

Module: Introduction**Page: Introduction Supply Chain**

Climate change

Please tick the box below to complete the introduction questions for Climate Change

true

CC0.1**Introduction**

Please give a general description and introduction to your organization.

Sasol is an international integrated chemicals and energy company that leverages the expertise of our 30 100 people working in 33 countries. We develop and commercialise technologies, and build and operate world-scale facilities to produce a range of high-value product streams, including liquid fuels, chemicals and low-carbon electricity. In South Africa, in addition to our coal to liquids (CTL) and our gas to chemicals facilities, we also refine imported crude oil and retail liquid fuels through our network of 395 Sasol and Exel service stations. We also supply fuels to other licensed 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) technology internationally. We remain one of South Africa's largest investors in capital projects, skills development and technological research and development.

Climate change potentially poses various risks to our business. These risks include meeting anticipated legislative and policy requirements, increasing customer pressure to reduce emissions and adapting to its potential physical impacts. Identifying appropriate responses that balance the needs for economic development, job creation, energy security and emission reductions represent one of the greatest challenges to our generation. Sasol supports an international agreement that defines how countries will share efforts to reduce GHG emissions, in line with the principle of common but differentiated responsibilities.

As a South African based company, we are of the view that an agreement that provides assurance for all can only be delivered through an international multilateral

rule based process such as the UNFCCC i.e. the Paris Agreement.

CC0.2

Reporting Year

Please state the start and end date of the year for which you are reporting data.

The current reporting year is the latest/most recent 12-month period for which data is reported. Enter the dates of this year first.

We request data for more than one reporting period for some emission accounting questions. Please provide data for the three years prior to the current reporting year if you have not provided this information before, or if this is the first time you have answered CDP information request. (This does not apply if you have been offered and selected the option of answering the shorter questionnaire). If you are going to provide additional years of data, please give the dates of those reporting periods here. Work backwards from the most recent reporting year.

Please enter dates in following format: day/month/year (in full i.e. 2001).

Enter Periods that will be disclosed
Wed 01 Jul 2015 - Thu 30 Jun 2016

CC0.3

Country list configuration

Please select the countries for which you will be supplying data.

Select country
South Africa
United States of America
Mozambique
Italy
Germany

Select country

China

CC0.4

Currency selection

Please select the currency in which you would like to submit your response. All financial information contained in the response should be in this currency.

ZAR (R)

CC0.5

Please select if you wish to complete a shorter information request.

Water

Please tick the box below to complete the introduction questions for Water

true

W0.1

Introduction

Please give a general description and introduction to your organization

Sasol is an international integrated chemicals and energy company that leverages technologies and the expertise of our 30 400 people working in 36 countries. We develop and commercialise technologies, and build and operate world-scale facilities to produce a range of high-value product stream, including liquid fuels, chemicals and low-carbon electricity. Sasol has a new value chain-based operating model and is now organised into two upstream business units, three regional operating hubs, and four customer-facing strategic business units, supported by fit-for-purpose functions. By combining the talent of our people and our technological advantage, Sasol has been a pioneer in innovation for over six decades. As market needs and stakeholder expectations have changed, so too have our methods, facilities and products, driving progress to deliver long-term shareholder value sustainably. At Sasol, we recognise the growing need for countries to secure supply of energy and chemicals. For many countries, specifically those with abundant hydrocarbons, in-country conversion of these resources into liquid fuels and chemicals goes a long way to boost national economies. Sasol's focused and strong project pipeline means we are actively capitalising on the growth opportunities that play to our strengths in Southern Africa and North America. Our focus is creating value sustainably and we are proud to be taking this company, to new frontiers. Sasol was established in 1950 in South Africa and we remain one of the country's largest investors in capital projects, skills development and technological research and development. The company is listed on the JSE in South Africa and on the New York Stock Exchange in the United States.

W0.2

Reporting year

Please state the start and end date of the year for which you are reporting data

Period for which data is reported
Wed 01 Jul 2015 - Thu 30 Jun 2016

W0.3

Reporting boundary

Please indicate the category that describes the reporting boundary for companies, entities, or groups for which water-related impacts are reported

Companies, entities or groups over which operational control is exercised

W0.4

Exclusions

Are there any geographies, facilities or types of water inputs/outputs within this boundary which are not included in your disclosure?

Yes

W0.4a

Exclusions

Please report the exclusions in the following table

Exclusion	Please explain why you have made the exclusion
Oryx GTL Facility in Qatar	The ORYX GTL facility, where Sasol is a joint venture (JV) partner, now reports separately in its own Sustainable Development Report.

Further Information

Module: Management

Page: CC1. Governance

CC1.1

Where is the highest level of direct responsibility for climate change within your organization?

Board or individual/sub-set of the Board or other committee appointed by the Board

CC1.1a

Please identify the position of the individual or name of the committee with this responsibility

Accountability for our response to the climate change challenge rests with Sasol's Group Executive Committee (GEC), which receives advice and assistance from various GEC subcommittees and specialist committees. The GEC comprises Sasol's executive management (Executive Vice Presidents), co-chaired by the Joint Presidents and Chief Executive Officers (Bongani Nqwababa and Steve Cornell), guides environmental and climate change management throughout the group and coordinates development of the group's objectives, targets and projects in this area. Formalised governance structures are in place to address greenhouse gas (GHG) challenges facing the group.

Project Everest is a Sasol-wide initiative that resides in the Group Legal, IP and Regulatory Services function. Project Everest, a dedicated project team steered by a GEC mandated committee focuses on developing a coordinated internal approach to climate change and to align external communication, stakeholder engagement and regulatory responses. Bernard Klingenberg, Executive Vice President Operations at Sasol, is the chair of the Everest Mandating Committee, with the Senior Vice President for Legal, Intellectual Property and Regulatory Services, Jens Straatmann, designated as the project sponsor. In addition, the Committee ensures our response to climate change is integrated with our core strategy, and co-ordinates our engagement with government and other stakeholders on regulatory and related climate change developments. The primary designated Everest committee which is constituted by cross-functional team members meets monthly and is attended by EVPs and other Senior Vice Presidents, Vice Presidents and respective specialists. It facilitates that decision-making is integrated with and informed by Sasol's sustainable development strategy. Group Risk and SHE remains accountable for specialist advice on GHG data management, setting of targets and reporting performance against targets. The Sasol Limited Board's Risk and SHE Committee provides oversight of Sasol's risk management activities and considers the top risks which includes climate change risks.

CC1.2

Do you provide incentives for the management of climate change issues, including the attainment of targets?

Yes

CC1.2a

Please provide further details on the incentives provided for the management of climate change issues

Who is entitled to benefit from these incentives?	The type of incentives	Incentivized performance indicator	Comment
Corporate executive team	Monetary reward	Emissions reduction project	Performance against SHE and GHG indicators. Specific members of the executive management are incentivised on management of climate change. For the Project Everest sponsor this is linked to

Who is entitled to benefit from these incentives?	The type of incentives	Incentivized performance indicator	Comment
		Energy reduction project Energy reduction target	performance of Project Everest, who in turn ensures that this performance indicator is addressed by the Project Everest team members from both Group Strategy and the Risk and SHE function, including the VP: Strategy and Sustainability and the SHE Policy and Sustainability Advisor. By including these measures in performance indicators it is directly tied to a monetary reward system.
Other: Climate Change Specialists and Managers	Monetary reward	Emissions reduction project Other: Behaviour change related indicator	Sasol has specifically appointed a SHE Policy and Sustainability Advisor as well as a Head of Air and GHG Emissions in the Risk and SHE Function who are incentivised to assist the organisation by creating an enabling environment (through development of procedures and processes) for Sasol to meet its GHG targets and aspirations. These individuals report to the VP: Strategy and Sustainability and the VP: Enablement within the Risk and SHE function who in turn are incentivised around performance with respect to climate change. Another indicator that individuals are measured on is communication of climate change issues within the Group and specifically to Operating Model Entities (OMEs).
Energy managers	Monetary reward	Efficiency project Efficiency target Other: Behaviour change related indicator	An assessment of delivery against Sasol's climate change commitments (specifically Energy Efficiency and GHG targets) forms part of the key performance indicators, personal appraisals and incentive schemes of relevant Sasol managers. For example at our operating facility in Secunda, operational managers have targets to achieve energy efficiency which is included in key performance indicators applicable to their areas of accountability. This is tracked quarterly.

Further Information

Page: **CC2. Strategy**

CC2.1

Please select the option that best describes your risk management procedures with regard to climate change risks and opportunities

Integrated into multi-disciplinary company wide risk management processes

CC2.1a

Please provide further details on your risk management procedures with regard to climate change risks and opportunities

Frequency of monitoring	To whom are results reported?	Geographical areas considered	How far into the future are risks considered?	Comment
Six-monthly or more frequently	Board or individual/sub-set of the Board or committee appointed by the Board	Climate change risks are considered in all the countries where Sasol has operations or markets our products. Climate change risks are considered for Sasol's operating business units, regional operating hubs and strategic business units in Southern Africa, Eurasia and US regions. Regulatory risks and budgets arise mainly in the Southern African operating region; while carbon labelling of products and placement in the market arise mainly in Europe.	> 6 years	Climate change risks are reported to the Group Executive Committee and the Risk and SHE Committee of the Sasol Board at least annually. These climate change risks, opportunities and performance are also publically reported through the Annual Integrated and Sustainable Development Reports. Given that climate change is regarded as a group top risk and a material issue, there has been extensive consultation with external stakeholders through the Sustainable Development reporting process and Project Everest. In addition, as a requirement of the New York Stock Exchange listing, Sasol is required to disclose information to the United States Securities and Exchange Commission, through the Form 20-F. This provides detail on climate change related risks directly to shareholders. On a regular basis, changes and/or developments in both the internal or external environment that impact each of the top risks are reviewed and an analysis of the risk is presented to the Group Risk and SHE Committee.

CC2.1b

Please describe how your risk and opportunity identification processes are applied at both company and asset level

Sasol has a comprehensive enterprise risk management (ERM) process, which focuses on all business related risks, including climate change. Sasol has a Risk Policy in place. The policy speaks to risk and opportunity, strengthens the link between risk and strategy, provides emphasis on embedding risk management into key decision making processes and requires assurance of effective risk management to the Sasol Limited Board. The ERM process ensures that climate change risks are systematically identified, assessed and managed. At a group (company) level, the Sasol Limited Board's Group Risk and SHE Committee provides

oversight of our risk management activities and considers Sasol's top risks that impact the group's ability to achieve its strategic objectives on a sustainable basis. Climate change related issues have been identified in this process as one of the top risks facing the organisation. Sasol's risk management approach delivers risk profiles at a group and operating model entities (asset) (OMEs). OMEs include our operating business units, regional operating hubs, strategic business units and functions. Through this process and the strategy development process, it is also recognised that climate change represents a potential opportunity to leverage Sasol's world class technological experience to commercialise lower carbon energy sources such as gas to liquids related technologies. Climate change risks and opportunities at the operating model entity level (asset level) are identified through the prescribed risk management process, tracked and managed through the mandatory SHE Integrated Management Systems which include legal compliance audits, site improvement plans, emergency preparedness procedures and processes. In response to these risk and opportunity identification processes, Sasol continues to investigate available energy efficiency; carbon efficiency and carbon offset opportunities through its environmental project roadmaps.

CC2.1c

How do you prioritize the risks and opportunities identified?

Sasol uses a standard risk matrix to analyse climate change risks in terms of probability and impact. Risks are classified by risk level, with Level 1 being the most significant and Level 6 being the lowest risk. Risks are escalated to various levels of management depending on the risk level. At a group level, group top risks and emerging risk themes are reported to the Board's Risk and SHE Committee. At OME level, OME top risks are reported to the OME Executive Committee. Risks are reported at various levels to ensure appropriate attention to risk decision-making and oversight.

Climate change risks have been identified as one of Sasol's group top risks. Materiality for these climate change risks is determined through the risk rating allocated to it, using a systematic risk identification and assessment process. The criteria used for evaluation are based on probability of the risk materialising, and impact of the risk on the organisation (e.g. financial impact and reputational damage).

We determine our Group top risks through a review process that analyses the risks facing the Group and our OMEs, in relation to Sasol's near-to-medium-term strategy, longer-term aspirations and top priorities, in the context of the internal and external environment. Emphasis is placed on risks and opportunities that have a direct potential impact on income, expenditure and capital as these are the main drivers of the approved financial risk appetite and tolerance metrics, achievement of strategic objectives (medium-to-longer term), reputation and/or delivery on near-term business plans.

CC2.1d

Please explain why you do not have a process in place for assessing and managing risks and opportunities from climate change, and whether you plan to introduce such a process in future

Main reason for not having a process	Do you plan to introduce a process?	Comment

CC2.2**Is climate change integrated into your business strategy?**

Yes

CC2.2a**Please describe the process of how climate change is integrated into your business strategy and any outcomes of this process**

Sasol's vision is to grow profitably, sustainably and inclusively while delivering value to stakeholders. Our strategy rests on 2 pillars – “Nurture and Grow” and “Expand and Deliver”. In Southern Africa, Sasol is focused on nurturing and growing our existing facilities and businesses to ensure that they grow, remain profitable and sustainable in the long term. Sasol is engaged in gas exploration activities and is actively participating in existing and proposed gas-to-power initiatives to facilitate the pull-through of additional gas as a lower-carbon energy feedstock. Elsewhere we speak of “expand and deliver” which is focused on the execution of growth projects with a less substantial footprint.

Climate change has been identified as one of the group's top risks. Through the Project Everest Mandating Committee, information from Sasol's policy engagement process on climate change issues feeds into the risk review process ensuring the most up to date information on this Group top risk. The risk assessment and mitigation options to reduce the risk rating are discussed with the GEC regularly. Twice annually Sasol's Group Executive Committee reviews different aspects of the company's strategy and considers the impact of climate change and related policies on the company's business and strategy. Operating unit GHG information is collected through the Sasol sustainability reporting process and aggregated. Current and future GHG projections feed into the strategy review and scenario processes. Scenario planning has been used by Sasol for a number of years, and climate change related risks has been included as a separate scenario – now it is focused on the extent to which it will play out in the different regions where we currently or aspire to have a footprint. One of the areas closely monitored by the team is the implementation of COP21 decisions. One of the scenarios does consider possible outcomes of the Agreement.

Through this process it was determined that long-term group targets are no longer appropriate for measuring mitigation progress because of different regulatory policies in the regions we operate. An internal process to develop separate GHG targets for our South African operations has concluded with the RSA budgets being adopted as an absolute emission cap. For our international operations we align with the mature legislation already in place and no additional targets have been adopted. Given that our growth aspirations rely on GHG reduction solutions, we have implemented a comprehensive climate change strategy and measure performance using Key Performance Indicators (KPIs). The strategy rests on four pillars: improving the carbon and energy efficiency of processes thereby reducing GHG emissions; increasing the use of natural gas for energy generation; researching the potential for offsetting GHG emissions in Southern Africa which could include renewable energy and monitoring and influencing the development of carbon capture and storage (CCS) as a long-term solution.

(i) The aspects of climate change that have influenced Sasol's strategy are:

- Increasing legislative developments resulting in a future price on carbon;
- Reduced water availability; and
- Increased extreme weather events.

Water security is regarded as one of our material risks and given that climate change is anticipated to impact water availability in South Africa, a number of external water conservation partnerships have been entered into.

(ii) We recognise the importance of the role of gas in South Africa's energy mix and the country transitioning to a lower carbon trajectory, more strongly in the short term. Sasol is focused on building on our existing gas successes in Southern Africa, leveraging off our expertise to find gas, continue building the downstream gas

economy, securing a cleaner feedstock to grow our integrated value chain while enhancing regional energy security and diversifying the energy mix. This was explicitly framed by Sasol's response to the climate challenge and the move towards lower-carbon energy alternatives. Efforts to reduce the environmental footprint of our existing operations are an important aspect of our Nurture and Grow strategy. In this regard, we initiated significant investments in environmental improvement projects. Sasol's environmental obligation accrued at 30 June 2016 was R17127 million compared to R11022 million at 30 June 2015. Based on an assessment of significant capital expenditure on environmental projects over the past 15 years, we have invested more than R20 billion. These projects include energy efficiency, lower carbon alternatives and power generation such as gas engines and gas turbines in Sasolburg, Secunda and Mozambique.

