

sasol
reaching new frontiers



sustainable development report 2010

focused and energised



about sasol

Sasol is an energy and chemicals company. We are technology driven, converting gas and coal into liquid fuels, fuel components and chemicals through our proprietary processes. We are focused on commercialising our gas-to-liquids (GTL) and coal-to-liquids (CTL) technology internationally. We mine coal in South Africa, and produce gas and condensate in Mozambique and oil in Gabon. We continue to advance our upstream oil and gas activities in Mozambique, Nigeria, Gabon, South Africa, Papua New Guinea and Australia.

In South Africa, we refine imported crude oil and retail liquid fuels through our network of Sasol convenience centres, and supply gas to industrial customers. We also supply fuel to other distributors in the region. We have chemical manufacturing and marketing operations in South Africa, Europe, the Middle East, Asia and the Americas.

Formed in 1950, Sasol has been producing liquid fuels since 1955. Sasol is listed on the JSE Limited in South Africa and the New York Stock Exchange.

our vision

To grow profitably, sustainably and inclusively while delivering value to stakeholders through proprietary technology and the talent of our people in the energy and chemical markets in Southern Africa and worldwide.



A more detailed review of Sasol's primary brands, products and services, its operational structure, the countries in which it operates, and the primary markets served is provided on our website <http://sasolsdr.com>



GRI – 2.1 – 2.8

sasol's values

The Sasol group's vision, strategic growth drivers and daily business operations are founded on, and inspired by, six shared values:

Customer focus

We meet customers' needs by providing world-class service, optimal product performance and efficient support systems.

Winning with people

We respect and encourage individuals to grow as unique contributors to their teams. We reward performance and promote sharing and the harnessing of diversity.

Safety

We commit to eliminate all incidents and work to world-class safety standards.

Excellence in all we do

We pursue world-class business operating standards and superior performance within a framework of sound governance and internationally accepted health and environmental standards and practices.

Continuous improvement

Our innovative spirit drives us as we continuously improve our performance.

Integrity

We maintain the highest level of ethics, fairness and transparency in our interaction with each other, customers and all other stakeholders.



Central processing facility, Temane, Mozambique.

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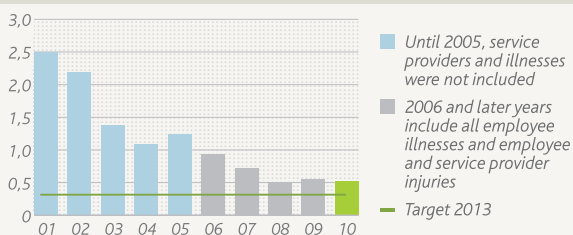
progress against group-wide targets

Safety (RCR)

Our long-term goal is zero harm, and we manage our activities according to a philosophy of "zero exposure to harm".

Target: to achieve a year-on-year reduction in the recordable case rate (RCR) so that we reach less than 0,3 by 2013. This statistic includes injuries and illnesses for employees, hired labour and service providers.

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

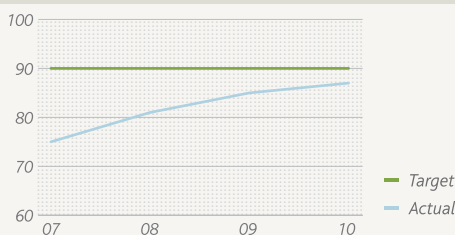


Responsible Care®

Target: to achieve at least an overall 90% practice in place average for Responsible Care®, and 90% specifically for product stewardship, by July 2011, confirmed by external verification.

Responsible Care® is the chemical industry's global voluntary initiative under which companies, through their national associations, work together to continuously improve their health, safety and environmental performance, and to communicate with stakeholders about their products and processes.

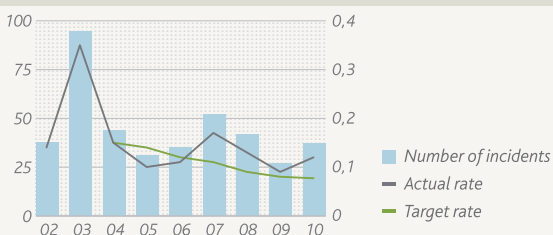
Implementation of Responsible Care (% practice in place)



Logistics incidents

Target: to achieve a 30% reduction over five years, based on the 2009 actual TloP (0,0925).

Transport incident rate (incidents per 100 kt product transported)

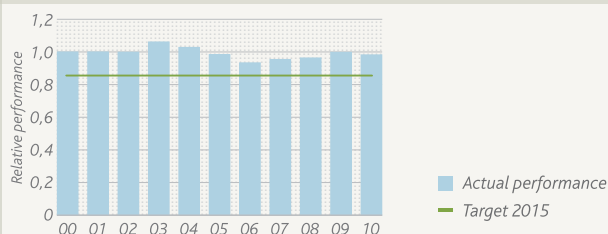


Energy efficiency

Target: to improve the energy efficiency of our South African utilities by 15% per unit of production, by 2015 on the 2000 baseline.

Identifying and implementing additional energy efficiency initiatives remains a priority and is part of our commitment to reduce greenhouse gas emissions. In South Africa, other targets exist or are being finalised to assist in dealing with electricity supply in the country.

Energy efficiency performance (relative performance against 2000 baseline)



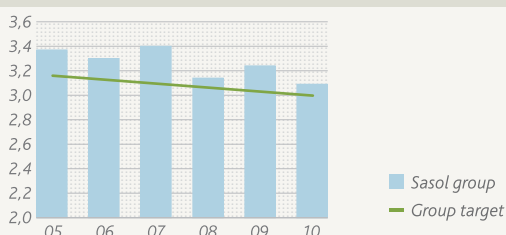
Greenhouse gases (GHG)

Target: to reduce our emissions intensity by 15% in all our operations by 2020 on the 2005 baseline.

Target: to achieve a 20% reduction in absolute emissions for new coal-to-liquids (CTL) plants commissioned before 2020, and a 30% reduction for plants commissioned before 2030 (with the 2005 CTL designs as the baseline).

Sasol regularly reviews the group's long-term absolute GHG emission targets, as developments in the global climate change arena take place. Such targets are also contingent on technological advances, such as carbon capture and storage (CCS); increased utilisation of renewable energy; as well as developments in the regulatory and fiscal environments in which we operate.

Greenhouse gas emissions intensity (tCO₂/t production)



Note: For the first time the GHG data includes emissions from transportation. For reporting purposes we include 100% of the GHG emissions of joint ventures over which we have operational control, even though we may only have part ownership of the joint venture.

Volatile organic compounds (VOC)

Target: to achieve at least an 80% reduction in emissions of defined VOCs on the restated 2009 baseline by the end of June 2020. The defined chemicals are benzene, toluene, xylene, ethylbenzene, 1,3-butadiene and acetaldehyde emitted from major pollutant sources in Sasol. Meeting this target relies on VOC reduction projects to be successfully executed, resulting in an anticipated reduction of 36 000 tons per annum by 2020.

The first material reduction of these species is only expected in 2011 with the commissioning of the first series of mitigation technologies.

sasol's integrated sustainable development reporting process

In line with the requirements of South Africa's King Code of Governance Principles (King III), Sasol's integrated sustainability reporting process aims to provide a balanced, accessible and comparable account of the performance of our business in terms of the economic, social and environmental issues that are material to our core strategy or that are of interest to our key stakeholders.

This document – which provides a candid account of our sustainable development performance for all of our operations for the year ended 30 June 2010 – forms one component of our overall integrated report to stakeholders.

As in previous years, sustainable development reporting has once again been included within Sasol's annual report, although this time in a slightly different and more integrated manner. In addition to identifying how sustainability risks impact on Sasol's core strategy and growth drivers, the annual report provides a report from each business unit, which includes a review of their most material sustainable development performance. Some of the priority performance issues at a group level are also summarised in reports from the functions that comprise Sasol Group Services. The annual report is targeted primarily (although not exclusively) at our stakeholders from the financial community, including current and prospective investors in Sasol.

The aim of this complementary sustainable development report is to provide a higher level of detail on our sustainability performance that is of particular interest to a broader set of stakeholders, such as Socially Responsible Investment (SRI) analysts, sustainability professionals and civil society bodies. In the interests of shortening the printed report and making for easier, more focused reading, we have included additional information on our website. The reader is directed throughout

the report to this additional information on specific issues that is available on our website.

In addition to the annual review and the sustainable development report, we have once again communicated on our sustainable development performance to our employees through our various internal communication channels. Most of our larger operations also run separate sustainability-related communication processes – such as site-based reports or community forums – aimed at engaging communities on our performance. Examples of these can be read on our website. As outlined elsewhere in this report, we also report on sustainable development performance in an integrated manner through various communication channels that we have with our different stakeholders.

Our sustainable development management framework and reporting process covers our construction, exploration, production, research, and marketing and sales activities in all of these countries in which we operate. Our larger production activities are concentrated in South Africa, Mozambique, Germany, Italy and the USA. We also report on the sustainability performance of our significant joint-venture (JV) operations. For those operations where we have 50% or more equity, and where we have operational control, we report their quantitative performance data on the same basis as if they were fully owned

(ie, 100% of the data are included). Our most significant JVs are those in Qatar and Iran. (Further details on the nature and location of our joint ventures, and on their principal sustainable development risks, are provided on our website.)

We continue to use the Global Reporting Initiative (GRI) G3 guidelines to inform our reporting process and to facilitate comparability with the reports of other organisations. This year, our report rates as an A+ report in terms of the GRI.

Through our reporting process we continue to seek to push the boundaries by moving beyond a compliance mindset to focus on entering into a more challenging dialogue with our stakeholders; with the aim of further informing our strategy and building trust.



A detailed GRI table, providing responses to each of the GRI G3 criteria, is provided on our website, available at <http://sasolsdr.com>



GRI – 3.1 – 3.13 (see GRI table for full responses to these issues)



chief executive's statement



Pat Davies, chief executive

A significant challenge that we face as an international energy company is balancing immediate energy security needs with the desire to move towards a lower-carbon future.

Over the past financial year, Sasol has continued to deliver on its strategic objectives. We believe that a genuine and informed commitment to sustainable development is integral to the achievement of these long-term objectives. Growth without sustainability is unacceptable for all stakeholders.

Our progress this year in delivering on our core strategy and our commitment to sustainable development was overshadowed by eight tragic fatalities (two service providers and six employees). In addition, there was one service provider fatality at premises leased from Sasol by the service provider and not under the control of Sasol. Such avoidable loss of life is of great personal distress to me. It is our job to ensure the safety of all our people, including service providers, and several interventions are underway to rectify this unacceptable situation. Although, in terms of standard industry reporting measures, our safety performance remains among the best in the sector, I am neither satisfied with the increase in incidents we have seen during the year, nor with the steady levelling in our safety performance that we have witnessed since 2008. I know that we can do better and I am convinced that we will do so as we seek to meet our ambitious safety performance targets by 2013.

It has been both a challenging and interesting year on many fronts, characterised, on the one hand, by the continuing difficult economic conditions globally and on the other hand, by the euphoria and social unity associated with the successful hosting of the 2010 FIFA World Cup South Africa™. As a South African-domiciled company that is increasingly playing in the global arena, we are particularly encouraged by the positive signal that the World Cup has sent in terms of demonstrating South Africa's ability to perform with confidence on the global stage.

Sustainable development: delivering on our long-term strategic objectives

During the year, our commitment to sustainable development has generally yielded positive results. This again confirms my belief that there is a strong relationship between successfully addressing the social and environmental challenges of sustainability, and achieving our longer-term strategic growth objectives. Growing our business is ultimately dependent on a stable political environment, the ability to attract and retain the best and most appropriately skilled employees, ensuring continued access to natural resources and feedstock, maintaining positive relationships with our principal stakeholders, and securing access to funding. Achieving each of these elements requires us to operate in an informed, responsive, and socially responsible manner.

An important milestone this year has been the completion of Sasol's comprehensive competition law compliance review. We are currently cooperating with the South African Competition Commission on ongoing investigations and I am pleased with the progress we have made in dealing with matters outstanding. As a company that is committed to the highest ethical business standards, this process has been particularly painful for Sasol. We continue to focus significant effort and resources on intensifying our competition law compliance programmes across the Sasol group of companies.

Additional milestones reached this year, include making valuable progress in promoting transformation in South Africa, reducing our greenhouse gas (GHG) intensity and the emissions of other air pollutants, and further improving our energy and water efficiency.

Another important focus this year has been the implementation of our functional excellence initiative, which seeks to improve the efficiency and effectiveness of Sasol's support functions to ensure greater process and systems standardisation across the company. While the implementation of this initiative has proved challenging at times, I believe that it will result in a stronger, more coordinated and more efficient organisation.

While coal reserves present an opportunity for enhanced energy security, the coal-

to-liquids (CTL) fuels process, upon which Sasol's success has been built is a significant contributor of GHGs. We recognise that without achieving substantial reductions in GHG emissions, our CTL technology is unlikely to be socially or environmentally acceptable in the medium to long term. We are thus committed to using our proven skills, particularly in technology innovation and commercialisation, to help find commercially viable solutions to this challenge. Through Sasol New Energy (SNE), we have made progress in exploring a suite of technology solutions relating to energy efficiency, renewable energy, low-carbon electricity, and carbon capture and storage.

Economic development and climate change are two of several societal challenges that are growing in importance. The issues of food security and water availability are other challenges that have a direct bearing on our business activities. The decision on how best to respond to these challenges is, of course, not ours alone. We are thus collaborating with other knowledgeable stakeholders (including government, academics, non-governmental organisations, and our business peers) in finding appropriate solutions to these issues.

We are guided by our values in selecting those areas in which we wish to do business, and those in which we do not. We have recently re-crafted our position on human rights as a separate formal statement and will be applying this rigorously as we engage with our business partners and expand our operations.

Promoting transparency and dialogue through reporting

This is the eleventh report on our sustainable development performance, which has once again been compiled in accordance with the guidelines of the Global Reporting Initiative (GRI). This year, we have taken a slightly different approach in our reporting process, both in direct response to constructive feedback received from our stakeholders, as well as to ensure full adherence to the expectations of the King Code of Governance Principles (King III) relating to integrated sustainability reporting. An important change this year has been to show, much more clearly, the link between sustainability drivers and the achievement of our core strategic objectives. As in previous years, in addition

to producing this separate sustainable development report, we have once again included sustainable development challenges within Sasol's annual report, although this time in a somewhat more integrated manner.

Through our sustainable development reporting and stakeholder engagement processes over the years, our various stakeholders have been encouraged to engage frankly as we seek to address our sustainable development challenges. While many of our stakeholders have complimented us on our open approach to addressing these challenges, it is clear that much still remains to be done. We look to further leverage these engagements as part of continually improving our performance.

In closing, I would like to say thank you to all my colleagues who have contributed both to this report and, more importantly, to our continuing efforts to make a positive contribution to society and the world in which we live.



Pat Davies
Chief executive

October 2010



tracking our progress against our commitments on material challenges



The following table outlines the actions we have taken to address the commitments we made in our 2009 sustainable development report in terms of the main material issues that we focused on last year.

Material challenges and commitments (as outlined in our 2009 report)	What some of our stakeholders have said	Our progress
Ethics		
<ul style="list-style-type: none"> Continue to root out any non-compliance within our businesses and to achieve full compliance. Complete the competition law compliance review of all our businesses by the end of the 2009 calendar year. Continue to work with leadership and leadership teams on our six "levers of influence". Step up stakeholder engagement regarding Sasol code of ethics and specific provisions in the code. Increase emphasis on specific programmes related to human rights, including improved awareness and understanding. 	<p>"Much has been made of Sasol running foul of competition authorities in both South Africa and Europe. These events have not only hit the business in the pocket but has also negatively impacted on the social image of the firm and weighed on it from an investment perspective." <i>ManufacturingHub.co.za</i></p> <p>"FAWU is pleased at the news that the chemical division of Sasol was forced to embark on a divestiture programme in which it will off-load some of its fertiliser plants to other players as part of enhancing competition." <i>Food and Allied Workers Union (FAWU)</i></p>	<ul style="list-style-type: none"> We completed a comprehensive competition law compliance review of all our businesses; and appointed a dedicated internal team to roll out our compliance programmes. We rolled out our new Competition Law Policy and Guidelines to more than 13 000 employees, provided online or via face-to-face training to more than 4 000 priority employees on competition laws, and ran more than 60 workshops on corruption and competition issues. We have commenced a process of engaging our suppliers and service providers, and changed our contracts with them, to include ethics and our code of conduct as a requirement for doing business with Sasol.
Safety		
<p>Short term:</p> <ul style="list-style-type: none"> Develop leading performance indicators. Focus behavioural-based safety (BBS) programmes on quality of interactions and ensure collected data is effectively used to reduce exposure to risks. <p>Over the next two years:</p> <ul style="list-style-type: none"> Update our culture survey to plot our position on the safety maturity curve. Build on existing ad-hoc business unit initiatives to develop safety leadership at both management and supervisory levels. Continue with development of roles, responsibilities and accountabilities to improve integration between leadership and employee-engagement systems. 	<p>"Despite a strong record, there are several opportunities that we see for Sasol to improve its safety functioning... Taking deliberate, strategic steps would significantly enhance the effectiveness of existing safety activities and position the organisation for long-term excellence." <i>Leo Strydom (behaviour-based initiatives)</i></p> <p>"Overall results for the year are a persistent plateau in the group recordable case rate (RCR) and an increase in the number of significant incidents. The relevant question for all leaders to reflect on is: 'What must we do differently to get the improvement we all strive for?'" <i>Howard Parry: general manager, Operations Excellence and SH&E</i></p>	<ul style="list-style-type: none"> We have developed a revised Safety Improvement Plan for 2011 that integrates existing safety improvement actions with specific new interventions at both business unit and group level. Safety commitments and leadership principles have been revisited and refreshed in all business units. Reviews of safety systems and practices have been held in specific business units to identify improvement opportunities. Facilitated workgroup discussions have been held to engage with employees regarding improvements and required behaviour changes. An improved and standardised procedure to conduct root cause analysis has been implemented. We have identified several key leading indicators of performance that will be rolled out throughout the group in 2011. Our nine "life saving behaviours" have been emphasised together with a focus on the need for effective consequence management. The organisational design of the safety, health and environment (SH&E) function has been improved as part of our Functional Excellence programme and will strengthen governance and standardisation of best practices across the group.


Material challenges and commitments (as outlined in our 2009 report)	What some of our stakeholders have said	Our progress
Workforce diversity		
<ul style="list-style-type: none"> • Meet our employment equity targets with the aim of addressing areas of under-representation across occupational levels. • Implement culture change workshops in an integrated manner to all employees to achieve behaviour and mind set shifts. • Provide continuous support for line management and human resources practitioners with regards to integrated disability management in the workplace. • Continue towards meeting our self-imposed targets for improving our broad-based black economic empowerment scorecard. • Focus further on the gender issue, particularly for black women. 	<p>"Diversity in companies, including at senior level, is good for business and not only because it ticks the right boxes: it's good for the bottom line. Research by Accenture shows there is a significant correlation between stock market performance and both the gender mix and the international diversity of a company's board." <i>Business Report</i></p> <p>"It is pleasing to see the genuine efforts of Sasol in terms of achieving diversity at the Board level. Of particular importance is the fact that Sasol has managed to break through the psychological barrier by appointing black people to run strategic areas like finance and operations. The challenge facing Sasol is to ensure that the middle to senior management layers below the executive directors reflect the economic active population of South Africa." <i>Black Management Forum (2009 dialogue)</i></p>	<ul style="list-style-type: none"> • As outlined in this report, we have made progress and achieved a Level 4 BEE certificate in September 2010. • As part of our recently initiated Global Diversity Journey, we have set up diversity forums in each of our business units; chaired by the business unit managing directors and attended by leadership, unions and employee representatives, these forums strive to create co-ownership of the achievement of our diversity goals. • In March 2009, we launched a disability equity awareness campaign within all of our South African operations; we also undertook a comprehensive audit of our human resources policies and procedures, and our physical facilities, to ensure that any discriminatory barriers towards persons with disabilities are removed.
Skills development		
<ul style="list-style-type: none"> • Build capabilities of employees to develop innovative solutions required to address current and future challenges. • Ensure ongoing focus on leadership development. • Contribute meaningfully to addressing the skills shortage and unemployment concerns in South Africa. 	<p>"I hope that the government and Sasol will strengthen the partnership that exists between us. I really believe we must do more to increase the number of competent researchers and technologists in SA and we should use industry skills and opportunities as the base for the kind of growth that we need. One of the things that I am looking for is increased opportunities for young scientists to develop experienced research skills through facilities such as the Sasol Fuels Application Centre." <i>Naledi Pandor, SA Minister of Science and Technology</i></p> <p>"It is widely accepted that South Africa's artisan shortage is a chronic problem." <i>Engineering News</i></p>	<ul style="list-style-type: none"> • During the year, we closed-out our Project TalentGro initiative and integrated its activities into our business operations through our global learning function, which has the responsibility for establishing a group-wide learning approach comparable with world best practices. • We have developed a group-wide learning strategy based on a standardised curriculum that adopts a blended learning approach combining classroom and computer-based learning delivery, and have invested heavily in developing internal talent (see table on page 25). • We continue to run one of the largest bursary schemes in South Africa, and have invested in skills development initiatives for artisans, engineering contractors and chartered accountants, as well as in science education at school level.
Energy security and climate change		
<ul style="list-style-type: none"> • Improve energy efficiency and reduce carbon intensity of current processes while planning to reposition the company for a carbon-constrained future. • Implement approved capex of R4,8 billion that will achieve GHG emission reductions of 2,04 million tons by 2012. • Further our investigations into carbon capture and storage (CCS). • Drive further internal and external communication initiatives regarding climate change and our role in reducing emissions. 	<p>"Sasol's really big dilemma is managing the conflict between energy security – its liquid fuel saves South Africa R40 billion a year in foreign exchange – in an age in which the world's carbon challenge has become paramount. Looked at another way, it straddles the conflict between generating short-term profit for shareholders and long-term sustainability of the environment (and by extension long-term profit)." <i>Ingi Salgado, Business Report</i></p> <p>"Sasol is one of the largest southern corporate multinationals, and must be critically viewed as the world views other oil majors such as Shell, BP and Exxon Mobil. It is critical that they be dealt (with) accordingly as they seek ever-increasing profits through their climate-heavy, problematic CTL technologies." <i>Bobby Peek, GroundWork</i></p>	<ul style="list-style-type: none"> • Our GHG emissions intensity for 2010 (measured as carbon dioxide equivalent per ton of production) reduced from 3,24 in 2009 to 3,05 in 2010. • Sasol New Energy has made further progress in consolidating its activities on energy efficiency, renewable energy, low-carbon electricity, and carbon capture and storage. • We implemented various energy efficiency-related projects, with a capital expenditure value of R100 million; collectively these will achieve a reduction of around 760 000 tons of GHG per annum. • As part of the process of monitoring and tracking performance against our targets we have started to forecast our GHG emissions to 2050. • An environmental communication task team has been set up to assist with the development and rollout of climate change communications.


tracking our progress against our commitments on material challenges continued



A dredger removing sediment from an evaporator dam to increase capacity for water received from Secunda plants, as well as rain water.

