



UNITED NATIONS GLOBAL COMPACT

Communication on progress including CEO Water Mandate
2018



The United Nations Global Compact is an international initiative for companies that are committed to responsible business. Within the Global Compact there are ten principles that specify the behaviour expected from signatories covering: human rights, labour, environment and anti-corruption. Sasol has been a signatory to the UN Global Compact since 2001.

The table below provides a brief overview of our implementation of the ten principles. Best practices that meet the 21 Global Compact Advanced Criterion are included throughout this document. More detailed information is available in our 2018 Integrated Report and Sustainability Report.

This submission is intended as a stand-alone document and covers the period 1 July 2017 to 30 June 2018. Where appropriate, the UNGC Communication on Progress (COP) contains references to actions and policies relating to human rights, labour, anti-corruption and the environment. Where we have targets in certain areas, these have also been included. The COP is available at www.sasol.com in the downloads section.

Although this COP statement itself has not been assured by a credible third party, key aspects of our sustainability report have been assured; an independent assurance statement is available in our sustainability report. Our sustainability report from which this information is drawn, adheres to the GRI standards. The group profile and the context in which we operate can be found on our website (www.sasol.com).



Incorporating the United Nations' Sustainability Development Goals (SDGs) into the COP (Criterion 15)

Sasol recognises that it has significant potential to make a meaningful contribution towards realising the SDGs and is committed to doing so. The Sasol Sustainability Framework provides a mechanism to explore the role we play in contributing to the SDGs and focus our approach in a disciplined manner on the areas where we can create the most value. In seeking to maximise our value creation, the following SDGs have been provisionally identified as most relevant to our key sustainability focus areas:

ENVIRONMENT	
SDG6: Clean Water and Sanitation	Sasol is committed to the UN global Compact – CEO water mandate which directs our activities related to water efficiency and pollution prevention. We promote responsible watershed management and are pioneering water offsetting by utilising water conservation partnerships.
SDG 7: Affordable and clean energy	As an integrated chemicals company with energy intensive operations, Sasol is committed to generating and utilising energy in the most efficient way, while focusing on reducing the associated environmental impact. Through further work, we aim to address the increasing demand for sustainably produced and environmentally friendly products.
SDG12: Responsible consumption and production	Sasol's ethos is to be self-sufficient and espouse a closed loop production. We are committed to progressively minimise the generation of waste and use our resources more effectively while advancing our land risk management and promoting biodiversity. We strive to limit the health, safety and environmental impacts throughout the life cycle of our products, and to promote the responsible storage, use, conversion and final disposal of our products.
SDG13: Climate Change	We recognise our responsibility and opportunity to contribute to finding solutions for this challenge. Sasol supports the UNFCCC Paris Agreement and recognises the national circumstances of the countries where we operate, particularly the developing country context of South Africa, where our largest emissions base exists. Finding a balance between the need for economic development, job creation, energy security and greenhouse gas (GHG) emission reductions remains a material challenge for Sasol.
HUMAN RIGHTS AND LABOUR	
SDG3: Good health and wellbeing	Sasol's occupational health and wellness programme facilitates our understanding of the potential environmental health impacts associated with our activities and enables us to provide support and improve the health and well-being of our employees and service providers.
SDG4: Quality education	Sasol's investments to enable access to tertiary education and advanced research in science, technology engineering and mathematics (STEM) are closely linked to our aspirational culture and our commitment to skills development within the areas where we operate.
SDG8: Decent work and economic growth	We create opportunities for sustainable employment, while investing in our employees and nurturing a high-performance culture.
GOVERNANCE AND STAKEHOLDERS	
SDG17: Partnerships for the goals	We have opportunities to forge stronger partnerships with all our stakeholders to improve our contribution to the above SDGs by embedding a continuous improvement culture, improving our asset portfolio and committing to minimise the environmental impact of our operations. We use the six capitals concept (from the IIRC's International <IR> Framework) to assess how we create value for all our stakeholders; this is underpinned by governance, risk management, high-performing people, zero harm, managing the capital trade-offs, and environmental and regulatory compliance. We recognise that delivering on our strategy and creating value for all our stakeholders requires effective stakeholder engagement.