The possibility of a carbon tax and planned mandatory carbon budgets in South Africa demands an increased level of accuracy in our GHG emissions accounting and reporting. Therefore we continue to refine our GHG emission baselines and improve the accuracy of our reporting with the inclusion of additional smaller emission sources. Sasol is currently involved the pilot carbon budget process in South Africa for the period 2016-2020.

(iii) The need for adaptation and the opportunity from a lower carbon transition have influenced the strategy. Sasol has taken the substantial decision to shift towards a strategy biased towards natural gas exploration, production and utilization. This we believe will serve as a bridge towards a lower-carbon economy. Sasol has limited additional mitigation opportunities in the short term (given that big investments in fuel switching and gas-based energy generation have already been made) and therefore efforts to monitor and influence renewable and CCS technological and institutional developments represent an important component of our long strategy towards 2050. We continue to undertake research and development on CO₂ related issues and technologies. Given the long term nature of Sasol's assets, we have embedded the process of incorporating carbon pricing into the financial and economic assessments of all new projects.

(iv) In the short to medium term we see Sasol playing a strong role through its existing asset base and experience to further develop the gas economy in Southern Africa – aiding in the transition towards a lower carbon economy. Additionally, our Alumina business is beginning to see significant growth through the increasing demand for LEDs. LED's are regarded as an important contributor to reducing GHG emissions from lighting.

(v) In the long term Sasol has shifted its growth strategy to focus on the exploration and production of oil & gas, gas monetisation and chemicals rather than the more carbon intensive CTL business. In its downstream businesses the company is focused upon the development of lower carbon electricity (gas-to-power) projects in Southern Africa. This encompasses both the use of gas produced within the sub-region as well as potentially imported via LNG.

CC2.2b

Please explain why climate change is not integrated into your business strategy

CC2.2c

Does your company use an internal price on carbon?

Yes

CC2.2d**Please provide details and examples of how your company uses an internal price on carbon**

Sasol has, for a number of years, developed an internal set of carbon pricing assumptions that cover some of the geographic areas in which we operate and/or where we may have considered projects. In South Africa, our carbon price assumptions are aligned with the National Treasury's carbon tax proposal, while we also consider the Department of Environmental Affairs' carbon budget proposals. These carbon prices, along with the potential CO2 footprint of our businesses and potential investment projects, are considered in both our investment evaluations and long term budgeting process.

CC2.3**Do you engage in activities that could either directly or indirectly influence public policy on climate change through any of the following? (tick all that apply)**

Direct engagement with policy makers
Trade associations
Funding research organizations
Other

CC2.3a**On what issues have you been engaging directly with policy makers?**

Focus of legislation	Corporate Position	Details of engagement	Proposed legislative solution
Other: Integrated mitigation system & Carbon Budgets	Support	Sasol has engaged directly with various stakeholders on matters related to climate change. The nature of the engagement is tailored to the specific needs of the policy debate at a specific time. During the year, for our South African operations, we continued to participate in the roll-out of the National Climate Change Response Policy and the	Sasol is committed to playing our part in South Africa's transition to a lower carbon and more climate resilient economy within the context of it being a developing country. We recognise that we have a particular responsibility and opportunity to contribute to finding solutions to this challenge. We believe that meeting the growing global demand for energy

Focus of legislation	Corporate Position	Details of engagement	Proposed legislative solution
		<p>development of the newly proposed Climate Change Bill with the Department of Environmental Affairs both on our own and through business and trade associations. Sasol has been and is fully participating in the carbon budget process and is actively engaging on the development of an integrated mitigation system including carbon offsets and trading of budgets.</p>	<p>will accelerate GHG emissions unless viable technological solutions are developed and implemented in an economically sustainable manner.</p>
Carbon tax	Oppose	<p>We also provided extensive input to the development of the National Treasury's carbon tax proposal for South Africa. National Treasury published a carbon offsets paper for public comment in April 2014 and subsequently a Draft Carbon Tax Bill in November 2015. Early on in the policy making process, Sasol contributed information both generated internally and through independent third party consultants in order that policy development takes account of the broadest spectrum of issues facing business and the economy including the slower economic growth rate and electricity crisis in South Africa. Where specific documents are produced by policy makers, Sasol provides detailed comments on policy intent and structure and will continue to engage with National Treasury via various forums. A key purpose of Sasol's contributions is to try and ensure that policy does not result in unintended consequences for business, society and the broader economy and that policy is implementable and workable.</p>	<p>While Sasol supports the transition to a lower-carbon economy, we are opposed to a carbon tax being introduced into South Africa. This view is based on a number of considerations, which are summarised below:</p> <ul style="list-style-type: none"> • The South African economy cannot afford a punitive carbon tax. • The necessity of introducing a carbon tax is doubtful. Analysis undertaken by Sasol indicates that compared to the GHG emission growth anticipated in 2009, the latest emission data shows South Africa's actual emissions to be substantially lower. This was brought about by lower economic growth, sharply higher electricity prices, and reduced electricity availability. This was also complemented positively by the efficiency efforts of business and the implementation of the Integrated Resource Plan (IRP) 2010. • Furthermore, the future electricity supply and economic growth outlook point to a muted increase, if any, in generating output until 2021. The same can be anticipated for GHG emissions up to 2021. This can be said with a high degree of certainty, based on recent Eskom announcements and statements, the current emission segmentation and the lack of energy alternatives. • The carbon tax is levied on all emissions and in most instances will be direct liability on companies and unlike Eskom, companies may not be able to pass through the cost. • In addition, the carbon tax is being implemented together with a carbon budget in a misaligned manner, out of sync with the prescribed mitigation approach for the country. Sasol remains opposed to the imposition of a carbon tax in South Africa due to: <ul style="list-style-type: none"> - its developmental status, and; - a lack of lower carbon energy alternatives. <p>We retain our position that South Africa should focus on the development of an integrated climate change mitigation regime post 2020.</p>

CC2.3b

Are you on the Board of any trade associations or provide funding beyond membership?

Yes

CC2.3c

Please enter the details of those trade associations that are likely to take a position on climate change legislation

Trade association	Is your position on climate change consistent with theirs?	Please explain the trade association's position	How have you, or are you attempting to, influence the position?
Chemical and Allied Industries' Association (CAIA)	Consistent	CAIA members are well aware that a business as usual scenario is not feasible and are committed to playing their part in developing and implementing a national climate change response policy that places South Africa on a lower carbon growth path while at the same time addressing developmental imperatives. The chemical industry recognizes its responsibility to contribute to efforts to mitigate climate change. The industry's goals in this regard are to reduce its own emissions by improving its processes and to encourage the use of chemical products that create a net emission reduction along the value chain. The chemical industry is also addressing the challenge of adaptation to climate change through its commitment to improving water use efficiency.	Sasol plays 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 (CEFIC), and South African Chemical and Allied Industries' Association (CAIA).
South African Petroleum Industry Association (SAPIA)	Consistent	The cycle of developing, producing, transporting, refining and delivering oil to end-users presents significant environmental challenges. In response to these challenges, the industry has embarked on a number of initiatives to ensure that it will continue reducing its environmental impact into the future. The SAPIA Engineering and Environmental Committee's anti-pollution strategies include: Development of a common emission management strategy, common emission reporting protocol and common flaring report protocol by the Refinery Managers' Environmental Forum (RMEF) to manage the environmental implications of their activities. Individual	Sasol plays an active role in all SAPIA meetings and Chairs the Climate Change Committee.

Trade association	Is your position on climate change consistent with theirs?	Please explain the trade association's position	How have you, or are you attempting to, influence the position?
		refineries have invested heavily in the installation of new emission control technology. These are a few of the initiatives that have resulted in the significant improvement in emission releases.	
Chamber of Mines	Consistent	The mining industry can demonstrate its commitment to improving energy efficiency and managing climate change by developing a detailed inventory of carbon emission, showing what energy savings have taken place and perhaps set its own targets for energy efficiency (most companies have already signed the Energy Efficiency Accord). This would demonstrate that the industry is serious about dealing with national challenges.	Sasol plays an active role in the Chamber of Mines meetings.
Business Unity South Africa (BUSA)	Consistent	BUSA is a confederation of business organisations including chambers of commerce and industry, professional associations, corporate associations and unisectoral organisations. It represents South African business on macro-economic and high-level issues that affect it at the national and international levels. BUSA's function is to ensure that business plays a constructive role in the country's economic growth, development and transformation and to create an environment in which businesses of all sizes and in all sectors can thrive, expand and be competitive. As a principal representative of business in South Africa, BUSA represents the views of its members in a number of national structures and bodies, both statutory and non-statutory. BUSA also represents businesses' interests in the National Economic Development and Labour Council (NEDLAC).	Sasol plays an active role in various BUSA meetings including at Board level.
Industry Task Team on Climate Change (ITTCC)	Consistent	ITTCC is a non-profit organization that represents energy-intensive industries. The ITTCC is committed to working with industry, business groups and government departments to ensure sustainable economic growth while transitioning to a lower-carbon economy. The ITTCC's role is to undertake technical, fact-based studies to ensure that South Africa's policies on climate change are based on the best information and best practice and prescribe tangible, achievable ends.	Sasol actively participates in meetings, provides expert advice and has supported a piece of work to provide a fact base to inform policy development.

Do you publicly disclose a list of all the research organizations that you fund?

No

CC2.3e

Please provide details of the other engagement activities that you undertake

Sasol is committed to working with all stakeholders including government regulatory authorities and society at large in the countries where we operate to achieve optimum GHG management solutions in balance with economic development and growth drivers. We believe that business is part of the solution to the climate change challenge and that only through working with national and international stakeholders in developing climate change related policies both in South Africa and globally, will we achieve the required impetus and solutions.

We engage directly with regulators and policymakers, as well as indirectly through relevant national and international business associations and task teams.

At an international level, we work through organisations such the International Chamber of Commerce (ICC), the World Business Council for Sustainable Development (WBCSD) and the International Council of Chemical Associations (ICCA). We attend quarterly meetings and bring feedback, lessons (case studies) and tools back to the Group. This provides us access to thought leadership, particularly around improving climate change data reporting and energy efficiency. Our national operations engage directly and through organized business associations such as the American Chemistry Council (ACC), BUSA, Business Leadership South Africa (BLSA), National Business Initiative (NBI), CAIA and Industry Task Team on Climate Change (ITTCC).

In terms of recent policy developments, the regulatory issues that have a particularly profound potential impact on our South African activities are those relating to potential carbon taxes (and associated carbon offsets) and carbon budgets, clean fuel specifications, air quality, water and waste management. A project team within our Stakeholder Affairs departments arranges our engagement with key stakeholders, including the South African government (national and provincial) on climate change. A separate project team addresses regulatory developments on air quality, water, waste and land management. Both of these cross-business and cross-function teams operate through mandated sub-committees of the Group Executive Committee (GEC).

We believe that a consistent approach to engaging with various tiers of government on critical policy and regulatory issues is contributing to a more productive and mutually beneficial relationship. It is also encouraging further alignment between the regulatory requirements of different government departments in South Africa. Through these engagements with government and other stakeholders, we seek to:

- Improve Sasol's relationships with key stakeholders whilst we journey towards being a credible partner
- Provide government with assurance of our commitments and drive a common outcome that balances economic growth with sustainable development
- Support government meet its international obligations
- Develop an improved understanding within Sasol of government's priorities, objectives and targets, e.g. Sasol participated in various engagements at COP 21 and COP 22
- Foster an informed appreciation by government of the extent of the challenges and opportunities that Sasol faces, as well as of the potential intended and unintended consequences of the government's various policy and regulatory proposals;
- Clearly communicate Sasol's roadmap for achieving compliance with legislative requirements;
- Promote an understanding by government of the criteria for prioritising projects within Sasol's improvement plans and of our efforts to ensure alignment with government's strategic objectives; and
- Establish a platform for future interactions which is underpinned by responsible corporate engagement in climate policy

These engagements provide Sasol with a voice, allow us to share lessons with other organisations and allow us to learn from other organisations.

CC2.3f**What processes do you have in place to ensure that all of your direct and indirect activities that influence policy are consistent with your overall climate change strategy?**

Identifying and responding to our material and top risk climate change issues is critical to our ability to execute our sustainable growth strategy. Our identification process encompasses an assessment of our group-wide risks, identified through our internal risk assessment process, as well as careful consideration of the legitimate interests and expectations of our internal and external stakeholders. We continually enhance our issues management process, which seeks to address those matters that are likely to impact our common objectives, strategy and growth targets. In identifying the issues, we ensure that the pertinent implications of policy and regulatory changes as well as the socioeconomic and reputational drivers are properly understood. Equally important, we seek to take proactive steps to limit the possibility that a particular issue becomes a longer-term risk for the group.

Project Everest includes a stakeholder engagement track which specifically looks at an engagement approach that involves categories of stakeholders to engage at various levels on different issues for example on carbon tax and budgets and the new RSA Climate Change Bill. The roadmap is a plan to effectively identify and engage, key individuals who will collaborate on issues of mutual interest regarding policy and regulatory development.

CC2.3g

Please explain why you do not engage with policy makers

Further Information

Page: CC3. Targets and Initiatives

CC3.1

Did you have an emissions reduction or renewable energy consumption or production target that was active (ongoing or reached completion) in the reporting year?

Absolute target
Intensity target

CC3.1a

Please provide details of your absolute target

ID	Scope	% of emissions in scope	% reduction from base year	Base year	Base year emissions covered by target (metric tonnes CO2e)	Target year	Is this a science-based target?	Comment
Abs1	Scope 1	90%	0%	2014	57954000	2020	No, and we do not anticipate setting one in the next 2 years	Sasol has been issued a carbon budget (emission limit) by the South African Department of Environmental Affairs (DEA) applicable for 2016 – 2020 for our South African operations on a voluntary basis. This carbon budget is our new absolute GHG target for our South African operations. In total, our budget contemplates a limit of 301,7Mt CO2e over the five years, making provision for growth. From 2020 onward, mandatory budgets will be set in line with government requirements. We anticipate that this will be set in the next 18 months and will be an absolute reduced budget.

CC3.1b

Please provide details of your intensity target

ID	Scope	% of emissions in scope	% reduction from base year	Metric	Base year	Normalized base year emissions covered by target	Target year	Is this a science-based target?	Comment
Int1	Scope 2 (location-)	40%	1%	Other: GJ per tonne of	2015	21	2016	No, and we do not	Sasol has voluntarily committed to a government strategy for energy efficiency of our utilities (in

ID	Scope	% of emissions in scope	% reduction from base year	Metric	Base year	Normalized base year emissions covered by target	Target year	Is this a science-based target?	Comment
	based)			production				anticipate setting one in the next 2 years	South Africa only). This initiative ran from 2000 (base year = 21GJ/t) to 2015 initially. At the end of 2015, industry voluntarily committed to an additional 1% reduction per year on the 15% reduction and Sasol subsequently adopted this as a target.
Int2	Scope 1+2 (location-based)	100%	15%	Metric tonnes CO2e per metric tonne of product	2005	2.88	2020	No, and we do not anticipate setting one in the next 2 years	Our carbon-intensity reduction is now tracked reported on as a measure over the medium term and we continue to explore opportunities for lowering the carbon intensity of our products taking into account the entire product lifecycle. Lower-carbon electricity and energy efficiency options are being pursued by the business units. As a carbon-intensive company we recognise that we have a particular responsibility and opportunity to contribute to finding solutions to the climate change challenge.

CC3.1c

Please also indicate what change in absolute emissions this intensity target reflects

ID	Direction of change anticipated in absolute Scope 1+2 emissions at target completion?	% change anticipated in absolute Scope 1+2 emissions	Direction of change anticipated in absolute Scope 3 emissions at target completion?	% change anticipated in absolute Scope 3 emissions	Comment
Int2	Increase	11	No change	0	During the target reporting year unmitigated emissions would have been approximately 10% higher than the business as usual emissions (i.e. if emission reduction initiatives, as measured since 2012, had not been implemented).

