

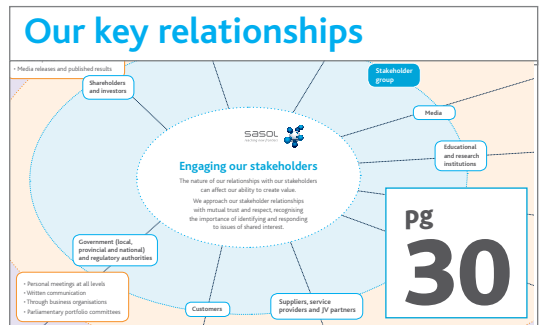
SASOL
reaching new frontiers



pursuing responsible growth

sustainable development report
30 June 2011

The following topic index directs readers to information of specific interest of our sustainable development report.




Addressing Sasol's sustainable development risks.

pg **16**

Tracking our progress in managing our material sustainable development issues.

pg **06**



Q&A

with David Constable

pg **12**

David Constable shares his first impressions of Sasol and his views on the group's performance, plans for responsible growth and commitment to sustainable development, as well as management's priorities for the 2012 financial year.

Greenhouse gas intensity

2,99 ↓

0,42 ↓

Recordable case rate

32 735

employees



pg **54**



pg **39**



pg **37**

We have committed **R8 million** to support community water conservation partnerships.

Embedding a culture of safety
Safety remains a top priority and core value of everyone at Sasol. Our long-term safety goal remains zero harm and we strive to manage our activities to eliminate incidents, minimise risk and enable excellence in our operations' performance.

Ethics, governance and human rights
We encourage our suppliers to support to the Sasol code of ethics so that they operate in an ethically and legally compliant manner.

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Sasol is an integrated energy and chemicals company, driven by innovation.

We add value to coal, natural oil and gas reserves, using these feedstocks to produce liquid fuels, fuel components and chemicals through our proprietary processes. We mine coal in South Africa and produce natural gas and condensate in Mozambique, oil in Gabon and shale gas in Canada.

We continue to advance our upstream oil and gas activities in West and Southern Africa, the Asia Pacific region and Canada. In South Africa, we refine imported crude oil and retail liquid fuels through our network of 406 Sasol and Exel service stations, which include five Sasol branded integrated energy centres, and supply gas to industrial customers. We also supply fuels to other licenced wholesalers in the region.

We have chemical manufacturing and marketing operations in South Africa, Europe, the Middle East, Asia and the Americas. We are focused on commercialising our gas-to-liquids (GTL) and coal-to-liquids (CTL) technology internationally.

We employ approximately 32 700 people worldwide and remain one of South Africa's largest investors in capital projects, skills development and technological research and development.



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.

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.

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.

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.

Continuous improvement

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

Safety

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

Integrity

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



A more detailed review of Sasol's primary brands, products and services, its operational structure, the countries in which it operates, and its primary markets is provided on our website.



GRI 2.1-2.8

sasol's integrated sustainable development reporting process

In line with the requirements of the King Code of Governance Principles for South Africa (King III Code), Sasol's integrated sustainable development reporting process aims to provide a report to stakeholders on our strategy, performance and activities in a manner that enables our stakeholders to assess Sasol's ability to create and sustain value over the short-, medium- and long-term.

Through our reporting process we seek to move beyond a compliance mindset towards entering into a more challenging dialogue with our stakeholders with the aim of further informing our strategy and building trust.

Our annual reporting process comprises four main documents: our integrated annual report (previously called Sasol's annual review), our more detailed annual financial statements, a separate sustainable development report (supplemented by a more detailed online version), and the annual report filed with the US Securities and Exchange Commission on Form 20-F.

This report covers the activities of all of our operations and most of our joint ventures for 2011. Its aim is to provide a higher level of detail on our sustainable development performance that is of particular interest to a broader set of stakeholders, such as our employees, analysts, sustainable development professionals and civil society bodies. To shorten the printed report and make for easier, more focused reading, we have included additional information on our website; this is signposted throughout the report. A short summary brochure is also available on our website: www.sasolsdr.com

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

Our sustainable development management framework and reporting process covers Sasol's construction, exploration, production, research, marketing and sales activities in all of the countries where we operate. Our larger production activities are concentrated in South Africa, Mozambique, Germany, Italy and the United States of America (US). We have included 100% of the data for the following joint ventures: National Petroleum Refiners of South Africa (Natref), Sasol Petroleum International Mozambique, Oryx gas-to-liquids (GTL), Arya Sasol Polymer Company in Iran, and Merisol South Africa. Our most significant joint ventures are Natref (South Africa), Oryx GTL (Qatar) and Arya Sasol Polymer Company (Iran).



Further details on the nature and location of our joint ventures and on their principal sustainable development related risks, are provided on our website.

We continue to use the Global Reporting Initiative (GRI) Guidelines to inform our reporting process and to facilitate comparability with the reports of other organisations. For this report we have referred to the revised GRI G3.1 guidelines. Once again, we believe our report rates as an A+ report in terms of the GRI. Through our reporting process we seek to move beyond a compliance mindset towards entering into a more challenging dialogue with our stakeholders with the aim of further informing our strategy and building trust. For the first time we are using the United Nations Global Compact Advanced Level reporting criteria released earlier this year in the communication on progress and declare that we meet the 24 advanced criteria, available on the website.



A detailed GRI table, providing responses to each of the GRI G3.1 criteria, is provided on our website, available at www.sasolsdr.com



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

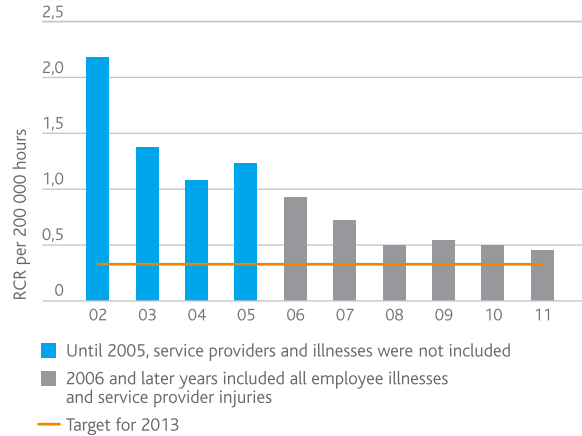
tracking progress against group-wide targets

Safety



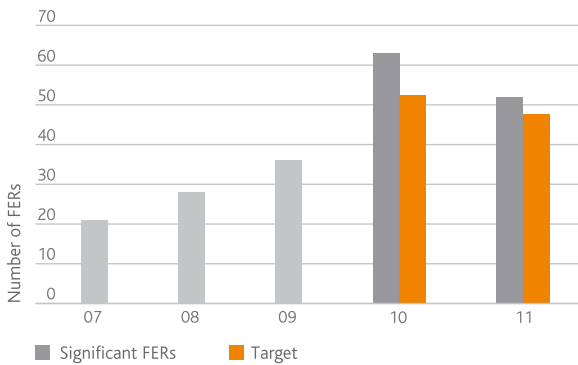
Our long-term goal is zero harm, and we manage our activities to eliminate incidents, reduce safety risks and enable excellence in operations performance.

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



Process safety (fires, explosions and releases (FER))

Number of significant FERs



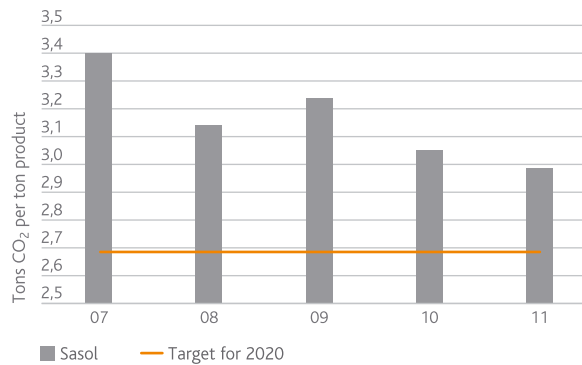
Target: To achieve a year on year reduction in the number of significant fires, explosions and releases (FER) so that we have 24 or less by June 2013.

2010 and later years have different reporting criteria and a different reporting process.



Greenhouse gases

Greenhouse gas emission intensity
(tons CO₂ per ton product)



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

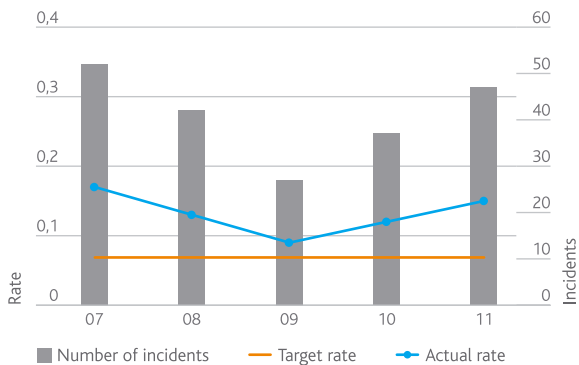
In addition, we aim to reduce our absolute emissions for new CTL plants commissioned before 2020 by 20% and a 30% reduction for plants commissioned before 2030 (with the 2005 CTL designs as a baseline).

Sasol regularly reviews the group's long-term absolute greenhouse gas (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.

Note: 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.

Logistics incidents

Transport incident rate
(Incidents per 100 kt product transported)



Target: to achieve a transport incident rate of 0,065 by June 2014.



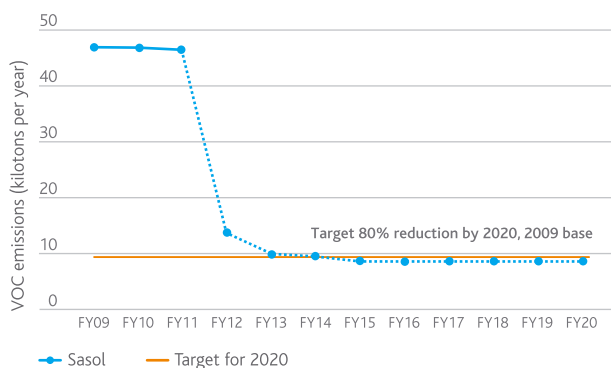
R8,0 million
committed to community water conservation partnerships

Energy efficiency



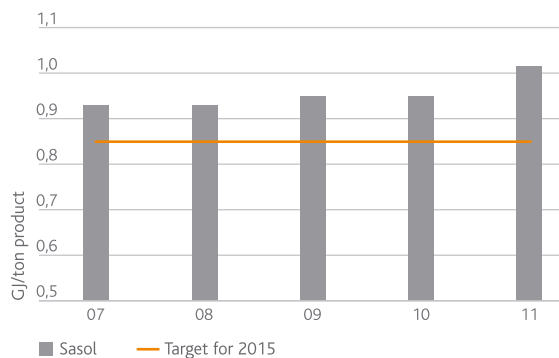
Volatile organic compounds (VOC)

Volatile organic compound emissions
(Kilotons per year)



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 all major pollutant sources in Sasol. Meeting this target will result in an anticipated reduction of 36 000 tons per annum by 2020, mainly at our Sasol Synfuels facility.

Sasol process operations – energy intensity
(GJ/ton product – process operations only)

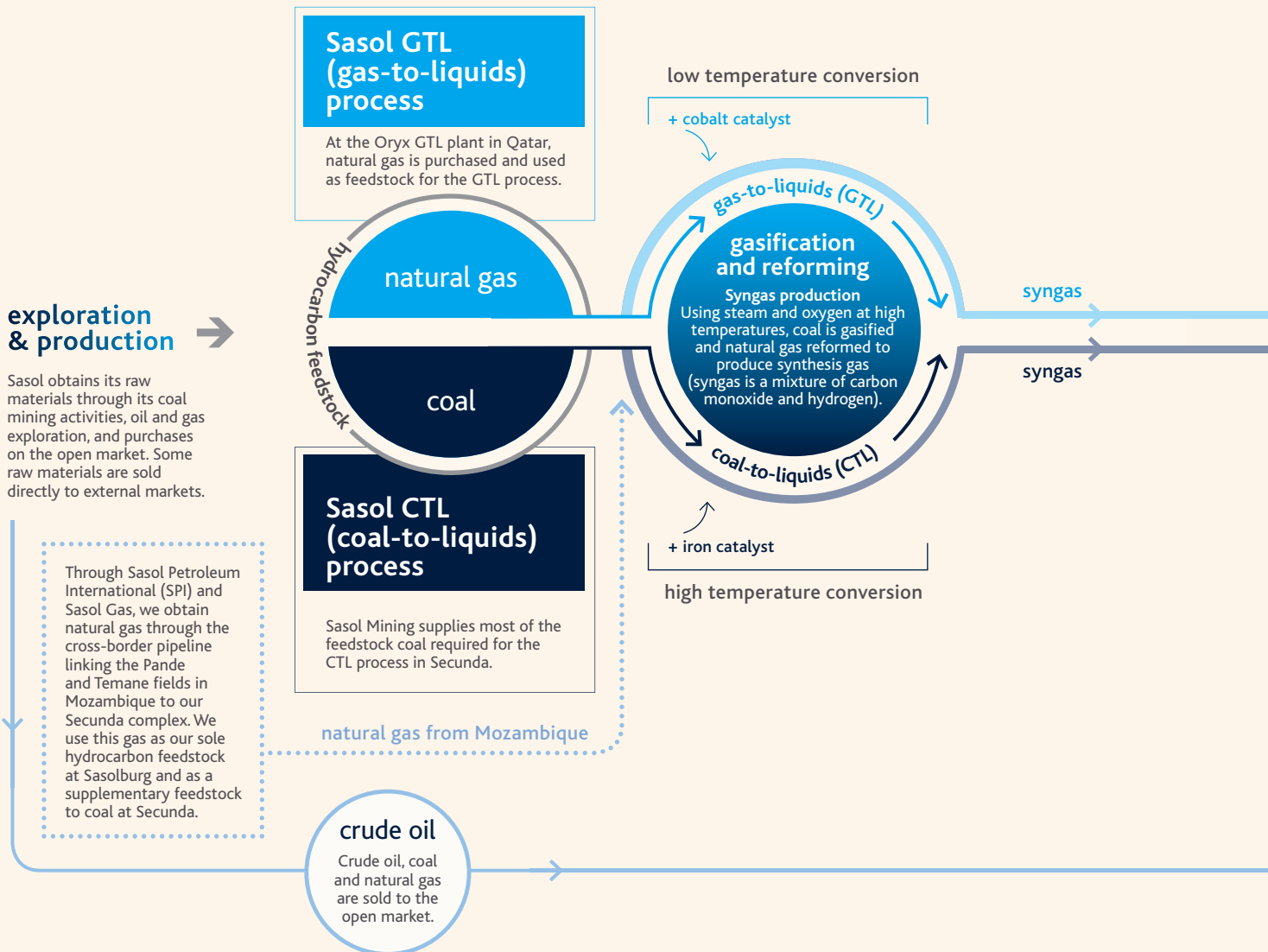


Target: to improve the energy efficiency of our South African utilities by 15% per unit of production by 2015, based on the 2000 baseline year.

our integrated business model

products and material impacts

Sasol's integrated business model is fundamental to our ability to create value using our proprietary technology and processes to produce liquid fuels and chemical products.



sustaining our integrated business model

Greenhouse gas (GHG) emissions

Coal is an important part of the world's energy mix, and Sasol will continue to produce transportation fuels from coal and gas. We are committed to substantially reducing our carbon emissions by developing more efficient production processes and investigating carbon capture and storage solutions. We have set several targets to reduce our greenhouse gas emissions intensity by 15% (on the 2005 baseline) in all our operations by 2020. The targets we have set for all our operations reflect not only our desire to be a responsible company, but also our awareness that a strong business case exists for sustainable development.

Water

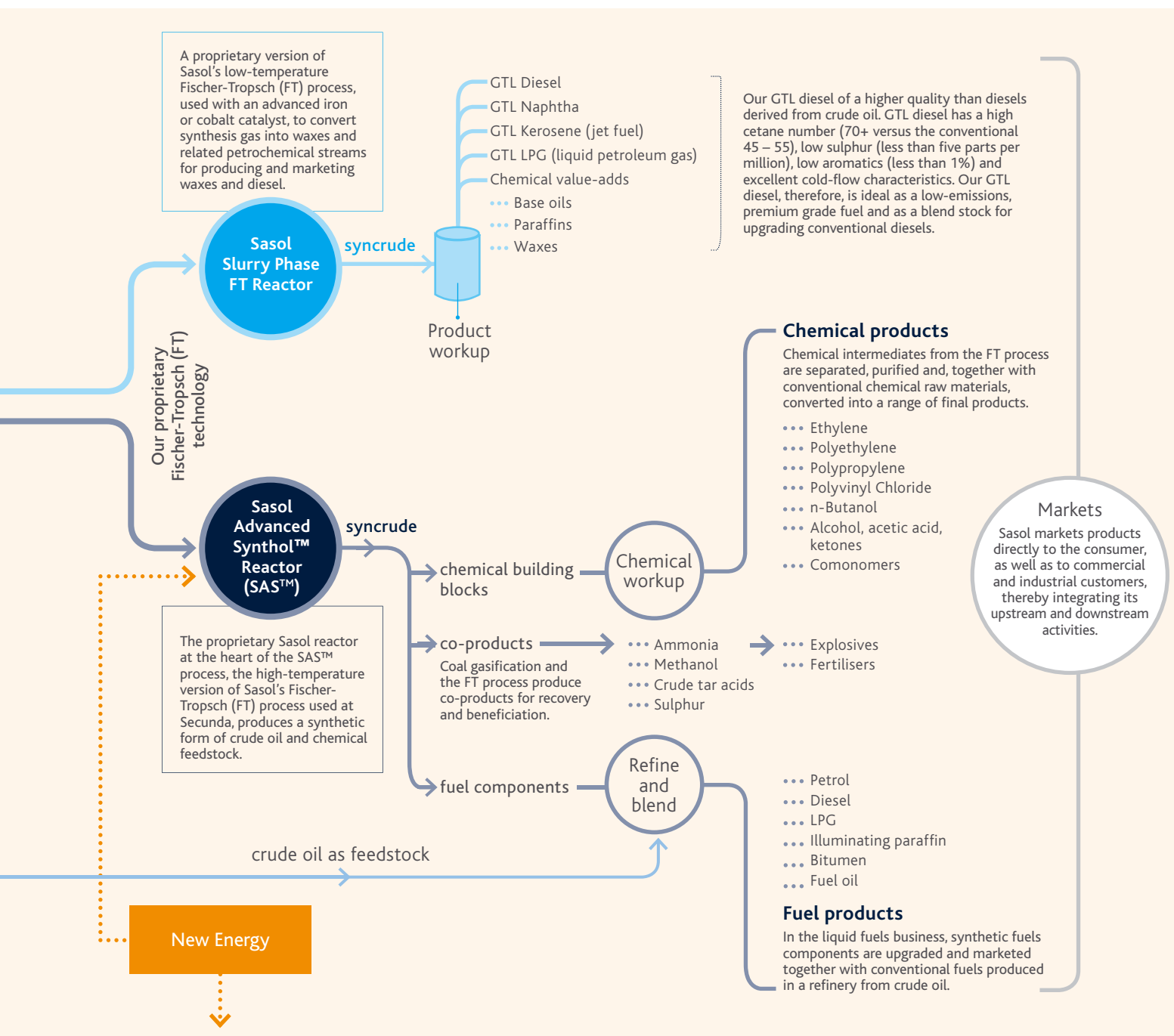
Various technological advancements in effluent recycling, cooling, pre-treatment of water for steam generation and solids handling are paving the way for significantly improved zero liquid effluent discharge designs, which are being developed irrespective of water availability or pricing.

Corporate governance

Sound corporate governance structures and processes are applied at Sasol and are considered by the board to be pivotal to delivering on sustainable growth in the interest of all stakeholders.



Refer to our key performance indicators for more details on our performance against targets and page 78 for details on our energy efficiency initiatives.



A proprietary version of Sasol's low-temperature Fischer-Tropsch (FT) process, used with an advanced iron or cobalt catalyst, to convert synthesis gas into waxes and related petrochemical streams for producing and marketing waxes and diesel.

Our GTL diesel is of a higher quality than diesels derived from crude oil. GTL diesel has a high cetane number (70+ versus the conventional 45 – 55), low sulphur (less than five parts per million), low aromatics (less than 1%) and excellent cold-flow characteristics. Our GTL diesel, therefore, is ideal as a low-emissions, premium grade fuel and as a blend stock for upgrading conventional diesels.

Our proprietary Fischer-Tropsch (FT) technology

The proprietary Sasol reactor at the heart of the SAS™ process, the high-temperature version of Sasol's Fischer-Tropsch (FT) process used at Secunda, produces a synthetic form of crude oil and chemical feedstock.

Chemical products

Chemical intermediates from the FT process are separated, purified and, together with conventional chemical raw materials, converted into a range of final products.

- Ethylene
- Polyethylene
- Polypropylene
- Polyvinyl Chloride
- n-Butanol
- Alcohol, acetic acid, ketones
- Comonomers

Markets

Sasol markets products directly to the consumer, as well as to commercial and industrial customers, thereby integrating its upstream and downstream activities.

Fuel products

In the liquid fuels business, synthetic fuels components are upgraded and marketed together with conventional fuels produced in a refinery from crude oil.

New Energy

Sasol New Energy (SNE) was created to focus on new technologies that can be integrated with our core technologies to reduce our GHG footprint. As part of our commitment to reduce production of carbon dioxide in our operations and integrate new technology into our FT processes, SNE will look into renewable and lower-carbon energy options such as solar, biofuels and biomass, as well as nuclear, hydro and natural gas.

Innovation



In downstream chemical process technology, we have developed several proprietary processes for recovering and processing a range of solvents, waxes and phenolics for the world market. We have also developed and patented several base-metal catalysts for our FT synthesis processes. We have been innovative in coal exploration and mining, where Sasol Mining (sometimes in partnership with technology suppliers) has developed high-extraction mining methods, advanced directional drilling techniques, roof-bolting systems, continuous miner systems and a virtual-reality training system for continuous miner operators, among other cost-saving innovations.


Research



Besides the research and development and new-product formulation and testing work we do at Sasolburg through Sasol Technology's fuel research group, we conduct further fundamental research at the Sasol Advanced Fuels Laboratory (SAFL), in collaboration with the University of Cape Town, and the Sasol Fuels Application Centre (SFAC). SFAC enables us to conduct sea-level engine and fuel research and tests in line with international trends.

tracking our progress in managing our material sustainable development issues

The following table outlines the progress we have made in managing our most material sustainable development challenges. Framed within the context of stakeholder concerns, progress includes our efforts to mitigate risks and refine our management approach. The consequences of our activities cannot always be mitigated and managing all these issues requires trade-offs. We try to find a balance that achieves the maximum benefit for all our stakeholders.

