

SCOREBOARD OF OUR SIX CAPITALS

KEY INPUTS

CREATING VALUE FOR OUR STAKEHOLDERS



HUMAN CAPITAL

- A safe, healthy, engaged and productive workforce of **31 270** people with relevant skills, knowledge and experience
- A **strong leadership team**, driving a culture of high performance
- More than **24 000** service providers, delivering to agreed terms

	2018	2017
Wages and benefits	R30 bn	R26,9 bn
Number of work-related employee and service provider fatalities	4	5
Recordable Case Rate	0,27	0,28
Investment in employee learning	R1 128 m	R970 m
Artisans trained	1 204	1 160
Fatal-injury frequency rate	0,004	0,006
New cases of occupational disease	29	39



SOCIAL AND RELATIONSHIP CAPITAL

- An **aspirational culture** that encourages greater engagement with employees and recognised trade unions
- Renewed confidence** of investors and shareholders
- Effective **partnerships** with customers, suppliers, business peers as well as sector and research bodies
- Engagement** with our fenceline communities, governments and stakeholders

	2018	2017
Taxes (direct and indirect) paid to South African government	R39,5 bn	R35,6 bn
Spending on skills and socio-economic development	R2 bn	R1,6 bn
Taxes (direct and indirect) paid to Mozambican government	R960 m	R920 m
Broad-Based Black Economic Empowerment status	Level 6	Level 8
Person-days production lost to strike action	0	63 119



NATURAL CAPITAL

- Coal to process (dry ash-free basis) (kilotons): **17 474**
- Crude oil processed (mm bbl): **29**
- Natural gas to process (bscf): **97**
- Total water used (thousand cubic meters): **134 445**
- Total energy usage (thousand GJ): **413 470**

	2018	2017
Total greenhouse gas emissions (CO ₂ equivalent) (kilotons)	67 412	67 632
Greenhouse gas (GHG) emissions intensity (CO ₂ equivalent/ton product)	3,78	3,66
Nitrogen oxides (NO _x) (kilotons)	147	152
Sulphur oxides (SO _x) (kilotons)	189	202
Particulates (fly ash) (kilotons)	10,2	10



FINANCIAL CAPITAL

- Market capitalisation: **R313 bn**
- Debt raised to execute capital investments: **R27 bn**
- Finance income: **R1,7 bn**
- Funding facilities **R165 bn**, of which **R110 bn** has been utilised

OUTCOMES

	2018	2017
Earning before interest and tax (EBIT)	R17,7 bn	R31,7 bn
Cash generated by operating activities	R42,9 bn	R44,1 bn
Net debt to EBITDA (ratio)	1,84	1,19
Net borrowings to shareholders' equity (gearing)	43,2%	26,7%
Headline earnings per share	R27,44	R35,15
Earnings attributable to shareholders	R8,7 bn	R20,4 bn



MANUFACTURED CAPITAL

- Property, plant and equipment **R167 bn** (carrying value)
- Assets under construction **R165 bn**
- Exploration, development, production, marketing and sales operations in **32 countries**

OUTCOMES AND OUTPUTS

	2018	2017
Capital expenditure (including capital accruals)	R53,4 bn	R60,3 bn
Capital expenditure in South Africa	35%	28%
Sustenance capital expenditure	R19,7 bn	R17,2 bn
Depreciation and amortisation	R16,4 bn	R16,2 bn
Net impairment of assets	R8,8 bn	R1,3 bn
Saleable chemical production (kilotons)	6 646	6 592



INTELLECTUAL CAPITAL

- Skilled, experienced and technically qualified employees, industry **thought leaders and experts** that enable Sasol to respond to the constantly changing environment
- Our patented **technologies**
- Our business processes and **management systems**

OUTCOMES

	2018	2017
Number of new patents issued	148	190
Total worldwide patents held	2 409	2 216
Investment in research and development	R1 027 m	R1 077 m
Investment in bursary scheme	R51 m	R53 m
Number of bursaries	462	473
Number of mentoring coaches	588	429

TRADE-OFFS

ACTIONS TO ENHANCE OUTCOMES

- Convened a special Group Executive Committee (GEC) Safety Committee, identified four focus areas to improve employee safety
- Developed leadership capability and capacity and desired leadership style; focused on enabling transformation of culture
- Continued building critical skills, sourced talent and furthered succession planning
- Redefined our empowerment landscape through Sasol Khanyisa; drove improved workforce diversity including empowerment of women
- Contributed to SDG 8* by creating opportunities for sustainable employment including our youth employment strategy and our progress on gender equity

HUMAN CAPITAL

Reducing our workforce and spending with service providers since 2012 has negatively impacted **human and social and relationship capital**. However, by enabling Sasol to achieve cost-saving targets and withstand low oil prices, this has benefited **financial capital**. By making better use of our own employees, we have grown our in-house skills, supporting **intellectual capital**.