CC3.1d

Please provide details of your renewable energy consumption and/or production target

ID	Energy types covered by target	Base year	Base year energy for energy type covered (MWh)	% renewable energy in base year	Target year	% renewable energy in target year	Comment
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CC3.1e

For all of your targets, please provide details on the progress made in the reporting year

ID	% complete (time)	% complete (emissions or renewable energy)	Comment
Abs1	20%	0%	This is the first year of the 5-year target and hence we are 20% in terms of time. The target is an absolute increase in emissions as the carbon budget that we have been set allows for growth in line with national objectives to peak, plateau and decline emissions to 2050. From 2020 onwards, mandatory budgets will be set in line with government requirements. We anticipate that this will be set in the next 18 months and will be an absolute reduced budget.
Int2	73%	0%	Intensity baseline – target is: $2.88 - 2.448 = 0.432$. FY 2016 intensity is: 3.68 Baseline to FY 2016: $2.88 - 3.35 = -0.8$ Therefore progress against target is: $0.8 / 0.432 = 185\%$ negative. This change can be largely attributed to lower production associated with a major shutdown at our Sasolburg operations and the selling off of lower carbon operations over the past few years.

CC3.1f

Please explain (i) why you do not have a target; and (ii) forecast how your emissions will change over the next five years

CC3.2

Do you classify any of your existing goods and/or services as low carbon products or do they enable a third party to avoid GHG emissions?

Yes

CC3.2a

Please provide details of your products and/or services that you classify as low carbon products or that enable a third party to avoid GHG emissions

Level of aggregation	Description of product/Group of products	Are you reporting low carbon product/s or avoided emissions?	Taxonomy, project or methodology used to classify product/s as low carbon or to calculate avoided emissions	% revenue from low carbon product/s in the reporting year	% R&D in low carbon product/s in the reporting year	Comment
Group of products	<p>Sasol supplies a number of customers with natural gas and a similar energy product, methane-rich gas (MRG) as an energy source. This enables customers to carry out a fuel switch from coal to gas. Emissions are avoided so long as the customer consumes the alternative fuel source, the period of which is negotiated between the gas supplier, Sasol Gas, and the customer. Ultra high pure alumina (UHPA) from Brunsbuttel (Germany) and Lake Charles (U.S.) Ziegler alcohol units enable more efficient reactions and reduced material consumption that reduce third party energy use (GHG emissions) and embodied product emissions. For example, UHPA is used to produce energy efficient lighting (LED lighting, florescent lighting and sodium vapour lamps). Sasol's high purity alumina is used as a precursor to sapphire which is used in LED, fluorescent, metal halide and sodium vapour lamp applications.</p>	Avoided emissions	Other:	0%	Less than or equal to 10%	<p>To calculate the avoided emissions from switching from coal to natural gas, Sasol uses the GHG Protocol and IPCC as the basis for calculation. Sasol used life cycle analysis (LCA) to understand the potential GHG abatement impact of Sasol-manufactured UHPA on the global lighting market. The study found the annual net effect reduction in emissions from switching to LEDs would increase from 3Mt CO₂e in 2012 to 300Mt CO₂e by 2020. For every LED lamp produced using Sasol UHPA, it is calculated that around 1% of the GHG emissions throughout the LED lifecycle are attributable to Sasol. It was calculated that the Sasol-enabled annual GHG reduction effect would grow from 1Mt CO₂e in 2015 to 23 Mt CO₂e in 2020.</p>
Product	<p>Sasol supplies a number of customers with NG and a similar energy product, methane-rich gas (MRG) as an energy source. This enables customers to carry out a fuel switch from coal to gas thereby</p>	Avoided emissions	Other:	0%	Less than or equal to 10%	<p>Note: the following is assumed in the calculation: Coal = 0.089 t CO₂ / GJ (source: EIA/DOE) Gas = 0.05 t CO₂ / GJ (source: EIA/DOE) MRG = 0.05 t CO₂/GJ (source: Sasol). Sasol has</p>

Level of aggregation	Description of product/Group of products	Are you reporting low carbon product/s or avoided emissions?	Taxonomy, project or methodology used to classify product/s as low carbon or to calculate avoided emissions	% revenue from low carbon product/s in the reporting year	% R&D in low carbon product/s in the reporting year	Comment
	<p>reducing their direct emissions. As Sasol increased its intake of natural gas, it is able to increase its supply of both NG and MRG to the market. Total MRG supplied to customers in FY 2016 amounted to 24.5 Petajoules. Total NG sales in FY 2016 in South Africa and Mozambique amounted to 69.4 Petajoules. Emissions are avoided so long as the customer consumes the alternative fuel source, the period of which is negotiated between the gas supplier, Sasol Gas, and the customer. Comparing the emissions factors for combustion of different fuels, the total direct emissions avoided by customers who purchased and used these fuels in FY 2016 is 3.6 million tons CO₂.</p>					<p>considered originating carbon credits from this activity, together with downstream customers. A methodology was developed and approved however due to concerns regarding calculation of reductions, projects have not to date been successfully registered.</p>

CC3.3

Did you have emissions reduction initiatives that were active within the reporting year (this can include those in the planning and/or implementation phases)

Yes

CC3.3a

Please identify the total number of projects at each stage of development, and for those in the implementation stages, the estimated CO2e savings

Stage of development	Number of projects	Total estimated annual CO2e savings in metric tonnes CO2e (only for rows marked *)
Under investigation	1	0
To be implemented*	1	141000
Implementation commenced*	1	337000
Implemented*	4	286000
Not to be implemented	0	0

CC3.3b

For those initiatives implemented in the reporting year, please provide details in the table below

Activity type	Description of activity	Estimated annual CO2e savings (metric tonnes CO2e)	Scope	Voluntary/ Mandatory	Annual monetary savings (unit currency - as specified in CC0.4)	Investment required (unit currency - as specified in CC0.4)	Payback period	Estimated lifetime of the initiative	Comment
Energy efficiency: Processes	Ongoing efforts focusing on an energy improvement roadmap at our Secunda complex, which seeks to deliver sustained improvements in efficiency	135000	Scope 2 (location-based)	Voluntary	89000000	400000000	1-3 years	Ongoing	Targeting further reductions of 300 - 500 ktpa over next two years

Activity type	Description of activity	Estimated annual CO2e savings (metric tonnes CO2e)	Scope	Voluntary/Mandatory	Annual monetary savings (unit currency - as specified in CC0.4)	Investment required (unit currency - as specified in CC0.4)	Payback period	Estimated lifetime of the initiative	Comment
	through low capital and operating cost initiatives. Examples include: steam trap maintenance waste heat recovery and optimisation of operating philosophies.								
Energy efficiency: Processes	C2+ recovery – recovery of ethane and heavier hydrocarbons (C2+) from natural gas.	46000	Scope 1 Scope 2 (location-based)	Voluntary		530000000	11-15 years	Ongoing	Monetary savings not disclosed due to proprietary nature of technology implemented and are thus confidential
Energy efficiency: Processes	Heat integration utilising waste heat from gas engines at our Sasolburg Operations to generate 65.6 ton/h steam at a pressure of 26.5 barg.	82000	Scope 1	Voluntary		300000000	4-10 years	Ongoing	Monetary savings not disclosed due to proprietary nature of technology implemented and are thus confidential
Energy efficiency: Building services	Replacement of 37 kW Force fans with 22 kW Force fans	23000	Scope 2 (location-based)	Voluntary	15200000	11000000	1-3 years	Ongoing	Reduced electricity demand

What methods do you use to drive investment in emissions reduction activities?

Method	Comment
Dedicated budget for low carbon product R&D	Sasol continues to advance investigations on implementing solutions to reduce the emissions intensity of its current operations, for example, through energy efficiency projects, as well as to grow its lower-carbon electricity generation through gas-to-power projects. In this regard, investments include gas engines in our Sasolburg, South Africa, and Mozambican operations. Studies continue to explore LNG to power opportunities. This has already resulted in Sasol earmarking investment of R1.2billion in various projects focusing on energy and process efficiency projects.
Compliance with regulatory requirements/standards	Compliance to existing legislation in Sasol's operations that are covered by the EU-ETS in Germany and Italy are an absolute requirement and in all instances dictates investment decisions.
Other	Targets: The Group Risk and SHE Committee approves environmental targets and standards, which form part of the Group's indicators of performance. Meeting these targets drives investment in reduction activities. KPIs are aligned with achieving Sasol's climate change mitigation targets.

CC3.3d

If you do not have any emissions reduction initiatives, please explain why not

Further Information

Page: CC4. Communication

CC4.1

Have you published information about your organization's response to climate change and GHG emissions performance for this reporting year in places other than in your CDP response? If so, please attach the publication(s)

Publication	Status	Page/Section reference	Attach the document	Comment
In mainstream reports (including an integrated report) in accordance with the CDSB Framework	Complete	15, 29, 47, 50	https://www.cdp.net/sites/2017/66/16366/Climate Change 2017/Shared Documents/Attachments/CC4.1/Annual Integrated Report 2016.pdf	
In mainstream reports (including an integrated report) in accordance with the CDSB Framework	Complete	13,17,19	https://www.cdp.net/sites/2017/66/16366/Climate Change 2017/Shared Documents/Attachments/CC4.1/Sustainability Reporting 2016.pdf	
In mainstream reports (including an integrated report) in accordance with the CDSB Framework	Complete	15, 17, 31	https://www.cdp.net/sites/2017/66/16366/Climate Change 2017/Shared Documents/Attachments/CC4.1/Sasol 20F_2709_Final.pdf	

Further Information

Module: Risks and Opportunities

Page: CC5. Climate Change Risks

CC5.1

Have you identified any inherent climate change risks that have the potential to generate a substantive change in your business operations, revenue or expenditure? Tick all that apply

- Risks driven by changes in regulation
- Risks driven by changes in physical climate parameters
- Risks driven by changes in other climate-related developments

CC5.1a

Please describe your inherent risks that are driven by changes in regulation

Risk driver	Description	Potential impact	Timeframe	Direct/ Indirect	Likelihood	Magnitude of impact	Estimated financial implications	Management method	Cost of management
Carbon taxes	<p>A domestic carbon tax is envisaged for implementation on 1 January 2018. It is envisaged that a revised carbon tax bill will be gazetted mid-2017. The November 2015 draft bill outlined the following proposed elements of a South African carbon tax:</p> <ul style="list-style-type: none"> • Rate of tax: the tax is anticipated to be levied at R120 per ton of CO₂ • Timing: introduction is expected on 1 January 2018. • Scope and coverage: it is expected that a company's carbon tax liability will be limited to its Scope 1 emissions. However, the electricity sector will also be taxed and is very likely to pass the cost through to the 	Increased operational cost	1 to 3 years	Direct	Likely	High	<p>Sasol's carbon tax liability could potentially be significant and could further be impacted by the accuracy of our reporting. The effective tax rate could range between R12 and R48 per ton of CO₂e (taking allowances into account). The effect that the quantum of the tax will depend upon a number of factors including the allowances we receive, offsets and what the pass through will be on the price of electricity among many other factors. Sasol's preliminary estimate is that the impact of the tax could range between about R 0.7 and R 2 billion by FY2018 with a potential</p>	<p>Sasol supports the transition to a lower-carbon economy and has outlined several initiatives being undertaken by the group to align our business with such a shift. These initiatives include:</p> <ul style="list-style-type: none"> • In the short term, introducing and optimising management interventions, including setting corporate targets for reducing GHG emissions. • Sasol invests in lower carbon technologies and an example involves electricity generation using natural gas from Mozambique to generate 140MW of electricity in Sasolburg (almost 10% of Sasol's current total electricity 	<p>Sasol has implemented projects that have achieved reductions of 286000 tons of CO₂e over the reporting year. The cost of these projects is estimated at R1.24 billion. Over the past 15 years Sasol has implemented a number of other reduction projects such as the Nitrous Oxide Abatement Project and the conversion from coal to gas for our Sasolburg operations. We also partially converted our Secunda operations to gas as well.</p>

Risk driver	Description	Potential impact	Timeframe	Direct/ Indirect	Likelihood	Magnitude of impact	Estimated financial implications	Management method	Cost of management
	<p>consumer although proposals have been made to structure the tax in such a way as to leave the electricity sector neutral.</p> <ul style="list-style-type: none"> Basic free allowances: businesses across certain sectors will be given allowances to the amount of 60% of their annual Scope 1 emissions. These free allowances will accrue to industry until 2020, after which the threshold will be gradually reduced. Industry benchmarks: An emissions benchmark per unit of output will be defined for each sector or performance against a base year. Companies that perform better than the benchmark or 						<p>escalation of 10% per annum.</p>	<p>demand). In addition, reducing GHG emissions forms part of the risk profile of all new projects and influences final investment decisions. Sasol has also implemented projects that amount to more than 10 million tons emission reductions since 2004.</p>	

Risk driver	Description	Potential impact	Timeframe	Direct/ Indirect	Likelihood	Magnitude of impact	Estimated financial implications	Management method	Cost of management
	<p>base year will receive additional free allowances. • Additional free allowances based on trade exposure: Some sectors may be able to claim up to 10% free allowances based on their exposure to international trade. • Additional free allowances based on process and/or fugitive emissions: Sectors within which activities result in 'process or fugitive' emissions may qualify for further 10% additional free allowances. • The use of offsets to potentially lower the total cost of compliance by 5-10% has now been established. A substantial carbon tax may negatively impact free cash flows generated from SA</p>								

Risk driver	Description	Potential impact	Timeframe	Direct/ Indirect	Likelihood	Magnitude of impact	Estimated financial implications	Management method	Cost of management
	<p>operations. A number of aspects of the proposals made are still unclear. For instance the benchmarks that will be used in assessing Sasol's carbon intensity and how offsets will be applied amongst others. In addition, the South African National Treasury has also indicated that the design of carbon tax will be amended in an effort to integrate with the carbon budget process currently underway with the Department of Environmental Affairs. An integrated budget and tax design has been proposed and a final decision is likely to be made by August 2017.</p>								

Risk driver	Description	Potential impact	Timeframe	Direct/ Indirect	Likelihood	Magnitude of impact	Estimated financial implications	Management method	Cost of management
Cap and trade schemes	<p>Uncertainty of the international carbon market is regarded as a regulatory climate change risk to Sasol. This relates specifically to the price of carbon credits generated through the CDM. The EU ETS has been undergoing some turbulence. The scheme is the world's biggest carbon market, trading allowances to produce carbon which cover about half the European Union's total carbon emissions. There is a significant oversupply in the carbon-emissions market. Prices fell from €20 a ton in 2011 to about €0.4 per ton in May 2016. Sasol implemented a CDM project (Nitrous Oxide project), the costs</p>	<p>Other: Inability to recover capital and operating costs</p>	1 to 3 years	Direct	Likely	Medium	<p>Potential financial implications of risk before taking action: The risk of further reduced income due to a decrease in the carbon credit price for Sasol's CDM project. At the time of implementation of the Project, CER prices were above 15 Euro/CER, at which rate the CER income would cover all Project expenses. CER prices have now dropped to below 0,4 Euro/CER, at which rate the potential CER income for further abatement may likely not cover the Project costs, thereby impacting the viability of the Project.</p>	<p>As part of the on-going management of this risk, developments within the carbon market space are being monitored. A Carbon Credit Management Committee is in place that tracks the CER price and its impacts. Mechanisms are also in place to utilise the CERs in international operations. The Sasol Business Unit where this project is implemented continues to investigate extending the catalyst renewal period, changing the primary catalyst and not renewing the secondary catalyst in order to save costs.</p>	<p>Sasol continues to revisit the Project aiming to further reduce all costs wherever possible, However, at current CER prices the CER income does not cover the costs directly associated with the Project, even after very significant cost reductions. In FY16, we continued to carry the costs to maintain the emission reductions and to verify further credits, although this stance is to be revisited in future.</p>

Risk driver	Description	Potential impact	Timeframe	Direct/ Indirect	Likelihood	Magnitude of impact	Estimated financial implications	Management method	Cost of management
	of which should be offset by income from CERs. At current CER prices the financial feasibility of the project has been and continues to be challenged.								
Uncertainty surrounding new regulation	The methodology for Phase 1 carbon budgets at company level was finalised in June 2015. Despite the voluntary nature of Phase 1, uncertainty regarding Phase 2 and its alignment with the carbon tax may bring significant changes to the local landscape. The Department of Environmental Affairs has been engaging affected companies on the process for allocating mandatory budgets in 2020. Uncertainty still	Increased capital cost	>6 years	Direct	Likely	Medium-high	Sasol's preliminary estimate is that the impact of the tax can range between about R 0.7 and R 2 billion by FY18 with an escalation of 10% per annum. No further policy detail is available on the alignment option.	This risk is primarily managed by engaging regularly with the regulatory authorities. Sasol is committed to working with all stakeholders including governments, regulatory authorities and society in the countries where we operate to achieve optimum GHG management solutions. At an international level we engage through the International Chamber of	There is internal human resource costs associated with managing the climate risk. In order to quantify this Sasol has allocated a percentage of our SHE budget and as such estimates that R14.2 m for FY 2016 has been spent managing these actions. Furthermore a dedicated project to deal with climate change in Sasol had a budget of R3.8m in FY 2016.