Material challenges and commitments	What some of our stakeholders have said	Our progress
<p>Safety</p> <ul style="list-style-type: none"> ➤ Implement the revised safety improvement plan (SIP). ➤ Build on existing business unit initiatives to develop safety leadership at management and supervisory levels. ➤ Further develop roles, responsibilities and accountabilities to improve integration between the safety, health and environment (SHE) function and business operations. 	<p><i>"Achieving our goal of zero harm will depend on each of us changing our mindsets and attitudes towards safety."</i> Pat Davies</p>	<ul style="list-style-type: none"> ➤ Ten fatalities occurred in the workplace in 2011. In addition, four Sasol employees and one Sasol service provider lost their lives in a boating incident during an off-site year end function. ➤ Following a three year period from 2008 until 2010, where the recordable case rate (RCR) plateaued around the 0,5 mark, 2011 has seen a reduction to 0,42, representing an 18% improvement for the year. ➤ The focus of the SIP this year has been on engaging at leadership levels and developing specific safety improvement plans for each business unit. ➤ Initiatives include: executive safety coaching for our leadership team; an extensive external review of Sasol Mining's safety practices; externally-run hazard identification training courses for managers; adopting an accredited four-tier training curriculum with an emphasis on risk management for implementation at Sasol Mining; and modifying the short-term incentive scheme to include leading indicators. ➤ In 2012, the focus of the SIP will be on process safety with the aim of reducing the number of fires, explosions and releases. <div style="border: 1px solid black; padding: 5px; margin-top: 10px;">  Further details on our safety performance and activities are provided on pages 39 – 42. </div>
<p>Energy security and climate change</p> <ul style="list-style-type: none"> ➤ Manage impact of new climate change regulations. ➤ Improve energy efficiency and reduce carbon intensity of current processes. ➤ Further our investigations into carbon capture and storage (CCS). 	<p><i>"Under Davies' management Sasol recognised three years ago that there was a power crisis coming and once again deployed its own resources to begin looking at becoming partially self-sufficient from an energy perspective. In fact they may ironically even be able to sell energy back to Eskom in the coming years."</i> Manufacturing Hub</p> <p><i>"For Sasol to say that it cares about the environment while embarking on a business strategy that will double or triple its carbon emissions is the height of double dealing: the proverbial forked tongue."</i> Ferrial Adam – Earthlife Africa</p>	<ul style="list-style-type: none"> ➤ Our strategic objective is to grow our global GTL portfolio and related upstream asset base. This is aligned to the growing international emphasis on gas as an energy source with lower GHG emissions than coal. ➤ We reduced our greenhouse gas (GHG) emissions intensity for 2011 (measured as carbon dioxide equivalent per ton of production) from 3,05 in 2010 to 2,99 in 2011. ➤ We have implemented energy efficiency related projects. ➤ We have consolidated and centralised our activities on low-carbon energy, renewable energy, carbon capture and storage and energy efficiency, within Sasol New Energy. So far, we have focused on evaluating the landscape, developing technologies and implementing our first projects. ➤ Project Everest – a Sasol-wide initiative has been established in the group strategy and planning function to focus on developing a coordinated internal approach to climate change and to ensure alignment in external communication, engagement and regulatory responses. ➤ We elaborate on our growth plans for "new energy" in particular. Looking at the projects we are pursuing in the low-carbon energy arena through Sasol New Energy, they are all in Southern Africa. These projects have the potential to not only position Sasol in promising new technologies, but also to make a meaningful contribution to South Africa's carbon dioxide (CO₂) mitigation objectives. <div style="border: 1px solid black; padding: 5px; margin-top: 10px;">  Further details on our activities aimed at promoting energy security while reducing our GHG emissions are provided on pages 49 – 52. </div>

Material challenges and commitments	What some of our stakeholders have said	Our progress
<p>Water security</p> <ul style="list-style-type: none"> ➤ Further reduce our water consumption. ➤ Continue to take a catchment view regarding water access and focus on collective action to reduce inefficiencies in the catchments where we operate. ➤ Continue to achieve significant progress on all six key focus areas of the United Nations Global Compact CEO Water Mandate. ➤ Further address our mine water management challenges. 	<p><i>"The maximum consumption that South Africa's water resources can sustain will be reached in about five years."</i> Thoko Majozi – Engineering Council of SA vice-president</p> <p><i>"I'm thrilled with this partnership. Through this development partnership with the Emfuleni Local Municipality, we'll be able to harness Sasol's economic dynamism for the sake of international development cooperation."</i> Dr Vogel (GIZ)</p>	<ul style="list-style-type: none"> ➤ Voluntary internal water efficiency site level targets have been set by the main operating facilities in Sasolburg (Sasol Infrachem) and at Secunda (Sasol Synfuels). ➤ Significant progress has been made towards concluding multi-stakeholder partnerships to implement water conservation projects beyond our direct operations with the aim of addressing physical losses from public water supply systems in the catchments where we operate. ➤ We have committed R8 million to support community water conservation partnerships, with a committed leveraged partner funding of R9 million. <div style="border: 1px solid black; padding: 5px; margin-top: 10px;">  Further details on our water management activities are provided on pages 53 – 55. </div>
<p>Atmospheric emissions</p> <ul style="list-style-type: none"> ➤ Invest in methods to significantly reduce volatile organic compounds (VOC), boiler emissions (SO₂; NO_x and PM₁₀) and H₂S emissions. ➤ Ensure that we meet the requirements of the Air Quality Act in South Africa. 	<p><i>"Sasol is one of South Africa's biggest polluting industries. In an obvious strategy of putting profits before people and the environment, Sasol has not taken all the necessary steps to reduce pollution emitted from its South African operations."</i> Groundwork</p>	<ul style="list-style-type: none"> ➤ We are identifying the most appropriate solutions for the considerable investments needed in new technologies for reducing our own emissions. We have invested in ensuring more immediate reductions in atmospheric emissions from neighbouring communities with the aim of improving air quality in the short term. ➤ Significant investments are being made to meet new environmental legislative requirements. A technical team has been assembled to develop plans to achieve the requirements. ➤ VOCs have been included as part of the indicators of performance (IoP). The target is to achieve at least an 80% reduction in emission of defined VOCs on the 2009 baseline by the end of June 2020. <div style="border: 1px solid black; padding: 5px; margin-top: 10px;">  A review of our performance and activities to reduce our atmospheric emissions is provided on pages 54 – 55. </div>
<p>Workforce diversity</p> <ul style="list-style-type: none"> ➤ Ensure our workforce sufficiently reflects the demographic profile of the economically active population of the regions where we operate. ➤ Meet our employment equity targets. ➤ Ensure progress on our global diversity journey. ➤ Create SMMEs as part of enterprise development focus. 	<p><i>"It is unfair because we live here and we are unemployed but Sasol hires people from other provinces. They must give us jobs so that we can put food on the table. We do not say they must fire those people who are currently working there but they must also consider us."</i> Mpho Mokoena – Zamdela Unemployed Forum (ZUF)</p>	<ul style="list-style-type: none"> ➤ While we have made some important improvements, our performance is beginning to plateau following good progress in 2007. Unfortunately we have not achieved our targets as set out within our employment equity plan. Of specific concern is the challenges around gender diversity. We have begun designing our employment equity plan for 2013-2018. ➤ A Diversity Dialogue was held in March 2011 aimed at significantly improving our approach. The conference identified key levers to fast-track Sasol's diversity goals. ➤ We have refined the incentive scheme to place greater importance on employment equity and included employment equity requirements in line manager performance contracts. ➤ We focus on enterprise development at Sasol ChemCity and on corporate social investment (CSI) in areas where we operate, to stimulate job creation. <div style="border: 1px solid black; padding: 5px; margin-top: 10px;">  Further details are provided on pages 43 – 44. </div>

Material challenges and commitments	What some of our stakeholders have said	Our progress
<p>Skills development</p> <ul style="list-style-type: none"> ➤ Build capabilities of employees to develop innovative solutions to address current and future challenges. ➤ Ensure ongoing focus on leadership development. ➤ Continue to make an important societal contribution through our activities aimed at developing scientific and technical skills at all levels. 	<p><i>"Anecdotal evidence of Sasol's ability to innovate can be seen from its forward-thinking approach to the engineering skills shortage as well as anticipated electricity supply problems. Ten years ago Sasol recognised that there was a skills shortage coming in key industries and began to rapidly deploy its own internal resources to develop its skills base."</i></p> <p>Manufacturing Hub</p>	<ul style="list-style-type: none"> ➤ Developing the skills of our own employees is driven by Sasol's learning strategy, which balances standardised curriculum-based learning with on-the-job application to achieve a lifelong learning culture. ➤ Our growth ambitions present a challenge in securing skills in our global locations. Sasol's global venture support initiative seeks to meet these challenges by: providing shutdown and commissioning support for start-up of green and brown field projects; facilitating pre-appointment for growth projects; and providing resources for an additional shift which is dedicated to training and project support. ➤ The formalisation of coaching and mentoring is underway to enrich the succession pool and ensure the transfer of institutional knowledge. ➤ 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. ➤ Our Inzalo Foundation focuses on mathematics, science and technology in previously disadvantaged sectors of society in South Africa. <div style="border: 1px solid black; padding: 5px; margin-top: 10px;">  <p>Further details are provided on pages 32 – 34.</p> </div>
<p>Ethical business practice</p> <ul style="list-style-type: none"> ➤ Continue to identify and address any non-compliances within our business. ➤ Step up stakeholder engagement regarding Sasol code of ethics and specific provisions in the code. ➤ Prevent economic crime and corruption. 	<p><i>"Setting the right tone at the top remains the most powerful lever to change the organisational mindset toward ethics and embed ethical behaviours in the Sasol Culture. It is clear that leadership will need to drive the shift, demonstrating consistently that ethical conduct is fundamental for Sasol's sustainability and never relegated to lesser importance than performance considerations for instance."</i></p> <p>Glenn O'Hearne – Studio 5</p>	<ul style="list-style-type: none"> ➤ We have invested significant effort in fostering ethical and fair business practices over the past few years. We have increased our investment in ethics infrastructure and increased engagement with suppliers on our code of ethics and procurement processes. ➤ We have continued to raise awareness and provide training on compliance with competition laws. ➤ We have set up an ethics management system tool to improve the management of ethics line calls and trend reporting to enhance quality of decisions in shaping and dealing with ethics issues. ➤ We are a member of the Ethics Officer Association, established in October 2010 to share knowledge and best practice in the field of business ethics. Sasol has been asked to share information on our investigation processes and on how we deal with call management. <div style="border: 1px solid black; padding: 5px; margin-top: 10px;">  <p>Further details are provided on pages 35 – 36.</p> </div>

chairman's statement



Hixonia Nyasulu, chairman

Dear stakeholders

It is pleasing to report that Sasol has once again delivered value to its stakeholders through its focus on responsible growth. Growth cannot be pursued at any cost – besides seeking to grow profitably, we must also understand what is required to grow sustainably. To this end, we seek a careful balance between meeting some of the more immediate expectations of our shareholders and other stakeholders, and the need to make significant investments to sustain our growth over the longer term.

Sasol's positive results this year reflect the company's strong focus on maximising operational efficiencies and successfully implementing our business improvement and growth plans. These have been achieved while also ensuring strict management of costs. Furthermore, improved production and sales volumes at many of our businesses over the year further enhanced profits, resulting in sustained cash generation and a healthy balance sheet. The impact of the strong rand has been generally offset by higher global commodity prices.

Despite the continuing volatility in global markets, Sasol has delivered an average rate of return on equity of 23,4% over the last five years, while increasing shareholders' equity by 14% to R108 billion at 30 June 2011. Group operating profit increased by 25% to R30 billion, and our cash flow generation from operations improved from R27,3 billion to R38,6 billion. This strong foundation has enabled us to pursue growth based on our unique technology advantage. Notably this year, we invested R3,8 billion in shale gas assets in Canada. In recognition of Sasol's strong balance sheet and healthy cash flow position, the board approved

a 24% increase in the total dividend for the year from R10,50 in 2010 to R13,00 in 2011.

Focus on safety. The tragic deaths of 10 people (five Sasol employees and five service providers), as a result of injuries sustained while on duty, contrasted our positive financial performance. In addition, there was a most regrettable incident in which five people lost their lives when a leisure boat capsized during an off-site year end function. I extend my deepest sympathy to the families, friends and colleagues of those who lost their lives in Sasol's service during the year. Safety remains a top priority for Sasol. While we have seen a positive improvement in our overall safety record, reflected in the group recordable case rate (RCR)* of 0,42 being in line with global standards, the high number of fatalities remains a significant source of concern to me. We have instituted a stringent safety improvement plan to help us achieve our goal of zero fatalities and a RCR of 0,3 or less by 2013.

Strong performance from core businesses. Our ability to generate sustained value for our stakeholders is due to the performance of our core businesses in South Africa, Europe, the Middle East and North America. These well-run, profitable businesses have consistently generated robust performance, producing the cash flow to further our longer-term growth objectives.

The strong performance of these businesses would not be possible without our many partners, including governments and commercial entities that are integral to the success of our joint ventures across the world.

* 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. Currently, about 11% of the RCR is attributable to illnesses.

Our core businesses and joint ventures have enabled us to remain resilient in the face of the recent financial and market turbulence, which is reflected in the increasing volatility in commodity prices and exchange rates. The resulting uncertainty, which affects demand for our products, highlights the need for a strong and sustained focus on operational and functional excellence, margin improvements and further enhancing our performance in sales and marketing, as well as in managing capital projects.

Growth through our technology advantage. I believe that Sasol is well positioned to continue delivering a solid financial performance in the coming years. We remain committed to increasing shareholder returns by accelerating our gas-to-liquids (GTL) growth strategy and by enhancing the operational efficiencies of our foundation businesses and our support functions. Our strategy to increase natural gas resources, through exploration and acquisitions, that complement our GTL value proposition remains on track.

An exciting development this year has been our substantial investment in Talisman Energy Inc.'s (Talisman) Farrell Creek and Cypress A shale gas assets. This is the largest investment Sasol has made since our initial investment in our facilities at Sasolburg and Secunda many decades ago. The emergence of shale gas as a new unconventional source of gas, combined with current and anticipated oil and natural gas price dynamics, makes a compelling case for GTL. This investment aligns with our stated objective of growing and owning our upstream gas asset base in order to further our GTL growth plans. With these two acquisitions adding more than 10 trillion standard cubic feet of contingent resources to our upstream portfolio, we have commenced a feasibility study with Talisman on a GTL facility in western Canada. We have also completed a pre-feasibility study into a possible GTL facility in the United States and the board has approved that the project proceed to the feasibility study phase. We have completed the feasibility study for the construction of a GTL plant in Uzbekistan and the front end engineering and design phase of the project will commence before the end of the 2011 calendar year. We also continue to participate in the construction of a GTL plant in Nigeria and are progressing with studies on a possible coal-to-liquids (CTL) facility in India.

Through the group's new business unit, Sasol New Energy, we are looking to develop low-carbon electricity as Sasol's third major value chain, alongside liquid fuels and chemicals. We are making good progress in exploring potential growth opportunities in renewable and lower-carbon energy options such as solar and hydroelectric power and natural gas-based prospects, as well as biofuels and biomass. We are also working on clean coal technologies such as underground coal gasification and carbon capture and storage.

Investor confidence in Sasol. I believe that this combination of a sound technology base in our synthetic fuels and chemical businesses, the nature of the oil and natural gas price dynamics favouring our investments in shale gas and our GTL value proposition, as well as our longer-term investments in new energy opportunities presents investors with a unique investment. This compelling proposition sits alongside successful cash-generating businesses that continue to pay progressive dividends.

Delivering value sustainably. As I stated at the outset, our commitment to delivering sustained stakeholder value through growth is informed by a very real appreciation that we cannot pursue growth at any cost. We understand that our ability to grow is dependent upon sustained access to vital natural resources and feedstock (such as water, coal and gas), a stable socio-political environment, a skilled, healthy, committed and motivated workforce as well as positive relationships with our principal stakeholders. This includes governments, finance providers, our business partners and the communities where we operate. Our ability to deliver sustained value thus requires us to operate in an informed, proactive and socially responsible manner.

Recognising that growth cannot be achieved effectively without a committed focus on sustainable development, the group formally adopted sustainable development as a strategic business philosophy back in 2000. In fulfilling this commitment, we have developed, implemented and are continuously improving our management framework 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. These are reviewed in our integrated annual report, and in more detail in our separate sustainable development report, and on our website, www.sasol.com.

The complex challenges associated with sustainable development are epitomised by the risks and opportunities of climate change. This issue has received added prominence in South Africa following the publication of various government policy papers (including a discussion paper on a possible carbon tax), and in anticipation of South Africa hosting the United Nations Framework Convention on Climate Change (UNFCCC), COP17, in Durban in December 2011. During the year, we have increased our engagement with the government on this matter, submitting detailed comments on its climate change policy papers, both as a company as well as through representative business bodies such as Business Unity South Africa.

We are also playing an active leadership role in ensuring that, to the extent possible, business speaks with one voice at COP17 in Durban. The Sasol chief executive officer, together with the Eskom chief executive officer, formally established the South African COP17 CEO Forum in June 2011. It comprises over 40 chief executives, who are committed to engaging constructively with key stakeholders in support of a climate change response, that ensures South Africa's transition to a lower-carbon, resilient economy, which will sustain economic growth and prosperity in the country and increase South Africa's competitiveness.

While Sasol recognises the need for societies to make the transition to a lower-carbon economy, it is important that in making this transition we remain sensitive to the urgent developmental needs of the world's emerging economies. We believe that this requires integrated public policies that are economically efficient, that share costs equitably, and that provide for the particular circumstances of the regions in which they apply. Against this changing policy background we have set ourselves ambitious long-term targets on managing our environmental footprint. We are investing significantly in energy efficiency initiatives, in expanding our use of natural gas as a feedstock, and in identifying opportunities for carbon capture and storage.

I am confident of Sasol's ability to deliver long-term sustainable value in the context of the increasingly complex and evident challenges associated with sustainable development, as reflected for example in our approach to the risks and opportunities of climate change. I believe that our proven ability to develop and commercialise innovative technology, and to operate these technologies at scale, will enable us to remain competitive in an increasingly turbulent business environment, and to continue making a positive contribution to the societies in which we operate.

Investing in South Africa's growth. We are committed to continue to play a strong and constructive role in the South African business environment and to supporting the government in its efforts to develop and implement a pragmatic economic and industrial growth plan. Our commitment to the country's development objectives is evidenced, among other things, by our contribution to broad-based black economic empowerment (BEE) and promoting of our skills development in the region.

I am pleased to report that we reached our 2012 BEE objective early, being issued with a level 4 BEE verification certificate in September 2010. This assessment is a positive reflection on our activities across all seven pillars of BEE, which include equity ownership, management diversity, employment equity, skills development, preferential procurement, enterprise development and socioeconomic development. We expect to obtain a level 4 rating again this calendar year.

Developing and retaining our human capital.

As a technology-driven company, our current and future success is dependent on our ability to attract, retain and develop highly skilled individuals from diverse backgrounds. In addition to developing the skills of our own employees, we have once again invested significantly in skills development beyond our factory gates. We run one of the largest bursary schemes, to the value of R39 million, in South Africa and are the lead investor in the oil, gas and chemical manufacturing artisan skills development project. We have also established partnerships with 11 South African universities on research and development. These investments are key to the long-term success of Sasol, the South African petrochemical industry and the nation as a whole.

Meeting global governance expectations. Maintaining high standards of corporate governance is integral to the group's success. We continued to focus this year on developing and implementing systems to ensure full compliance with legislative and governance requirements. We have also invested significant effort in fostering ethical and fair business practices. I am confident that these efforts will result in the highest standards of governance being maintained throughout the group. A detailed review of these and other governance activities is provided in our annual financial statements.

An important governance development this year has been the requirement, in terms of the King Code of Governance Principles for South Africa (King III Code), to publish an integrated annual report. This forms part of a broader global governance trend that seeks to promote more effective disclosure of the information needed by stakeholders to assess the true economic value of organisations. I welcome this trend, in the belief that it will

prompt an improved appreciation within business of the strategic significance of societal issues, as well as encouraging business to play an active role in addressing the social, economic and environmental challenges that we face.

While our recent annual reports have been recognised for their leadership in providing an integrated strategic assessment of Sasol, I am pleased with our first formal integrated annual report. I believe that our reporting is aligned with the expectations of the King III Code and with the latest work of the International Integrated Reporting Committee, and I am confident that Sasol will continue to demonstrate global leadership in this important area.

Our chief executive officer. This year saw the retirement of Pat Davies, who has served with distinction as Sasol's chief executive for the past six years. On behalf of the board, I wish to pay a special tribute to Pat for his 36 years of dedicated service to the company. His depth of knowledge, experience and skill, and his strong leadership have been instrumental to Sasol's positive performance in recent years. Under Pat's guidance, Sasol has grown into a truly international and diverse organisation that engages positively with its stakeholders. He has laid a solid foundation for sustainable, responsible growth. We wish Pat well in his retirement.

Strong leadership is obviously critical to the success of any organisation, particularly for a large company that has ambitious global growth objectives. I am very excited to extend a warm welcome to Sasol's new chief executive officer, David Constable, an engineer with 30 years' experience in the heavy industrial engineering, construction, operations and maintenance arenas across the globe. We are pleased to have found a chief executive officer of David's calibre and experience. His extensive engineering foundation has seen him take important leadership roles across the world in both developed and developing economies. His strong track record for talent and diversity management is attractive to a company like Sasol which values its people. We look forward to making progress on Sasol's growth plans under his leadership.

Appreciation. The board thanks Anshu Jain, Brian Connellan and Tom Wixley, who retired during the year and Greg Lewin, who resigned, for their outstanding contributions during their tenure as non-executive directors.

Finally, I would like to thank Sasol's board, management team and employees, all of whom have contributed to the group's positive performance during the last year. Given the skills and dedication of the Sasol team, I am confident that the company is well placed to continue to deliver on its vision to grow responsibly, profitably, sustainably and inclusively.



Hixonia Nyasulu
Chairman

9 September 2011

chief executive officer's overview



David Constable, chief executive officer

As we transition the leadership of Sasol, I have full confidence in the group's ability to pursue growth responsibly, in South Africa and abroad. Our strong financial position and clearly focused strategy positions us for exciting prospects and the sustained creation of value. Underpinning this position, is an evident appreciation of the importance of applying our innovation and talent to the social and environmental challenges we face as a global corporate citizen.

- Q **In your first few months at Sasol, what have been your impressions?**
- A After having spent my entire career with Fluor Corporation, and with Fluor having worked with Sasol for the past 51 years, it was good to have an understanding of the business beforehand. In addition, I have learned and lived by similar values that Sasol so strongly promotes, which has helped make the transition a smooth one for me. Sasol's alternative fuels and value-add chemical technologies are clear differentiators for us going forward. And most importantly, I have been impressed with the Sasol people and their can-do attitude.

Q How do you think Sasol performed over the 2011 financial year?

A Exceptionally well, as Sasol continued to deliver on its strategy throughout the year. The focus on further improving the performance of our assets delivered strong production, cost and margin benefits. The group also took significant strides in pursuing responsible growth, both in South Africa and abroad. What is particularly pleasing is the progress made in advancing our upstream strategy through the acquisition of two shale gas assets in Canada, as well as the headway made on other gas-to-liquids (GTL) opportunities.

We made good progress in further developing our technology and reached a milestone in commercialising our proprietary ethylene tetramerisation offering with the approval of plans to establish a facility in the United States. This complex will use Sasol's novel technology to produce 1-octene, a comonomer that is expected to see increasing demand globally.

Our growth projects in Southern Africa, including further upstream exploration in Mozambique, the wax expansion in Sasolburg and the Secunda growth plan, are progressing.

Our existing operations also made good progress. We maintained our focus on enhancing operational efficiencies, delivering on business improvement plans and strict cost management. Stronger oil prices (average dated Brent crude oil price of US\$96,48/barrel) and higher global commodity prices, contributed to the group's strong performance, despite the particularly robust rand (average of R7,01/US dollar for the year). The group's cash fixed cost increases were contained to within inflation – testament to the dedication of all Sasol team members. In addition, a concerted effort to improve margins across the group has yielded successful results for our chemical businesses in particular. In fact, the chemical cluster contributed an impressive 29% of group operating profit for the year.

