar and Sasol Huntsman in Germany. Data from Arya Sasol Polymer Company in Iran is no longer included in this report as it was disposed of in August 2013. Sasol disposed of its investment in Sasol Solvent's operations at Moers and Herne in Germany in May 2014. Data for these operations will no longer be included in future reports. Quantitative performance data is not included for those operations where we do not have operational control, joint control or do not exercise influence. However, issues of significant interest to stakeholders in these operations are covered in the commentary. Further details on the nature and location of our joint ventures, and on their principal sustainable development risks, can be found on our website at www.sasolsdr.com.

This report focuses on material sustainability focus areas that affect the long-term success of our business, and that relate to any significant impacts we have on the economy, environment or communities in which we operate. It also focuses on issues that are important to our key stakeholders. While this report may be of interest to all our stakeholders, it deals with issues of particular interest to

investors and analysts, sustainable development professionals, and other parties who may have a specific interest in Sasol's sustainability performance at a group level. In response to stakeholder feedback, this printed report encompasses only our material sustainability focus areas. The process we followed in identifying these material focus areas is described on pages 28 to 29.

Additional sustainability information, as well as a summary report, is available at www.sasolsdr.com. In addition to the suite of reports that form part of our Annual Integrated Report, we communicate with our key stakeholders through other channels. These include employee newsletters, investor reports and direct communication from management. Most of our larger operations also run separate sustainable development-related communication processes, such as site-based reporting and community forums, aimed at engaging with neighbouring communities.

Our sustainable development reporting has been developed in accordance with the Global Reporting Initiative's (GRI's) G4 Sustainability Reporting Guidelines (Core), including the GRI's Mining & Metals and Oil & Gas sector supplements. We have also applied the advanced level reporting criteria of the United Nations Global Compact (UNGC), and meet the 21 advanced criteria. A detailed GRI table and a UNGC Communication on Progress are available at www.sasolsdr.com.

Approval of our Sustainable Development Report

The Sasol Limited Audit Committee has authorised the Risk, Safety, Health and Environment Committee to approve the Sustainable Development Report, following a review by the Sustainability and Stakeholder Relations Committee. The report is ultimately signed off by the President and Chief Executive Officer of Sasol.



Our integrated reporting process

This report forms part of Sasol's Annual Integrated Reporting process, which comprises four main publications, shown below.

How to read our Sustainable Development Report

Our Sustainable Development Report provides extensive cross-references to our other reporting publications, shown below:



Sustainable Development Report

Our annual report covering environment, social and governance matters. It also covers safety, health and environmental issues as well as our holistic sustainability approach. It is prepared in accordance with the GRI G4 framework.



Annual Integrated Report

Our primary annual report to stakeholders. Contains succinct material information and conforms to local and international statutory reporting frameworks.



Form 20-F

Form 20-F, our annual report issued in accordance with the Securities Exchange Act of 1934, which is filed with the United States Securities and Exchange Commission (SEC), in line with the requirement of our New York Stock Exchange listing.



Annual Financial Statements

Contains a full analysis of the group's financial results, with detailed financial statements, as well as full corporate governance and remuneration reports, prepared in accordance with International Financial Reporting Standards.

Feedback

Through our reporting process we seek to move beyond compliance and enter into an inclusive and meaningful dialogue with our stakeholders, with the aim of informing our strategy and building trust.

We value feedback and welcome questions and comments on our reporting. To give feedback to or request hard copies of our reports, please contact our corporate affairs division or use the feedback form on our website at www.sasolsdr.com.



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Measuring our sustainability performance

Our performance in the last three years has been largely attributable to effectively managing the factors within our control. Underpinned by a consistent safety performance, we have met most of our strategic milestones and embedded comprehensive organisational changes. This has allowed us to outperform our previous best efforts and maintain our track record of growing shareholder value sustainably. In parallel, we continue to invest significantly in driving socio-economic development. A comprehensive review of all our sustainability targets is being undertaken in line with our new operating model and with related regulatory requirements.

Safety

To achieve an RCR* of less than 0,40 for 2015

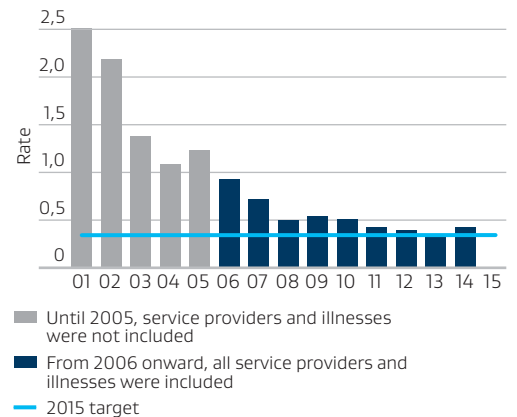
Target

- ▶ **0,40** by 2015
- ▶ **0,34** (excluding illnesses) by 2015

Our performance

Our RCR this year was 0,42 (including illnesses), up from 0,37 (restated) last year; this includes 451 recordable cases, comprising five fatalities, 156 lost workday cases, 223 medical treatment cases and 67 occupational illnesses. We have a target RCR of 0,40 (including illnesses) and 0,34 (excluding illnesses) for 2015. With the implementation of the new operating model, a discrepancy in the RCR related exposure hours for 2012 and 2013 was reported. The RCR has been restated for 2012 and 2013. Further details can be found on pages 33 and 34.

***Recordable case rate (RCR)**
(recordable cases per 200 000 hours)



*The recordable case rate (RCR) is a standard international measure for reporting work-related injuries and illnesses and other safety incidents resulting in injury. The RCR is the number of fatalities, lost workday cases, restricted work injuries, medical treatment cases and occupational illnesses for every 200 000 employee hours worked.

Product transportation incidents

To achieve 30% reduction over five years, based on the 2009 actual transport indicator

Transport incidents rates improved to 0,092 in 2014

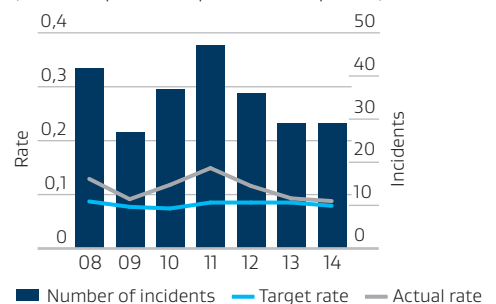
Target

- ▶ **0,082** by 2015

Our performance

There were 29 significant transport-related incidents globally, similar to last year. The incidents this year resulted in seven fatalities, 20 injuries, five fires, 21 spillages and two extended road closures. Of these seven fatalities, five were drivers or occupants of other vehicles in road accidents and two were tanker drivers of third-party hauliers transporting Sasol products. Our transport incidents rate (measured as the number of significant incidents per 100 kilotons of product transported) improved to 0,092 from 0,094, our lowest ever recorded rate, in 2013.

Product transportation incident rate
(incidents per 100 kt product transported)



Energy efficiency

To improve the utility energy efficiency of our South African operations by 15% by 2015 off a 2000 baseline

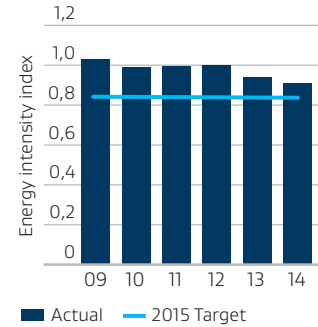
Target

▶ **0,85** by 2015

Our performance

Intensified efforts to improve energy efficiency management and operating practices over the last couple of years continued to deliver results with improvements recorded across our operations. The 2014 utility energy intensity index for our operations in South Africa improved by a further 3%, up from the 6% improvement achieved in 2013. These improvements enabled Sasol South Africa's overall energy cost increases to be curbed below the energy inflation rate. Further optimisation in all operating units continues to be pursued and additional improvements are possible if the current plant stability performance is maintained.

Sasol energy efficiency accord measurement



Greenhouse gas emissions (GHG) intensity

To reduce emissions intensity by 15% in all our operations off a 2005 baseline

Target

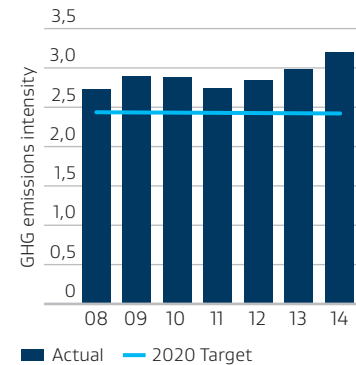
▶ **2,47** by 2020

Our performance

Our total GHG emissions globally (measured in CO₂ equivalent) decreased slightly to 70,5 million tons (Mt) for 2014. This figure includes the direct emissions associated with our processes and our own tanker fleets (Scope 1 emissions), as well as the indirect emissions associated with our electricity imports (Scope 2). Our GHG emissions intensity (tons CO₂ per ton production) has increased to 3,20 up from 2,98 in 2013. This increase is largely due to the sale of Arya Sasol Polymer Company in 2013, which negatively impacted our total production levels, resulting in a much higher GHG intensity for the group.

Despite this increase in intensity, our absolute GHG emissions have reduced consistently each year, over the past two years. This followed the increase in emissions after including Arya Sasol Polymer Company and ORYX GTL in 2012. Looking to the future, it is anticipated that our emissions intensity will worsen with the recently concluded sale of the Sasol Solvents Germany operations. We are currently reviewing our targets in line with our new operating model and government requirements.

Greenhouse gas emissions intensity (tons CO₂ equivalent per ton production)



President and Chief Executive Officer's review



David E Constable, President and Chief Executive Officer

Being a responsible and sustainable organisation is paramount to Sasol. In practice, this means we prioritise safety, and always promote ways to improve the environmental and societal impacts of our activities, ensuring our presence results in positive benefits for our stakeholders.

REPOSITIONING SASOL FOR A NEW ERA

Dear stakeholder

At Sasol, we first started to consciously approach our business in an integrated manner in 2000.

Over time, and notwithstanding our solid operational and financial achievements, the way we structured our business activities and drove independent bottom line accountabilities, created complexities that slowed us down, and diverted our attention from important external dynamics. It became clear that we needed to organise ourselves for greater effectiveness. This meant reducing bureaucracy and simplifying our complex subsidiary and governance structures to facilitate more effective and efficient decision-making.

Changing the face of Sasol

The necessity for change, first identified at the end of 2011, arose out of the management team's commitment to sustain our performance over the long term, while ensuring a united Sasol approach.

Through the implementation of our group-wide change programme:

- In 2012, we started to reposition the organisation by driving a single set of priorities across the group, with safe, stable and efficient operations at the core.
- In 2013, to ensure greater focus across the organisation, we prioritised our project portfolio, which included the clear articulation of our near- to medium-term strategy, centred on two key regions – Southern Africa and North America.
- In parallel, from 2012 to 2014, we restructured the group and introduced changes to our top and senior management layers and corporate structures, and cemented our longer term strategic direction.

These changes culminated in the roll out of our new operating model on 1 July 2014 when we implemented our revised structures and processes.

Three years later, and with the benefits of our extensive change programme gaining traction, we have come a long way in driving a refined corporate strategy, and in ensuring that we work together as a united team.

Approaching investment decisions holistically

Part of our integrated thinking process requires that we approach all business decisions in a holistic fashion. This requires focused alignment and co-ordination on both

financial and non-financial factors. Here, we apply integrated investment criteria, which closely align to the six capitals.

When evaluating the pros and cons of any investment decision, we carefully consider whether we have, or can competitively access, the required:

- long-term feedstocks and natural resources;
- human resources with the requisite capabilities;
- technologies – whether proprietary or off-the-shelf;
- market and stakeholder support – which includes those who enable our licence to operate;
- facilities and infrastructure; and
- financial resources.

By adopting a fully integrated approach, and having clear line of sight, we are best-placed to make informed decisions. Through improved decision-making and governance frameworks, we can drive the big picture. In the world of integrated reporting, this allows us to tell the full Sasol story – including both financial and non-financial progress and performance.

Addressing our material sustainability focus areas

Today, our Sasol colleagues place the group's best interests at the forefront of our considerations. By focusing on growing shareholder value sustainably, we also benefit our wider stakeholder groupings.

Given the complex nature of our business, and based on the views and interests of our stakeholders, we continue to identify the material sustainability focus areas we need to address to ensure that we create sustainable value. These issues have remained largely unchanged and are the primary focus of this report:

- ensuring the safety, health and wellbeing of our people;
- investing in our people;
- responding to environmental challenges;
- delivering social value;
- driving enterprise and supplier development; and
- providing safe, essential and quality products.

Sustainability is no longer just about doing business responsibly – it is also about identifying key social and sustainability challenges, and finding ways to work with others to resolve them.

Over the past three years, we have been working with a wide range of our stakeholders to ensure that we address our material sustainability focus areas.

Ensuring the safety, health and wellbeing of our people

Safety is a top priority and core value at Sasol. We strive to ensure safe operations that protect people and communities. Our ambition is to be an industry leader in safety.

To this end, in 2014, we formalised our One Sasol SHE Excellence approach, which will ensure that, through co-ordination and understanding our top global safety risks, we will be better equipped to ensure zero harm. Our ORYX GTL joint venture in Qatar continues to be a star performer both from an operational and safety performance perspective. In September 2014, we recognised our flagship gas-to-liquids facility for their outstanding safety track record – three years without a recordable incident.

With the implementation of our new operating model in July, our team identified a discrepancy in the recordable case rate-related exposure hours for our 2012 and 2013 fiscal years. Here, certain contractor hours at our Sasolburg hub needed to be restated. As a result, the group's lost work day case rate and recordable case rate had to be adjusted. Although our safety statistics needed to be restated, we are encouraged by the fact that the company-wide move to the new operating model managed to flush out any anomalies and inconsistencies.

Armed with accurate data, we are mindful that our ambition to be an industry safety leader also requires the commitment and support of our business partners outside of the Sasol group – including our contractors, customers, and neighbours. To ensure that we meet this aspiration, in 2013, we stepped up our focus on process safety and product transportation safety.

Despite our heightened safety focus, it deeply saddens me that five of our colleagues were fatally injured in operations and transport-related incidents this past financial year. Our thoughts and best wishes are with the families, friends and colleagues of Alex Mofokeng, Chris Pretorius, Tselane Mamaila, Stefaans Moloi and Billy van Dyk.

With safety, a crucial imperative for our company, our focus on occupational health and employee wellbeing has also been enhanced. By adopting an integrated approach to

health and wellness, we are also able to positively influence the safety of our team members. To ensure that we tackle areas of concern head-on, we have improved our health management processes, monitoring and record-keeping.

Investing in our people

Our ability to effectively pursue the various opportunities we have available to us requires that we continually enhance our business performance and overall effectiveness.

After a detailed diagnostic, and to achieve our strategic objectives, at the start of this past financial year, we officially launched a comprehensive business performance enhancement programme, which cuts across the entire organisation.

Our leadership structures are now complete, and have resulted in voluntary retrenchments and early retirements amongst the most senior layers of the organisation. The restructuring process will be concluded in our 2015 financial year. At this stage, we do not expect any forced retrenchments of our monthly salaried personnel.

The catalyst for our reorganisation was the development and introduction of our new operating model, which is organised along an integrated value chain. The consolidation and right-sizing of our corporate and legal structures were a crucial building block of our group-wide restructuring, particularly in South Africa.

Notwithstanding our organisational changes, we know that by attracting and selecting the right people, and providing opportunities for development, we will secure our long-term success as a transformative employer of choice.

Earlier this year, we ranked number one in our sector and top ten nationwide in the 2014 Top Employers' Award. This accolade pays tribute to the fact that we are creating a caring, inspiring and engaging working environment, which promotes diversity and equal opportunities for all employees.

Importantly, we recognise our colleagues who go the extra mile, through a substantially overhauled performance management and remuneration system, which rewards our people on the basis of their performance, giving equal emphasis to delivery and behaviour.



In addition, our strong, trust-based relationships with our Group Partnership Forum and our unions have enabled frank and constructive dialogue, which allows us to resolve concerns before they become unworkable. We believe that by involving our people and their appropriate representatives, we can achieve mutually beneficial solutions.

Responding to environmental challenges

At a time when available natural resources are becoming increasingly difficult to develop, we fully recognise that accessing new energy sources depends on our capacity to explore and develop reserves without adversely affecting people and the environment.

In the past decade, we have ensured that our business activities are more effective and energy efficient, and that our feedstock choices continue to reduce our greenhouse gas emissions.

We believe that as a monetiser of natural gas, we can play an important role in addressing the climate change challenge. Natural gas is an attractive energy carrier and a fuel for the future – abundant, price competitive, and the cleanest, fossil-based energy source.

In tandem, our external water conservation partnership, in Sasolburg, South Africa, continued to yield excellent results. In the past year, 4,76 million cubic metres of water, with an economic value of approximately R26 million, has been saved. Over the last two years, a total of 114 000 households and 94 schools have been visited to repair multiple leaks. Limiting these leaks has resulted in water conservation improvements equating to the equivalent use of 16 000 households, or 22% of our Sasolburg facility's annual raw water needs.

In 2014, we intensified efforts to improve energy efficiency management and operating practices. As a result, the utility energy intensity index for Sasol South Africa improved by a further 3%, up from the 6% improvement achieved in 2013. These improvements enabled our overall South African process operations' energy cost increases to be curbed below the energy inflation rate.

Compliance with environmental norms and standards is integral to how we manage our operations. We strive to comply fully with all regulations, at all times, and where new regulations are being considered, we actively participate in the processes to develop them, while preparing for those that are likely to be enforced. Here, a case in point is the

stricter emissions standards being introduced as part of South Africa's air quality legislative framework, which comes into effect in April 2015.

The new standards present an opportunity for all industries to improve on their environmental performance, including Sasol. Ensuring improved ambient air quality for the communities in which we live and work is a fundamental right we embrace.

Over the past decade, we invested approximately R20 billion in a range of environmental programmes to ensure we sustainably manage and improve on our key safety, health and environmental risks. This proactive investment approach has ensured that the majority of our processes will comply with the new emissions standards.

There are, however, proposed standards that apply to certain of our processes at our existing facilities, which Sasol will be unable to comply with, either within the stipulated timeframes or within the specified emission limits. Where we can comply, but we need more time to implement the identified solutions, we have submitted applications to the Department of Environmental Affairs to request an extension of the compliance timeframes.

For eight of the sub-categories of the new emission standards, compliance is not possible for Sasol, as the technologies to do so are either incompatible with our coal-to-liquids process or do not yet exist. We are therefore proposing alternative emission limits for these specific standards.

In parallel, we are actively researching technology solutions to enable us to address our constraints, while ensuring that we enhance air quality sustainably. Despite the challenges, we remain committed to working with government to explore all options, and find solutions, to aid our full compliance with the new emission standards.

Delivering social value

We contribute locally through the taxes and other contributions we make to governments, the personnel we employ and develop, the goods and services we procure from local enterprises, and the social investments made directly in our host communities. In South Africa, in particular, our operations have a substantial economic impact on the communities in which we operate.

In repositioning Sasol for a new era, a key feature of our licence to operate is the broader contribution we make to society.



In our home-base of South Africa, we are an active partner with government, driving socio-economic transformation and nation-building. Here, our corporate strategies in the region are strongly aligned with the country's National Development Plan, focusing on basic education and skills development, infrastructure expansion, and security of energy and petrochemical supply. These focus areas all contribute to job creation and economic development.

Our South African capital expenditure this past financial year was R22 billion, which equates to 57% of our group spend. For the last three years, we invested R60 billion locally on capital investments, and remain the single largest private company investor.

Through our large-scale investments in the country, we continue to create construction jobs for tens of thousands of semi-skilled and unskilled artisans and workers. At our Secunda and Sasolburg sites alone, in 2014, we created 12 500 construction jobs, and 29 000 shutdown employment opportunities.

We remain the largest corporate taxpayer in South Africa, contributing R36 billion in direct and indirect taxes to the fiscus this past financial year, and R95 billion in the last three years.

In parallel, Sasol is investing hundreds of millions of rand in bursaries, skills development initiatives, artisan learnerships and continuing tertiary education. Through targeted interventions, our global investment in skills and socio-economic development was more than R1,4 billion this past year, and over R3 billion for the last three years.

We recognise that in most countries where we have business activities, our projects are often long term. Through our ongoing investments in South Africa and abroad, we aim to create and maximise shared value for the benefit of both our shareholders and the countries and communities in which we operate.

Driving enterprise and supplier development

In 2013, we formally included enterprise and supplier development as a material sustainability focus area, as procuring goods and services from the communities and regions we operate in, is an effective way of generating local content and contributing to economic development. It has a direct impact on the local economy, creates jobs, and builds and enhances local capacity and capabilities.

During our 2014 financial year, our South African preferential procurement was R33,4 billion and represented 86,8% of our total measured procurement spend of R38,45 billion. We have significantly improved our procurement from emerging medium enterprises, qualifying small enterprises and black and women-owned entities.

Providing safe, essential and quality products

Over the years, we have strengthened our commitment to product stewardship by aligning our approach with the mechanisms established by the international chemical industry, including the Responsible Care Global Charter and the International Councils of Chemical Association Global Product Strategy.

We take a risk-based, scientific and life-cycle orientated approach to managing our products. This is undertaken in partnership with our suppliers, customers and other stakeholders in the product value chain, including road haulers.

In interfacing with our customers, whether they are other businesses or individual consumers, we continue to maintain positive relationships. This past financial year, we launched our key account management programme to drive enhanced product delivery and, in some instances, collaborated on advancing product quality.

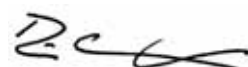
Conclusion

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We believe business, as a collective, has a critical role to play in meeting the challenges of a changing world – mitigating environmental risks, preserving natural resources, and enhancing economic development and opportunity. Sasol's determination to ensure that our growth is undertaken in a responsible and sustainable manner is reflected in the nature of the commitments and activities described throughout this report.

We recognise that for Sasol to grow, we need to invest in the health, wellbeing and continuing development of people and their communities, and we need to strengthen relationships grounded in trust and respect.

The 2015 fiscal year marks the beginning of a new era for Sasol – as a repositioned, restructured and focused organisation. It also signifies a time of ramped up stakeholder collaboration and solutions.



David E Constable

President and Chief Executive Officer

October 2014



Our global presence

Becoming a truly global company

Sasol has exploration, development, production, marketing and sales operations in 37 countries around the world. Our near-to-medium strategy encompasses a dual regional focus that seeks to leverage our global presence for growth and expansion. In Southern Africa, and across our existing global footprint, the emphasis is on maintaining and enhancing our asset base. In North America, elsewhere in Africa and the rest of the world, we seek to advance on several fronts through our pipeline of carefully prioritised capital projects and other growth opportunities.

