



**sasol**

# MINING CHARTER



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Sasol is a global integrated chemicals and energy company. Through our talented people, we use selected technologies to safely and sustainably source, produce and market chemical and energy products competitively to create superior value for our customers, shareholders and other stakeholders.

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 lower-carbon electricity.

We employ more than 31 000 people working in 32 countries.

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# Mining Charter

The objective of the Mineral and Petroleum Resources Development Act, 2002 (Act 28 of 2002) (MPRDA) is to facilitate meaningful participation of historically disadvantaged South Africans (HDSA) in the mining and minerals industry. In particular, section 100(2)(a) of the MPRDA provides for the development of the Mining Charter as an instrument to effect transformation with specific targets. Embedded in the Mining Charter of 2002 is provision to review the progress and determine what further steps, if any, need to be made to achieve its objectives. The 2002 Mining Charter was reviewed and replaced by the 2010 Mining Charter. On 15 June 2017 the 2010 Mining Charter was replaced by the 2017 Revised Mining Charter.

On 15 June 2017, the Revised Mining Charter (RMC) was Gazetted, which introduced a number of commitments and targets in respect of which the mining industry were not consulted. The Chamber of Mines (COM) consequently submitted an application to the Gauteng High Court, for an urgent interdict to suspend the implementation of the RMC until such a time as the High Court hands down a judgement on the application for the judicial review of the RMC, to be submitted by the COM. The application for an urgent interdict was set down for hearing by a full bench of judges on 19 to 21 February 2018. In the application for an urgent interdict the Chamber of Mines requested the High Court to reinstate the 2010 Mining Charter until such a time as the High Court handed down judgement.

On 14 July 2017 the Minister of Mineral Resources undertook in writing not to implement the RWC until such a time as judgement in respect of the Chamber of Mines' application for judicial review has been handed down. In February 2018 the new South African President, President Ramaphosa, indicated in the State of the Nation address, that further engagement will take place in respect of the RMC. Subsequently an agreement was reached between the COM and the President which resulted in the judicial review application being suspended to allow the parties to engage in discussions and to reach consensus on the RMC. Discussions with the parties are currently underway and the new Minister of Mineral Resources, Minister Mantashe indicated that the RMC will be finalised by end of May 2018.

The Mining Charter scorecard below depicts Sasol Mining's compliance with the Mining Charter, for the year 1 January to 31 December 2017, as required in terms of the 2010 Mining Charter in place at that time.

## Mining Charter

ELEMENT	DESCRIPTION	MEASURE	2014 COMPLIANCE TARGET	SASOL MINING SECUNDA	SASOL MINING MOOIKRAAL COLLERY	COMMENTARY
REPORTING	Has Sasol Mining reported the level of compliance for calendar year 2015?	Documentary proof of receipt from Department of Mineral Resources (DMR).	Annually.	The report for calendar year 2017 was submitted to the DMR during March 2018.	The report for calendar year 2017 was submitted to the DMR during March 2018.	
OWNERSHIP	Minimum target for effective historically disadvantaged South Africans (HDSA) ownership.	Meaningful economic participation.	26%	>40%	>40%	The actual percentage will be confirmed after resolution of exclusions from the Sasol Mining shareholders agreement.
		Full shareholder rights.	26%	>40%	>40%	The actual percentage will be confirmed after resolution of exclusions from the Sasol Mining shareholders agreement.
HOUSING AND LIVING CONDITIONS	Conversion and upgrading of hostels to attain the occupancy rate of one person per room.	Percentage reduction of occupancy rate towards 2014 target.	Occupancy rate of one person per room.	100%	100%	The goal of achieving one person per room was achieved in 2012 and is being maintained.
	Conversion and upgrading of hostels into family units.	Percentage conversion of hostels into family units.	Family units established.	No conversion required, as visiting units for families already exist.	Old family units replaced with newly constructed houses in Zamdela.	
	Facilitate home ownership options for all mine employees in consultation with organised labour by 2014.	Only mentioned in the text of the amended Mining Charter, but not measured in the scorecard.	No measurement published.	59 houses handed over during 2017. To date 121 families in eMbalenhle and Secunda became first – time home owners due to Sasol Mining's home ownership programme.	Employee interest in home ownership very low, but renewed focus placed on promoting home ownership.	Houses constructed in Zamdela also available to current occupants in terms of home ownership programme.

ELEMENT	DESCRIPTION	MEASURE	2014 COMPLIANCE TARGET	SASOL MINING SECUNDA	SASOL MINING MOOIKRAAL COLLERY	COMMENTARY
PROCUREMENT AND ENTERPRISE DEVELOPMENT	Procurement spend from BEE entities.	Capital goods.	40%	64,61%	62,98%	
		Services.	70%	82,82%	79,69%	
		Consumable goods.	50%	63,30%	67,02%	
	Multinational suppliers (MNS) contribution to social fund.	Annual spend on procurement from MNS.	0,5% of capital procurement value.	0,89%	Not applicable. No capital spend with MNS.	
EMPLOYMENT EQUITY (EE)	Diversification of the workplace to reflect the country's demographics to attain competitiveness.	Top management (Board).	40%	53,85%	53,85%	
		Senior management.	40%	40,70%	100%	
		Middle management.	40%	58,06%	40,0%	
		Junior management.	40%	67,67%	58,54%	
		Core and critical skills.	40%	93,29%	92,90%	
HUMAN RESOURCES DEVELOPMENT (HRD)	Development of requisite skills, including support for South African-based research and development initiatives intended to develop solutions in exploration, mining, processing, technology efficiency (energy and water use in mining), beneficiation as well as environmental conservation.	HRD spend as percentage of payroll.	5%	6,50%	8,42%	

ELEMENT	DESCRIPTION	MEASURE	2014 COMPLIANCE TARGET	SASOL MINING SECUNDA	SASOL MINING MOOIKRAAL COLLERY	COMMENTARY
MINE COMMUNITY DEVELOPMENT	Conduct ethnographic community consultative and collaborative processes to delineate community needs analysis.	Consultation process.	100%	100%	100%	We endeavour to align our community development activities with those of the Integrated Development Plan.  Our community liaison officers keep local communities and interest groups updated and reinforce Sasol Mining's role in the community.
		1% of net profit after tax (NPAT).	1% of NPAT	1,97%	5,3%	>100% of the local economic development (LED) budget committed in the Social and Labour Plan has been spent.
SUSTAINABLE DEVELOPMENT AND GROWTH	Improvement of the industry's environmental management.	Implementation of approved environmental management programmes.	100%	100%	100%	
	Improvement of the industry's mine health and safety performance.	Implementation of the tripartite action plan on health and safety.	100%	100%	100%	
	Utilisation of South African-based research facilities for analysis of samples across the mining value chain.	Percentage of samples in South African facilities.	100%	100%	100%	All Sasol Mining's coal and water samples are analysed locally.
BENEFICIATION	Contribution of Sasol Mining towards beneficiation.	Added production volume contributory to local value addition beyond the baseline.	Section 26 of the Mineral and Petroleum Resources Development Act (MPRDA) (percentage above the baseline).			Beneficiation is the transformation of a mineral or combination of minerals into a higher value product, which can be consumed locally or exported. The majority of the minerals mined by Sasol Mining is used as feedstock for our coal-to-liquids (CTL) facilities, which manufacture higher-value products such as petrol, diesel and petrochemicals.  No measurement tools have been published by the DMR.



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