Material challenges and commitments (as outlined in our 2009 report)	What some of our stakeholders have said	Our progress
<p>Water</p> <ul style="list-style-type: none"> • Seek to further reduce our water consumption. • Continue to take a holistic view regarding water access and focus on collective action by all users to reduce inefficiencies in the catchments where we operate. • Continue to achieve significant progress on all six key focus areas of the UN Global Compact CEO Water Mandate. • Further address our mine water effluent challenges. • Work towards our vision of operating a zero waste-water discharge facility in Sasolburg. 	<p>"By 2030, under an average economic growth scenario and if no efficiency gains are assumed, global water requirements would grow from 4 500 billion cubic metres (m³) today to 6 900 billion m³, a full 40% above current accessible, reliable supply... Business-as-usual in the water sector is no longer an option for most countries." <i>2030 Water Resources Group</i></p> <p>"In South Africa, Sasol should develop proposals to contribute to better water management in general rather than simply assuring its own access." <i>Professor Mike Muller, Wits University (2009 dialogue)</i></p>	<ul style="list-style-type: none"> • Our total water demand for 2010 was 151 million m³, as compared with 152 million m³ in 2009 and 154 million m³ in 2008. The initiatives taken to reduce our water consumptions are reviewed in this report. • In line with our commitment to a catchment management approach, we have been active this year in various collaborative initiatives aimed at addressing water concerns beyond our factory fence. • Our commitment to aligning with the UN Global Compact CEO Water Mandate is reflected in our review of our water performance, which is framed in the context of the six key focus areas of the CEO Water Mandate. • Our progress in addressing mine water management challenges at Sasol Mining, and more detail on our activities aimed at advancing technology responses to managing water and effluents, is outlined in our online sustainable development report.

 Our online report includes a detailed table of **Sasol group risks** and our approach to managing these risks.
<http://sasolsdr.com>

 **GRI – 1.2**

interview with the chairman



Hixonia Nyasulu, chairman

Investment in Sasol New Energy reflects our belief that there are valuable commercial opportunities associated with moving to a carbon-constrained future.

In my capacity as chairman of Sasol, I have been asked several questions regarding my role in promoting sustainable development within the company, as well as my thoughts on some of the recent developments relating to corporate governance and integrated reporting. I hope that my response to these questions provides a useful context for understanding the activities that Sasol has been taking in promoting sustainable development, and its approach to reporting on these activities.

Q Sasol made a strategic commitment in 2000 to promote sustainable development. What do you see as the primary task of the chairman in delivering on this commitment?

My principal responsibility as chairman is to provide the overall leadership and direction that is required for the board to carry out its role effectively. In terms of King III and the legislation, I am also tasked specifically with setting the ethical tone for the board and the company, and ensuring that directors have the appropriate knowledge, skills and experience to act in the best interests of the company.

It is my firm belief that there is a direct link between the interests of the societies in which we operate, and the interests of the company. In terms of promoting sustainable development, I believe that

one of the more important roles that I can play is to contribute to an understanding of why protecting the interests of the company is in line with promoting the interests of society. Societies face increasingly complex challenges and there is growing expectation that business should assist in addressing these challenges. This places a significant responsibility on the chairman to ensure that directors have the required knowledge and skills to fulfil their fiduciary responsibilities effectively. Delivering on this responsibility will ensure that Sasol continues to play a leadership role in promoting sustainable development.

Q King III requires companies to produce an integrated sustainable development report. What do you understand by this requirement? Do you believe that this is useful?

This is a very important and welcome development. The call for integrated reporting forms part of a broader global movement, among corporate governance practitioners and leaders in the accounting profession, aimed at encouraging a much better understanding of the relationship between a company's core strategy and its impact on society.

I believe that an effective integrated report will do two things: it will show how social and environmental considerations have a material impact on the company's value drivers; and it will reflect on the nature of the company's material impacts on society. I believe that Sasol has been doing this for some time, but of course there is always room for improvement.

If business does this more effectively, we will all have a better understanding of the role

interview with the chairman continued

that we can and should play in addressing some of the extraordinary social, economic, and environmental challenges that will otherwise have a profound impact on the long-term success of companies.

Q In what way, then, do you think sustainable development challenges impact a company's value drivers?

Many companies have traditionally seen sustainable development challenges in the context of compliance and risk management. As the recent oil spill in the Gulf of Mexico has highlighted, these elements are certainly important. If they are not appropriately addressed, then they can have a profound impact on a company's long-term value and reputation. However, in addition

to encouraging the protection of value, sustainability is also about creating value. The societal and environmental challenges that we face present business with some exciting opportunities. Investment in Sasol New Energy reflects our belief that there are valuable commercial opportunities associated with moving to a carbon-constrained future. Managing these sustainability challenges is absolutely integral to the achievement of our strategic objectives.

Q So, do you see sustainable development primarily as an economic imperative?

No, sustainable development is not only an economic imperative. While there are certainly sound business arguments for promoting sustainable development, at times

business must go beyond the short-term economic arguments and appreciate the need for moral leadership if we are going to meaningfully address societal challenges. The disappointing outcome of the Copenhagen climate summit has highlighted that we will need a collective response from government, business, labour, and civil society if we are to effectively address climate change. On the one hand we are seeing high levels of distrust in business; and yet at the same time we are also seeing increasing expectations that business will deliver solutions. Business is not going to regain trust, nor is it going to make sufficient investment in finding solutions, without a strong foundation and a clear commitment to values-based leadership.

I trust that my answers to these questions reflect my strong commitment to promoting corporate citizenship and sound governance practices, and my belief in the valuable contribution that Sasol can make towards addressing some of the significant societal challenges that we face.



Hixonia Nyasulu
Chairman

Invigorating Sasol's culture transformation programme

Since its launch in 2006, Sasol's culture transformation programme, Project Enterprise, has developed and implemented a process for transforming Sasol's culture and leadership style into one that is world class. The project has realised significant results. The process relies on a viral approach to culture transformation aimed at inspiring employees to experience and emulate the change in behaviour and style evidenced among their leaders. Improvements have levelled off short of our aspiration level, and a step change in momentum is necessary. Fortunately there are several opportunities that can be explored to re-establish the necessary improvement trend. Activity will focus on a heightened emphasis on assisting leaders to achieve culture change success in addressing everyday, real business issues. This will be reinforced by metrics that allow progress to be monitored and rewarded. Particular "real business issues" that will receive priority focus are safety and diversity. In addition, we will be upgrading the resources available to the Project Enterprise leaders. This includes the appointment of a senior, influential leader as project lead, as well as ensuring that all business units and functions have appropriate, trained navigators at their disposal. The human resources division will also be involved more actively as partners on the Project Enterprise journey.



Further details on Project Enterprise are provided in our online report.
<http://sasolsdr.com>

section 1 | Integrating sustainable development in our core strategy



Turbine compressor at the oxygen west unit, Secunda.

our core strategy and growth objectives

Our overall strategy is to leverage our core competitive advantages as an integrated energy and chemicals company to grow our upstream, liquid fuels and chemicals businesses by replicating our successful business model proven in Secunda, South Africa.

After extensive consultation with senior management, we have clarified the articulation of our vision and strategy.

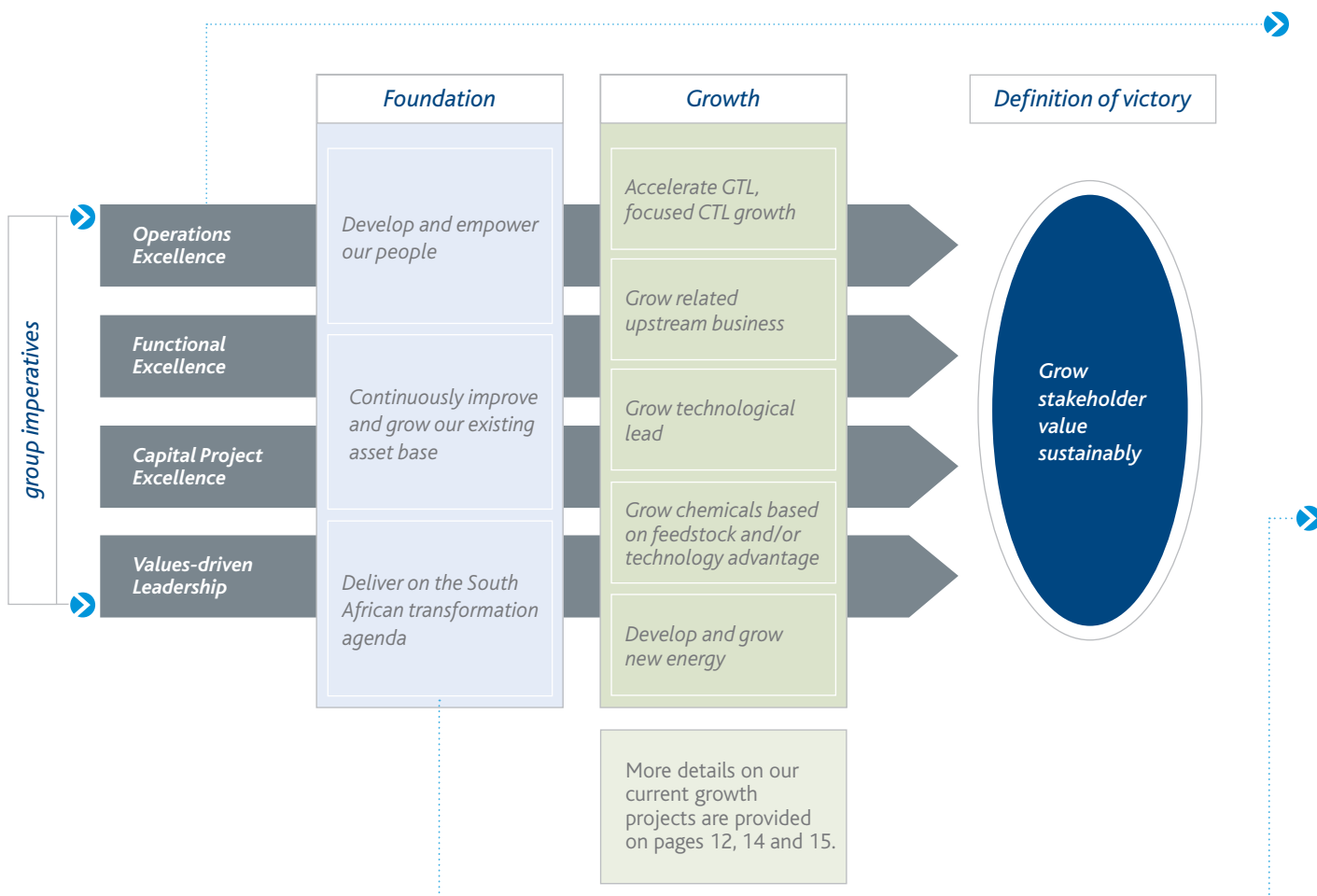
our strategic direction

our vision

To grow profitably, sustainably and inclusively, while delivering value to stakeholders through proprietary technology and the talent of our people, in the energy and chemical markets in Southern Africa and worldwide.

our strategic agenda

Our growth in sustainable stakeholder value is built on a foundation of developing people and improving assets. We aim to grow our GTL, CTL, upstream, chemicals and new energy business. This is achieved through our technological prowess and through group imperatives that deliver functional, operational and capital project excellence, supported by Values-driven Leadership. Guiding our intentions and underpinning all our actions are our shared values of safety, customer focus, winning with people, excellence in all we do, continuous improvement and integrity.



While our strategic direction remains generally consistent, we have aligned it to changes in our increasingly global business environment.

unpacking our strategic agenda

Group imperatives

The execution of transformational initiatives at group, business unit and functional levels give effect to Sasol's strategy. The Sasol business transformation steering committee provides overall governance and ensures clear focus and integrated implementation of these major programmes.

Operations Excellence

This programme aims to improve profitability across Sasol's value chains by developing standardised, world-class management systems and by implementing best practice in our plants and businesses. Projects are facilitated to ensure sustainable continuous improvement. The programme also seeks to develop competent and engaged people to adopt these practices and deliver targeted performance.

Functional Excellence

This programme aims to assist centralised enterprise functions to identify process, structural and technological inefficiencies

and implement improvements that achieve simple, standardised and shared ways of working. The programme aims to improve the cost effectiveness and service efficiency of all the functional areas of our business.

Capital Project Excellence

This newly introduced initiative aims to ensure the flexible and effective use of capital in the group's project value chain. It is focused on delivering projects that meet all quality requirements in the shortest possible time, at the lowest possible cost, yielding the greatest possible return on investment.

Values-driven Leadership

Project Enterprise, our culture transformation programme, was launched in 2006 and has realised significant results. It aims to inspire employees to experience and emulate the change in behaviour and style evidenced by their leaders. Future activity will focus on assisting leaders to achieve effective culture change in day-to-day business decisions.

Foundational pillar

Develop and empower our people

We endeavour to be an employer of choice by paying competitive, market-related salaries and wages, creating safe, healthy and rewarding workplaces and promoting positive corporate values. We invest significantly in skills development and training, focused leadership development and succession planning, to ensure a pipeline of talent to meet our strategic objectives.

Continuously improve and grow our existing asset base

We continue to grow our existing production, focused on achieving a world-class safety record and moderating our environmental impact by achieving our stated targets for emissions reductions, and by improving energy efficiency. We seek to continuously improve the efficiency and reliability of our operations.

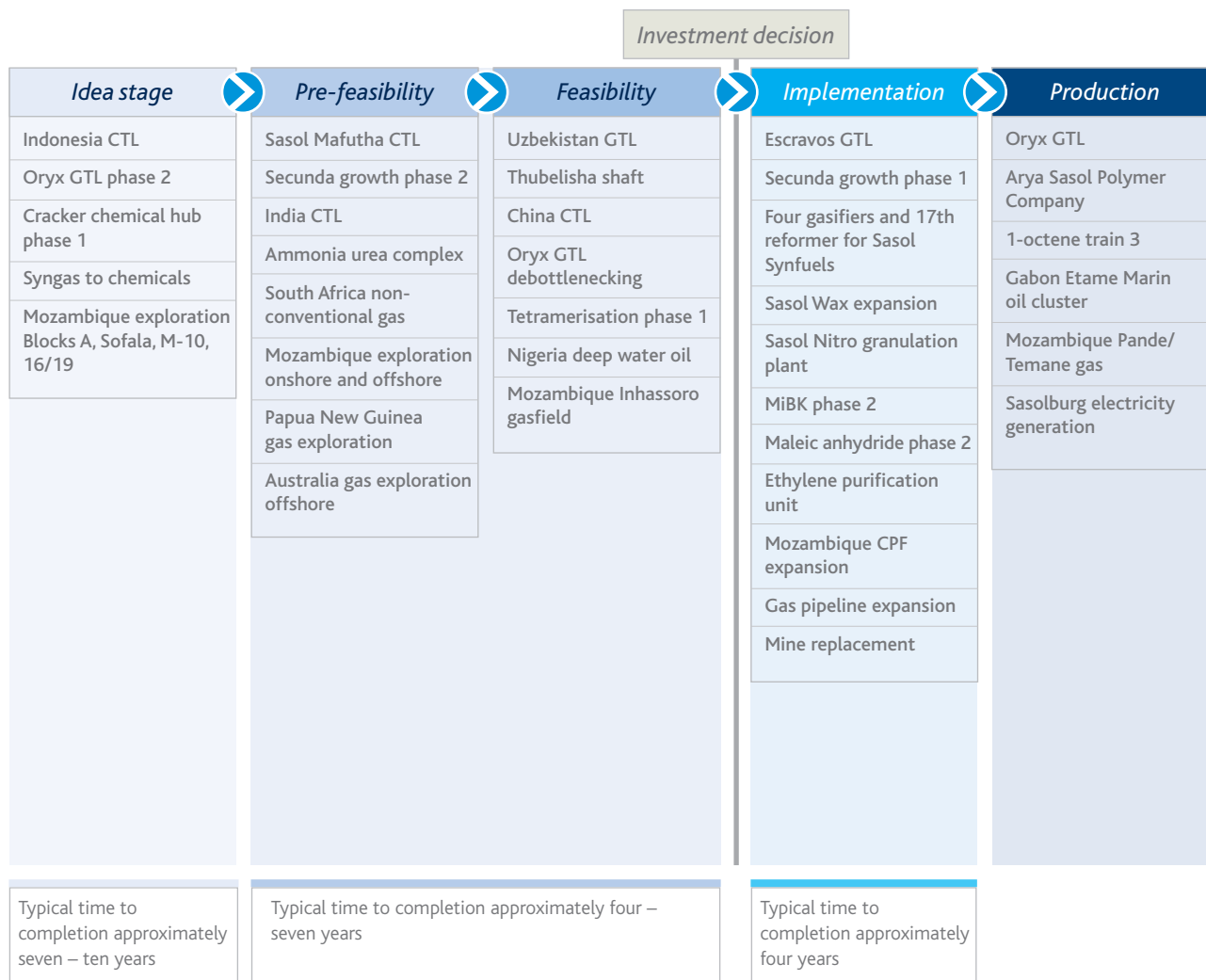
Deliver on the South African transformation agenda

As a proud South African company, we view black economic empowerment (BEE) as a moral obligation and a business imperative. We subscribe to the Code of Good Practice for Broad-based Black Economic Empowerment. Our broad-based BEE verification certificate, issued on 4 September 2010, confirmed our level 4 contributor status, with a 100% procurement recognition level. As Sasol is recognised as a value-adding enterprise, customers receive R1,25 preferential procurement recognition for each R1 they spend with Sasol group companies.

Our pipeline of growth projects is strong and continues to advance.

project pipeline

Our flexible approach to our capital expenditure programme allows us to continuously reprioritise to ensure our pipeline of growth projects is advanced.



Within the context of our strategic agenda, we set specific management priorities each year.

our top priorities – 2011 financial year

All Sasol's businesses and functions operate on a basis of sound governance and aim to achieve their targets on profit, safety, transformation and environment, while behaving in accordance with Sasol's shared values and complying with all relevant laws. Within this context, the following are the top priorities for the 2011 financial year.

1	Improve safety performance	Zero fatalities *RCR of less than 0,45
2	Improve operational stability and reliability	<ul style="list-style-type: none"> Implement business improvement plans Improve plant/factory availability and utilisation through Operations Excellence Implement and drive a group-wide energy efficiency programme
3	Reduce functional costs	<ul style="list-style-type: none"> Cost reduction in line with targets – cumulative 15% by 2011 (30% by 2012) Effectiveness of service to be maintained or improved
4	Pursue group growth drivers	<ul style="list-style-type: none"> Grow upstream gas resources Accelerate development of new GTL projects Drive project execution excellence across all projects Ramp up Sasol New Energy activities

*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 cases, medical treatments beyond first-aid cases and accepted illnesses, for every 200 000 employee hours worked, reported on a 12-month moving average basis.