ACTIONS TO ENHANCE OUTCOMES

- Continue our leadership's engagement with all major stakeholders
- Commit to B-BBEE ownership transformation in South Africa through Sasol Khanyisa
- Focus on transformation through inclusive business practices, facilitating local supply chains and enabling local economies
- Intensified our efforts to better understand the needs of our stakeholders, including assurance and disclosure requirements
- Focusing on local economic development and job creation in our fenceline communities
- Good corporate citizenship through our social investment approach which pinpoints:
 - Education and skills development to facilitate economic growth – SDG 4* and 8*
 - Small business development
 - Promoting environment protection
 - Employee volunteerism
 - Community development
- Strengthened our environmental disclosures including through the adoption of TCFD*

SOCIAL AND RELATIONSHIP CAPITAL

Social investment in our fenceline communities reduces our **financial capital** in the short term, but in the longer term enables growth in this capital stock. By supporting enterprise development, we boost **manufactured, intellectual and financial capital**. Our impact on natural capital has influenced our relationships with some of our stakeholders. Through our environmental awareness campaigns, we are able to improve both **natural and social and relationship capital**.

ACTIONS TO ENHANCE OUTPUTS

- Strengthened governance on our material matters through a dedicated Climate Change and Environmental Policy Committee and an Environmental Compliance Implementation Committee
- Advanced our road maps to achieve a sustainable improvement in ambient air quality in South Africa
- Completed South African volatile organic compound emissions abatement project; progressed coal tar filtration project
- Improved on-site waste disposal practices
- Contributed to SDG 6* and SDG 13* by optimising environmental compliance and recognising our responsibility related to our impact

NATURAL CAPITAL

We impact negatively on **natural capital** by using non-renewable resources, and through our emissions and wastes. We work to minimise these (see [SR](#)). In some instances, we also impact adversely on **human and social and relationship capital** through competition for resources such as water. However, by converting **natural capital** into value-added products, we boost the stocks of **all the other capitals**.

ACTIONS TO ENHANCE OUTCOMES

- Progressed work to deleverage our balance sheet to 30% by 2022
- Delivered further value from existing assets through our Continuous Improvement drive
- Contributed to SDG 8 by competitively positioning Sasol for sustainable growth with higher levels of economic productivity through technological upgrading and innovation

FINANCIAL CAPITAL

By applying **financial capital** we sustain and grow our business, with positive impacts on **manufactured, natural, human, intellectual and social and relationship capital**, and negative impacts on **natural capital**.

ACTIONS TO ENHANCE OUTPUTS

- Progressed construction on the LCCP, overall the project is 88% complete
- Commenced process to dispose of Canadian shale gas assets
- Contributed to SDG 12* by efficiently converting hydrocarbon resources into high-value product streams, striking a balance between economic, social and environmental needs, this includes our environmental sound management of chemicals and wastes throughout their life cycle

MANUFACTURED CAPITAL

By pursuing our growth projects we are increasing the stock of **manufactured capital**, but negatively impacting **natural capital** and, in the short-term **financial capital**. Our investments to reduce the environmental footprint of our existing facilities will however benefit **natural, intellectual, human and social and relationship capital**.

ACTIONS TO ENHANCE OUTCOMES

- Invested in research and development and partnerships to reduce our environmental impact and develop new technologies
- Provided training and skills development for Sasol artisans and engineers
- Promoted excellence in science, technology, engineering and mathematics education

INTELLECTUAL CAPITAL

By investing in **intellectual capital**, we reduce the stock of **financial capital** in the short term. However, in the longer term **financial capital**, as well as **manufactured, natural, human, and social and relationship capital**, are likely to be enhanced by our commitments. By further investing in our **intellectual capital** we seek opportunities to respond to clean fuels and other environmental legislation ultimately to the benefit of **natural capital**.

* Refer to Inside back cover to details of Sustainable Development Goals (SDG)
 ** Task Force on Climate Related Financial Disclosures (TCFD)