The Americas

- Canada**
 - Sasol Synfuels International
 - Sasol Petroleum International
- United States**
 - Sasol Synfuels International
 - Sasol Polymers
 - Sasol Solvents
 - Sasol Olefins & Surfactants
 - Sasol Wax
 - Sasol Phenolics
 - Sasol Technology
- Brazil**
 - Sasol Olefins & Surfactants

United Kingdom

- England**
 - Sasol Petroleum International
 - Sasol Solvents
 - Sasol Olefins & Surfactants
 - Sasol Wax
 - Sasol Phenolics
 - Sasol New Energy
- Scotland**
 - Sasol Technology

Isle of Man

- Sasol Petroleum International
- Sasol Oil
- Sasol Financing

Ireland

- Ireland**
 - Sasol Financing

Europe

- France**
 - Sasol Solvents
 - Sasol Olefins & Surfactants
 - Sasol Wax
- Belgium**
 - Sasol Solvents
- The Netherlands**
 - Sasol Synfuels International
 - Sasol Technology
- Slovakia**
 - Sasol Olefins & Surfactants
- Poland**
 - Sasol Olefins & Surfactants
 - Sasol Wax
- Germany**
 - Sasol Solvents
 - Sasol Olefins & Surfactants
 - Sasol Wax
- Norway**
 - Sasol New Energy
- Austria**
 - Sasol Wax
- Italy**
 - Sasol Solvents
 - Sasol Olefins & Surfactants
 - Sasol Technology
- Spain**
 - Sasol Olefins & Surfactants

Southern Africa

- South Africa**
 - Sasol Mining
 - Sasol Gas
 - Sasol Synfuels
 - Sasol Oil
 - Sasol Synfuels International
 - Sasol Petroleum International
 - Sasol Polymers
 - Sasol Solvents
 - Sasol Olefins & Surfactants
 - Sasol Wax
 - Sasol Nitro
 - Sasol Infracchem
 - Sasol Phenolics
 - Sasol New Energy
 - Sasol Financing
 - Sasol Technology
 - Sasol ChemCity
- Swaziland**
 - Sasol Oil
- Lesotho**
 - Sasol Oil
 - Sasol Nitro
- Mozambique**
 - Sasol Gas
 - Sasol Oil
 - Sasol Petroleum International
 - Sasol Nitro
 - Sasol New Energy
 - Sasol Technology
 - Sasol ChemCity
- Botswana**
 - Sasol Nitro
- Namibia**
 - Sasol Nitro
- Zambia**
 - Sasol Nitro

Rest of Africa

- Nigeria**
 - Sasol Synfuels International
 - Sasol Petroleum International
 - Sasol Technology
- Gabon**
 - Sasol Petroleum International
- Egypt**
 - Sasol Wax

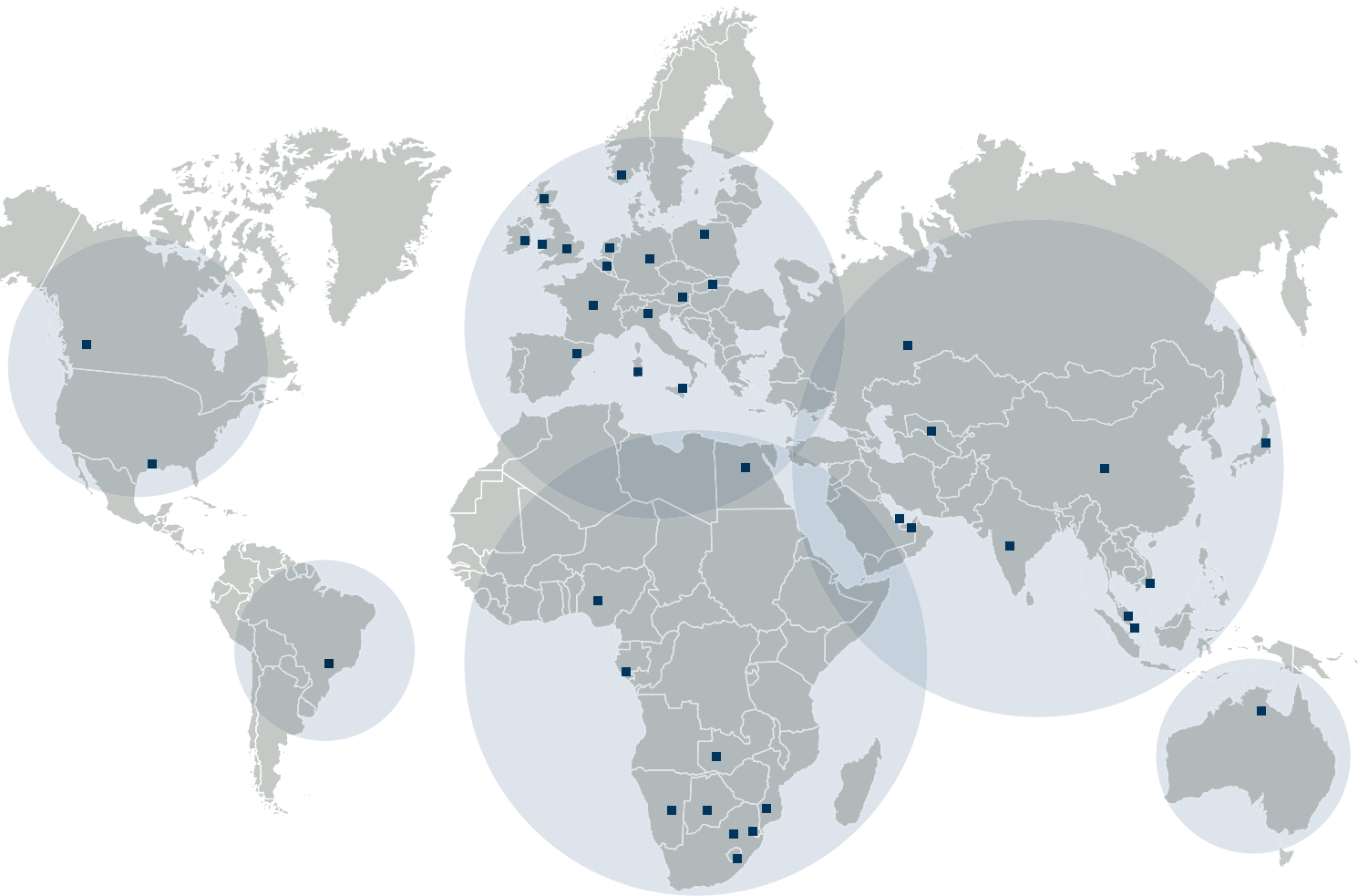
Middle East

- Qatar**
 - Sasol Synfuels International
 - Sasol Technology
- United Arab Emirates**
 - Sasol Solvents

Asia

- Russia**
 - Sasol Olefins & Surfactants
- Uzbekistan**
 - Sasol Synfuels International
 - Sasol Technology
- India**
 - Sasol Synfuels International
- China**
 - Sasol Polymers
 - Sasol Solvents
 - Sasol Olefins & Surfactants
 - Sasol Phenolics
- Malaysia**
 - Sasol Polymers
- Singapore**
 - Sasol Solvents
 - Sasol Wax
- South Korea**
 - Sasol Technology
- Japan**
 - Sasol Solvents
 - Sasol Olefins & Surfactants
 - Sasol Technology
- Australia**
 - Sasol Petroleum International



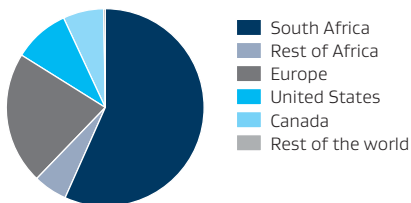


The map above reflects a broad indication of Sasol's global presence.

Our financial reporting reflects the broad regions in which we have a presence.

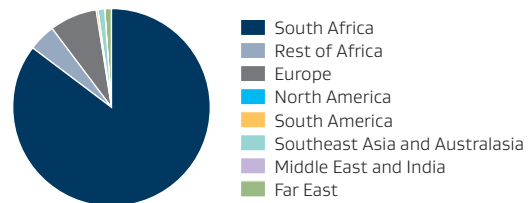
Capital investments by region for 2014

Total R39,5 billion



Operating profit, after remeasurement items by region for 2014

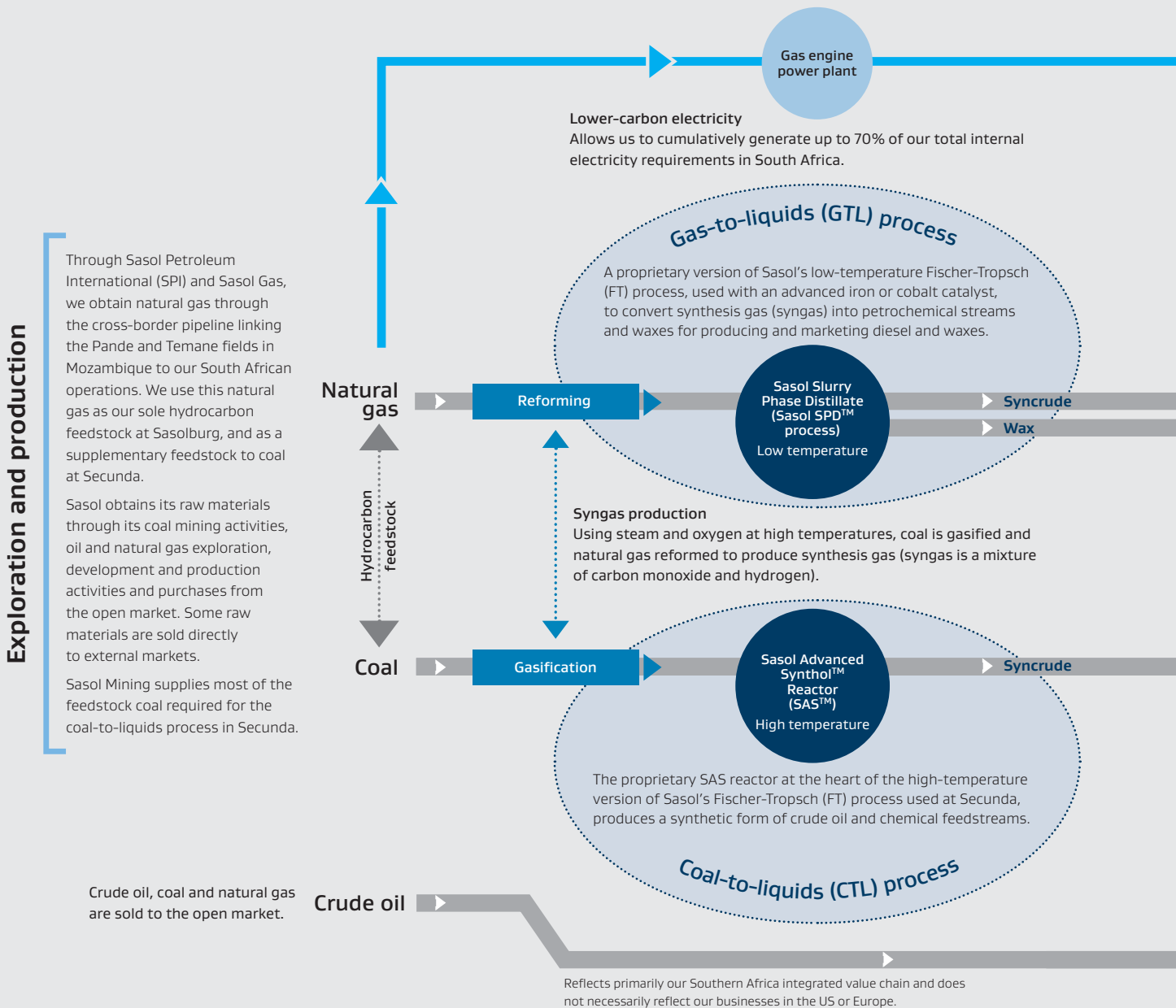
Total R41,7 billion



Our integrated value chain

Leveraging our unique value proposition to grow our business

Our integrated value chain is at the heart of our differentiated value proposition. We will continue to improve our coal-to-liquids process, to ensure safe, reliable and efficient operations with lower environmental impact. However, the acceleration of our gas-to-liquids, gas-to-chemicals and gas-to-power value propositions will drive our growth and expansion.



SUSTAINING OUR INTEGRATED VALUE CHAIN

We invest significantly in managing the factors that underpin the sustainability of our integrated value chain.

Managing the environmental impact of our operations

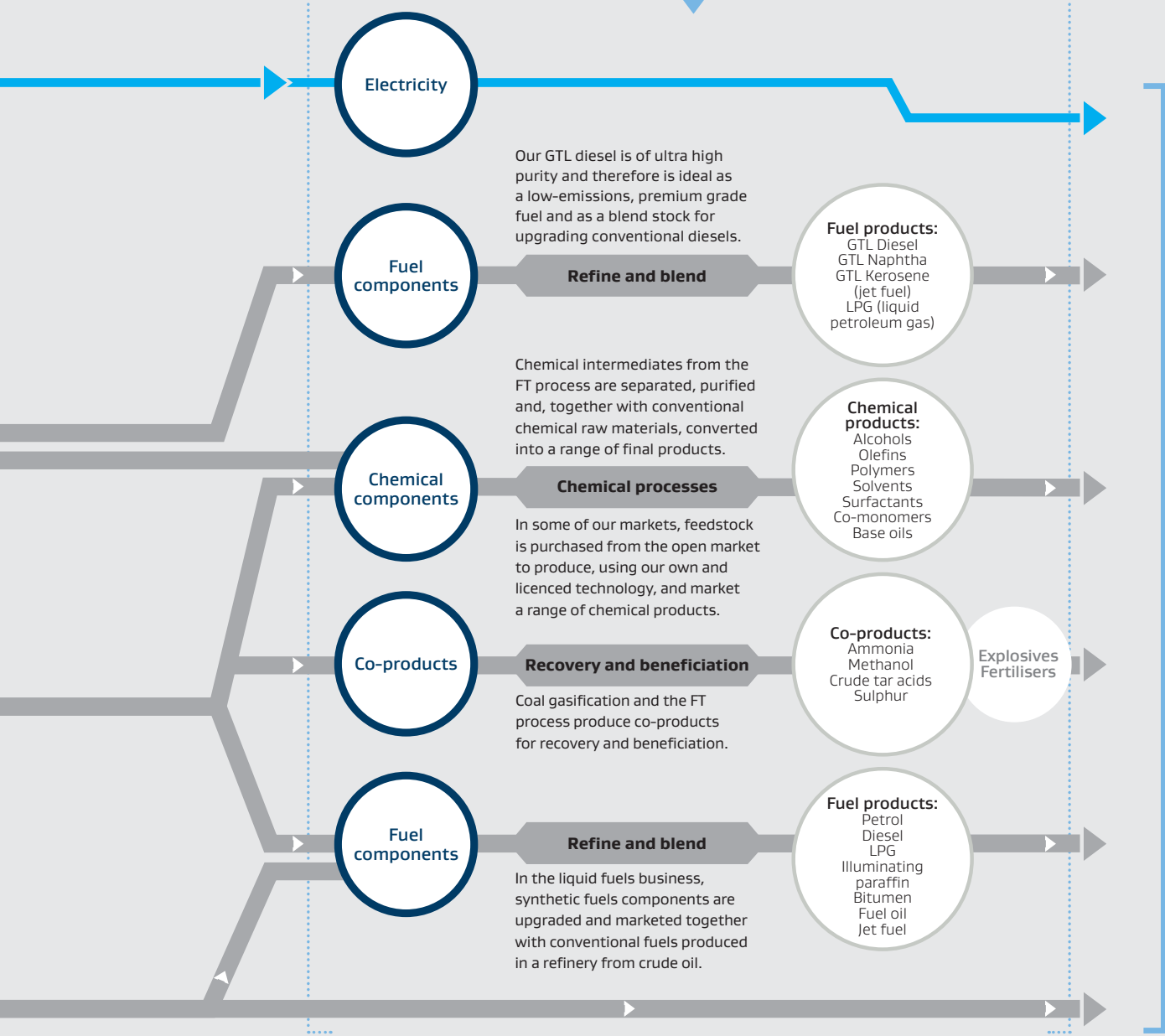
Our strategic emphasis on accelerating gas-to-liquids, gas-to-power and gas-to-chemicals growth as our primary value propositions, seeks to leverage gas as the bridge to a lower-carbon economy and demonstrates our strategic commitment to the climate change challenge. However, coal remains an important feedstock for our Secunda complex in South Africa. We continue to reduce our carbon emissions by developing more efficient production processes and producing our own low-carbon electricity. Recognising that water is an essential feedstock for our operations, we continue to manage water risks within our control and act collectively on shared risks in the municipalities and catchment areas in which our facilities are based. We also continue to advance a range of other projects with environmental benefits, with notable examples being our Clean Fuels 2 programme and various projects aimed at improving ambient air quality.



More detail on the six capitals in the value creation scorecard can be found in our Annual Integrated Report.

Our products

We produce bulk fuel and chemical commodities as well as high value-add or differentiated products. We mainly supply to industries, but also supply directly to consumers in South Africa through our fuel products retail business. We also export coal to international power generation customers. Our third product stream is low-carbon electricity, produced for our own consumption or sold into the Southern African grid.



Marketing of products

Managing the health, safety and diversity of our people

We invest significantly in our people, specifically in world-class safety processes, employee wellness, training and development, labour practices and diversity. Safety is a strategic imperative for sustainable and competitive operations, and we continue to strive for operating environments that achieve zero harm. Our inclusive labour practices are focused both on our own people and our suppliers. To be a high-performing organisation, we harness and enhance not only demographic diversity, but also the diversity of skills, perspectives and ideas of our people around the world.

Maintaining our technology advantage

Technology continues to underpin our competitive advantage, specifically in terms of process innovations that drive production output and efficiencies, and mitigate environmental impacts. We continue to focus on driving improvements within our existing facilities, strengthening our compelling gas-to-liquids value proposition on a global basis, and broadening our product application research. An important focus of our technology function is to also ensure excellence in the execution of our capital projects.

Remaining responsive to a changing business context

To achieve our definition of victory – to grow shareholder value sustainably – we are proactive and continue reinforcing the resilience of our business in addressing the challenges we face.

Global Market Challenges

Globally, markets are continuing to feel the effects of the 2008 financial crisis. Despite the recovery in economic activity in developed economies and continued growth in emerging economies, such as India and China, investor confidence remains generally low. The World Economic Forum's annual assessment of global risks highlights the fragility of the recovery. Their assessment points to the potential for fiscal crises in key economies, structurally high unemployment and under-employment, rising levels of income disparity, the failure of global governance, and increasing political and social instability. Environmental concerns are also prominent, with water scarcity, climate change and extreme weather events, each featuring in the top ten global risks.

Against this backdrop, there is a consistent and increasing demand for energy. This is being driven, in particular, by rapid consumer growth in Asia and continuing industrialisation and urbanisation in emerging economies. Accompanying the growth in energy demand, are calls for resource nationalism and the rising influence of state-owned companies in the extractives sector. This is particularly the case in Sub-Saharan Africa where governments and communities have become increasingly vocal about how the benefits of resource extraction should be shared. This reflects a broader shift across many stakeholder groups regarding the role of business in addressing societal challenges.

An eventful year in South Africa

In South Africa, our home-base and the location of our largest operations, it has been a particularly eventful year. We are a proudly South African company and our commitment to the country and the region is unequivocal. In 2014, the country marked 20 years of democracy with a robustly contested yet peaceful election. Despite this positive landmark in the country, there have been continuing concerns regarding limited economic growth, youth unemployment and inequality, and frustration in some communities about the slow pace of service delivery persist. Furthermore, investors and the business community continue to express concern regarding regulatory and policy uncertainty, and the potentially adverse effects of tightening regulatory requirements.

Immediate concerns regarding national electricity supply reflect longer-term challenges in the South African coal sector. These include recent downward revisions to the estimates of available coal reserves in the Mpumalanga province, changes in the national electricity utility's planned coal demand profile, and increasing export demand for national coal reserves. These challenges have significant implications for companies in the energy and extractive industries.

In the broader mining sector, the five-month platinum strike dominated the year. The strike's profound social, economic and financial implications brought into sharp focus the critical importance of restoring trust and developing stronger relationships between business, government and labour. It also raised difficult questions about business models in the extractive industries, dented the country's reputation among investors and was a key contributor to the downgrading of South Africa's sovereign rating.

Positioning Sasol for growth in a changing business context

These global and regional challenges highlight the complexity and interconnectedness of the societal factors that shape our operating context, and underscore the critical importance of a considered and holistic approach to sustainable development.

Our strategic response to societal issues is informed by an integrated understanding of the resources and relationships – or capital stocks – that we depend on to create sustainable value for our shareholders and, in turn, our stakeholders. The strategic decisions we make in allocating resources to run our business and advance our growth projects take cognisance of our use of, and impacts on, the following six capitals:

- **Natural capital:** the ecological processes and natural resources – such as coal, gas, crude oil and water – that we need to provide our goods and services.
- **Human capital:** the skills, experience, productivity, diversity and excellence of our people, that enable us to operate our facilities safely, reliably and efficiently, and to deliver our growth projects on time and within budget.
- **Social and relationship capital:** the quality of the relationships that we have with our key stakeholders, that is essential to facilitate collaboration, the effective sharing of knowledge, and the establishment of an effective enabling environment for investment.
- **Intellectual capital:** our knowledge-based assets such as technology patents, copyrights, software, licences, procedures and protocols.
- **Manufactured capital:** our ongoing capital investment in our plants and equipment that enables us to operate these assets safely and reliably for an extended period of time.
- **Financial capital:** the debt and equity financing, as well as the cash generated by our operations and investment that are used to run our business and fund our growth projects.

We continuously review our strategy to ensure it is aligned to the significant changes in our business environment. This involves refining the group's strategic agenda to ensure it remains relevant and achievable.



Please refer to our website, www.sasolsdr.com, for our "nurture and grow" strategy and our "expand and deliver" strategy.



Our strategy and group imperatives

Refining our strategic aspirations

Over the last several years, and to enable successful strategy execution, group imperatives were introduced to focus the organisation on key and urgent deliverables. As we enter a new era for Sasol, these imperatives form part of our business-as-usual activities, and have been incorporated within the relevant business and functional areas.

Operations Excellence

Our ability to develop and manage integrated value chains and complex production processes is a key competitive advantage. Through this imperative, we improved the reliability, sustainability and maintainability across Sasol's value chains by developing standardised, world-class management systems and implementing best practice in our plants and businesses. We also seek to continually develop competent and engaged people who adopt these practices and deliver targeted performance. We have embedded this focus area in our Regional Operating Hubs.

In 2014, we developed and implemented 17 new best practice initiatives across the group. These initiatives, coupled with various other operational volume improvements, realised efficiencies of approximately R1,3 billion and energy efficiency improvements of R1 billion.

Capital Excellence

This imperative aims to ensure the flexible and effective use of capital in the group's project pipeline. The associated programme was successfully concluded in 2014, and achieved key functional improvements.

The optimisation and prioritisation of our project portfolio is now supported by a streamlined capital approval process. We have a more rigorous planning and quality review process in place, which is in line with international best practice. Our business case review process, to inform consistent and improved decision-making, is world-class. In addition, we have a more comprehensive training, development and certification programme for all people working on capital projects. These improvements will ensure that we are able to deliver projects that meet all key parameters, in a shorter time, at a lower cost and yielding better returns on investment. In terms of our new operating model, this imperative has been absorbed into the Technology portfolio.

Business Excellence

This imperative involves enhancing our business performance and improving our marketing and sales capabilities.

We introduced a Business Performance Enhancement Programme in 2013, co-ordinated by a cross-functional team, to align and close-out the management interventions implemented over the last three years. These changes culminated in the implementation of our value chain-based operating model, which will enable Sasol to be more efficient, effective and competitive.