Sasol oil tank farm at Secunda.

our growth opportunities worldwide

In line with our strategic intent, Sasol is pursuing local and international opportunities to grow our upstream asset base, and leverage our proprietary Fischer-Tropsch conversion technology to develop new GTL and CTL facilities. Recent technology developments in the cost-effective extraction of shale gas, and resulting lower gas prices, present a significant opportunity for the expansion of our GTL value proposition. We continue to develop a number of CTL opportunities and are also progressing plans to expand our chemicals businesses.

1 South Africa

Firm plans to grow Sasol Synfuels production by 3,2%. In addition, **Project Mafutha** is a Sasol initiative to investigate the merits of establishing a new CTL facility in the northern Limpopo Province of South Africa. Sasol has signed a Memorandum of Understanding (MOU) with the Industrial Development Corporation of South Africa (IDC) as a 49% stakeholder in the possible CTL facility.

SPI and partners, Chesapeake and Statoil, have been awarded a petroleum technical cooperation permit to assess the prospective shale gas resource in the Karoo Basin. The board has approved a R8,4 billion plan to **double hard wax production** in South Africa. We expect the first phase to come into operation in 2012, and the second in 2014. We also plan to invest R1,9 billion in a **new ethane/ethylene separation unit in Sasolburg.**

2 Mozambique

Sasol Petroleum International is expanding its gas infrastructure in the onshore Pande and Temane fields, while actively exploring for new gas resources both onshore and offshore. We have grown our acreage position through entry into offshore Blocks M-10 and Sofala and have finalised negotiations with the government on onshore Block-A.

3 Nigeria

The development of the Escravos GTL plant in Nigeria is advancing, in partnership with Chevron and the Nigerian National Petroleum Corporation, and we are expecting completion of the project in 2012.

4 Qatar

Oryx GTL, jointly owned by Qatar Petroleum and Sasol, is the world's largest commercial scale GTL facility. We are debottlenecking the plant by 10% and have our sights on expanding the facility when the time is right.

5 Germany

To support Sasol Olefins & Surfactants' (O&S) selective growth strategy, a project has been started to enable the business to sell purified tri-ethyl aluminium into the market. In the area of aluminas, Sasol O&S increased the capacity for calcined products by commissioning a new calciner unit. **The Sasol-Huntsman joint venture** is expanding production of maleic anhydride by 75% at Moers in Germany.

6 Uzbekistan

Exploring GTL opportunities. Sasol has formed a partnership with Petronas and state oil and gas company, Uzbekneftegaz, to establish a GTL plant in Uzbekistan. A feasibility study is underway. A MOU has been signed to cooperate in the Uzbek oil and gas industry and a Sasol Synfuels International (SSI) representative office has been opened in Tashkent.



7 India

Sasol Synfuels International (SSI) is conducting a pre-feasibility study into a CTL facility in India. The government has awarded the SSI and Tata Group joint venture long-term access to a portion of the Talcher coalfield in the State of Orissa, the largest coal block award ever made in India to a private company.

and downstream hydrocarbon beneficiation and chemical production.



8 China

Advanced plans to develop Sasol's first CTL plant outside SA. Following the completion of a feasibility study, we await the Chinese government's approval for the CTL plant to go ahead. **Together with a joint-venture partner, Sasol O&S has started basic engineering work** to expand our oleochemical alcohols capacity in Lianyungang. Studies have been conducted to explore further business opportunities for Sasol O&S' Nanjing-based surfactant business.

9 Indonesia

SSI has signed a MOU with the Indonesian government to investigate the viability of developing a CTL plant in the region.

10 Papua New Guinea

With our entry into four petroleum prospecting licences in Papua New Guinea in 2008, Sasol Petroleum International (SPI) established itself as a 51% equity operator in this area. Together with our new partner, Talisman, we are active in the maturation of prospects, which are planned to be drilled in 2011.

11 Australia

Sasol's main activities in Australia are aimed at growing our upstream gas resources and investigating options to develop GTL projects. In 2010, SPI entered into a new exploration permit, AC/P-52 through a 45% farm-in with Finder Exploration.

12 USA

Sasol Solvents has started basic engineering to develop technology to manufacture octene by tetramerising ethylene for use as a comonomer in the manufacture of linear low-density polyethylene at Lake Charles.

sustainable development: core to delivering on our growth objectives

“Promoting sustainable development is as much an economic and business imperative, as it is a moral imperative.” *Pat Davies*

Underpinning our strategic agenda, and in line with our vision of being a respected global enterprise, is an appreciation that our growth drivers cannot be achieved effectively without a committed focus to sustainable development. This focus involves:

- making a positive socioeconomic contribution to the regions where we operate, for example, by responsibly monetising and benefiting existing natural resources, stimulating job creation, supporting skills development, investing in our communities, and in South Africa, promoting broad-based black economic empowerment (BEE);
- fostering values-driven ethical behaviour and good governance practices, informed by respect for human rights;
- embedding a culture of safety in the workplace;
- providing a stimulating and rewarding work environment, based on effective human resource policies, that attracts and retains the best talent; and
- further reducing our environmental footprint across the group, particularly as regards reducing greenhouse gas emissions and water usage.

We believe that there is a strong causal link between addressing these issues and achieving the strategic growth objectives outlined in the preceding pages. At its most fundamental, growing our business is ultimately dependent upon the maintenance of a stable political environment, the ability to attract and retain the best and most appropriately skilled employees, ensuring

continued access to vital natural resources and feedstock (such as water, coal and gas), and maintaining positive relationships with our principal stakeholders, including governments, providers of capital, and the communities where we operate. Achieving each of these elements requires us to operate in an informed, responsive and socially responsible manner.

There are specific reasons why we see sustainable development issues as being integral to the achievement of our core strategy. Some of these reasons relate to protecting value – where the focus is on risk management, legal compliance and operational efficiency – while others focus on creating value, for example, by identifying new market opportunities associated with a resource-constrained future:

- We recognise that companies – particularly those that operate at a global level – are coming under increasing scrutiny from their stakeholders and that there are significant and potentially costly reputational risks associated with unsustainable practices. By maintaining a sound record of legal compliance, by demonstrating a broader commitment to societal responsibility, and by working constructively towards fostering trust with our stakeholders, we are able to maintain our right to operate in the communities in which we do business. Being seen as a responsible company not only assists us in securing permission to expand or build new facilities, but it also helps us to reach optimal levels of productivity at existing sites, improve access to financial markets, reduce the cost of capital, and

expand our client base. Ensuring some coordination with the social and economic priorities of government, and making a contribution in terms of job creation and infrastructure development, also helps to foster a more stable political environment, which is good for business.

- On the operational side, in addition to the moral imperative, a commitment to sustainable development encourages us to identify and manage our risks responsibly and effectively. Through effective risk management practices that prevent incidents, we save on potential cleanup costs, insurance premiums and legal liabilities, not to mention the intangible costs associated with an impaired reputation.
- Through continuous improvement initiatives, such as our Operations Excellence programme, we have achieved material financial, safety and environmental benefits resulting from sustainable improvements in process and equipment health and performance. Benefits include higher production volumes and quality, higher equipment availability and utilisation, higher energy and material efficiency, lower waste production, and therefore also lower disposal and pollution

“More than ever, we need to reboot our economies with a more intelligent type of growth, driven by... our need to develop efficient renewable energies and green technologies for a low-carbon era. Innovation can help us do the trick.”

*Angel Gurría (OECD Secretary General)
Wits University*



management costs. This year alone, Operations Excellence has already realised benefits of R608 million and identified additional benefits of R539 million. We anticipate that the costs of energy, water and other raw materials, as well as the costs of disposing wastes, are likely to increase in the future, further highlighting the financial importance of improved resource efficiency.

- A core driver in growing the company is having access to skilled and motivated employees. This requires not only that we provide an attractive work environment – that provides employees with opportunities for personal development, appropriately rewards their efforts and promotes their health and safety – but also that we actively seek opportunities to develop the skills of both our current and prospective employees. We believe that by being seen as a socially responsive company that displays integrity, we are more likely to attract and retain the best employees at all levels. Furthermore, employees who are happy at their workplace will tend to develop a greater inventiveness and productivity, as well as making a positive contribution to society through their influence, for example, on enhanced safety practices beyond the workplace.
- In addition to competing for access to skills, it is anticipated that increasingly we will be competing for access to natural resources. This gives us an added business incentive not only to improve efficiencies within existing processes, but also to be innovative in completely rethinking the nature of some of our processes

that will be appropriate in a resource-constrained future.

- Finally – and perhaps most significantly – we believe that there are significant commercial opportunities associated with meeting the profound societal challenges associated with promoting energy security on the one hand, while addressing climate change and resource depletion on the other. Sasol has a successful history both of technological innovation and of commercialising technologies at scale. We see strategic growth opportunities associated with building on these competencies, and in identifying options for differentiating from the current fossil fuel-based energy mix. It is for this reason that we have established Sasol New Energy, which has been tasked with identifying and realising the business opportunities associated with a future low-carbon economy.

The new King III Code of Governance in South Africa calls for integrated sustainable development reporting. Underlying this call is the desire that companies should more clearly demonstrate how social, economic and environmental considerations impact on their growth drivers and that they should also show how these issues are being effectively integrated within the company's core strategy and throughout its operations and sphere of influence. We believe that the above account very clearly shows why sustainability issues are integral to our growth objectives. The rest of this report – both in this document and online – reviews the steps that we have been taking, and are planning to take, to manage and address the strategic imperative of sustainable development.

“While many analysts and market commentators will point to the impact of the rand and the oil price on Sasol, we would argue that, in fact, its biggest trigger for success is its ability to innovate across its business units. Sasol has world-class technology and has a long-standing culture of innovation. The company cannot be viewed as simply an oil company that is planning to benefit from old school production of fossil fuels. Instead it should be viewed as a technology company that sits on the cutting-edge of the energy market.”

ManufacturingHub.co.za



Information on **Operations Excellence** is provided on our online report.
<http://sasolsdr.com>



Our online report includes a detailed table of **Sasol group risks** and our approach to managing these risks.
<http://sasolsdr.com>

our sustainable development management framework

Sasol's group executive committee (GEC) formally adopted sustainable development as a group-wide strategic business philosophy in 2000. Since then, we have taken various steps towards integrating sustainability principles in our activities, in the belief that a commitment to sustainable development yields an important competitive advantage.

As part of fulfilling this commitment, we have developed, implemented and are continuously improving our management framework so as to provide our businesses with the policies, governance structures, targets and reporting systems that are required to manage the risks and opportunities that sustainable development presents.

This commitment to sustainable development is coordinated at group level and implemented at business level, with ultimate responsibility residing with our board of directors. Our chief executive, Pat Davies, holds formal responsibility for sustainable development, both in his role as the group's chief safety, health and environment (SH&E) officer, and through his catalytic leadership role in driving a values-based culture throughout the organisation. He is assisted on the GEC by an executive director who has responsibility for sustainable development issues, greenhouse gas management, skills development, Operations Excellence, and SH&E. The GEC receives strategic and operations-specific inputs from all businesses, as well as from specialised committees. One of these is the group executive SH&E committee, which reviews performance in a safety, health and environment context, and considers and approves recommendations on sustainable development as well as SH&E guidelines and policy for the group.

The Sasol board also receives input from the group risk and SH&E committee and the audit committee. In line with King III requirements, the audit committee plays a role in reviewing the integrated report and the nature of any associated external assurance processes. The composition and activities of these various committees are outlined in more detail in our separate annual review.

Engaging with stakeholders

We interact with our various stakeholders in some form or another on an almost daily basis. Our most important stakeholder group is our employees with whom we have very structured and regular communication channels. In terms of sustainable development, engaging in frank dialogue with our stakeholders on social and environmental issues forms a cornerstone of our strategic commitment to sustainable development.

A broad overview of our key stakeholder categories, and our general approach to engaging with each of them, is briefly presented below:

• Employees

Without our employees there would be no other stakeholders; they are the foundation upon which all our activities depend. Maintaining effective communication with our staff is thus fundamental to the success of the company. We communicate with employees in many different ways, including through a regular letter from the chief executive, internal newsletters, the Sasol intranet, shop-floor briefings, posters and 360° performance reviews. Specifically on sustainability issues, while we have run internal staff surveys and focus groups, we recognise that there is scope for further engagement.

• Government

We work to establish and maintain constructive relationships with governments of the countries within which we operate or plan to operate. We seek to identify the impacts of government policy on our growth plans, as well as identifying how our strategy

can support the growth strategies of these countries, ensuring alignment with their development and economic requirements and challenges.

• Investors

We keep shareholders and the investment community updated on our financial results and topical issues. This includes regular presentations and discussions on group performance and strategy with investment analysts, institutional investors and journalists in South Africa, North America and Europe. We also publish highlights of our annual and interim financial results, inclusive of a business overview and commentary, in the main South African daily newspapers.

• Joint ventures

We have JVs in ten countries (including South Africa), covering all major areas of our business from chemicals to retail fuel. Our shareholding varies.

• Business organisations

We are active members of relevant industry associations in the countries in which we operate, enabling us to channel our views into governmental initiatives, as well as working cooperatively on industry initiatives with our peers.



An organisational diagram of Sasol's SH&E and sustainable development management structures are presented in our online report.
<http://sasolsdr.com>



A more detailed review of our approach to engaging with our stakeholders is provided in our online report. Included is a full independent account of our previous stakeholder processes on sustainable development, and a full report of our discussion with leading sustainable development experts in March 2010 that informed the nature of this year's reporting process. We also provide a detailed review of our engagement with universities.
<http://sasolsdr.com>



GRI – 4.14 – 4.17

• **The media**

We maintain a well-resourced group communication, investor relations, sponsorship and brand management team. In addition, most of our major businesses employ full-time communications staff whose tasks include media support.

• **Local communities, civil society and non-governmental organisations**

In addition to the public participation initiatives implemented as part of new projects, we continue to undertake community outreach initiatives at most of our existing operations on sustainable development matters. Our approach towards community outreach provides us with a deeper understanding of community concerns and interests and enables us to work in a proactive rather than reactive manner. We also undertake significant corporate social investment activities in the immediate communities in which we operate, as well as the wider South African society.

• **Contractors and service providers**

We engage with our contractors and service providers to understand and address their

concerns. Their safety records are included in the group safety statistics, which provides us with added incentive to ensure that they are trained and prepared to prevent and address incidents.

• **Tertiary education institutions**

Our work with tertiary institutions remains an important component of our skills development efforts – for both internal and national talent pools – and is a key partnership in terms of our global research and development work.

Coordinating sustainable development through the Sasol SH&E Centre

The Sasol SH&E centre oversees group sustainability and SH&E management issues, and provides specialist advice and support services to our business units on SH&E matters, product stewardship, Operations Excellence and broader sustainable development initiatives. All our operations are governed by an integrated SH&E policy and SH&E essential requirements and by a hierarchy of SH&E performance targets. Each business is required to track

performance against these targets and to submit quarterly reports to their respective boards. These reports outline each business's major risks and liabilities, identify progress against the group's sustainable development targets and report on any major incidents and events of non-compliance. Consolidated corporate reports are submitted to each level of the hierarchy of governance committees.

Our internal reporting and auditing process is enhanced by external verification audits undertaken as part of our sustainable development reporting process. This includes International Organisation for Standardisation ISO 14001 and Occupational Health and Safety Assessment Series OHSAS 18001 (or equivalent) certification audits, regulatory compliance audits and, third party Responsible Care verification audits. Most sites have now moved to an integrated management system that is being audited in the same manner as the ISO 14001 and OHSAS 18001 systems. Our operating businesses have achieved ISO 14001 and OHSAS 18001 certification. Certain business units have also obtained ISO 9000 certification based on specific business unit requirements.

Responding to stakeholder input on our reporting process

In addition to the engagement we undertake through our normal operations, over the past few years we have also entered into dialogue with some of our stakeholders specifically as part of our annual reporting process. The aim of these consultations has been to identify and respond to our stakeholders' interests, and to understand their views regarding our performance. These consultations have included externally facilitated processes with trade unions, employees, investors, non-governmental organisations (NGOs) and community representatives, and academics and researchers. Independent accounts of these stakeholder processes on sustainable development are accessible from our online report. This year, our primary external engagement as part of our reporting process was to host a discussion with a selection of leading South African sustainable development practitioners. The aim of the discussion was to share views on some of the defining characteristics of leadership in sustainable development reporting and stakeholder engagement, and to assess Sasol's most recent reporting processes against these characteristics. A full account of this discussion is provided in our online report.

This discussion informed the reporting process we followed this year. Amongst other things we have:

- *restructured our report to make it more accessible and easier to locate specific data;*
- *begun to focus more strongly on engaging our internal stakeholders;*
- *included a more explicit description of Sasol's growth strategy in our sustainable development report, and more clearly demonstrated the contribution of sustainable development issues to the achievement of this strategy;*
- *restructured our annual report to further highlight the nature of our integrated approach; and*
- *provided some performance data at the level of the individual operation (primarily in our annual report) rather than aggregating it across the group as a whole.*



Maintenance work being conducted at the recycle gas compressor at the Sasol O&S plant in Brunsbüttel, Germany.

The Sasol SH&E centre is supported by a network of technical specialists that has been established throughout Sasol to share experience in addressing a range of sustainable development-related issues, such as auditing, process safety, greenhouse gas management, product stewardship, air quality, water, waste management and site remediation. Each of our businesses has dedicated SH&E staff responsible to assist line management with SH&E implementation. The Sasol SH&E centre maintains active communication with these staff members through the networks and the quarterly safety, health and environment forums.

As outlined later in this report, some of the other aspects that contribute to our broader sustainable development performance – such as ethics, human resources, human immunodeficiency virus (HIV)/acquired immunodeficiency syndrome (Aids), skills development, transformation and human rights – are managed by different specific corporate functions within the group. The primary responsibility of Sasol's sustainable development manager, functioning from within the SH&E centre,

is to provide a coordinating role between these different Sasol functions on the one hand, and various external stakeholders and initiatives on the other. This coordinating function includes managing Sasol's relationships with sustainable development initiatives such as the UN Global Compact and the Dow Jones Sustainability Index.

The nature of the relationship between the SH&E centre and the rest of the group – both in terms of providing technical SH&E support and in terms of the overarching coordination of sustainable development strategy – is being further refined as part of Sasol's broader Functional Excellence initiative, as well as a commitment to combined assurance.

Functional Excellence: one Sasol way of doing business

The Functional Excellence (FE) programme seeks to streamline and standardise the support functions of Sasol, with the aim of improving both efficiency and effectiveness. The programme was initiated following a benchmarking survey that was conducted throughout Sasol in 2007, which identified

concerns relating to a lack of process and systems standardisation across the company. The survey found that in many instances functional capabilities are fragmented, making it difficult for some of Sasol's enabling functions – such as human resources, supply chain management, SH&E, information management and finance – to provide a cost-effective service across the business.

To address this challenge, Functional Excellence was established in May 2008 to re-organise the functions to be operationally aligned and set up for delivery with appropriate and standardised policies, structures, capabilities, processes and technology. In terms of SH&E and sustainable development aspects, we believe that the process will result in a stronger governance structure that will enhance the effectiveness of SH&E performance. Improved shared learning and greater standardisation of best practices will be achieved by establishing communities of specialists who will be transferred from their business units to a shared services function.

While the process of implementing this programme over the past year has proven particularly challenging, we believe that it will ultimately make our work more efficient and effective, as well as providing employees with more exciting career opportunities and greater mobility across the organisation. The final programme implementation date is set for late 2011.

Monitoring and participating in legislative developments

Due to the nature of Sasol's operations, we have significant potential exposure to the various policy and legislative requirements covering the broad spectrum of sustainable development activities, including environmental, health and safety performance, labour practices, human rights, and good governance. This year the SH&E centre, in collaboration with group legal services, facilitated a process to guide business units on the evaluation and assessment of health risks and legal compliance. It is aimed at strengthening the assurance process relied upon for purposes of the annual certification process. This forms part of our broader compliance-related activities that are reviewed in more detail in the ethics section of this report

(page 27). We have continued to participate in the development of new policies and legislation, both on our own and through business representative bodies. We monitor and report annually on the potential risks associated with laws and regulations in the countries in which we operate.

Supporting global initiatives

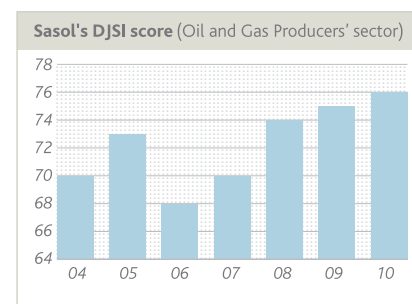
As a global operation actively engaged in different regional markets, Sasol participates in various international sustainable development initiatives. Since 2001, we have been a signatory of the United Nations Global Compact (UNGC). In March 2008, we endorsed the UN Global Compact CEO Water Mandate. We also participate in the Global Product Strategy (GPS) initiative of the International Council of Chemical Associations (ICCA) that is designed to improve the global chemical industries' product stewardship performance. We support the principles of the Extractive Industries Transparency Initiative (EITI) and we are considering public endorsement of the EITI. Sasol participates in the annual Carbon Disclosure Project (CDP).