Risk driver	Description	Potential impact	Timeframe	Direct/ Indirect	Likelihood	Magnitude of impact	Estimated financial implications	Management method	Cost of management
	<p>remains on what the mandatory limits will be and whether an alignment would be agreed. The carbon budget approach could also influence Sasol's business for the second and third phases where significant reductions will be expected in line with the Paris Agreement goals. The recently proposed draft RSA Climate Change Bill contains key areas of concern regarding the vagueness of the proposed legislation. It is likely that Bill, when enacted, would be part of the special environmental acts under the National Environmental Management Act. With that comes a</p>							<p>Commerce (ICC); in South Africa we engage through local business organisations such as Business Unity South Africa (BUSA), CAIA, the National Business Initiative (NBI) and Business Leadership South Africa (BLSA) and the Industry Task Team on Climate Change. To enhance Sasol's public policy engagement both within South Africa and abroad, Sasol has a designated which reports into the Legal, IP and Regulatory Services Department on policy inputs and engagements on matters on strategic projects</p>	

Risk driver	Description	Potential impact	Timeframe	Direct/ Indirect	Likelihood	Magnitude of impact	Estimated financial implications	Management method	Cost of management
	specific concern relating to environmental management provisions that could apply and should not pertain to climate change. These areas of concern do create risks in the policy development arena.							that impact the Sasol Group, with a cross-section of stakeholders. Project Everest was constituted as a focused cross-business and cross-functional project team to address specific issues relating to climate change mitigation and adaptation actions.	

CC5.1b

Please describe your inherent risks that are driven by changes in physical climate parameters

Risk driver	Description	Potential impact	Timeframe	Direct/ Indirect	Likelihood	Magnitude of impact	Estimated financial implications	Management method	Cost of management
Change in precipitation pattern	A study was undertaken in 2012 for Sasol by an external independent	Reduction/disruption in production capacity	>6 years	Direct	More likely than not	Medium	Based on recorded incidents of production loss due to	We have started to implement the following: • Ensuring maintenance	The direct cost of the initial assessment of the impact of historic

Risk driver	Description	Potential impact	Timeframe	Direct/ Indirect	Likelihood	Magnitude of impact	Estimated financial implications	Management method	Cost of management
	<p>consultancy for our South African and Mozambique operations titled "Understanding adaptation; Assessment of the impact of historic weather events". The assessment undertaken provided a first order estimate of the types and financial loss which arose due to extreme weather events over the past decade. The risk of flooding was noted as a risk facing the Secunda operations in South Africa. Overall historical flooding events in Secunda have posed the following risks to Sasol:</p> <ul style="list-style-type: none"> • Downtime (trips, reduction in gas 						<p>flooding and heavy rain as indicated in the study, six events between 2004 - 2010 cost Sasol an estimated R362 million in lost production</p>	<p>plans and monitoring of systems to manage weather risk.</p> <ul style="list-style-type: none"> • Adequate incorporation of weather risks in business unit risk registers. • Comparing facilities' operating envelopes with projected future climatic conditions. • Reviewing emergency preparedness procedures at the business unit level. • The operating philosophy of effluent dams are being revised; since the design to manage 1-in-50 year flood scenario was deemed no longer sufficient. The company has embarked on a comprehensive programme aimed at mitigating such 	<p>weather events cost R170 000 in FY 2012. The second assessment cost was R770 000. There is also internal human resource costs associated with managing this risk. In addition, the adaptation actions and measures recommended in the second assessment have been deemed low-cost in the short-term. Adaptation issues are monitored and tracked as part of Sasol's sustainability focus. In the short term, we are focusing on weather readiness as it is seen as a suitable proxy</p>

Risk driver	Description	Potential impact	Timeframe	Direct/ Indirect	Likelihood	Magnitude of impact	Estimated financial implications	Management method	Cost of management
	<p>loads) and subsequent production losses (at both Secunda and Sasolburg) • Wet coal and subsequent downtime within the plant • Flooding of neighbouring streams • Contamination of neighbouring streams resulting in non-compliance • Reputational risk • Community complaints • Media attention. Following on, a second assessment was commissioned in August 2013 which looked to understand how the existing risk posed to Sasol's operations by weather will change in the</p>							<p>future risks; The second assessment identified adaptation actions and measures to manage the current and future risk posed by rainfall and flooding. These include: • Engaging with other operations experiencing similar impacts (lesson sharing); • Improving preparation procedures; • Improving recording and reporting around rainfall and flooding events to continually improve understanding of the risks; • Implement low-cost adaptation measures (including systematic improvement of maintenance efforts,</p>	<p>for addressing adaptation issues – currently for Sasol adaptation is more focused on resilience and vulnerability of the infrastructure to weather related impacts. In 2015 it was agreed that priority areas are: •ensuring new plant designs consistently adopt standards which take into account current and future climate requirements; •monitoring and tracking weather-related events; and a yearly review of the approach.</p>

Risk driver	Description	Potential impact	Timeframe	Direct/ Indirect	Likelihood	Magnitude of impact	Estimated financial implications	Management method	Cost of management
	<p>future given expected global climate change. This assessment looked to expand on the previous assessment and in so doing, identified additional risks posed by extreme weather events to Sasol's activities, including:</p> <ul style="list-style-type: none"> • In the past, excessive rainfall has led to flooding of sections of the EN1 highway in Mozambique, with negative consequences for the supply chain to and from the Central Processing Facility (CPF) in Mozambique. • Flooding in and around Vilanculos in 2012 resulted in 							<p>investigation into rainwater harvesting technologies, investigation into the enhancement of desalination capacity). A weather readiness guideline was developed and approved as a tool aimed to equip the Operations to mitigate the risk associated with an extreme weather event.</p>	

Risk driver	Description	Potential impact	Timeframe	Direct/ Indirect	Likelihood	Magnitude of impact	Estimated financial implications	Management method	Cost of management
	<p>a cholera outbreak close to the CPF; however this was controlled on site and did not affect staff or service providers. The assessment also analysed climate change projections in the short (<2025), medium (<2050) and long (<2090) term for our operations in Sasolburg, Secunda, Mozambique, Houston and Lake Charles. Climate change models suggest that wet season (i.e. summer) rainfall could increase in the short to medium term in our southern African operations, with implications for the existing</p>								

Risk driver	Description	Potential impact	Timeframe	Direct/ Indirect	Likelihood	Magnitude of impact	Estimated financial implications	Management method	Cost of management
	flood risk in these areas. And hence it is expected that changes in precipitation patterns into the future will amplify the existing risk posed by flooding/heavy rainfall to Sasol's operations. Further work is currently underway to review the need for an adaptation strategy and downscaling of modelling which is being discussed with the NBI.								
Change in temperature extremes	A study was undertaken in 2012 for Sasol by an external independent consultant for our South African and Mozambique	Increased operational cost	>6 years	Direct	More likely than not	Medium	It has been estimated that Sasol suffered approximately R10 million to R30 million in lost production by FY 2012 as a result of	Adaptation efforts are focused on strengthening the resilience of infrastructure, improving emergency preparedness and increasing	The direct cost of the initial assessment of the impact of historic weather events cost R170 000 in FY 2012. The second

Risk driver	Description	Potential impact	Timeframe	Direct/ Indirect	Likelihood	Magnitude of impact	Estimated financial implications	Management method	Cost of management
	<p>operations titled “Understanding adaptation; Assessment of the impact of historic weather events”. The assessment undertaken provided a first order estimate of the types and financial loss which arose due to weather events over the past decade. Extreme temperatures were regarded as a significant risk at the Secunda and Sasolburg operations. The following site specific risks impacts were noted:</p> <ul style="list-style-type: none"> • Temperatures less than -6°C could cause problems as the temperature design specification for the plant is -6°C 						<p>extreme temperatures based on recorded historical incidents from the study.</p>	<p>employee awareness around climate change issues. Further, our positions on Southern Africa continue to be informed by the risk and vulnerability atlas (www.rvatlas.org) which provides a useful basis for assessing the risk and vulnerability of specific regions and sectors to change. As part of the second assessment of adaptation impacts, low-cost adaptation measures and actions were identified to manage the risk of extreme temperatures, including:</p> <ul style="list-style-type: none"> • Engaging with other operations experiencing similar impacts (lesson sharing); • Improving 	<p>assessment cost was R770 000. There is also internal human resource costs associated with managing this risk. In addition, the adaptation actions and measures recommended in the second assessment have been deemed low-cost in the short-term. Adaptation issues are monitored as part of Sasol’s sustainability focus. In the short term, we are focusing on weather readiness as it is seen as a suitable proxy for addressing adaptation issues – currently for Sasol</p>

Risk driver	Description	Potential impact	Timeframe	Direct/ Indirect	Likelihood	Magnitude of impact	Estimated financial implications	Management method	Cost of management
	<p>to 36°C - stream traps have frozen historically resulting in downtime • Higher temperatures reduce the efficiency of the gas turbines by 15-20MW between winter and summer, which has economic consequences and increase the use of firewater to cool equipment. The second assessment, also identified that extreme high temperatures have adverse impacts on staff productivity (and can result in heat stress) in our Mozambique and Lake Charles operations and</p>							<p>preparation procedures (and putting in place procedures where they do not exist, including heat stress management plans); • Improving recording and reporting around extreme temperatures and their impacts to continually improve understanding of the risks; • A weather readiness guideline was developed as a tool aimed to equip the Operations to mitigate the risk associated with an extreme weather event.</p>	<p>adaptation is more focused on resilience and vulnerability of the infrastructure to weather related impacts. In 2015 it was agreed that priority areas for attention are: •ensuring new plant designs consistently adopt standards which take into account current and future climate requirements; •monitoring and tracking weather-related events; and a yearly review of the approach.</p>

Risk driver	Description	Potential impact	Timeframe	Direct/ Indirect	Likelihood	Magnitude of impact	Estimated financial implications	Management method	Cost of management
	work outdoors is restricted in certain extremes. Climate change models suggest that summer temperatures are likely to increase across the sites assessed in the short term, which may amplify the risk posed by high temperatures. Further work is currently underway to review the need for an adaptation strategy and downscaling of modelling which is being discussed with the NBI.								
Induced changes in natural resources	Water security has been identified as a material risk for Sasol and it is understood that the effects of	Reduction/disruption in production capacity	>6 years	Direct	More likely than not	Medium-high	Although this cannot be accurately quantified as no applicable historical data exists, it has	The water security situation for the Sasol SA Operations is continuously assessed by the sustainable water	In the case of the water supply planning for the Vaal River no direct costs are born

Risk driver	Description	Potential impact	Timeframe	Direct/ Indirect	Likelihood	Magnitude of impact	Estimated financial implications	Management method	Cost of management
	<p>climate change in the future may exacerbate this risk further, particularly for our South African operations. Water is a critical feedstock for our business and many of our current facilities are located in areas with water quantity, quality or supply challenges.</p>						<p>been predicted that a prolonged drought for our South African operations may have significant cost implications. Given the criticality of water as a feedstock any reduction in water supply to our operations has a direct correlation with loss of production.</p>	<p>group housed within the Group Risk and SHE Function who remain actively involved in the planning and operation performance monitoring of the Integrated Vaal River system. The Operation of the Vaal River system involves on an Annual Basis (April to May) the Department of Water and Sanitation (supported by Professional Service Providers) undertaking a scenario planning exercise. This is then followed by several stochastic computer simulations being done projecting the ability of the Vaal River system to provide water to all users at the agreed assurance</p>	<p>although internal time and effort is spent attending the planning sessions and providing internal feedback.</p>

Risk driver	Description	Potential impact	Timeframe	Direct/ Indirect	Likelihood	Magnitude of impact	Estimated financial implications	Management method	Cost of management
								of supply. Sasol's water requirement is included in the water planning model. The model confirms whether any curtailments are necessary. For the year in review curtailments were projected to be needed which resulted in restrictions on potable water use only although these have since been lifted due to favourable rains having fallen in the catchment resulting in improved storage. A performance report of the system is issued on a monthly basis	
Tropical cyclones (hurricanes and typhoons)	A study was undertaken in 2012 by an external independent consultant for our South	Inability to do business	Up to 1 year	Direct	Likely	Low-medium	Costs associated with shutdowns have not been estimated. It has been	The risks associated with hurricanes and cyclones are well managed in our Houston, Lake Charles and	The direct cost of the initial assessment of the impact of historic weather events cost R170 000

Risk driver	Description	Potential impact	Timeframe	Direct/ Indirect	Likelihood	Magnitude of impact	Estimated financial implications	Management method	Cost of management
	<p>African and Mozambique operations titled "Understanding adaptation; Assessment of the impact of historic weather events". The assessment undertaken provided a first order estimate of the types and financial loss which arose due to weather events over the past decade. The risk of tornadoes was noted as a potential risk for our Sasolburg operation which is located within a tornado belt, although the plant has not been hit in the past. Further, Sasol's Exploration and Production International (E&PI) facility in Mozambique is</p>						<p>estimated that delays to construction projects due to weather events can cost R6.4 million/day.</p>	<p>Mozambique operations using robust early warning preparedness measures. As part of the second assessment, low-cost adaptation measures and actions were identified to manage the risk, including:</p> <ul style="list-style-type: none"> • Engaging with other operations experiencing similar impacts (lesson sharing); • Improving preparation procedures; • Improving recording and reporting around cyclone, hurricane and tornado events and their impacts to continually improve understanding of the risks; • Implement low-cost adaptation measures (including 	<p>in FY2012. The second assessment cost R770 000. There is also internal human resource costs associated with managing this risk. In addition, the adaptation actions and measures recommended in the second assessment have been deemed low-cost in the short-term. Adaptation issues (being key to sustainability are monitored and tracked as part of Sasol's sustainability focus. In the short term, we are focusing on weather readiness as it is seen as a suitable proxy for addressing</p>

Risk driver	Description	Potential impact	Timeframe	Direct/ Indirect	Likelihood	Magnitude of impact	Estimated financial implications	Management method	Cost of management
	<p>at risk from cyclones which can result in landfalls in northern Mozambique on average every four years. Within Mozambique episodes of high storm activity reduce the ability of trucks to be able to deliver condensate to clients causing a condensate backlog with the associated risk of breaching client contracts. In addition, our US operation is situated in Louisiana where increased storm and hurricane activity is seen as the key risk. Existing operations are built to withstand extreme weather</p>							<p>improving maintenance contracts systematically), • Continue to engage with the South African government to feed into policy development process on a national level and to support development of adaptation interventions on a wider scale. Existing operations are built to withstand extreme weather conditions and through design measures new plants are also being built to withstand weather events. A weather readiness guideline was developed as a tool aimed to equip the Operations to mitigate the risk associated with an extreme</p>	<p>adaptation issues – currently for Sasol adaptation is more focused on resilience and vulnerability of the infrastructure to weather related impacts. In 2015 it was agreed that priority areas for attention are: •ensuring new plant designs consistently adopt standards which take into account current and future climate requirements; •monitoring and tracking weather-related events; and a yearly review of the approach.</p>

Risk driver	Description	Potential impact	Timeframe	Direct/ Indirect	Likelihood	Magnitude of impact	Estimated financial implications	Management method	Cost of management
	<p>conditions and through design measures new plants are also being built to withstand weather events. Cyclone Favio in 2007 caused infrastructural damage to the Central Processing Facility (CPF) and cost in the region of \$250 000. All non-essential expat personnel and families are evacuated from the plant during cyclone events (including near misses) which also represents a cost, but this has not been quantified. The recent Cyclone Dineo which landed in Mozambique in February 2017 caused minimal disruption to the CPF.</p>							weather event.	