Our healthy cash flow generation has resulted in a total dividend of R13,00 per share, in line with our progressive dividend policy. Equally important, our strong balance sheet positions us well to pursue abundant growth opportunities.

Q Where do you see room for improvement and how are you addressing those areas?

A Safety remains our top priority and is an area that is getting continued attention. A targeted safety improvement intervention was launched during the year and is being implemented at the various sites. In addition, changes to employee incentives have been made to drive improved safety behaviour. Our challenge is not just to improve our recordable case rate, but to make zero harm a reality.

For me, the overarching goal of a successful chief executive officer is to maximise long-term value as measured by total shareholder return.

Three years ago, we launched the functional excellence programme, which aimed to improve the efficiency and effectiveness of our service functions and to reduce functional costs. Many of the new processes and designs have been implemented, and cost savings of around R1 billion have been delivered this year. I believe there are additional savings to be gained as we come up to speed on functional excellence.

There is also room for improvement in the way we execute and deliver on-schedule, on-budget projects. To this end, we launched our capital excellence programme in June 2010 and are ramping up value-adding work processes in this area.

Improved planning and optimisation across Sasol's business unit boundaries is also a major opportunity to enhance how the group allocates feedstocks, utilises production capacity and places products into the market to improve the bottom line.

We also recognise the need to improve on sales and marketing skills to support our strong operational platform. Sales and marketing excellence is a new group-wide programme that was launched in July 2011, which will begin to yield results in the near term.

Q Sasol's growth programme seems very ambitious...

A Yes, it is ambitious, but I believe it is underpinned by a solid base of competitive advantage and market opportunity.

Firstly, our world-leading position in alternative fuels technology, particularly the application to produce ultra-low-sulphur diesel via the GTL process, places us in a unique position to leverage the widening differential between natural gas and oil prices. This is a very exciting market for us and our offering can improve a country's energy security landscape and economy in both developed and developing markets.

Secondly, we have unique technologies for the production of wax and certain high-performance plastic feedstocks. Both these products serve fast-growing and high-value chemical markets.

It therefore makes sense that we pursue our current opportunities. The key, of course, is to ensure that we have the systems and resources in place to deliver on these ambitions and create shareholder value.

Q How do you plan to deliver on Sasol's growth targets?

A To support our strategic agenda, we recently formed a new business development department which, together with the various business units, works to identify and assess the feasibility of opportunities for growth in upstream resources, GTL, coal-to-liquids (CTL) and chemicals.

Also, I have a keen eye on our capital excellence programme, which is designed to improve capital allocation across the group and help us deliver projects efficiently and effectively. This, in turn, will drive improved internal rates of return and earnings growth.

Clearly, growth is predicated on our unique technologies and our skilled people. To stay ahead, our dedicated focus on research and development and the commercialisation of new technologies is critical. Our strong team of scientists partner with a number of universities, research institutes and technology providers around the world. We have a diversity of businesses, functions and projects that provide valuable opportunities for our people to develop. People development is critical to our business because we need a pipeline of suitably qualified and experienced resources to deliver on our growth plans. To that end, we are continuously and actively improving our employee value proposition.

Q Much of the growth appears to be outside South Africa. How do you view the group's South African business?

A It is true that a good deal of our growth plans and recent activity have been in regions such as North America, the Middle East and Central Asia. However, our South African business is the engine that makes both domestic and international growth possible. Sasol is firmly rooted in South Africa and we are making significant investments in growth opportunities at home and in the Southern Africa region. Our total capital spend in South Africa over the past three years has been R42 billion, and with the pipeline of projects in the region, we are looking at spending an additional R40 billion over the next two years.

These investments range from the substantial expansion of wax production, to exploration for natural gas, to the investments we are looking at making in low-carbon and renewable energy. Clearly these are significant investments and speak not only to our commitment

Sasol's successful track record of developing and commercialising unique technologies and its strong research and development teams position us well in the space of low-carbon energy alternatives.

to South Africa, but more importantly to the business opportunities we see in this region.

We are one of the largest corporate tax payers in South Africa, with R25 billion in direct and indirect taxes contributed in the last financial year. We directly employ approximately 28 000 people in South Africa and make a substantial contribution to its gross domestic product.

I want to elaborate on our growth plans for 'new energy' in particular. If you look at the projects we are pursuing in the low-carbon energy arena through our Sasol New Energy business, you see that they are all in Southern Africa. These projects have the potential to not only position Sasol in promising new technologies, but also to make a meaningful contribution to South Africa's carbon dioxide (CO₂) mitigation objectives.

Q You mention some activity in Sasol New Energy. Sustainability is obviously an imperative for an energy company like Sasol. How are you addressing this?

A For Sasol to deliver long-term sustainable value, we need to be more efficient with our use of energy, and to diversify our energy sources. During the year, two gas turbines were brought into operation in Secunda, producing 200 megawatts of power from natural gas. The subsequent addition of heat recovery has further improved energy efficiency. Another gas-to-power project was recently approved by the board for Sasolburg. This will come on stream in 2013, increasing our own electricity generation capacity from 50% to 60% of our South African requirements.

I believe that innovative technology solutions will be key as countries around the world attempt to reduce their carbon emissions. Sasol's successful track record of developing and commercialising unique technologies

and its strong research and development teams position us well in the space of low-carbon energy alternatives. Sasol New Energy, together with Sasol Technology and various external partners, is pursuing options ranging from renewable energy to carbon capture and storage solutions.

While many of these options are in the early stages of development, we have committed to tough greenhouse gas reduction targets and believe that we have an obligation to conduct our business in an environmentally sustainable way.

We are engaging constructively with the South African government on policies to transition to a lower-carbon economy. We believe that the policies that are ultimately adopted should take into account the socioeconomic and development requirements of the country such that its competitiveness is not hindered and jobs are not sacrificed.

In addition to environmental sustainability, we believe it is our responsibility to develop the communities in which we operate, particularly in emerging economies. Over the year, we invested R184 million in community development, including R25 million on capacity building at South African universities and R39 million on bursaries in South Africa. In partnership with the Graça Machel Foundation, we are now also funding postgraduate bursaries for rural Mozambican women, with R1 million a year committed over the next five years. Our bursars form part of the Sasol talent pipeline and are key to our sustainable future.

Q What will you focus on in your first year as chief executive officer?

A For me, the overarching goal of a successful chief executive officer is to maximise long-term value as measured by total shareholder return. This will be achieved by executing the company's long-term strategic agenda and will be a key priority for me through my term as chief executive officer.

Of course my primary focus is for all businesses and functions to operate sustainably and on the basis of sound governance and to achieve their targets on safety, cost optimisation, profit, transformation and the environment. I've already mentioned some of the specific group-wide focus areas: improving our safety performance and operational efficiency, delivering on functional excellence, pursuing growth drivers, and renewing our efforts on values-driven behaviour and culture.

Further diversifying our workforce and driving equal employment opportunities are imperatives that are critical to our company's future. Attracting, developing and retaining highly skilled people is central to our sustainable growth strategy and we will be giving particular attention to human resources in the year ahead. The opportunities for our people and our group are exciting.

Over the year, we further strengthened our competition law compliance programme and continued to cooperate with the South African Competition Commission on its investigations. We will continue to work on matters outstanding.

I would like to thank the entire Sasol team for its continued hard work and loyalty. A word of thanks also goes to our stakeholders – governments, customers, suppliers, trade unions, communities, shareholders and joint-venture partners – who have all played a role in our success. I'm looking forward to building positive long-lasting relationships with all of our Sasol stakeholders.

I'm honoured to be leading this strong and innovative company to its next level of growth and performance and my family and I sincerely appreciate the warm welcome we have received since our arrival in South Africa and at Sasol.

I am also extremely grateful to Pat Davies for his support and counsel. I thank him for his leadership, commitment and dedication to Sasol. Pat's rest has been hard-earned and we wish him a long, happy and most fulfilling retirement.



David Constable
Chief executive officer

9 September 2011



For more details on our top priorities for 2012, refer to page 26.

addressing sasol's sustainable development risks

Sasol's sustainable development performance is aligned with mitigating its top group risks. The table outlines the principal sustainable development risks facing Sasol, how sustainable development links to these risks, and summarises our performance in mitigating these risks. Details of our risk management process and a more detailed take on our top group risks can be read on page 49 of the integrated annual report.

Risk	Context	Mitigation
<p>A major safety, health or environmental (SHE) incident or liability.</p>	<p>We have recorded an increase in fatalities. This is unacceptable. We remain committed to achieving our goal of zero harm to people and the environment and being a responsible and accountable corporate citizen. Recent events such as the Japanese tsunami have underlined the potential impact of natural disasters on business. The development of facilities in new territories presents a challenge to ensuring that Sasol SHE policies and design standards are strictly followed.</p>	<p>Our 'zero exposure to harm' philosophy underpins all our activities. In 2011, we implemented a revised safety improvement plan, building on business unit initiatives to develop safety leadership at management and supervisory levels. We have strict performance targets on safety and health, process safety management, greenhouse gas (GHG) emissions, water management, energy efficiency and volatile organic compounds. We regularly update and train our staff on these key SHE requirements and carry out internal and external audits to check our compliance.</p>
<p>Not delivering a viable carbon dioxide (CO₂) solution.</p> <p>Competitors introducing viable superior or alternative technologies.</p>	<p>Sasol's efforts in reducing greenhouse gas (GHG) emissions are aimed at contributing to the world's fight against global warming. Global efforts to reduce GHG emissions are intensifying. Sasol's processes make the group a significant emitter of GHGs. Our growth aspirations rely on viable CO₂ reduction solutions being developed. The costs associated with GHGs are rising and could increase substantially with the potential introduction of a carbon tax in South Africa.</p> <p>As well as our environmentally driven efforts, energy security considerations also mean that competition in our industry is intensifying. In South Africa, plans to introduce new fuel specifications could pose challenges to local refineries.</p>	<p>GHG reduction targets are in place. Sasol New Energy plays an important role in delivering on the objectives of our climate change response strategy. The group's approach to reducing its GHG emissions is based on four pillars:</p> <ul style="list-style-type: none"> • increased use of low-carbon energy; • increased use of renewable energy; • improved energy efficiency at its operations; and • implementation of carbon capture and storage. <p>Numerous management controls are in place to mitigate risk from competitors, and improved intelligence gathering helps us identify and address competitor technologies.</p>



Risk	Context	Mitigation
<p>Failure to deliver timeously on cultural change initiatives and transformation in South Africa.</p>	<p>Transformation is one of Sasol's top priorities driven personally by the chief executive officer. To sustain Sasol's business, the group understands the importance of creating a high-performance, ethical, inclusive culture for all its employees. In this way, we will be able to attract and retain the skills we need. South Africa has various laws in place to meet the country's transformation objectives. Failure to meet these could have material consequences for Sasol's reputation, access to resources, licence to trade and ability to attract and retain skills. More onerous legislation, potential penalties and slow progress in achieving employment equity plans impact negatively on Sasol's transformation ambitions.</p>	<p>Values-driven leadership, talent management, employment equity, diversity management and compliance with the broad-based black economic empowerment (BEE) scorecard underpin Sasol's success in meeting and exceeding transformation requirements. We participate in the Broad Based Socio Economic Empowerment Charter for the South African Mining and Minerals Industry and the South African Liquid Fuels Charter. The group's enterprise development arm, Sasol ChemCity, now houses the black economic empowerment (BEE) office, delivering a more integrated approach to the five pillars of broad-based BEE.</p>
<p>Non-compliance with applicable laws, regulations and standards.</p>	<p>Authorities globally are intensifying efforts to enforce compliance with all laws, and are focused on anti-competitive behaviour in particular. Various jurisdictions have specialised legislation aimed at combating corruption and companies found guilty of contraventions face fines and damage to their reputations. Tax laws are becoming increasingly complex, as are sanctions against certain jurisdictions. South Africa and other countries are considering introducing new climate change requirements, including a carbon tax.</p> <p>Significant challenges are also faced in meeting the requirements of the new Air Quality Act, the Waste Act and new fuels specifications in South Africa. The government is also reviewing the Mine Health and Safety Act and is intensifying its enforcement of environmental laws.</p>	<p>Sasol's new public policy and regulatory affairs department is working to find solutions to the key policy and regulatory challenges facing the group. The internal legal compliance function continues to build capacity and gain momentum. Specific efforts to meet these various requirements are described throughout the integrated report and the sustainable development report.</p> <p>Systems and processes are in place to ensure compliance with applicable laws and regulations by all employees and annual training and certification takes place.</p>



Risk	Context	Mitigation
<p>Insufficient management and technical skills.</p> <p>Not succeeding with the engineering, construction and commissioning of new plants.</p>	<p>To develop and apply new technologies and meet our growth ambitions, Sasol needs to recruit and retain qualified scientists, engineers, artisans and operators as well as seasoned managers to execute major projects. Labour market dynamics (eg, new legislation and skills shortages) put upward pressure on labour costs.</p> <p>The recession has reduced pressure on some project costs, but the price of many key inputs, like steel, remain high. Global expenditure on capital projects is increasing, particularly in Asia.</p>	<p>The development of management and technical skills within Sasol is an integral part of our human resources strategy. Sasol's learning strategy balances standardised curriculum-based learning with on-the-job application to achieve a culture of lifelong learning. To develop future talent, Sasol runs one of the largest bursary schemes in South Africa with total investment last year of R38,5 million. Our primary focus is developing talent in science, technology and engineering.</p> <p>To mitigate project costs, we continue to broaden our supply base, building relationships with new equipment manufacturers. We review international benchmarks on project management and put into practice learning from previous projects.</p>
<p>Increasing portfolio exposure to high-risk countries and diverse regulatory regimes. This covers a broad range of risks from those related to human rights to the availability of reliable utilities and infrastructure.</p>	<p>Sasol's growth ambitions depend mainly on the opportunity to commercialise its technologies across new frontiers. Apart from considerable shale gas resources in North America, most of the world's available gas and coal reserves are in developing countries, often in remote and underdeveloped locations.</p> <p>Constraints on growth because of political sanctions, social unrest or environmental constraints (access to resources) could have implications for demand for Sasol products.</p> <p>In South Africa, inefficiencies across electricity, water, rail, road, pipeline and port services could translate into cost increases that directly impact Sasol's competitiveness and profitability.</p>	<p>Wherever it operates, Sasol is guided by its values and code of ethics. We believe in business and social partnerships based on our South African experience. We follow strict procedures for measuring country risks. We use our carefully formulated business development and implementation model, the level of equity participation in joint ventures as well as information from reputable rating agencies to assess country risk on a regular basis.</p> <p>With the group's recent large investment in Canada, its total exposure is now more balanced. Efforts to generate our own electricity are aimed at mitigating tight power supply in South Africa, while our purchase of rail car tankers from Transnet and the warehousing of products close to customers abroad are aimed at reducing risks to our supply chain.</p> <p>Specific responses to potential water shortages include the setting of internal water efficiency targets for Sasol operations, the establishment of partnerships with local municipalities on water-loss reduction initiatives, influencing the water use efficiency of the irrigation sector and lobbying for the development of a water offsetting mechanism within the legal framework for South Africa.</p>



A full review of regulatory risks is provided in our annual Form 20-F filing, a copy of which is available on our website.
 A review of relevant fines, penalties and settlements currently facing Sasol is provided in our online sustainable development report, as well as in our Form 20-F filing. (GRI – EN28)



GRI – 1.2



section 1

Integrating sustainable
development in our core
strategy

our sustainable development management framework

Sustainable development is core to delivering on our growth objectives.

Underpinning our strategic agenda is an appreciation that our growth drivers cannot be achieved effectively without a committed focus on 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 promoting broad-based black economic empowerment in South Africa;
- ▶ 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 attract and retain the best talent;
- ▶ assessing, managing and communicating the safety, health and environment (SHE) risks associated with Sasol's products throughout the life cycle and assist users to handle our products in a responsible manner; and
- ▶ further reducing our environmental footprint across the group, including specifically with regards to greenhouse gas emissions, other air emissions, water usage, waste minimisation and managing product risks.

We believe that there is a strong causal link between addressing sustainable development issues and achieving our strategic growth objectives. At a fundamental level, growing our business is ultimately dependent on maintaining a stable political

We believe that there is a strong causal link between addressing sustainable development issues and achieving our strategic growth objectives.

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. These include 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,

Case study



Energy and water security remains material challenges for Sasol.

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 attract and retain the best staff, 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 more responsibly and effectively. Through effective risk management practices that prevent incidents, we save on potential clean-up costs, insurance premiums and legal liabilities, not to mention the intangible costs associated with an impaired reputation.
- We anticipate that the costs of energy, water and other raw materials, as well as the costs of managing waste, are likely to increase in the future, further highlighting the financial importance of improved resource efficiency, as well as the potential benefits associated with generating our own electricity.
- Through programmes like operations excellence, we have achieved significant improvements in terms of reducing waste and achieving higher material and energy efficiencies supported by a focus on overall equipment effectiveness (OEE). This has yielded financial benefits of R1,4 billion per annum with an additional R700 million per annum projects underway.

- A core asset in growing the group 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 rewarding their efforts and promoting 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 respected 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 are likely to develop greater inventiveness and productivity, as well as make a positive contribution to society through their influence, for example on enhanced safety practices beyond the workplace.
- 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 of technological innovation and of commercialising technologies at scale. We see strategic growth opportunities being developed by building on these core skills to identify opportunities over the longer-term associated with changing from the current energy mix. Sasol New Energy has been tasked with identifying and realising the business opportunities associated with a future low-carbon economy. During the year, Sasol invested R1,1 billion in research and development (R&D) including capital and operational expenditure.

The role of shale gas in delivering on Sasol's growth plans. Natural shale gas is becoming an increasingly important feedstock for Sasol. Not only will it help us deliver on our growth plans to expand outside South Africa, but also help lower the company's carbon footprint. To access shale gas requires drilling and extraction process called hydraulic fracturing (or 'fracking'). Fracturing liquids (comprised mainly of water, sand and less than 1% chemical additives) are pumped at high pressure into the shale rock to create fractures that increase the rock permeability and allow the gas to flow back up the well bore.

While it can be a safe process when managed responsibly, the risks associated with hydraulic fracturing have recently been brought to the attention of South Africans through the public's response to another company's application to explore for shale gas in the Karoo Basin of South Africa (Karoo Basin). Concerns have been raised around water: accessing water for hydraulic fracturing, potential contamination of drinking water and the safe disposal and treatment of water used in this process.

Sasol currently only has the rights to study the potential of shale gas exploitation in the Karoo Basin. We do not conduct any activities in this area, such as drilling or hydraulic fracturing. We would only consider doing so if it could be done in an environmentally responsible manner and within a regulatory framework.

We are committed to ensuring that our growth plans, which include growth through monetising Canada's shale gas reserves, are undertaken in a manner that contributes to socioeconomic development, addresses challenges relating to energy security, and mitigates risks to the environment. We currently source shale gas from Canada, where we own a 50% stake in two shale gas assets. Our partner, Talisman Energy Inc. (Talisman), owns the remaining half of the assets and as the operator of the venture is responsible for ensuring the hydraulic fracturing process is conducted safely and in an environmentally responsible way. Sasol supports Talisman in ensuring the operations at our shale reserves are safe, follow industry best practice and within a regulated environment.



A detailed response on the environmental impact of Sasol's shale gas activities in the Karoo Basin of South Africa and Canada is provided through our website, as well as additional information on capitalising on the North American gas opportunity and a case study on sustainable development challenges and opportunities in our international operations in Papua New Guinea.



Effective risk management practices prevent incidents.

The King Code of Governance Principles for South Africa (King III Code) calls for integrated sustainability reporting. Underlying this call is the request that companies should clearly demonstrate how social, economic and environmental considerations impact on their growth drivers and how these issues are being effectively integrated within the company's core strategy, throughout its operations and sphere of influence. We believe that the above account very clearly shows why sustainable development issues are integral to our growth objectives. The rest of this report – 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.

Coordinating sustainable development through the Sasol SHE centre. Sasol's group executive committee (GEC) formally adopted sustainable development as a group-wide strategic business objective in 2000. Since then, we have taken steps towards integrating sustainable development principles into our activities, with the expectation that a commitment to sustainable development yields a competitive advantage.

In fulfilling this commitment, we have developed, implemented and are continuously improving our management framework. This provides our businesses with the policies, governance structures, targets and reporting systems to manage the risks and opportunities that sustainable development presents. This year the company underwent a review to improve the coordination and strategic integration of our climate change-related committees, and to clarify Sasol's safety, health and environment (SHE) and climate change-related accountabilities.

Sasol's group executive SHE committee, chaired by the chief executive officer, is a subcommittee of the GEC. The group executive SHE committee is responsible for SHE governance.

The committee meets quarterly and is attended by GEC members, functional heads and business unit managing directors. It ensures that decision-making is integrated with and informed by Sasol's sustainable development strategy.

Our greenhouse gas management committee (established in 2007) is chaired by Riaan Rademan, the group executive responsible for SHE. The committee addresses the linkages between air quality, water stewardship, waste management, biodiversity and ecosystem services, climate change and other environment related issues. The following other changes and clarifications have taken place this year:

- ▶ Accountability for public policy shaping and engagement on climate change has been transferred to Project Everest within the group strategy and planning function. Project Everest manages issues of strategic importance including our climate change policy and takes accountability for Sasol's contribution to the United Nations Framework Convention on Climate Change (UNFCCC) Conference of the Parties (COP)17. The SHE centre remains accountable for greenhouse gas (GHG) data management, setting of targets and reporting performance against targets. The Project Everest team plays a key role in confirming updates to Sasol's GHG targets and changes to Sasol's GHG climate change policy.
- ▶ The SHE centre remains accountable to review and coordinate the sustainable development strategy for Sasol, with inputs from relevant functions and business units. The group strategy and planning function is responsible for revising the group strategy.
- ▶ Accountability for water stewardship, the United Nations Global Compact CEO Water mandate, disclosure and adaptation remain with the SHE centre. Sasol New Energy is accountable for water sourcing for the group, water availability, business unit water



Safety remains a top priority and a core value of everyone at Sasol.



targets and offsets, and for developing an overall sustainable water strategy for the group.

The Sasol board receives input from the group risk and SHE committee and the audit committee. In line with the King III Code requirements, the audit committee plays a role in reviewing and approving the integrated annual report, the sustainable development report and the nature of any associated external assurance processes. The composition and activities of these committees are outlined in more detail in our integrated annual report.

The Sasol SHE centre continues to oversee group sustainable development and SHE management issues, and provides specialist advice and support services to our business units on SHE matters, product stewardship, and broader sustainable development initiatives. All our operations are governed by an integrated SHE policy and by a hierarchy of SHE 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 the International Organisation for Standardisation (ISO) 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 will be moving to an integrated management system currently being developed. This will be 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.



An organisational diagram of Sasol's new SHE governance and climate change structures is presented in our online report.

Functional excellence: One Sasol way of doing business.