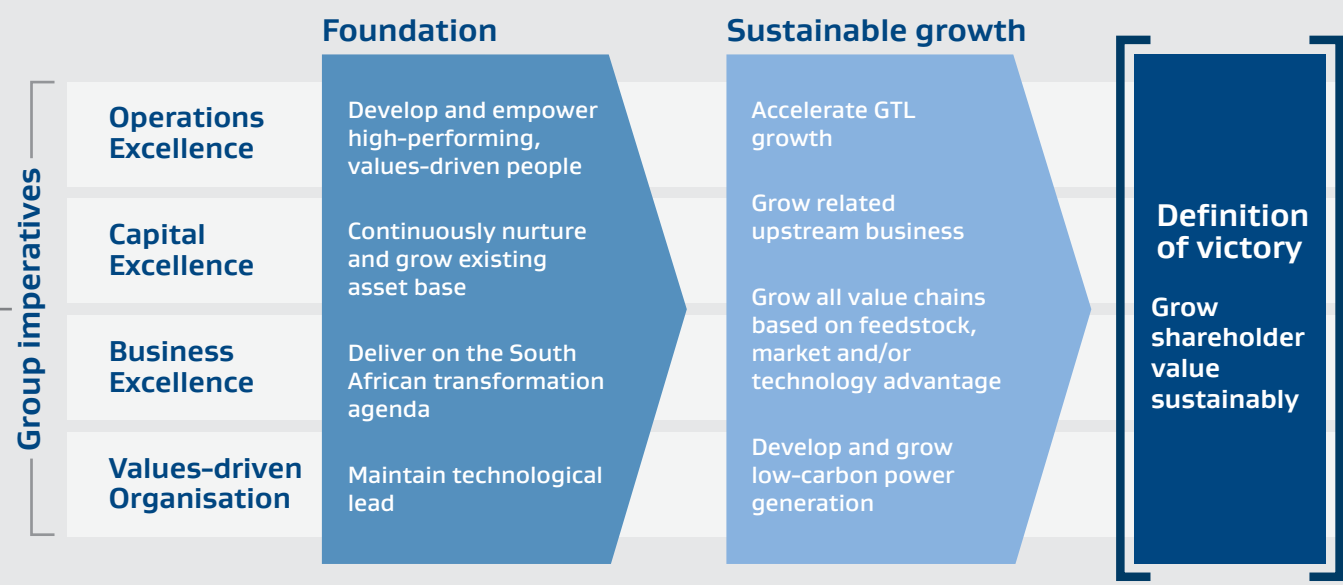
In addition, we have implemented specific programmes to improve the effectiveness of our customer engagements and to drive sales. A Sasol Key Account Management programme was piloted in 2014 and will be fully implemented in 2015.

Values-driven Organisation

Sasol's culture – the way in which we do things – will ultimately determine our long-term success. To further instil our values-driven, high-performance culture, we identified three critical behaviours that will enable us to effectively implement our new operating model. The critical behaviours are: work to a common game plan; take a One Sasol, one bottom line approach; and embrace empowered accountability, diversity and inclusion.

We continue to support leaders and teams through coaching interventions, enabling them to manage change, while driving high performance. We have adapted our performance management systems and supporting interventions to ensure that the critical behaviours become embedded in our culture.

Our strategic agenda



Foundation

Develop and empower high-performing, values-driven people

This underscores the importance of a high-performance culture, adherence to our shared values and individual accountability. We invest significantly in skills development and training, focused leadership development and succession planning. In our quest to attract, develop and retain the right people and to encourage diversity and inclusion, there has been a substantial shift in our performance management approach.

Continuously nurture and grow our existing assets base

This requires that we continue to improve the efficiency and reliability of our facilities; while achieving a world-class safety record and reducing our environmental impact.

Deliver on the South African transformation agenda

We view broad-based black economic empowerment (BBBEE) as a business imperative, and our commitment to transformation has seen us achieve a level 3 BBBEE contributor status, based on our significant progress in advancing black ownership, women's empowerment, skills development and procurement.

Maintain technological lead

Through research and development, managing technology and constantly innovating, we continue to improve our value propositions and grow our competitive advantage.

Sustainable growth

Accelerate GTL growth

This requires that we accelerate the application of our gas-to-liquids (GTL) offering, based on its attractive economics, given the large price differential between gas and oil and transportation fuel margins, particularly in North America. We aim to continuously improve the economics of our technologies while considering a wider range of options to monetise gas resources.

Grow related oil and gas upstream business

This requires the exploration and development of hydrocarbon resources to secure the feedstocks we need, and to capitalise on the benefits of integration with our downstream technologies.

Having confirmed our longer-term strategy, to be a leading integrated hydrocarbon monetiser, this element of our growth pillar moves firmly into focus.

Grow all value chains based on feedstock, market and/or technology advantage

Our growth aspirations are focused on the monetisation of hydrocarbon and chemicals feedstocks and include our gas-to-liquids (GTL), gas-to-chemicals (GTC) and gas-to-power (GTP) value propositions. The delivery of our strategic projects in North America and Southern Africa underpin this focus.

Develop and grow low-carbon power generation

Our aim is to develop low-carbon power generation opportunities with a particular focus on Southern Africa. We are leveraging one of Sasol's key competitive advantages and mitigating increasing energy costs external to the group.

Our group priorities for 2015

Focusing the organisation on a single set of priorities

Each year the Group Executive Committee confirms the top priorities for the financial year ahead. This focuses the organisation on what we need to achieve in the short term to progressively realise our longer-term strategic aspirations. Over the past three years, we reviewed our priorities and refocused the organisation to ensure that the key deliverables are appropriately actioned and embedded. Given the importance of these priorities to our business success, they require longer-term attention.

Improve safety performance

- Target a recordable case rate of less than 0,34 (excluding illnesses) and 0,40 (including illnesses)
- Pursue zero harm
- Continue to improve process safety

Enhance business performance

- Continue to improve operational productivity by focusing on predictable, reliable and efficient operations
- Embed the new group operating model to ensure sustainable profitability
- Deliver on cost optimisation targets and drive simplicity and reduced bureaucracy
- Align group functions and overheads with business needs
- Maintain a strong stakeholder focus


Accelerate sustainable growth

- Execute our strategic agenda and portfolio of projects
- Ensure world-class project planning and execution

Drive a high-performance culture

- Accelerate diversity and inclusion in South Africa and abroad
- Step up performance management and accountability
- Embed a culture of recognition and acknowledgement
- Visibly exhibit the critical behaviours required to make our new operating model work

IR Refer to the Annual Integrated Report for our operating performance section detailing how each business unit delivered on our priorities for 2014.

 For our top issues and how we manage these, please refer to our website: www.sasolsdr.com.





Expanding our business globally

Enhancing our existing asset base and driving growth

The strategic decisions we make in allocating resources to run our business and advance our growth projects are based on integrated criteria (the six capitals). These criteria take cognisance of the resources and the relationships we depend on to create sustainable value for our shareholders and, in turn, our stakeholders.

Advancing our nurture and grow strategy

Secunda, South Africa

The Secunda growth programme continues, with the second set of gas-heated heat exchange reformers expected to be commissioned in the third quarter of the 2014 calendar year. This will allow for increased natural gas intake, and improve operational stability, while also increasing production from the Synfuels complex.

The brownfields volatile organic compound abatement project continues, along with the replacement of tar tanks and separators, as well as the coal tar filtration east project. Completion of these projects is expected to occur in phases over the next three years.

The R14 billion mine replacement programme remains on track. The development of the Impumelelo and Shondoni Collieries are expected to reach beneficial operation during the first and second half of the 2015 calendar year, respectively.

Sasolburg, South Africa

Construction of the wax expansion facility continues. Commissioning of the new slurry bed reactor, which is critically important for the capacity expansion, is expected during the fourth quarter of the 2014 calendar year, with beneficial operation expected in the first half of the 2015 calendar year. Commissioning of Phase 2 is planned for the second half of the 2016 calendar year.

Mozambique

Construction of a R2 billion loopline on the Mozambique to South Africa gas pipeline is progressing well, with beneficial operation expected during the second half of the 2014 calendar year.

The US\$246 million 175 megawatt gas-fired power plant at Ressano Garcia, in partnership with the country's state-owned power utility, Electricidade de Moçambique, will achieve beneficial operation in October 2014.

The feasibility phase of an oil and gas Pande and Temane Production Sharing Agreement (PSA) development project is nearing completion. The full field development plan for the PSA is on track to be submitted to the Mozambican authorities by February 2015.

Gabon

In Gabon, maturation and development of additional proven oil reserves to maintain and potentially boost production continues. The Etame expansion project and the South East Etame and North Tchibala project remain on track for beneficial operation during 2015.

United States

In February 2014, we successfully commissioned the world's first commercial ethylene tetramerisation plant in Lake Charles, Louisiana. We expect the plant to be fully operational in the second half of the 2014 calendar year.

Accelerating our expand and deliver strategy

South Africa

Our technical co-operation permit was converted to an exploration rights permit to explore for hydrocarbons on the East Coast of South Africa (Durban and Zululand Basins) in November 2013.

United States

We are progressing with FEED work on our 1,5 million tons per annum, world-scale ethane cracker and derivatives complex in Westlake, Louisiana, and a 96 000 barrels per day gas-to-liquids (GTL) facility. We expect to take a final investment decision on the cracker in calendar year 2014.

Sasol and INEOS USA LLC reached a final investment decision to form a joint venture to build a 470 kilotons per annum high-density polyethylene plant in La Porte, Texas. The plant is expected to reach beneficial operation towards the end of calendar year 2016.

Western Canada

The Sasol and Progress Energy Partnership approved the 2014 annual work programme relating to our Canadian shale gas assets. We are actively de-risking these assets to optimise the ramp-up of development activities once gas market prices increase.

The feasibility study to determine the technical and commercial viability of a GTL facility was completed. A decision was made to consider this investment opportunity after the ethane cracker and US GTL facility.

Uzbekistan

We are in an extended FEED phase for the GTL plant. The final investment decision is dependent on securing appropriate project funding and confirming a suitable partner to take up 19% of our current stake in the venture. We expect to take a final investment decision on this project in calendar year 2015.

Nigeria

Commissioning and start-up activities for the Escravos GTL project are progressing. The start of beneficial operation on train one commenced in June 2014. We expect full beneficial operation for the total project in 2015.

Australia

Together with Origin Energy Resources Ltd, we signed a conditional farm-in agreement with Falcon Oil & Gas Australia to each acquire a 35% interest in three onshore exploration permits in Australia's Northern Territory.

We have farmed down our interest in block AC/P52 in the Browse Basin in Australia from 45% to 30%. Exploration activities are underway and an exploration well is planned to be drilled in 2015.

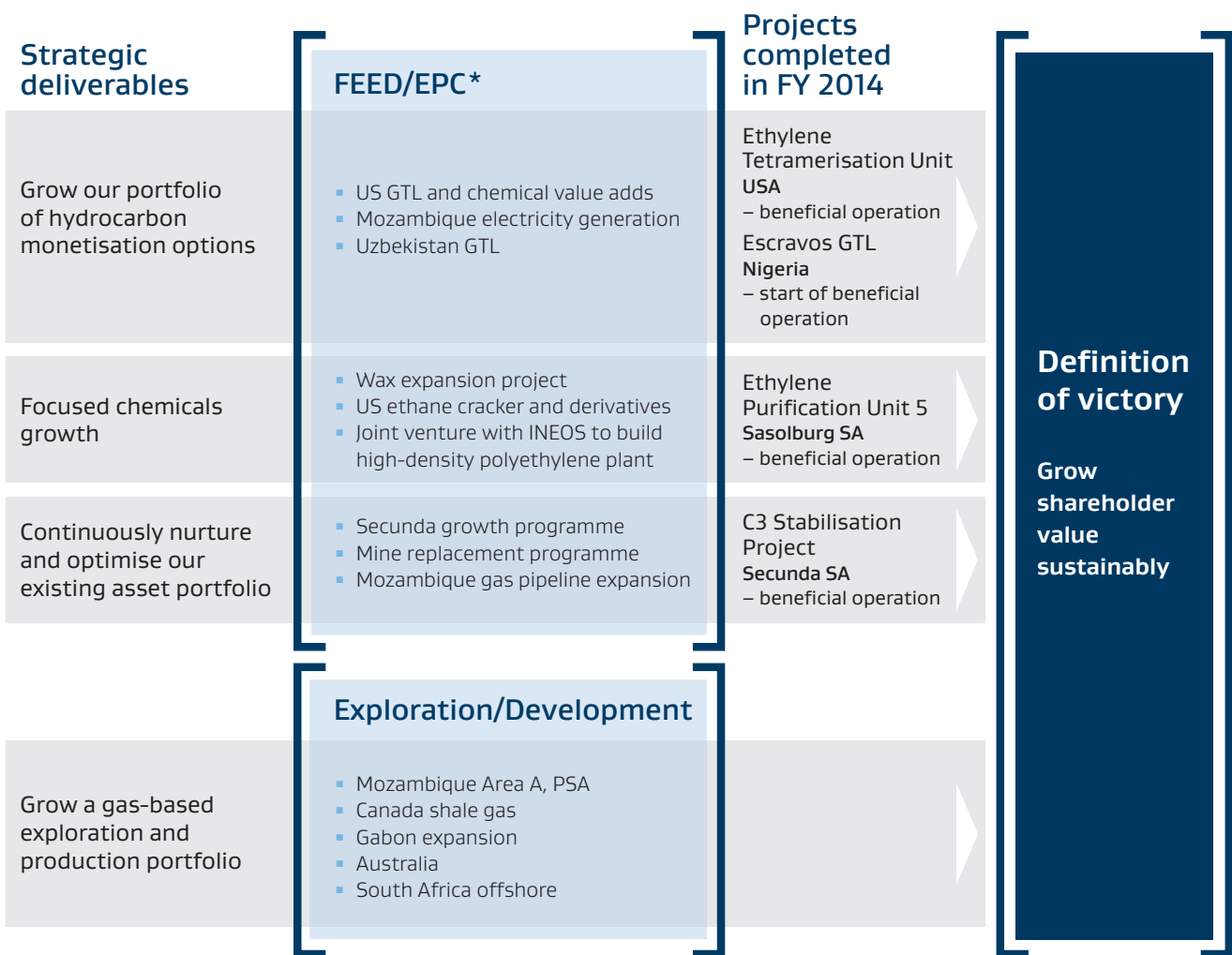
Mozambique

A joint pre-feasibility study for a large-scale GTL plant, which will be based on gas from the Rovuma Basin in Northern Mozambique, is underway. The study, which is being conducted in conjunction with Mozambique's national oil company, Empresa Nacional de Hidrocarbonetos (ENH) and Italian multinational, Eni, will assess the viability and benefits of such a plant in the region.

Our project pipeline

Prioritising and executing our capital projects

Making sound capital allocation decisions to sustain and grow our business requires critical assessment of the availability, affordability and quality of these key inputs to our processes, operations and projects. This has allowed us to prioritise our capital expenditure on the growth opportunities that play to our strengths globally, and which, we believe, will unlock maximum value for our shareholders over the long term and will ensure sustainability.



*FEED: front-end engineering and design/EPC: engineering, procurement and construction



Our governance framework for sustainability

Applying best practice in the interest of Sasol and its stakeholders

We began driving sustainable development as a group-wide strategic business objective in 2000. Since then, we have systematically embedded sustainability principles throughout our activities. Our governance framework provides the group with the policies, structures, targets and reporting systems necessary to address the material risks and opportunities that sustainable development presents.

Sasol Limited Board

At Sasol Limited board level, the following committees were primarily responsible for overseeing sustainability issues:

The Risk and SHE

Committee considers the top risks and SHE issues and monitors progress of mitigating actions. The committee shares its findings and recommendations on risk assessments and management policies, material risks and sustainability matters with the Audit Committee, which is responsible for overseeing the integrated reporting process.

The Nomination, Governance, Social and Ethics Committee

performs the functions of both a Nomination and Governance Committee, and a Social and Ethics Committee as required by the South African Companies Act, 71 of 2008. The committee monitors the company's social impact and oversees legal compliance, and ensures sound ethical practices.

The Audit Committee

ensures greater integration between its work and that of the Risk and SHE Committee, particularly in terms of integrated reporting and the application of the combined assurance model.

Leadership structures

The President and Chief Executive Officer (CEO) is accountable to the board for the successful implementation of the group strategy and overall management of the group. He chairs the Group Executive Committee (GEC), which comprises the Chief Financial Officer (CFO) and other vice presidents who support the CEO in fulfilling this responsibility. His mandate includes responsibility for safety, health and environment (SHE) in accordance with the Sasol SHE policy.


 Information on the Sasol SHE policy is available on our website, www.sasolsdr.com

Executive Vice President and Executive Director: Sustainability and Human Resources in 2014 was responsible for advancing the group-wide sustainability agenda through the Sasol Inzalo Foundation and Stakeholder Relations, as well as Enterprise Development and Supplier Development.

Executive Vice President: Upstream and Business Enablement in 2014 shares responsibility for advancing the safety, health and environmental (SHE) agenda with the CEO.

The following sub-committees supported the GEC on sustainability-related issues:

- **The Group Executive SHE Committee**, chaired by the CEO, addresses SHE governance issues. It meets quarterly and is attended by GEC members, functional heads and business unit managing directors.
- **The Issues Alignment and Integration Committee**, chaired by the Executive Director: Sustainability and Business Transformation, aligns and integrates the group's response to those issues that have a significant impact on Sasol and/or are important to our key stakeholders.
- **The Sasol Business Transformation Process Committee**, chaired by the Executive Director: Sustainability and Business Transformation, manages business transformation in line with South African legislation and to deliver on our long-term business goals.
- **Various Project Mandating Committees**, each chaired by a GEC member, address key issues relating to capital projects, climate change, air quality, waste management and land risk management.

 The composition, mandate and activities of these and other board committees are outlined in more detail in the corporate governance section of our annual financial statements.

Functional structures

Over the last three years, there was specific focus on integrating activities across different functional areas to ensure an aligned approach to sustainability.

Various group functions co-ordinate our strategic approach to sustainable development:

SHE: direction and governance for SHE excellence

The SHE function comprises experts based in the Corporate Centre, Professional and Specialised Services (PSS) and business units. The CEO, GEC and the Risk and SHE committee mandate the SHE function to design SHE management systems and processes. They ensure and assure adherence to group SHE requirements and the effective management of SHE risks. Each business unit is required to track its SHE performance and report quarterly to their respective boards on major SHE risks and liabilities, progress against group targets, and any major incidents and occurrences of non-compliance. The Corporate Centre reports on consolidated SHE performance, compliance and risk management to the relevant corporate governance structures.

A significant development during the reporting period was the finalisation of the One Sasol SHE Excellence approach. This management framework supports our goal of achieving zero harm and sustainability through a risk-based, standardised and systematic approach. It is supported by clear procedures that provide direction on how SHE requirements should be met, as well as by a set of toolkits to assist in implementing best-practice performance requirements. It reduces the complexity of SHE practices through standardisation across our different operating sites and geographies, and ensures alignment of the SHE-related roles and responsibilities of business management and the SHE function. The focus of the approach is to identify key undesirable SHE events and their mitigation.

Human Resources (HR): developing and empowering values-driven high-performance people

The group HR function is responsible for developing and monitoring Sasol's HR strategy and its supporting policies and standards. The HR strategy has three key objectives:

- ensuring the right talent is in the right place at the right time to enable Sasol's transformation and growth strategy;
- delivering the Sasol employee value proposition to enable employee engagement and a values-driven high-performance culture; and
- implementing a technology enablement platform and building HR capability to drive effective and integrated service delivery.

The group HR function encompasses talent management, learning, rewards, employee relations, diversity and transformation, and human resources activities. HR teams in each business unit implement HR strategy and policies. Further information on the activities and performance of the HR function is provided on pages 41 to 45.

Public and Regulatory Affairs: building, nurturing and protecting our reputation

The Public and Regulatory Affairs function manages various sustainability-related issues including corporate branding and communications, the Sasol Global Foundation, enterprise and supplier development, and regulatory and stakeholder affairs. A review of our social investment activities is provided on page 59, and our enterprise development activities on page 65.

Governance and Ethics: promoting an ethical culture

Ethics management is a dedicated function within Sasol, headed by the Chief Ethics Officer. The group ethics office manages the implementation of the Sasol code of ethics through a comprehensive programme with two main focus areas: proactively advancing an ethical culture in Sasol; and handling ethical transgressions. Internal audit provides the board with assurance that ethics compliance processes are working as designed. Ethics officers are appointed for each business entity and function, with various group functions also serving as focal points. Details on our recently revised code of ethics and our ethics line are provided on page 61.


Risk Management

The responsibility and accountability for Sasol's global enterprise risk management process resides with the Chief Risk Officer. The Group Risk Management function, under the leadership of the Chief Risk Officer, is responsible for developing, implementing and monitoring the enterprise risk management processes across the group.

For further detail of Sasol's governance of risk management please refer to:

 The Form 20-F for a detailed comprehensive review of risks.

 The Annual Integrated Report for the top risk and mitigation actions.

 Our online report, which can be found at www.sasolsdr.com, includes additional detail of our approach to engaging with stakeholders and our sustainability-related memberships, as well as a review of fines, penalties and settlements.

Identifying our material sustainability focus areas

Each year we follow a structured process to identify our most material sustainability issues

The outcomes of our internal risk assessment process and the priority interests of our key stakeholders are considered in identifying these issues. This year, these were clustered into six sustainability focus areas, which we cover in this report. The GEC and the Risk and SHE Committee reviewed the outcomes of this process. One new material sustainability focus area, enterprise and supplier development, was added to those identified in 2013.

The relationships between our top risks and our material sustainability focus areas

Material sustainability focus area	Top group risk
Ensuring the safety, health and wellbeing of our people	<ul style="list-style-type: none"> Risk of a major safety, health or environmental (SHE) undesirable event or liability occurring.
Investing in our people	<ul style="list-style-type: none"> Risk of non-availability of sufficient management and technical skills. Risk of failure to address transformation, localisation, diversity and cultural requirements in South Africa and other countries in which we operate.
Responding to environmental challenges	<ul style="list-style-type: none"> Risk of climate change and related policies impacting our operations, growth strategy and earnings. Risk of uncertainty in public policy and regulatory developments and non-compliance with or adverse impact of laws, regulations and standards.
Delivering social value	<ul style="list-style-type: none"> Risk of failure to address transformation, localisation, diversity and cultural requirements in South Africa and other countries in which we operate.
Driving enterprise and supplier development	<ul style="list-style-type: none"> Risk of failure to address transformation, localisation, diversity and cultural requirements in South Africa and other countries in which we operate.
Providing safe, essential and quality products	<ul style="list-style-type: none"> Risk of viable superior or alternative technologies from competitors.

IR Additional detail on the context of each of these risks, their relationship with the six capitals and our relevant mitigation actions are provided in our Annual Integrated Report (page 38).

Identifying the priority sustainability interests of our stakeholders within the framework of our material sustainability focus areas

Our key stakeholders are those who are impacted by our business and who play a role in our ability to deliver on our strategic objectives over the short, medium or long term. We identify their sustainability interests through engagements that take place regularly during business activities. Feedback on our Annual Integrated Report and Sustainable Development Report are also taken into account.

Some of the most significant sustainability-related issues raised by our stakeholders are presented alongside, with references to where these are discussed in more detail elsewhere in this report.

- The actions being taken to address air quality concerns around our key operations in South Africa (pages 47 to 48);
- The nature of our long-term commitment to investing in South Africa (pages 66 to 67);
- Our response to issues relating to climate change mitigation and energy security, and the potential business impact of associated policy measures (pages 50 to 51);
- The steps we are taking to ensure safety at our operations and achieving zero harm (pages 33 to 34);
- The nature of our contribution to supporting socio-economic development in the communities in which we have major operations (pages 57 to 58); and
- Changing expectations in relation to broad-based black economic empowerment in South Africa (page 58).