Risk driver	Description	Potential impact	Timeframe	Direct/ Indirect	Likelihood	Magnitude of impact	Estimated financial implications	Management method	Cost of management
	<p>Hurricanes have affected our Houston and Lake Charles operations on four occasions. These events have resulted in staff evacuations, plant shutdowns, minor infrastructural damage, lost utilities etc. The actual costs of the events have not been quantified. Flooding following storm activity and/or periods of high rainfall inland could block access routes, reducing the ability to transport product and staff to and from the facility. The cost of these delays, however, has not been</p>								

Risk driver	Description	Potential impact	Timeframe	Direct/ Indirect	Likelihood	Magnitude of impact	Estimated financial implications	Management method	Cost of management
	quantified. Sasolburg has experienced abnormal hail storms and a tornado over the past two year but the cost has not been quantified. Further work is currently underway to review the need for an adaptation strategy and downscaling of modelling which is being undertaken through the NBI.								
Sea level rise	For our European operations we may be exposed to risks associated with rising sea levels, increased salt content of groundwater used for cooling purposes, stricter	Inability to do business	>6 years	Direct	More likely than not	Low-medium	Uncertain	Adaptation efforts are focused on strengthening the resilience of infrastructure, improving emergency preparedness and increasing employee awareness around climate change issues. This has not been	In order to quantify this Sasol has allocated a percentage of our SHE budget and as such estimates that R14.2m for FY 2016 has been spent managing these actions. Furthermore a

Risk driver	Description	Potential impact	Timeframe	Direct/ Indirect	Likelihood	Magnitude of impact	Estimated financial implications	Management method	Cost of management
	regulation of cooling water blowdown following increasing temperatures in water bodies, as well as the potential for increased storm frequency and intensity.							identified as a material risk in the short term and therefore Sasol will continue to monitor this risk and allocate resources as appropriate.	dedicated project to deal with climate change in Sasol had a budget of R3.8m in FY 2016.

CC5.1c

Please describe your inherent risks that are driven by changes in other climate-related developments

Risk driver	Description	Potential impact	Timeframe	Direct/ Indirect	Likelihood	Magnitude of impact	Estimated financial implications	Management method	Cost of management
Changing consumer behavior	The cost and maturity of mitigation technologies are posing a risk in meeting GHG targets in the short to medium term. Sasol's process emissions are directly linked to	Reduced demand for goods/services	1 to 3 years	Indirect (Supply chain)	More likely than not	Medium	Sasol Base and Performance Chemicals supply various chemicals to customers worldwide. As the developed world is becoming more conscious about	Sasol currently calculates the gate-to-gate carbon footprint of a number of its chemical products at its Sasolburg and Secunda operations. These carbon footprint	The costs associated with calculating the individual carbon footprints of its products are embedded in the operational costs of the business. The

Risk driver	Description	Potential impact	Timeframe	Direct/ Indirect	Likelihood	Magnitude of impact	Estimated financial implications	Management method	Cost of management
	<p>production throughput. A long term option for Sasol could be to reduce these emissions through cost-effective implementation of Carbon Capture and Storage (CCS) and further introduction of natural gas. While there is more scope to reduce the balance of Sasol's emissions, projects associated with this reduction are capital intensive with geological storage onshore/offshore South Africa yet to be proven technically viable.</p>						<p>the emissions of their supply chain, associated impacts on Sasol could occur. The requests for this information have increased but the actual risk has not yet been quantified in financial terms.</p>	<p>numbers are reported to Sasol's customers upon request. In order to ensure that the numbers provided are complete and accurate Sasol commissioned an external third party to conduct an independent review of the gate-to-gate carbon footprint calculations of a selection of Sasol's products. In addition, Sasol is now looking to gain a comprehensive understanding of its products' carbon footprints across the full life cycle, and how this compares with benchmarks and competitor products. In addition, Sasol has previously commissioned a number of independent LCA</p>	<p>costs of external studies on reviewing the calculations and conducting limited LCA work was approximately R250 000 in FY 2012. There is also internal human resource costs associated with managing the climate risk (estimated at R14.2m for FY 2016).</p>

Risk driver	Description	Potential impact	Timeframe	Direct/ Indirect	Likelihood	Magnitude of impact	Estimated financial implications	Management method	Cost of management
								studies and published articles to investigate GHG emissions and other environmental attributes of fuel and chemical products derived from Gas to Liquids (GTL). Sasol has also published studies relating to the GHG emissions benefits of blending of Gas to Liquids (GTL) diesel in refineries, which could allow refiners to uplift intermediate fuel streams into more efficient diesel production pathways.	
Other drivers	The cost and maturity of mitigation technologies are posing a risk in meeting GHG targets in the short to medium term. Sasol's process	Increased capital cost	1 to 3 years	Direct	Likely	Medium	The success of our business in South Africa has been built on our CTL process, which delivers significant benefits in terms of jobs,	We are focusing on a basket of measures that involve the exploration of long-term technology solutions outside the boundaries of	There is also internal human resource costs associated with managing the climate risk. In order to quantify this Sasol has allocated a

Risk driver	Description	Potential impact	Timeframe	Direct/ Indirect	Likelihood	Magnitude of impact	Estimated financial implications	Management method	Cost of management
	<p>emissions are directly linked to the volume of production. Long term option for Sasol to reduce could be to reduce these emissions through the cost effective implementation of Carbon Capture and Storage (CCS) and further introduction of natural gas. While there is more scope to reduce the balance of Sasol's emissions, projects associated with this reduction are capital intensive.</p>						<p>economic development and energy security. Should climate regulation develop globally and mitigation technology is not available to reduce Sasol's direct carbon footprint it could have a material adverse effect on our business, operating results, cash flows and financial condition, but this risk has not been quantified. A SACCCS (2013) report based on US information, that CCS could raise the cost of a barrel of CTL oil produced by approximately 8% under a specific set of assumptions. This would have significant</p>	<p>our existing business portfolios. One of these solutions is carbon capture and storage (CCS). As a shareholder in the CO2 Technology Centre in Mongstad, Norway, we are supporting the development of technology for the large-scale capture of CO2 from dilute flue gas streams. We also contribute to the South African Centre for CCS (SACCCS), as a founding member. Sasol is a member of the UK based Carbon Capture and Storage Association (CCSA) that is involved in the advocacy and development of CCS in the EU. We completed the R1.9 billion</p>	<p>percentage of our SHE budget and as such estimates that R14.2m for FY2016 has been spent managing these actions. Furthermore a dedicated project to deal with climate change in Sasol had a budget of R3.8m in FY 2016. Sasol continues to advance investigations on implementing solutions to reduce the emissions intensity of its current operations, for example, through energy efficiency projects, as well as to grow its lower-carbon electricity generation through gas-to-power projects.</p>

Risk driver	Description	Potential impact	Timeframe	Direct/ Indirect	Likelihood	Magnitude of impact	Estimated financial implications	Management method	Cost of management
							financial implications for the business.	expansion of the Central Processing Facility at the onshore Pande and Temane fields. This project increased annual gas production capacity to 183 million gigajoules.	In this regard, recent investments include gas engines in our Sasolburg, South Africa, and Mozambican operations. Studies continue to explore LNG to power opportunities. This has already resulted in Sasol earmarking investment of R1.2billion in various projects focusing on energy and process efficiency projects.
Reputation	As the impacts of climate change become more apparent, stakeholder and customer expectations are more focused which could have an impact on our reputation. This is	Reduced stock price (market valuation)	>6 years	Direct	Unknown	Medium	Sasol could face reputational risks and the financial impacts of this risk are potentially high but difficult to quantify	Sasol has been consistently among the best performers in the JSE SRI index. Sasol is committed to understanding and reporting on our sustainability performance and	In addition to direct investment in emission reduction activities exceeding R1.24 billion for the reporting year, there is also internal

Risk driver	Description	Potential impact	Timeframe	Direct/ Indirect	Likelihood	Magnitude of impact	Estimated financial implications	Management method	Cost of management
	particularly relevant given the fact that our CTL process is emissions intensive. We have received many ESG related queries with regards to our climate change impact and performance. Sasol Base and Performance Chemicals supply various chemicals to customers worldwide. As the world is becoming more conscious about the emissions of their supply chain impacts on Sasol could occur.							GHG emissions as well as responding to the CDP survey annually. We do this through training and educating our staff on the importance of sustainability, providing the necessary systems and processes to report its sustainability data as well as providing sufficient human resource manpower at head office and OME level to compile its annual integrated and sustainability reports.	human resource costs associated with managing the climate risk. In order to quantify this Sasol has allocated a percentage of our SHE budget and as such estimates that R14.2m for FY 2016 has been spent managing these actions. Furthermore a dedicated project to deal with climate change in Sasol had a budget of R3.8m in FY 2016.
Other drivers	Climate change risks and the transition towards a lower-carbon global economy could result in increased costs of cleaner technologies and	Increased capital cost	>6 years	Direct	More likely than not	Medium	Uncertain at this stage. A SACCCS (2013) report states that based on US information, that CCS could raise the cost of	We are investing in reducing our carbon emissions by developing more efficient production processes, and producing our	The total capital cost of setting up the Technology Centre in Norway is estimated at USD1 100

Risk driver	Description	Potential impact	Timeframe	Direct/ Indirect	Likelihood	Magnitude of impact	Estimated financial implications	Management method	Cost of management
	feedstock						a barrel of CTL produced oil by approximately 8% under a specific set of assumptions.	own lower-carbon electricity. We also continue to investigate carbon capture and storage solutions. As a shareholder in the CO2 Technology Centre in Mongstad, Norway, we are supporting the development of technology for the large-scale capture of CO2 from dilute flue gas streams. Through the SA Centre for Carbon Capture and Storage (SACCCS) we are evaluating the possibility of Carbon Capture and Storage (CCS) in South Africa.	million. Sasol sponsored the formation of the South African CCS (SACCCS) Centre. There is also internal human resource costs associated with managing the climate risk. In order to quantify this Sasol has allocated a percentage of our SHE budget and as such estimates that R14.2m for FY 2016 has been spent managing these actions. Furthermore a dedicated project to deal with climate change in Sasol had a budget of R3.8m in FY 2016.

Please explain why you do not consider your company to be exposed to inherent risks driven by changes in regulation that have the potential to generate a substantive change in your business operations, revenue or expenditure

CC5.1e

Please explain why you do not consider your company to be exposed to inherent risks driven by changes in physical climate parameters that have the potential to generate a substantive change in your business operations, revenue or expenditure

CC5.1f

Please explain why you do not consider your company to be exposed to inherent risks driven by changes in other climate-related developments that have the potential to generate a substantive change in your business operations, revenue or expenditure

Further Information

Page: CC6. Climate Change Opportunities

CC6.1

Have you identified any inherent climate change opportunities that have the potential to generate a substantive change in your business operations, revenue or expenditure? Tick all that apply

Opportunities driven by changes in regulation

Opportunities driven by changes in physical climate parameters

Opportunities driven by changes in other climate-related developments

CC6.1a

Please describe your inherent opportunities that are driven by changes in regulation

Opportunity driver	Description	Potential impact	Timeframe	Direct/Indirect	Likelihood	Magnitude of impact	Estimated financial implications	Management method	Cost of management
Other regulatory drivers	There are a number of tax incentives, research and development incentives and government grants in the area of energy and climate change which we could take advantage of. The most relevant is the Section 12L Tax Incentive which is managed by the RSA Department of Energy and provides tax reduction incentives for businesses to claim if they can show measurable and verifiable savings in all energy forms. The	Reduced operational costs	Up to 1 year	Direct	Virtually certain	Medium-high	The use of Section 12L resulted in approximate shareholder value savings of R1 140 million in total from FY2014 to FY2016 for Sasol.	Sasol is managing this opportunity through regular identification of energy efficiency projects. The Sasolburg combined savings were 357 GWh. A selection of these projects have been identified as appropriate for the section 12L tax incentive. Sasol is actively engaging with monitoring and verification professionals to conduct the audits to verify savings. In terms of Section 12L of the RSA Income	The cost to audit and verify the savings of a project vary according to project complexity but can typically account for 20% - 50% of the achieved savings for a single year. The cost of external services related to obtaining the incentive and Measurement and Verification amounted to R166 million.

Opportunity driver	Description	Potential impact	Timeframe	Direct/Indirect	Likelihood	Magnitude of impact	Estimated financial implications	Management method	Cost of management
	<p>tax relief was recently increased to 95 cents deduction on taxable income per kilowatt-hour of energy saved – subject to all the conditions in the 12L regulations being met. Sasol Secunda Synfuels Operations, through its operational energy efficiency initiative, and implementing the principles of ISO 50001, saved approximately 5094 GWh (FY14) of energy input and was able to take advantage of the Section 12L incentive. The saving for FY16 for the energy efficiency initiatives was 2098 GWh. For the Sasolburg Operations, through the implementation of a heat integration</p>							<p>Tax Act, this was verified by an independent Monitoring & Verification auditor, and a tax certificate was issued by SANEDI. These tax certificates, translated in shareholder terms, after costs, resulted in an approximate savings of R1 140 million for Sasol (for FY2014 to date (FY2016)).</p>	

Opportunity driver	Description	Potential impact	Timeframe	Direct/Indirect	Likelihood	Magnitude of impact	Estimated financial implications	Management method	Cost of management
	project at the SGEPP (Sasolburg gas engine power plant) saved 105 GWh of energy for FY2016.								

CC6.1b

Please describe your inherent opportunities that are driven by changes in physical climate parameters

Opportunity driver	Description	Potential impact	Timeframe	Direct/Indirect	Likelihood	Magnitude of impact	Estimated financial implications	Management method	Cost of management
Change in precipitation extremes and droughts	As flooding and heavy rain occurrences are predicted to increase with climate change, more failures of community water systems can be expected. Sasol believes there is an opportunity to assist in advancing water security for the country as a	Wider social benefits	>6 years	Indirect (Client)	Likely	Medium	The financial implications of saving water for the country are not possible to quantify but are considered significant. Although the cost of water is not a major expense item for Sasol, there would be a significant cost should we not	Apart from significant investments made to improve water management in our direct operations, we have concluded that we can make a more significant contribution to catchment security by working beyond the factory fence-	Sasol is involved in a water conservation/water demand management baseline setting project for the Metsimaholo Local Municipality (MLM) in Sasolburg, in collaboration with Rand Water (as implementing agent), GiZ and the DWS. The DWS contributed R4 million, Sasol R2.9 million and GiZ 60,000

Opportunity driver	Description	Potential impact	Timeframe	Direct/ Indirect	Likelihood	Magnitude of impact	Estimated financial implications	Management method	Cost of management
	<p>whole, beyond just the gates of its own operations. Sasol views water security as a key strategic issue. Accordingly, Sasol has established an overarching water position throughout the organisation. This is aligned with the six key focus areas of United Nation's CEO Water Mandate namely; direct operations, supply chain and catchment management, collective action, public policy, community engagement and transparency, which we endorse. Facilitating water security for Sasol is a strategic focus area. The water</p>						<p>have access to a reliable supply as it may result in shutdowns and lost production, which would be significant.</p>	<p>line. Given these various challenges, we developed a water security risk indicator to provide an early indication of the water security risks facing our South African operations, and enable us to take appropriate controls to minimise production losses. The indicator tracks issues relating to rainfall patterns and the integrity of water supply infrastructure in the Integrated Vaal River System (IVRS). Through our engagements with key stakeholders in the IVRS, we seek to minimise the potential water supply risks in the system through</p>	<p>Euros. Once the baseline work has been completed it will provide for focused attention on areas experiencing high leaks. Secunda CSR has partnered with Cobra Watertech (Pty) Ltd to assess the feasibility of an innovative approach in dealing with high water leaks at six identified schools within Govan Mbeki Municipality (GMM). Sasol's contribution has been R1 million to this initiative. The approach involved installing a device called Aquatrip that trips the water supply during non- operational periods. Plumbers have also been trained to fix visible leaks. On average, savings of more than 60% of losses have been realised in the first month of implementation.</p>

Opportunity driver	Description	Potential impact	Timeframe	Direct/ Indirect	Likelihood	Magnitude of impact	Estimated financial implications	Management method	Cost of management
	conservation projects initiated with local municipalities' aimed to fix leakages in public and private water systems and further increase public awareness of water issues, employment creation and improved capacity within local government structures.							the following activities: • Curbing the growth in demand by supporting water conservation and maintenance initiatives at both plant and municipality level; • Exerting pressure to reduce unlawful withdrawals; • Finding alternative water supply sources, such as treated legacy acid mine drainage (AMD); and • Exerting pressure to secure new water supply sources, such as the Lesotho Highlands Water Project Phase 2.	