We are corporate members of numerous local and international businesses, engineering,

scientific and other organisations. We play an active role in the development and implementation of the global chemical industry's Responsible Care® initiatives and participate in various working groups of the European Chemical Industries' Council (CEFIC), and South African Chemical and Allied Industries' Association (CAIA).

Participating in sustainability indices

Sasol once again qualified for inclusion in the 2010 Dow Jones Sustainability Index (DJSI) and was ranked global sector leader of the Oil and Gas Producers' sector with an overall score of 76%. This was an improvement on a score of 75% achieved for 2009.



A full review of regulatory risks is provided in our annual **Form 20-F submission**, a copy of which is available on our website. A detailed review of relevant **finances, penalties and settlements** currently facing Sasol is provided in our online sustainable development report, as well as in our Form 20-F submission.



GRI – EN28, SO5, SO7, SO8



Our online report includes a comprehensive list of our **key memberships** globally. <http://sasolsdr.com>



GRI – 4.12 – 4.13

section 2 | sasol's 2010 sustainable development performance



Sasol's commitment to sustainable development includes embedding a culture of safety in the workplace.

Sasol's overall strategic agenda is informed by an appreciation that our growth drivers cannot be achieved effectively without a committed focus on sustainable development.

Earlier in this report we outlined why we believe that our sustainable development performance has a direct bearing on the achievement of our core strategy. In this section of the report we review our performance in terms of our commitment to sustainable development.

This commitment to sustainable development relates to the following broad areas:

- **making a positive socioeconomic contribution** to the regions where we operate, for example, by responsibly monetising and benefiting existing natural resources, stimulating job creation, supporting skills development, promoting diversity in all the countries we operate in and, in South Africa, promoting broad-based black economic empowerment;
- fostering values-driven **ethical behaviour and good governance** practices that are informed, amongst other things, by respect for **human rights**;
- embedding a **culture of safety** in the workplace;
- **investing in our people** by providing a stimulating and rewarding work environment that attracts and retains the best talent; and
- further **reducing our environmental footprint** across the group, particularly as regards reducing greenhouse gas emissions and water usage.

contributing to socioeconomic development

Increasing our economic value added

Sasol's growth strategy of using our technology to convert low-value hydrocarbon resources to high-value energy and chemical products delivers important economic benefits – both directly and indirectly – for the countries in which we invest. The emergence of technology to exploit the significant reserves of gas to be found within shale deposits around the world is creating a significant shift in energy markets and providing further opportunities for generating value-added benefits.


During 2010, Sasol created wealth of R50 billion, of which 35%, or R18 billion, was distributed to employees, and 19%, or R6 billion, to government in the form of taxes and related revenues. Through our integrated energy and chemical operations, we provide direct and indirect employment to many people and contribute to South Africa's annual gross domestic product, as well as making small, but positive contributions to the other economies in which we operate.


As outlined in more detail on page 16, over the past year we have made good progress in delivering on our global growth strategy, characterised in particular by the strong operational performance of our Oryx

gas-to-liquids (GTL) operation in Qatar, as well as our increased production of chemical feedstocks' at Arya Sasol Polymer Company in Iran. Valuable progress has also been achieved towards advancing our CTL and GTL portfolio in China, India and Uzbekistan. We have also continued to expand our exploration portfolio, and today we have exploration equity interests in seven countries, while maintaining upstream operations in Gabon and Mozambique.

The commitment to execute our growth strategy can be seen in our continued capital investment in growth. Over the last five years, we have increased capital expenditure from R13 billion in 2005 to R16 billion in 2010. Our growth plans remain on track and we will actively pursue our capital investment opportunities in the forthcoming year, where we estimate capital expenditure to be in the region of R19 billion. We continue to plan carefully for an economic recovery, albeit volatile. The strength of our balance sheet and healthy cash flows position us well to respond to opportunities and challenges that the current environment presents. Our focus remains on sustainable unit cost reduction and efficiency improvements through our Operations Excellence and Functional Excellence programmes.

<i>Value added statement for year ended 30 June 2010</i>	Rm
Turnover	122 256
Less: Purchased materials and services	(74 061)
Value added	48 195
Investment income	1 549
Wealth created	49 744
<i>Distributed to:</i>	
Employees (including employees' tax)	17 546
Providers of equity capital	5 806
Providers of debt	1 799
Governments – direct taxes	5 602
Reinvested in the group	18 991
Wealth distribution	49 744

 Our online report includes a case study on **Oryx GTL: Creating a cleaner fuel through socially responsible practices** that outlines some of the positive contributions of one of our newer global operations in Qatar. <http://sasolsdr.com>

 **GRI – EC1**

“If the CTL project is formally completed, the investment of 58 billion yuan (US\$8,50 billion) will stimulate the Chinese economy. Once it is constructed, it will earn 30 billion yuan a year, and 10 billion yuan in taxes.”

Wang Zhengwe, Governor of Ningxia Province

Promoting empowerment in South Africa

In South Africa we are committed to contributing and promoting social transformation, most notably through the continuing advancement of our initiatives relating to broad-based black economic empowerment (BEE). In 2008, we completed our broad-based Sasol Inzalo BEE equity deal, welcoming approximately 300 000 new shareholders from historically disadvantaged backgrounds as owners of about 10% of our listed holding company, Sasol Limited. The Inzalo BEE equity initiative was worth about R24 billion (US\$3 billion) at that time. Of the shareholding, 4% has been transferred to about 24 500 employees (through employee share ownership schemes in South Africa), 3% to black members of the public, 1,5% to selected BEE groups and 1,5% to The Sasol Inzalo Foundation. Established in 2007, this charitable foundation is dedicated to boosting skills development in mathematics, science and technology in previously disadvantaged sectors of society in South Africa. Further details on The Sasol Inzalo Foundation are available on our website.

We have developed a broad-based BEE scorecard, which has been accredited by Empowerdex and verified by the Department of Trade and Industry. Our BEE certificate, awarded in September 2010, verifies that we are a Level 4 contributor and confirms us to be a value-adding supplier. The seven pillars of empowerment under the broad-based BEE focus of Sasol include: equity ownership; management diversity;

employment equity; skills development; preferential procurement; enterprise development; and socioeconomic development (SED). With our scores being relatively good on the pillars of equity ownership (with Sasol Inzalo as well as our other equity schemes), skills development and SED, we are continuing a specific focus on our preferential procurement and enterprise development. Our progress in promoting employment equity is reviewed in our performance review on enhancing workforce diversity.

To improve our performance on procurement and to support a more sustainable base of broad-based BEE suppliers, we are working together with industry bodies, stakeholders and suppliers to the industry to ensure that we receive valid broad-based BEE certificates. During 2010, preferential procurement, as defined by the Codes of Good Practice, was R12 billion and represented 42% of our total measured procurement spend. We are also working to support enterprise development through programmes such as Sasol Siyakha and Sasol ChemCity and are exploring other innovative ways of further supporting enterprise development. By prioritising socioeconomic development and empowerment through these initiatives we have created or assisted 323 businesses linked to Sasol, with a combined workforce of about 3 661. We have a solid strategy in place to advance employment equity in the business, which is reported on further in the section above on enhancing workforce diversity.

Supporting empowerment charters

In support of South Africa's Liquid Fuels Charter, broad-based BEE group Tshwarisano LFB Investment (Pty) Limited is the owner of 25% of our liquid fuels production, distribution and marketing operations, housed in Sasol Oil (Pty) Limited. As at 30 June 2010, Sasol Oil has established 418 retail fuel facilities, including 174 dealer-owned sites.

In October 2007, Sasol Mining announced the formation of a black woman-owned mining company called Ixia Coal. Early in 2010, funding arrangements were concluded for the 20% BEE equity participation of historically disadvantaged South Africans in Sasol Mining well ahead of the deadline set by the South African government in terms of the Mining Charter to achieve 15%. Sasol Mining remains in compliance with the Mining Charter and will be compliant with the full requirements of the Charter by 2014.



Our online report includes a case study on **how ChemCity assists suppliers to become part of Sasol's supply chain.**
<http://sasolsdr.com>



A more detailed review of our progress in terms of meeting the **Petroleum and Liquid Fuels Charter** and the **Mining Charter** is provided in our online report, which also includes the case study **Sasol Mining converts from old to new mining rights.**
<http://sasolsdr.com>

Contributing to skills development

In addition to paying taxes, and creating direct and indirect employment opportunities, we are also making an important societal contribution through our activities aimed at developing scientific and technical skills at all levels.

Implementing a structured approach to skills development

Our current and future success depends on our ability to attract, retain and develop highly skilled individuals. Until recently, our approach to skills development was

coordinated through our Project TalentGro initiative. During the year, this was discontinued and its activities have been integrated into normal business operations through the global learning function, which is responsible for establishing a group-wide learning approach comparable with world-class best practices.

A group-wide learning strategy endorses lifelong learning culture through a standardised curriculum based on a blended

learning approach that combines classroom and virtual computer-based learning delivery. Global learning also continues with our global venture support initiative, which seeks to ensure the sustainable supply of skilled and experienced people to meet our growth ambitions. The pool of skilled individuals developed through this initiative is exposed to shutdowns, commissioning and start-up of new plants with the objective of ensuring a well-balanced workforce that can be utilised in a variety of tasks in new ventures.



Sasol makes an important societal contribution through scientific and technical skills development, in addition to creating direct and indirect employment opportunities.

To prepare for international growth, and to promote job creation in the countries in which we operate, experienced individuals are being brought to South Africa to receive training on critical aspects of our operations, as well as being exposed to the Sasol culture.

Developing future talent

To develop future talent, Sasol runs one of the largest bursary schemes in South Africa. Our total investment last year was R51 million, with the focus primarily being on developing talent in science, technology and engineering disciplines. We currently

have 769 undergraduate and postgraduate bursars, and we have an approved mandate to award 112 first-time undergraduate bursaries and 20 postgraduate bursaries for 2011. Sasol through its corporate social investment (CSI) programme also spent 35% (R28,7 million) of its CSI budget on education, with a focus on science and maths for learners in various schools.

Developing current and future leaders

Over the past year, our highly acclaimed leadership programmes have been refined to ensure continued alignment with the Sasol

strategy. Participants in our leadership programmes are drawn from our businesses around the world. This year, 9 253 candidates attended different forms of leadership development. In addition to our executive development programmes, we have developed a transitional development programme, which integrates and replaces our previous accelerated leadership development and accelerated management development programmes. All of our leadership programmes are supported by coaching and mentoring programmes and processes.

Summary of skills statistics for 2009

Investment in employee training and development*	R421 million
Proportion of the above focused on black employees**	R261 million
Development interventions	64 019
Investment in bursary scheme	R51 million
Undergraduate and postgraduate bursars	769
Employees currently on CA Training Programmes	26
Employees in Sasol's artisan learner pools	778
Learner artisans that Sasol trained for the petroleum industry as part of oil, gas and electrical manufacturing project	417
Learners in external Technical Skills Business Partnership	271
Additional positions created in global venture support programme	700
Investment in South African universities	R25 million
Number of employees receiving leadership training	9 253

* Excluding the compulsory 1% or R98 million skills levy

** African, Coloured and Indian people



Further information on some of our skills development activities are provided in our online report which includes separate case studies on: **Cooperating with engineering contractors on skills development; investing in artisans; environmental training for employees; Sasol's training programme for chartered accountants; and Sasol's Fundani Nathi initiative promoting science education in Zamdela schools in Sasolburg.**
<http://sasolsdr.com>



GRI – LA10, LA11, LA12



School children maintain a healthy vegetable garden at the Mangungumete Primary School built by Sasol near its operations in Temane, Mozambique.

Community affairs: investing in communities

The vision of Sasol's community affairs programme is to promote people-centred, needs-driven and sustainable development of communities. Our engagement focuses on strengthening the ability of communities to thrive by supporting civil society, government and private-sector role players in plans to catalyse growth, strengthen development and foster dignity. We have channelled the majority of our social investments into five priority areas: education (35%), job creation (25%), health and welfare (25%), environment (5%), arts, culture and sport development (5%), with another 5% made available for small once-off grants.

All community affairs projects are subjected to a thorough assessment of the extent to which they meet certain criteria. During the year, we committed R80,5 million (excluding bursaries) to socioeconomic development projects, mostly in South African communities and along the Mozambique-Secunda pipeline route. We also committed R51 million to bursaries, as well as low-cost housing assistance of R21 million. In Mozambique we committed R11 million in community development projects.

While most of our social investments are undertaken in Southern Africa, community-based initiatives are carried out by our USA and European operations, according to the particular needs and opportunities in their communities.

ethics, governance and human rights

Fostering ethical and fair business practice

The Sasol Limited board approved the current code of ethics in March 2004 for application to all Sasol employees and is responsible for setting the Sasol tone for ethical business practices. The code of ethics consists of four fundamental ethical principles – responsibility, honesty, fairness and respect, underpinned by the Sasol value of integrity.

Our approach to fostering ethical behaviour and fair business practice – and to addressing such issues as corruption, bribery and whistle blowing – is governed by the Sasol code of ethics and managed through dedicated functions such as the group ethics office, group forensic services, internal audit and risk management. The code of ethics, and its accompanying guidance document, has been in place since March 2004, when it replaced the Sasol business conduct guide of 1993. The guide to the code provides detail on each fundamental principle that should inform the decisions of all employees in the normal course of business. A separate economic crime prevention policy was approved in December 2006.

To ensure implementation of the code, we have appointed ethics officers and champions within each business unit and enterprise function. The code is communicated through town hall meetings led by top management, who seek to set the tone at the top of “zero tolerance to unethical behaviour”. In terms of the code, every line manager is required to implement internal controls and legal compliance processes in their areas of responsibility. Legal advisors and compliance advisors provide assistance, advice and guidance to line managers in order to assist them with the management of legal compliance risks.

During the year, we also commenced a process of engaging our suppliers and service providers on Sasol’s code of ethics. Changes have been made to our contracts to include ethics and code of conduct as a key requirement for doing business with Sasol, and, where required to encourage suppliers to implement their own code of conduct. We plan to extend this to some of our other stakeholders such as the labour unions and

government. A related development this year has been the implementation of a stricter gifts and entertainment policy, in terms of which employees are required to declare all gifts regardless of their value. The ethics office records gifts above a nominal value for the purposes of monitoring and assessing trends.

Fostering accountability through our ethics line

We have an independently managed anonymous reporting facility (Sasol ethics line) that is available for whistle blowing. Over the past year we received an average of 40 ethics-related calls per month; this excludes cases that are reported directly to the group forensic services department. This is a noticeable increase on the number of monthly calls received in previous years. We believe that this is primarily as a result of the strong focus that the issue has received and in particular the increase in the number of ethics officers appointed in business units and in the introduction of ethics forums.

All cases are investigated and a formal process is in place to track, report and close out all calls received. On average 20% of the calls relate to fraud, corruption, theft and abuse of company assets and resources. The remaining 80% includes a range of allegations such as unfair or unethical leadership behaviour (values driven leadership), legal non-compliance, safety transgressions, conflict of interest, victimisation and racism.

These cases are reported on a quarterly basis to the respective business governance committees and the nomination and governance committee. All significant and sensitive matters are reported to the Sasol Limited audit committee and to the risk and SH&E committee, if SH&E matters are involved. Actions taken as a consequence of investigations and enquiries include termination of employment in respect of employees, and cancellation of contracts in the case of suppliers and contractors. We are currently reviewing the feasibility of introducing a fully automated ethics management system to improve the

monitoring, reporting and analysis of trends arising from calls to the ethics line, and to streamline ensuing investigations and follow-up activities.

Embedding our values in the organisation

Implementation of our values is measured through the company’s performance management system, with 20% of each individual’s scorecard being allocated to values-driven behaviour, as assessed through “360°” reviews. In addition, given the recently identified competition law issues, the group executive committee has decided to significantly elevate the weighting that will be given to compliance in incentive schemes. We are also using a “values driven leadership” process called Project Enterprise to further reinforce the general culture and values of the Sasol group. In seeking to promote a culture of ethics within Sasol, an important focus of our activities is on promoting Sasol’s six “levers of influence”: personal insights; fostering understanding and conviction; developing talent and skills; team and system insights; reinforcement with formal mechanisms and role modelling.



Further details on our activities aimed at **promoting a culture of ethics and integrity within Sasol** are provided on our website.
<http://sasolsdr.com>



Further information on our activities aimed at fostering ethical and fair business practice are provided on our website, including the following case studies: **Promoting a culture of ethics in Sasol; Sasol Oil cooperates with Competition Commission in bitumen pricing case and Sasol ranks highly on Covalence Ethical Ranking 2009 for the Oil and Gas sector.**
<http://sasolsdr.com>

Formalising structures and processes to ensure legal compliance

In terms of its charter the Sasol Limited board is responsible for governing legal compliance management processes of the Sasol group. The board is assisted by the nomination and governance committee and by the audit committee with respect to legal compliance matters that may have an impact on the annual consolidated financial statements. Management is accountable to the board for the design, implementation and monitoring of the process of legal compliance risk management and for ensuring the integration of legal compliance risk management into the day-to-day activities of the company. Management is also accountable to the board for providing assurance that it has done so. Recent awareness initiatives have been rolled out to management and subsidiary directors to support a proper understanding of their SH&E legal roles, responsibilities and liabilities.

An important development this year was the establishment of a new sub-committee of the GEC, the group legal compliance committee. The committee is responsible for ensuring that risk-based legal compliance processes, controls and systems are applied consistently in all Sasol businesses and enterprise functions, with the aim of providing reasonable assurance that Sasol complies with applicable laws and that the risk of non-compliance is minimised in an effective and efficient manner across the group. The committee monitors progress with the implementation of legal compliance processes and programmes across the group, approves the steps to be taken to mitigate high-level group legal compliance risks and to address instances of non-compliance, and approves the essential requirements in respect of any necessary internal investigations.

The resources in the legal compliance function have been significantly increased with the appointment of eleven additional compliance and support staff. Essential requirements to which compliance programmes must comply have been developed and approved by the group legal compliance committee and are being implemented to manage all the top group legal compliance risks.

As part of our continuing training and awareness programmes on ethics and governance compliance, we have placed a particular focus this year on ensuring compliance with anti-corruption and competition legislation. In rolling out our competition law policy and guideline, more than 13 000 employees have certified that they have received and read the guideline. In addition, we have provided online and face-to-face training to more than 4 000 employees covering aspects of compliance with the competition law.



GRI – SO2, SO3, SO4



Sasol's company-wide human rights management system will remain a priority to enhance compliance, training and awareness.

Respecting human rights

Due to the nature and location of our activities we recognise that we have a particular responsibility to ensure effective management of human rights risks. Many of our activities are within the extractive sector, which traditionally has high exposure to potential human rights infringements, and several of our current or anticipated investments are joint-venture partnerships with governments in countries that have been classified as "Not Free" in the annual reviews of the international research and advocacy non-governmental organisation (NGO), Freedom House. Furthermore, some of our investments are in a strategic energy commodity that has a significant impact on the local economy. Collectively, these elements highlight the need for us to exercise particular due diligence in our activities to ensure that we respect human rights.

Our human rights policy is currently included as part of the guideline to the code of ethics and has been in place since 2004. Human rights principles are also incorporated in Sasol's labour relations policies, SH&E policies and corporate social responsibility policies. Employees are made aware of these policies and trained in accordance with them.

We endeavour to encourage and facilitate human rights in the countries in which we operate by following a risk-based approach and establishing training and education programmes. We are conscious that as we expand our operations globally, it will be

increasingly important to retain a strong focus on human rights issues. These issues have been highlighted as part of Sasol's issues management process, which is overseen by GEC member and executive director, Ms Nolitha Fakude.

The group ethics team is responsible for ensuring practical compliance with human rights principles and developing a more structured response to human rights. Further plans to roll out a practical and effective company-wide human rights management system and a process to enhance compliance, training and awareness are receiving attention and will remain a significant priority. The Sasol integrated compliance and risk management processes have been designed and developed to address non-compliance behaviours and identify compliance risks.

Human rights issues are being further integrated into compliance and ethics approaches across the company. We are revising our policies to meet new challenges in new countries we consider for expansion. We have assigned ethics champions who will provide a more focused approach to human rights issues and training.

In taking our commitment to human rights forward our focus areas at Sasol will include:

- providing human rights awareness and training programmes for relevant staff members and contractors involved in activities and/or regions where there are particular human rights risk;

- integrating human rights issues more formally in our existing project and country risk assessment processes, as well as in other relevant policies and procedures;
- consulting and communicating more broadly on our human rights risks and response measures; and
- developing appropriate monitoring and assurance mechanisms.