IR An overview of our key stakeholders, how we engage with them, and their priority interests, is provided on our website: www.sasolsdr.com.

20-F For comprehensive disclosure on our material risks, please refer to Sasol's Form 20-F filed with the SEC.

Our material sustainability focus areas

We have identified our most material sustainability issues based on our top ten risks and the views and interests of our stakeholders. These issues have been categorised into six material focus areas, shown in the diagram below.



Please refer to the value creation scorecard in our Annual Integrated Report (page 34) to understand the relationships between our material sustainability focus areas and the six capitals.



Performance against our sustainability focus areas

The following table outlines our most material sustainability focus areas and summarises our progress in addressing them.

	Our 2014 performance	Our commitments
Ensuring the safety, health and wellbeing of our people	<ul style="list-style-type: none"> There were five work-related fatalities during 2014. Group recordable case rate (RCR) including illnesses increased to 0,42 from 0,37 (restated), while the RCR excluding illnesses increased to 0,36 from 0,33 (restated). For more details on the restatement of our safety performance refer to page 33 and 34. Lost workday case rate increased to 0,15 from 0,14 (restated for 2013). 451 recordable cases, comprising 161 lost workday cases, 223 medical treatment cases and 67 illnesses. 30 significant fires, explosions and releases, down from 43 in 2013. Significant transport-related incidents remained the same at 29. 23 new cases of noise-induced hearing loss and 21 new cases of pneumoconiosis, similar to previous years. HIV prevalence rate of 10% and antiretroviral utilisation compliance level of 88% among HIV-positive employees. 	<ul style="list-style-type: none"> Continuously strive for zero harm. Continue the implementation of the One Sasol SHE Excellence approach. Further strengthen the group's incident investigation capability. To Improve our health and wellness management process for our workforce, which includes continued focus on HIV/Aids. Embed leading industry practices on noise reduction. Strive for no cases of pneumoconiosis for all new employees with no previous exposure to occupational stressors. Enhance our commitment to process safety.
Investing in our people	<ul style="list-style-type: none"> Employee turnover rate of 6,1% in our South African operations and 2,5% in our other operations. During the year we lost a total of 213 760 person days to absenteeism and strike action, which is below the industry average. 450 employees were on strike for 31 days at our Mining division based on a wage dispute which was resolved amicably. Our total strike person days therefore were 13 950. Trained 230 523 employees through development interventions, allocated 577 bursaries and managed 9 191 individual senior development programmes. Coached and mentored 393 workplace and leadership employees. Established 20 mentorship circles as part of the Women's Empowerment Programme. Progressed our 2017 South Africa employment equity plan and our women empowerment strategy. 	<ul style="list-style-type: none"> Continue to build a values-driven, high-performance culture across all our operations, with a particular focus on embedding the new operating model. Advance performance management and accountability through enabling remuneration policies. Embed a culture of recognition and acknowledgement. Maintain our strong focus on optimising talent sourcing and recruitment. Drive our targets for achieving diversity and inclusion at every management level in the organisation. Continue our focus on up-skilling and empowering local talent in all regions in which we operate. Strengthen activities to develop effective leaders, to deliver on our strategic agenda.
Responding to environmental challenges	<ul style="list-style-type: none"> Total greenhouse gas (GHG) emissions have decreased slightly to 70,5 million tons carbon dioxide (CO₂) equivalents; GHG emission intensity increased to 3,20 from 2,98, primarily due to the divestiture of Arya Sasol Polymer Company in Iran and the exclusion of its data. Total water consumption increased to 149,5 million m³ from 147,2 million m³; total water intensity increased to 6,78 m³ water per ton of product from 6,21 m³. 	<ul style="list-style-type: none"> Work with our host country governments to find practical and sustainable solutions to mitigate climate risk, in balance with economic development and growth drivers. Issue new sets of GHG mitigation targets for our South African and international operations, and confirm updated energy efficiency targets.

	Our 2014 performance	Our commitments
Responding to environmental challenges (continued)	<ul style="list-style-type: none"> Registration Certificates were successfully transitioned to Atmospheric Emission Licenses, ensuring continued lawful operation for Sasol and Natref. We are also exploring alternative options that we anticipate will yield sustainable improvements in ambient air quality; one such option relates to air quality offsets where we are pioneering foundational research by exploring solutions to reduce domestic coal burning. Further progress achieved in our partnerships with three municipalities in the Vaal River System in South Africa. Collaborating with the Department of Environmental Affairs (DEA) on a study aimed at determining greenhouse gas mitigation potential in South Africa. Continued investments and investigations to reduce atmospheric emissions and improve ambient air quality in Secunda and Sasolburg, South Africa. Engaged with government and other stakeholders to explore alternative compliance mechanisms (such as offsets) for air quality and water, as a means of ensuring effective achievement of government's environmental goals. 	<ul style="list-style-type: none"> Continue to support the UN Global Compact CEO Water Mandate and deliver progress in all six key focus areas. Finalise new regional water targets for 2020 as well as appropriate water targets for our international operations. Ensure effective delivery on the municipal water conservation partnerships, pursue new partnership opportunities and support efforts to develop a regulatory mechanism which enables sustainable investment in collective action-focused water partnerships.
Delivering social value	<ul style="list-style-type: none"> Total of R90,3 billion distributed to stakeholders. Invested R1,4 billion in socio-economic development and skills development. Total includes R901 million skills development; R186 million for Ikusasa; R47 million in bursaries; and R265 million for Corporate Social Investment (CSI). Obtained a level 3 broad-based black economic empowerment (BBBEE) contributor status. Revised our new code of ethics and human rights policy. 	<ul style="list-style-type: none"> Further embed our corporate social responsibility strategy across the group. Drive achievement of our broad-based black economic empowerment targets. Provide training on our new human rights policy and its implications for key personnel. Integrate and embed human rights considerations into our engagements with suppliers. Continue to partner with the Department of Health in South Africa to support community initiatives to reduce HIV/Aids infection rates in the areas where we operate.
Driving enterprise and supplier development	<ul style="list-style-type: none"> Disbursed R11,1 million in loan funding and supported 11 small and medium enterprises (SMEs) through the Sasol Siyakha Trust. Launched the ChemCity Business Incubator, a multi-million rand facility hosted at ChemCity's Eco-Industrial Park. The supply chain team is in the process of defining a supply chain sustainability framework and approach that aims to manage risk, realise efficiencies, enhance service offerings and build a culture of responsibility. 	<ul style="list-style-type: none"> Ensure successful completion of ChemCity's Eco-Industrial Park development. Complete the next phase of buildings for the ChemCity Business Incubator, and drive uptake by SMEs. Continue to set the direction in minimising potential business disruptions resulting from environmental incidents and supply shortages (i.e. caused by production and business continuity issues faced by our suppliers).
Providing safe, essential and quality products	<ul style="list-style-type: none"> Responsible Care[®] Practice-in-Place remained constant at 89%. Responsible Care[®] Product Stewardship Practice-in-Place improved from 83% to 85%. One significant product stewardship non-conformance occurred and corrective measures have been put in place. Reviewed our product stewardship strategy and identified priority focus areas that are aligned to our international commitments. Completed product inventory for all final products and industrial waste streams to initiate a full review of compliance with international chemical control legislation. 	<ul style="list-style-type: none"> Continue to drive a risk-based approach to enhancing the SHE performance of our products throughout their lifecycle. Complete review of our product transportation safety strategy. Determine landscape mapping of Sasol's product packaging material management. Continue to implement a chemical risk assessment methodology developed by the International Council of Chemical Associations (ICCA).



ENSURING THE SAFETY, HEALTH AND WELLBEING OF OUR PEOPLE



Promoting employee and service provider safety

Safety is a top priority and a core value at Sasol

We strive to achieve our goal of zero harm by managing our activities in a way that eliminates incidents, minimises risk and promotes excellence in the performance of our operations.

Our strategic approach to safety

The finalisation of the One Sasol SHE Excellence approach will contribute to a more co-ordinated and systematic risk-based process to managing global SHE issues.

Working with the group risk team and individual business units, we identified our top occupational and process safety risks and associated preventative measures. These top risks have been consolidated into categories and aggregated to form a group risk matrix. The required controls for each risk have been included in the fundamentals and performance requirements developed as part of the One Sasol SHE Excellence approach. Provision has been made for an assurance process to assess and report on the effectiveness of, and compliance with, these controls.

Notable achievements

We made positive progress in our overall safety performance. We maintained our excellent safety record at ORYX GTL. At Sasol Mining we had a record 20-month production run without a fatality, a best ever achievement. Additional data on our safety performance over the last five years is presented on page 72.

Our safety performance in 2014

Regrettably, despite the notable achievements and the ongoing improvements, the group's safety performance deteriorated as compared to last year. Tragically, five employees were fatally injured in work-related incidents during 2014, the details of which follow on the next page. Notwithstanding, we remain of the view that zero fatalities is possible, and we will continue to strive to achieve zero harm in our operations.

The deterioration in the safety performance this year is mainly due to the exclusion of the exposure hours and excellent safety performance of our previous joint venture, Arya Sasol Polymer Company. The high risk projects such as the sinking of the new shafts at Sasol Mining also contributed to a number of recordable injuries, and will receive focused attention during the next year.

Our 2014 safety performance and our commitments to ensure the safety, health and wellbeing of our people are discussed in detail in the table on pages 30 and 35.

A specific focus on process safety resulted in the improved performance this year. We have made good progress in addressing the following priority areas:

- **Process safety capacity and competence:** we have undertaken extensive training of process safety specialists appointed in terms of the new group structures and operating model, and have identified additional focus areas for future training.

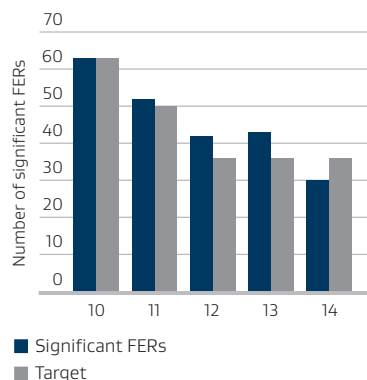
- **Leading and lagging process safety metrics:** we finalised new process safety metrics that build on our existing indicators, implemented a new group procedure on PS metrics, and have started developing toolkits to enable tracking against these metrics.
- **Operations competence:** an operations training proposal has been approved, to be co-designed and implemented by the SHE function and Global Learning.
- **FER (fires, explosions and releases) incident investigation:** we have made significant progress in reporting, investigating and sharing lessons learned from FER incident investigations.
- **Process safety information (PSI):** we approved a new group procedure and supporting checklists on PSI.
- **Maintenance integrity:** a revised procedure for process safety critical equipment has been approved and is being implemented throughout our operations.

There were 30 significant process safety incidents, a decrease on the 43 incidents in 2013. We have met our target of less than 36 significant FERs in 2014. This year we have set a new group process safety target of less than 28 significant FERs by 2020.

The number and nature of the significant process safety incidents and product transportation incidents continue to be a concern. Our internal investigations of all incidents are aimed at ensuring that management controls are correctly applied.

As part of our commitment to learning from best practice, we have interacted on process safety issues with various global networks including the European Process Safety Centre, the global Institution of Chemical Engineers (IChemE) and the chemical sector's Responsible Care® initiative.

Number of significant and major FERs



Sasol's 2014 fatalities

Our thoughts remain with the families of the five people who died in Sasol's service this year:

- Alex Mofokeng, a service provider, was fatally injured in a crane accident during a sudden storm in Secunda on 7 October 2013;
- Chris Pretorius, a service provider, was fatally injured while undertaking maintenance work in a boiler at the Synfuels West power station on 10 October 2013;
- Tselane Samuel Mamaila, a Sasol Mining employee, was fatally injured during a repair accident on 17 October 2013;
- Stefaans Moloï, a Sasol Mining employee, was fatally injured in a conveyer belt drive system incident on 21 February 2014; and
- Billy van Dyk, a marketing agent from Sasol Oil, was involved in a fatal vehicle collision while on company business on 3 March 2014.

Restating our safety performance

With the implementation of the new operating model from 1 July 2014, a discrepancy in the exposure hours for financial years 2012 and 2013 was identified. The discrepancy relates to service provider exposure hours at our Sasolburg hub, where a portion of the service provider hours was incorrectly double counted for the two periods. This influenced the group's reported lost workday case rate (LWDCR) and recordable case rate (RCR) for the two financial years. It did not, however, impact the total number of incidents, which remain unchanged. The RCR and LWDCR has therefore been restated in this report for the previous two reporting periods. The restatement is not material. A thorough assessment of the models used to allocate service provider hours was done in response to this discrepancy, and no further deviations were found. Despite this restatement, the group achieved a record RCR in 2013.



Occupational health and employee wellbeing

Effectively managing health risks in the workplace forms part of our commitment to zero harm

An integrated health and wellness approach positively influences the safety performance of our employees and service providers. Promoting a healthy workforce further enhances productivity and efficiency.

Our principal occupational health risks relate to noise induced hearing loss (NIHL) and lung disease (mainly coal-worker pneumoconiosis). More than 90% of permanent illness cases occur at our mining operations.

Our strategic approach to occupational health

Our occupational health programme seeks to prevent and mitigate all occupational health risks. We analyse, monitor and manage exposure and provide preventative measures for a range of issues. The programme is applicable to all relevant permanent employees and the employees of service providers. We also provide a rehabilitation and return-to-work programme.

In 2013, we finalised our group health and wellness strategy, consolidated our health assessment procedures, revised the group standards and procedures on noise and updated our legal compliance risk register. In 2014, we continued to develop occupational health plans, scorecards and health-related targets, including the Sasol health risk ranking metric as part of our integrated risk management framework.

We have made further progress in the areas of noise conservation and dust suppression. We have appointed an audiologist to complement the team working on noise exposure. In Sasol Mining, we continue to implement measures to reduce high noise-band areas and employee exposure, which included installing jet fans to replace older equipment at shafts. All hearing deviations at Sasol Mining are investigated and remedial action implemented, well before reaching a reportable level of hearing loss. Sasol Mining is implementing a dust suppression initiative, the outcome of which will be apparent after several years. Direct exposure to dust has, however, reduced significantly in recent years due to the implementation of new technology.

Appropriate personal protective equipment (PPE) is issued to all potentially exposed workers. Communication on PPE remains a focus, to ensure the safety of individuals working at our facilities.

Driving high performance through our wellness strategy

Sasol's wellness programme aims to provide a working environment where our employees can operate in a healthy, energised and engaged manner that contributes to their personal development and to the company's success. Our wellness strategy seeks to enhance individual productivity by proactively reducing health risks and providing access to health care; educating, informing and empowering employees to take responsibility for their own health and wellness; and promoting a healthy work-life balance.

Through our wellness programme, we seek to reduce lifestyle health concerns (such as hypertension, diabetes and cholesterol), manage the risks of human immunodeficiency virus (HIV)/acquired immune deficiency syndrome (Aids) and improve mental health. The data from Sasol's screening programme for lifestyle illnesses and HIV/Aids reveals high incidences of abnormal body mass index, and an increase in lifestyle illnesses and associated effects, and substantiates our HIV/Aids prevalence rate. During the year, 25 744 employees and contractors were screened for hypertension, 25 732 for cholesterol, 25 731 for diabetes and 8 114 for HIV.

Our employee assistance programme (EAP) focuses on psychosocial health of our employees and their dependants. Face-to-face solution-focused counselling is well utilised, reflecting confidence in the EAP services. We also provide a range of wellness-related awareness and capacity-building interventions to employees, line managers and HR practitioners. During the year, 750 awareness events reached more than 10 685 employees. In addition, 3 744 employees accessed the EAP for psychological and practical assistance.

Our financial wellbeing intervention aims to educate employees on making informed decisions regarding personal finances and provision for retirement, thereby reducing garnishee orders. We presented 54 courses to 1 046 employees during the year.



Managing HIV/Aids in the workplace

Our HIV/Aids response programme focuses on preventing new infections through awareness, education, access to testing, counselling and treatment. We also provide support services to HIV-positive employees and their families through a comprehensive disease management programme. Our HIV/Aids policy was recently reviewed to ensure it aligns with best practice, determined by Business Unity South Africa, in line with International Labour Organization guidelines.

We partner with leading HIV/Aids management partner, Aid for AIDS (AfA), in implementing our HIV/Aids strategy. AfA's services include a comprehensive electronic treatment history for all patients. All employee files are continuously updated. AfA conducts an annual performance review that provides updated statistics on HIV/Aids management and highlights emerging HIV-related trends and challenges.

The following performance points were identified during the review period:

- An estimated 10% of Sasol's South African employees are HIV-positive, a level that matches the South African national average.
- HIV counselling and testing (HCT) was taken up by a total of 6 379 employees and 1 735 contractors.

- We achieved an antiretroviral medication utilisation compliance level of 80% in respect of HIV/Aids.
- In total, 45 employees attended peer educator training this year.
- We ran 24 awareness sessions on HIV/Aids.
- There are approximately 2 600 Sasolmed AfA-registered beneficiaries on ongoing antiretroviral treatment (ART), of whom 85% are on first line ART, with no change compared to last year. Of the total patients on ART, 4% have been on treatment for ten years or more and 28% for six to twelve months.
- The percentage of Sasolmed principal members registered on the HIV disease management programme increased from 5,6% in February 2013 to 6,3% in February 2014. The percentage of earlier registration on the programme has increased over the past few years to 61% at the end of 2013. The increase in people on ART is attributed to the changes in our HIV/Aids programmes, improved health campaigns and strong leadership support and participation in these campaigns, particularly at Sasol Mining.

 For more information on occupational and employee wellbeing see our website: www.sasolsdr.com.

Registration on wellness programme¹

2014	2013	2012
3 003	2 844	2 410

Patients receiving Highly Active Antiretroviral treatment

2014	2013	2012
2 629	2 466	2 000

¹ Employees who tested positive, but who are monitored without supplying of antiretroviral treatment.





DELIVERING A STEP-CHANGE IN THE SAFETY PERFORMANCE OF SERVICE PROVIDERS

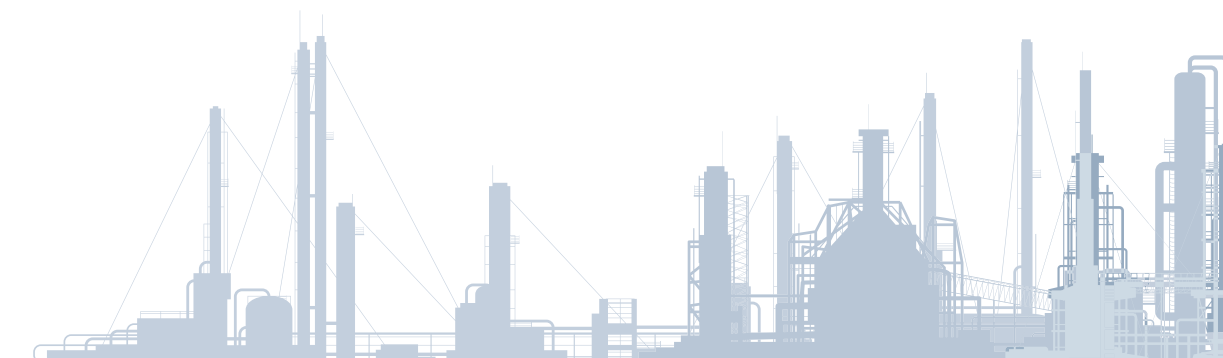


A systematic and clearly structured approach to safety, underpinned by visible executive leadership and a strong partnership-based approach, is delivering an improvement in safety performance with our service providers.

Over the past two years, there has been a significant and sustained improvement in the safety performance of external service providers undertaking construction work for Sasol Technology. This improvement is particularly meaningful given the higher safety risk context of construction service providers.

Sasol Technology's improvement in safety performance was informed by a strong partnership-based approach to engaging with our service providers.

- Clear communication is provided upfront to ensure that service providers and their leadership teams are fully aligned with our safety culture. This includes initiatives such as industrial theatre, comic strips and our "know your incidents" campaign, which identifies the top 20 high-severity incidents. At the leadership level, we hold a quarterly Managing Director safety summit Sasol Technology's key service providers and their leadership teams.
- We established a safety support culture in which, instead of acting as enforcers, we act as facilitators by providing assistance and support to service providers, and creating the space for effective safety collaboration and learning. Our engagement with service providers takes place on both a relationship and contractual level.



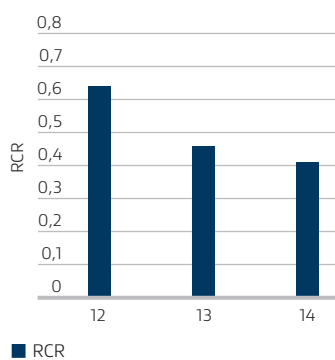


- A fair and objective safety incentive scheme for service providers has been implemented, comprising a safety score of selected leading and lagging safety performance indicators, with a bid incentive mechanism.
- We have undertaken various measures to ensure that all service provider personnel have the appropriate knowledge, skills and experience, and the right habits, to work safely. These include:
 - undertaking a structured job fitness assessment process to assess the suitability of individual service providers;
 - building the safety capacity, where needed, of welders, pipe fitters and riggers;
 - planning a nutritional programme (on a pilot basis) for 1 000 employees over six weeks, comprising awareness initiatives, providing balanced nutritional supplements and follow-up monitoring; and
 - striving to ensure that service provider supervisors have the right management and interpersonal skills to lead by example.
- Robust and consistent engagement with any identified poor performing service providers is undertaken through our disciplined safety behaviour drive. A list of dismissible offences has been identified, and this is individually signed off as part of a "safety pledge", and displayed clearly.

- A systematic approach to monitoring performance has been implemented to ensure fast and reliable incident reporting. Incident review sessions have been introduced on all sites, and weekly safety shutdowns are undertaken.

This structured approach to promoting zero harm forms part of the One Sasol SHE Excellence approach.

Construction projects managed by Sasol Technology





INVESTING IN OUR PEOPLE



Developing and empowering high-performing people

Developing, empowering and retaining values-driven, high-performing employees with the right skills and experience is critical to maintaining our success in an increasingly competitive market.

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

This year we focused our efforts on driving five priorities:

- Optimising talent sourcing and recruitment across all our operations;
- Delivering fit-for-purpose competency-based learning;
- Improving leadership effectiveness in line with the new operating model and a values-driven high-performance culture;
- Embedding the refined employee value proposition and employer brand; and
- Facilitating effective implementation of the new organisational structure.

Employee statistics

At 30 June 2014, Sasol had 33 049 employees, comprising 28 438 permanent and 1 354 non-permanent employees in our South African companies, and 3 257 permanent and non-permanent employees in our international companies.

Attracting, developing and retaining talent

A specific focus area was our international talent attraction and sourcing framework, which aims to strengthen Sasol's position as an employer of choice and support our new operations in North America.

Attracting talent through appropriate remuneration

In an increasingly competitive global market for limited skills, it is critical that we provide appropriate remuneration to attract, retain and motivate the right calibre of employee. Our annual budget increases, which influence individual increases, are determined in relation to market movements, inflation indicators and company performance. We also take into account the nature of an employee's role, market benchmarks and individual performance. As a significant player in South African industry forums, we partner with other relevant role-players to conclude multi-year wage agreements.

Our structured performance management and appraisal process is aligned to our objective of embedding a values-driven, high-performance culture. While the specifics differ between business units and geographies, as a minimum, every employee's incentive contract provides for safety performance, financial results and employment equity in our South African operations. We also have performance indicators related to environmental and social factors. The design principles and group targets for all incentive schemes are reviewed annually and approved by the remuneration committee.