CC6.1c

Please describe your inherent opportunities that are driven by changes in other climate-related developments

Opportunity driver	Description	Potential impact	Timeframe	Direct/Indirect	Likelihood	Magnitude of impact	Estimated financial implications	Management method	Cost of management
Other drivers	Sasol's considerable R&D capacities and expertise in commercializing unconventional energy technologies places the company in an ideal position to exploit opportunities in a thriving environmental goods and services sector. At a group and strategic level, we see significant advantage in our technological expertise in alternative fuels technology, which places us in a unique position to leverage the widening differential between natural gas and oil prices. Our successful track record in developing and	New products/business services	3 to 6 years	Direct	More likely than not	Medium-high	The implementation of the natural gas turbine project in Secunda has resulted in savings amounting to 322 200 tons of CO2e. This could potentially result in carbon tax savings between R1.9million and R15.4million. The gas sales to market continues to contribute significantly to our Group operating profit and this is expected to increase materially as the government looks to decarbonise energy supply	In an effort to achieving carbon reduction goals, the group has been focusing on new (lower carbon) technologies that can be integrated with our core technologies to result in a lower GHG footprint. Many of these are South African options aimed at displacing higher carbon internal electricity generation and Eskom imports. Projects involving electricity generation using natural gas from Mozambique allowing us to cumulatively generate 70% of our electricity requirements.	Sasol has invested R2.4billion in the gas turbine project which is operational at Secunda and a further R1.9billion has been invested in the Gas Engine project in Sasolburg. We have also reached beneficial operation on our R 2.177 billion 175MW gas-fired power generation plant in Mozambique, in partnership with the country's state-owned utility, Electricidade de Moçambique.

Opportunity driver	Description	Potential impact	Timeframe	Direct/Indirect	Likelihood	Magnitude of impact	Estimated financial implications	Management method	Cost of management
	<p>commercialising unique technologies at scale, coupled with our strong research and development capacity, creates valuable opportunities in the lower-carbon energy space. Sasol has been pursuing gas to power and has implemented the Secunda gas turbines and Sasolburg gas engines. In 2014, we reach beneficial operation of our Mozambican gas engines project. Apart from the fact that the Secunda turbines and Sasolburg gas engines produce power at a rate lower than the national grid it has reduced Sasol's carbon intensity.</p>							<p>In addition, through the SA Centre for Carbon Capture and Storage (SACCCS) Sasol is evaluating the possibility of Carbon Capture and Storage (CCS) in South Africa</p>	

Opportunity driver	Description	Potential impact	Timeframe	Direct/Indirect	Likelihood	Magnitude of impact	Estimated financial implications	Management method	Cost of management
Fluctuating socio-economic conditions	Climate change may present risks and associated impacts to the communities, including our own employees, where we operate. Contributing to the resilience of communities to adapt to the potential physical impacts that climate change may have and to manage other climate change risks is imperative. We will continue to focus on mitigation, improve the resilience and reliability of our local supply chain and contribute to the health of our employees which ultimately affects productivity	Wider social benefits	1 to 3 years	Direct	More likely than not	Medium	Uncertain for Sasol. Benefits for communities include job creation, training, social enterprise development and access to a market, improved health and access to services, etc.	We established the Sasol Global Foundation in 2013 to direct, enable and govern a fully integrated approach to corporate social investment throughout the group. The foundation has the following objectives: •consolidating and prioritising our investments across the group, and focusing on a more selectively identified set of priority issues to promote a long-term approach to addressing societal challenges; •moving from responding to ad hoc requests to proposals that are more clearly linked to	During FY2016, the Group invested R655,7 million in social investment programmes globally, with 88% spent in South Africa. Our total CSI spend for the year included R404,2 million in education skills development programmes, R29,3 million on environmental projects and R218,2 million on community development programmes It is in Sasol's interest to have the right talent attracted to our sector and to our business. We also developed a total of 118 natural science, technology and

Opportunity driver	Description	Potential impact	Timeframe	Direct/Indirect	Likelihood	Magnitude of impact	Estimated financial implications	Management method	Cost of management
								<p>our competencies, business needs, community and regulatory priorities, and are in support of our strategy;</p> <ul style="list-style-type: none"> •ensuring more effective group-wide co-ordination of initiatives supported by clear monitoring and evaluation of the results and impacts of our investments; and •encouraging more appropriate levels of employee engagement. We prioritise investments to build resilience in our communities. 	<p>mathematics school workbooks which have reached over 6 million students. We attracted 22 000 students from 300 schools to our science and technology exhibition, TechnoX in Secunda. TechnoX has reached over 425 000 beneficiaries since its inception.</p>

Please explain why you do not consider your company to be exposed to inherent opportunities driven by changes in regulation that have the potential to generate a substantive change in your business operations, revenue or expenditure

CC6.1e

Please explain why you do not consider your company to be exposed to inherent opportunities driven by changes in physical climate parameters that have the potential to generate a substantive change in your business operations, revenue or expenditure

CC6.1f

Please explain why you do not consider your company to be exposed to inherent opportunities driven by changes in other climate-related developments that have the potential to generate a substantive change in your business operations, revenue or expenditure

Further Information

Module: GHG Emissions Accounting, Energy and Fuel Use, and Trading

Page: CC7. Emissions Methodology

CC7.1

Please provide your base year and base year emissions (Scopes 1 and 2)

Scope	Base year	Base year emissions (metric tonnes CO2e)
Scope 1	Wed 01 Jul 2015 - Thu 30 Jun 2016	61203693
Scope 2 (location-based)	Wed 01 Jul 2015 - Thu 30 Jun 2016	8046223
Scope 2 (market-based)	Sat 30 May 2015 - Mon 30 May 2016	0

CC7.2

Please give the name of the standard, protocol or methodology you have used to collect activity data and calculate Scope 1 and Scope 2 emissions

Please select the published methodologies that you use
IPCC Guidelines for National Greenhouse Gas Inventories, 2006
The Greenhouse Gas Protocol: A Corporate Accounting and Reporting Standard (Revised Edition)

CC7.2a

If you have selected "Other" in CC7.2 please provide details of the standard, protocol or methodology you have used to collect activity data and calculate Scope 1 and Scope 2 emissions

CC7.3

Please give the source for the global warming potentials you have used

Gas	Reference
CH4	IPCC Third Assessment Report (TAR - 100 year)
N2O	IPCC Third Assessment Report (TAR - 100 year)

CC7.4

Please give the emissions factors you have applied and their origin; alternatively, please attach an Excel spreadsheet with this data at the bottom of this page

Fuel/Material/Energy	Emission Factor	Unit	Reference
Electricity	1030	kg CO2e per MWh	Eskom Annual Report 2015
Diesel/Gas oil	0.0741	metric tonnes CO2e per GJ	2006 IPCC Guidelines for national Greenhouse Gas Inventories, Volume 2: Energy, Chapter 3
Diesel/Gas oil	0.0693	metric tonnes CO2e per GJ	2006 IPCC Guidelines for national Greenhouse Gas Inventories, Volume 2: Energy, Chapter 3 Mobile Combustion

Further Information

Page: **CC8. Emissions Data - (1 Jul 2015 - 30 Jun 2016)**

CC8.1

Please select the boundary you are using for your Scope 1 and 2 greenhouse gas inventory

Operational control

CC8.2

Please provide your gross global Scope 1 emissions figures in metric tonnes CO2e

61203693

CC8.3

Please describe your approach to reporting Scope 2 emissions

Scope 2, location-based	Scope 2, market-based	Comment
We are reporting a Scope 2, location-based figure	We have no operations where we are able to access electricity supplier emissions factors or residual emissions factors and are unable to report a Scope 2, market-based figure	Sasol currently reports its Scope 2 emissions as location-based Scope 2 figures. Sasol does have operations in markets where market-based Scope 2 figures could be reported. We have not embarked on a project to quantify these yet but will be assessing doing this in the next reporting year.

CC8.3a

Please provide your gross global Scope 2 emissions figures in metric tonnes CO2e

Scope 2, location-based	Scope 2, market-based (if applicable)	Comment
8046223	0	Sasol currently reports its Scope 2 emissions as location-based Scope 2 figures. Sasol does have operations in markets where market-based Scope 2 figures could be reported. We have not embarked on a project to quantify these yet but will be assessing doing this in the next reporting year.

CC8.4

Are there any sources (e.g. facilities, specific GHGs, activities, geographies, etc.) of Scope 1 and Scope 2 emissions that are within your selected reporting boundary which are not included in your disclosure?

No

CC8.4a

Please provide details of the sources of Scope 1 and Scope 2 emissions that are within your selected reporting boundary which are not included in your disclosure

Source	Relevance of Scope 1 emissions from this source	Relevance of location-based Scope 2 emissions from this source	Relevance of market-based Scope 2 emissions from this source (if applicable)	Explain why the source is excluded

CC8.5

Please estimate the level of uncertainty of the total gross global Scope 1 and 2 emissions figures that you have supplied and specify the sources of uncertainty in your data gathering, handling and calculations

Scope	Uncertainty range	Main sources of uncertainty	Please expand on the uncertainty in your data
Scope 1	More than 5% but less than or equal to 10%	Metering/ Measurement Constraints	Coal quality (scope 1&2), Raw gas to pure gas conversion and associated composition (scope 1), Boiler availability and efficiency (scope 1&2) • Plant stability and related flaring (scope 1) Quality Assurance/Quality Control procedures have been developed to ensure validated mass balances with a confidence interval of 97%. Coal characterisation is done on an almost daily basis while boiler efficiency testing is done as part of scheduled optimisation programs. Raw gas to pure gas conversion and the associated composition is critical to the overall process efficiency and is therefore monitored and reported frequently. Overall flare operation and control procedures have been established. This has resulted in a significant improvement in our understanding of flare associated GHG emissions. Flaring is monitored on a continuous basis.
Scope 2 (location-based)	More than 5% but less than or equal to 10%	Assumptions	Calculation assumptions have changed in the reporting of the national grid factor by the national utility. This change can cause issues on uncertainty.
Scope 2 (market-based)			

CC8.6

Please indicate the verification/assurance status that applies to your reported Scope 1 emissions

Third party verification or assurance process in place

CC8.6a

Please provide further details of the verification/assurance undertaken for your Scope 1 emissions, and attach the relevant statements

Verification or assurance cycle in place	Status in the current reporting year	Type of verification or assurance	Attach the statement	Page/section reference	Relevant standard	Proportion of reported Scope 1 emissions verified (%)
Annual process	Complete	Limited assurance	https://www.cdp.net/sites/2017/66/16366/Climate Change 2017/Shared Documents/Attachments/CC8.6a/Independent Assurance Report.pdf	Page 23 and 24	ISAE3000	100

CC8.6b

Please provide further details of the regulatory regime to which you are complying that specifies the use of Continuous Emission Monitoring Systems (CEMS)

Regulation	% of emissions covered by the system	Compliance period	Evidence of submission

CC8.7

Please indicate the verification/assurance status that applies to at least one of your reported Scope 2 emissions figures

Third party verification or assurance process in place

CC8.7a

Please provide further details of the verification/assurance undertaken for your location-based and/or market-based Scope 2 emissions, and attach the relevant statements

Location-based or market-based figure?	Verification or assurance cycle in place	Status in the current reporting year	Type of verification or assurance	Attach the statement	Page/Section reference	Relevant standard	Proportion of reported Scope 2 emissions verified (%)
Location-based	Annual process	Complete	Limited assurance	https://www.cdp.net/sites/2017/66/16366/Climate Change 2017/Shared Documents/Attachments/CC8.7a/Independent Assurance Report.pdf	Page 23 and 24	ISAE3000	

CC8.8

Please identify if any data points have been verified as part of the third party verification work undertaken, other than the verification of emissions figures reported in CC8.6, CC8.7 and CC14.2

Additional data points verified	Comment
Year on year change in emissions (Scope 1)	The trend in emissions between the last reporting year and this reporting year was reviewed as part of the assurance process
Year on year change in emissions (Scope 2)	The trend in emissions between the last reporting year and this reporting year was reviewed as part of the assurance process
Other: Production	Production data was verified as part of the assurance process

CC8.9

Are carbon dioxide emissions from biologically sequestered carbon relevant to your organization?

Yes

CC8.9a

Please provide the emissions from biologically sequestered carbon relevant to your organization in metric tonnes CO2

1410

Further Information

Page: CC9. Scope 1 Emissions Breakdown - (1 Jul 2015 - 30 Jun 2016)

CC9.1

Do you have Scope 1 emissions sources in more than one country?

Yes

CC9.1a

Please break down your total gross global Scope 1 emissions by country/region

Country/Region	Scope 1 metric tonnes CO2e
South Africa	59229420
Eurasia	747690
United States of America	953490
Mozambique	273090

CC9.2

Please indicate which other Scope 1 emissions breakdowns you are able to provide (tick all that apply)

By GHG type

CC9.2a

Please break down your total gross global Scope 1 emissions by business division

Business division	Scope 1 emissions (metric tonnes CO2e)
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CC9.2b

Please break down your total gross global Scope 1 emissions by facility

Facility	Scope 1 emissions (metric tonnes CO2e)	Latitude	Longitude
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CC9.2c

Please break down your total gross global Scope 1 emissions by GHG type

GHG type	Scope 1 emissions (metric tonnes CO2e)
CO2	58328737
CH4	2742746
N2O	132210

CC9.2d

Please break down your total gross global Scope 1 emissions by activity

Activity	Scope 1 emissions (metric tonnes CO2e)
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Further Information

Page: CC10. Scope 2 Emissions Breakdown - (1 Jul 2015 - 30 Jun 2016)

CC10.1

Do you have Scope 2 emissions sources in more than one country?

Yes

CC10.1a

Please break down your total gross global Scope 2 emissions and energy consumption by country/region

Country/Region	Scope 2, location-based (metric tonnes CO2e)	Scope 2, market-based (metric tonnes CO2e)	Purchased and consumed electricity, heat, steam or cooling (MWh)	Purchased and consumed low carbon electricity, heat, steam or cooling accounted in market-based approach (MWh)
South Africa	7594850		7373639	
Eurasia	162440		336615	
United States of America	288930		292489	
Mozambique	0		0	

CC10.2

Please indicate which other Scope 2 emissions breakdowns you are able to provide (tick all that apply)

CC10.2a

Please break down your total gross global Scope 2 emissions by business division

Business division	Scope 2, location-based (metric tonnes CO2e)	Scope 2, market-based (metric tonnes CO2e)

CC10.2b

Please break down your total gross global Scope 2 emissions by facility

Facility	Scope 2, location-based (metric tonnes CO2e)	Scope 2, market-based (metric tonnes CO2e)
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CC10.2c

Please break down your total gross global Scope 2 emissions by activity

Activity	Scope 2, location-based (metric tonnes CO2e)	Scope 2, market-based (metric tonnes CO2e)
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Further Information

Page: CC11. Energy

CC11.1

What percentage of your total operational spend in the reporting year was on energy?