Further details on our contribution towards these SDGs are provided in our integrated and sustainability reports, as well as supporting materials available through our website.

While we have aligned key activities to the desired outcomes of the above identified SDGs, we recognise the opportunity to further integrate environmental, social and governance (ESG) issues into our Sustainability Framework. We aspire to prioritise SDG outcomes for each of the countries where we operate through assessing the criteria and targets that underpin the identified SDGs. We plan to align our current ESG targets and develop relevant key performance indicators to effectively measure our value contributions towards the achievement of the identified SDG outcomes. This will also enable benchmarking against our industry peers in the interest of improved performance and facilitate improved transparency and disclosure on these matters.

Implementing the Global Compact ten principles into strategies and operations

Sasol's group executive committee (GEC) formally adopted sustainable development as a group-wide strategic business objective in 2000. Since then, we have been progressively integrating sustainable development principles into our activities, in the expectation that a commitment to sustainable development yields a competitive advantage. Governance of sustainable development issues and how we embed activities into our Operating Model Entities (OMEs) and functions is covered in detail in the review of our governance framework (Integrated Report page 74-75). **(Criterion 1)**. We continue to work towards improved performance with respect to our sustainability metrics; we publicly declare targets for safety, transport incidents, energy efficiency, water use and GHG emissions. These targets are described in our Integrated Report 2018, our response to the CEO Water Mandate and throughout our Sustainability Report.

Recognising that our impacts extend beyond our operations we continue to increase our focus on the entire value. We require all suppliers and contractors to comply with our code of ethics and all our suppliers are expected to comply with our supplier code of ethics, which is communicated to all suppliers. **(Criterion 2)**.

Sasol's approach to promoting sustainable development is aligned with mitigating the key risks facing the Group. Our Integrated Report 2018 section on risk management (pages 40-43) outlines the principal risks facing Sasol and shows how these risks have been used to identify the material matters (page 44-49) which impact on our ability to create value. Inherent in this process is gaining an understanding of our stakeholders' interests and their expectations through robust stakeholder engagement processes (see section on 2018 engagement with our stakeholders in our Sustainability Report page 14-15). In the section on strengthening our position as a credible stakeholder partner (Integrated Report page 50-51) we review how we are addressing stakeholder priority issues. Additional detail on our approach can be found in the GRI Standards content index, disclosure numbers 102-42, 102-43 and 102-44 **(Criterion 21)**.

Our commitment to communities and social investment highlights is reviewed in the social value section of our sustainability report (pages 12-17). We focus our efforts primarily in four key areas: education and skills development, environmental education, community development, and enabling small businesses **(Criterion 16)**.

We engage at all levels of government in order to contribute to the formation of sound public policy. We engage directly with government, as well as through industry bodies such as the South African National Business Initiative (NBI) and Business Unity South Africa (Busa). Sasol views its contribution to public policy as critical in supporting the UN SDGs **(Criterion 17)**. A specific focus is our collaboration with government regarding water resource management. We partner with the Vaal River Strategy Steering Committee and the Water Sector Leadership group in order to understand our role within the National Water Resource Strategy. At a local level we partner with various municipalities to increase capacity, repairing household leaks and reducing municipal unaccounted for losses **(Criterion 18)**.

The Joint CEOs letter addressing their commitment to the ten principles of the UN Global Compact is available on www.sasol.com, under the downloads tab **(Criterion 19)**. The Sasol board assumes ultimate responsibility for sustainability strategy, with three board committees (the Nomination and Governance committee, Safety, Social and Ethics Committee, and the Audit Committee) assisting with this undertaking **(Criterion 20)**.

LETTER OF COMMITMENT FROM SASOL'S JOINT CHIEF EXECUTIVE OFFICERS

Dear stakeholder,

UNITED NATIONS GLOBAL COMPACT COMMITMENT

Our commitment to the United Nations Global Compact (UNGC) commenced in 2001. We are pleased to reaffirm that commitment and pledge our support for the ten principles and the 21 criterion of the advanced level programme.

Sasol's definition of victory is to grow shareholder value sustainably. Our efforts to deliver this goal are guided by the principles of the UNGC. Over the course of our participation we have worked to embed the ten principles into the way we do business and continually strive to improve our performance. We are also committed to engaging in collaborative projects which advance the broader development goals of the United Nations, particularly the Sustainable Development Goals.