Our functional excellence (FE) programme has sought to streamline and standardise support functions at Sasol, to improve efficiency and effectiveness. It was initiated following a benchmarking survey in 2007 which identified concerns relating to a lack of process and systems standardisation across the group. The survey found that in many cases capabilities are fragmented, making it difficult for Sasol's enabling functions – human resources, corporate affairs supply chain management, SHE, information management and finance – to provide the most effective and efficient service. To address this, FE was established in May 2008 to align different functions to better enable delivery through standardised policies, structures, capabilities, processes and technology. While a transition like this has its challenges, we are beginning to leverage skills and budgets more effectively. Many of the systems are new and so we will only be able to measure their effectiveness over time. We expect to see improvements in performance in all areas.

our strategy

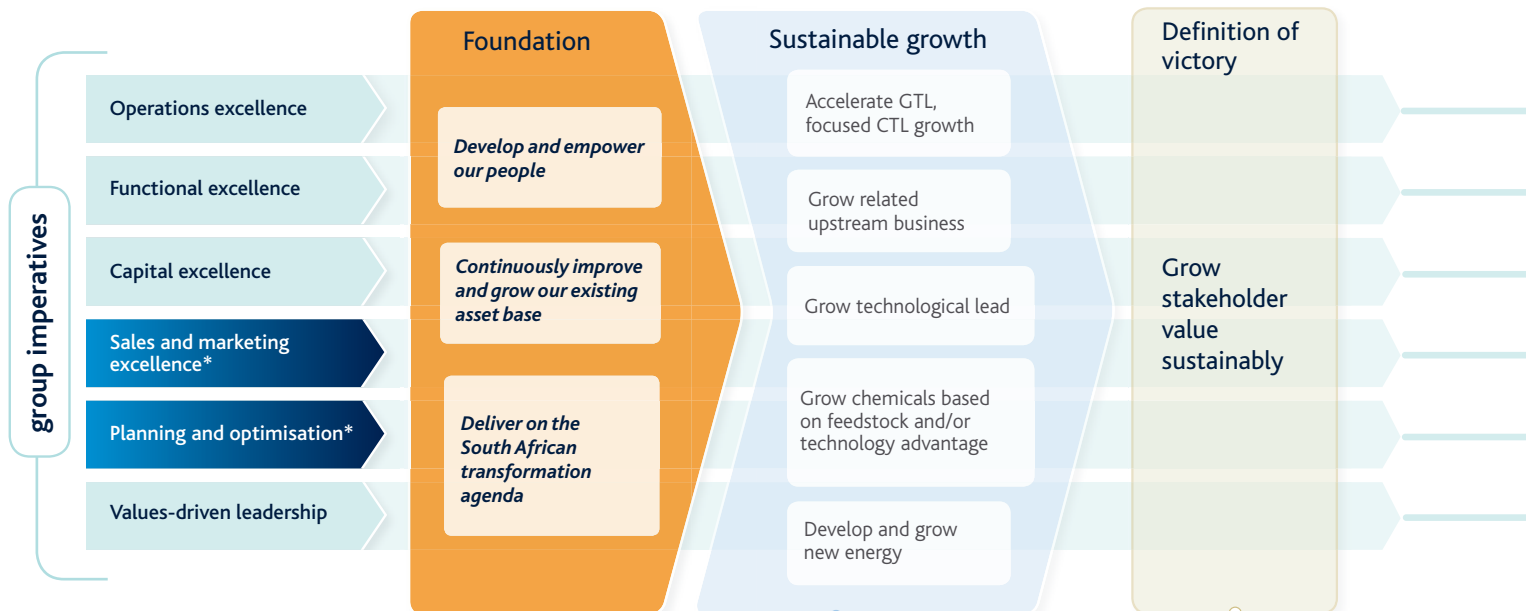
Our vision

To grow profitably, sustainably and inclusively while delivering value to stakeholders through our 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 gas-to-liquids (GTL), coal-to-liquids (CTL), upstream, chemical and new energy business. This is achieved through our technological prowess and through group imperatives that deliver functional, operational, sales and capital investment excellence, supported by planning and optimisation and 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.



* New group imperatives since June 2011.

IR More details on our current growth projects are provided on pages 24, 25 and 29.

Sasol's definition of victory is to enhance total shareholder return. We use key performance indicators to measure our performance against achieving this goal, some of which are included in the short-term incentive scheme.

Our foundational pillars

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.

IR Refer to pages 116 to 121 for details on our incentive schemes.

IR For more details on our key performance indicators refer to page 34.

Unpacking our strategic agenda

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 simplified, standardised and shared ways of working. The programme aims to improve the cost efficiency and service effectiveness of all the functional areas of our business.

Capital excellence

This programme 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.

Sales and marketing excellence*

This programme aims to improve Sasol's profitability by developing integrated world class marketing practices, systems and structures across the entire company. These are to be integrated with enterprise information systems that provide better quality and timeous information to better service Sasol's broad range of customers.

Planning and optimisation*

Sasol manufactures a wealth of chemical and energy products from its various facilities and processes. These create a number of options to create value. The aim of this function is to improve profitability through the optimal allocation of Sasol's products and feedstocks.

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 of their leaders. Future activity will focus on assisting leaders to achieve effective culture change in day-to-day business decisions.

* New group imperatives since June 2011.

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 BEE. 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 top priorities for 2012

In order to ensure that our strategic growth objectives are achieved and build on the solid foundation of our existing businesses, we will continue to focus on specific initiatives which will contribute to delivering on stakeholder value. All our businesses and functions will continue to operate sustainably, underpinned by sound governance.

Improve safety performance

- Zero fatalities – zero harm
- Measurement and reporting of leading indicators
- Improve recordable case rate



Improve operational performance

- Operations excellence
- Sales and marketing excellence
- CO₂ mitigation and energy efficiency
- Planning and optimisation



Deliver on functional excellence

- Cost reduction in line with targets
- Maintain or improve effectiveness with services
- Implement organisational changes



Pursue group growth drivers

- Grow upstream gas resources and accelerate gas-to-liquids (GTL) projects
- Drive capital excellence across all projects
- Accelerate new energy opportunities



Renew focus on values-driven behaviour

- Strengthen compliance and governance
- Build a high performance culture
- Develop global business leadership capacity with a focus on diversity and inclusion



our project pipeline

Sasol uses a business development and implementation (BD&I) model, which is a systematic approach for the development and implementation of new business opportunities or any other projects. The methodology is based on the traditional stage gate process associated with project life cycles. By applying the BD&I model's principles, a suitable business opportunity identified in the idea generation stage, could become a focused business development project as it becomes more focused through application of the model.

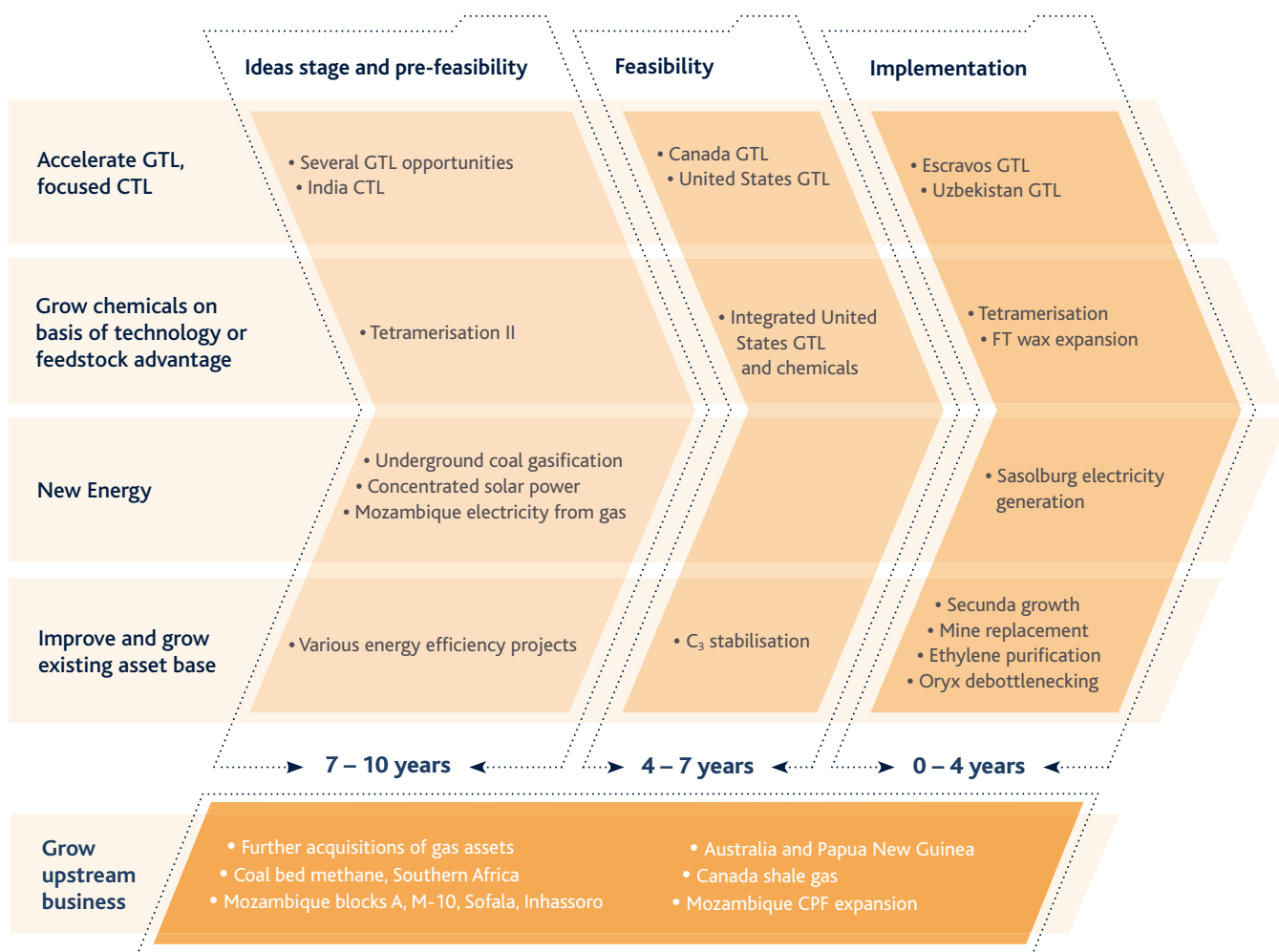
A key feature of the BD&I model is that it facilitates alignment between business and operational requirements; and project and technical activities, to ensure that the right actions are executed at the right time.

Idea generation. This phase focuses on strategic alignment and provides a platform to perform opportunity scanning, brainstorming, research and development and business enquiries.

Pre-feasibility phase. This phase focuses on project planning. During this phase, it is determined whether an opportunity is aligned with company strategy and if the opportunity is worth pursuing.

Feasibility phase. Business, technical and project execution alternatives are identified, considered and the best alternative selected. The selected alternatives are developed into single well defined concepts. The cost and benefits are calculated and it is determined if the project is viable from a technology and economic point of view.

Implementation phase. The facilities are designed in detail, procured and erected as per the accepted project execution plan. Once accepted as ready for commissioning (RFC), the facility and business systems are prepared for the first introduction of process feedstocks to achieve ready for operation (RFO) status.

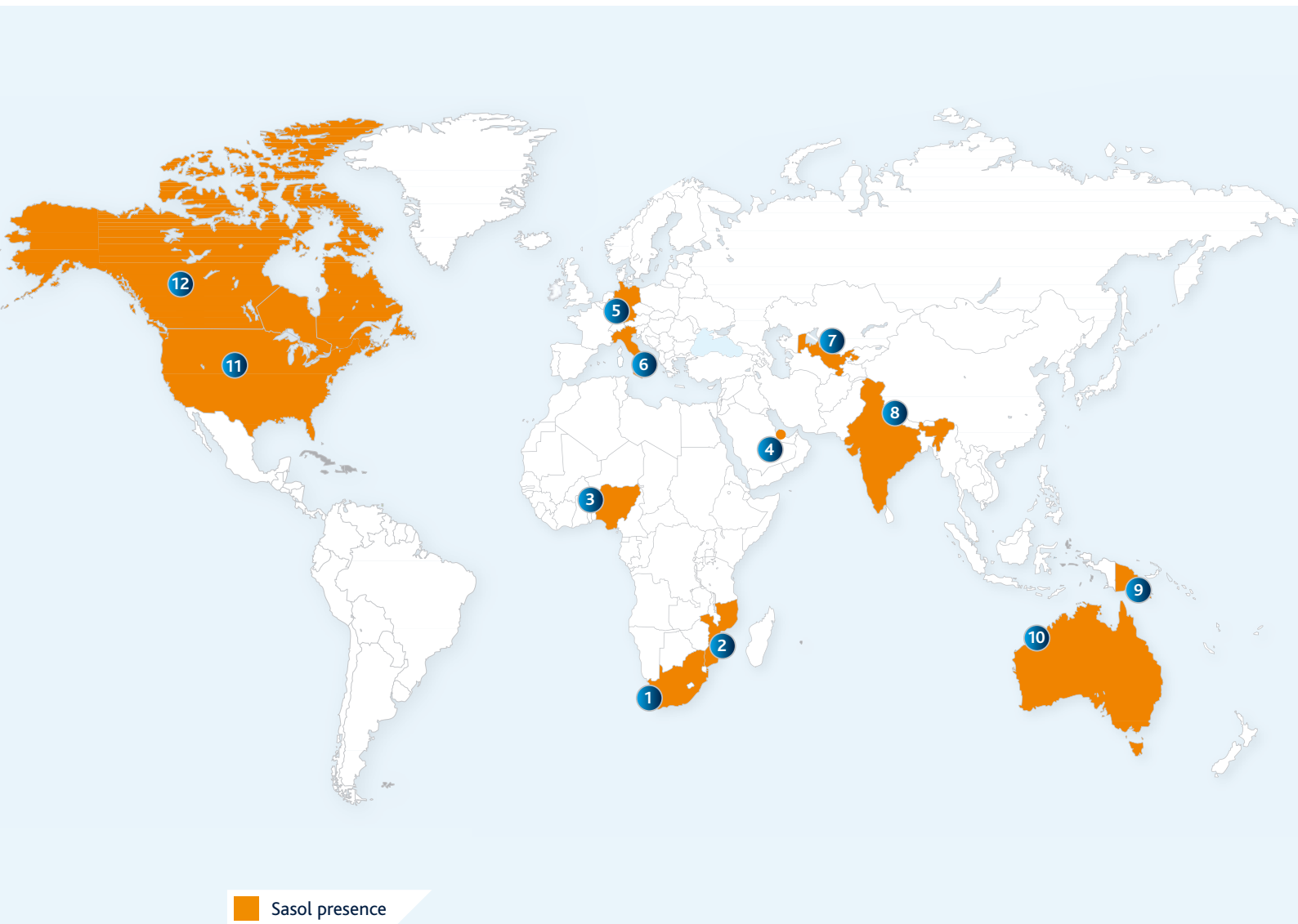


The list above is not exhaustive and displays only the major projects and ideas.

our global growth opportunities

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 gas-to-liquids (GTL) and coal-to-liquids (CTL) facilities.

Recent technology developments in the cost-effective extraction of shale gas, and resulting lower gas prices, present a significant opportunity for the acceleration of our GTL value proposition. We continue to develop focused CTL opportunities and are also progressing plans to expand our chemical businesses.



South Africa

1

Sasol Mining has started work to extend the Twistdraai mine and replace the Brandspruit and Middelbult mines. The Thubelisha shaft is nearing completion and construction on Impumelelo remains on track.

Sasol Synfuels is moving ahead with projects to increase production as well as to increase power generation.

The **Sasol Wax** project to double hard wax production at Sasolburg is expected to come on stream between 2012 and 2015.

Work is underway on the new **Sasol Polymers** ethane/ethylene separation unit in Sasolburg.

Sasol Nitro's new limestone ammonium nitrate fertiliser granulation plant is to be commissioned in November 2011.

Sasol Oil is upgrading its Alrode facilities and is also working on a pipeline between Secunda and Natref at Sasolburg.

Sasol Petroleum International (SPI) and its partners have a petroleum technical cooperation permit to carry out a desktop study to assess the prospective shale gas resources in the Karoo Basin.

Sasol New Energy (SNE) obtained approval to construct a 140 megawatt electricity generation plant in Sasolburg. It is also considering a demonstration concentrated solar power (CSP) plant at Sasolburg. We are also considering renewable electricity opportunities and a field trial of underground coal gasification.

Mozambique

2

SPI is completing the expansion of onshore gas production facilities at Pande and Temane and is exploring for new gas resources.

SPI also increased its exploration and appraisal activities in Mozambique.

SNE is looking at developing additional gas-fired electricity generation with the Mozambican government.

Sasol Nitro has commenced with the supply of its products to customers in the Tete region.

Nigeria

3

Along with Chevron and the Nigerian National Petroleum Corporation, **Sasol Synfuels International (SSI)** continues with the development of the Escravos GTL plant.

Qatar

4

Oryx GTL, jointly owned by Qatar Petroleum and Sasol, is one of the world's largest commercial scale GTL facilities. We are progressively expanding the facility by approximately 10%, with an expected completion date in the 2014 calendar year.

Germany

5

Construction has begun on **Sasol Olefins & Surfactants' (Sasol O&S)** purified tri-ethyl aluminium unit in support of its selective growth strategy.

Sasol O&S is exploring the application of its core inorganics technology to produce ultra-high purity alumina feedstocks used for light emitting diode applications.

Italy

6

Sasol O&S has entered a memorandum of understanding (MOU) with Edison for the installation of a solar power generation plant at the Sasol O&S Augusta manufacturing complex to service a portion of Sasol O&S' electricity needs.

Uzbekistan

7

SSI has formed a partnership with Petronas and state oil and gas company, Uzbnftegaz, to establish a GTL plant in Uzbekistan. A joint feasibility study for the development and implementation of this GTL project, with an estimated capacity of 1.4 million tons per annum was completed. The front end engineering and design (FEED) phase of the project has commenced.

India

8

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.

Papua New Guinea

9

SPI continues to explore for upstream gas resources.

Australia

10

SPI is exploring for upstream gas resources.

United States

11

SPI is considering United States shale gas acquisitions.

Sasol O&S and **Sasol Solvents** have started work on a new facility to produce octene by tetramerising ethylene at Lake Charles in Louisiana, United States.

SSI In 2011, SSI completed a pre-feasibility study into a possible integrated GTL and chemical facility in the United States. After the successful completion of the pre-feasibility study, the Sasol board approved that the project proceed to feasibility study phase. The feasibility study is expected to be completed in the latter half of the 2012 calendar year.

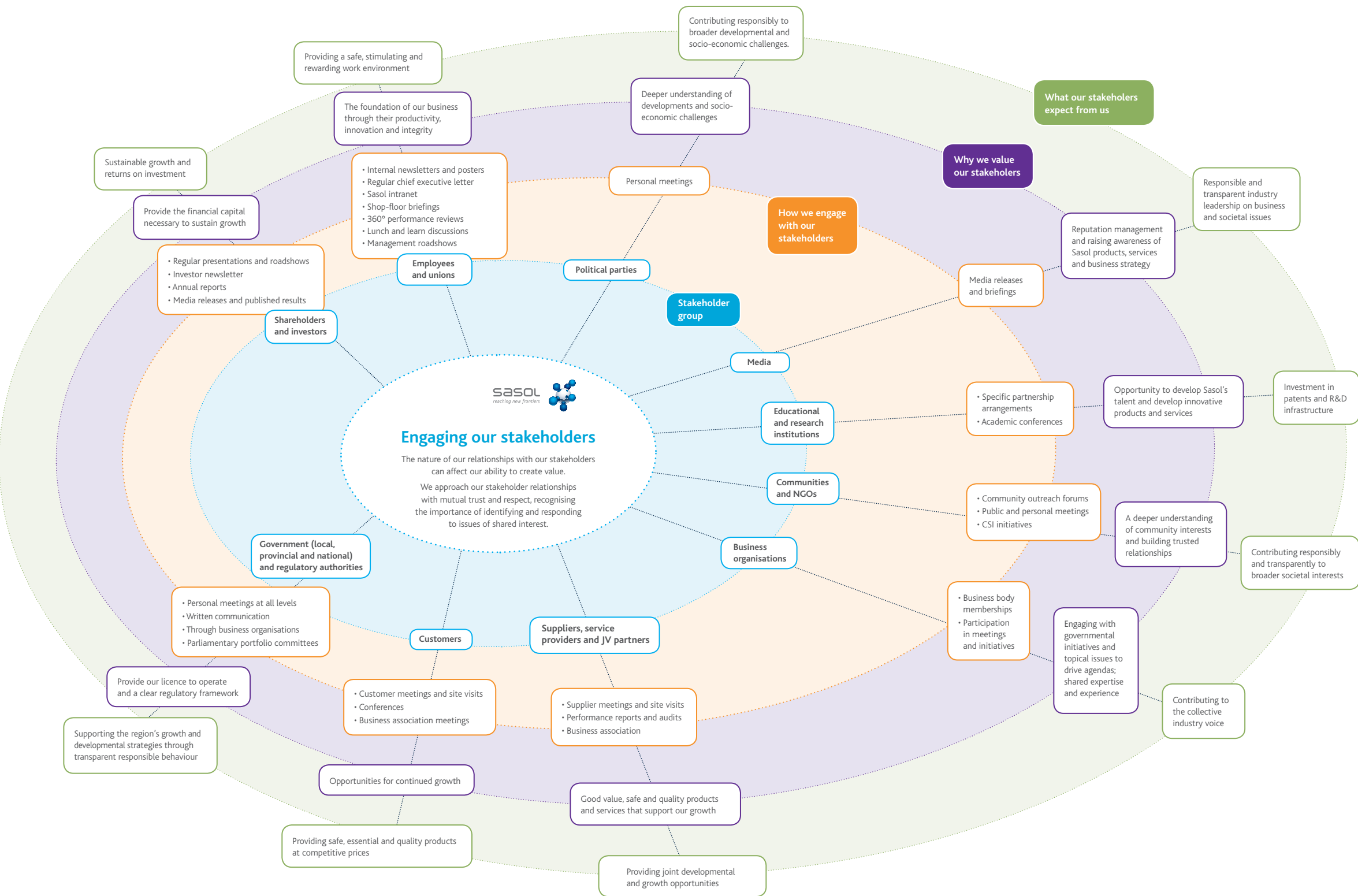
Canada

12

SSI commenced with a feasibility study to determine the technical and commercial viability of a GTL plant.

SPI acquired a 50% interest in the Farrell Creek and Cypress A shale gas assets in the Montney Basin in Canada.

our key relationships



In addition to the processes of engagement outlined here, we have specific engagement processes focusing on priority issues as required. Examples of these engagements on our material sustainable developments issues are highlighted below.

Supporting global initiatives. Sasol participates in various international sustainable development initiatives. Since 2001, we have been a signatory to the United Nations Global Compact (UNGC). In March 2008, we endorsed the UN Global Compact CEO Water Mandate. We participate in the Global Product Strategy (GPS) initiative of the International Council of Chemical Associations (ICCA) to help to improve the global chemical industries' product stewardship performance. We support the principles of the Extractive Industries Transparency Initiative (EITI) and are considering publicly endorsing it. 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 developing and implementing the global chemical industry's Responsible Care® initiatives. We participate in working groups of the European Chemical Industries' Council (CEPIC), and South African Chemical and Allied Industries' Association (CAIA).

Our online report includes a comprehensive list of our key memberships globally.

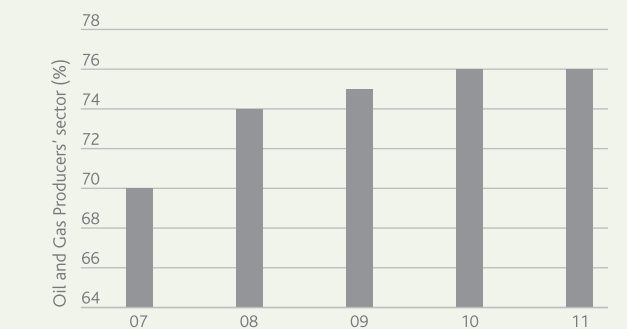
GRI – 4.12 - 4.13

Participating in sustainable development indices.