We believe that by implementing these measures our approach will be in line with the "due diligence" processes that are envisaged by the UN Secretary General's Special Representative on Business and Human Rights, Professor John Ruggie, in his review of the nature of the corporate responsibility to respect human rights.



Further details on our human rights activities are provided in our online sustainable development report. This includes links to an independently audited review of our activities relating to resettlement as part of the Mozambique Natural Gas Project. <http://sasolsdr.com>



GRI – HR1 – 9 (see online GRI table for additional details)

embedding a culture of safety

Safety remains a top priority and a core value of everyone at Sasol. Our long-term safety goal is zero harm, and we manage our activities according to a philosophy of "zero exposure to harm".

Tragically eight people died this year as a result of injuries sustained at Sasol (six Sasol employees and two service providers). In addition, there was one service provider fatality at premises leased from Sasol by the service provider and not under the control of Sasol. Fatalities at our facilities are unacceptable and are avoidable. It is our goal that no further fatalities occur. With this in mind each safety incident has been carefully reviewed to identify the underlying root cause and to ensure that appropriate preventive measures are identified and implemented.

Sasol's 2010 fatalities

It is with deep regret that we report that eight people tragically died as a result of injuries sustained at Sasol during this reporting period.

- On 19 September 2009, Johnny Fourie and Deon Olivier, both employees at Sasol Synfuels, were flushing a seal water tank. For an unknown reason, Johnny Fourie climbed into the tank and was overcome by gas. Deon Olivier entered the tank to assist and he too was overcome. Attempts to resuscitate them after extraction failed.*
- On 25 October 2009, Thulani Msibi, a service provider at Sasol Mining was removing a winch sling that was stuck between the sheave wheel and frame, with a roof bolt. The sling released suddenly and the roof bolt came loose and struck the deceased on the abdomen and face resulting in fatal injuries.*
- On 11 January 2010, Hlabathe Hanyane, a shuttle car driver and employee at Sasol Mining was assisting with the suspension of a trailing cable against the roof using a load haul dumper in an underground section. He died of a severe head injury when the load haul dumper bucket was lowered onto him.*
- On 3 February 2010, Simon Tsoetsi an employee at Sasol Synfuels died after falling from a horse used to patrol land in the mining areas. It is suspected that the horse threw the deceased off causing him fatal head injuries when he fell to the ground.*
- On 4 June 2010, Johannes Mohosho, an employee at Sasol Polymers, was replacing a carbon monoxide cylinder on the catalyst deactivation system when he was overcome by gas, collapsed and died.*
- On 15 June 2010, Joseph Selwane, an employee and shuttle car operator at Sasol Mining, Middelbult Colliery, died in an underground roof fall incident.*
- On 23 June 2010, Skerp Mofokeng, a service provider, working for a transport company, attempted to remove a manhole cover from an isotainer which was under pressure. The impact of the release flung Mr Mofokeng from the isotainer and he subsequently died of his injuries.*

“Overall results for the year are a persistent plateau in the group recordable case rate (RCR). The relevant question for all leaders to reflect on is: “What must we do differently to get the further improvement we all strive for?””

Howard Parry: General Manager, Operations Excellence and SH&E

Reaching a plateau in occupational safety performance

The year-on-year improvement in our safety performance that we achieved up to 2008 has not been sustained during 2009 and 2010. Having achieved our earlier group target of a recordable case rate (RCR)¹ of 0,50 by June 2008, we committed ourselves in 2008 to a group target of less than 0,30 by June 2013. The RCR achieved for the group in the 2010 financial year was 0,51 and although still good compared with global benchmarks, the result was only a 5% improvement on the RCR of 0,54 in 2009. Specific interventions have been identified to steepen the improvement trend so our target RCR of below 0,30 is achieved by 2013.

There was an average of five significant process safety incidents reported per month

during the 2010 financial year representing the number of fires, explosions and releases (FERs). Due to the increased focus and awareness placed on process safety during recent years, the reporting of FERs has been more complete. The revised target is to reduce the number of significant FERs to less than three per month by 2013.

There was an increase in the number of significant transport incidents in 2010. Interventions within Sasol and with transport service providers have been implemented to improve transport safety.

In response to stakeholder feedback, and to allow for a more meaningful assessment of our performance across the group, we have included in this sustainable development

Recordable case rate at Sasol business units

	2010			2009		RCR Variance
	Injuries	Illnesses	RCR 12 MMA*	RCR 12 MMA*		
Sasol	438,6 ^{2,3}	54,0	0,51	0,54	5%	
Mining	110,0	45,0	1,19	1,03	(15%)	
Gas	2,0	0,0	0,38	0,83	54%	
Synfuels	91,0	1,0	0,37	0,33	(12%)	
Oil	18,0	0,0	0,53	1,11	52%	
Polymers	21,0	3,0	0,54	0,73	26%	
SPII ^a	8,0	0,0	0,21	0,76	72%	
Solvents	9,0	0,0	0,37	0,49	26%	
Nitro	16,0	0,0	0,44	0,48	9%	
Wax	6,0	2,0	0,34	0,57	40%	
Infrachem	43,0	2,0	0,64	0,76	16%	
O&S	9,0	0,0	0,25	0,36	30%	
Merisol	3,0	0,0	0,58	0,64	9%	
SPI ^b	1,6 ²	0,0	0,08	0,34	75%	
SSI ^c	7,0	0,0	0,31	0,30	(3%)	
Technology	63,0	1,0	0,65	0,44	(47%)	
SGS ^d	2,0	0,0	0,19	0,15	(24%)	
SSSS ^e	28,0	0,0	0,24	0,26	9%	

* MMA = Monthly moving average.

a SPII – Polymers International Investments

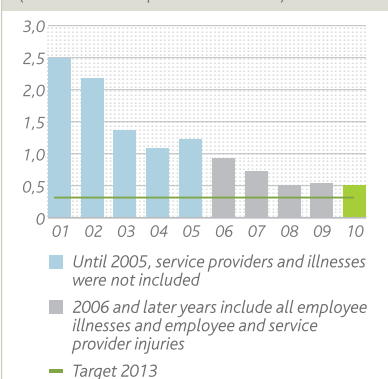
b SPI – Petroleum International

c SSI – Synfuels International

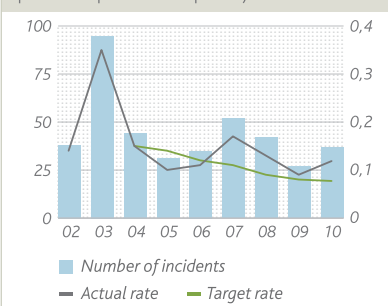
d SGS – Group Services

e SSSS – Secunda Shared Services

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



Transport incident rate (number of incidents per 100 kt product transported)



1 The recordable case rate 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 employees and service providers, and recordable injuries, as well as occupational illnesses for employees.

2 Recordable cases in some joint ventures are reported proportionally to our shareholding.

3 Sasol total includes an injury from ChemCity which is not listed in the table.

GRI – LA7

Reaching a plateau in occupational safety performance continued



Sasol has identified specific interventions to further improve safety performance to achieve the target of an RCR below 0,30 by 2013.

report a review of the safety performance of each of our business units over the past two years. This level of detail is valuable in helping to identify particular areas for improvement and contributes to a more nuanced understanding of our safety performance.

The review of performance across our business units in 2010 includes the following:

- Eleven of our 17 business units achieved our target for 2010 of an RCR less than 0,45.
- Of the remaining six business units that did not achieve the target, five of these

nevertheless achieved an improvement in performance.

- There were two business units that did not reach the target and who experienced an increase in their RCR. Our most significant safety challenge is within Sasol Mining, where there is also a particular prevalence of a legacy of occupational illness. While Sasol Mining's safety performance may be better than the reported safety performance of most South African mining companies (see our benchmark table below), this performance is not to the level that we are seeking and that we believe is possible within the Sasol group.



Our online report includes a more detailed review of our activities aimed at **reducing our transport incidents**.
<http://sasolsdr.com>

Seeking to progress along the safety maturity curve

The recent limited improvement in the group's RCR is indicative of hesitant progress along the safety maturity curve towards a state of interdependence. As was identified in our 2008 and 2009 sustainable development reports, a remaining challenge relates to entrenching a shift in behaviour and attitude towards safety. We believe that this challenge will be addressed as we continue to implement our identified safety improvement interventions, and will be further enabled by the broader group-wide initiatives of values driven leadership, Functional Excellence and Operations Excellence.

Over the past year, there has been particular focus on improving the quality and standardisation of incident investigations to identify the root causes of the incidents. Key safety learnings have been identified and shared across all operational areas. The leadership principles for safety have also been revisited and communicated to ensure improvements are driven with meaning from the top. A severity index to

differentiate all FERs has been developed and implemented to assist with the process safety improvement drive. The SH&E function has also been part of the Functional Excellence journey in Sasol and this has involved reorganisation of the roles and structures within the function. The objective is to improve the efficiency and effectiveness of SH&E enablement in order to improve SH&E performance within the group.

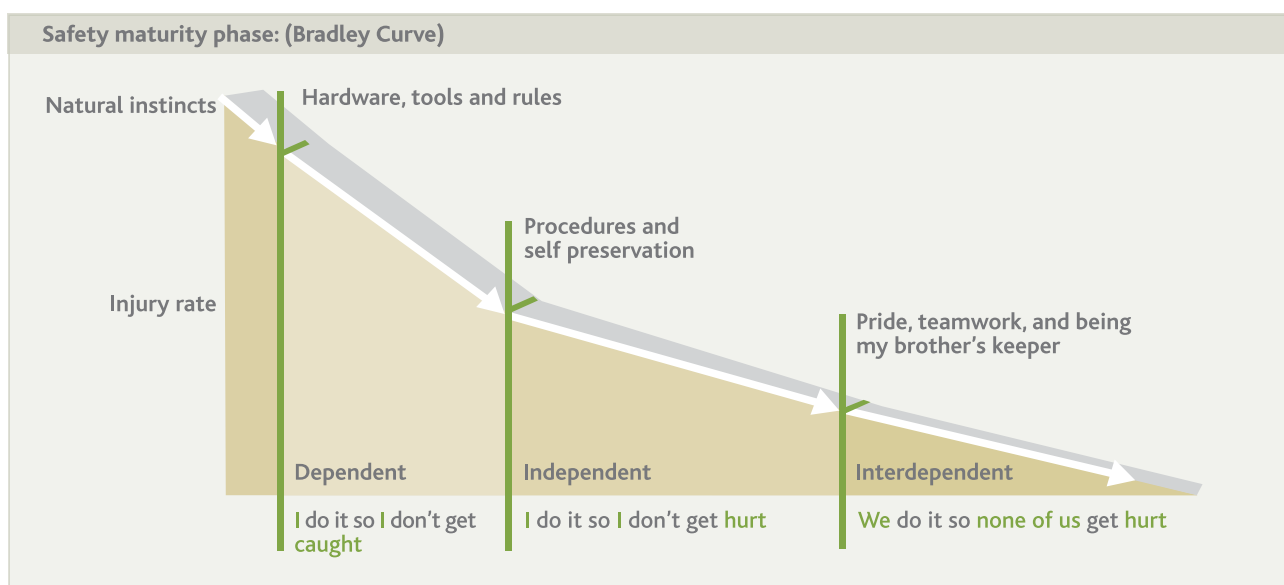
A revised safety improvement plan has been developed and includes the completion and entrenchment of the above programmes. Specific interventions are designed to address the key challenges in certain business units. The plan also includes a group-wide focus on refreshing our safety training and the development of a curriculum targeted particularly at managers.

In striving to foster a culture of safety we recognise the importance of understanding behavioural psychology, particularly in terms of its potential contribution to

preventing the root cause of incidents. Promoting behaviour-based safety remains a priority throughout the group. We have internal behavioural psychologists who play an important role in understanding the psychology behind safety incidents, as well as contributing to learning programmes.



Our online report includes a case study of our **fire, explosion and release severity index (FER-SI)**, along with a review of our activities on **fostering a world-class safety culture at Sasol's Iran operation** and **promoting SH&E practices in our exploration activities in remote areas**.
<http://sasolsdr.com>



www2.dupont.com/DuPont_Sustainable_Solutions/en_US/index.html

Benchmarking our safety performance data

We have once again chosen to benchmark our safety performance against the following companies in the energy, resources and chemicals sectors: AECI, BP Global, Royal Dutch Shell, Dow Chemicals US and Chevron. The data from each company comes from their most recent publicly available sustainable development or annual reports. In addition, to provide broader context, we have included the publicly reported safety performance statistics from various industry sectors in the United States of America.

This data shows that the ambitious targets that we have set ourselves are achievable and would demonstrate safety performance that is in line with the world's best in this industry sector.

Company	RCR – including illness (employees and service providers)		Fatalities		Number of employees	
	2008/2009	2009/2010	2008/2009	2009/2010	2008/2009	2009/2010
Period	2008/2009	2009/2010	2008/2009	2009/2010	2008/2009	2009/2010
US Oil and Gas Extraction ¹	1,40	–	–	–	154 000	–
US Mining (except Oil and Gas) ¹	3,50	–	–	–	22 400	–
AECI (SA) ²	0,89	0,73****	4	–	6 474	6 459
Sasol ^{3▲}	0,54	0,51	4	8	33 544	33 399
Dow Chemicals US ⁴	0,40	0,29	–	–	46 102	52 195
Chevron ⁵	0,36	0,27	5	9	61 675***	59 963

Company	RCR – excluding illness (employees and service providers)		Fatalities		Number of employees	
	2008/2009	2009/2010	2008/2009	2009/2010	2008/2009	2009/2010
Period	2008/2009	2009/2010	2008/2009	2009/2010	2008/2009	2009/2010
Sasol ^{▲▲}	0,49	0,45	4	8	33 544	33 399
BP Global ⁶	0,43	0,34	5	18	92 000	80 300

* Total recordable case frequency (TRCF) measures injuries per million exposure hours (employees and contractors). The figure was divided by five to get a value per 200 000 exposure hours

** Total occupational illness incidence rate (per 200 000 hours or 100 man years)

*** www.chevron.com/annualreport/2008/chevronataglance/operatinghighlights/

**** Figure is recorded as TRIR (Total Recordable Incident Rate)

▲ RCR including illness

▲▲ RCR excluding illness

1 US industry sector data is from Bureau of Labour Statistics, US Dept of Labour www.bls.gov/iif/oshsum.htm

2 www.aeci.co.za/Financial/2009_annual_report/pdf/full.pdf

3 From 1 July 2006 onwards, our RCR includes both employees and service providers, recordable injuries as well as occupational illnesses.

4 www.dow.com/financial/pdfs/161-00479.pdf

5 www.chevron.com/globalissues/corporateresponsibility/2009/documents/Chevron_CR_Report_2009.pdf

6 www.bp.com/assets/bp_internet/globalbp/STAGING/global_assets/e_s_assets/e_s_assets_2009/downloads_pdfs/bp_sustainability_review_2009.pdf

The table below provides benchmarking data for the South African Mining sector.

Mining company	RCR (employees and service providers)*	Lost time injury frequency rate	Fatal case rate**
Period	2009/2010	2009/2010	2009/2010
Anglo	0,88	0,27	0,01
BECSA	0,81	0,29	0,01
Exxaro Coal	1,68	0,31	0,01
Kangra Coal	1,11	0,83	0,06
Sasol Mining	0,84	0,25	0,02
Total Coal	0,59	0,21	0,04
Xstrata	0,57	0,33	–

*The RCR excludes occupational illnesses

**Number of fatalities per 200 000 hours



Sasol's human resources strategy focuses on sourcing core skills, promoting talent and career development and ensuring competitive rewards, while fostering sound employee relations and cultural transformation.

investing in our people

Our human resources strategy

Sasol's human resources strategy focuses on the strategic sourcing of core skills, promoting long-term talent and career development, ensuring competitive rewards, and fostering sound employee relations and cultural transformation so as to enable the group's growth agenda. In line with the objectives of the Functional Excellence programme, the human resources function was restructured with effect from January 2010 and consists of the following human resource global sub-functions: Talent management; learning; rewards; employee relations; diversity and South African transformation; shared services and human resources operations. The functional core is responsible for shaping and safeguarding human resource strategies and policies, which are executed by the human resource teams in the business units and shared services.

At year-end, Sasol had a total of 33 399 employees in our global operations. This comprises of 28 978 employees in our South African companies and 4 421 employees in our international companies. The net employment creation figure indicated a negative growth of 939 for the year (excluding joint ventures).

Our employee turnover rate for the year in our South African operations was 5,05%, comprising 2,17% voluntary turnover and 2,88% involuntary turnover. The employee turnover rate for the year in our international companies was 9,68%, comprising 2,05% voluntary turnover and 7,63% involuntary turnover. The high turnover experienced in the international businesses is due to restructuring that has taken place within those businesses.

Turnover (permanent employees)	Total
Resignation (voluntary)	596
Dismissal	161
Retirement	291
Death	165
Medical Impairment	86
Retrenchment (Medical)	1
Retrenchment (Normal)	86
Sale of business unit	0
Total	1 386



Our online report includes a detailed breakdown of our **total workforce by region and employment type** (permanent and non-permanent), as well as further details on **employee turnover**.
<http://sasolsdr.com>



GRI – LA1, LA2, EC6

Fostering a positive climate of employee relations

As a signatory to the United Nations Global Compact, Sasol upholds the principles of the International Labour Organisation (ILO) and endeavours, at all times, to maintain fair, open and constructive relations with all employees within the legal framework of the countries within which we operate. The core objective of our employee relations strategy focuses on enabling the establishment of values-driven partnerships with organised labour organisations, improving employee engagement and embedding a democratic employee relations culture. To this end, the group partnership forum was launched in 2009 with a view to improving dialogue and relations with all employee representative groups, which include the trade union organisations CEPPWAWU, Solidarity and SACWU.

More than 60% of Sasol employees are members of trade unions and are covered by collective agreements/works council agreements that have been entered into with trade unions within the various jurisdictions in which we operate. Representatives of trade unions are present in our formal joint management-worker health and safety committees, and they also serve on our medical schemes boards and on the boards of retirement funds. A wage negotiation process within our South African operations resulted in one strike exceeding one week duration. During the year, a total of 6 976 employee-days were lost due to industrial action.

 GRI – LA14

Ensuring competitive compensation for our employees

The group's remuneration approach is intended to allow us to remain competitive in global, complex and rapidly evolving industries by contributing to the attraction, retention and motivation of the right calibre of employees. To ensure this competitiveness,

we benchmark our remuneration and benefits extensively using various reputable local and international survey houses. Annual increase budgets are determined in relation to market movements, inflation indicators and company performance. These are then translated to individual increases taking into account the scope and nature of the employee's role, market benchmarks for similar positions and the employee's personal performance and competence in fulfilling the role. Benefits are reviewed annually and are aligned with benefits typically offered by large corporates. Our performance management policy mandates personnel to be part of a predefined performance appraisal process where this is not in conflict with bargaining council negotiation structures.


We have implemented various performance-related incentive schemes to provide links between performance and pay. While the specifics differ between business units and geographical locations, financial performance, compliance and safety performance are as a minimum included in every employee's incentive contract. We also have corporate indicators related to environmental factors. The targets and design principles for incentive schemes are reviewed annually and group targets and design principles are approved by the remuneration committee.

The short-term, medium-term and long-term incentive schemes collectively form part of eligible employees' variable remuneration. The proportion of such variable remuneration to fixed remuneration would vary per employee level and the geographical location to ensure external competitiveness. The quantum of units granted under the medium-term and long-term incentive schemes may increase as a result of individual performance. As individual performance also plays a role in determining fixed remuneration in most of our international jurisdictions, the proportion of fixed to variable pay actually paid out would vary on an individual basis.

Supporting retired and retrenched employees

A formal process exists within the organisation where from the age of 50 onwards, structured sessions are held with intended retirees, in order to prepare them for retirement. We see retrenchment from the organisation as a last resort, with alternate positions always being sought first within the organisation. Should options of redeployment be found with retraining required, training is offered to the affected employees to better prepare them to manage their new role. Severance pay is offered to affected employees, calculated on completed years of continuous service. Any retrenchment process within the company is dealt with sensitively, including providing the necessary assistance with regards to training, counselling and financial management.

Sasol supports its employees during times of restructuring and retrenchment by implementing specific interventions. These interventions will range from workshops aimed at empowering managers and employees to deal with the process and to provide onsite counselling to assist employees to work through the challenges posed by the redundancy process. These workshops enable employees to build self-confidence, become motivated, remain productive, clearly examine options available, and make informed decisions about the future.

 Further details on **employees' performance and career development reviews** are provided in our online report.
<http://sasolsdr.com>

 See our case studies on **avoiding retrenchments at Sasol Nitro's Phalaborwa plant** and on being recognised for our **"family-friendly" human resource management practices**.
<http://sasolsdr.com>

Enhancing workforce diversity

To realise our growth strategy locally and internationally, we recognise the value in having a skilled workforce that sufficiently reflects the demographic profile – in terms of culture, race and gender – of the economically active population of the regions within which we operate.