The review of our strategy and performance, provided in our Integrated Report 2018 and supplemented with our online sustainability report demonstrate our commitment to the principles of the UNGC and support for the SDGs.

The highlights of our achievements are contained within the Communication on Progress (COP), also uploaded on the UNGC website.

We continue to view the UNGC as a valuable guide to Sasol's operations and we are pleased to pledge our active support and engagement.

Sincerely,

Bongani Nqwababa and Stephen Cornell

Joint Presidents and Chief Executive Officers Sasol Limited

COMMUNICATION ON PROGRESS

Global Compact Principle	Brief COP Statement	Reference to additional information
HUMAN RIGHTS		
<p>1. Support and respect the protection of international human rights within their sphere of influence.</p>	<p>We believe that we have the opportunity to make a positive contribution towards a wide range of human rights goals, whilst at the same time having a responsibility to mitigate the human rights related risks our activities may pose to others.</p> <p>Sasol adopted a revised Code of Conduct (Code) for the group in February 2018. Our policy on respecting human rights is incorporated in the Code and is guided by the United Nations Guiding Principles on Business and Human Rights, the International Bill of Human Rights, the International Labour Organization’s Declaration on Fundamental Principles and Rights at Work and SDGs 3, 4 and 8. The Code outlines the human rights commitments applicable to our people, as well as our stakeholders including our employees, business partners and service providers. To reinforce our commitment to international good business practice, Sasol is developing a robust standalone human rights policy.</p> <p>Sasol also implements a supplier code of ethics which governs the conduct of Sasol and all of our subsidiaries, sub-contractors, consultants, distributors and suppliers. The code outlines our commitments to human rights, labour rights, environmental protection and anti-corruption practices and describes our ‘expectations regarding suppliers’ performance on these issues. Verification of compliance with the code is subject to audits by Sasol or a designated third party.</p> <p>Human rights principles are incorporated in Sasol’s labour relations policies, SHE policies and corporate social responsibility policies (Criterion 3).</p> <p>We also conduct periodic human rights due diligence reviews of our activities. As part of our internal due diligence process, country risk assessments are performed before entering any given country. These assessments include screening for potential human rights non-compliance or violations. All new business opportunities and investment agreements go through this screening process.</p> <p>Calls to Sasol’s EthicsLine (our independently managed anonymous reporting facility), are monitored and the group ethics office ensures remedial action is taken where appropriate. (Criterion 4).</p>	<p><i>Respecting human rights:</i> Sustainability Report (SR) page 19</p> <p><i>Ethical behaviour:</i> SR page 18</p> <p><i>Focus story – Supply chain:</i> on Sasol website</p>
<p>2. Make sure their own corporations are not complicit in human rights abuses.</p>	<p>We adhere to this principle through our compliance with all applicable legislation and implementation of our One Sasol SHE Excellence Approach, (whichever is the more stringent) in the regions in which we operate.</p> <p>We are drafting a stand-alone human rights policy to reinforce our commitment to the advancement of human rights. The policy will assist in further fostering a culture of respecting human rights across our organisation. As we expand our business activities into new regions, we recognise that further monitoring may be required to provide full assurance that there is no potential for complicity in human rights abuses. Compliance is managed through joint venture Memorandum of Understandings and through contracts with suppliers and service providers.</p> <p>To manage these risks, we are committed to providing human rights awareness and training programmes, integrating human rights issues more formally in our project and country risk assessment, and developing mechanisms for human rights awareness-raising, communication, monitoring and assurance. Sasol contracts include compliance to our supplier code of ethics as a key requirement for doing business with Sasol and, where required, we encourage suppliers to implement their own code of conduct. (Criterion 5).</p>	<p><i>Respecting human rights:</i> SR page 19</p> <p><i>Focus story – Supply chain:</i> on Sasol website</p>