Nurturing future potential talent

To secure a pipeline of future talent, we have continued to invest significantly in skills development in our primary countries of operation. Initiatives range from basic literacy skills and science and maths education at school level, to skills development initiatives for artisans, engineers, scientists and chartered accountants.



Investment in learning initiatives

Learning programme	Total investment (Rm)
Novice Professional Development Programme (NPDP): candidate engineers, scientist, artisans and technicians	517
Chartered Accountant (CA) trainee programme	11
General Study Aid	29
Leadership Training	44
All other training	300
Total investment (includes salaries and direct training costs)	901

We run one of the largest bursary schemes in Southern Africa. This year, we invested R47 million, with the focus primarily on developing talent in science, technology and engineering disciplines. At present, we have 577 undergraduate and postgraduate bursars. Graduates from this scheme are placed on a structured professional development programme for a specified period of up to three years. In spite of all endeavours, employment at Sasol is not guaranteed for all bursars. Currently, 382 students are being trained through this initiative. In 2014, bursaries were allocated to 60 individuals, of whom 88% are black*. We ensure an approximately even gender ratio.

We recognise the critical importance of establishing partnerships to build a broader pool of skills in the areas in which we operate. In South Africa, we partnered with a tertiary technical college, the Flavius Mareka TVET College, to ensure nationally recognised qualifications for our artisan learnership programmes.

In Mozambique, together with our partners, the International Finance Corporation (IFC) and Companhia Moçambique de Hidrocarbonetos (CMH), we established a three-year learnership programme at the Central Processing Facility (CPF) in Temane, Inhambane province. A group of 18 students have graduated from the programme and have been placed at the CPF in Temane, Inhambane province. This included the first two female candidates. We have also partnered with the Ministry of Mineral Resources and the Eduardo Mondlane University with the aim of building tertiary-level technical skills (see focus story in our web-based report).

* Black employees refer to African, Coloured and Indian people, for the purposes of South African employment equity considerations.

Developing and training existing talent

We have made good progress with our internal development and training programmes aimed at raising basic competency levels, developing technical skills and enhancing leadership effectiveness.

During the year, 2 075 employees participated in our internal learning programmes. This comprised 1 744 learnerships (1 410 black learners; 377 women), 384 graduates and 165 in-service trainees. A total of R653,1 million was invested in developing skills among our black employees, of which R169,6 million was specifically spent on black women.

We emphasise identifying and developing high-potential talent, with the accompanying goal of promoting diversity and transformation across the group. Last year, we piloted the Sasol LEAP (learning, experiencing, accelerating, potential) programme. The initiative is a two- to five-year career development programme that gives high-potential individuals exposure to different roles across business units and geographies, supported by formal learning and mentorship. It is a holistic accelerated skills development approach, introduced to provide business-focused and timely delivery of future talent particularly at strategic leadership level. Nine high-potential employees were selected onto the inaugural programme, with 66% being black.

Through our leadership programmes, we seek to build general business acumen, enhance the ability to nurture and develop employee talent, leverage diversity for high performance, and deepen participants' appreciation of the global context.



Delivering a refined employee value proposition

In return for the skills, capabilities and experience our employees bring to our business, we aim to offer a unique employee value proposition and a great place to work. We have invested in a range of initiatives to ensure that Sasol remains a dynamic, technology-driven company that attracts talented, values-driven, high-performing people.

In 2013, we were voted the employer of choice by the Top Employers Institute. Sasol was recognised based on the following criteria:


- **Our organisation:** a dynamic, technology-driven company that attracts diverse, talented people with a pioneering spirit;
- **Our leaders:** high-performing leaders who create an environment that inspires our people to be the best that they can be;
- **Our culture:** a values-driven high-performing culture characterised by goal clarity and alignment, empowered accountability, teamwork and collaboration, stakeholder focus and inspirational leadership; and
- **Our opportunities and rewards:** various challenging career opportunities for talented and engaged people to grow into high-performing employees who are rewarded competitively.

Maintaining positive employee relations

The industrial action across South Africa, particularly within the mining sector, has highlighted the critical importance of a partnership approach to employee relations.

Sasol promotes an employee relations culture that encourages employees to engage and voice their opinions. We maintain fair, open and constructive relationships with all employees within the legal frameworks of the countries in which we operate. We regularly review and update our employee relations policies in line with business and legislative requirements. Formal contracts are in place with all employees according to local legal requirements and the core conventions of the International Labour Organization.

We recognise the right of employees to collective bargaining and freedom of association. We maintain constructive relationships with all representative unions and works councils that enjoy consultative or negotiating powers on issues of mutual interest. More than 60% of our employees in South Africa are members of trade unions. Trade union representatives are present in our formal joint management-worker Health and Safety Committees. They also serve on the board of our medical scheme and on the boards of retirement funds.

 Our online report, which can be found at www.sasolsdr.com, includes further information on: the Sasol HR strategy, embedding a values-driven, high performance culture and 2015 priorities; additional details on total workforce by employment type and region, turnover rates and retrenchment; and our internal skills development initiatives.



Enhancing workforce diversity

Embracing a culture of inclusion is critical to ensuring that our diverse talent is strategically managed and nurtured to deliver successful business outcomes

We are committed to driving employment equity goals and enhancing diversity across the group.

Leveraging diversity and inclusion for high performance

In our organisation, diversity signifies all aspects of peoples' differences including race, religion, gender, disability, culture, sexual orientation, nationality, thinking and skills.

Our Diversity 10-Point Plan provides a set of qualitative measures for diversity, including the recruitment, development and retention of candidates from under-represented groups, as well as measures to enhance gender equity. In promoting a values-driven high-performance culture, we recognise that diverse teams perform better than homogenous teams.

Empowering women

We are sharpening our focus on empowering women and improving their representation at all levels of the organisation. This is being realised through our women empowerment strategy and Sasol Women's Network, launched in 2012. All the initiatives implemented were successful and were continued this year. Initiatives included a series of regional personal development seminars to

further develop the skills of women across the organisation and improve access to career advancement opportunities.

Through our Mentorship Circle Programme, Sasol leaders mentor groups of women for a 12-month period. This year, 20 senior leaders within the organisation mentored groups of between 12 and 15 employees. The feedback from employees has been positive, with value delivered exceeding expectations.

The Sasol Women's Network will be launching chapters in Eurasia and Mozambique. Work is underway in these regions to translate the South African successes into meaningful fit-for-purpose programmes with the goal of increasing the representation of women across the group.

Several of our South African business units implemented programmes this year to increase the proportion of women in their workforces:

- Sasol Mining has a programme to train female mineworkers and prepare them for the working environment. Approximately 60 women participated in the training, most of whom have since been permanently appointed.

Workforce diversity profile for our South African operations (as at 30 June 2014)

	Male							
	A		C		I		W	
	2014	2013	2014	2013	2014	2013	2014	2013
Top management	7	8	2	3	4	4	59	66
Senior management	37	37	7	8	33	31	187	202
Middle management	1 019	993	122	126	437	425	2 314	2 349
Junior management	4 400	4 236	266	265	314	325	4 028	4 158
Semi-skilled	7 876	7 332	95	72	64	69	958	995
Defined decision	901	1 002	14	10	3	2	139	175
Total permanent	14 240	13 608	506	484	855	856	7 685	7 945
Non-permanent employees ¹	65	27	5	1	3	1	9	7
Total	14 305	13 635	511	485	858	857	7 694	7 952

Workforce Diversity profile as per the South African Department of Labour Guidelines

1 NPEs longer than three months are counted as permanent employees.

2 Expats are counted in our numbers as foreign nationals only if they are paid via the South African payroll.

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



- Sasol Shared Services introduced an initiative to provide female matriculants from disadvantaged backgrounds with a six-week work readiness programme on managing materials in the warehouse environment. Successful candidates are then offered a 12-month work experience programme. Sasol provides accommodation, meals and transport for the duration of the programme.
- Eight women successfully completed Sasol Oil's first fuel distribution officer learnership programme for women. After successfully completing the programme, the candidates were offered full-time employment as licenced petroleum tanker drivers.

Accommodating people with disabilities


The group's recruitment process was revised in 2013 to provide for people with disabilities, both in terms of employment opportunities and appropriate facilities.

Facilities at Sasol Oil were improved to accommodate people in wheelchairs, and sensitisation sessions were conducted to better prepare employees to accommodate colleagues with disabilities.

Sasol Shared Services conducted an awareness campaign with input from existing disabled employees, and made adjustments to sections of the work environment to accommodate those with a disability. As a result of the awareness campaign a total of 15 existing employees, 12 of those women, declared their disability and were verified as being part of the designated group.

Our 2014 employee diversity performance

Our progress in meeting our employment equity plan for the period 2012 to 2017 is summarised in the table below. Our Diversity 10-Point Plan aims to ensure our steady progress towards meeting our 2017 targets, with a specific focus on areas in which the under-representation of diversity candidates remains a challenge.

 Our online report, which can be found at www.sasolsdr.com, includes additional information on our Women Empowerment Strategy, Sasol Oil's People with Disabilities Strategy, and our BBEE scorecard.

		Female				Foreign National ²									
		A		C		I		W		Male		Female		Total	Total
		2014	2013	2014	2013	2014	2013	2014	2013	2014	2013	2014	2013	2014	2013
		4	4	1	1	1	2	4	4	3	3	0	0	85	95
		12	12	0	2	8	8	30	33	8	10	1	1	323	344
		389	393	76	72	248	250	822	827	103	104	25	22	5 555	5 561
		1 115	1 084	169	173	188	198	1 396	1 454	83	67	21	19	11 980	11 979
		1 356	1 133	71	64	50	52	522	539	322	339	8	6	11 322	10 601
		258	373	6	7	1	0	24	28	22	32	0	2	1 368	1 631
		3 134	2 999	323	319	496	510	2 798	2 885	541	555	55	50	30 633	30 211
		34	7	1	0	0	0	6	4	0	0	0	0	123	47
		3 168	3 006	324	319	496	510	2804	2 889	541	555	55	50	30 756	30 258

Overall **racial diversity** representation of our South African workforce
= **63,7%**

Racial diversity representation in our **junior to top** management layers
= **49%**



RESPONDING TO ENVIRONMENTAL CHALLENGES



Air quality and waste management

Our ability to respond to changing environmental legislation and policy represents one of our most material risks

In South Africa, the regulatory framework relating to air quality, water and waste management is evolving. We are committed to working with government to find solutions that contribute to the desired environmental outcomes, while advancing the country's socio-economic development priorities.

Our approach to air quality and waste management

We follow a risk-based approach to identifying and managing our priority safety, health and environment (SHE) risks. This approach informs the development of our environmental policies, targets, standards and guidelines. The principal governance bodies that set policy and direction for air quality and waste management are the Sasol Risk and SHE Committee and the Group Executive SHE Committee, a mandated sub-committee of the Group Executive Committee. To ensure consistent and co-ordinated engagement with stakeholders, we have also established a cross-functional project team to address the relevant regulatory developments in South Africa.

Responding to changes in air quality legislation

In 2004, the South African National Environmental Management: Air Quality Act was promulgated, introducing a fundamentally new approach to air quality management. In December 2009, national ambient (ground-level) air quality standards were published. These were followed, in April 2010, by the publication of minimum emission standards (MES), which include provision for strict industrial point source emission standards. The 2010 standards were repealed and replaced with new minimum emission standards published in November 2013.

Our current operations must meet the standards set for existing operations by April 2015, and new plants by April 2020. These standards and compliance time frames present challenges, particularly in terms of the technical implications for some of our existing operations. In these instances, Sasol continues to undertake investigations for future solutions that may enable compliance over the longer term.

While the majority of our processes will be able to comply with the future MES, there are certain activities where we will be unable to comply, either within the stipulated compliance timeframes or within the specified emissions limits. For these specific cases, Sasol has submitted the requisite applications to extend compliance time frames. Where sustainable compliance solutions have been identified, these are being implemented. To ensure that we do not operate outside of future regulatory requirements, we have taken the additional step of seeking to review certain MES, within the time frames provided by the Promotion of Administrative Justice Act.

We will continue to engage, and believe that by collaborating constructively with the Department of Environmental Affairs and other stakeholders, the longer-term challenges can be more sustainably resolved. In this regard, Sasol is working with key stakeholders to explore alternative compliance mechanisms. This includes assessing the feasibility of offset projects that could potentially deliver more sustainable improvements in ambient air quality, while at the same time providing socio-economic benefits such as job creation and poverty eradication. Legal recourse is not the preferred option for Sasol.

As part of the process of making the requisite applications, we followed an extensive stakeholder engagement and public participation process. This was undertaken in an effort to address stakeholder concerns and, at the same time, to provide an assessment of the potential impacts of our applications on ambient air quality.

 See focus story on our website www.sasolsdr.com.



Our atmospheric emissions and waste performance in 2014

Atmospheric emissions

This year we emitted 158,6 kilotons (kt) of nitrogen oxides (NO_x), compared to 158,4 kt in 2013. Total sulphur oxides (SO_x) emissions amounted to 223,0 kt, up from 214,6 kt in 2013, while total particulate (fly ash) emissions were 19,3 kt, as compared to 17,58 kt (restated) in 2013. Further details on group emissions over the past five years are provided on page 74.

Five-year trends indicate that NO_x emissions have remained relatively stable, whereas SO_x emissions have increased over the past year, but not to the levels measured three to four years ago. The significant increase in particulate emissions is primarily a result of changes in the monitoring protocol. Following recent independent sampling, we have identified inaccuracies in some of the previous reporting from Sasol Synfuels arising from certain assumptions informing our calculations, as well as data integrity issues from some of our instrumentation. Following changes to the instrumentation and the assumptions that inform our calculations, the updated data is more accurate.

At our Secunda operation, we invested R2 billion over the past six years to reduce volatile organic compounds (VOC) emissions. Our target is to achieve at least an 80% reduction in emissions of six defined VOCs (benzene, toluene, xylene, ethyl benzene, 1,3-butadiene and acetaldehyde) on our 2009 baseline by the end of June 2020. We expect to start achieving significant VOC emissions reductions well before that time, following completion of the first phase of our Regenerative Thermal Oxidisers project, and the closing of gas liquor separation drains at our tar plant. The remaining projects are on schedule for us to meet our VOC target by 2020. We continue to advance projects that will facilitate compliance with the minimum emission standards for various emission sources.

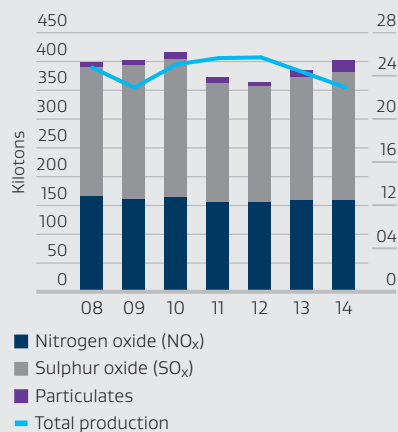
Responding to changes in waste management legislation

A new waste management regime came into effect in South Africa in 1999, with the commencement of the National Environmental Management: Waste Act. Over the past three years, we have continued to engage with the Department of Environmental Affairs (DEA) on the amendments to the Act and the development of guidance notes to address implementation challenges. Under government's leadership, we have engaged through an industry waste forum established between business and the DEA to address identified challenges. Over the past year, in response to the National Waste Information Regulations, we registered all our hazardous waste generating activities and have commenced quarterly reporting into the South African Waste Information System.

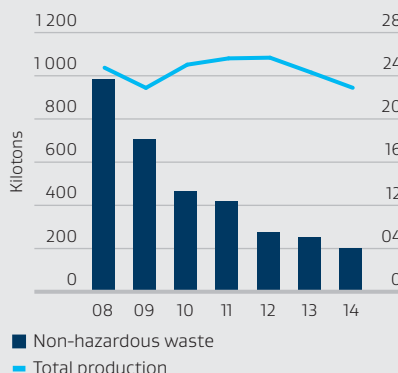
Sasol is participating in the development and testing of various technology options for the treatment of waste streams. One such technology is composting. Whereas composting of domestic sludges is widely practiced worldwide, the composting of industrial waste sludges from a petrochemical facility is a novel, environmentally sustainable and cost-effective solution for managing waste. This meets the requirements of both the Waste Act and the Air Quality Act. Since April 2012, Sasol has undertaken test work for the composting of biosludge as well as various other hydrocarbon sludges from the Secunda Synfuels process. The trial phase from 2012 to August 2014 has created 16 jobs and yielded very promising results.

The composting project has received funding for its implementation phase and will now undergo an Environmental Impact Assessment and application for a Waste Management Licence for a full-scale composting operation. Apart from the environmental benefit of the composting project, over 100 jobs will be created if the project reaches beneficial operation, which we plan to achieve in August 2016.

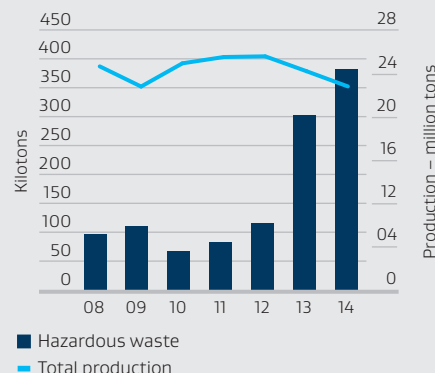
Atmospheric pollutants



Non-hazardous waste



Hazardous waste



Our waste management performance

Our operations generated 382 kt of hazardous waste compared to 303 kt in 2013. The main reason for this increase was the greater quantity of biosludge incinerated due to the scheduled desludging of the Secunda wastewater treatment bioworks. The quantity of non-hazardous waste generated decreased to 189 kt compared to 262 kt in 2013, which can mostly be ascribed to a decrease in the amount of soil from site excavations that required disposal.

The reporting on total waste generated by Sasol operations has been revised to exclude the reuse of legacy coal ash. This explains the significant decrease in total waste recycled from 546 kt in 2013 to 89 kt in 2014.

The table below sets out major capital expenditure projects over the last ten years resulting in significant improvements in environmental performance:

Year	Rand million	Project with environment-related benefit	Environmental improvement in subsequent year
2004	130	Rehabilitation of Secunda waste disposal site	Improved air and water quality
2005	12 000	Mozambique natural gas conversion project	Significant reductions in Sasolburg of H ₂ S (100%), GHG (39%), SO _x (42%) and NO _x (37%)
	400	Hydrogen sulphide reduction in Secunda	Reduction in H ₂ S emission (odour)
2008	1 000	Wet sulphuric acid plant in Secunda	Reduction in H ₂ S emission (odour)
2009	300	Carbon capture and storage in Mongstad Norway	Piloting technology for carbon capture and storage
	100	Energy efficiency projects in Secunda	Reduction in GHG emissions
2010	2 300	280 MW combined cycle gas turbines in Secunda	Reduction in GHG emissions and improved air quality
2011	500	Upgrade boiler 9 in Secunda	Reduction in particulate matter emission
	1 900	175 MW Gas engines in Sasolburg	Reduction in GHG emissions and improved air quality
2012	2 000	Regenerative thermal oxidisers in Secunda	Reduction in VOC emissions such as benzene
2013	2 000	Gas-fired power plant in Mozambique, beneficial operations are planned for the fourth quarter of calendar year 2014	Reduction in GHG emissions and air quality pollutants
2014	375	Energy and steam optimisation in Sasolburg	Reduction in GHG emissions

Note: These are rounded figures relating to projects of over R100 million each. Actual expenditure may have occurred over more than one year. Numerous smaller projects, including but not limited to, rehabilitation, water treatment and conversion of our elevated flares, were excluded as they were below the R100 million per annum threshold.

Climate change and energy

The anticipated policy and physical implications of climate change present a significant potential risk to our business

Identifying appropriate responses that balance the needs for economic development, job creation, energy security and greenhouse gas emission reductions is one of the most important challenges we currently face. As a carbon-intensive company we recognise that we have a particular responsibility and opportunity to contribute to finding solutions.

Our approach to managing the risk of climate change

We have a comprehensive climate change response strategy, and in 2009 increased our voluntary greenhouse gas (GHG) emissions reduction targets to a more ambitious level. Over the past year we revised our GHG mitigation strategy, which rests on four main pillars:

- improving the carbon and energy efficiency of processes, thereby reducing GHG emissions;
- increasing the use of natural gas for energy generation;
- researching the potential for offsetting GHG emissions in Southern Africa, which could include renewable energy projects; and
- monitoring and influencing the development of carbon capture and storage (CCS) as a long-term solution.

The CEO and Group Executive Committee (GEC) are ultimately accountable for implementing our climate change strategy. A dedicated project team, steered by a mandated committee, is responsible for executing the strategy. The mandated committee ensures our response to climate change is integrated with our core strategy, and co-ordinates our engagement with government and other stakeholders on all regulatory and related climate change developments. The SHE Corporate Centre is accountable for GHG data management as well as setting and reporting performance against targets.

Sasol has been voluntarily reporting GHG emissions since 1996. Since 2002, we have reported in accordance with the GHG reporting protocol of the World Business Council for Sustainable Development and the World Resources Institute (www.ghgprotocol.org). Recently we undertook a review to align our reporting with the Intergovernmental Panel on Climate Change (IPCC) 2006 Guidelines. We have also participated voluntarily in the CDP (formerly known as the Carbon Disclosure Project) since its launch in South Africa in 2007.

During 2013, in preparation for engagements with the Department of Environmental Affairs (DEA), we undertook a rigorous review of our GHG data. In response to the findings of this review, we improved our methodologies for

calculating GHG emissions and included smaller sources of emissions that were previously omitted. As a result, last year we issued a restatement of Sasol's global GHG emissions for the past decade. We also developed a measurement, reporting and verification (MRV) standard for the group, aligned to international best practice, which is now fully utilised by our various operations.

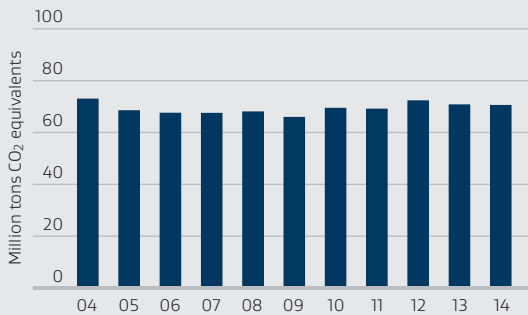
Reviewing our GHG emissions reduction targets

In 2009, we voluntarily committed to reducing the GHG emissions intensity of all our existing operations by 15% by 2020, from a 2005 baseline. We also committed to reduce our absolute GHG emissions by 20% for all new coal-to-liquids (CTL) plants commissioned before 2020, and by 30% for new CTL plants commissioned before 2030, with the average 2005 CTL design as a baseline.

Given the changes in our baseline with the sale of Arya Sasol Polymer Company and Sasol Solvents' Germany operations, and in line with recent policy developments, we initiated a review of our GHG intensity targets. It was determined that long-term company-wide targets are no longer appropriate for measuring our progress in respect of GHG mitigation, because of different regulatory policies in the regions we operate. It will therefore be closed out.

An internal process to develop separate GHG mitigation targets for our South African and international operations is underway. Joint Ventures (JVs) where we do not have operational or management control will not be included in our future overall target setting, but will be encouraged to set their own targets. The development of separate targets for our global operations will assist in isolating our energy-intensive operations from our lower-carbon operations, thereby providing for a more meaningful assessment of our progress in meeting external policy requirements. The revised GHG targets will also take into account any energy efficiency targets that are being developed as part of a separate regulatory initiative. These revised targets will be cascaded to business unit level in Sasol's new operating model. The two absolute CTL design targets have become redundant due to the shift in the group strategy towards gas-to-liquids (GTL) technology.