Our recently established centre of expertise for global diversity, coupled with our approach towards promoting workforce diversity in terms of South Africa's transformation drive, illustrates that we believe that diversity extends beyond only ensuring that Sasol has the right mix of ethnic representation. By incorporating inputs from the organisation and interweaving these with other culture change interventions, our global diversity approach strives to increase employee engagement and to achieve broader cultural transformation.

Our management approach

With a renewed focus on managing diversity as a cornerstone for embracing and celebrating diversity on a global scale, our global diversity journey will focus on promoting personal growth by focusing on developing emotional intelligence, people management practices, relationship building, leadership development and teamwork. We believe that increased competencies in self-awareness and an increased desire to learn about other cultures will build the required capacity to deal with culture

change within the organisation and help to build successful relationships with our international partners.

We have set up diversity forums in our various business units. These forums – which are chaired by the business unit managing directors and attended by business unit leadership, unions and employee representatives – constantly strive to create co-ownership of the achievement of our diversity aspirations. As part of Project Enterprise, we also run personal insight workshops to ensure that individuals understand the impact of their behaviour on others.

Recent developments and key achievements

Over the past year, we have made significant progress in terms of our disability management practices. In March 2009, a disability equity awareness campaign was launched within all of our South African operations. The aim of this campaign was to inform employees of their rights as members of the designated group and to encourage employees to voluntarily declare their disabilities. A process of medical verification of declared disabilities was also established, which afforded employees the opportunity to apply for reasonable accommodation if required. Medical verification is now an ongoing process within the South African operations.

Key performance indicators (KPIs) have been defined for the period up to 2012, reflecting our effort to achieve more than only compliance. These KPIs are measured by assessing performance against quantitative numerical goals, as well as through qualitative means such as organisational climate surveys. The existence of diversity managers and "culture ambassadors" in our business units has ensured that challenges and potentially limiting values highlighted in our Barrett survey results are addressed by the specific business functions either through team coaching or dialogue sessions. In addition to the continuous drive towards achieving these KPIs, Sasol has also developed a global diversity policy and framework, an employment equity procedure for our South African operations, a policy on handling sexual harassment as well as guidelines for women advancement.

Going forward we will be placing considerable effort in accelerating our diversity agenda. The continuous integration of diversity into our existing skills and leadership development programmes and talent management processes will facilitate the mobility of high performers and high potential employees into the various talent pipeline levels. This will also contribute towards the institutionalisation and internalisation of an inclusive culture.

 GRI – LA13

A summary of our progress in promoting employment equity in our South African operations, as required in terms of Section 22 of the Employment Equity Act (55 of 1998), is provided in the following table.

	Males				Females				Foreign nationals		Total
	African	Coloured	Indian	White	African	Coloured	Indian	White	Male	Female	
Top management	9	–	2	71	2	1	1	4	1	–	91
Senior management	31	9	23	205	4	2	6	25	9	1	315
Middle management	851	93	367	2 417	250	43	210	763	123	22	5 139
Junior management	3 595	255	350	4 382	737	136	172	1 468	81	28	11 204
Semi-skilled	6 976	73	82	1 124	884	48	43	613	341	4	10 188
Defined decision-making	1 288	12	1	167	395	6	–	15	37	–	1 921
Total permanent	12 750	442	825	8 366	2 272	236	432	2 888	592	55	28 858
Temporary employees	74	2	5	12	18	–	1	7	1	–	120
Grand total	12 824	444	830	8 378	2 290	236	433	2 895	593	55	28 978



An example of our approach to promoting localisation is provided in the case study in our online report on **promoting diversity in Qatar**.
<http://sasolsdr.com>

Promoting the wellbeing of our employees

The vision of Sasol's wellness programme is 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. We have developed a wellness strategy that seeks to: enhance individual productivity by contributing positively to work-life balance; proactively manage and reduce health risks by providing access to quality healthcare; and educate, inform and empower employees to take responsibility for their health and wellbeing.

Our employee assistance programme (EAP) focuses on the psychosocial health of our employees and their dependants. The programme utilisation has increased from 18,2% in 2009 to 18,8% of our employees for 2010. The provision of face-to-face solution-focused counselling is well utilised, reflecting both the employees' needs as well as their confidence in the EAP services. Since May 2009, we have been implementing an employee wellness scorecard for most business units in South Africa. We have also embarked on a programme to integrate occupational health data with other areas pertaining to healthcare and wellness to ensure that we have a holistic view of the health risks profile of our employees.

Reducing and managing the incidence of HIV/Aids in the workplace

Our integrated Sasol HIV/Aids Response Programme (SHARP), now in its sixth year, focuses on identifying and providing support services to HIV-infected employees and their families, as well as on preventing new infections through awareness, education, access to testing, counselling and treatment. The programme is driven at business unit level and evolves continually to ensure that it is aligned to international best practice efforts to drive prevention, care, treatment, support and eradicating discrimination.

An initial testing drive was conducted throughout our South African operations between 2002 and 2005. This found an incidence rate of 7,1% based on an 82% uptake of testing. In the period since 2006, business units have been focusing primarily on ensuring access to testing. This is undertaken by increasing awareness of testing through awareness programmes and by encouraging testing through community and medical aid resources, as well as by offering voluntary counselling and testing (VCT) at wellness days and at our occupational health clinics.

The Sasol HIV/Aids policy commits to providing access to anti-retroviral therapy.


Early diagnosis and wellness is a key element of SHARP. Employees access comprehensive healthcare and HIV/Aids treatment through medical aid schemes. Sasol currently runs a workplace-based treatment programme at Sasol Mining Medical Centre in Sasolburg for uninsured employees. Anti-retroviral therapy is also available through the public healthcare facilities in each community. Details on the utilisation of these initiatives are provided below.


Our testing and treatment initiatives are supported by a comprehensive communications programme relating to the goals of prevention, support and care. Capacity building for the implementation and integration of the programme within all businesses has been conducted by accredited coordinator training. Training of peer educators and of HIV/Aids coordinators has been successfully provided across the group, ensuring proper representation of SHARP at each level within businesses. Employees have access to information, support and referral resources on the intranet and through printed media. Awareness sessions are held during induction training, safety briefing sessions and wellness days. This year, Sasol acted on the set objectives of its communications strategy, which included

Treatment programme	Registration on wellness programme		Patients on HAART*	
	2009	2010	2009	2010
Aid for Aids – Sasolmed	749	1 641	627	1 295
Thebemed	409	148	342	104
Sasol Mining Medical Centre	96	8	35	29

*HAART – Highly Active Anti-retroviral Therapy

	Employees	Contractors	Total
Number tested	691	39	730
Thebemed	221	1	222

 Further details on our HIV/Aids awareness programme are provided in the case study in our online report: **SHARP launches year-long campaign.**
<http://sasolsdr.com>

 **GRI – LAB**

Getting help counselling and treatment for HIV/Aids



As a Sasol employee you and your beneficiaries have access to **confidential treatment, support** and counselling programmes through your medical aid scheme. Contact them to join or to find out more:

Aid for AIDS (part of Sasolmed) **0860 100 646** or SMS (call me) **083 470 9078**
ThebeMed (independent medical aid scheme) **0861 843 226**

Sasol employees can also get information and confidential counselling 24 hours a day from:

Sasol Employee Wellness Programme **0800 172 765**

Community resources that provide information and counselling:

Aids Helpline **0800 012 322**
HIV 911 **0860 448 911**

You can **win great prizes every month** by joining the "I am part of the solution" campaign.

To join, SMS "ACCEPT" with your name and surname to 32809
 Each SMS costs R1.00 (South Africa). No free SMSs.
 International entry: email "ACCEPT" to sharp@sasol.com.



Sasol HIV/AIDS Response Programme

embarking on a longer-term sustained campaign to ensure a more visible and interactive effort. The campaign's theme "I am part of the solution" was based on the international World Aids Day 2009 theme "I am". Launched in December 2009, it will continue through to September 2010. A campaign communications toolkit was developed to assist business units that are responsible for driving and supporting the campaign.

Our partnership with South African Business Coalition on HIV/Aids (SABCOHA) has seen the launch of the HIV/Aids supply chain development programme within Sasol. The programme targets the small to medium enterprises sector and offers workplace programme capacity building, voluntary counselling and testing, pre-treatment care and support, and treatment. This year, seven suppliers have benefited from the range of training offered on this programme.

In Mozambique, Sasol Petroleum International has contracted Careworks Mozambique to implement a three-year workplace HIV/Aids programme at its sites in Temane, Maputo and Matola. A risk assessment has been undertaken in Temane. The programme includes a workplace peer education programme, as well as awareness to action training, counselling and testing, and patient management.

Maintaining high levels of occupational health

We have a decentralised approach towards occupational health management, with responsibilities for occupational health management located on the main sites where we operate. Our occupational health services – which are provided both to employees and service providers – includes baseline analysis, ongoing monitoring and management of illnesses, the adoption of preventative measures, the development of rehabilitation and return-to-work programmes, and the management of compensation claims and payments for disabilities in accordance with legislative requirements.

We offer pre-employment health assessments to ensure that employees and service providers are not placed in positions that will negatively impact their health and we undertake medical surveillance on all risk-exposed workers. Injuries on duty are diagnosed, treated and monitored until they have healed. We undertake exit examinations on persons leaving the company and maintain the medical records for 40 years after their departure. Our occupational health management throughout the group is resourced by 110 health professionals. In addition, we maintain relations with external bodies such as the Chamber of Mines, Sasolmed board of trustees, the

Sasol Pension Fund board of trustees, disability committee, community-driven projects, tertiary institutions and medical specialists and facilities to address occupational health issues.

The majority of business units in Sasol have attained OHSAS 18001 certification. The corporate SH&E centre collates the occupational health statistics from the business units, which are reported quarterly to the GEC and SH&E governance meetings, including the risk and SH&E sub-committee. Recorded illnesses are included in the recordable case rate (RCR) statistics and hence our targets we set ourselves for safety are influenced by our worker health performance. About 11% of the RCR is presently attributable to illnesses (see page 31).

During 2010, the most significant work-related illness was noise-induced hearing loss (NIHL), with 28 reported cases; this compares with 13 cases in 2009 and 18 in 2008, and represents 52% of total illness reported cases in 2010. Another 33% of cases are lung ailments, such as asbestosis, mesothelioma and pneumoconiosis, but excluding tuberculosis (TB). TB at 12% is by and large not work-related, but is reportable to authorities for mineworkers. HIV/Aids increases the risk of contracting TB and 90% of our TB cases are HIV/Aids-related.



Reducing greenhouse gas emissions forms an important part of new projects and influences final investment decisions.

reducing our environmental footprint

Responding to the climate change challenge

By its nature the coal-to-liquids process upon which Sasol's success has been built is a significant contributor of greenhouse gases. We are fully aware of the desire of policy-makers around the world to encourage a shift to a low-carbon future, and we understand the immense pressure that we will be facing to adapt to this future. We also recognise, however, that we need to maintain a strong balance sheet to survive the current financial situation and to address other pressing socioeconomic and environmental concerns. The challenge of balancing immediate energy security needs with the desire to move to a low-carbon future is profound. We are committed to using our proven skills – particularly in technology innovation and commercialisation – to contribute to finding solutions to this challenge.

Ambitious targets guide our strategic response

We have developed a comprehensive climate change response strategy and have adopted ambitious emission reduction targets. Accountability for the strategy rests with the group executive SH&E committee chaired by the chief executive, while execution of the strategy lies with the various business units. During the year, additional governance structures have

been developed to address greenhouse gas challenges facing the group. The greenhouse gas management committee have met every quarter for the past three years to discuss strategic greenhouse gas issues. The members are also mandated to take decisions on behalf of the group.

A carbon credit management committee has been operational since 2008 that functions as a sub-committee of the greenhouse gas management committee and governs the group carbon portfolio. A climate change task team has recently been constituted by the group executive committee to assess, evaluate and make recommendations on pressing climate change-related matters.

Reducing GHG emissions forms part of the risk profile of all new projects exceeding R150 million and thus influences the final investment decision on these major projects. A carbon calculator has been in use for two years to assess the GHG footprint of all new projects to enable project teams to assess the cost of carbon, with the aim of factoring this cost into the overall project cost. The calculator was recently updated to not only use current carbon prices associated with clean development mechanism (CDM) certified emission reductions (CERs) and the emissions trading system (ETS), but also to test the sensitivity of projects against higher carbon prices in the future.

“We recognise that without achieving substantial reductions in greenhouse gas emissions, our coal-to-liquids (CTL) technology, as well as other key elements of our longer-term growth plans, are unlikely to be socially, financially or environmentally acceptable in the medium to long term.” *Pat Davies*



Additional information on the approaches we are taking to meet our GHG reduction targets is provided in our online sustainable development report, along with a Q&A on climate change with Sasol's corporate environmental manager, and a comprehensive review of the **potential risks and opportunities of climate change** for our business.
<http://sasolsdr.com>



GRI – EC2, EN5, EN6, EN7, EN17, EN18

In December 2008, the GEC approved a revised GHG policy and environmental roadmap for the next decade, and also agreed to a new set of GHG targets. In terms of these targets, we have committed to reducing the GHG emissions intensity of all our operations by 15% by 2020 on a 2005 baseline, and to reducing our absolute GHG emissions by 20% for all new CTL plants commissioned before 2020, and by 30% for plants commissioned before 2030 (with the average 2005 CTL design as the baseline).

We will strive to meet these targets in many ways, including by:

- promoting energy efficiency measures in our existing plants and processes;
- developing and implementing new energy and carbon-efficient technologies and processes, primarily through the recently established Sasol New Energy;
- investigating opportunities for carbon capture and storage as part of the planned international expansion of our CTL interests;
- actively pursuing mitigation-related financial instruments such as the CDM;
- working with governments and other stakeholders in the countries where we operate to achieve optimum GHG management solutions; and
- engaging our employees on climate change.

As part of the process of annual monitoring and tracking performance against our targets we forecast our emissions to 2050. We will be reviewing our long-term absolute GHG emission ambitions on a regular basis, taking note of developments in the global climate change policy arena, as well as technological advances relating

to renewable energy and carbon capture and storage. Progress in meeting our targets is monitored and reported internally on a quarterly basis, both through written board submissions and face-to-face meetings of the Sasol group executive SH&E committee. Performance against these targets and our related energy efficiency commitments form part of a broader suite of environmental performance measures by which personal performance is assessed, annual salary adjustments are made and specific incentive bonuses are based on. The weightings of these different components vary and are dependent on the level of influence of each individual.

We have been reporting externally on our GHG emissions since 1996 through our integrated annual reports and, more recently, through our participation in the Carbon Disclosure Project. We place our GHG emissions figures in context by comparing our performance with that of our peers, as well as with the overall South African emission levels (table on page 43).

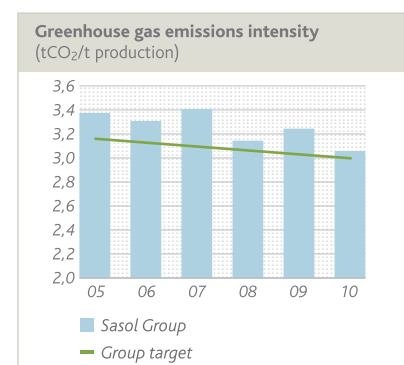
Achieving improvements in our GHG emissions intensity

Our absolute emissions of greenhouse gases globally (measured in CO₂ equivalent), have increased from 71,5 million tons (Mt) in 2009 to 75,0 Mt in 2010. This figure has been determined using the greenhouse gas reporting protocol of the World Business Council for Sustainable Development and the World Resources Institute. This figure includes the direct emissions associated with our processes, including emissions arising from our own tanker fleets (Scope 1 emissions), the indirect emissions associated with our electricity imports (Scope 2), as well as the emissions associated with the

transportation of goods and services to and from most of our operations (partial Scope 3). For joint venture projects over which we have operational control, we have included 100% of the GHG emissions, even though we may only have part ownership of the joint-venture. Our direct and indirect emissions levels have been independently verified by an external assurance provider.

The increase in emissions this year was accompanied by a significant increase in production levels, at Sasol Synfuels, Sasol Polymers and Sasol Synfuels International. Our emissions intensity for 2010 (measured as carbon dioxide equivalent per ton of production) was 3,05; this compares with 3,24 in 2009 and 3,02 in 2008. The improvement in our GHG intensity is primarily due to the increased production this year at our Oryx GTL operation, which has a lower carbon-intensity. We anticipate further emissions-intensity improvements following the commissioning of the Secunda gas turbine project from June 2010.

Quantitative data on the GHG emissions at each of Sasol's separate business units is provided in our integrated annual review. A high-level summary of these emissions is provided in the table below.



Sasol GHG emissions

Country	Scope 1 emissions (kilotons CO ₂ e)		Scope 2 emissions (kilotons CO ₂ e)	
	2009	2010	2009	2010
South Africa	60 046	61 173	9 409	9 690
Germany	512	538	142	136
USA	673	854	155	236
Others (Oryx GTL included 2010)	536	1 596	34	753
Total Sasol	61 768	64 161	9 739	10 815

 GRI – EN16

Sasol New Energy: building on a history of innovation

Building on our competencies as an innovative technology company that can commercialise technologies at scale, the recently established Sasol New Energy forms part of our commitment to prepare for a low-carbon economy. Sasol New Energy is tasked with identifying options for differentiating from the current fossil fuel-based energy mix, with the principal alternatives being renewable and low-carbon electricity.

Over the short to medium term Sasol New Energy will be focusing on four broad sets of activities:

- **Energy efficiency:** This will involve coordinating the energy efficiency drive across the group to meet our energy targets, as well to optimise the designs in future projects.
- **Renewable energy:** We believe that there are significant potential commercial opportunities associated with renewable energy, which currently represents a very small fraction of total global energy use. We are thus looking to upscale and possibly improve existing renewable energy technologies, with a focus on solar-photovoltaic (PV) and concentrated solar power (CSP), wind, biofuels and biomass, including the possibility to use algae to sequester CO₂. Following a series of preliminary investigations we will soon be undertaking detailed technical feasibility studies of some of these options. We have taken a 40% stake in a start-up PV company in South Africa (Thin Film Solar Technology) and have provided a grant to Stellenbosch University, South Africa, for further research into CSP. Achieving these opportunities, however, will require greater clarity on the South African regulatory environment relating to renewable energy. While we view the publication of feed-in tariffs as a useful step forward in encouraging

renewable energy development and use in South Africa, we believe that further policy developments are needed in this area.

- **Low-carbon and nuclear electricity:** We are currently evaluating opportunities for converting natural gas to electricity in Mozambique and South Africa, and are evaluating the potential for other large scale projects, such as hydroelectricity in neighbouring countries as well as conventional nuclear opportunities.
- **Carbon capture and storage (CCS):** Sasol has an ambition of becoming a world leader in CCS, and has also committed to not investing in future CTL or other coal-based plants without clear mitigation solutions being available. We have signed a memorandum of understanding with Gassnova SF, a Norwegian state-owned enterprise responsible for managing CCS, which will allow us to explore the possibility of becoming a participant in the Technology Centre, Mongstad, which is currently under construction in Norway. We are also co-sponsoring the development of a South African CO₂ geological storage atlas, and are a founding member of the South African Centre for CCS.

In the longer-term, the Sasol New Energy will seek to reposition Sasol as an "energy for mobility" business in a potential carbon-constrained world. This will involve identifying and responding to the potential opportunities associated with the development of more carbon-efficient fuels for the energy needs of passenger and heavy road vehicles, and rail, aviation and marine transport. We look forward to collaborating with other parties to ensure that Sasol can play a valuable role in addressing some of the significant challenges that we all face in terms of ensuring energy security in a low-carbon economy.



Our online sustainable development report includes a case study on the possibility of **using algae as a potential alternative energy source**. It also reviews the activities of the recently launched **Sasol Fuels Application Centre** in Cape Town.
<http://sasolsdr.com>

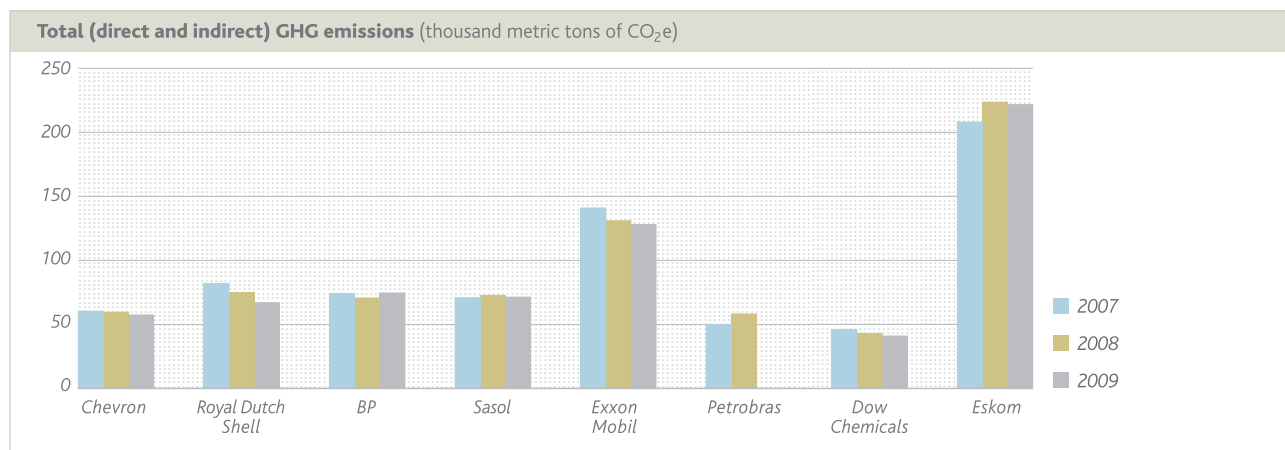


In 2010, Sasol commissioned two gas turbines using natural gas from Mozambique. Replacing coal-based electricity with that produced from natural gas allows the group to reduce its carbon dioxide emissions.