COMMUNICATION ON PROGRESS continued

Global Compact Principle	Brief COP Statement	Reference to additional information
LABOUR		
3. Freedom of association and the effective recognition of the right to collective bargaining.	<p>We recognise the right of employees to collective bargaining and freedom of association in accordance with all relevant local labour legislation as specified in our Code of Conduct. We maintain constructive relationships with all representative unions and works councils that enjoy consultative or negotiating powers on issues of mutual interest. We regularly review and update our employee relations' policies, in line with business and legislative requirements, to promote healthy employee relations. We have ensured that our human resource policies and procedures are consistent across all our operations globally. This includes provision for consultation with unions, works councils and employees in accordance with relevant local labour legislation (Criterion 6). Suppliers are required as per the supplier code of conduct to honour freedom of association and collective bargaining (where country legislation permits).</p>	<p><i>Human Capital Management booklet:</i> on Sasol website</p>
4. The elimination of all forms of forced and compulsory labour.	<p>The Code of Conduct and Sasol's commitment to the UN Global Compact principles specifically prevent forced labour. All labour is sourced from the open labour market; employees are provided with labour contracts in accordance with relevant labour legislation, and are free to resign at any time. Our risk management and stakeholder engagement processes expose our levels of risk with respect to labour principles (Criterion 7). We have forged strong relationships with trade unions and we regularly engage and discuss our progress in addressing labour standards. Through the implementation of our supplier engagement plan we review the practices of suppliers and contractors. We also conduct due diligence investigations in respect of prospective transactions, contracting parties and business partners. We have not detected any significant issues relating to incidents of forced or compulsory labour. The EthicsLine is available to all employees (and other stakeholders) to report any transgressions.</p>	<p><i>Respecting human rights:</i> SR page 19</p> <p><i>Code of Conduct:</i> on Sasol website</p>
5. The effective abolition of child labour.	<p>The Code of Conduct and Sasol's commitment to the UN Global Compact principles specifically prevent forced labour. While Sasol does not make use of child labour in any of its operations, we recognise that there could be a trade-off in some developing countries where a policy of not allowing child labour deprives families of access to an income and food. We do not support child labour, but should we invest in these regions we would focus on developing programmes that assist with educating children and also look after their families. We monitor and ensure our compliance with the labour legislation in all of the countries within which we operate. Through the implementation of our supplier engagement plan, we review the practices of suppliers and contractors (Criterion 8).</p> <p>We also conduct due diligence investigations in respect of prospective transactions, contracting parties and business partners. We have not detected any significant risks of child labour being used. We train and provide opportunities for school leavers, who are all people of age within International Labour Organization (ILO) requirements.</p>	<p><i>Code of Conduct:</i> on Sasol website</p>

COMMUNICATION ON PROGRESS continued

Global Compact Principle	Brief COP Statement	Reference to additional information
LABOUR (continued)		
<p>6. The elimination of discrimination in respect of employment and occupation.</p>	<p>In line with our business and human resource principles, we promote workplace equality and seek to eliminate all forms of unfair or arbitrary discrimination. Incidents are dealt with in accordance with the group's disciplinary procedures and where proven, appropriate disciplinary action is taken which includes dismissal.</p> <p>We are committed to embracing a culture of inclusion, driving employment equity goals and enhancing diversity across the group. In our South African operations we have set clear targets to address past inequalities. In our organisation, diversity signifies all aspects of peoples' differences including race, religion, gender, disability, culture, sexual orientation, nationality, thinking and skills. These initiatives form the backbone of our strategy for promoting broad-based black economic empowerment (B-BBEE) in South Africa.</p> <p>We achieved our targets this year under our diversity 10-point plan, which provides a set of qualitative measures designed to enable the achievement of our diversity objectives in meeting our equity targets, including the recruitment, development and retention of candidates from under-represented groups, as well as measures to enhance gender equity. We focus on empowering women and improving their representation at all levels of the organisation. In South Africa, the appointment of persons with disabilities has been included as a measurement on our scorecard (Criterion 6, 7 and 8).</p> <p>We continue to promote high ethical standards, combat corruption and promote respect for human rights by creating awareness of our code of conduct, provide an independent whistleblowing facility and conduct periodic human rights due diligence reviews of our activities and new business opportunities.</p>	<p><i>Ethical behaviour:</i> SR page 18</p> <p><i>Respecting human rights:</i> SR page 19</p> <p><i>Employment equity performance:</i> Human Capital Management booklet (available through Sasol website)</p>