Sasol has again qualified for inclusion in the Dow Jones Sustainability Index (DJSI) with an overall score of 76% in 2011, maintaining our 2010 score.

Sasol was again included in the Johannesburg Stock Exchange (JSE) Social Responsibility Index (SRI) universe during 2010.

Sasol DJSI score (Oil and Gas Producers' sector %)



A more detailed review of our approach to engaging with our stakeholders is provided in our web-based report, where we have also included a detailed response to the proposed carbon tax in South Africa.

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

Our stakeholder concerns are addressed in the Sasol integrated annual report.



section 2

Sasol's 2011 sustainable development performance

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 (see pages 17 – 29) we outlined why we believe that our sustainable development performance has a direct bearing on the achievement of our core strategy. In this section we review our performance in terms of our commitment to sustainable development.

This commitment relates to the following broad areas identified earlier:

- ▶ making a positive **socioeconomic contribution** to the regions where we operate;
- ▶ fostering values-driven **ethical behaviour** and good governance practices informed among 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, including specifically our greenhouse gas emissions, other air emissions, water usage, waste minimisation, and product risk management.

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 contributes significantly to the economies where we operate: we contribute to the provision of public goods and services through taxes paid; we provide sustainable full-time employment (directly and indirectly) and invest in the long-term development of people through training and skills development; and we stimulate economic activity through our procurement activities and upstream through the customers we service. The emergence of technology to exploit the significant reserves of gas within shale deposits around the world is creating a significant shift in energy markets and is providing further opportunities for generating value-added benefits.

During 2011, Sasol created wealth of R57 billion, of which 33%, or R19 billion, was distributed to employees, and 13%, or R7 billion, to government in the form of taxes and related revenues. This year has been characterised by good performance of our operations, old and new. This has created a platform for further growth. We continue to focus on cost containment through energy efficiency initiatives, and benefits realised from our functional excellence programme and business improvement plans.

Sasol often faces issues of community distrust and escalating expectations. The impact of this depends on how revenues are used. We continue to engage with government and communities to try to influence the effectiveness of this spending especially in the areas where we operate.

"If you look at Sasol from the perspective of a big emitter you will miss the fact that we are the only fuel producer using local products. This comes with sustainable high quality jobs, local beneficiation, local procurement, skills development, and taxes paid."

Mxolisi Khutama: Sasol investor relations

Value added statement for the year ended 30 June 2011

	R million
Turnover	142 436
Less: Purchased materials and services	(86 330)
Value added	56 106
Finance income	1 283
Wealth created	57 389
<i>Distributed to:</i>	
Employees	18 756
Providers of equity capital	7 040
Providers of debt	1 392
Governments – direct taxes	7 198
Reinvested in the group	23 003
Wealth distribution	57 389



GRI – EC1

The Inzalo BEE equity initiative, established in 2008, was worth about R24 billion at that time and is the biggest transaction in the market to date.

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). This year, responsibility for managing our BEE initiatives has moved to Sasol ChemCity, highlighting the linkages between enterprise development and the achievement of our BEE objectives. Sasol ChemCity manages and coordinates BEE activities across the group which includes reporting on BEE, BEE equity, administration and compliance, and BEE codes coordination so as to ensure the effective implementation of Sasol's BEE strategy.

Performing well against the BEE Codes. Following the launch of the Codes of Good Practice for BEE in 2007, our BEE objective was to reach a level 4 rating by 2012. We are pleased to report that we reached this objective early, demonstrating our commitment to this issue. We have progressed from level 7 in 2007, level 6 in 2008, and level 5 in 2009, being issued with a level 4 BEE verification certificate in September 2010. This includes recognition that we are a value-adding supplier (for every rand spent on Sasol products a customer will receive R1,25 BEE recognition). This assessment is measured across all seven pillars of BEE, which includes equity ownership, management diversity, employment equity, skills development, preferential procurement, enterprise development, and socioeconomic development (SED).

We have maintained a level 4 rating this year. While our scores are relatively good on the pillars of equity ownership, enterprise development and SED, we recognise that we need to improve our performance on the remaining pillars. We are focusing our efforts on our preferential procurement and employment equity activities. It is anticipated that from 2012 – 2017 the targets will be ramped up quite dramatically. We are working to understand the impacts of these new targets.

Promoting equity ownership and socioeconomic development. 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 and is the biggest transaction in the market to date.

Established in 2009, the Sasol Inzalo Foundation is dedicated to driving economic growth in South Africa through skills development. Its focus is on science, technology, engineering and mathematics (STEM) in previously disadvantaged sectors of society in South Africa. The foundation seeded its first projects in 2010 and these focus on improving access and driving success and excellence in STEM studies at school and tertiary levels.

Sasol Mining scored 94% on the scorecard of the revised Broad Based Socio Economic Empowerment Charter for the Mining Charter.

The Foundation programmes include a bursary scheme with extensive support; fellowships for masters' and doctoral studies in STEM education; and an out of school support programme for senior high school students. The focus is on providing benefit for the individuals on the programmes whilst researching that which would work to facilitate systemic change. This is supported by engagements and collaborations to develop and test prototypes that can be replicated. Further information on bursaries is provided online

We are also working to support enterprise development through the Sasol Siyakha Trust and Sasol ChemCity, and we are exploring other innovative ways of supporting enterprise development. Sasol ChemCity assists in the development of downstream small and medium sized enterprises that benefit from Sasol's value chain as well as the chemical, energy and related value chain; it develops business opportunities at the bottom of the pyramid (where there is a need for economic development assistance); it identifies opportunities for new business development and it provides infrastructural and management support to suppliers. The Sasol Siyakha Trust, which provides funding and other support to Sasol's suppliers, started reporting to Sasol ChemCity in August 2010. By prioritising socioeconomic development and empowerment through these initiatives we have created or assisted 480 businesses.

Focusing on employment equity and procurement.

Employment equity has the longest trajectory of improvement, but we recognise our shortcomings and we have taken significant steps to overcome the barriers to improved performance. Skills development should enable us to achieve our employment equity goals. However, we recognise the need to increase our investment and improve our training directed at improving the mobility of diversity employees to more senior levels. Our progress on this is reviewed later in the report, in the enhancing workforce diversity section.

To improve our performance on procurement and to support a more sustainable pool of broad-based BEE suppliers, we are working with industry bodies, stakeholders and suppliers to the industry to ensure that we receive valid broad-based BEE certificates. During 2011, preferential procurement, as defined by the Codes of Good Practice, was R13 billion and represented 43% of total measured procurement spend. We have significantly improved our contribution to emerging medium enterprises, qualifying small enterprises, and black and women owned enterprises.

Supporting empowerment charters. In support of South Africa's Liquid Fuels Charter, broad-based BEE group Tshwarisano LFB Investment (Pty) Ltd owns 25% of our liquid fuels production, distribution and marketing operations, housed

in Sasol Oil (Pty) Ltd. At 30 June 2011, Sasol Oil has established 406 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 (Pty) Ltd and concluded the 20% BEE equity deal in 2011. Sasol Mining is also participating in the Sasol Inzalo transaction which provides Sasol Mining with a further 14,2% BEE ownership.

The new mining charter requires us to report in calendar years. It also includes refinement and a number of new conditions. A disaggregation of targets requires that we perform against all elements rather than the high level target. For example, the assessment of historically disadvantaged South Africans at management level has been broken down into each level. We are currently above where we need to be for this year, but to achieve the 40% target by 2014 is a significant challenge. There is also uncertainty around new conditions such as how multinational suppliers, from which Sasol procures goods and services, must spend the required 0,5% on local economic development.

Sasol Mining scored 94% on the Scorecard of the revised Broad Based Socio Economic Empowerment Charter for the South African Mining and Minerals Industry (the Mining Charter). We therefore remain in compliance with the revised Mining Charter and will be compliant with the full requirements of the charter by 2014.



Our online report includes our Sasol's broad-based BEE scorecard as well as case studies on Sasol ChemCity becoming the group-wide vehicle for enterprise development, additional information on Sasol ChemCity's purpose and approach, Sasol ChemCity's service offering, examples of small, medium and micro enterprises (SMMEs) supported by Sasol ChemCity, the Sasol Inzalo Foundation, measuring the success of Sasol Inzalo Foundation's investments, a personal account of a student who benefited from Sasol Inzalo Foundation's support and our work assisting suppliers to become BEE accredited. The web-based report also includes a more detailed review of our progress in terms of meeting the Petroleum and Liquid Fuels Charter and the Mining Charter as well as Sasol Mining's performance in delivering on our transformation agenda.

Contributing to the learning value chain. Sasol is making an important social contribution to education and skills development in South Africa through our activities focused on developing scientific and technical skills at all levels. Talent is groomed from pre-employment interventions to formal value adding learning programmes for new and existing employees. There is also a proposal presently under review as to how Sasol can support the National Skills Development Strategy (NSDS).

A structured approach to learning. Our current and future success depends on our ability to attract, retain and develop highly skilled individuals. The Sasol Learning Strategy endorses a lifelong learning culture through a standardised curriculum based and blended learning delivery approach in an application conducive environment. The strategy adds value in transforming ability and enhancing potential into sustainable, competent and capable talent.

Developing future talent. To develop future talent, Sasol runs one of the largest bursary schemes in South Africa. Our total investment this year was R38,5 million, with the focus primarily being on developing talent in science, technology and engineering disciplines. We currently have 654 undergraduate and postgraduate



A core asset in growing the group is having access to skilled and motivated employees.

bursars and an approved mandate to award 159 first-time undergraduate bursaries and 20 postgraduate bursaries for 2012.

Graduates from the Sasol bursary scheme and other newly graduated recruits are placed in structure development programmes (Graduate Development/Technician/Technologist Development/Scientist Development/Intern Development Programme) for a specified period up to but no longer than three years after graduation. The first 18 months of the programme focus on grooming the person to perform in the specific occupation and the second 18 months in shaping the person as an occupational professional. There are currently 238 students in training on the respective Sasol development programmes.

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 provide shutdown support, commissioning and start-up for green and brown field projects, facilitate the concept of pre-appointment for growth projects, provide resources for a five-shift to business units which is dedicated for training and project support with the objective of ensuring a well-balanced workforce that can

be utilised in a variety of tasks in new ventures. There are 484 technical personnel in this support initiative, ranging from projects and commissioning engineers to technicians receiving experiential exposure in our operations. To prepare for international growth, and to promote job creation in the countries in which we operate, experienced individuals are also being brought to South Africa to receive training on critical aspects of our operations, as well as being exposed to the Sasol culture.

Investing in artisans. The Oil, Gas and Chemical Manufacturing (OGCM) skills development project was mandated to create a national pool of competent artisans for shutdowns and major capital projects. The approved funding for this project (R140 million from Sasol and R32 million from the Chemical Industries Education and Training Authority) has been fully committed and the project contributed 947 artisans to the national South African skills pool since inception.

Following on the success of the OGCM skills development project we are also committed to the Technical Skills Business Partnership (TSBP) initiative, with the aim of training 900 artisans over and above our own needs as a further contribution to the national skills pool. There are currently 113 learners in the TSBP skills pool and 165 have already qualified as artisans.

Developing current and future leaders. Investing in the holistic advancement of our people is considered a business imperative. During the year good progress was made in introducing initiatives to enhance our leadership effectiveness, improving talent management and enhancing our Employee Value Proposition.

Sasol requires managers who can work in complex, multi-cultural situations; leaders who can manage the balance between delivering for today and investing for tomorrow. We place a high value on leadership development offering programmes aimed at developing the skills and knowledge of managers and leaders at different stages of their careers.


We provide a full range of leadership and management development initiatives that are enriched with material tailored to the group's strategic objectives. The company indicated its commitment to the development and empowerment of frontline leaders in the workplace through focused personal development initiatives. In addition, the formalisation of coaching and mentoring is underway to deepen the succession pool and ensure the transfer of institutional knowledge. This year, 4 077 candidates attended different forms of leadership development.

Summary of skills statistics for 2011

Investment in employee learning*	R673 million
Investment in learning as a % of payroll	6,5%
Proportion of the above focused on black employees**	R432 million
Development interventions	126 847
Investment in bursary scheme	R38,5 million
Undergraduate and postgraduate bursars	654
Employees currently on chartered accountant training programme	22
Employees in Sasol's maintenance artisan learner pools	883
Learner artisans that Sasol trained for the petroleum industry as part of oil, gas and electrical manufacturing project since 2007	947
Technical personnel in global venture support programme	484
Investment in South African universities	R25 million
Number of employees receiving leadership training	4 077

* Excluding the compulsory 1% or R109,6 million skills levy
 ** African, Coloured and Indian people

 GRI – LA10, LA11, LA12

 Further information on some of our skills development activities is provided in our online report along with separate case studies on: investing in artisans, the transformed technical training landscape in Sasol Mining and Sasol's training programme for chartered accountants.

Community affairs: investing in communities.


The vision of Sasol's community affairs programme is to promote people-centred, needs-based sustainable development of communities. Our engagement focuses on strengthening the ability of communities to thrive by supporting civil society, government and private-sector players in plans to catalyse growth, strengthen development and foster dignity. We have invested in creating value for communities through supporting strategic economic drivers, skills and capacity development and by involving communities more in our value chain. Employees are encouraged to be involved in the development of communities through our change reaction programme.

We have channelled the majority of our social investments into five priority areas: science and technology focused education (30%), sustainable job creation (20%), health and welfare (20%), environment (20%), arts, culture and sport development (5%). Another 5% is made available for other prevalent social issues such as crime prevention and disaster responses.

All community affairs projects are subjected to a thorough assessment of the extent to which they meet certain criteria. During the year, we committed R134 million (excluding bursaries) to socioeconomic development projects, mostly in South African communities and along the Mozambique-Secunda pipeline route. We also committed R38,5 million to bursaries, as well as low cost housing assistance of R21 million. Capital equipment grants (more than R54 million), further leveraged by the universities, have enabled the upgrading of the chemistry and chemical engineering departments to facilitate world-class training. As part of the Mozambique natural gas pipeline project (MNGP), Sasol maintains a social development plan in Mozambique where we invested R4,4 million in community development projects last year. While most of our social investments are undertaken in Southern Africa, community based initiatives are carried out by our United States and European operations, according to the particular needs and opportunities in their communities.

We know that to improve our social investment impacts we need parallel and coherent actions from government (at various levels), local communities, the private sector, development assistance agencies and the voluntary sector. We view partnerships as important in enhancing our positive contributions to society. Further benefit will be realised when we collaborate and link our social investment budget more closely to national development objectives.

We commissioned a study of the effectiveness of our corporate social investment (CSI) spend in Mozambique between 2002 and 2010. This provided qualitative, and some quantitative, assessment of the success of the investment in terms of the project outcomes. Further detail on this study is provided online.

 Case studies on measuring the effectiveness of Sasol's CSI spend in Mozambique, the Sasol Change Reaction and the Global Water Experiment are provided online.

ethics, governance and human rights

Fostering ethical and fair business practice. Our approach to fostering ethical behaviour and fair business practice is governed by the Sasol code of ethics. This is managed through the group ethics office, group forensic services, internal audit and risk management. The code of ethics, and its guidance document, have been in place since March 2004. The guide to the code provides detail on the principles that should inform the decisions of all employees in day-to-day 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 in each business unit and enterprise function. The code is communicated through town hall meetings, led by top management. Every line manager is required to implement internal controls and legal compliance processes in their areas of responsibility. Legal advisors and legal compliance advisors provide assistance, advice and guidance to line managers to help them manage legal compliance risks.

Work is ongoing to deal with conflict of interest, corruption and victimisation at the business units. Business units are concentrating on reporting on conflicts of interest and the gifts policy. The policy requires that all gifts and entertainment received or given are declared and approved. Our new ethics management system tool and enhanced reporting should help us to monitor trends and better manage this risk. Supply chain management is ramping up its communications of Sasol's code of ethics to suppliers to raise awareness of our procurement processes. We encourage all of our suppliers to support the code so that they operate in an ethical and legally compliant manner. Ongoing ethics training is taking place through the Ethics South Africa Institute. Our continuous improvement in dealing with ethics issues is supported by the Association for Ethics Officers in Africa. Established in October 2010, the association has grown to include 12 companies and 17 ethics officers from some of the largest companies in Southern Africa. It forms part of a drive to professionalise ethics officers following the increased focus on ethics.

Measuring the effectiveness of efforts to foster ethical and fair business practices. Over the last two years we have invested significant effort in fostering ethical and fair business practices. This has included increasing the number of ethics officers and champions, and engaging with suppliers on our code of ethics and good procurement processes. Our focus is now on measuring the effectiveness of these efforts. This year we have set up an ethics management system to track trends. This will improve the monitoring, reporting and analysis of calls to the ethics line, and will help to streamline our investigations and follow-up activities. This will measure the effectiveness of efforts to help our stakeholders understand issues relating to conflict of interest, test awareness of who their ethics officers are, and assess whether they feel comfortable engaging with these officers.

Addressing the challenges of economic crime and corruption. Economic crime – comprising issues such as misuse of company credit cards and employee assistance to crime syndicates to steal Sasol products – is of concern to us. While the significance of this risk is uncertain, there is evidence that this may be on the rise. This is partly due to more matters being reported to group forensic services following efforts to highlight the problem and to help employees identify and report instances of economic crime. To prevent this risk from becoming significant, we have

We encourage our suppliers to support to the Sasol code of ethics so that they operate in an ethically and legally compliant manner.

begun piloting a fraud detection tool at Sasol Synfuels. The tool will be used to identify potential fraud red flags involving supplier overcharging and other procurement fraud.

Delivering best practice through our ethics line, investigation process and call management. Our independently managed anonymous reporting facility (ethics line) is available for whistle blowing. Over the past year we have received an average of 42 ethics related calls a month; this excludes cases that are reported directly to group forensic services. All cases are investigated and a formal process is in place to track, report and close out all calls received. On average, 29% of the calls open at year-end relate to dishonesty. The remaining 71% include a range of allegations from unfair or unethical leadership behaviour (values driven leadership) and legal non-compliance, to safety transgressions, conflict of interest, victimisation and racism. These cases are reported on a quarterly basis to the respective business unit governance committees. All significant and sensitive matters are reported to the Sasol audit committee. Actions taken as a consequence of investigations and enquiries include termination of employment of employees, and cancellation of contracts in the case of suppliers and contractors.



Further information on our activities aimed at fostering ethical and fair business practice are provided on our website, including the following case studies: Sasol ranks highly on Covalence Ethical Ranking 2010 for the Oil & Gas sector; Awareness-raising governance campaign at Sasol Synfuels and complying with competition law.



GRI – SO2, SO3, SO4

Respecting human rights. 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, Nolitha Fakude.

Due to the nature and location of our activities, 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. 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-government organisation (NGO), Freedom House. Furthermore, some of our investments are in a strategic energy commodity that has a significant impact on the local economy.



We retain a strong focus on human rights issues.

Collectively, these elements highlight the need for Sasol to exercise due diligence in our activities to ensure that we respect human rights.

We evaluate all of our investment decisions against the Sasol code of ethics, and, as a signatory of the United Nations Global Compact, we ensure our compliance with domestic and international human rights regulations and principles. However, we face some difficult trade-offs where we operate in regions with different cultural practices, or in regions with low levels of democracy. We have faced challenges in hiring women in countries where there are gender inequality. We are trying to influence this change as part of a longer-term commitment to benefiting the communities where we operate.

This trade-off is also seen in some developing countries where a policy of not allowing child labour deprives families of access to an income and food.

We do not support or use child labour. Should we invest in regions where child labour is prevalent we will focus on developing programmes that assist with educating children and also look after their families.

Our human rights policy is part of the guideline to the code of ethics and has been in place since 2003. We are currently drafting a policy to communicate a stronger Sasol position on human rights. Human rights principles are also incorporated in Sasol's labour relations policies, SHE policies and corporate social

responsibility policies. The group ethics team is responsible for ensuring compliance with human rights principles and developing a more structured response to human rights issues. We are in the process of further integrating human rights issues into compliance and ethics approaches across the company. We are adjusting our policies to meet challenges in new countries we consider for expansion. We have assigned internal ethics champions to 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 staff members and contractors involved in activities and/or regions where there are particular human rights risks;
- ▶ formally integrating human rights issues into 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 corporate responsibility to respect human rights.

embedding a culture of safety

Safety remains a top priority and a core value of everyone at Sasol. Our long-term safety goal remains zero harm, and we strive to manage our activities to eliminate incidents, minimise risk and enable excellence in our operations' performance.

The year has been challenging for Sasol as ten people were fatally injured in tragic incidents at Sasol workplaces. In addition, five people tragically lost their lives in a boating incident during an off-site year end function. Our sincere and heartfelt condolences have been communicated to the families of the deceased. The circumstances behind each of these fatalities are reviewed below.

Fatalities are unacceptable and avoidable. It is our goal that no further fatalities occur. As a result of these fatalities, and with the objective of driving urgent and substantial improvement in safety, Sasol launched a high profile safety improvement plan (SIP), the framework of which was approved in August 2010. We believe that we are seeing the benefits of the SIP during the second half of the financial year.

Our new safety improvement plan. Our safety improvement plan (SIP) framework consists of the following eight themes:

- SIP1: Leadership
- SIP2: Business unit specific interventions
- SIP3: Winning hearts and minds
- SIP4: Life saving behaviours and cardinal rules
- SIP5: Root cause analysis and lessons learned
- SIP6: Training for managers
- SIP7: Leading indicators
- SIP8: Process safety management

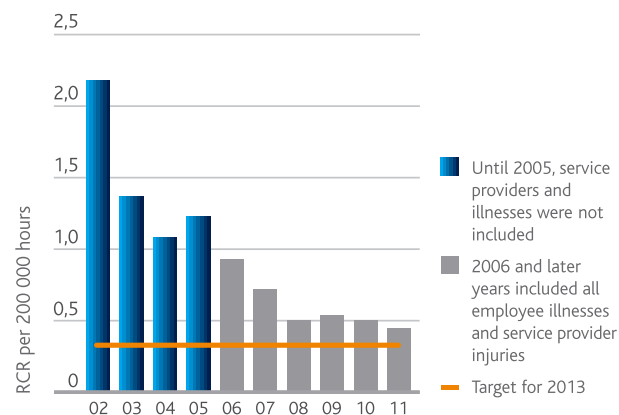
The framework provides a focal point for our safety aspirations and goals. The aim is to improve the effectiveness of our safety programmes to enable sustainable, safe operations and reduce risks and incidents. The SIP is a real-time programme; its content and implementation will be subject to change as circumstances, experience, benchmarking and best practice are evaluated.

The main focus of the SIP during the year has been on the first two elements resulting in engagements at leadership levels and the development of specific safety improvement plans for each business unit.

Highlights of the SIP initiative for the reporting period include:

- personal interviews undertaken by the chief executive officer with each business unit managing director and functional head;
- executive (one-on-one) safety coaching for leaders, conducted by external consultants, with an emphasis on personal accountability for safety and demonstrating visible leadership;
- a safety vision workshop for members of the group executive committee (GEC), and the group business committee (GBC);
- a GBC workshop led by external facilitators with a focus on detractors from safe working and "winning hearts and minds";
- Sasol Mining undertook an extensive review of its safety organisation, systems and practices with external consultants;
- hazard identification training courses for managers that included coaching on practical "walking-the-safety-talk";
- a risk management education programme with an emphasis on proactive risk-based decision-taking and changing mindsets was implemented at Sasol Mining; and
- the short-term incentive scheme was modified for 2012 to include leading indicators.