Total greenhouse gas emissions for Sasol
(million tons CO₂ equivalents)



Participating in climate change policy processes

Sasol supports the development of government policies that promote a transition to a lower-carbon economy, and that are based on sound analysis using clear and accurate information. Specifically in South Africa, we believe that government policy should recognise the inherently energy-intensive and coal-based nature of the economy in providing for the country's developmental and energy security needs. In South Africa, where most of our GHG emissions occur, we continue to participate actively in government policy activities specifically aimed at shaping the objectives of the National Climate Change Response White Paper. Over the past year, Sasol, together with other industry, government and non-governmental organisations, collaborated on a study aimed at determining South Africa's GHG mitigation potential. This study provides the basis for determining sector and company-specific emission budgets. We also provided further detailed inputs to National Treasury on the carbon tax design policy. During the 2014 budget review speech, National Treasury indicated that emission budgets (as proposed by the DEA) and the carbon tax would be integrated, representing a step forward in the development of a holistic carbon mitigation approach for South Africa. We also continue to participate in the international climate change policy development process.

Investing in reducing emissions

Intensified efforts to improve energy efficiency management and operating practices over the last few years have resulted in improvements across our operations. The 2014 utility energy intensity index for our operations in South Africa for the year under review improved by a further 3%, following on the 6% improvement achieved in 2013. These improvements enabled Sasol South Africa's overall energy cost increases to remain below the energy inflation rate. We continue to pursue further optimisation in all operating units and additional improvements are possible if the current plant stability performance is maintained.

Energy efficiency reporting practices will be extended and improved from the 2015 reporting period in line with internationally accepted best practice, expected requirements of the South African Department of Energy, and in support of Sasol's new operating model. Work is underway to prepare our South African operations for new energy efficiency management and reporting legislation, which is expected to be promulgated during the next calendar year.

Managing the risks associated with adaptation

Over the past year, we completed the second phase of a climate change adaptation study that examined how future risks and opportunities associated with extreme weather events could be amplified by climate change. The study identified potential adaptation options for some of our more vulnerable operations. These outcomes will inform the development of a group adaptation strategy. Ultimately, we aim to ensure that our response to climate risks is effectively embedded across the group. A detailed climate risk assessment at our North American operations was concluded in March 2014. Key lessons learnt in respect of implemented adaptation measures are being used in building resilient operations across the group.

We also undertook a detailed assessment of the readiness of Sasol's plants in South Africa for extreme weather. The aim of the project was to ensure that our plants can withstand these events and, where necessary, to develop appropriate early warning systems and improved emergency response measures. The benefits of the study will be shared more broadly with potentially affected local communities.



Our online report at www.sasolsdr.com, includes detail on our Scope 1 and Scope 2 GHG emissions by country; a review of our policy position on the South African carbon tax; and a review of various energy efficiency initiatives. A detailed account of some of the specific risks and opportunities of climate change is available in our CDP response on the CDP website (www.cdproject.net).



Water stewardship

Water is a critical feedstock for our primary processes

Ensuring responsible water stewardship throughout our value chain is fundamental to the viability of our business. Minimising the impact of our activities on shared water resources and ecosystems is key to maintaining our ability to operate.

Our approach to water stewardship

We recognise the imperative of contributing to water security and have adopted a holistic approach to water stewardship. In addition to a strong focus on water efficiency and pollution prevention measures within our operations, we have been exploring and implementing partnership opportunities in some of our critical water catchment areas.

Management of on-site water-related issues is co-ordinated by the various SHE structures outlined on page 27. In addition, we have established a water stewardship steering committee that brings together senior functional and business unit representatives from across the group to develop, co-ordinate and govern group positions and actions on water, and to provide assurance to the Group Executive Committee that our water stewardship risks and commitments are being addressed. Key activities included the finalisation of a group water landscape overview, the preliminary identification and prioritisation of water risks at a regional level, and the co-ordination of engagement with government on various policy and regulatory matters.

In 2012, we launched Sasol Water Sense, a group-wide initiative to align our water stewardship practices. Sasol Water Sense has created a common identity for our water response strategy, as well as a focused communication plan.

Our water stewardship performance

We use the UN Global Compact CEO Water Mandate – a public/private initiative launched in July 2007 – as the framework for assessing and reporting on our water performance. Our President and Chief Executive Officer has reaffirmed Sasol’s endorsement of the CEO Water Mandate.

Minimising impacts in our direct operations

Achieving water-use efficiency in our operations remains a priority, particularly in our largest operations in South Africa that are dependent on the Vaal River System. This water catchment area, which supplies approximately 80% of our total water requirement, continues to experience water demand that exceeds the system’s sustainable supply capability. While no compulsory water-use efficiency targets have yet been set for industrial water users in South Africa, we anticipate that such targets will be imposed in future by the Department of Water Affairs (DWA).

During 2011, we set voluntary water-use efficiency targets for our two most water-intensive business units. The implementation of these group-initiated water targets has proved challenging and is achieving mixed results.

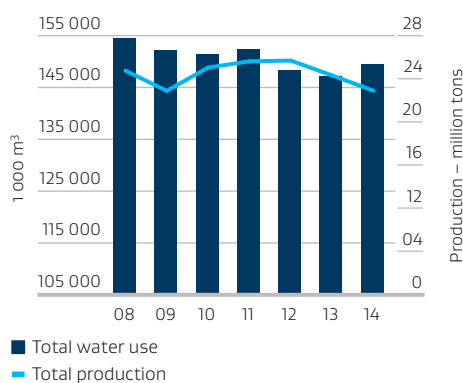
To date, we have achieved a 4,2% water-efficiency improvement at Sasol Synfuels, while audited water intensity numbers for Sasol Infrachem are not available. The targeted gains in this area are not expected to be realised.

Given the complexity of the water linkages in Sasol’s chemical processes, as well as significant challenges associated with the water measurement metrics, we have recognised the need to revisit these targets. Following a benchmark study that revealed that regional targets are more common for water use than global group-wide targets, we will be developing new regional water targets for 2020 as well as appropriate water targets for our international operations. We plan to finalise and report these new targets in the next financial year.

Sasol Technology has a portfolio of water research projects dedicated to supporting our operations in Sasolburg and Secunda, as well as our new GTL ventures. An important initiative this year was the development, with General Electric, of an innovative new water technology that will clean wastewater and provide biogas as a by-product for power generation. We have also been working with our water-intensive JV partners to proactively respond to water challenges. We are supporting our ORYX GTL facility in implementing water re-use solutions to meet the facility’s ambitious water targets, and we are working with our partners in Canada to ensure the hydraulic fracturing process is conducted safely and in an environmentally responsible way, including recycling.

Our total water use in 2014 was 149,5 million m³. This represents a slight increase in water consumption from 147,2 million m³ in 2013 and 148,3 million m³ in 2012. The total quantity of water recycled in 2014 was 186,8 million m³, as compared to 145,4 million m³ in 2013.

Total water use



Engaging with stakeholders on water management

In addition to our continuing internal focus on water efficiency, we are working with other water users in the Vaal River System in South Africa to identify the most cost-effective, high-impact opportunities for improved water usage in the catchment area. Although our total water demand from the system is high (almost 4% of total supply), it is small compared to other main users, notably urban homes and agriculture. When coupled with appropriate internal measures, there is significant benefit in realising external opportunities to save water and use it more efficiently. This will provide greater benefits to more people, both in terms of enhanced water security and opportunities for job creation.

To address the challenge of water losses from municipal water supply infrastructure in the Vaal catchment area, which is as high as 45%, we have entered into three water conservation partnerships with municipalities located in the area. The partnerships comprise an R8 million investment by Sasol, with committed leveraged partner funding of R9 million. The focus has been on fixing leaking taps and toilets in residential areas, and providing associated job opportunities, in an innovative approach aimed at enhancing water security for all users who rely on the Vaal River System. We have also undertaken a comprehensive awareness campaign in partnership with schools in the greater Sasolburg region, where we have funded the production and roll-out of school curriculum support material developed by the DWA.

Sasol's external water conservation partnership in the Emfuleni municipality near Sasolburg, continued to yield remarkable results. In the past year, 4,76 million m³ of water, with an economic value of approximately R26 million, has been saved. Over the two-year period, a total of 114 000 households and 94 schools have been visited, some more than once, to repair multiple leaks. This equates to 22% of our Sasolburg operation's annual raw water needs. Some 79 local residents were trained in basic plumbing skills and were

employed either as "water conservation warriors" or plumbers' assistants for the duration of the project.

In addition to these partnerships with municipalities, we have partnered with the South African Irrigation Institute, the Sand-Vet Water Users Association and some 100 participating farmers. The two-year project focuses on improving irrigation effectiveness by informing farmers on best practices and advising them on scheduling needs.

Public policy

As part of our commitment to informing the development of effective public policy, we have continued to engage in various government-led policy initiatives. In addition to working with the DWA to achieve legal recognition for water offsetting mechanisms, we have made progress in addressing the delays in finalising some of our water licence applications. We continued to be represented on the Vaal River Strategy Steering Committee, which provides a high-level platform for engagement between the water sector and the DWA.

An important milestone this year was the conclusion of an agreement between the DWA and the Strategic Water Partners Network on water offsetting. The DWA has recognised the potential for water offsetting mechanisms, under the right conditions, as a means of enabling necessary improvements in the municipal sector through partnerships with private sector water users. The principles of water offsetting have been included in the revised National Water Resource Strategy under "emerging policies". We believe this has the potential to realise significant benefits for water conservation and socio-economic development.

Transparency

We report annually on water-related issues in our Sustainable Development Report, which we have been publishing since 1996. This year, Sasol again participated in the CDP's Water Disclosure Project. Our business units have continued to engage with external bodies, including non-governmental organisations, on their water activities.



Our online report at www.sasolsdr.com, includes additional details on our innovative wastewater demonstration plant (with GE), and our recent project to treat reaction water in Secunda.



IMPROVING AMBIENT AIR QUALITY AND COMMUNITY HEALTH THROUGH OFFSETS



We make every effort to minimise our environmental impacts, taking a risk-based approach to sustainable development and complying with applicable legislation. Our actions aim to protect the health and wellbeing of our people and communities, and to contribute to socio-economic development, while also maintaining the financial stability of our business. Balancing the needs of our stakeholders requires that we seek the most beneficial outcome with the most efficient and effective use of resources.

Our two largest facilities, Sasolburg and Secunda, are both located in declared 'priority areas' as defined by South African air quality legislation. These areas have been identified as having poor ambient air quality due to total atmospheric emissions from all sources. To address these concerns, among various evolving policy instruments, recent government regulations have provided for stringent point source emission standards applicable to all industries, including Sasol's operations (see page 47). We are committed to legal compliance and air quality improvement.

We are undertaking detailed technical assessments to identify compliance solutions for the minimum emissions standards. However, we believe that meeting some of the prescribed standards may not deliver meaningful improvements in ambient air quality, and in some instances have unintended negative environmental consequences.

Our participation in offset initiatives is not intended to allow an increase in our emissions relative to our current emissions baselines. In this context, offsets are alternative actions outside of the factory fence to deliver sustainable ambient air quality improvement in support of the Air Quality Act. Rather, the aim is to demonstrate the potential of such interventions as complementary, sustainable air quality management tools to effectively address the environmental, social and health challenges in communities.





Atmospheric emission offsets pilot study

Recent independently conducted air quality assessments have found that one of the most significant air quality and community health challenges relates to the ground-level emissions of particulate matter (for example, dust and smoke) from non-industrial sources.

Informed by these assessments, we are working with various stakeholders to explore alternative air quality management mechanisms to deliver meaningful and more immediate improvements for community health and the environment. Preliminary investigations have identified community-based air quality offsets as a potentially more effective mechanism than point source emission standards to bring about sustainable, cost-effective improvements in ambient air quality. At the same time, these projects yield important additional environmental, social and economic benefits for the community, such as GHG emission reductions, job creation, skills development, poverty alleviation and improved quality of life.

To test the feasibility of these offsets, we invested R12 million in a pilot study in a community of some 1 000 homes. This study, being undertaken between April 2013 and March 2015, involves installing various configurations of Reconstruction and Development Programme (RDP) home insulation. The initiative is creating jobs, improving the quality of local homes, reducing energy needs and costs, and is shaped to contribute to improvements in local air quality. The aim of the pilot study is to quantify the beneficial air quality and social impacts; assess the feasibility of taking it to scale; and, through our partnerships with academics and experienced community-based organisations, to advance the development of an appropriate regulatory mechanism. This programme complements our pioneering Basa Magogo community initiative in Secunda, which encourages better fuel-burning practices in local communities.





DELIVERING SOCIAL VALUE



Promoting social and economic development

Contributing to social and economic development in the countries in which we operate is essential to securing and maintaining our licence to operate

In addition to the social and economic value we create through our core business activities, we undertake targeted community and enterprise development initiatives.

Creating social value through our business activities

We make a valuable contribution to socio-economic development in the countries in which we operate by:

- providing employment opportunities, and skills development and training interventions, to our employees and the broader community;
- investing in infrastructure and other social services in our communities;
- paying taxes and royalties to governments, which contribute to addressing social needs; and
- purchasing goods and services from local businesses, which supports their ability to create employment and remain economically active.

During the reporting period, the financial value distributed directly by Sasol amounted to R91,3 billion. This included:

- R30,7 billion to our employees in wages and benefits;
- R12,9 billion in direct taxes to government;
- In South Africa, Sasol is the top contributor to the national fiscus, paying R35,8 billion in direct and indirect taxes;
- R14,1 billion to our providers of equity capital;
- R2,5 billion to our providers of loan capital; and
- R31,1 billion re-invested in the group to sustain value for stakeholders.

An additional R497,9 million was invested in socio-economic development initiatives in our communities, which excludes skills spend on employees.

Through a broader multiplier effect, the positive developmental contribution of these activities and investments extends significantly beyond direct value distributed.



A review of the total economic value contributed over the past three years is provided on page 73, with additional details provided in our annual financial statements.

Investing in skills, research and development

We invest significantly in growing the skills base in the regions in which we operate. Our approach is focused on delivering longer-term value through school-based education in science, technology and literacy; facilitating access to higher education; improving the quality of higher education; and developing critical and scarce work skills. We also invest in enhancing specialised research and development capacity.

To develop a pipeline of talent to support our strategic objectives, we run one of the largest bursary schemes in South Africa. We also invest in critical skills development initiatives for artisans, engineering contractors and chartered accountants. Investments that contribute to empowering local communities include deepening the pool of civil construction skills.

The Sasol Global Learning Skills Academy trains artisans beyond Sasol's immediate requirements, thereby deepening the broader national skills pool. Learnerships are offered in various disciplines including welding, process operation and instrumentation. To date, the academy has trained 752 artisans, with 238 currently receiving training. Of the total, 458 learners in maintenance and electro-mechanics have been employed at Sasol.

In collaboration with the South African Department of Labour, we trained 1 200 candidates in basic construction skills in 2013, with a further 2 400 candidates trained in 2014.

Sasol Technology is in its ninth year of collaborating with eleven South African universities to develop and incentivise the retention of academics by providing salary subventions and grants for overseas travel to expand their scientific experience. We have provided financial support to academics totalling R185 million to date, and have awarded research grants of approximately R49 million. Over the past four years, we have awarded non-binding grants of approximately R16 million to increase the pipeline of African, Indian and Coloured students at postgraduate level. Of the 118 students being supported by this initiative, 90 are from previously disadvantaged groups. Our total investment in this initiative over the full period will be R250 million.



PROMOTING SOCIAL AND ECONOMIC DEVELOPMENT *continued*

The Sasol Inzalo Foundation drives excellence in science, technology, engineering and mathematics (STEM) education at all levels of the education value chain in previously disadvantaged sectors of South African society. Through the Foundation, we are supporting postgraduate chemistry fellows to study Honours, MSc and PhD degrees in chemistry and environmental sciences at previously disadvantaged universities in South Africa. A co-funding partnership with the National Research Foundation has enabled the expansion of the programme, leading to an increase in participation from 50 in 2013 to 87 in 2014, including six postdoctoral fellows. In 2013, 21 fellows graduated with Honours degrees and two are pursuing PhD studies.

Sasol is registered as an Approved Training Organisation (ATO) by the South African Institute of Chartered Accountants (SAICA). As an ATO, we offer graduates the opportunity to train as chartered accountants at our businesses in Secunda, Sasolburg and Johannesburg, supported by a formal mentorship programme. Since the first learner intake in 1998, 74 have qualified as chartered accountants (CA), of which 47 are still in Sasol's employ. There are currently 13 learners in the outgoing Internal CA Training Programme and four learners in the externally hosted KPMG Training Programme. Sasol, in conjunction with KPMG, will also train ten chartered accountant trainees a year as part of the SAICA-initiated Thuthuka Bursary Fund, of which Sasol and KPMG are sponsors.

Promoting broad-based black economic empowerment

As at 30 June 2014, Sasol achieved a level 3 broad-based black economic empowerment (BBBEE) contributor status.

- **Equity ownership:** through the Ixia Coal transaction and the participation of Sasol Mining employees in the Sasol Inzalo share transaction, combined BBBEE ownership in Sasol Mining is over 40%. This exceeds the Mining Charter target of 26% by 2014. In support of the Liquid Fuels Charter, BBBEE group Tshwarisano LFB Investment (Pty) Ltd owns 25% of our liquid fuels production, distribution and marketing operations, housed in Sasol Oil (Pty) Ltd.
- **Employment equity:** our performance and progress in meeting our employment equity plan for the period 2012 to 2017 is discussed on page 45.
- **Preferential procurement:** during 2014, preferential procurement amounted to R33,4 billion, representing 86,8% of our total measured procurement spend of R38,45 billion. We have significantly improved our procurement from emerging medium enterprises, qualifying small enterprises and black- and women-owned enterprises (see page 65).
- **Enterprise development:** our activities to promote enterprise development are discussed on pages 65 to 67.
- **Skills development:** during the year, we invested R540 million in skills development for black employees which includes R116 million for female black employees (page 57).
- **Socio-economic development:** in 2014, we committed R327 million to socio-economic development initiatives excluding the Sasol Inzalo Foundation amount of R85 million (see page 60).

The following table sets out the scores achieved in attaining our level 3 BBBEE contributor status.

Element	Target score	Achieved 2014	Achieved 2013
Ownership	20	17,22	14,56
Management and control	10	7,58	9,81
Employment equity*	15	3,81	3,69
Skills development	15	9,29	9,51
Preferential procurement	20	18,7	17,85
Enterprise development	15	15	15
Socio-economic development	5	5	5
Overall	100	76,44	75,42



Our online report, which can be found at www.sasolsdr.com, includes additional information on: Sasol's BBBEE scorecard, our progress in terms of meeting the Petroleum and Liquid Fuels Charter and the Mining Charter.

* Refer to pages 44 and 45 for actions to address this element.

Creating value through social investment

Our community investment initiatives seek to promote people-centred, needs-driven sustainable development of the communities in which we operate. We aim to create sustained social impact through activities focused on legacy creation and to integrate the concept of ‘giving’ into the Sasol culture.

Our approach to social investment

The Sasol Inzalo Foundation was established to:

- consolidate and prioritise our social investments across the group, focusing on a set of priority issues that support a long-term approach to addressing societal challenges;
- move from responding to ad hoc requests to structured proposals more clearly linked to Sasol’s competencies and business strategy, and more aligned with community needs and regulatory requirements;
- ensure effective group-wide co-ordination of initiatives, supported by monitoring and evaluation of the impacts of our investments; and
- encourage employee volunteering.

The Sasol Inzalo Foundation’s board of governors approves the investment strategy, oversees governance, allocates resources and approves the focus areas. The management team is responsible for establishing governance procedures, policies and systems, managing the investment portfolio,

monitoring and measuring all programmes and managing reputation and brand awareness. The Foundation does not directly engage in investment activities, but provides the framework for making, governing and measuring investments.

The investment strategy, implemented since January 2014, prioritises programmes and projects in three focus areas.

- **Education:** developing skills and providing resources for schools, with a focus on science, technology, engineering and mathematics; providing undergraduate bursaries; supporting university collaborations including postgraduate studies; and investing in youth development with a focus on entrepreneurial and vocational skills development;
- **Economic development:** socio-economic and local development programmes, with strong links to enterprise and supplier development; and
- **Environment:** sustainable water use and loss prevention projects; energy access and security; creating value from waste; air quality improvements; and biodiversity.



Our social investment in 2014

During 2014, the group committed R311 million to corporate social responsibility initiatives globally, which includes R38 million spent in host communities outside South Africa. The R311 million excludes the investment in the Ikusasa projects.

The total corporate social responsibility spend for the year included:

- R7,8 million in economic development
- R67,5 million in host communities
- R186,6 million in education
- R4,6 million in youth development
- R27,9 million in sponsorships (mainly youth)
- R10,0 million in strategic projects
- R6,0 million in environmental initiatives
- R1,2 million in employee volunteering

Sasol Mining invested R16,6 million as part of their Social and Labour Plans in accordance with the Mining Charter. This is included in the R67,5 million for host communities detailed above.

Through our Ikusasa initiative, we invested a further R186 million in the year, of the R800 million earmarked, in development projects in the Metsimaholo and Govan Mbeki municipalities in Sasolburg and Secunda.

We continue to partner with the Department of Health in South Africa to support community initiatives to reduce the HIV/Aids infection rate in the areas where we operate.

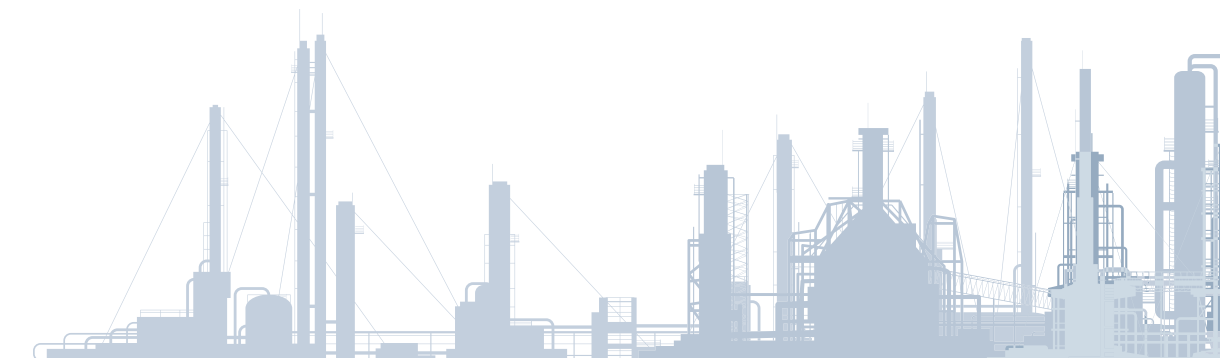
Investing in development outside South Africa

Our corporate social investments outside South Africa include USD\$3,2 million in Mozambique, R9 million in Qatar and additional investments in Uzbekistan, Germany and the United States.