COMMUNICATION ON PROGRESS continued

Global Compact Principle	Brief COP Statement	Reference to additional information
ENVIRONMENT		
<p>7. Support a precautionary approach to environmental challenges.</p>	<p>A precautionary approach to environmental management informs our SHE policy and is evidenced, for example, by our implementation of environmental impact assessments and management plans, due diligence reviews, product stewardship initiatives and risk assessments. The SHE centre is responsible and accountable for implementation of the One Sasol SHE Excellence Approach and co-ordination of activities across the group. An example of our approach is that climate change considerations influenced our decision to no longer consider investments in greenfields coal to liquids (CTL) and Gas to Liquid (GTL) technology. Our sustainable development report includes targets relating to greenhouse gas emissions, water, health and safety, Responsible Care® and volatile organic compounds (Criterion 9).</p> <p>We have improved our supplier monitoring with respect to environmental standards. Our supplier accreditation protocol is based on OSHAS 14001 regarding environmental requirements. This is used as a guideline for supplier assessments. Suppliers are required to have procedures and records in place for recording and investigating nonconformances to indicate immediate actions taken to avoid problems pending further investigation.</p>	<p><i>Environmental and product sustainability: SR pages 20–35</i></p> <p><i>Focus story – Supply chain: on Sasol website</i></p>
<p>8. Undertake initiatives to promote greater environmental responsibility.</p>	<p>Our commitment to this all-encompassing principle is evidenced in the nature of our SHE policies, programmes and targets, our commitment to implementing initiatives such as Responsible Care®, and in the continuing improvements we have made in our environmental performance, as reported in our sustainability report. Our operations are ISO14001 certified and the implementation of SAP Sustainability Performance Management has widened the scope of data we are able to collect. Our Operating Model Entities (OMEs) have approved management plans outlining how they propose to meet our globally applicable Sasol SHE One Excellence Approach (Criterion 9, 10 and 11). We have audited systems in place to measure, monitor and report annually against our own performance targets and indicators of performance, and we report annually against each of the GRI environmental indicators. We have a grievance declaration process available through the Sasol ethics line and we have incident response plans in place to deal with environmental incidents.</p>	<p><i>Environmental and product sustainability: SR pages 20-35</i></p>
<p>9. Encourage the development and diffusion of environmentally friendly technologies.</p>	<p>Our company has been built on the basis of pioneering research and development of innovative technologies. Recognising the challenges of operating plants and equipment that are subject to increasing demands for improved resource efficiency and reduced emission intensity, we continue to invest in research and developments and new equipment and practices aimed at minimising our environmental footprint.</p>	<p><i>Environmental and product sustainability: SR pages 20 – 35</i></p> <p><i>Focus story: Responding to climate change: on Sasol website</i></p>

COMMUNICATION ON PROGRESS continued

Global Compact Principle	Brief COP Statement	Reference to additional information
ANTI-CORRUPTION		
<p>10. Work against corruption in all its forms, including extortion and bribery.</p>	<p>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.</p> <p>Our commitment to combating corruption is embodied in our Code of Conduct (Criterion 12). Sasol adopted a new Code of Conduct for the group in February 2018. Enforcement of the code is facilitated through our ethics forum and ethics reporting telephone lines, and the inclusion of the code within employee performance appraisals. Employees are trained regularly to ensure the understanding and implementation of anti-bribery and corruption (ABAC) practices. We have also implemented processes for ABAC practices in our dealings with suppliers. We maintain ethics officers and champions within the organisation, and engage with suppliers on our code of conduct, supplier code of ethics and good procurement processes. (Criterion 13).</p> <p>At least every two years, senior and middle management, as well as employees identified as being in potentially exposed positions, are required to formally certify that they know and understand the Code of Conduct and its associated guidelines. This certification process further supports efforts to fight corruption. Furthermore, ethics culture surveys are conducted through external parties.</p> <p>In our sustainability report we report on the outcomes of our internal ethics line, as well as on progress in our ethics governance practices (Criterion 14). In our detailed GRI content index a response is provided to all the GRI indicators.</p> <p>Corruption risk is considered within risk assessments conducted for all operations. Internal audit procedures also consider the risk of corruption within any process that is reviewed, along with the controls to mitigate the risk.</p>	<p><i>Ethical behaviour:</i> SR page 20</p> <p><i>Focus story – Supply chain:</i> on Sasol website</p>

UNITED NATIONS GLOBAL COMPACT

CEO Water Mandate Communication on Progress

In November 2017, Sasol's Joint CEOs recommitted Sasol to the CEO Water Mandate, which provides a water stewardship framework to assist in responding to water risks through on-site and catchment-based activities. The mandate comprises six key focus areas in which companies commit to improvements over time and where appropriate. Feedback against each of the focus areas is provided on the following pages.