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



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

Case study



Sasol Synfuels Safety Day

"We work safely for ourselves, our families and our fellow workers. We do not engage in any activity unless it can be done safely". These were some of the Sasol safety one-liners used at an event for Sasol Synfuels employees, affiliates and service providers, and their families. At the Secunda stadium, 5 500 people attended the day-long event in August 2010, ahead of a practice total shutdown of the plant. The aim was to raise awareness of safety onsite, explain shutdowns in a creative way and ensure the forthcoming shutdown would be the safest and most successful so far. Information was provided on a variety of shutdown and safety-related activities, such as behaviour-based safety, the importance of protective clothing, shutdown statistics, the Community Awareness and Emergency Response (CAER) programme, Safety Awareness Training (SAT) and more. To reinforce the safety message, families could take home a framed family photo with the slogan: "These are the people I work safely for".

Performance and approach. Compared to the period from 2008 to 2010, where the recordable case rate (RCR) plateaued around the 0,5 mark, 2011 has seen a marked 18% improvement with a RCR (including occupational illnesses) of 0,42. Our aspiration to achieve a world-class RCR of 0,30 by 2013 remains. Despite this progress, we are concerned by the increasing severity of our recordable cases. The ratio of lost workday cases to medical treatment cases is an indicator of performance that we will closely monitor in the forthcoming year.

There were 52 significant process safety incidents (reported as fires, explosions and releases – FERs) in 2011 compared to 63 in

2010, a 17% reduction. The reported increase in the number of significant FER from 2007 to 2010 was due to the increased focus on reporting and the embedding of a consistent reporting process across the organisation.

While the improvement during 2011 is a positive sign, the potential for the leak of a hazardous substance resulting in a fire, explosion or toxic release is one of our top SHE risks. As indicated under our safety improvement plan (SIP), the reduction of fires, explosions and releases (FER) is a key focus area. Our target is to reduce to 36 FER during 2012 and to less than 24 during 2013.

Recordable case rate (RCR) at Sasol business units	2011			2010
	Number of injuries	Number of illnesses	RCR Including illnesses	RCR Including illnesses
Sasol Mining	72	56	0,90	1,18
Sasol Synfuels	63	–	0,25	0,37
Sasol Oil	26	1	0,74	0,53
Sasol Gas	3	–	0,62	0,38
Sasol Synfuels International	3	–	0,16	0,31
Sasol Petroleum International	28	–	0,96	0,08
Sasol Infrachem	19	–	0,39	0,64
Sasol Polymers	15	–	0,39	0,53
Sasol Nitro	29	–	0,75	0,43
Sasol Olefins & Surfactants	11	–	0,28	0,25
Sasol Polymers International Investments	7	–	0,16	0,21
Sasol Solvents	8	–	0,31	0,36
Sasol Wax	11	–	0,45	0,34
Merisol	2	1	0,66	0,58
Sasol ChemCity*	0	–	0,00	
Sasol Group Services	25	–	0,17	0,23
Sasol Technology	48	–	0,42	0,65
Sasol total	370	58	0,42	0,51

* Sasol ChemCity started including its safety performance statistics from 2011.

Sasol's 2011 fatalities

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

- On 15 July 2010, Amos Sepohosane Mdhuli, an employee at Sasol Mining, was fatally injured in a motor vehicle accident on a public road in the Secunda area.
- On 6 August 2010, Pitso James Lephosa, a service provider at Sasol Mining, was fatally injured by falling rock during the shaft sinking of the Thubelisha shaft.
- On 10 August 2010, Dan Mashiloane, a service provider for Sasol Technology, was fatally injured by a vehicle at a pedestrian crossing on the Synfuels site.
- On 12 September 2010, Piet Mabe, a service provider at Sasol Mining, was fatally injured when he was struck by a water feed pipe which had become unsecured at the Ithemba Lethu mine shaft.
- On 22 September 2010, Phillip van der Westhuizen, a truck driver service provider of TOSAS (Sasol Oil), was fatally injured in a motor vehicle accident on his way to Bloemfontein on the N1 motorway.

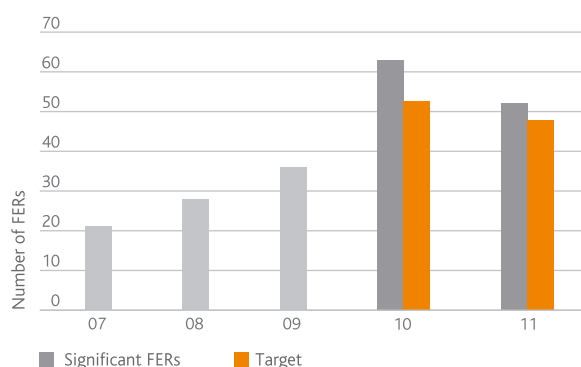
The strategic emphasis of the SIP for 2012 will be on process safety to reduce the number of fires, explosions and releases. There will be specific focus on a risk-management based approach, embedding the standards developed over the past five years and efficiently leveraging our safety expertise, competencies and process resources to reduce incidents.

"The contribution from Sasol has been amazing in assisting us to draft a policy on incident management. Sasol has also provided valuable training on incident management with regard to dangerous goods."

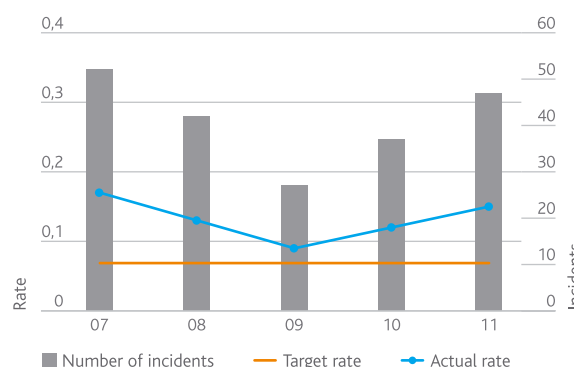
Nomsa Modise, project manager (SANRAL)

Focusing on transport safety management. There were 47 significant transport incidents this year, compared to 37 in 2010 and 27 in 2009. The majority of incidents were road transport related, but there were also two unusual gas pipeline events, two rail tank car derailments and one marine incident. The target for the transport indicator of performance (incidents per 100 kilotons (kt) of product transported) is a reduction to 0,065 by 2014 and we are confident that the Sasol transport safety strategy contains the strategic drivers to improve our performance. Focus areas include emphasis on driver and journey management, reinforcement of the existing governance framework and participation in a national task team on road incident management systems.

Number of significant FERs



Transport incident rate
(Incidents per 100 kt product transported)



- On 11 October 2010, Thelma Munyai, an employee at the Refining Unit (Sasol Synfuels), suffered serious burn injuries when a gas leak ignited. She later died due to complications associated with her injuries.
- On 19 October 2010, June Magula, a service provider from TMS group (Sasol Technology), was fatally injured when he fell during the erection of scaffolding while climbing from the scaffold to plant structure.

- On 6 December 2010, Orlando Soboyisi, a hired labour employee at Sasol Mining, was fatally injured when a section of sidewall collapsed during a barring down activity.
- On 5 January 2011, Albert Semella, a Sasol Mining employee, was fatally injured in a fall of ground incident.
- On 10 February 2011, Elphas Ntshangase, a Sasol Mining employee was fatally injured when he was struck by a large piece of coal dislodged from the roof.

Fatalities at a Sasol year-end function.

A Sasol year-end function ended in tragedy when five people (four Sasol employees and one Sasol service provider) lost their lives. A leisure boat carrying 21 people sank at Barham Bay in Emalahleni, South Africa. The Sasol employees were Nthabiseng Mphokane, Gerrit Stephanus (Fanie) Gouws, Tshifhiwa Eulendah and Nomvuyo Patience. Charity Zulu was the service provider working for Prestige Cleaning. The leisure boat captain, Deneys Pawson, also died in the accident.



The aim is to improve the effectiveness of our safety programmes to enable sustainable, safe operations and reduce risks and incidents.

Benchmarking Sasol's recordable case rate performance

Company	Year	Employees	Fatalities	Indicator	Including illnesses	Excluding illnesses
Sasol	2011	32 735	15	RCR	0,42	0,37
BP	2010	79 000	14	RIF	–	0,61
Shell	2010	93 000	12	RIF	–	0,24*
DOW	2010	49 000	1	RCR	0,33	–
Chevron	2010	58 000	5	TRIR	0,24	–

* Normalised to 200 000 hours.

RCR – Recordable Case Rate: 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, Sasol's RCR includes both employees and service providers, recordable injuries, as well as occupational illnesses for employees.

RIF – Recordable Injury Frequency: This is measured by the number of work related incidents per 200 000 hours worked, that result in injuries or that caused fatality, loss of consciousness, restriction of work or motion, transfer to another job, or require treatment beyond first aid.

TRIR – Total Recordable Incident Rate: The number of OSHA incidents (work related deaths, illnesses, and injuries which result in a loss of consciousness, restriction of work or motion, permanent transfer to another job within the company, or that require some type of medical treatment other than first-aid treatment) multiplied by 200 000 and then divided by the number of hours worked.



Our online report includes an example of a safety message from Pat Davies to employees as well as case studies on what constitutes a good incentive scheme, our safety efforts with service providers, safe production through operations excellence, new safety requirements for work-related events, the Sasol Synfuels safety day, managing our safety challenges in Papua New Guinea, the new work permit system, initiatives for reducing transport incidents, how the Sasol roadshow takes transport safety to task, staging an emergency simulation – Exercise SASCUT – at Durban, South Africa port and improving transporter safety through the Sasol Oil forum.

investing in employee development and wellbeing

Our human resources strategy. Sasol's human resources strategy focuses on the sourcing of core skills, promoting long-term talent and career development, ensuring competitive rewards, and fostering sound employee relations and cultural transformation. Our first priority is to meet our short- and long-term resourcing requirements. To do this we have implemented a competitive talent sourcing strategy supported by succession planning, business focused learning and leadership development. The focus on improving the diversity of our global workforce and achieving employment equity targets for our South African operations is at the centre of our talent acquisition and development endeavours.

At year-end, Sasol had a total of 32 735 employees (permanent and non-permanent) in our global operations, comprising 28 325 employees in our South African companies and 4 410 (permanent and non-permanent) employees in our international companies. There was a drop in employment numbers of 654 for the year (excluding joint ventures). Our employee turnover rate for the year in our South African operations was 6,3%, comprising 4,2% voluntary turnover and 2,1% involuntary turnover. The employee turnover rate for the year in our international companies was 4,1%, comprising 1,7% voluntary turnover and 2,4% involuntary turnover.

Turnover (permanent employees)	Total
Resignations (voluntary)	803
Retrenchment (voluntary)	347
Dismissal	175
Retirement	105
Death	145
Medical impairment	98
Retrenchment: normal	56
Sale of business unit	9
Grand total	1 738

Developing careers. We have developed a competency framework to define critical skills and behaviours required by our workforce. The framework includes career ladders and job profiles for the progression and development of our employees. Following a process of engagement with unions and other stakeholders, we have developed 50 career guides for employees that are part of the bargaining unit. They are aligned with our skills training programmes to help employees develop their careers. This process has built trust between Sasol and its employees and has boosted morale in many cases. It is anticipated that the project will enhance the competency levels of our employees and allow for progression through the various career ladders.

Our performance management system has now been extended to all our professional, supervisory employees and non-bargaining unit employees. This year the focus shifted to improving the quality of performance agreements, career development plans and reviews, with the implementation of an electronic talent management system. Through comprehensive reporting and analysis we identified and managed the risks of a scarcity of skills, and we were able to drive the career development plans of employees and to ensure the robustness of our talent pipeline.

Fostering a positive climate of employee relations and driving cultural transformation. As a signatory to the United Nations Global Compact, Sasol upholds the principle of the International Labour Organisation (ILO) and endeavours to maintain fair, open and constructive relations with all employees within the legal framework of the countries where we operate. Cultural transformation, towards a more values-driven, interdependent and inclusive organisation, forms the foundation of the Sasol business strategy. This is a key prerequisite for sustainable growth and profitability.

The human resources function plays an integral role in facilitating and supporting cultural transformation through:

- implementation of a holistic and competitive employee value proposition that drives employee engagement to build a high performing workforce;
- embedding diversity and inclusiveness into the cultural fabric of the organisation;
- building strong partnership-based relationships with employees and employee representative organisations to enhance employee engagement;
- coaching and supporting leaders to embed the values of safety, customer focus, integrity, excellence in all we do, continuous improvement and winning with people; and
- developing and executing sound frameworks to effectively support organisational change.

More than 60% of Sasol employees in South Africa (our largest area of operation) are members of trade unions and are covered by collective agreements entered into with trade unions. Within our German operations, these agreements are covered by works council agreements. 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. The wage negotiation process within our South African operations are conducted toward the end of the financial year.



GRI – LA14

Ensuring competitive compensation for our employees.

The group's remuneration approach is intended to allow us to remain competitive by contributing to the attraction, retention and motivation of the right calibre of employees. Annual increases in 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 to benefits 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 recognise the value of having a skilled workforce that sufficiently reflects the demographic profile.

We have implemented 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 performance. The group targets and design principles for all incentive schemes are reviewed annually and are approved by the remuneration committee. The short-, medium- and long-term incentive schemes collectively form part of eligible employees' variable remuneration. The proportion of variable remuneration to fixed remuneration varies per employee level and the geographical location to ensure external competitiveness. The number of rights granted under the medium- and long-term incentive schemes may increase as a result of individual performance.

Supporting retired, retrenched and disabled employees and families of deceased.

A formal process exists at Sasol where from the age of 50 onwards, sessions are held with intended retirees to prepare them for retirement. We see retrenchment as a last resort, with alternate positions always being sought first within the organisation. Should options of redeployment be found, 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 assistance through training, counselling and financial management.

We support our employees during times of restructuring and retrenchment. Implementation ranges from workshops aimed at empowering managers and employees to deal with the process, to providing onsite counselling to assist employees through 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.



For more information refer to the annual financial statements' remuneration report.

We have policies in place to take care of the families of people for whom the primary income earner passed away while in service to Sasol, as well as employees who have reason to leave the company because of permanent disability. We offer counselling services to the affected individual or direct family members for a period of two months from approval of the permanent disability or death. We also offer a one-on-one session with an independent financial consultant to advise the individual or dependent on investment options, and how best to use the package that the employee was receiving.



Our online report includes a breakdown of our human resources strategy, as well as detail on the total workforce by region and employment type (permanent and non-permanent), employee turnover, and retrenchments by age and gender. Further information on the implications of the workforce transition programme is provided in our online report at workforce transition implications.



GRI – LA1, LA2, EC6

Enhancing workforce diversity. We recognise the value of having a skilled workforce that sufficiently reflects the demographic profile – in terms of culture, race and gender – of the economically active population in the regions where we operate. With a renewed focus on managing diversity across our operations, our global diversity journey focuses on promoting personal growth. This includes developing emotional intelligence, people management practices, relationship building, leadership development and teamwork. We believe that increased self-awareness and an increased desire to learn about other cultures will build our capacity to deal with internal culture change and will help us to build successful relationships with our international partners. Our strategic growth oath for diversity is outlined on our website.

Striving to enhance our diversity and employment equity.

While we have made good progress on diversity and employment equity, since 2007 our performance has begun to plateau. To date, we have not achieved the targets set out in our employment equity plan. There are a number of reasons for this. Functional excellence has made the organisation leaner, but in the process we have lost some valuable people. Although a moratorium was placed on external hiring, this did not apply to diversity candidates. We believe that the challenge in reaching our targets is partly because targets were relatively uninformed. We are starting to design the employment equity plan from 2013 – 2018 and we seek to include more realistic, yet challenging, numbers.

Sasol has a wealth of qualified diverse people, but mostly at the lower levels. The real challenge remains at the upper levels. The pipeline (middle management) is somewhat static and we are not seeing enough people promoted to higher management. Additionally, progress in terms of women represented has been slow.

We have implemented a number of initiatives to try to improve our diversity performance. A progress report highlighted the need for the Sasol leadership forum to discuss and consider the issues. Business units had to determine the challenges within their context, to prepare for a dialogue session held in March 2011. The theme of the session was “Diversity is Power” – working together toward achieving our preferred future through challenging individual stories. Attendees included employees at various levels, diversity managers,

We recognise the value of having a skilled workforce that sufficiently reflects the demographic profile – in terms of culture, race and gender – of the economically active population in the regions where we operate.

human resources managers and group executive committee representatives. External consultants conducted interviews to understand why people enter, stay and leave Sasol. The stories that they told were converted into industrial theatre.

The dialogue resulted in the identification of key levers enabling Sasol to fast-track diversity goals. These include building an inclusive organisational culture, with a diverse pipeline, recruitment and sourcing strategies, skills development and a mentorship approach. A community was established to review Sasol’s human resource centres of expertise that deal with these levers and to develop action plans specific to their levers.



Further detail on the “Diversity is Power” dialogue is available in the online report.



Sasol has a wealth of qualified diverse people.

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.

Enhancing workforce diversity in South Africa

	Females				Males				Foreign Nationals		Total
	African	Coloured	Indian	White	African	Coloured	Indian	White	Male	Female	
Top management	3	1	2	3	7	0	2	60	1	0	79
Senior management	6	2	6	29	31	9	23	182	6	1	295
Middle management	269	48	217	758	872	98	389	2 289	116	19	5 075
Junior management	745	127	164	1 397	3 720	244	323	4 281	80	24	11 105
Semi-skilled	859	42	41	549	6 755	67	69	1037	384	4	9 807
Defined decision-making	363	6	0	22	1 217	18	5	159	47	0	1 837
Total permanent	2 245	226	430	2 758	12 602	436	811	8 008	634	48	28 198
Temporary employees	22	3	2	13	79	2	3	35	0	1	160
Grand total	2 267	229	432	2 771	12 681	438	814	8 043	634	49	28 358



A summary of our material challenges, commitments and progress relating to employment equity is available in our online report on Diversity challenges and commitments.



GRI – LA13

Our HIV/Aids testing and treatment initiatives are supported by comprehensive communications on the goals of prevention, support and care.

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. Our wellness strategy 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.

Since May 2009, we have been implementing an employee wellness scorecard for most business units in South Africa. We also run a programme to integrate occupational health data with other healthcare and wellness areas. This enables us to have a holistic view of the health risks profile of our employees. Our employee assistance programme (EAP) focuses on the psychosocial health of our employees and their dependants. The programme engagement rate throughout the year was 20,9%. 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.

In addition to the EAP programme delivery, we have commissioned ICAS, our EAP partner, to provide a range of awareness and capacity building interventions on wellness challenges to our employees and HR practitioners. Six events have been run this year reaching more than 160 employees. The forthcoming focus is on resilience building and additional manager capacity building sessions. In March 2010, ICAS conducted the Sasol functional excellence wellbeing survey to assess the prevalence of behavioural risk that may impact on the success of the functional excellence programme. The survey was designed, using standard and established measures, scales and questionnaires with proven validity and reliability. The results highlighted:

- key risks in the workplace causing an increase in human capital costs;
- key risks in employees' personal lives leading to productivity losses;
- cost analysis to demonstrate the financial impact of the identified behavioural risks;
- sector-specific benchmarking drawing on a database of over 65 000 cases;
- business unit, functional and regional analyses as required;
- a baseline of needs and risk for future evaluation and monitoring of trends; and
- detailed recommendations for behavioural risk management.



GRI – LA8

Reducing and managing the incidence of HIV/Aids in the workplace. Our integrated Sasol HIV/Aids response programme (SHARP) is now in its seventh year. It focuses on identifying and providing support services to HIV-infected employees and their families, and on preventing new infections through awareness, education, access to testing, counselling and treatment. The programme is driven at business unit level and continually evolves to be aligned with international best practice efforts to drive prevention, care, treatment, support and eradicating discrimination.

We conducted initial HIV/ Aids testing across our South African operations between 2002 and 2005. The results showed an incidence rate of 7,1% based on an 82% uptake of testing. We are currently initiating a new knowledge attitudes and perception survey to compare results with the incidence rate and statistics from 2002 to 2005. Since 2006, business units have been focusing on ensuring access to testing. This is done 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 early diagnosis and wellness, and so these are key elements of SHARP. Employees access comprehensive healthcare and HIV/Aids treatment through medical aid schemes. Sasol currently runs a treatment programme at the Sasol Mining medical centre in Secunda for uninsured employees. Anti-retroviral therapy is also available through the public healthcare facilities in each community. Details on the take up of these initiatives are provided in the table on the next page.

Capacity building and training of peer educators and of HIV/Aids coordinators for the implementation and integration of SHARP across all businesses has been conducted. 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.

In 2009, Sasol Petroleum International contracted Careworks Mozambique to implement a three-year workplace HIV/Aids programme at our sites in Temane, Maputo and Matola. The programme includes: workplace peer education; an awareness to action training; counselling and testing; and patient management. We will be hosting Sasol's first peer educator training in July 2011. The opportunity to attend a national qualifications framework (NQF) level 3 accredited course, has been granted to 25 employees who will be able to then help their fellow employees with information about HIV/Aids in the workplace. In August 2011, we will be part of the Techno X exhibition. This will expose scholars to career opportunities at Sasol, the impact of HIV/Aids on the workplace and what Sasol is doing to minimise the risk of infection and help those employees and their families affected by HIV/Aids.

The Sasol HIV/Aids Policy has recently been revised for the first time and will be communicated to the company when it has been approved by the GEC.



Further details on our Aids awareness programme are provided in the case study in our online report: *The outcomes of SHARP's year-long campaign.*

Treatment programme	Registration on wellness programme			Patients on HAART		
	2011	2010	2009	2011	2010	2009
Aids for Aids – Sasolmed	1 796	1 641	749	1 636	1 295	627
Thebemed	505	148	409	156	104	342
Sasol Mining Medical Centre	2	8	96	31	29	35
		Employees	Contractors	Other	Total	
Number tested (2008 to end June 2011)		2 792	213	25	3 030	
Number HIV+ (2008 to end June 2011)		92	23	1	116	

Maintaining high levels of occupational health.

Our occupational health services – provided to employees and service providers – include among others, baseline analysis, monitoring and management of illnesses, preventative measures, a rehabilitation and return-to-work programme, and the management of compensation claims and payments for disabilities in accordance with legislation. Provision of these services is now centrally managed through professional and specialised services (PSS) within the Sasol SHE function. This has streamlined Sasol's approach to employee health, for example through aligning entry and exit medical assessments. We regard this as a step forward and expect to see improvements in our future performance. We expect new management positions will strengthen and elevate the importance of occupational health at Sasol.

Through our 110 health professionals we offer pre-employment health assessments for employees and service providers and we survey the health of all risk-exposed workers. Injuries on duty are diagnosed, treated and monitored until they have healed. We undertake exit examinations on employees leaving the company and maintain medical records for 40 years after their departure. South African employees are on Sasolmed, a closed medical aid scheme that looks after employees and their relatives through a full health infrastructure to help with non-work issues. 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, medical specialists and facilities to address occupational health issues.

Most Sasol business units attained OHSAS 18001 certification. The SHE centre collates occupational health statistics and reports quarterly via the GEC and SHE governance meetings, including the board risk and SHE subcommittee. Recorded illnesses are included in the recordable case rate (RCR) statistics, hence our safety targets are influenced by our workers' health performance. Illnesses represent 13% of the RCR (see page 40).