- **Mozambique:** our focus for the year was on improving access to healthcare, education and water for local communities in and around our sites. Key initiatives included building and upgrading health centres; capacity building for health professionals; driving skills development initiatives such as bursaries; and supporting infrastructure development.
- **Qatar:** our social investments focus on the four pillars of Qatar's National Vision 2030 and include investments in the human, social, economic and environmental sectors. We support various initiatives relating to education, health and safety, arts and culture, skills development and environmental protection. Key initiatives include the "Definitely Able" campaign that highlights the positive contribution and possibilities of people living with disabilities in Qatar, and the "Qatar e-Nature" mobile application that promotes awareness of the rich diversity of Qatar's natural environment.
- **Uzbekistan:** we have an active bursary programme in partnership with the Westminster University in Tashkent, as well as investing in the establishment of social enterprise initiatives.
- **Germany:** we launched a bursary programme for former apprentices to study at university, invested in a laboratory for school children in Brünsbittel, and provided education and bursary support for communities around our Sasol O&S operations.
- **United States:** our commitment goes beyond plant operations and extends into neighbouring communities where we participate in civic programmes, promote employee volunteerism, contribute to charities and support local businesses by buying from local suppliers and service providers whenever possible. We work to develop and promote people-centred, long-term sustainable programmes through the development of corporate social responsibility initiatives based on input we received through extensive engagement with our neighbours and employees.



Our online report, which can be found at www.sasolsdr.com, includes additional information on various corporate social investment and skills development initiatives around the world. More information about our Voluntary Property Purchase Programme (VPPP) in Louisiana, can also be found here.



Adhering to ethical standards and preventing corruption

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

Promoting ethical behaviour through the Sasol code of ethics

Our approach to ensuring sound ethical behaviour is governed by the Sasol code of ethics, with the group ethics office responsible for its implementation. The programme’s focus is two-fold: firstly, to proactively advance an ethical culture in Sasol; and secondly, to deal with transgressions.

The Sasol code of ethics addresses corruption, bribery, conflicts of interest, human rights and related subjects, and governs our approach to ethical behaviour and fair business practice. It describes the four fundamental Sasol ethical standards – responsibility, honesty, fairness and respect – that should inform the decisions of all employees in their day-to-day business activities. Each year, senior and middle management, as well as employees identified as being in “high risk” positions, are required to formally certify that they know and understand the code of ethics and its associated guidelines. Regular training is provided to ethics officers in all aspects of ethics management.

Promoting disclosure through our EthicsLine

Employees and other stakeholders are able to report any breach of the code of ethics via our independently managed anonymous reporting facility, EthicsLine, or directly to forensic services. All cases are attended to and investigated, if found to be legitimate, and a formal process is in place to track, report and close-out calls. The group ethics system, a custom-designed technology platform, provides strictly controlled access to ethics investigations. The system also enables the group ethics office to identify trends relating to EthicsLine activity and investigations. Direct disclosures made to the group CEO’s office or any other group executive are also channelled through the system.

During the reporting period, 583 calls were made to the EthicsLine, with a total of 946 allegations of unethical behaviour. This represents a 17% decrease on the 699 calls

received in the previous year. A total of 637 calls were resolved and 127 calls are still under investigation. Investigations are often impeded due to the lack of information anonymous callers provide. We are working to enhance the quality of reports by raising awareness of how to report an ethics issue effectively.

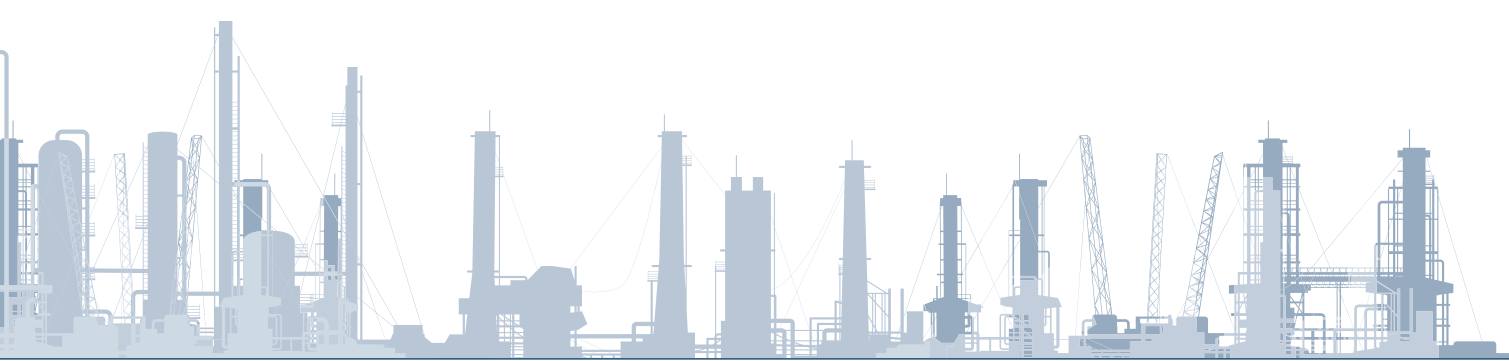
The majority of the 220 ethical transgressions (substantiated or partly substantiated allegations) pertained to the principles of responsibility, honesty, fairness and respect, which relates to treating people with due regard to their human rights. Details are provided in the table below.

The group ethics office provides assurance that appropriate corrective actions are taken on ethical transgressions. Actions taken as a result of investigations and enquiries can include termination of employment, or can result in the cancellation of contracts in the case of suppliers and contractors. Relevant cases and trends are reported to governance committees quarterly. Potentially high-risk and sensitive matters are reported to the Audit Committee and the Nomination, Governance, Social and Ethics Committee.

Ethical principle	Substantiated allegations	
	2014	2013
Responsibility	55 (25%)	113 (45%)
Honesty	59 (27%)	22 (9%)
Fairness	36 (16%)	47 (19%)
Respect	70 (32%)	67 (27%)
Total	220	249



Our online report, which can be found at www.sasolsdr.com, includes a brief review of a recent incident where we took action against a non-compliant service provider who was acting in violation of our code of ethics.



Respecting human rights

As a global integrated energy and chemicals company, we recognise that we may operate in regions where human rights may be at risk, either in our operations or within our value chain

This risk exposure highlights the importance of performing due diligence to ensure that we respect human rights throughout our operations and in our relationships with stakeholders.

Implementation of our human rights policy

Sasol's policy on respecting human rights will be included in our revised code of ethics, which will be published in 2015. The policy defines our commitment to respecting human rights as set out in the Guiding Principles on Business and Human Rights, the International Bill of Human Rights and the International Labour Organization's Declaration on Fundamental Principles and Rights at Work. In meeting this commitment, we will strive to identify, assess and manage human rights impacts and risks throughout our activities. We aim to make a positive and constructive contribution to the reduction and elimination of human rights abuses within our sphere of influence, and expect our suppliers, partners and customers to uphold the same standards.

Our human rights policy was informed by a comprehensive independent study that reviewed our existing approach and risk exposure to human rights abuse. While certain gaps were identified, none suggested that any of our activities directly demonstrated a lack of respect for human rights. Although there were no indications of any direct complicity in human rights abuses, this remains a potential risk area due to the extent of Sasol's value chain.

Based on the nature, location and scale of our activities, our commitment to respecting human rights includes a specific focus on the following issues: non-discrimination and

respect for diversity; freedom of association and the right of collective bargaining; the provision of a safe and healthy working environment; prohibition of forced labour and child labour; establishing fair wages and benefits; respecting the rights of our local communities; security arrangements; protecting the environment; and managing our supply chain.

Our internal due diligence process requires that country risk assessments are performed before entering any given country. These assessments include screening for potential human rights non-compliance or violations. We evaluate all our investment decisions against the Sasol code of ethics and, as a signatory of the United Nations Global Compact, we endeavour to ensure compliance with domestic and international human rights regulations and principles. We recognise that appropriate training is essential in ensuring effective communication and adoption of our revised approach to human rights. In the year ahead, we will also be aligning and working closely with our supply chain management team to ensure appropriate integration of human rights issues within a revised supplier code of conduct, and to identify and work with suppliers who may be at risk.

Performance

No reports of Sasol being complicit in any human rights violations have been recorded to date.







DRIVING ENTERPRISE AND SUPPLIER DEVELOPMENT



Stimulating economic growth through small business development

The development of independent entrepreneurs is one of the most effective ways of stimulating economic growth and creating jobs in our communities

A growing small and medium enterprise (SME) sector is vital for broadening economic participation and delivering on economic development priorities. It also supports our aim to diversify our supply chain. We have established a dedicated enterprise and supplier development function to drive these objectives. This economic growth imperative has been included in the 2014 list of material sustainability focus areas.

Our approach to SME development aims to support and nurture small businesses through integrated technical and business development support, as well as mentoring and coaching for entrepreneurs. In South Africa, the Sasol Siyakha Enterprise and Supplier Development Fund provides our SME suppliers with loan funding to bolster their sustainability and create an enabling environment for them to thrive. Since its establishment in 2008, the fund has disbursed over R65 million. This year the fund provided 11 SMEs with R11,1 million in loan funding.

Through our work in small business development, we have learnt that access to infrastructure and facilities is one of the key growth enablers for SMEs. We are developing the 172-hectare ChemCity Eco-Industrial Park (CEIP) in Sasolburg, where serviced stands will be sold to businesses at competitive rates for them to conduct general and industrial business activities. The CEIP is being developed in phases, with occupation of the first phase underway. Civil infrastructure for the second phase is in progress. When complete, our total investment in this initiative will be over R185 million.

The CEIP will provide on-site business development and technical support services for qualifying SMEs in the Vaal Triangle, thereby promoting local economic development in the area.

Partnering with relevant stakeholders is a key contributor to our success in supporting SMEs. Together with the Department of Trade and Industry (dti), we are creating a R50 million business incubator facility at the CEIP. This facility forms part of the dti's campaign to roll out 200 business incubators nationwide. The development will include a 2 000 m² building that will provide office-based incubation services. A further four buildings will cater for the incubation of small-scale manufacturing businesses. Four of the five buildings were constructed using alternative building technology acquired from SMEs supported by Sasol.

In October 2011, we partnered with the Department of Science and Technology to develop a plant oil and extract facility in the Limpopo province. The aim of this project is to apply innovative technology to local natural resources to create sustainable livelihoods in the area. Agriculture is an important economic sector in the greater Tzaneen area, with fruit such as oranges, grapefruit, mangoes, avocados and bananas produced at both small and commercial scale. As the implementing partner, Sasol brought expertise in cosmetic formulations, by-product beneficiation, small entrepreneurial development and the incubation of small businesses. In 2014, the project reached full commercialisation.

While the focus of our SME development activities is primarily in the communities in which we operate, the positive impacts of our enterprise and supplier development programmes contribute more broadly to economic development and transformation.



INVESTING IN SOUTHERN AFRICA'S GROWTH AND DEVELOPMENT

“As a large corporation, we serve a higher purpose than just running our businesses profitably. At Sasol, we seek to play a constructive role as a transformative employer of choice and, more broadly, as an active corporate citizen. South Africa is the cornerstone of our global operations, and we see large-scale stakeholder benefit in our ongoing investment in the growth and development of the country and the region.”

David E Constable
President and Chief Executive Officer
Sasol Limited

Throughout our 64-year history, Sasol has played an important role in the industrialisation, growth and socio-economic development of South Africa and the broader region. Our Project 2050 commitment to extend our integrated value chain in Southern Africa to the middle of the century underpins our long-term focus. The initiatives associated with Project 2050 are fully supportive of the South African Government's New Growth Path and Vision 2030, as set out in the National Development Plan.

Our commitment to supporting local and regional economic development, job creation and security of supply in liquid fuels, chemicals and low-carbon electricity, is reflected in some of our most significant capital investments:

- The next two phases of our R14 billion mine-replacement projects in Secunda are on track. These capital projects are critical to replace much-needed, large-scale coal reserves and to extend the lifespan of our Southern Africa integrated value chain. The first phase, the R3,5 billion Thubelisha Shaft at Twistdraai Colliery, was inaugurated in 2012. The colliery sustained 1 600 jobs at the mine, with an additional 2 000 workers on site during the peak of construction.
- Our R14 billion Synfuels growth programme in Secunda, due to be completed at the end of the 2014 calendar year, will increase production by 3,2% off a 7,3 million ton baseline, ensuring ongoing operational reliability and efficiency.
- We are investing R13 billion in expanding our hard wax production facilities in Sasolburg.
- Our R1 billion limestone ammonium nitrate granulation plant, inaugurated in 2012, uses the latest energy efficiency and waste minimisation technologies, and meets more than 25% of South Africa's nitrogen fertiliser demand.



- In early 2014, we inaugurated a R1,9 billion ethylene purification unit in Sasolburg, which will support the local plastic industry's demand for polyethylene.
- Commissioned in December 2012, our R1,5 billion gas-fired power generation plant in Sasolburg is now capable of producing 175 megawatt (MW) of power. Using natural gas from Mozambique, this is South Africa's first stand-alone gas-to-power plant. As a result of this and other projects, we have a cumulative capacity to self-generate up to 70% of our electricity requirements in South Africa, easing national power constraints and promoting low-carbon electricity generation.
- In Mozambique, we have advanced the development of our 175 MW gas-fired electricity generation plant at Ressano Garcia, in partnership with the country's state-owned power utility, Electricidade de Moçambique. Beneficial operations are planned for the fourth quarter of calendar year 2014.

Looking to the future, we are pursuing new hydrocarbon resources, with a particular focus on natural gas. This is important not only to secure feedstock to grow our integrated Southern Africa value chain, but also to enhance regional energy security and to diversify the energy mix.

Through our core business activities, we create significant value for the region. Not only are we one of the largest taxpayers in South Africa, we also contribute significantly to the country's foreign exchange reserves by providing locally produced liquid fuels. We also make a substantial contribution to job creation in the country, both directly and indirectly. During the past three annual maintenance shutdowns at our Synfuels plant in Secunda, an average of 15 000 additional employment opportunities were created each year. Between February 2009 and June 2014, during the construction periods of our various mega-projects in Sasolburg, we created over 20 000 jobs. Through our retail network of 380 Sasol service stations across South Africa, we indirectly employ an additional 11 500 people.

Our determination to ensure that this growth is undertaken in a sustainable and responsible manner is reflected in the nature of the commitments and activities described throughout this report. We recognise that for the company and the countries within which we operate to grow, we need to invest in the health, wellbeing and continuing development of people and their communities; and we need to foster relationships grounded in trust and respect.





PROVIDING SAFE, ESSENTIAL AND QUALITY PRODUCTS



Promoting effective product stewardship

Managing the safety, health and environment (SHE) risks associated with our products and enhancing their SHE performance and sustainability throughout their lifecycle forms a key part of our commitment to ensuring zero harm

We strive to deliver on our commitment to product stewardship through alignment with the mechanisms established by the international chemical industry, such as the Responsible Care® Global Charter and the International Council of Chemical Associations (ICCA) Global Product Strategy. Both these initiatives were launched by the ICCA at the United Nations International Conference on Chemical Management in Dubai in February 2006. We formally recommitted to the Global Charter in February 2012. This makes Sasol party to the Strategic Approach to International Chemicals Management (SAICM), a policy framework that commits us to the 2020 goal of using chemicals in such a way as to minimise significant adverse impacts on health and the environment.

We take a risk-based, scientific and lifecycle oriented approach to managing our products. This is undertaken in partnership with our suppliers, customers and other stakeholders in the product value chain, including transport service providers.

We have identified three main possible product stewardship events:

- non-compliance to international chemical control legislation;
- product transportation incidents; and
- irresponsible or illegal disposal of product.

To address the causes of these undesirable events, we have prioritised the following focus areas:

- **Compiling and maintaining a detailed Sasol product inventory.** In October 2011, we introduced a comprehensive chemical information management system that sought to establish a product inventory for all our products, from raw materials, intermediates and final products to industrial waste streams. We completed the final product and industrial waste stream inventory in 2013. We plan to complete the inventory for raw materials and procured chemicals by 2016.
- **Improving our product transportation safety strategy.** We have concluded a review of the product transportation safety strategy, with the specific goal of reducing product transportation incidents by road. All internal parties in the value chain, from product stewardship to supply chain management, are working together on this matter.

- **Define a recycling strategy for used Sasol product packaging material.** We are in the process of mapping the landscape of Sasol's product packaging material management to identify the controls needed to manage the potential irresponsible or illegal use of any used Sasol packaging material.

In line with our risk-based approach to SHE issues, we have initiated a programme to implement the chemical risk assessment methodology developed by the ICCA as part of its Global Product Strategy. This year, we became members of the Chemical Distributions Institute for Terminals, in an effort to promote safe chemicals management where our products are handled in terminals around the world. Through this initiative, we have accredited auditors that can audit terminals.

Our 2014 performance on product stewardship

To measure our performance in implementing the Responsible Care® Product Stewardship management practice standard, all our South African business units undergo a third-party verification audit by externally accredited auditors every three years. In addition, an internal auditing team undertakes a yearly second-party audit. Our product stewardship performance this year – as measured in terms of the Responsible Care® Product Stewardship Practice-in-Place (PiP) – improved from 83% in 2013 to 85%. To meet our target of 90% PiP, we are focusing on developing risk-based product stewardship plans for each business unit.

One significant incident of product stewardship non-conformance occurred during the year. This related to the inappropriate size and location of labelling of Sasol product being shipped into Europe. The labelling was not in accordance with the international and European regulations relating to the carriage of dangerous goods, and resulted in a warning letter being received from The Netherlands Shipping Inspectorate. Immediate steps were taken to rectify the non-conformance and avoid any future recurrence.



PROMOTING EFFECTIVE PRODUCT STEWARDSHIP *continued*

Contributing to global product stewardship initiatives

We continue to play a leadership role in contributing to enhancing the safe use of chemicals worldwide, primarily through our involvement in the International Council of Chemical Associations' Chemicals Policy and Health Leadership Group.

For the past seven years Sasol experts have been advising South African government representatives on the implementation of the Globally Harmonised System of Classification and Labelling of Chemicals (GHS). We also participated in the United Nations sub-committee of experts on the GHS as vice-chair of the sub-committee, representing the South African Department of Trade and Industry.

Promoting climate change mitigation in our product chain

We have assessed the gate-to-gate carbon footprint of some of our primary products, which we communicate to customers on request. To ensure accuracy, we continue to conduct carbon footprint calculations for a selection of Sasol's products.

We supply customers with natural gas (NG) and methane-rich gas (MRG), enabling them to switch from coal and thereby reduce their direct emissions. As a result of our increased intake of natural gas from Mozambique, we have been able to increase our supply of NG and MRG to consumers. This year our total NG supplies to customers amounted to 37,50 Petajoules, while total MRG sales amounted to 23,2 Petajoules. As a result of these sales and the resulting substitution from coal to gas, we estimate that our customers reduced their total direct emissions of GHG by 3,1 million tons during this reporting period.

Maintaining positive relations with customers

We sell most of our products to businesses, rather than to individual consumers. Sasol Oil contributes the highest percentage of external customer revenue for the group

Sasol Oil's direct sales to retail convenience centres in South Africa is the most visible manifestation of the Sasol brand with consumers. We maintain an active relationship with our franchisees through regional and national councils. To manage potential compliance risks, we train relevant personnel on the implications of the South African Consumer Protection Act 68 of 2008. Tailored compliance training is being provided to all affected stakeholders.

Monitoring and managing our market reputation

We monitor our reputation among consumers in South Africa through the Reputation Institute of South Africa's annual Reprtrak Survey. The latest results released in 2014 showed a deterioration from 69,05 to 62,07. There has been a declining trend of public trust in large South African corporations, as measured by the Reputation Institute since 2010, as it reflects a broader public sentiment on companies, particularly in an environment of weak economic growth and prospects, as well as inequality. We do not currently participate in similar rating initiatives in other countries, but will be seeking to do so as our presence increases in North America.



Our online report, which can be found at www.sasolsdr.com, includes additional information on our research on fuels technology and the recent launch of clean diesel in South Africa.



Data and Assurance

This section provides a consolidated review of our quantitative performance data over the past five years relating to our material sustainability challenges. The basis for identifying these material challenges is provided on pages 28 to 29.

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

- **Human Capital – Our People:** focusing on safety, occupational illness and skills development;
- **Societal Capital – Society:** focusing on our economic value added and our broad-based black economic empowerment procurement expenditure; and
- **Natural Capital – The Environment:** addressing GHG emissions, air pollutants, solid waste, energy and material use, water, land and biodiversity, and legal compliance.

Our reporting boundary

The performance data reported in these tables has been aggregated from our construction, exploration, production, research and development, marketing and sales activities that are under our operational control in all of the countries where we operate. We have included all the data for the following joint ventures: National Petroleum Refiners of South Africa (Natref), Sasol Petroleum International Mozambique, ORYX GTL and Sasol-Huntsman in Germany. Data from our Sasol Solvents Germany operations until the date of their disposal (31 May 2014) is included in this report.

All data is collected by the individual operations and reported on a quarterly basis to the SHE Corporate Centre using a common database, and in accordance with the group sustainable development reporting guidelines and

definitions. Data is collected and processed by the business units using the best available methodologies and techniques for measurement, calculation and analysis. The years referred to relate to Sasol's financial reporting period (i.e. 2014 relates to the period from 1 July 2013 to 30 June 2014). Although every effort has been taken to ensure the accuracy of the data, we recognise that some data may be subject to uncertainty, relating, for example, to different interpretations of the internal reporting guidelines, and possible human error in recording and submitting the data. The improvement of data quality and accuracy is receiving ongoing attention in accordance with the recommendation of our external assurance provider. We will continue to rely on the use of spreadsheets for data collection and management until the SHE Integrated Management System (IMS) is in place. We are also in the process of implementing the sustainable development reporting module of SAP across all our businesses.

All our business units have achieved ISO 14001 and OHSAS 18001 certification while most of our German operations are Eco Management and Audit Scheme (EMAS) validated.

The Global Reporting Initiative (GRI)

A detailed GRI table, providing responses to each of the GRI G4 criteria, is provided on our website (www.sasolsdr.com). Our online report also includes a review of our performance in terms of the UN Global Compact's Communication on Progress, as well as the Millennium Development Goals.



Please refer to the G4 table on www.sasolsdr.com



Performance Data

Human Capital – Our People

	2014	2013	2012	2011	2010	Level of Assurance ⁺
Employee numbers ¹	33 049	34 629	34 916	33 708	33 054	
Employee turnover	1 826	1 807	1 136	1 738	1 374	Moderate
Total number of person hours worked (million)	213,97	229,19	222,91	202,3	193,4	High
Safety						
Recordable case rate ² (including illnesses)	0,42	0,37*	0,41*	0,42	0,51	High
Recordable case rate (excluding illnesses)	0,36	0,33*	0,37*	0,37	0,45	
Employee and service provider fatalities	5	5	4	15	9	High
Employee and service provider fatal injury frequency rate	0,004	0,005	0,003	0,015	0,009	
Fires, explosions and releases ³	30	43	42	51	63	High
Logistics incidents ⁴	29	29	36	47	37	
Total number of first aid cases	641	926	961	NR	NR	
Occupational illness⁵						
Hearing loss	23	15	23	32	27	
Lung illnesses	42	28	29	26	25	
Asbestosis	0	1	1	1	4	
Tuberculosis ⁶	0	0	0	0	7	
Mesothelioma	0	0	0	0	1	
Pneumoconiosis	21	21	20	23	9	
Other lung illness	21	6	8	3	3	
Other	2	1	1	0	3	
Skills development						
Investment in employee learning (R million)	901	898	819	673	421	
Investment in learning as a % of payroll ⁷	6,2%	6,4%	6,7%	6,5%	4,3%	
Investment in black employees (R million) ⁸	653,1	625	537	432	261	
Development interventions	230 523	230 871	137 703	126 847	64 019	
Investment in bursary scheme (R million)	47	54,7	38,2	38,5	51	
Undergraduate and postgraduate bursars	577	719	585	654	769	
Employees currently on chartered accountant training programme	16	19	20	22	26	Moderate
Employees in Sasol's maintenance artisan learner pools	696	644	581	883	778	Moderate
Learner artisans that Sasol trained for petroleum industry as part of oil, gas and electrical manufacturing project since 2007	0	0	947	947	417	
Learners in external technical skills partnerships	294	238	231	131	271	Moderate
Additional positions created in global venture support programme	106	700	700	700	700	
Investment in South African universities (R million)	15	25	25	25	25	
Technical personnel in global venture support programme	103	327	466	484	700	
Number of employees receiving leadership training	9 191	5 732	5 281	4 077	9 253	

⁺ Assurance refers to the 2014 parameters independently verified by the external assurance provider in 2014, in accordance with the statement on page 76. A description of the level of assurance is provided in the independent assurance statement on page 76.