One of the focus areas of the mandate is to assist companies in contributing to SDG 6 – Clean water and sanitation, which considers the sustainable management and access to water and sanitation for all. In order to contribute to SDG 6, businesses should recognise the rights of communities to water and sanitation and support government and other stakeholder efforts to provide universal access to clean water and sanitation. Sasol is accordingly committed to improving our water use efficiency and pollution prevention initiatives whilst partnering with host governments to resolve key water related challenges.

Focus Area	Brief COP Statement	Reference to additional information
<p>1. Direct Operations</p>	<p>Water risks are assessed using a Sasol global enterprise risk management process. Through this process, we assess the impact of water risks to our North American, Eurasian, Mozambique and South African Operations. Currently the greatest water risks lie within our South African Operations, with the Integrated Vaal River System (IVRS) being relied on to supply 88% of the group total water demand. While our current allocation is secure, longer term water security risks persist due to a growing supply-demand imbalance. Sasol continues to actively respond to this risk through site and catchment based activities that advance water supply to all catchment users.</p> <p>Our total water consumption during 2018 was 134,4 million m³, down from 137,1 million m³ in 2017. In 2018, we concluded the process of setting context-based, voluntary potable water reduction targets and have set a 5% potable water reduction target for the Sasol Group until 2020 against an agreed baseline.</p> <p>Sasol's largest water users continue to report against voluntary water targets, agreed in 2015 and applicable up to 2020:</p> <ul style="list-style-type: none"> • Our Sasolburg Operations' target is to maintain the 2015 baseline of 9,8 tons of water use per ton production – external sale; this year, a 6,4% deterioration against the baseline is attributed to a greater demand for river water due to the need for increased fire water and dilution requirements. • The Secunda Synfuels Operations' target is to achieve a 2,5% improvement in water intensity against actual consumption in 2014 of 11,6 tons of water per ton of saleable production. This year, a 2,1% deterioration against the baseline can be attributed to low production due to external electrical infrastructure failure. • Our mining operations reported a 29,3% improvement during 2018 against the 2015 baseline, meeting their target of restricting the increase in potable water use to a maximum of 10%. <p>Our Operating Model Entities (OMEs) are committed to managing water responsibly and ensuring that our water footprint for current operations will not fundamentally increase over the next four years. We have invested in multiple water management best practices and recycling initiatives to reduce environmental risks, and indirectly reduce our demand on traditional water supplies. Details on the direct operation interventions we are implementing are provided in our focus story: Responding to the water situation in South Africa (available on our website)</p>	<p><i>Promoting water stewardship:</i> SR page 30-31</p> <p><i>Focus story:</i> <i>Responding to the water situation in South Africa:</i> on Sasol website</p>