Understanding Sasol's greenhouse gas emissions

To assist in understanding our level of GHG, we have once again benchmarked our emissions with some of our peers in the integrated oil and gas cluster. The aim of this benchmark is to provide a general indication – at a very broad level only – of how Sasol compares with other large companies, with the aim of making our emissions data more meaningful. In reviewing these figures, it is important to appreciate that the size, products, processes, equipment and regulatory reporting requirements in each of these companies may differ significantly.

The data provided below should not be used as a basis for making direct company-to-company comparisons, but rather is intended as a general comparison. While Sasol's products and processes are in many respects unique, we have chosen to assess our performance against oil and gas companies, chemical companies and the electricity provider in South Africa, Eskom. The data quoted below comes from the most recent public reports of the Carbon Disclosure Project (www.cdproject.net).



Seeing our emissions in the South African context

In addition to understanding our GHG emissions compared with our peers, we also need to consider our emissions in the context of our contribution to overall carbon dioxide emissions in South Africa. The latest estimate of South Africa's emissions data suggests total emissions of around 500 million tons of carbon dioxide equivalent.

Studies of GHG emissions in South Africa highlight the predominant contribution of the energy and fossil fuel combustion sector, with Eskom and Sasol being among the most significant contributors. Eskom's publicly reported calculated emissions of carbon dioxide for the year ending March 2010, is 224,7 Mt (Eskom 2010 annual report). For the year ended 30 June 2010, Sasol's direct carbon dioxide equivalent emissions for our South African operations amounted

to 61,1 Mt. Including our indirect emissions (ie, the additional emissions associated with our usage of Eskom electricity) our total emissions in South Africa amounted to 70,8 Mt.

Most of our emissions come from our Secunda complex, which produces approximately 160 000 barrels of oil equivalent products per day and provides steam, electricity, water and effluent treatment for the petrochemicals businesses there. An important benefit of a centralised complex such as Secunda, and the nature of the technology is that it provides an opportunity to supply large volumes of concentrated CO₂ to potential downstream storage opportunities: the emissions are concentrated (thus facilitating capture), and there are economies of scale that justify investment in CCS in the future. The South African Carbon Storage Atlas was officially launched on 17 September 2010.



Water management strategies have been developed for all of Sasol's operations to address long-term water risks.


Addressing the challenge of water security

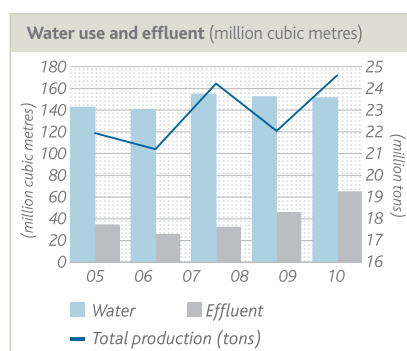
Ensuring access to a reliable supply of water is a critical strategic priority for Sasol. We currently operate facilities or are planning projects in regions – such as South Africa, Qatar, China, India and Uzbekistan – where there are various site-specific challenges relating to the supply, quality and reliability of water resources available for use. Water management has thus been identified as a material issue in terms of Sasol's governance matrix. A dedicated sustainable water function has been established within Sasol New Energy to respond to these challenges.

During a stakeholder dialogue that we undertook last year as part of our 2009 sustainability reporting process, Professor Mike Muller from the University of Witwatersrand South Africa, and now a part-time member of the Planning Commission of the South African Government, expressed the view that Sasol receives "priority access" to water. He emphasised that this in turn places a greater burden on Sasol to consider existing and new water users since the possibility exists that we could be crowding out the opportunity of others. He also highlighted the water impacts of coal mining and challenged us to ensure that our supply chain partners "do not aggravate

what is already a serious problem". While most of our water use is embedded in our direct operations rather than in our supply chain, modern water accounting tools are encouraging us to look beyond our direct operations. This we are doing even though this embedded water is relatively small compared to our direct water use.

The framework for assessing our response to the water challenge is provided by the United Nations Global Compact CEO Water Mandate, a public-private initiative launched in July 2007 to assist companies in the development, implementation and disclosure of water sustainability policies and practices. Sasol is a signatory to this initiative, which covers the following six areas: direct operations; supply chain and watershed management; collective action; public policy; community engagement; and transparency. Following is a review of our performance and activities in terms of each of these CEO Water Mandate areas. Additional information on specific issues identified below is provided in our more detailed online report.

 GRI – EN8, EN9, EN10, EN21



Additional information on initiatives aimed at reducing our water footprint is provided in our online report. Recognising that the water impacts of the South African mining sector have come under particular scrutiny this year, we have included a case study on **ensuring sound water management at Sasol Mining**. We also review in more detail our activities aimed at **advancing technology responses to managing water and effluents**, and we include a case study on our **environmentally friendly water use choice at Sasol Temane, Mozambique**. <http://sasolsdr.com>

Reducing our footprint in our direct operations

Sasol's refining and chemical manufacturing processes require significant volumes of water, primarily to regulate temperatures and generate steam. The nature of water demand by our operations varies widely depending largely on feedstock, technology choice and the age of the facility. Our GTL operations, for example, have a much smaller water footprint than our CTL plants, which have larger cooling requirements. Both these processes generate useful quantities of process water that can be beneficially re-used. The design of new CTL facilities is continually being optimised to reduce water demand; intensities of less than 8 m³ water per ton of product have been achieved by maximising water re-use and recycling, and by using air cooling technology. This compares with the approximately 12 m³ water per ton product currently required for our Sasol Synfuels CTL plant. Various technological advancements in effluent recycling, cooling, pre-treatment of water for steam generation and solids handling have also paved the way for significantly improved effluent management designs.

Water management strategies have been developed for all of Sasol's relevant operations to address long-term water risks. While our engagement with the South African Department of Water Affairs (DWA) remains good, we nevertheless face some significant challenges in shortening the delays associated with the consideration of water-use licences. Ensuring adherence to existing licence conditions has formed an important part of our renewed compliance drive outlined elsewhere in this report (Promoting ethics and ensuring compliance).

Our total water demand for 2010 was 151,3 Mm³; this compares with an annual water demand of 152 Mm³ in 2009 and 154 Mm³ in 2008. Our total quantity of water recycled for the 2010 financial year was 139,3 Mm³; this compares with 130,5 Mm³ in 2009. Quantitative data on the water usage and effluent levels at each of Sasol's separate business units is provided in our integrated annual review.

Promoting effective catchment management

Given the importance of water as an input to our processes, and the fact that some of our operations are significant (current or potential) water users in water-stressed areas, we recognise the benefits in playing a meaningful role in supporting water resource management in the catchments within which we operate. Approximately 80% of our total water requirements comes from the Vaal River system in South Africa. Our demand represents about 4% of the total off-take from this system, which supports the populous and economically important inland region of Gauteng and surrounding areas.

Following a water supply shortfall that was identified in this area in 2004, the R2,7 billion Vaal River Eastern Sub-system (VRESAP) pipeline project, in which Sasol has a 40% share, was commissioned to provide an additional reliable supply of water from the Vaal Dam to our Secunda operation and for use by the electricity utility, Eskom. This year, VRESAP was declared operational by the Department of Water Affairs, even though the project is not yet entirely completed. Although recent good rains in the region have boosted water supplies, the longer-term sustainability of the Vaal system is being compromised by the imbalance between projected growing demand and the system's

supply capability. While the likely impacts of climate change have been considered, they have not been fully accounted for in the water resource planning process, nor has the ecological reserve (water that must be left in the system) been provided for. Both these issues are still being studied. Key interventions to rebalance the system include a new storage dam in Lesotho, improved licensing and enforcement of water use laws and a greater focus on water conservation and demand management measures.

Although Sasol's water use from this system is allocated at a 99,5% supply assurance, we recognise the strategic and reputational importance in collaborating with other major water users to ensure effective water conservation and demand management initiatives. As outlined below, Sasol participates actively in a number of initiatives aimed at contributing to the longer-term sustainability of water supply.

In terms of our anticipated water-intensive developments in other regions, we have conducted water availability studies for several of our proposed developments elsewhere, most notably as part of the CTL feasibility studies for China, India and for Project Mafutha in Limpopo Province in South Africa. The most feasible water supply for Project Mafutha is treated effluent from the Gauteng region, transferred by pipeline from the Crocodile River to the Lephalale area. This will not affect existing allocations from the Vaal River system.

Taking collective action

Sasol recognises the benefits in collective efforts – across sectors and stakeholder groups – in addressing the water challenge. Key engagements that we have undertaken this year include:

- taking part in various activities of the UN Global Compact CEO Water Mandate, participating in the 2008 and 2009 Stockholm World Water Week and providing inputs to the business case for the recently established alliance for water stewardship (AWS), a consortium of water interest groups;
- contributing to the South African Department of Water Affairs Water Sector Leadership Group (WSLG), a high-level interface between government and key water users;
- participating in various catchment-level initiatives, including the DWA's recently established strategy steering committee for the Vaal River system, and the Lephalale sub-catchment forum meeting;
- collaborating with South African business organisations (BUSA and CAIA) on the national water resource strategy under revision, water law reform initiatives and the Water for growth and development framework;
- contributing to a South African study on water conservation aimed at developing a national water conservation accord; and
- collaborating with various major water users and water use sectors on water conservation and demand management initiatives; recognising that the agricultural sector uses approximately 70% of fresh water resources globally, with a similar trend in South Africa, we are currently evaluating opportunities to engage more actively with this sector in an effort to improve water use efficiency of irrigation farming.

Participating in public policy development

An important focus of several of the engagements outlined above is to contribute to the development of effective governance structures and policy initiatives that provide the right incentives for water efficiency, quality and allocation. We are represented on the DWA Water Sector Leadership Group as well as the DWA Vaal River Strategy Steering Committee, both of which provide a high-level platform for engagement between the water sector and the South African government. We have also contributed to the DWA's Water for Growth and Development Framework document and the National Water Resource Strategy. Regrettably both of these policy initiatives have been delayed. At an international level, we have been involved in drafting the UN Global Compact CEO Water Mandate guide for responsible business engagement with water policy.

Engaging the community

There is a recognised and increasing concern that many of South Africa's local municipalities are experiencing difficulties with the operation and maintenance of potable water and sewage treatment plants. Various opportunities have been identified to assist municipalities where Sasol operations are located to reduce water risks. We have recently concluded a memorandum of understanding between Sasol Synfuels and the Govan Mbeki Municipality in Secunda on a joint water conservation initiative in the municipal area. We are also evaluating similar

opportunities in the Vaal Triangle area in the south of Gauteng. We will report on the progress that we make in these community engagement initiatives on water risks in our 2011 sustainable development report. Sasol Infracem in Sasolburg participated in a comprehensive water quality awareness campaign during national water day whereby school learners were exposed to hands-on water testing in order to understand the basics of water quality testing.

Fostering transparency

In addition to our usual annual reporting on Sasol's water stewardship efforts that we provide in our annual sustainable development report, and our communication on progress in terms of the CEO Water Mandate, this year we also participated voluntarily in the Carbon Disclosure Project's new water disclosure programme. A publicly available report of the outcome of this initiative will be made available in the 2010 calendar year.

Concluding remarks – water is a local issue applicable to all operations

While water remains a pressing global issue, its availability, management and impacts are addressed on a local or regional watershed (catchment) scale. The communication on progress on water presented above is largely South African focused. Future reporting will focus on providing a greater context to the broad contributions Sasol is making in all the regions within which we operate. Water is managed to the same degree of rigour in all our operations across the globe.



Sasol has started implementing a number of interventions aimed at reducing emissions and associated risks of volatile organic compounds.

Minimising our atmospheric pollutants

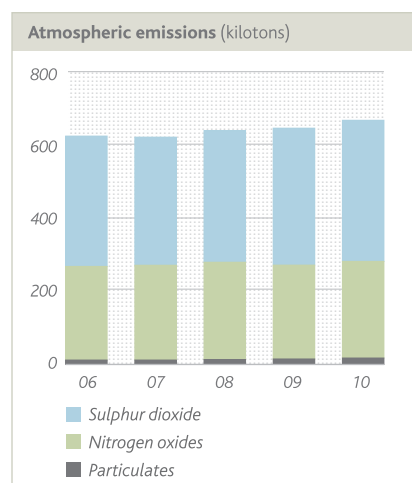
The majority of our atmospheric emissions come from our two largest facilities in South Africa, Sasolburg and Secunda. The recently promulgated National Environmental Management: Air Quality Act has set ambient air quality and minimum point source emission standards for all major industry sectors. The act also makes provision for the declaration of priority areas as well as the revision of current air permit requirements with the aim to align current permits with new point source emission standards. Our Sasolburg and Secunda facilities are both situated in designated priority areas thereby necessitating the need for implementation of atmospheric emission improvement plans from industries residing within these areas. The Vaal Triangle Priority Area Air Quality Improvement Plan (where the Sasolburg plant is situated) has been finalised and implemented. The Highveld Priority Area Air Quality Improvement Plan (where our Secunda operations are situated) is still being developed and we are providing input by participating in stakeholder meetings.

The minimum point source emission standards impose different standards for new and existing facilities to be complied with from 1 April 2010. New facilities must comply with the standards immediately. Existing facilities have five years within which to comply with standards imposed for existing facilities and must comply with the standards imposed for new facilities within ten years. Significant investments will be required, and a variety of opportunities at our disposal are being investigated, to ensure compliance with the minimum point source emission standards.

We have made progress this year in further reducing some of our atmospheric emissions throughout the group, with reductions achieved in our emissions of volatile organic compounds (VOCs) and hydrogen sulphide. These reductions were mainly brought about by the commissioning of a sulphuric acid plant at Secunda. The commissioning of this unit has not only resulted in lower hydrogen sulphide and VOC emissions, but has positively contributed to production and steam loads in Sasol Synfuels, thereby contributing to the overall efficiency of our Sasol Synfuels operation.

The implementation of the leak detection and repair programme at Sasol Synfuels, was completed at the end of 2009 at a total cost of R20 million. An additional R11 million was approved to implement it at Sasol Solvents and Sasol Polymers' monomers division. This will contribute to a further reduction in fugitive emissions.

During the year, we also started implementing a number of interventions aimed at reducing the emissions and associated risks of VOCs, and are making valuable progress towards the achievement of our recently revised target of an 80% reduction in VOC emissions on the restated 2009 baseline by the end of 2020. The projects currently planned for implementation at Sasol Synfuels during the period 2010 to 2013, which entail an estimated capital investment cost of more than R3 billion, aim to realise an absolute VOC emissions reduction of approximately 37 000 tons annually. A further reduction of 1 600 tons per annum is also envisaged for Sasol Solvents.



See our web-based report for case studies on our **activities to reduce our VOC emissions**, as well as a case study on an initiative on **reducing air pollution in some of our neighbouring townships**.
<http://sasolsdr.com>

GRI – EN20



Keeping records of loads of ash to track and control blending ratios at the tarpit blending project at Sasolburg, where fine and coarse ash are blended with tar to stabilise the tarpits.

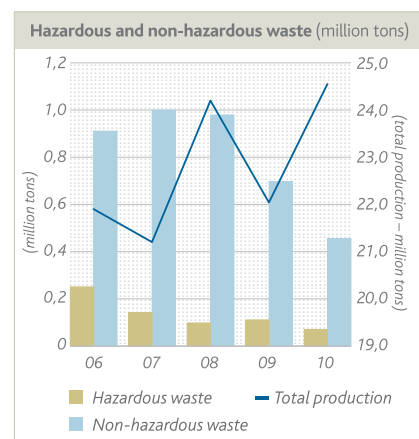
Promoting waste minimisation and site remediation

On 1 July 2009, a new era of waste management emerged in South Africa with the promulgation of the National Environmental Management: Waste Act. The legislation imposes various duties on all holders of waste, requires licences for the commencement, undertaking or conducting of waste management activities, and is soon to include requirements for reporting on waste information and impose restrictions on waste permitted to landfill for specific priority wastes. While the implications of the legislation are potentially far reaching, it is too early to estimate the potential costs of full implementation of the legislation. This will be dependent upon the transitional arrangements that will be imposed and the contents of the National Waste Management Strategy that is currently being finalised.

This year, Sasol operations generated 69 kt of hazardous waste, representing a 38% decrease on the previous year. An important contributing source of this decrease is from our Sasol Infrachem operating facility. The one-off remedial measures implemented by Sasol Infrachem at the Sasol One site peaked during the previous reporting period (2009), resulting in a significant reduction in waste for that business unit. These remedial

measures were taken to remove foundations (general waste) and contaminated soil (hazardous waste) from the Sasol One site to appropriate waste facilities.

Over the same period, we generated 454 kt of non-hazardous waste, 54% less than the 697 kt produced in 2009. Contributing to this reduction in waste were the reductions achieved at our Sasol Synfuels operation resulting from the non-disposal this year of hydrocarbon sludges to the waste ash site, the completion of the removal of earthworks in preparation for the new water recovery growth process, and the fact that no sulpholin liquor was generated this year at the sulphur recovery units as a result of improved operations. Further reductions resulted from the one-off remedial measures at Sasol Infrachem mentioned above, as well as from the closure of the Sasol Nitro phosphoric acid production operations in Phalaborwa, traditionally a large generator of phosphogypsum waste. Our successfully implemented natural gas conversion project continues to have a significant impact on the reduction of waste produced, specifically with regards to tar and oil waste and ash at our operations in Sasolburg.



Our online report includes a review of recent legislative developments relating to waste management in South Africa, as well as a case study on the rehabilitation of the waste ash site at Sasol Synfuels. <http://sasolsdr.com>



GRI – EN22

Managing land use and biodiversity

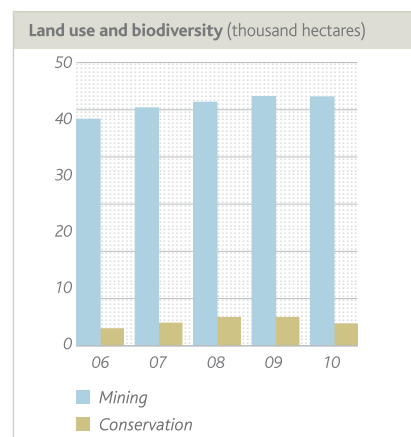
Sasol has 3 779 hectares (ha) of land that it owns or leases for production activities or extractive purposes. In addition, Sasol Mining occupies 43 941 ha of underground mining area, 1 284 ha of land for surface mining and in total has rehabilitated 1 689 ha in 2010. The total area of land dedicated for conservation and biodiversity purposes at the end of the reporting period amounted to 3 869 ha.

Sasol does not have operations in areas that have been declared biodiversity hotspots (areas identified as being critical or endangered eco-regions), but 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 group-wide SH&E minimum requirements. The protection of biodiversity issues is addressed formally in new projects through environmental impact assessments (EIAs) and in existing projects through environmental management programmes (EMPs). We are also working to assess the biodiversity of the habitats in land currently owned, leased or managed throughout the group.

Two examples of current projects, in which our commitment to precautionary practices have resulted in measures to protect biodiversity, are our upstream oil and gas

exploration activities in Mozambique and in Papua New Guinea.

- As part of the Mozambique natural gas project, we were awarded offshore concessions east of the Bazaruto Archipelago in Mozambique. Following EIA studies in the area, we agreed to postpone all activities in the shallow water, thus foregoing the option of exploring approximately one third of our concession. In addition, we have partnered with the Mozambique National Directorate for Conservation Areas and a specialist conservation consultancy in the development and implementation of the Bazaruto Conservation Support Programme (BCSP).
- We have similarly adopted a precautionary approach as part of our interest in four petroleum prospecting licences in western Papua New Guinea, a region that is rich in species diversity. An important part of our activities in the region has been the implementation, since November 2009, of an EIA process that we chose to undertake despite the fact that it is not a legal requirement. The recommendations arising from this process will be followed as part of an environmental management plan for our operations.