More than 10% but less than or equal to 15%

CC11.2

Please state how much heat, steam, and cooling in MWh your organization has purchased and consumed during the reporting year

Energy type	MWh
Heat	0
Steam	75393332
Cooling	0

CC11.3

Please state how much fuel in MWh your organization has consumed (for energy purposes) during the reporting year

103164727

CC11.3a

Please complete the table by breaking down the total "Fuel" figure entered above by fuel type

Fuels	MWh
Diesel/Gas oil	94521
Bituminous coal	84661823
Motor gasoline	2446
Other: Fuel gas	18405938

CC11.4

Please provide details of the electricity, heat, steam or cooling amounts that were accounted at a low carbon emission factor in the market-based Scope 2 figure reported in CC8.3a

Basis for applying a low carbon emission factor	MWh consumed associated with low carbon electricity, heat, steam or cooling	Emissions factor (in units of metric tonnes CO2e per MWh)	Comment
No purchases or generation of low carbon electricity, heat, steam or cooling accounted with a low carbon emissions factor	0	0	

CC11.5

Please report how much electricity you produce in MWh, and how much electricity you consume in MWh

Total electricity consumed (MWh)	Consumed electricity that is purchased (MWh)	Total electricity produced (MWh)	Total renewable electricity produced (MWh)	Consumed renewable electricity that is produced by company (MWh)	Comment
17271234	8002743	9268491	0	0	

Further Information

Page: CC12. Emissions Performance

CC12.1

How do your gross global emissions (Scope 1 and 2 combined) for the reporting year compare to the previous year?

Decreased

CC12.1a

Please identify the reasons for any change in your gross global emissions (Scope 1 and 2 combined) and for each of them specify how your emissions compare to the previous year

Reason	Emissions value (percentage)	Direction of change	Please explain and include calculation
Emissions reduction activities	0.4	Decrease	The total estimated CO2e savings from energy and process efficiency initiatives at the Secunda and Sasolburg operations in FY2016 was 286,000 t CO2e. This figure was divided by the total reduction in Scope 1 and 2 emissions (521,315 t CO2e) and multiplied by the percentage change in Scope 1 and 2 emissions (-0.7%) to estimate the percentage change in emissions as a result of emission reduction activities.
Divestment	0	No change	
Acquisitions	0	No change	
Mergers	0	No change	
Change in output	0.3	Decrease	There was a reduction in output from 20855 kilotonnes in 2015 to 18807 kilotonnes in 2016. The relationship between production and emissions is not linear as Sasol operates an integrated value chain. Change in output was therefore assumed to account for the balance of Sasol's total Scope 1 and 2 emission reductions (521,315-286,000=235,315 t CO2e).
Change in methodology	0	No change	
Change in boundary	0	No change	
Change in physical operating conditions	0	No change	
Unidentified	0	No change	
Other	0	No change	

CC12.1b

Is your emissions performance calculations in CC12.1 and CC12.1a based on a location-based Scope 2 emissions figure or a market-based Scope 2 emissions figure?

Location-based

CC12.2

Please describe your gross global combined Scope 1 and 2 emissions for the reporting year in metric tonnes CO2e per unit currency total revenue

Intensity figure =	Metric numerator (Gross global combined Scope 1 and 2 emissions)	Metric denominator: Unit total revenue	Scope 2 figure used	% change from previous year	Direction of change from previous year	Reason for change
0.00040	metric tonnes CO2e	172942000000	Location-based	6	Increase	Our revenue (turnover) decreased from Rm 185 266 in FY 2015 to Rm 172 942 in FY 2016 and our GHG emission inventory decreased by 0.7%. The reduction in revenue can be attributed to lower Rand per barrel price. The change in emissions can be attributed to emission reduction activities during the year and reduced production as a result of the challenging macroeconomic environment. The intensity metric increased as the revenue number reduction was more than the GHG emissions reduction number.

CC12.3

Please provide any additional intensity (normalized) metrics that are appropriate to your business operations

Intensity figure =	Metric numerator (Gross global combined Scope 1 and 2 emissions)	Metric denominator	Metric denominator: Unit total	Scope 2 figure used	% change from previous year	Direction of change from previous year	Reason for change
3.68	metric tonnes CO2e	unit of production	18806593	Location-based	10	Increase	GHG emissions intensity increased to 3,68 in 2016 from 3,35 in 2015 due to reduced production because of shut downs at the Sasolburg operations which negatively impacted our total production levels, resulting in a higher GHG intensity for the Group.

Further Information

Page: CC13. Emissions Trading

CC13.1

Do you participate in any emissions trading schemes?

Yes

CC13.1a

Please complete the following table for each of the emission trading schemes in which you participate

Scheme name	Period for which data is supplied	Allowances allocated	Allowances purchased	Verified emissions in metric tonnes CO2e	Details of ownership
European Union ETS	Fri 01 Jan 2016 - Sat 31 Dec 2016	470	69	458	Facilities we own and operate

Scheme name	Period for which data is supplied	Allowances allocated	Allowances purchased	Verified emissions in metric tonnes CO2e	Details of ownership
European Union ETS	Fri 01 Jan 2016 - Sat 31 Dec 2016	187	90	249	Facilities we own and operate
European Union ETS	Fri 01 Jan 2016 - Sat 31 Dec 2016	38	18	56	Facilities we own and operate

CC13.1b

What is your strategy for complying with the schemes in which you participate or anticipate participating?

During the last 5 years Sasol EURASIA has been following a differentiated strategy to refill the gap between allocation and consumption with the overall situation balanced up to 2020. Within that strategy the following steps are implemented or still in progress:

- The maximum use of CER's for compliant issues
- Application of additional allocation
- Optimization of the quality of the emission reports to minimize quantities, which have to be returned,
- Usage of green energy input
- Contradiction to the allocation permits in Germany to achieve more certificates
- Development of a buy in strategy of certificates (e.g. from Sasol Italy/markets) to reducing allocations increasing consumptions, changing market situations and implementation of a regular follow
- Preparation of an additional allocation of certificates due to increasing operations

CC13.2

Has your organization originated any project-based carbon credits or purchased any within the reporting period?

Yes

CC13.2a

Please provide details on the project-based carbon credits originated or purchased by your organization in the reporting period

Credit origination or credit purchase	Project type	Project identification	Verified to which standard	Number of credits (metric tonnes CO2e)	Number of credits (metric tonnes CO2e): Risk adjusted volume	Credits canceled	Purpose, e.g. compliance
Credit origination	Other: Clean Development Mechanism (CDM)	Sasol Nitrous Oxide Abatement Project (0961)	Other: CDM Methodology AM0034 - Catalytic reduction of N2O inside the ammonia burner of nitric acid plants	1807077	0	No	Voluntary Offsetting

Further Information

Page: CC14. Scope 3 Emissions

CC14.1

Please account for your organization's Scope 3 emissions, disclosing and explaining any exclusions

Sources of Scope 3 emissions	Evaluation status	metric tonnes CO2e	Emissions calculation methodology	Percentage of emissions calculated using data obtained from suppliers or value chain partners	Explanation
Purchased goods and services	Relevant, calculated	8663	Sasol estimated emissions associated with selected purchased goods and services. Only emissions associated with the treatment and supply of purchased water is included. Water data is collected from invoices from water suppliers. Activity data is attributed on an operational control basis. This activity data is multiplied by the appropriate emission factor. Calculation of the carbon footprint complies with the criteria of the ISO-14064 part 1 Standard and GHG Protocol –Corporate Value Chain (scope 3) Accounting and Reporting Standard. No specific assumptions were made. The following DEFRA 2015 emission factors were used: treatment - 0.708 kg CO2e/m ³ ; supply - 0.344 kg CO2e/m ³ . GWPs used by DEFRA are based on the IPCC Fourth Assessment Report (AR4) (GWP for CH ₄ = 25, GWP for N ₂ O = 298).	100.00%	The largest upstream input into Sasol is coal. The upstream emissions associated with acquiring coal forms part of Sasol's scope 1 emissions as the company operates its own coal mines. Emissions associated with gas are also included in our Scope 1 emissions. We have calculated the emissions associated with water use but in comparison to our Scope 1 and 2 emissions these numbers are immaterial (less than 1% of scope 1 emissions). Other inputs are not material. For example Sasol procures relatively small quantities of catalysts and their embodied emissions are also low.
Capital goods	Not relevant, explanation provided	0			This category includes all upstream (i.e., cradle-to-gate) emissions from the production of capital goods purchased or acquired by the reporting company in the reporting year. These emissions can be attributed to the purchase of new equipment and new vehicles associated with new project development. Based on analysis undertaken previously on the emissions associated with purchasing new equipment, Sasol has found these emissions to be not material to the overall

Sources of Scope 3 emissions	Evaluation status	metric tonnes CO2e	Emissions calculation methodology	Percentage of emissions calculated using data obtained from suppliers or value chain partners	Explanation
					Scope 3 emissions inventory (less than 1%). However, these emissions may be considered in future reporting.
Fuel-and-energy-related activities (not included in Scope 1 or 2)	Relevant, calculated	5599	This category includes emissions related to the production of fuels and energy purchased and consumed by Sasol in the reporting year and that are not included in Scope 1 or Scope 2. This includes the emissions from diesel and petrol. Transmission and Distribution (T&D) losses have been accounted for under Scope 2 emissions. It would be double counting to also account for these under Scope 3. The activity data was obtained from supply chain records of the quantity of each type of fuel purchased. Using the DEFRA 2015 well-to-tank (WTT) emission factors have been used to account for the upstream Scope 3 emissions associated with extraction, refining and transportation of the raw fuel sources to Sasol's sites, prior to their combustion (Diesel (100% mineral diesel): 0.5796 KgCO2e/KWh; Petrol (100% mineral petrol): 0.4504 KgCO2e/KWh). GWPs used by DEFRA are based on the IPCC Fourth Assessment Report (AR4) (GWP for CH4 = 25, GWP for N2O = 298) to remain consistent with UK GHG Inventory reporting under the Kyoto Protocol. Sasol's direct emissions are based on the IPCC Third Assessment Report (TAR) GWPs based on guidance around national inventory reporting. No	100.00%	

Sources of Scope 3 emissions	Evaluation status	metric tonnes CO2e	Emissions calculation methodology	Percentage of emissions calculated using data obtained from suppliers or value chain partners	Explanation
			such guidance exists for Scope 3 emissions and therefore the DEFRA potential, as embodied in the factors, are deemed the most appropriate. WTT emission factors were multiplied by the diesel and petrol consumption. This assessment was undertaken in accordance with The Greenhouse Gas Protocol: A Corporate Accounting and reporting Standard (Revised Edition), and The Greenhouse Gas Protocol: Corporate Value Chain (Scope 3) Accounting and Reporting Standard.		
Upstream transportation and distribution	Relevant, calculated	567300	Sasol undertook a study in 2009 to assess the emissions associated with the transportation of our products. Sasol pays for the transport of products and therefore this data are not included in the "downstream transportation and distribution" category. This study is in the process of being updated. The GHG Protocol was utilised for the purposes of this assessment, distance and volume data were used to calculate the resulting CO2e emissions. Emission factors are based on the IPCC 2006 guidelines and GWPs are based on the SAR.	80.00%	Seeing as we mine our own coal, the emissions associated with transporting the coal from the mine to Secunda and Sasolburg form part of Sasol's scope 1 emission profile. The gas purchased by Sasol is transported along pipelines owned by Sasol.
Waste generated in operations	Relevant, calculated	24632	The methodology to estimate the emissions focused on multiplying tons of non-hazardous waste going to a landfill (174KT) by an applicable average emission factor for waste treated/disposed in a landfill. DEFRA default factors were used (459 kg CO2e / ton of	100.00%	

Sources of Scope 3 emissions	Evaluation status	metric tonnes CO2e	Emissions calculation methodology	Percentage of emissions calculated using data obtained from suppliers or value chain partners	Explanation
			<p>municipal waste that goes to landfill). GWPs used by DEFRA are based on the IPCC Fourth Assessment Report (AR4) (GWP for CH4 = 25, GWP for N2O = 298) to remain consistent with UK GHG Inventory reporting under the Kyoto Protocol. Sasol's direct emissions are based on the IPCC Third Assessment Report (TAR) GWPs based on guidance around national inventory reporting. No such guidance exists for Scope 3 emissions and therefore the DEFRA potential, as embodied in the factors, are deemed the most appropriate.</p>		
Business travel	Relevant, calculated	4908	<p>Business travel accounted for includes the emissions associated with charter flights for SPI of workers to and from Vilanculos in Mozambique and that which was booked through HRG Rennie's Travel, including Avis, Europcar & Protours (this included flights and car hire). The charter company provides Sasol with the amount of Jet Fuel that is used, and Sasol then calculated the associated scope 3 emissions using emission factors based on the IPCC 2006 guidelines and GWPs based on the TAR. The remainder of Sasol's business travel emissions are calculated using Greenstone's Enterprise Environmental software Version 3.1. The assessment methodology applied to this report follows the reporting principles and guidelines provided by the Greenhouse Gas Protocol. The</p>	80.00%	

Sources of Scope 3 emissions	Evaluation status	metric tonnes CO2e	Emissions calculation methodology	Percentage of emissions calculated using data obtained from suppliers or value chain partners	Explanation
			<p>methodology to estimate emissions involved multiplying activity data for mode of transport (e.g. distance travelled) by an applicable emission factor for that mode of transport (e.g. tCO2/km). Flights were categorised as being either long- (> 3700km), short-(<1000 km) or medium (1001 - 3700) haul flights. The emission factors in this report are derived from two sources: the US EPA's Climate Leaders program and the UK's Department for Environment, Food and Rural Affairs (DEFRA). GWPs used by DEFRA are based on the IPCC Fourth Assessment Report (AR4) (GWP for CH4 = 25, GWP for N2O = 298) to remain consistent with UK GHG Inventory reporting under the Kyoto Protocol. Sasol's direct emissions are based on the IPCC Third Assessment Report (TAR) GWPs based on guidance around national inventory reporting. No such guidance exists for Scope 3 emissions and therefore the DEFRA potential, as embodied in the factors, are deemed the most appropriate. It was assumed that standard sedan vehicles were used on all hiring occasions. Business travel includes both flights (local and international) for business purposes as well as kilometers travelled in hired cars and taxis.</p>		
Employee commuting	Relevant, calculated	59096	The assessment only includes emissions associated with South African employee commuting. The emissions associated with	50.00%	

Sources of Scope 3 emissions	Evaluation status	metric tonnes CO2e	Emissions calculation methodology	Percentage of emissions calculated using data obtained from suppliers or value chain partners	Explanation
			<p>employee commuting were calculated using the emissions-based screening assessment equation from the Scope 3 Accounting and Reporting Standard: Total number of employees x average (conservative) distance from place of work (km) x 10 trips per week x 52 weeks per year x national average emission factor of private vehicle (kg CO2e/passenger-km). • 59% commute to work with privately owned vehicles (Sasol management) • Employees travel an average of 21km to work • Fuel efficiency: 10 km/litre Petrol emission factor: 2.61 kg CO2/litre [2006 IPCC Guidelines]. The prescribed default factor has been applied. It is assumed that employees work 264 days (average of 22 working days per month). It was also assumed that majority of employees live less than an hour away from the plant, travelling by taxi or bus. DEFRA factors use AR4 GWPs and assessments using IPCC factors use TAR GWPs.</p>		
Upstream leased assets	Not relevant, explanation provided	0			<p>We own and operate most of our assets. The portion of office buildings or vehicles that Sasol may lease is deemed to be insignificant in relation to its total carbon footprint and this is reported to be zero. In accordance with the GHG Protocol Corporate Value Chain Accounting and Reporting Standard the emissions reported should be relevant in reflecting the GHG emissions for a reporting</p>

Sources of Scope 3 emissions	Evaluation status	metric tonnes CO2e	Emissions calculation methodology	Percentage of emissions calculated using data obtained from suppliers or value chain partners	Explanation
					company. The GHG emissions from upstream leased assets are not relevant to Sasol's FY 2016 GHG inventory and were therefore excluded. Furthermore, the time and effort required to obtain this data did not justify its inclusion.
Downstream transportation and distribution	Not relevant, explanation provided	0			The emissions associated with this transport of Sasol's products is measured but included in the category "Upstream transportation and distribution" as the costs for transporting products is borne by Sasol. Transporting and distribution of Sasol's products once they have been processed or used by direct clients is not material in terms of the product life cycle emissions, do not expose us to a material inherent risk and are thus regarded as zero.
Processing of sold products	Not relevant, explanation provided	0			Customers often request impact profiles and data up to the point at which they accept the product. Sasol's LCA work has therefore focused on cradle-to-gate emissions. Estimating the use and disposal phases is also challenging due to variance of customer location and use. Sasol also has no control over the use and disposal of our products. Based on these reasons and other requests for information from stakeholders, Sasol does not feel that a detailed assessment of the use and disposal phases of our products is