During 2011, the most significant work-related illness was noise induced hearing loss (NIHL), with 32 reported cases; this compares with 27 cases in 2010 and 13 in 2009, and represents 55% of total illness reported cases in 2011. The other 45% of reported cases were lung ailments, such as asbestosis, mesothelioma, pneumoconiosis, and tuberculosis (TB). TB is generally not a work-related illness, but is reportable to authorities for mineworkers and is often HIV/Aids-related. The poorer health related performance (explained above) throughout the group can, in part, be explained by the ageing workforce in Sasol Mining.

Due to labour action in 2009, there has been a significant change in Sasol's employee age profile. An increase in numbers of employees from younger age groups (20 – 25 and 26 – 30) occurred over the last five years and there was a decrease in employees aged 40 – 50 years. This will result in an increase of employee numbers from 520 to 959 in the age group 56 – 60. The number of years of service by employees in the 56 – 60 age group shows that 75% served longer than 20 years. The ageing workforce and increase in the number of years of employee service could result in an increase in the recordable case rate. The average age at Sasol Mining is 52, consistent with the South African mining industry average.

Through our 110 health professionals we offer pre-employment health assessments for employees and service providers and we survey the health of all risk-exposed workers.



Further detail on the benefits of monitoring cholesterol and blood sugar on absenteeism, and wellness initiatives at Secunda is provided in our online report.

reducing our environmental footprint

Investing in managing our environmental impacts.

Due to the nature of our business, we face some significant challenges relating to the management of our environmental impacts. While we have long been recognised for our transparent reporting on sustainability issues, more recently we have had requests from various stakeholders for more information on the nature and extent of our capital and operational expenditure on environmental matters. In response to these requests we have initiated a process to consolidate our tracking of environmental expenditure.

Due to a lack of global standards on environmental expenditure reporting, we have chosen to define five categories to calculate our costs, as follows:

- **Functional operational expenditure** – This is the cost of the environmental function to the Sasol group and includes the expenditure associated with the specialists we employed.
- **Project operational expenditure** – These costs include project expenses, studies and environmental research, mainly in Sasol Technology.
- **Capital expenditure** – This category refers to major capital expenditure to meet environmental (often legal) requirements. Some of the costs may be driven by environmental as well as other factors. For example, the sulphuric acid plant at Sasol Synfuels is not merely an environmental investment.
- **Operating expenditure in business unit** – The business units are spending money to operate facilities that contribute to the improvement of our environmental footprint such as water treatment plants and air emission abatement equipment (these costs are not covered in the above categories).
- **Expenditure against long-term provisions** – The business units have certain obligations according to legal or constructive requirements to undertake site assessments, soil and groundwater remediation and monitoring.

Environmental obligations accrued at the end of 2011 is R6,9 billion compared to R6,1 billion in 2010. Included in the balance is an amount accrued of approximately R2,7 billion with respect to costs for site assessments, remediation of soil and groundwater contamination and ongoing monitoring.

Using the categories listed above, Sasol's total environmental expenditure was approximately R1 500 million in 2011. Included in this figure is:

- approximately R400 million which was functional operational expenditure and operating expenditure in business units;
- execution of environmental projects of a capital nature which amounted to R961 million; and
- the utilisation of long-term environmental provisions which was R182 million.

Variations in the environmental expenditure occur from year to year depending on the investments undertaken within the year (investments in capital typically have life spans of more than one year). Sasol undertakes integrated environmental management and as a result our expenditure on air emissions, water, land and waste is combined into a single environmental budget within each business unit.

We are committed to using our proven skills – particularly in technology innovation and commercialisation – to contribute to finding solutions to this challenge of climate change.

Additional expenditures are available and include allocation of bursaries for environmental engineering and environmental scientists (approximately R3,85 million), environmental sponsorships (R27 million), investment in the Sasol New Energy business unit (R100 million) and fines and penalties of approximately US\$1 million for financial year 2011.

There are currently initiatives to improve the consolidation of reporting of environmental expenditure for future sustainable development reports.

During the year, Sasol invested R1,1 billion in research and development (R&D) for 2011 (including capital and operational expenditure). In the future, growing investments by Sasol New Energy in carbon capture and storage (CCS), renewable energy and other low-carbon ventures will contribute significantly to increasing environmental expenditure. During the year, we continued implementing various interventions aimed at reducing the emissions and associated risks of VOCs. New low-carbon projects planned for Sasol Synfuels from 2010 to 2013 will require an estimated capital investment cost of about R3 billion. The initial expenditure was recognised in 2010 (environmental expenditure of R308 million for 2010 and R252 million for 2011).

Responding to the climate change challenge. Sasol recognises the significant challenge that climate change poses for our business, in terms of emissions reduction and policy implications. We also realise that our business success has been built upon our greenhouse gas (GHG)-intensive coal-to-liquids (CTL) process, which has delivered multiple societal benefits including jobs and energy/fuel security. We are fully aware of the pressure to shift to a low-carbon future and of the need to prepare for this reality. We have therefore been actively implementing measures to mitigate our emissions and to better understand the need for adaptation. 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 of climate change.

Internationally there is a shift towards viewing gas as a bridging energy source in the transition to a low-carbon economy. Sasol's strategic objective is to aggressively grow our global gas-to-liquids (GTL) portfolio and related upstream asset base. The emergence of shale gas as a new source of gas supply, combined with the oil/gas price dynamics, make a compelling case for investing in shale gas.

In South Africa, where the bulk of our GHG emissions occur, we welcome the government's initiative to develop a national policy aimed at ensuring a coordinated, coherent, efficient and effective response to the global climate change challenge.



The challenge of balancing immediate energy security needs with the desire to move to a low-carbon future is profound.

Sasol believes that South Africa must make the transition to a lower-carbon economy while remaining sensitive to the urgent developmental needs of the country and retaining global competitiveness.

We understand that this can only be achieved through an integrated policy that is appropriate to the unique circumstances of South Africa, and that seeks to find an appropriate balance between environmental effectiveness, economic efficiency and social equity, while addressing the immediate challenge of job creation.

Ambitious targets guide our strategic response. We have developed a comprehensive climate change response strategy and have adopted ambitious emission reduction targets. In December 2008, the GEC approved our revised GHG policy and environmental roadmap for the next decade, including GHG 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:

- ▶ promoting energy efficiency measures in our existing plants and processes;
- ▶ developing and implementing alternative energy and carbon-efficient technologies and processes, primarily through Sasol New Energy;

- ▶ investigating opportunities for carbon capture and storage (CCS) as part of the potential international expansion of CTL interests and existing business in South Africa;
- ▶ actively pursuing mitigation-related financial instruments such as the clean development mechanism (CDM);
- ▶ working with governments and other stakeholders in the countries where we operate; and
- ▶ engaging our employees on climate change.

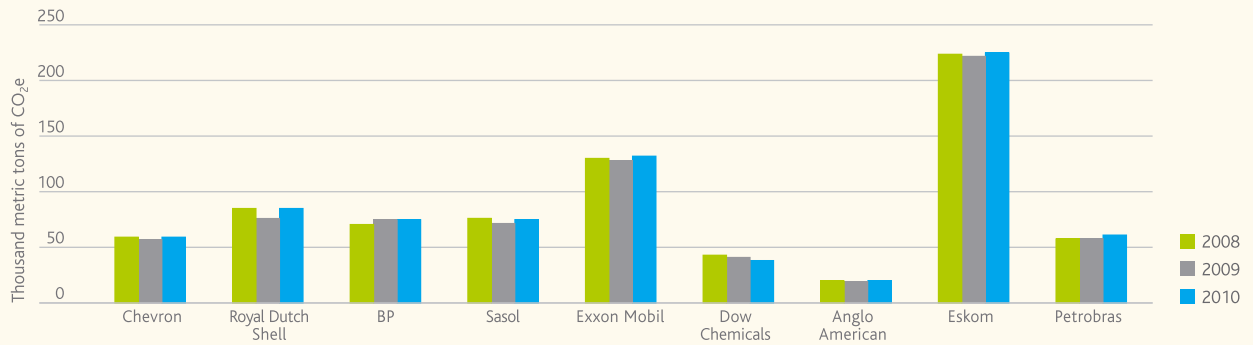
Reducing GHG emissions forms part of the risk profile of all new projects exceeding R150 million and influences final investment decisions. For the last two years, we have been using a carbon calculator to assess the GHG footprint of all new projects. This enables project teams to factor the cost of carbon into overall project costs.

Accountability for our environmental and climate change strategy rests with the GEC subcommittee which is chaired by the chief executive officer. The committee brings together all the environment and climate change objectives, targets and projects. This is expected to generate a company-wide coordination, review and planning mechanism, to enable broader support of projects being promoted by individual businesses. The committee aims to steer the group and give direction on environment and climate change issues, informed by specialist forums on water stewardship, waste management and other areas.



Further details on the role of Project Everest with respect to climate change are provided on our website.

Case study



Understanding Sasol's greenhouse gas emissions. To help understand our level of GHG emissions compared to our peers, we have once again benchmarked our emissions against those of BP, Royal Dutch Shell, Chevron, Exxon Mobil and Petrobras in the integrated oil and gas cluster. The aim of this benchmark is to provide a general indication at a broad level of how Sasol compares with other large companies to make our emissions data more meaningful. Sasol's products and processes are in many respects unique, and the size, products, processes, equipment and regulatory reporting requirements in each of the benchmarked companies differ, so the data provided above should only be used as a general comparison. Data is sourced from the most recent public reports of the Carbon Disclosure Project (www.cdproject.net).

Seeing our emissions in the South African context. We also need to consider our emissions levels 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 540 million tons of carbon dioxide equivalent for the country. Sasol emits approximately 11% of South African GHG emissions which includes carbon dioxide, methane and nitrous oxide emissions.

Emissions studies highlight the predominant contribution of the energy and fossil fuel combustion sector, with Eskom and Sasol being among the most significant contributors. Eskom's calculated emissions of carbon dioxide for the year ended May 2011 came to 224,7 million tons (Eskom 2011 annual report) or approximately 42% of country emissions. For the year ended June 2011, Sasol's direct carbon dioxide emissions for our South African operations amounted to 52,9 million tons. Including our indirect emissions (ie, the additional emissions associated with our usage of Eskom electricity) our total emissions in South Africa amounted to 61,7 million tons CO₂.



Additional case studies on Sasol's support of the youth in a dialogue on climate change; renewable energy generation; and green building of our joint venture partner (Petlin) in Malaysia are provided online.



Achieving improvements in our GHG emissions intensity.

We have publicly reported on our GHG emissions since 1996 through our integrated annual reporting 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 (see graphs on page 51 and 52).

The slight increase in our absolute emissions of greenhouse gases globally (measured in CO₂ equivalent), from 75,0 million tons (Mt) in 2010 to 75,3 Mt in 2011 must be seen in the context of the increase in production levels (as defined for sustainable development reporting purposes) over the same period. Our GHG emissions 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:

- direct emissions associated with our processes, including emissions arising from our own tanker fleets (Scope 1 emissions); and
- indirect emissions associated with our electricity imports (Scope 2).

We have included 100% of the GHG emissions for the following joint ventures: Natref in SA, Sasol Petroleum International Mozambique, Oryx GTL in Qatar, Arya Sasol Polymer Company in Iran and Merisol South Africa, even though we may only have part ownership of the joint-venture. We have not included emissions data for those operations not under our operational control. Our direct and indirect emissions levels have been independently verified by an external assurance provider. Quantitative data on the GHG emissions at each of Sasol's business units is provided in our integrated annual review. A high-level summary of these emissions is provided in the table below.

Reducing GHG emissions forms part of the risk profile of all new projects exceeding R150 million and influences final investment decisions.

Progress against the Sasol target is shown in the following figure and improvement is occurring as planned; assisted largely by Oryx GTL production and Sasol Synfuels GHG intensity improvement following the gas turbine commissioning.

Greenhouse gas emission intensity (tons CO₂ per ton product)



Sasol facilities by country	Scope 1 emissions (Kilotons CO ₂ e)		Scope 2 emissions (Kilotons CO ₂ e)	
	2011	2010**	2011	2010**
South Africa	61 395	61 065	8 815	10 439
Germany	604	538	127	136
United States	823	854	239	236
Others (Oryx GTL included 2010)	2 648	1 709	127	5
Sasol total	65 470	64 166	9 308	10 816

The increase in scope 1 emissions can be attributed to increased internal generation of electricity which consequently resulted in a decrease of scope 2 emissions.

** Restatement of 2010 figures as a result of improved reporting.

 GRI – EC2, EN5, EN6, EN7, EN16, EN17, EN18

 Additional information on the approaches we are taking to meet our GHG reduction targets is provided in our online sustainable development report. The online report includes a detailed review of the risks and opportunities that climate change presents for Sasol, a review of Sasol New Energy and Project Everest, the CEO forum on climate change, a summary of Sasol's response to the South African Treasury paper on a proposed carbon tax, additional detail on the activities of Sasol New Energy, and a review of our activities relating to clean coal technologies and carbon capture and storage.



Ensuring access to a reliable supply of water is a strategic priority for Sasol.

Addressing the challenge of water security. Ensuring access to a reliable supply of water is a strategic priority for Sasol. We operate facilities or are planning projects in regions of the world where there are site-specific challenges relating to the supply, quality and reliability of water resources. Water management has therefore 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.

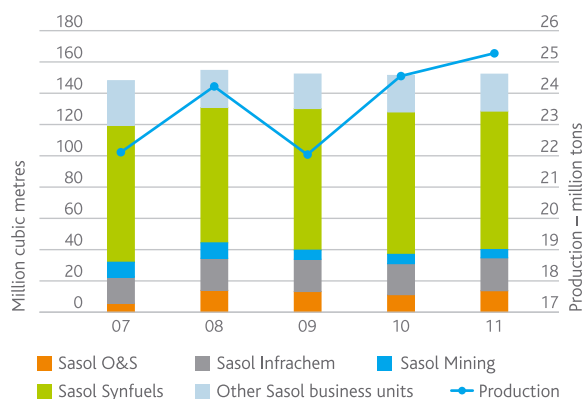
A useful framework for assessing our response to the water challenge is provided by the United Nations Global Compact CEO Water Mandate. This is a public-private initiative launched in July 2007 to assist companies in the development, implementation and disclosure of water sustainability policies and practices. Sasol is a signatory to the initiative, which covers the following six areas: direct operations; supply chain and watershed management; collective action; public policy; community engagement; and transparency. We have made good progress during the 2011 financial year on initiatives relating to each of these activities, particularly the focus on embarking on activities beyond our direct operations.

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. We recognise that before embarking on any interventions beyond our own operations, we need to focus our efforts on improving our own direct water use. In support of this we are pleased to report that voluntary, site-specific, internal water efficiency targets have been set by the main operating facilities located in Sasolburg (Sasol Infrachem) and Secunda (Sasol Synfuels). The target for Sasol Synfuels is a 5% water use intensity improvement (m^3/ton product) and for Sasol Infrachem a 15% intensity improvement by 2015 from a 2010 baseline. These targets are linked to specific capital projects and interventions at the respective sites.

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 face challenges in shortening the delays in the issuing of water-use licences. Although systems are in place to ensure that we are compliant and adhere to water licence conditions imposed by the DWA, we are concerned with the continuing delays in issuing the licences.

Our total water demand for 2011 has increased slightly from 2010 at 151,0 million m^3 to 152,5 million m^3 in 2011. Our total quantity of water recycled for the 2011 financial year was 128,7 million m^3 . Quantitative data on the water usage and effluent levels at each of Sasol's separate business units is provided in our integrated annual review.

Water use
(Million cubic metres)



GRI – EN8, EN9, EN10, EN21

We have committed

R8,0 million

to support community water conservation partnerships

Promoting effective catchment management and water conservation beyond our direct operations. Approximately 80% of our total water requirement comes from the Vaal River system in South Africa where studies by the Department of Water Affairs (DWA) have identified the likelihood of future water shortages. While the catchment has benefited from good planning and a prolonged period of above average rainfall, the wet years have masked the consequence of dry (below average rainfall) years. Overall, the system is out of balance because growing demand and competition for water, coupled with inefficient water use practices, are placing a strain on the sustainable supply capability of the system.

While Sasol's total water demand from the Vaal River system is high (about 3,5% of the total supply), it is much lower than the other main water users – urban homes and agriculture. In assessing our opportunities to engage, we concluded that significantly reducing the water demand from our direct operations would not have the largest impact on reducing water shortages across the catchment. Instead, we have focused on multi-stakeholder partnerships to implement water resource management for the benefit of the catchment and its users. The establishment of partnerships such as this is being led by the sustainable water group within Sasol New Energy. Through their efforts, we have committed R8,0 million to support water conservation partnerships, with a committed leveraged partner funding of R9,0 million. It is expected that these partnership agreements will be finalised before the end of 2011.

Participating in public policy development. We are represented on the DWA Water Sector Leadership Group as well as the DWA Vaal River Strategy Steering Committee. Both of these groups provide a high-level platform for engagement between the water sector and the South African government. We have also contributed with comments 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.

Fostering transparency. Sasol has long supported transparent disclosure on our water-related activities, having been one of the first companies in South Africa to issue a public environmental report in 1996. We have once again participated in the annual Water Disclosure Questionnaire of the Carbon Disclosure Project.

Given the importance of water as an input to our processes, and that some of our operations are significant (current or potential) water-users in water-stressed areas, we recognise the benefits of supporting water resource management in the catchments where we operate.

Minimising our atmospheric emission. We are committed to reducing our atmospheric emissions to ensure that we minimise any potential health impacts to employees and society, and, as a minimum, comply with regulatory requirements.

The majority of our atmospheric emissions come from our two largest facilities in South Africa, Sasolburg and Secunda. The National Environmental Management: Air Quality Act sets ambient air quality and minimum point source emission standards for all major industry sectors in South Africa. The act also makes provision for the declaration of priority areas and the revision of current air permit requirements, with the aim of aligning current permits with new point source emission standards. Minimum point source emission standards were published on 31 March 2010 and new facilities are required to comply with them with immediate effect. Existing plants are given five years from the date of publication to comply with 'existing plant' standards and ten years to comply with the more strict 'new plant' standards. There are no exemption provisions but opportunities exist to award extensions of compliance time frames.

Significant investments by Sasol will be required over the coming decade to meet these new air quality requirements. We are conducting detailed assessments of potential technology options for further emissions reduction. Developing technical solutions face a number of challenges, including:

- ▶ elements of the legislation are in potential conflict with other national objectives relating to climate change, energy efficiency and water security;
- ▶ extensions to the compliance date may be required to ensure that we have sufficient time to implement the most feasible mitigation measures; and
- ▶ future environmental costs (including the possible introduction of a carbon tax) will place additional obligations on these same emission sources.

There are valuable opportunities to reduce atmospheric emissions outside of Sasol's operations, enabling us to achieve significant improvements in air quality at a far lower cost than that required to reduce our direct impacts. For example, emissions from wood burning in local communities could be significantly reduced through the use of alternative technologies, while adopting efficiency standards for new government housing developments could improve energy efficiency on a large scale. This investment could potentially offset the need to invest in air quality improvement in other areas.



Our online sustainable development report includes a case study on water offsetting, as well as additional detail on the some of the water-related partnerships that we have entered into.

Engaging with government to improve air quality.

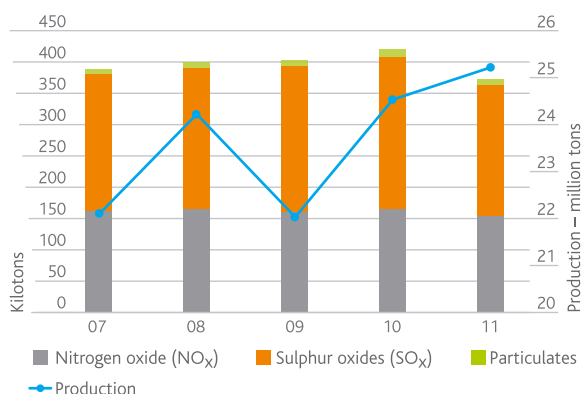
As a group, we have engaged with all parties at various levels of the South African government to understand our respective objectives to work together to achieve a sound air quality environment. Engagement seeks to establish:

- ▶ improved understanding by Sasol of the government's objectives and targets;
- ▶ clear appreciation by the government regarding the opportunities and challenges faced by Sasol;
- ▶ informed understanding by the Department of Environmental Affairs of Sasol's roadmap aimed at achieving compliance with new legislative requirements;
- ▶ acceptance and understanding by the government of the criteria for prioritisation of projects within Sasol's improvement plans; and
- ▶ sound engagement platforms for future interactions.

We believe that good relationships with government have been established and that we will be able to develop realistic timeframes aimed at realising national air quality objectives.

The release of organic air pollutants into the atmosphere is a significant environmental challenge for Sasol. Air pollutants contribute to the formation of ozone and other secondary pollutants such as particulates, and may have a negative impact on human health and the environment if not managed effectively. Volatile organic compounds (VOCs) have been included as part of the indicators of performance (IoP) for the group since 2005.

Atmospheric emissions (Kilotons)



See our web-based report for case studies on the South African environmental enforcement officers' (Green Scorpions) allegations of non-compliance with air quality standards, managing trade-offs in improving air quality, as well as a case studies on an initiative to recycle waste, reduce emissions and stimulate enterprise development in low-cost housing, and additional information on meeting new fuel specifications at Sasol Oil.



GRI – EN8, EN9, EN10, EN21



GRI – EN20

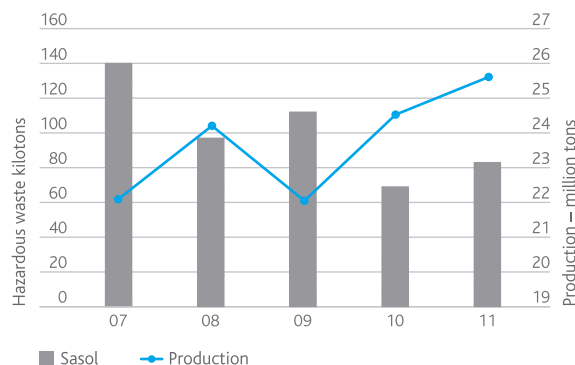
Promoting waste minimisation and site remediation.

Sasol adopts a systematic and hierarchical approach to integrated waste management (avoid, reduce, re-use, recycle, treat, dispose) with the goal of zero hazardous waste. Although we have achieved many waste minimisation successes, the changing legal landscape for waste management is likely to have potentially significant implications for Sasol. This is particularly the case in South Africa following promulgation of the National Environmental Management: Waste Act. The legislation imposes 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. It also includes regulations on waste management and classification, and specifies standards and certain restrictions on the disposal of waste to landfill. The draft National Waste Management Strategy could have further implications for Sasol. We continue to engage with the Department of Environmental Affairs on the development of the legal instruments to bring the Waste Act into effect.

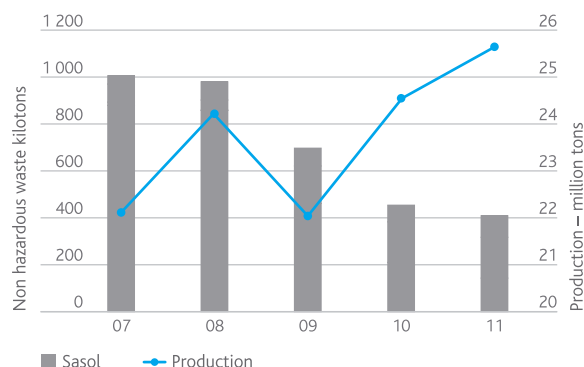
Sasol has embarked on several internal initiatives to meet the requirements of the Waste Act and the expected regulation and standards.