NR: Not reported.

* Restated

1 **Employees** are persons working for Sasol on a full-time or part-time basis, who are paid individually via the Sasol payroll system, including service providers working under Sasol's supervision (i.e. persons from labour brokers or fixed-term service providers). These numbers include some non-permanent employees. These have been included for the purpose of safety reporting requirements.

Only those employees based at JVs and paid by Sasol, are included in this number. The totals are thus lower than those reported on in the section on employee demographics, in which reference is made only to permanent employees. Please refer to page 73.

The figure on the following page for the number of employees at year end is higher, as it takes into account JV shareholding.

2 **The recordable case rate (RCR)** is a standard international measure for reporting work-related injuries and illnesses and other safety incidents resulting in injury. The RCR is the number of fatalities, lost workdays, restricted work cases, medical treatments beyond first-aid cases and accepted illnesses for every 200 000 employee hours worked. From 2006 onwards, our RCR includes both employees and service providers, and recordable injuries, as well as occupational illnesses for employees. With the implementation of the new operating model, a discrepancy in the RCR related exposure hours for 2012 to 2013 was reported. The RCR has been restated for 2012 and 2013.

3 **A fire, explosion or release (FER)** incident is registered as "significant" when it meets any of the following criteria: (i) it involves a fatality or lost workday case; (ii) it results in damage of more than US\$25 000; or (iii) it causes a release in excess of the relevant threshold quantity for that chemical as defined by the Centre for Chemical and Process Safety (CCPS).

Social Capital – Society

	2014 Rm	2013 ⁹ Rm	2012 ⁹ Rm			
Turnover	202 683	169 891	159 114			
Less: Purchased materials and services	(116 746)	(95 958)	(98 861)			
Value added	85 937	73 933	60 253			
Interest earned from investments (including income from equity accounted joint ventures and associates)	5 364	2 735	5 772			
Wealth created	91 301	76 668	66 025			
	%	%	%			
Employees	33,7	30 747	31,3	24 033	29,8	19 662
Providers of equity	15,4	14 085	15,2	11 624	15,5	10 222
Providers of debt	2,7	2 455	2,7	2 108	2,8	1 833
Governments – direct taxes*	14,2	12 929	14,8	11 337	15,3	10 120
Reinvested in the group	34,0	31 085	36,0	27 566	36,6	24 188
Wealth distribution	100,0	91 301	100,0	76 668	100,0	66 025
Employee statistics¹						
Number of employees at year end		33 400		34 746		33 415
		Rand		Rand		Rand
Turnover per employee at year end		6 056 929		4 990 335		4 761 754
Value added per employee at year end		2 568 120		2 171 690		1 803 172
Wealth created per employee at year end		2 728 416		2 252 027		1 975 909

- 4 Figures refer to **all logistics-related events** that result in any one of the following: (i) a recordable injury (including fatality) to any Sasol employee, or an injury to any other person that requires overnight hospitalisation; (ii) measurable or visible damage to livestock, vegetation, crops, fish or water systems, or a release of more than 1 000 litres of a chemical; (iii) property, product and/or transportation equipment loss (to Sasol) of more than US\$25 000, except in Europe, where it is greater than €25 000, or any fines or penalties involving Sasol; (iv) fire, explosion or reactive chemical incident involving a Sasol product; (v) any community evacuation of sheltering or any community alert given as a result of the incident, or any road closure lasting more than six hours; or (vi) the involvement of the international, national or local media.
- 5 **Illnesses** are recorded as work-related as a precautionary measure. The various evaluation authorities may subsequently classify them as not work related, in which instance they are removed from the records.
- 6 **Tuberculosis (TB)** is by and large not work-related. For mineworkers it is reportable to the authorities as a “medical monitoring illness”. HIV/Aids increases the risk of contracting TB and the majority of TB patients are HIV positive.
- 7 **Investment in employee learning** excludes the compulsory 1% skills levy.
- 8 **Black employees** refers to African, Coloured and Indian people – for the purposes of South African employment equity considerations.
- 9 **Restated** to reflect the adoption of the consolidation suite of accounting standards.
- * For more information on our tax contribution, please refer to page 57.



Natural Capital – The Environment

	2014	2013	2012	2011	2010	Level of Assurance+
Production performance						
Total production (kilotons)	22 050	23 696	25 302	25 228	24 548	High
Greenhouse gases (GHG)¹ (kilotons)						
Direct methane (CH ₄)	120	118	114	114	114	High
Nitrous Oxide (N ₂ O)	0,888	0,611	0,813	0,542	0,955	High
Direct carbon dioxide (CO ₂) Scope 1 ¹	58 757	58 593	59 126	57 203	56 505	High
Indirect carbon dioxide (CO ₂) Scope 2	8 727	9 012	9 777	9 013	10 086	High
Indirect carbon dioxide (CO ₂) Scope 3	0,76	412	719	540	384	High
Total greenhouse gas (CO₂ equivalent)	70 502	70 716	72 278	69 322	69 671	High
GHG intensity (CO₂ equiv/ton product)	3,20	2,98	2,83	2,75	2,88	
Atmospheric emissions (kilotons)²						
Nitrogen oxides (NO _x)	159	158	155	155	164	High
Sulphur oxides (SO _x)	223	215	202	208	240	High
VOC indicator of performance	47,6	47,5	47,2	46,5	47,7	
Particulates (fly ash)	19,3	17,5	–	–	–	High
Waste (kilotons)³						
Hazardous waste	382	303	116	84	69	Moderate
Non-hazardous waste	189	262	264	409	454	Moderate
Total waste	571	1 032	1 318	1 701	2 140	
Recycled waste	89	546	937	1 208	1 617	
Energy use (thousand gigajoules)						
Electricity (purchased)	31 337	31 423	34 441	33 834	37 162	
Feedstock to electricity (self-generated)	48 490	38 691	30 944	29 864	25 405	
Feedstock to steam	276 703	281 309	276 426	266 185	278 247	
Mobile fuel use	671	859	736	683	718	
Stationary fuel use	4	NR	NR	NR	NR	
Fuel gas	57 230	68 828	69 017	63 596	54 972	
Other energy use	10 821	6 691	7 739	16 137	9 785	
Total energy use	425 257	427 801	419 294	410 299	406 289	High
Material use (kilotons)						
Coal (dry ash-free basis)	17 556	17 896	17 040	17 019	17 315	
Crude oil processed	4 133	3 392	5 492	4 890	4 331	
Nitrogen from air	1 356	1 513	409	334	683	
Oxygen from air	14 907	15 017	14 064	13 983	14 737	
Gas	3 949	3 616	4 031	NR	NR	
Other (e.g. chemicals, feedstock)	6 357	6 892	7 673	6 778	22 062	
Total material use	48 259	50 340	50 751	44 890	61 019	Moderate
Water (thousand cubic meters)						
Total water use	149 552	147 209	148 372	152 526	151 391	Moderate
Liquid effluent	35 833	33 307	34 122	36 770	64 808	
Water recycled	186 751	145 466	142 754	128 719	139 308	Moderate
Land and biodiversity (hectares)⁴						
Surface area affected by operations ⁵	5 245	4 518	2 671	3 679	3 779	
Area dedicated to conservation	5 335	2 324	3 046	3 456	3 869	
Land use and mining (hectares)						
Surface mining area	1 284	1 284	1 284	1 284	1 284	
Underground mining area	44 897	43 421	46 004	44 856	43 941	
Total area disturbed ⁶	46 181	47 786	50 373	46 140	45 225	
Total area rehabilitated	1 987	129	542	1 689	1 689	
Legal compliance⁷						
Fines, penalties and settlements (number)	0	7	3	9	46	
Fines, penalties and settlements (US\$m)	0	0,04	0,06	4,00	2,00	

* Level of Assurance refers to the 2014 parameters independently verified by the external assurance provider in 2014, in accordance with the statement on page 76.

* GHG data restated for the years 2000 to 2012.

NR: Not reported

Notes

- 1 **Greenhouse gas (GHG) emissions** have been calculated and reported in accordance with the GHG Protocol (www.ghgprotocol.org) and the Intergovernmental Panel on Climate Change (IPCC) 2006 Guidelines. In our GHG measurements, we have included 100% of the emissions for the following joint ventures (JVs): Natref in South Africa, Sasol Petroleum International Mozambique, ORYX GTL in Qatar, and Sasol-Huntsman in Germany. Data for those JVs where we do not have a significant influence or operational control is not included. An external assurance provider has once again independently verified our direct and indirect emissions levels (page 76). Quantitative data on the GHG emissions at each of Sasol's business units is provided in our Annual Integrated Report. The decrease in indirect scope 3 CO₂ emissions is due to the emissions of a facility producing product on Sasol's behalf, located at the Sasolburg site, being included as part of the direct scope 1 emissions.
- 2 **Atmospheric emissions:** The increase in fly ash emissions is due to improved monitoring and measurement accuracy. Historical assumptions in calculations have been removed resulting in more representative measurements.
- 3 **Waste:** the definitions of "waste" vary widely around the world. For reporting purposes, we use the applicable definitions of regulatory authorities. In situations with insufficient guidance from legislation, the definitions of hazardous waste are reported if it is (i) removed from the premises for disposal and/or treatment, or (ii) disposed of onsite (e.g. by landfill). These figures exclude coarse ash from gasification and fly ash from boilers. Non-hazardous waste is waste which requires disposal on a general waste landfill site. Recycled waste is materials left over from manufacturing or consumption, which may be reused or recycled. Hazardous and non-hazardous waste figures have included recycled waste figures since 2013. The data reported in this report has been corrected historically using the revised

calculation. The reporting on total waste generated by Sasol operations has been revised to exclude the reuse of legacy coal ash which explains the significant decrease in total waste recycled from 546 kt in 2013 to 89 kt in 2014.

- 4 **Managing land use and biodiversity:** we do not have operations in areas that have been declared biodiversity hotspots (areas identified as being critical or endangered eco-regions). However, we do have interests in areas of potential sensitivity, particularly as part of some of our upstream exploration and extraction activities. In accordance with our environmental management practices, the protection of biodiversity issues is addressed formally in new projects through environmental impact assessments (EIAs) and in existing projects through environmental management plans and/or programmes (EMPs). We are also working to assess the biodiversity of the habitats in land currently owned, leased or managed throughout the group.
- 5 The **areas affected by operations** the total footprint of all our business equate to 126 to 136 hectare of which the biggest is associated with our Mining division.
- 6 **Total area disturbed:** a subsidence risk of previously undermined areas has been identified at Sasol Mining; we have started engaging with affected landowners on this issue.
- 7 **Legal compliance:** the figure includes fines and penalties for non-compliance with all applicable international, regional, national and local laws and regulations associated with safety, health and environmental issues. Payments include fines due to non-compliance with laws, regulations and permits, compensation payments and regular proactive payments made as a result of non-compliance with regulations where there is a potential for any enforcement action. The payments do not include levies, or costs for lawyers and product liabilities. For more information on competition matters, please refer to the Annual Financial Statements.



Independent assurance statement to the management and stakeholders of Sasol Limited

Introduction

Environmental Resources Management SA (Pty) Ltd (ERM) was appointed by Sasol Limited (Sasol) to conduct an independent assurance engagement in accordance with AA1000AS (2008) in relation to Sasol's 2014 Sustainable Development Report (SDR) for the financial year ending 30th June 2014. This is the third consecutive year that ERM has performed independent assurance on Sasol's SDR.

Scope and level of assurance

The scope of our assurance engagement and levels of assurance as agreed with Sasol was as follows:

- *Moderate assurance* on Sasol's adherence to the AA1000APS AccountAbility Principles of Inclusivity, Materiality and Responsiveness.
- *Moderate assurance* on whether Sasol's UNGC Communication on Progress (COP) as presented at www.sasolsdr.com has been prepared, in all material respects, in accordance with the United Nations Global Compact advanced level criteria.
- *High or moderate assurance* on whether the 2014 data for selected key performance indicators as indicated in the data table on pages 72 to 74, including the related restatements, are prepared, in all material respects, in accordance with the reporting criteria.

Summary of work performed

Standards and criteria used

ERM performed its work in accordance with the AA1000 Assurance Standard (AS) 2008 Type 2 requirements and used the following assessment criteria when undertaking the work:

- AA1000 AccountAbility Principles Standard (APS) 2008;
- the Sasol Standard for Sustainable Development Reporting Requirements and Definitions;
- the United Nations Global Compact's 21 Advanced Criteria; and
- the GRI (G4) Sustainability Reporting Guidelines.

Engagement Limitations

The evidence gathering procedures for moderate assurance are more restricted than for high assurance and therefore less assurance is obtained with moderate assurance than for high assurance as per AA1000AS 2008. The reliability of the reported sustainability information and data is subject to inherent uncertainty, given the available methods for determining, calculating or estimating the underlying information. It is important to understand our assurance conclusions in this context.

Our work

A multi-disciplinary team of sustainability and assurance practitioners with experience in Sasol's industry sector performed work at corporate level and at a sample of its operating locations. We have a risk-based approach to our assurance work, including the selection of operations to visit. The operations in the sample were selected on the basis of their size, type, geography, material issues presented in the past, planned rotation, and new matters arising. The following operations were included in the data sampling for on-site assessments:

- Sasol Petroleum Temane (SPT), Mozambique;
- Sasol Infrachem, Sasolburg;
- Sasol Mining Syferfontein Mine, Secunda;
- Sasol Synfuels, Secunda;
- Sasol Oil – Sasol Oil Fuels Blending, Secunda; and
- Sasol Gas, Germiston.

Our work included:

- face-to-face interviews to understand and review the processes in place for reporting on the AA1000 AccountAbility Principles and the key performance indicators (KPIs);
- a review of external media reporting relating to Sasol to identify relevant sustainability issues in the reporting period;
- a review of the internal reporting guidelines, including conversion factors used;
- site visits to Sasol's production operations to review, on a sample basis, the underlying data for the indicators as well as checking the collection, aggregation and reporting processes in place for the 2014 reporting period;
- reviewing the consolidation of data at Sasol Shared Services, Sasol Oil, Sasol Mining, Sasol Nitro, Sasol Wax South Africa and at the Sasol SHE Centre;
- an analytical review of the year end data included in the consolidated 2014 group data for the KPIs;
- reviewing Sasol's Communication on Progress (COP) in terms of the United Nations Global Compact principles Advanced Criteria;
- reviewing the rationale, underlying data and the calculation of restatements of data;
- reviewing the presentation of information relevant to the scope of our work in the Report to ensure consistency with our findings; and
- reviewing selected evidence related to the design, information collection, and production of the Report in accordance with the GRI G4 Sustainability Reporting Guidelines.

The following additional procedures were performed for the indicators selected for high assurance:

- testing key controls on a sample basis at a site level; and
- requesting and performing additional sampling and data review at a site and head office level.

We planned and performed our work to obtain all the information and explanations that we believe are necessary to provide a basis for our assurance conclusions.

Respective responsibilities and ERM's independence

Sasol is responsible for preparing the report and for the collection and presentation of information within it. ERM's responsibility is to express assurance conclusions on the agreed engagement scope.

ERM is an Accountability licenced sustainability assurance provider and maintains strict policies related to conflict of interest. We confirm our impartiality to Sasol in delivering our assurance engagement.

Assurance conclusions

In our view, based on the work undertaken for moderate assurance, Sasol has generally adhered to the AA1000 principles of inclusivity, materiality and responsiveness.

In our view, the 2014 data for the KPIs referenced "High" in the data tables on pages 72 and 74 have been prepared, in all material respects, in accordance with the defined reporting criteria.

In our view, based on the work undertaken for moderate assurance, the KPIs referenced "Moderate" in the data tables on pages 72 and 74 have been prepared in accordance with the defined reporting criteria.

In our view, based on the work undertaken for moderate assurance, Sasol's Communication on Progress (COP) for 2014 as presented at www.sasolsdr.com has been prepared, in accordance with the UNGC COP Advanced Criteria.

In our view, the restated RCR data for 2012 and 2013 in the data tables on page 72, have been prepared, in all material respects, in accordance with the defined reporting criteria.

Key observations and recommendations

Based on the work set out above, and without affecting the assurance conclusions above, the key observations and recommendations for improvement are:

AA1000 AccountAbility Principles

In relation to the Inclusivity Principle

Sasol has a formal stakeholder engagement function that is applied across the organisation and governed through a subcommittee of the board. A global stakeholder management strategy and engagement charter are in place and are being implemented to cover all identified stakeholder groups.

In relation to the Materiality Principle

Sasol has applied due process in determining and reporting on its material issues in a transparent and balanced manner. An annual group-wide materiality process is followed that encompasses an assessment of Sasol's group-wide risks, as identified through an internal risk assessment process, as well as careful consideration of the interests and expectations of both internal and external stakeholders. Shifts in material issues from the previous year have been observed and reflected in the SDR.

In relation to the Responsiveness Principle

Sasol has developed appropriate and adequate policies, strategies and plans that are consistent with both stakeholder and organisational interests and expectations. Stakeholder engagement plans have been developed and implemented for Sasol events, projects and programmes observed.

Selected performance indicators

As previously suggested, the effective implementation of the planned automated reporting platform will reduce the risk of human error along the reporting chain in the consolidation of Sasol's data at group level.

Comprehensive management reports detailing specific findings and recommendations for sustainability data reporting have been submitted to the management of the respective business units visited as well as to Sasol's group management.



Simon Clarke

Environmental Resources Management SA (Pty) Ltd (ERM)

Johannesburg, 29 October 2014



ERM is an independent global provider of environmental, social and corporate responsibility consulting and assurance services.

Our assurance statement provides no assurance on the maintenance and integrity of the website, including controls used to maintain this, and in particular whether any changes may have occurred to the information since it was first published. These matters are the responsibility of Sasol and no control procedures can provide assurance in this area.

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Credits: Sasol's 2014 Sustainable Development Report has been produced and published by the Sasol SHE centre in partnership with the corporate communications department of Sasol Limited. The report forms part of an ongoing commitment to keep Sasol stakeholders informed on key group aspirations, viewpoints, achievements and challenges in the field of sustainable development.

Forward-looking statements: Sasol may, in this document, make certain statements that are not historical facts and relate to analyses and other information which are based on forecasts of future results and estimates of amounts not yet determinable. These statements may also relate to our future prospects, developments and business strategies. Examples of such forward-looking statements include, but are not limited to, statements regarding exchange rate fluctuations, volume growth, increases in market share, total shareholder return and cost reductions. Words such as "believe", "anticipate", "expect", "intend", "seek", "will", "plan", "could", "may", "endeavour" and "project" and similar expressions are intended to identify such forward-looking statements, but are not the exclusive means of identifying such statements. By their very nature, forward-looking statements involve inherent risks and uncertainties, both general and specific, and there are risks that the predictions, forecasts, projections and other forward-looking statements will not be achieved. If one or more of these risks materialise, or should underlying assumptions prove incorrect, our actual results may differ materially from those anticipated. You should understand that a number of important factors could cause actual results to differ materially from the plans, objectives, expectations, estimates and intentions expressed in such forward-looking statements. These factors are discussed more fully in our most recent annual report under the Securities Exchange Act of 1934 on Form 20-F filed on 29 September 2014 and in other filings with the United States Securities and Exchange Commission. The list of factors discussed therein is not exhaustive; when relying on forward-looking statements to make investment decisions, you should carefully consider both these factors and other uncertainties and events. Forward-looking statements apply only as of the date on which they are made, and we do not undertake any obligation to update or revise any of them, whether as a result of new information, future events or otherwise.

Please note: A billion is defined as one thousand million. All references to years refer to the financial year ended 30 June. Any reference to a calendar year is prefaced by the word "calendar".

Note on measurement: Besides applying barrels (b) and cubic feet (cf) for reporting on oil and gas reserves and production, Sasol applies Système International (SI) metric measures for all global operations. A ton (also spelt as tonne) denotes one metric ton equivalent to 1 000 kilograms (kg) or about 2 200 imperial pounds. Sasol's reference to a metric ton should not be confused with an imperial ton equivalent to 2 240 pounds (or about 1 016 kg). In addition, in line with a particular South African distinction under the auspices of the South African Bureau of Standards (SABS), all Sasol global reporting emanating from South Africa uses the decimal comma (eg 3,5) instead of the more familiar decimal point (eg 3.5) used in the UK, USA and elsewhere. Similarly, a hard space is used to distinguish thousands in numeric figures (eg 2 500) instead of a comma (eg 2,500). A billion is defined as 1 000 million.

Production

Project management:
Strategic advice and editorial:
Design and reprographics:
Independent assurers:

Stiaan Wandrag and Elvina Hercules
Incite (www.incite.co.za)
Studio 5 (www.studio5.co.za)
ERM (www.erm.com)



Supporting global initiatives

We participate in various international voluntary initiatives relating to sustainable development:

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

Carbon footprint calculation: Sasol's sustainable development report

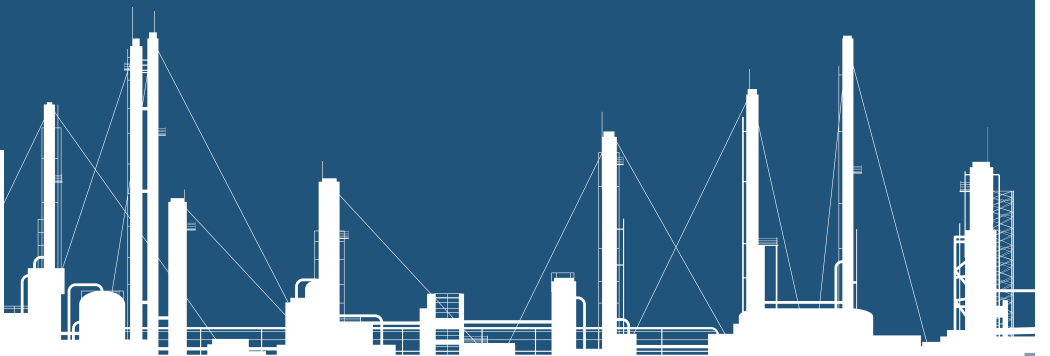
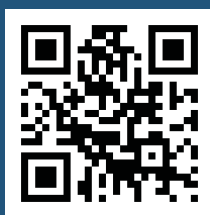
We calculated the CO₂ emissions associated with the business travel of the consultants who assisted Sasol in compiling this report and auditing the data. Using the World Resources Institute's SafeClimate carbon footprint calculator, this amounted to 5,1 tons of CO₂ equivalent. A more comprehensive overview is provided on our website, www.sasol.com.

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