UNITED NATIONS GLOBAL COMPACT continued

Focus Area	Brief COP Statement	Reference to additional information
2. Watershed Management	<p>We support the strategy being driven by the Department of Water and Sanitation (DWS) to advance the long-term water security for all users of the IVRS and we continue to engage in expediting the initiatives implemented. The DWS has reconstituted a strategy steering committee for the IVRS on which Sasol is represented.</p> <p>Sasol continues to provide ad-hoc support services to DWS to help resolve pumping infrastructure challenges experienced in the IVRS.</p> <p>We have implemented site-specific water targets and continue to participate in the planning and performance monitoring activities of the IVRS.</p> <p>On-going participation in integrated watershed management initiatives is key to our water stewardship focus.</p>	<p><i>Promoting water stewardship:</i> SR page 30-31</p> <p><i>Focus story:</i> <i>Responding to the water situation in South Africa:</i> on Sasol website</p>
3. Collective action	<p>Given the scale of water-related challenges, we recognise the need to work collaboratively with a range of partners.</p> <p>In addition to our existing and proposed partnerships with municipalities to pursue water conservation opportunities, as a member of the Strategic Water Partnership Network (SWPN), we contribute to initiatives relating to water partnership projects with municipalities including skills development and capacity building.</p> <p>We are also a partner to the Mine Water Coordinating Body (MWCB) which is a public-private platform established to encourage collaboration between the coal mining industry, government and other stakeholders to address the risks associated with effluent water created by the mining industry. Our Sasol Mining division have committed in the region of R1,3 million over the next three years to the MWCB.</p> <p>Further, Sasol contributes expertise to the Water and Sanitation Sector Leadership Group (WSSLG), hosted by the Department of Water and Sanitation (DWS), specifically in response to the drought crisis in the Western Cape.</p> <p>Sasol continues to work with the German Agency for International Cooperation (GIZ) in implementing water partnership projects.</p>	<p><i>Promoting water stewardship:</i> SR page 30-31</p> <p><i>Focus story:</i> <i>Responding to the water situation in South Africa:</i> on Sasol website</p>

UNITED NATIONS GLOBAL COMPACT continued

Focus Area	Brief COP Statement	Reference to additional information
4. Community engagement	<p>Our Sasolburg Operations (SO) supports the Metsimaholo local municipality (MLM) with the implementation of their water-related projects. In 2017, R2,9 million was invested in a partnership water conservation and water demand management project. Through the implementation of an advanced water pressure reduction programme in the greater Zamdela area, a 23% reduction in water demand was achieved, enabling R9 million in savings. In 2018, the intervention was monitored and deemed sustainable, and a further R2 million was invested for critical remedial upgrades at 11 sewerage pump-stations in MLM. This has helped the municipality ensure effective delivery of sewerage to the treatment plant, thereby mitigating the risk of overflow, blockage and spillage and resultant health risks.</p> <p>Our Secunda Synfuels Operations provide support to the Govan Mbeki municipality (GMM). In 2018 we invested R1,1 million in a youth development programme in partnership with Cobra Watertech and the Rand Water Foundation. Sixty apprentice plumbers were enrolled in the programme and are now placed within the municipality and the Lekwa municipality for further training.</p> <p>We also contributed R9,7 million from January 2017 to June 2018 to GMM towards Project Pakisa which had the objective to reduce water losses and increase water revenue. This intervention helped the municipality reduced demand by 3% resulting in a saving of R12 million/annum. In Leandra in the Gert Sibande district municipality we also invested R15 million to help upgrade the pump station and sewage supply network in the area.</p>	<p><i>Promoting water stewardship:</i> SR page 30-31</p> <p><i>Focus story:</i> <i>Responding to the water situation in South Africa:</i> on Sasol website</p>
5. Public Policy	<p>In 2018, our South African operations' engagement with the DWS included clarifying requirements under water use licenses (WULs) or aspects pertaining to pending license or amendment applications.</p> <p>We continue to demonstrate that there is business value in beyond fence-line water conservation partnerships with host municipalities. The lessons learnt from these partnerships are used to further inform the development of government policy on incentivising such initiatives.</p>	<p><i>Promoting water stewardship:</i> SR page 30-31</p> <p><i>Focus story:</i> <i>Responding to the water situation in South Africa:</i> on Sasol website</p>
6. Transparency	<p>Disclosure is key to informing stakeholders on our water related risk mitigation initiatives. For the 2017 CDP Water Disclosure response, Sasol received a respectable B score on their CDP Water disclosure, which was above our industry average and that of our peers in our reporting sector. To improve on this score, Sasol will enhance its understanding of related supply chain water risks.</p>	<p><i>Promoting water stewardship:</i> SR page 30-31</p> <p><i>Water CDP:</i> on Sasol website -downloads tab</p>

Water is a critical feedstock for our primary processes, used primarily for steam generation, process cooling and the production of hydrogen. Water is also a significant consideration across much of our value chain, which extends into urban settlements, agriculture and mining. As many of our larger facilities, suppliers and surrounding communities are located in water-stressed areas, we have a heightened responsibility for ensuring good water stewardship.