This year, Sasol operations generated 84 kilotons (kt) of hazardous waste, representing a 23% increase on the previous year. Over the same period, we generated 409 kt of non-hazardous waste, 10% less than the 454 kt produced in 2010. The increase in hazardous waste generation is attributed to the clean out of the oily (APF) sewer system undertaken at Sasol Synfuels during the reporting period.

Hazardous waste (Kilotons)



Non-hazardous waste (Kilotons)





The protection of biodiversity is addressed formally through EIAs and EMPs.

Sasol successfully concluded the remediation of mercury-contaminated sites in Sasolburg. The total project budget was R58 million. A total of 42 000 tons of mercury contaminated soil and building rubble was safely disposed at a hazardous waste facility. The remediated areas have been reinstated and can be used for future development. Contamination of soil and groundwater from chlorinated hydrocarbons related to historical business operations has been identified as a risk due to the technical difficulties in locating and remediating these contaminants. This is an emerging contaminant of concern for South Africa. Very few of the technologies required to assess the extent of contamination are available locally. Consequently, the technologies necessary to understand and mitigate the risk have been acquired or adapted from the United States to suit the South African environment. This has required collaboration with various stakeholders

Managing land use and biodiversity. Sasol globally has 3 679 hectares (ha) of land that it owns or leases for production activities or extractive purposes. In addition, Sasol Mining occupies 44 856 ha of underground mining area as well as 1 284 ha of land for surface mining. To date, a total area of 1 689 ha has been rehabilitated by Sasol Mining. The total area of land dedicated for conservation and biodiversity purposes at the end of the reporting period amounted to 3 456 ha.

Based on the work done to date, we have concluded that we do not have operations in areas that have been declared biodiversity hotspots (areas identified as being critical or endangered eco-regions). However, we do have interests in areas of potential sensitivity, particularly as part of some of our upstream exploration and extraction activities. In accordance with our group-wide SHE essential 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.

The most significant potential impacts of our activities, products and services on biodiversity are in the Bazaruto Archipelago in Mozambique. As indicated last year, we have postponed exploring approximately one third of our concession following EIA studies in the area.



Our on-line report includes an update of recent legislative developments relating to waste management in South Africa, as well as case studies on mercury remediation at Sasolburg and optimising waste water treatment at Moers site (Sasol Solvents in Germany).



GRI – EN22

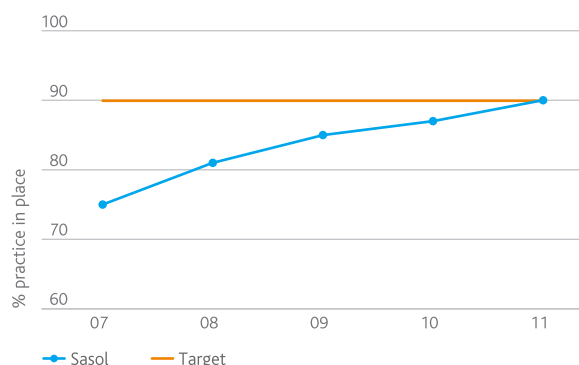
product stewardship: managing the impacts of our products

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.

While, on average, Sasol has performed very well with respect to Responsible Care®, our product stewardship efforts have been less successful. This has led to a renewed focus on product stewardship across the company. Product safety requires an integrated approach, considering the movement of products throughout the life-cycle and the variety of functions managing issues which might occur. As a result, our new product stewardship structure consists of 15 people delivering a centralised service to all business units. This has facilitated a better way of managing the impact across functions. Performance for this year will be used as a baseline to determine whether the new approach is contributing to increasing performance in this area.

Responsible Care®

Implementation of Responsible Care®
(% practice in place)



Sasol has played a leadership role in contributing to enhancing the safe use of chemicals worldwide through our involvement in the International Council of Chemical Associations' (ICCA) Chemicals Policy and Health Leadership Group.

Sasol has played a leadership role in contributing to enhancing the safe use of chemicals worldwide through our involvement in the International Council of Chemical Associations' (ICCA) Chemicals Policy and Health Leadership Group. This contributes to a positive reputation and helps us to build relationships throughout the value chain while encouraging our partners to achieve the same level of improved chemical management.

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. The challenge is that there is no legislation for implementing the GHS in South Africa. Sasol experts have, for the past five years, 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 a second biennium (2011 – 2012). All products exported to the European Union (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.

Case study

Participation in an International Council of Chemical Associations (ICCA) Leadership Group

The ICCA Chemical Policy and Health (CP&H) Leadership Group is committed to enhance the safe use of chemicals worldwide. This includes the handling of chemicals by manufacturers, distributors and downstream users. The group directs global industry implementation of the ICCA's Global Product Strategy and drives improved product stewardship in close cooperation with the Responsible Care Leadership Group. Sasol is a member of this leadership group.

Sasol was approached to give input as a company working within an economy in transition. We have an important role to play in ensuring the challenges of developing country contexts are considered. This year, the focus has been on outreach in Africa. The ICCA, in partnership with CAIA, held a meeting in March 2011 as part of their combined efforts to enhance the safe management of chemicals in South Africa and other countries of the Southern African region.

Sasol, as the biggest petrochemical company in Africa, hosted the meeting. This was a great privilege for us, and this demonstrates our commitment to help companies and governments in developing countries to implement chemicals management.



GRI – EN22



section 3

Our performance data

Basis of reporting. The performance data reported in the following tables has been aggregated from all companies and operations globally, including the joint ventures mentioned on page 1. All data is collected by the individual operations and reported on a quarterly basis to the Sasol group SHE 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, 2011 relates to the period from July 2010 to June 2011). 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 and Surfactants (O&S) operations is excluded for the 2007 reporting period.

independent assurance report to the directors of sasol limited

Introduction

We have been engaged by the directors of Sasol Limited (Sasol) to conduct an assurance 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, on selected identified sustainable development information reported in Sasol's 2011 sustainable development report (the Report), for the purposes of expressing a statement of independent assurance, for the year ended 30 June 2011.

Scope and subject matter

The subject matter of our engagement and related levels of assurance we are required to provide is as follows:

1. Reasonable assurance:

The following identified sustainable development information in the Report (page 60 – 61) was selected for an expression of reasonable assurance:

- Total production (kilotons)
- Recordable Case Rate (RCR), including employees and service providers
- Total number of fatalities
- Number of reportable fires, explosions and releases (number of events)
- Total energy use (thousand giga joules)
- Total water use (1000 m³)
- Total amount of water recycled (1000 m³)
- Direct methane emissions (kilotons)
- Direct carbon dioxide emissions (kilotons)
- Indirect carbon dioxide emissions (kilotons)
- Total greenhouse gas emissions – scope 1 and 2 (kilotons)
- Total number of employees (number of employees)

2. Limited assurance:

2.1 The following identified sustainable development information in the report (page 60 – 61) was selected for an expression of limited assurance:

- Sulphur oxide (SO_x) emissions (kilotons)
- Nitrogen oxide (NO_x) emissions (kilotons)
- Particulates (fly ash) (kilotons)
- Hazardous waste (kilotons)
- Non-hazardous waste (kilotons)
- Total waste (kilotons)
- Employee turnover (number of employees)
- Total number of learnerships (employee numbers)
- Non-methane hydrocarbon emissions (kilotons)

2.2 The self declared A+ GRI application level (page 1) and the self declared United Nations Global Compact principle disclosure (page 1) were also selected for an expression of *limited* assurance.

Our responsibilities do not extend to any other information.

Responsibilities of the directors

Sasol's directors are responsible for delegating and overseeing the preparation and presentation of the identified sustainable development information in accordance with internal corporate policies and procedures and the Global Reporting Initiative's (GRI) new generation (G3.1) guidelines and the principles of the United Nations Global Compact (UNGC).

Responsibility of the independent assurance provider

Our responsibility is to express a conclusion to the directors, on the selected identified sustainability information contained in the Report for the year ended 30 June 2011, 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 Identified Sustainability Information as per our terms of engagement.

Sasol's internally developed Sasol Sustainable Development (SD) Reporting Guidelines and Definitions in Compliance with Safety, Health & Environment Minimum Requirements, based on the GRI Sustainability Reporting Guidelines, were used as criteria to evaluate the selected Identified Sustainability Information. The "Notes on measurement" in the "Basis of reporting" (page 62) provides detail on the definitions of the selected identified sustainable development information 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

(G3.1) guidelines have been used. In terms of evaluating the UNGC disclosure, the specific disclosure criteria as stipulated by the UNGC Progress and Disclosure: Differentiation programme guidelines have been used.

Our procedures included examination, on a test basis, of evidence relevant to the selected identified sustainable development information. The procedures selected depend on the assurance provider's judgement, including the assessment of the risks of material non-compliance of the selected identified sustainable development information with the defined reporting criteria.

Our work consisted of:

- reviewing processes that Sasol has in place for determining material identified sustainable development information to be included in the Report;
- obtaining an understanding of the systems used to generate, aggregate and report data at the sampled operations;
- 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;
- testing the accuracy of data reported on a sample basis for *limited* and *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 identified sustainable development information and related statements in Sasol's sustainable development report;
- reviewing the accuracy of Sasol's self-declaration of the GRI (G3.1) Application Level in the Report; and
- reviewing the disclosure against the United Nations Global Compact principles.

We believe that the evidence we have obtained is sufficient and appropriate to provide a basis for our assurance conclusions.

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.

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 identified sustainable development information.

Inherent limitations

The accuracy and completeness of sustainable development data is subject to inherent limitations given the nature and methods for determining, calculating and estimating such data. Qualitative interpretations of relevance, materiality and the accuracy of data are subject to individual assumptions and judgements.

Conversion factors used to derive identified sustainable development information are based upon information and factors derived by independent third parties. Our assurance work has not included an examination of the derivation of those factors and other third party information.

Conclusions

1. Reasonable assurance

In our opinion, the subject matter selected for reasonable assurance for the year ended 30 June 2011, has been prepared, in all material respects, in accordance with the defined reporting criteria.

2. Limited assurance

Basis for disclaimer of conclusion in respect of 2.1 i

We were not able to obtain sufficient, appropriate evidence to draw a conclusion on the accuracy, completeness and validity for this indicator.

Disclaimer of conclusion in respect of 2.1 i

Because of the significance of the matter described above, we have not been able to obtain sufficient appropriate evidence to provide a basis for a conclusion. Accordingly, we do not express a conclusion in respect of 2.1 i.

Conclusion in respect of all other subject matter in 2.1 and 2.2

Nothing has come to our attention that causes us to believe that all other subject matter in 2.1 and 2.2, have not been prepared, in all material respects, in accordance with the defined reporting criteria.



PricewaterhouseCoopers Inc.
Director: Wessie van der Westhuizen, Registered Auditor
Johannesburg, 20 October 2011



GRI – 3.13

key performance indicators

	Unit	2007	2008	2009	2010	2011	Level of assurance ^a
Economic							
Value added statement							
Turnover	R'm	98 127	129 943	137 836	122 256	142 436	
Purchased materials and services	R'm	(56 789)	(76 472)	(89 393)	(74 061)	(86 330)	
Value added	R'm	41 338	53 471	48 443	48 195	56 106	
Investment income	R'm	1 230	989	2 060	1 549	1 283	
Wealth created	R'm	42 568	54 460	50 503	49 744	57 389	
Production performance							
Total production	kt	22 114	24 218	22 038	24 548	25 228	Reasonable
Social							
Safety performance							
Employee numbers	No	31 820	34 157	33 544	33 399	32 735	Reasonable
Recordable case rate	No	0,72	0,50	0,54	0,51	0,42	Reasonable
Employee and service provider fatalities	No	4	3	4	8	15*	Reasonable
Fires, explosions and releases	No	21	28	36	63	52	Reasonable
Logistics Incidents	No	52	42	27	37	47	
Skills statistics							
Investment in employee training and development ^b	R'm			386	421	673	
Proportion of above focused on black employees ^c	Rm			267	261	432	
Development interventions	No			65 526	64 019	126 847	
Investment in bursary scheme	R'm			45	51	39	
Undergraduate and post graduate bursars	No			761	769	654	
Employees on chartered accountant training programmes	No			28	26	22	
Employees in Sasol artisan learner pools	No	d)		993	778	883	
Learner artisans that Sasol trained for the petroleum industry as part of oil, gas and electrical manufacturing project	No			1050	417	947	
Learners in external Technical skills Business partnership	No			193	271		
Additional positions created in global venture support programme	No			700	700	484	
Investment in South African universities	R'm			25	25	25	
Number of employees receiving leadership training	No			9 785	9 253	4 077	
Total number of learnerships	No					1 191	Limited
Employee turnover						1 738	Limited
Greenhouse Gases (kilotons)							
Direct methane (CH ₄)	kt	394	354	339	371	402	Reasonable
Nitrous Oxide (N ₂ O)	kt	1,845	0,683	0,604	0,335	0,220	
Direct carbon dioxide (CO ₂) – Scope 1	kt	57 345	58 722	54 465	56 265	56 966	Reasonable
Indirect carbon dioxide (CO ₂) – Scope 2	kt	8 901	9 718	9 739	10 814	9 308	Reasonable
Total greenhouse gas (CO ₂ equivalent Scope 1 and Scope 2 emissions) ^e	kt	75 094	76 104	71 507	74 981	74 777	Reasonable
Indirect carbon dioxide (CO ₂) – Scope 3 ^f	kt					540	
Total greenhouse gas (CO ₂ equivalent Scope 1, Scope 2 and Scope 3)	kt	75 094	76 104	71 507	74 981	75 317	
Emission intensity (CO ₂ equiv/ton product)		3,40	3,14	3,24	3,05	2,99	

* 10 fatalities in the work place, 5 fatalities were at an off-site event.

	Unit	2007	2008	2009	2010	2011	Level of assurance ^a
Atmospheric Emissions (kilotons)^{b)}							
Nitrogen oxides (NO _x)	kt	162	166	160	164	155	Limited
Sulphur oxides (SO _x)	kt	218	224	233	240	208	Limited
Hazardous VOC Indicator of performance	kt			46,90	46,80	48,56	
Particulates (fly ash)	kt	7,59	8,45	9,40	11,38	9,15	Limited
Solid waste (kilotons)							
Hazardous waste	kt	140	97	111	69	84	Limited
Non-hazardous waste	kt	1 005	979	697	454	409	Limited
Total waste	kt	1 145	1 076	808	523	493	Limited
Recycled waste	kt	1 487	1 435	1 583	1 617	1 208	
Energy use (thousand giga joules)							
Electricity (purchased)	GJ	31 734	34 846	34 572	37 427	33 694	
Feedstock to Steam (Coal and gas)	GJ	276 997	282 670	272 847	278 247	266 185	
Transportation fuel	GJ				718	683	
Fuel Gas	GJ	26 659	52 237	48 410	54 972	63 596	
Other energy use (eg, steam)	GJ	5 999	6 838	4 670	9 785	16 137	
Total energy use	GJ	341 389	376 591	360 498	381 149	380 296	Reasonable
Material Use (kiloton)							
Coal	kt	17 861	17 862	16 994	17 315	17 019	
Crude oil processed	kt	7 270	4 564	4 493	4 331	4 890	
Nitrogen from air	kt	1 999	2 103	2 388	2 574	2 220	
Oxygen from air	kt	13 194	13 144	12 567	14 737	13 983	
Other (eg, chemicals, feedstock)	kt	20 700	22 801	20 680	22 062	6 778	
Total material use	kt	61 024	60 474	57 123	61 019	44 890	
Water (1 000 m³)							
Total water use	m ³	146 057	154 602	152 318	151 391	152 526	Reasonable
Liquid effluent	m ³	26 195	32 227	45 722	64 808	36 770	
Water recycled	m ³	121 366	131 385	130 562	139 308	128 719	Reasonable
Land and Biodiversity (hectare)							
Area affected by operations	h	3 590	4 370	3 744	3 779	3 679	
Area dedicated to conservation	h	4 079	4 553	4 553	3 869	3 456	
Land use and mining (hectare)							
Surface mining area	h	1 284	1 284	1 284	1 284	1 284	
Underground mining area	h	40 538	41 715	42 837	43 941	44 856	
Total area disturbed	h	41 822	42 999	44 121	45 225	46 140	
Area rehabilitated	h	1 596	1 659	1 689	1 689	1 689	
Other							
Legal compliance							
Fines, penalties and settlements	No	2	20	46	9	15	
Fines, penalties and settlements	US\$'m	–	0	2	4	1	
DJSI							
Scores	%	70	74	75	76	76	

a) 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.

b) Excluding the compulsory 1% or R98 million skills levy.

c) African, Coloured and Indian people.

d) This information was not reported during these years.

e) The scope of the 2011 sustainable development data assurance included Scope 1 and 2 emissions, as defined by the GHG Protocol.

f) Scope 3 emissions could be calculated for Sasol Infrachem, and have therefore been disclosed.

g) Atmospheric emissions include non-methane hydrocarbons (NMHC). This indicator is not reported but has been included in the assurance scope. This indicator received no assurance based on the lack of sufficient source documentation. See assurance statement on page 59.

Notes on measurement

1. Employees are persons working for Sasol on a full-time or part-time basis, who are paid individually via the Sasol payroll system, including service providers working under Sasol's supervision (i.e. persons from labour brokers or fixed-term service providers). These numbers include some non-permanent employees. These have been included for the purpose of safety reporting requirements. The totals are thus higher than those reported on in the section on employee demographics, in which reference is made only to permanent employees.

2. The recordable case rate (RCR) is a standard international measure for reporting work-related injuries and illnesses and other safety incidents resulting in injury. The RCR is the number of fatalities, lost workdays, restricted work cases, medical treatments beyond first-aid cases and accepted illnesses for every 200 000 employee hours worked. From 2006 onwards, our RCR includes both employees and service providers, and recordable injuries, as well as occupational illnesses for employees.

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

4. Figures refer to all **logistics-related events** that result in any one of the following: (i) a recordable injury (including fatality) to any Sasol employee, or an injury to any other person that requires overnight hospitalisation; (ii) measurable or visible damage to livestock, vegetation, crops, fish or water systems, or a release of more than 1 000 litres of a chemical; (iii) property, product and/or transportation equipment loss (to Sasol) of more than US\$25 000, except in Europe, where it is greater than 25 000 Euros, or any fines or penalties involving Sasol; (iv) fire, explosion or reactive chemical incident involving a Sasol product; (v) any community evacuation of sheltering or any community alert given as a result of the incident, or any road closure lasting more than six hours; or (vi) the involvement of the international, national or local media.

5. Production performance is a measure of the total product sold 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.

6. Greenhouse gas (GHG) emissions have been calculated and 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 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 (NO₂).

7. Methane. The increase in methane levels is due to more accurate measurement during the past year at Sasol Synfuels. Calculated methods were employed in the past. All the historic data for Sasol Synfuels were subsequently corrected and restated.

8. Atmospheric emissions refers to oxides of nitrogen, including NO and NO₂, SO₂ refers to airborne emission of sulphur and its compounds formed, for example, during combustion or production processes, and includes the sum of sulphur dioxide (SO₂) emissions to air. Particulates (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.

The volatile organic compounds (VOCs) target includes benzene, ethylbenzene, toluene, xylene, 1,3-butadiene and acetaldehyde and are identified as key VOCs in our Sasol VOC target. The non-methane hydrocarbon emission reported in previous years, is currently under review.

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 licenced 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). Electricity (self-generated) was not included in this year's report.

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 onsite 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 refers 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.

16. Employee turnover is the number of employees who leave the organisation voluntarily or due to dismissal, retirement or death in service.

17. The skills Development Act Article 18(2) learnerships refer to cases where the learner has a learnership agreement, is registered with SETA and is employed by Sasol for the duration of the learnership.



GRI – 3.9 – 3.10



A detailed GRI table, providing responses to each of the GRI G3 criteria, is provided on our website, available at www.sasolsdr.com. Our online report also includes a review of our performance in terms of the UN Global Compact's Communication on Progress, as well as the Millennium Development Goals.

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Credits. Sasol's 2011 sustainable development report has been produced and published by the Sasol SHE centre. 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: Contingent resources are defined as those quantities of petroleum estimated, as of a given date, to be potentially recoverable from a known accumulation by application of development projects, but which are not currently considered to be commercially recoverable due to one or more contingencies. There is therefore uncertainty as to the portion of the volumes identified as contingent resources that will be commercially producible. Sasol may, in this document, make certain statements that are not historical facts and relate to analyses and other information which are based on forecasts of future results and estimates of amounts not yet determinable. These statements may also relate to our future prospects, developments and business strategies. Examples of such forward-looking statements include, but are not limited to, statements regarding exchange rate fluctuations, volume growth, increases in market share, total shareholder return and cost reductions. Words such as "believe", "anticipate", "expect", "intend", "seek", "will", "plan", "could", "may", "endeavour" and "project" and similar expressions are intended to identify such forward-looking statements, but are not the exclusive means of identifying such statements. By their very nature, forward-looking statements involve inherent risks and uncertainties, both general and specific, and there are risks that the predictions, forecasts, projections and other forward-looking statements will not be achieved. If one or more of these risks materialise, or should underlying assumptions prove incorrect, our actual results may differ materially from those anticipated. You should understand that a number of important factors could cause actual results to differ materially from the plans, objectives, expectations, estimates and intentions expressed in such forward-looking statements. These factors are discussed more fully in our most recent annual report under the Securities Exchange Act of 1934 on Form 20-F filed on 7 October 2011 and in other filings with the United States Securities and Exchange Commission. The list of factors discussed therein is not exhaustive; when relying on forward-looking statements to make investment decisions, you should carefully consider both these factors and other uncertainties and events. Forward-looking statements apply only as of the date on which they are made, and we do not undertake any obligation to update or revise any of them, whether as a result of new information, future events or otherwise.

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

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

Production. Project management: Stiaan Wandrag and Elvina Hercules (text)
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Independent assurers: PricewaterhouseCoopers, Johannesburg



sasol's 2011 sustainable development report – carbon footprint

This calculation of the carbon footprint of Sasol's 2011 SDR is based on an assessment of the CO₂e emissions associated with the business travel (flights and car hire) and accommodation of the consultant team involved in the production and assurance of the report. The calculations do not include the internal Sasol travel, the electricity and resources used by Incite Sustainability or Sasol in writing this report, or the emissions associated with the design, photography, paper and printing of the report.

A summary of the calculated emissions is presented in the table below. Further details are provided in a separate available Excel table available on the website.

Greenhouse gases associated with producing the Sasol sustainability report	
Source	kg CO ₂ e
Car travel	1 230
Air travel	4 881
Accommodation	4 027
Total	10 138

1 <http://www.ghgprotocol.org/calculation-tools/all-tools>

2 <http://www.ghgprotocol.org/calculation-tools/all-tools>

3 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 significantly higher than the footprint for the 2010 SDR (2 352 Kg CO₂e, and slightly less than that for the 2009 SDR (12 384 Kg CO₂e. The significant decrease in 2010 can be explained by the fact that there was considerably less travel in 2010 with no international flights by the assurance providers. The higher figure in 2009 is partly a function of the fact that there were increased travel and accommodation emissions associated with the external panel of experts that were engaged as part of that process.



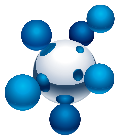
Dear reader,

Please let us know what you think about Sasol's 2011 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 www.sasolsdr.com.

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