Further information on these activities is provided in the case studies in our online report on **managing biodiversity in the Bazaruto Archipelago and progressive expansion into Papua New Guinea**.
<http://sasolsdr.com>

GRI – EN11, EN12, EN13, MM1, MM2

Product stewardship: managing the impacts of our products

We have a formalised global support structure to ensure an ordered, group-wide response to product stewardship. This includes a strong focus on internal and external capacity-building activities, particularly within our South African business units where we have developed various product-specific training programmes for our customers and employees.

We contribute to the development of, and will adopt, the Globally Harmonised System of Classification and Labelling of Chemicals (GHS). We have already started the implementation of the GHS for safety data sheets and labels for our products to ensure compliance with legal requirements within countries where the GHS has been implemented and where our products are sold. In addition, for the past four years, Sasol experts have been advising South African government representatives on the implementation of GHS through the national chemical industry association, the Chemical and Allied Industries' Association (CAIA). Sasol also participates

in the UN sub-committee of Experts on the GHS, representing the South African Department of Trade and Industry and has taken on the role of vice chair for 2009-2010. All products exported to the EU are in the process of being registered in compliance with EU regulations concerning Registration, Evaluation, and Authorisation of Chemicals (REACH). Full compliance might take up to 2018 according to the REACH timeline for registration.

Our Sasol Polymers chlor vinyls division, for example, provides training programmes on the management of different hazardous chemicals, with a particular focus on the handling, use and disposal of sodium cyanide, a high-risk product used in South Africa's gold mining industry. Another objective of these training initiatives is to create awareness with regard to Sasol's policy on sodium cyanide which includes only delivering products to dedicated, approved storage tank facilities with trained personnel and under constant supervision, and mandatory training for all personnel involved with handling. Our Sasol Solvents business,

which produces bulk commodity solvents that are transported by rail to the ports for export and by road to local customers, also provides capacity building aimed at raising awareness, reducing incidents and improving safety along rail routes and roads.



Further details on our product stewardship and other product-related activities are provided on our web-based report. This includes case studies on **capacity building on product stewardship in South Africa**; **the new Sasol centre to drive fuels research; pioneering alternative jet fuel technology**; and **our life cycle assessments (LCA) of liquid transportation fuels**. <http://sasolsdr.com>



GRI – EN26

Recognised for our sustainable development reporting and performance

We have been recognised as among the leaders in corporate sustainable development reporting since our first stand-alone environmental report in 1996, having won numerous awards from independent panels. In 2009, we received the following accolades for our reporting and performance practices:

- Ranked global sector leader of the Dow Jones Sustainability Index (DJSI) for the Oil and Gas Producers' sector.
- Achieved highest score in a GRI benchmarking review of 399 South African companies by Sustainability Services.
- Ranked first for South African companies "making the greatest effort to address environmental impacts" and third for SA companies "with the best public reputation for addressing environmental issues" in an independent survey of the views of 100 South African companies conducted by the Trialogue consultancy.
- Included within the Carbon Disclosure Project's "2009 Carbon Disclosure Leadership Index" for South African companies.



GRI – 2.10

section 3 | performance data



A detailed GRI table, providing responses to each of the GRI G3 criteria, is provided on our website, available at <http://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.

This final section of the report provides a consolidated overview of our performance data for the group as a whole, and includes a summary of the external assurance statement relating to priority elements of this data.

Our separately available Sasol annual report – which provides an integrated review of the sustainability performance of our different business units – includes a summary of the key performance data for each business unit.

Independent Assurance Report of the Assurers to Sasol Limited



Introduction

We have been engaged by Sasol Limited (Sasol) to conduct an assurance engagement on selected subject matter reported in Sasol's Sustainability Report 2010 (the Report), for the purposes of expressing a statement of independent assurance, for the year ended 30 June 2010. This assurance report is made solely to Sasol in accordance with the terms of our engagement and applies only to the hard copy publication of the Report, and as set out on the pages referenced below.

The following subject matter in the Report (page 53) was selected for an expression of reasonable assurance:

- Total production (kilotons)
- Recordable case rate (RCR), incl. employees and service providers
- Total number of fatalities
- Total energy use (thousand giga joules)
- Direct carbon dioxide emissions (kilotons)
- Indirect carbon dioxide emissions (kilotons)

The following subject matter in the Report (page 53) was selected for an expression of limited assurance:

- Total number of reportable fires, explosions and releases
- Total water use (1 000 m³)
- Sulphur oxides (SO_x) emissions (kilotons)
- Particulates (fly ash) emissions (kilotons)
- Methane emissions (CH₄) (kilotons)
- Nitrous oxide emissions (N₂O) (kilotons)
- Total greenhouse gas emissions (CO₂ equivalent) (kilotons)
- Hazardous waste (kilotons)
- The self-declared A+ GRI application level (page 1)

Our responsibilities do not extend to any other information.

Management's responsibility

Sasol's management is responsible for delegating and overseeing the preparation and presentation of the selected subject matter in accordance with internal corporate policies and procedures, and the Global Reporting Initiative's (GRI) new generation (G3) guidelines.

Responsibility of the independent assurance provider

Our responsibility is to express an opinion on the selected subject matter contained in the Report, for the year ended 30 June 2010, based on our assurance engagement.

Summary of work performed

We conducted our engagement in accordance with the International Standards for Assurance Engagements 3000, "Assurance Engagements other than audits or reviews of historical financial information" (ISAE 3000), issued by the International Auditing and Assurance Standards Board. This standard requires that we comply with ethical requirements and plan and perform the assurance engagement to obtain either reasonable or limited assurance on the selected subject matter as per our terms of engagement.

Sasol's internally developed Sasol Sustainable Development (SD) Reporting Guidelines and Definitions in Compliance with SH&E Minimum Requirements, based on the GRI Sustainability Reporting Guidelines, were used as criteria to evaluate the selected subject matter. The "Notes on measurement" in the "Basis of reporting" (page 53) provides detail on the definitions of the selected subject matter as described in Sasol's SD Reporting Guidelines and Definitions in Compliance with SH&E Minimum Requirements. In terms of evaluating the application level, the specific application level criteria as stipulated by the GRI new generation (G3) guidelines have been used.

Our work consisted of:

- reviewing processes that Sasol has in place for determining material subject matter to be included in the Report;
- obtaining an understanding of the systems used to generate, aggregate and report data at the nine selected sites and business units in South Africa;
- conducting interviews with management at the sampled operations and at Head Office;
- applying the assurance criteria in evaluating the data generation and reporting processes;
- performing a controls walkthrough for limited assurance, and further key controls testing for reasonable assurance;
- testing the accuracy of data reported on a sample basis for reasonable assurance;
- reviewing the consolidation of the data at Head Office to obtain an understanding of the consistency of the reporting processes compared with prior years and to obtain explanations for deviations in performance trends;
- reviewing the consistency between the subject matter and related statements in Sasol's Sustainable Development Report; and

- reviewing the accuracy of Sasol's self-declaration of the GRI (G3) Application Level in the Report.

Inherent limitations

Non-financial data is subject to more inherent limitations than financial data, given both the nature and the methods used for determining, calculating, sampling or estimating such data. The "Basis of reporting" (page 53) highlights key issues, limitations and any uncertainties affecting the accuracy of Sasol's performance data reported. It is important to understand the reliability of the selected subject matter in the context of these limitations.

We have not carried out any work on data reported for prior reporting periods, nor have we performed work in respect of future projections and targets. We have not conducted any work outside of the agreed scope and therefore restrict our opinion to the agreed subject matter.

The evidence-gathering procedures for limited assurance are more restricted than for reasonable assurance and therefore less assurance is obtained with limited assurance than for reasonable assurance.

Conclusion – Reasonable Assurance

On the basis of our reasonable assurance procedures, the subject matter selected for assurance for the year ended 30 June 2010, has been prepared, in all material respects, in accordance with corporate policies and procedures and is free from material misstatements.

Conclusion – Limited Assurance

On the basis of our limited assurance procedures, nothing has come to our attention to believe that the subject matter selected for limited assurance for the year ended 30 June 2010, have not been compiled in accordance with the corporate policies and procedures or are materially misstated.

PricewaterhouseCoopers Inc.
Director: Wessie van der Westhuizen
Registered Auditor
Johannesburg
8 October 2010

our performance data

Basis of reporting

The performance data reported in the previous tables has been aggregated from all companies and operations globally that are under Sasol's operational control. All data is collected by the individual operations and reported on a quarterly basis to the Sasol SH&E centre using a common database, and in accordance with the group sustainable development (SD) 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 (for example, 2010 relates to the period from 1 July 2009 to 30 June 2010). 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. Performance data for our Sasol Olefins & Surfactants operations is excluded for the 2007 reporting period.

Key

√ Indicates a data parameter externally verified by the external assurance provider, in accordance with the statement on page 52.

* Indicates a value that differs from the value reported in the 2009 sustainable development report. These values have been updated to provide for revisions of the defined measures, to more modern standards.

	2007	2008	2009	2010	Level of assurance
Safety performance					
Employee numbers ¹	31 820	34 157	33 544	33 399	
Recordable case rate ²	0,72√*	0,50√	0,54√	0,51√	Reasonable
Employee and service provider fatalities	4 √	3√	4√	8√	Reasonable
Fires, explosions and releases ³	21 √	28√	36√	63√	Limited
Logistics incidents ⁴	52 √	42	27√	37	
Production performance⁵					
Total production (kilotons)	21 200	24 218√	22 039√	24 548√	Reasonable
Greenhouse gases (kilotons)⁶					
Direct methane (CH ₄)	394*	354*	339√ ⁷	371√	Limited
Direct nitrous oxide (N ₂ O)	1,845	0,683√	0,604√	0,335√	Limited
Direct carbon dioxide (CO ₂)	57 345*	58 772*	54 465	56 266√	Reasonable
Indirect carbon dioxide (CO ₂)	8 902*	9 718*	9 739*	10 815√	Reasonable
Total greenhouse gas (CO ₂ equivalent kilotons)	75 095*	76 105*	71 507*	74 976√	Limited
Emission intensity (CO ₂ equiv/ton product)	3,40*	3,14**	3,24	3,05	
Air pollutants (kilotons)⁸					
Nitrogen oxides (NO _x)	162	166√	160	165	
Sulphur oxides (SO _x)	219	225√	233√	241√	Limited
Volatile organic compounds indicator of performance	–	–	46,9	46,8	
Particulates (fly ash)	7,59	8,45	9,39√	11,38√	Limited
Solid waste (kilotons)⁹					
Hazardous waste	140*	97√	111√	69√	Limited
Non-hazardous waste	1 005*	979√	697√	454	
Recycled waste	1 487*	1 435√	1 583√	1 617	
Energy use (thousand giga joules)¹⁰					
Electricity (purchased)	31 733*	34 846√	34 571*	37 427	
Feedstock to steam (coal and gas)	276 997√	282 669√	272 847√	278 246	
Transportation fuel	N/A	N/A	N/A	717	
Fuel gas	26 658	52 237	48 409	54 971	
Other energy use (eg, steam)	5 999*	6 837√	4 669√	9 785	
Total energy use	341 108	376 311	359 538	381 149√	Reasonable

our performance data continued

	2007	2008	2009	2010	Level of assurance
Material use (kilotons)¹¹					
Coal	17 861	17 862√	16 994√	17 315	
Crude oil processed	7 270	4 564√	4 493√	4 331	
Nitrogen from air	1 999*	2 103√	2 388√	2 574	
Oxygen from air	13 194*	13 144√	12 567√	14 737	
Other (eg, chemicals, feedstock)	20 700*	22 801√	20 680√	22 062	
Water use (1000m³)¹²					
Total Water Use (1 000 m ³) ¹²	146 057*	154 602√	152 318√	151 391√	Limited
Liquid effluent (1 000 m ³) ¹³	25 595	32 227	45 722	64 808	
Water recycled (1 000 m ³) ¹⁴	121 366*	131 385√	130 562√	139 308	
Land and biodiversity (hectares)					
Area affected by operations	3 590	4 370	3 744	3 779	
Area dedicated to conservation	4 079	4 553	4 553	3 869	
Land use and mining (hectares)					
Surface mining area	1 284	1 284	1 284	1 284	
Underground mining area	40 538	41 715*	42 837	43 941	
Total area disturbed	41 822	42 999	44 121	45 225	
Area rehabilitated	1 596	1 659	1 689	1 689	
Legal compliance¹⁵					
Fines, penalties and settlements (No)	2	20√	46√	9	
Fines, penalties and settlements (US million)	0	0,41√	2,0	4,0	

Notes on measurement

- 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 (ie, persons from labour brokers or fixed-term service providers). These have been included for the purpose of safety reporting requirements. The totals are thus higher than those reported on in the section on employee demographics, in which reference is made only to permanent employees.
- 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.

- 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) in their document "New leading and lagging indicators of process safety performance".
- 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 Euros, or any fines or penalties involving Sasol; (iv) fire, explosion or reactive chemical incident involving a Sasol product;

- 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.
- Production performance** is a measure of the total sales to customers outside of Sasol and includes fuels, chemicals and coal exports. Production performance excludes the intermediates, which are traded between Sasol business units, to eliminate double counting.
- Greenhouse gas (GHG)** emissions have been calculated and reported in accordance with the GHG Protocol (www.ghgprotocol.org). Indirect emissions refer to emissions that are a consequence of the activities of the reporting entity, but occur from sources owned or controlled by another entity. These include all sources of imported electricity, heat and steam, which typically are supplied by external power and electricity-generating utilities. For Sasol sites based in Europe and North America, CO₂ emissions from electricity purchased is calculated based on country average emission



During 2010 Sasol operations posted a 38% decrease in hazardous waste generation.

factors. Total CO₂ equivalence is calculated by multiplying the tons released per year with its Global Warming Potential (GWP) relative to carbon dioxide, as published by the Intergovernmental Panel on Climate Change (IPCC). Total GHG (CO₂ equivalent) includes methane, carbon dioxide and nitrous oxide (N₂O).

- 7 **Methane** The increase in methane levels is due to more accurate measurement during the past year at Synfuels; calculated methods were employed in the past. All the historic data for Synfuels were subsequently corrected and restated.
- 8 **NO_x** refers to oxides of nitrogen, including NO and NO₂. SO_x refers to airborne emission of sulphur and its compounds formed, for example, during combustion or production processes, and comprises the sum of sulphur dioxide (SO₂) and trioxide (SO₃) emissions to air. Particulates (PM₁₀) (fly ash) refers to the emission of fly ash from all coal-burning appliances. It is reported on the basis of continuous monitoring for fly ash emissions on pulverised fuel boilers and ad-hoc emission factor determination by means of isokinetic sampling with reliable flow and monitoring.
- 9 **Waste** The definitions of "waste" vary widely around the world. For reporting purposes, Sasol uses the applicable definitions of local authority regulatory authorities. In situations with insufficient guidance from local legislation or regulation, the definitions of hazardous waste are reported if it is (i) removed from the premises for disposal and/or treatment, or (ii) disposed of on-site (eg, 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 re-used or recycled. Hazardous waste is waste which needs to be disposed of in a licensed hazardous waste landfill site, or incinerated or transported to a hazardous waste treatment, storage, disposal or recycling facility.

- 10 **Energy use** is the sum of all energy inputs (eg, own resources, self-generated and purchased) minus all energy outputs (eg, energy delivery, and products). Resources that are primarily raw material inputs for manufacturing processes (eg, crude oil for refining) are not considered energy uses, even though energy transformations are involved in the reactions and production processes (eg, coal used in Sasol power stations is reported as energy usage, while coal used in the gasification process is reported as material use).
- 11 **Material use** refers to the mass of raw material feedstock inputs for the manufacture of product. This includes coal, crude oil and other materials used in significant quantities and converted into product. Phosphates used in the manufacture of phosphoric acid are one example of such other materials.
- 12 **Water use** is the demand exerted on the overall external water resource through the intake of water for all forms of uses. It is not the water consumption, which is defined as the net difference between the water intakes and outputs. River water refers to the volume of water, used on a site or in an operation for own consumption, abstracted from a natural river course in terms of a permit. Potable water refers to the volume of water, used on a site or in an operation for own consumption, purchased from public water authorities or from other Sasol operations or sites.

- 13 **Total liquid effluent** refers to the discharge of surface waters via the on-site treatment plant or other facilities of the plant, including effluent disposed to municipal sewer, sea outfall, or to streams under permit conditions. It does not include effluent streams to enclosed sewers discharging to third-party treatment facilities (either privately or publicly owned).
- 14 **Water recycled** is water that is used twice or more often in an operation, or process of activity.
- 15 **Legal compliance.** The figures refer to all incidents of and fines 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.



A detailed GRI table, providing responses to each of the GRI G3 criteria, is provided on our website. <http://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. <http://sasolsdr.com>



GRI – 3.9 – 3.10

key contacts

Sustainable development and SH&E Centre	Howard Parry	+27 11 344 0147	howard.parry@sasol.com
Investor relations	Nerina Bodasing	+27 11 441 3113	investor.relations@sasol.com
Human resources	Bernard Klingenberg	+ 27 11 441 3424	bernard.klingenberg@sasol.com
Black economic empowerment	Neil Bawden	+27 11 441 3201	neil.bawden@sasol.com
Corporate social investment	Pamilla Mudhray	+27 11 441 3597	pamilla.mudhray@sasol.com
Corporate governance	Dr Nereus Joubert Michelle du Toit	+27 11 441 3413 +27 11 441 3359	nereus.joubert@sasol.com michelle.dutoit@sasol.com
Corporate communications	Jacqui O'Sullivan	+27 11 441 3252	jacqui.osullivan@sasol.com
Sasol Synfuels International	Ed Cameron	+27 11 344 0225	ed.cameron@sasol.com
Sasol New Energy	Henri Loubser	+27 11 344 2710	henri.loubser@sasol.com
Sasol Limited	1 Sturdee Avenue, Rosebank, 2196, Johannesburg PO Box 5486, Johannesburg, 2000, South Africa Telephone: +27 11 441 3111		Telefax: +27 11 788 5092 E-mail: stiaan.wandrag@sasol.com Website: www.sasol.com

Credits	Sasol's 2010 Sustainable Development report has been produced and published by the Sasol SH&E 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	<p>In this document we 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 28 September 2010 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.</p>		
Note on measurement	<p>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.</p>		
Production	Project management:	Stiaan Wandrag and Elvina Hercules (text) and Marsja Hall-Green (production and design)	
	Strategic advice and editorial:	Incite Sustainability (www.incite.co.za)	
	Design and reprographics:	Studio Five	
	Independent assurers:	PricewaterhouseCoopers Inc, Johannesburg	

Dear reader,

Please let us know what you think about Sasol's 2009 sustainable development report or our sustainability performance in general, by using the feedback tool on the website. You are also welcome to engage with us in dialogue on the website, <http://sasolsdr.com>.

For further information, please contact:

Stiaan Wandrag, Group Safety, Health and Environment Centre
Sasol Group Services, PO Box 5486, Johannesburg 2000, South Africa
Telephone: +27 (0)11 344 0308 Facsimile +27 (0)11 522 8748
E-mail: stiaan.wandrag@sasol.com

Sasol's 2010 sustainable development report – carbon footprint

This calculation of the carbon footprint of Sasol's 2010 SDR is based on an assessment of the CO₂-e emissions associated with the business travel and accommodation of the consultants associated with the production and assurance of the report. The calculations do not include the internal Sasol travel, the electricity used by Incite Sustainability in writing this report, or the emissions associated with paper and printing of the report.

A summary of the calculated emissions is presented in the table below.

<i>Greenhouse gases associated with producing the Sasol sustainability report</i>	
Source	Kg CO ₂ e
Car Travel	559
Air Travel	647
Accommodation	1 146
Total	2 352

- <http://www.ghgprotocol.org/calculation-tools/all-tools>
- <http://www.ghgprotocol.org/calculation-tools/all-tools>
- CO₂ emissions for hotel accommodation (South Africa): 44.06 kg CO₂/room/night (derived from CIBSE 2004, Defra 2008 and IEA 2006)

The carbon footprint of this year's SDR is 81.01% lower than that of the 2009 SDR (12 384 Kg CO₂e). The significant decrease can be explained by a reduction in consultants' flights (no international flights in 2010) and travel and accommodation emissions associated with the external panel of experts who were not included in compiling this year's report.

Estimated total CO₂ emissions related to consultants' travel is 1 206 Kg CO₂e, of which 54% (647 kg) was related to air travel. Air travel emissions were calculated based on the kilometres travelled on short haul flights. There were no long haul flights and all flights were economy class.¹ Car travel emissions took into account kilometres travelled per car type (whether petrol or diesel and based on the size of the engine). The calculated emissions level from accommodation is based on the number of nights in both local accommodation.³

Sasol acknowledges the impact that consultants' travel could have on the carbon footprint of its SD Report production. To put less strain on the environment, Sasol encourages its consultants to utilise teleconferencing, electronic mail and other types of "virtual meeting" to communicate with their target stakeholders. Sasol further encourages the consultants to choose small cars and to carpool where possible.



United Nations Global Compact



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