Sources of Scope 3 emissions	Evaluation status	metric tonnes CO2e	Emissions calculation methodology	Percentage of emissions calculated using data obtained from suppliers or value chain partners	Explanation
					necessary, at this stage. We thus regard and report this category as zero.
Use of sold products	Relevant, calculated	22257797	The methodology to estimate emissions involved multiplying the amount of gas, diesel and petrol (Sasol's key products) sold by an applicable average emission factor for fuel conversion. DEFRA default factors were used (for gas 0.18825 kg CO2e per kwh, for petrol 2.3435 kg CO2e per litre and for diesel 2.6761 kg CO2e per litre. The Greenhouse Gas Protocol: A Corporate Value Chain (Scope 3) Accounting and Reporting Standard was used to calculate emissions based on the activity data. An attempt will still be made to calculate emissions associated with wax, solvents and polymers in 2018. GWPs used by DEFRA are based on the IPCC Fourth Assessment Report (AR4) (GWP for CH4 = 25, GWP for N2O = 298) to remain consistent with UK GHG Inventory reporting under the Kyoto Protocol. Sasol's direct emissions are based on the IPCC Third Assessment Report (TAR) GWPs based on guidance around national inventory reporting. No such guidance exists for Scope 3 emissions and therefore the DEFRA potential, as embodied in the factors, are deemed the most appropriate.	80.00%	
End of life treatment of sold products	Not relevant, explanation provided	0			Customers often request impact profiles and data up to the point at which they accept the product. Sasol's LCA work has therefore

Sources of Scope 3 emissions	Evaluation status	metric tonnes CO2e	Emissions calculation methodology	Percentage of emissions calculated using data obtained from suppliers or value chain partners	Explanation
					focused on cradle-to-gate emissions. Estimating the use and disposal phases is also challenging due to variance of customer location and use. Based on this and other requests for information from stakeholders, Sasol does not feel that a detailed assessment of the use and disposal phases of our products is necessary, at this stage. We thus regard and report this category as zero.
Downstream leased assets	Relevant, calculated	157705	The methodology followed to estimate the emissions from Sasol's leased assets involved multiplying the estimated energy use per building by an applicable factor for each of Sasol's owned properties. Sasol owns between 40 and 100% of 16 buildings. This includes investments in office, retail and specialised buildings as well as investments in property companies. Based on historical data, it was assumed that office buildings consumed on average 200 kWh/m2 (the maximum annual consumption per office according to SANS 10400-XA (DSS3) and retail consumed on average 259 kWh/m2 (according to (Matsho, J. 2010. A dissertation submitted in fulfillment of the Degree of M.Com. in Economics. (Student No.: 20052459) University of Zululand. Supervisor: Prof. B.C Shrestha. Co-Supervisor: Mr. I Kaseeram. 8th February 2010). The South African grid emission factor (1.03 kgCO2e/kWh)	100.00%	

Sources of Scope 3 emissions	Evaluation status	metric tonnes CO2e	Emissions calculation methodology	Percentage of emissions calculated using data obtained from suppliers or value chain partners	Explanation
			was multiplied by the estimated electricity usage. This assessment was undertaken in accordance with The Greenhouse Gas Protocol: A Corporate Accounting and reporting Standard (Revised Edition), and The Greenhouse Gas Protocol: Corporate Value Chain (Scope 3) Accounting and Reporting Standard.		
Franchises	Relevant, calculated	3186	The methodology followed to estimate the emissions from Sasol franchises (Sasol and Excel Service stations in South Africa) involved multiplying the number of franchises by the estimated energy use per station, multiplied by an emission factor. An energy use factor of 261 KWh/m2 was used (Matsho, J. 2010. A dissertation submitted in fulfillment of the Degree of M.Com. in Economics. (Student No.: 20052459) University of Zululand. Supervisor: Prof. B.C Shrestha. Co-Supervisor: Mr. I Kaseeram. 8th February 2010). The South African grid emission factor (1.03 kgCO2e/kWh) was multiplied by the estimated electricity usage. This assessment was undertaken in accordance with The Greenhouse Gas Protocol: A Corporate Accounting and reporting Standard (Revised Edition), and The Greenhouse Gas Protocol: Corporate Value Chain (Scope 3) Accounting and Reporting Standard. TAR GWPs were used. TAR GWPs were used.	100.00%	
Investments	Not relevant,	0			Sasol has a number of Joint Ventures over

Sources of Scope 3 emissions	Evaluation status	metric tonnes CO2e	Emissions calculation methodology	Percentage of emissions calculated using data obtained from suppliers or value chain partners	Explanation
	explanation provided				which we do not have operational control and therefore have limited influence over the emissions associated with those JVs. We do not have access to information on the GHG emissions associated with these operations but we do engage with our JV partners to ensure that any climate change risks are adequately managed. For example we have a joint venture monomer and polymer interest in Malaysia and the Escravos GTL plant in Nigeria. We engage directly with Petlin and Chevron (controlling partners) around issues related to climate change. Chevron discloses information on climate change management and performance via the CDP.
Other (upstream)					
Other (downstream)					

CC14.2

Please indicate the verification/assurance status that applies to your reported Scope 3 emissions

No third party verification or assurance

CC14.2a

Please provide further details of the verification/assurance undertaken, and attach the relevant statements

Verification or assurance cycle in place	Status in the current reporting year	Type of verification or assurance	Attach the statement	Page/Section reference	Relevant standard	Proportion of reported Scope 3 emissions verified (%)
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CC14.3

Are you able to compare your Scope 3 emissions for the reporting year with those for the previous year for any sources?

Yes

CC14.3a

Please identify the reasons for any change in your Scope 3 emissions and for each of them specify how your emissions compare to the previous year

Sources of Scope 3 emissions	Reason for change	Emissions value (percentage)	Direction of change	Comment
Purchased goods & services	Other: Normal fluctuations in demand	6	Increase	Potable water use increased by 6% relative to 2015. This falls within normal fluctuations in demand.

Sources of Scope 3 emissions	Reason for change	Emissions value (percentage)	Direction of change	Comment
Fuel- and energy-related activities (not included in Scopes 1 or 2)	Emissions reduction activities	46	Decrease	Mobile diesel consumption, the largest contributor, decreased because of reduced production and emission reduction activities
Upstream transportation & distribution	Other: No change	0	No change	There was no change in emissions from this category.
Waste generated in operations	Change in physical operating conditions	8	Increase	The quantity of non-hazardous waste generated increased from 162 kt in 2015 to 174 kt in 2016 because the Lake Charles operation reported larger quantities due to the construction work happening on site.
Business travel	Other: Change in distance travelled	40	Decrease	Business travel emissions have gone down by about 40%, largely because of a reduction in business flight travel. This was as a result of reduced headcount and cost cutting activities
Employee commuting	Other: Change in employee numbers	2	Increase	Although Sasol's total number of employees decreased from 27,429 in 2015 to 26,934 in 2016, the number of employees in junior management employees increased (assumed to use own transport) and the number of semi-skilled employees decreased (assumed to travel by taxi).
Use of sold products	Change in output	2	Increase	The slight increase can be attributed to slightly higher natural gas sales in South Africa and Mozambique
Downstream leased assets	Acquisitions	14	Increase	Sasol's office floor space increased substantially with the opening of Sasol's new headquarters in Sandton.
Franchises	Acquisitions	2	Increase	The number of service stations increased from 386 in 2015 to 395 in 2016.

CC14.4

Do you engage with any of the elements of your value chain on GHG emissions and climate change strategies? (Tick all that apply)

Yes, our customers

CC14.4a

Please give details of methods of engagement, your strategy for prioritizing engagements and measures of success

Sasol receives requests from certain of its customers to provide greenhouse gas data. It engages directly with these customers by calculating the gate-to-gate carbon footprint of the particular product and disclosing that information to that customer. In addition, Sasol conducted a sustainable product survey in the reporting year where interviews with sales and marketing managers of the relevant products were held.

Strategy for prioritising engagements and how success is measured – we prioritised the engagements based on the specific requests that we receive from our customers and on the products that have some form of downstream environmental improvement benefit. We measure success based on the feedback we receive from our customers and our ability to respond with the appropriate data.

CC14.4b

To give a sense of scale of this engagement, please give the number of suppliers with whom you are engaging and the proportion of your total spend that they represent

Type of engagement	Number of suppliers	% of total spend (direct and indirect)	Impact of engagement
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CC14.4c

Please explain why you do not engage with any elements of your value chain on GHG emissions and climate change strategies, and any plans you have to develop an engagement strategy in the future

Further Information

Module: Sign Off

Page: CC15. Sign Off

CC15.1

Please provide the following information for the person that has signed off (approved) your CDP climate change response

Name	Job title	Corresponding job category
Submitted by: Shamini Harrington Approved by: Disclosure Working Group	SHE Policy and Sustainability Advisor	Other: Disclosure Committee

Further Information

Module: SupplyChain

Page: SM0. Supply Chain Module - Introduction

SM0.0

If you would like to do so, please take this opportunity to provide a separate introduction to this module

SM0.1

Please could you indicate your company's annual revenue for the stated reporting period?

Annual Revenue	Currency

SM0.2

Do you have an ISIN for your company that you would be willing to share with CDP?

SM0.2a

Please use the table below to share your ISIN

ISIN country code (2 letters)	ISIN numeric identifier and single check digit (10 numbers overall)
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Further Information

Page: SM1. Supply Chain - Allocation A

SM1.1

Please allocate your emissions to your customers listed below according to the goods or services you have sold them in this reporting period

Please note that this table (for SM1.1) is designed so that only the customer that you select in column 1 ("Please select the requesting member(s)") will be able to see the data relevant to them. If you enter an answer without selecting a requesting member, your answer will not be viewable at all.

Please select the requesting member(s)	Scope of emissions	Emissions in metric tonnes CO2e	Uncertainty (+/- %)	Major sources of emissions	Verified	Allocation method	Please explain how you have identified the GHG source, including major limitations to this process and assumptions made
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Further Information

Page: SM1. Supply Chain - Allocation B

SM1.2

Where published information has been used in completing SM1.1, please provide a reference(s)

SM1.3

What are the challenges in allocating emissions to different customers and what would help you to overcome these challenges?

Allocation challenges	Please explain what would help you overcome challenges
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SM1.4

Do you plan to develop your capabilities to allocate emissions to your customers in the future?

SM1.4a

Please describe how you plan to develop your capabilities

SM1.4b

Please explain why you do not plan to develop capabilities to allocate emissions to your customers

Further Information

Page: SM2. Supply Chain - Collaboration

SM2.1

Please use the table below to communicate any proposals you would like to make to specific CDP supply chain members for the collaborative development of GHG emission reducing projects or products

Please do NOT include details of existing commercial offerings of which your customer will already be aware. Use this as an opportunity to think about how you can work with your customer to reduce the emissions associated with the goods and services you provide to your customer.

Please note that this table (for SM2.1) is designed so that only the customer that you select in column 1 ("Please select requesting member") will be able to see the data relevant to them. If you enter an answer without selecting a requesting member, your answer will not be viewable at all.

Please select requesting member	Type of project	Emissions reduction project or product consists of	Estimated timeframe for carbon reductions to be realized	Estimated lifetime CO2e savings	Details of proposal
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SM2.2

Have requests or initiatives by CDP supply chain members prompted your organization to take organizational-level emissions reduction initiatives?

SM2.2a

Please select the requesting member(s) that have driven organizational-level emissions reduction initiatives?

Please select the requesting member(s) that have driven a reduction	Initiative ID	Describe the reduction initiative	Give reduction for the reporting year in metric tonnes of CO2e	Did you identify this opportunity as part of the CDP Supply Chain Action Exchange?	Would you be happy for CDP supply chain members to highlight this work in their external communication?
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Further Information

Page: SM3. Supply Chain - Product Introduction

SM3.1

Are you providing product level data for your organization's goods or services, if so, what functionality will you be using?

SM3.1a

Please give the overall percentage of total emissions, for all scopes, that are covered by these products

SM3.2

Please describe the goods/services for which you want to provide data using the following template and attach it to the response

SM3.2a

Please complete the following table for the goods/services for which you want to provide data

Name of good/service	Description of good/service	Type of product	SKU (Stock Keeping Unit)	Total emissions in kg CO2e per unit	+/- % change from previous figure supplied	Date of previous figure supplied	Explanation of change	Methods used to estimate lifecycle emissions
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Further Information

Page: SM3. Supply Chain - Product Lifecycle Stages

SM3.2b

Please complete the following table with data for lifecycle stages of your goods and/or services

Name of good/service	Please select the scope	Please select the lifecycle stage	Emissions (kg CO2e) per unit at the lifecycle stage	Is this stage under your ownership or control?	Type of data used	Data quality	If you are verifying/assuring this product emission data, please tell us how
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Further Information

Page: SM3. Supply Chain - Product Emissions Reductions

SM3.2c

Please detail emission reduction initiatives completed or planned for this product

Name of good/service	Initiative ID	Description of initiative	Completed or planned	Emissions reductions in kg CO2e per unit
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SM3.2d

Have any of the initiatives described in SM3.2c been driven by requesting members?

SM3.2e

Please explain which initiatives have been driven by requesting members

Requesting member(s)	Name of good/service	Initiative ID
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Further Information

Page: SM4. Action Exchange

SM4.1

Do you want to enroll in the 2017-2018 CDP Action Exchange initiative?

SM4.1a

Please identify which Member(s), if any, have motivated you to take part in Action Exchange this year

Please identify which Member(s), if any, have motivated you to take part in Action Exchange this year

SM4.1b

Please select the types of emissions reduction activities that your company would like support in analyzing or implementing in the next reporting year

SM4.1c

As part of Action Exchange, would you like facility level analysis?

SM4.2

Is your company a participating supplier in CDP's 2016-2017 Action Exchange initiative?

SM4.2a

Describe how your company actively considered emissions reduction projects as a result of Action Exchange. If you do not have any emissions reduction activities resulting from Action Exchange at any stage of implementation, please explain why not in the second column

Type of project	Details of proposal
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Further Information

Module: Current State

Page: W1. Context

W1.1

Please rate the importance (current and future) of water quality and water quantity to the success of your organization

Water quality and quantity	Direct use importance rating	Indirect use importance rating	Please explain
Sufficient amounts of good quality freshwater available for use	Vital for operations	Important	Sasol requires a reliable supply of water of good quality to run its operations - primarily to generate steam and cool processes - making water a vital input for our operations. Sasol has an extensive value chain reaching into for example urban settlements (fuels, chemicals), agriculture (fertiliser) and mining (explosives) sectors where linkages to water availability and water quality are important considerations. The electricity utility Eskom, which supplies a portion of the required electricity to Sasol, is also reliant on the IVRS for water and is a critical supply chain partner.
Sufficient amounts of recycled, brackish and/or produced water available for use	Vital for operations	Important	Sasol's Fischer Tropsch (FT) process generates significant quantities of effluent which are upgraded and recycled back into the process which is beneficially critical in the operations but also done to reduce demand on fresh water. In South Africa where there is a large reliance on recycled urban drainage for downstream use it remains an important consideration in Sasol's water value chain. In the case of the Integrated Vaal River system the way urban return flows are managed (from both a quality and quantity perspective) is important in that it has an effect on the water security of all water users on the catchment.

W1.2

For your total operations, please detail which of the following water aspects are regularly measured and monitored and provide an explanation as to why or why not

Water aspect	% of sites/facilities/operations	Please explain
Water withdrawals- total volumes	76-100	Our most significant water withdrawal is from the Integrated Vaal River system supplying water to the inland region of South Africa. Our demand constitutes about 3.5% of the total yield from this system.
Water withdrawals- volume by sources	76-100	These figures are reported in the Sasol Sustainable Development Report (SDR).
Water discharges- total volumes	76-100	Total Effluent discharged for Sasol Operations Reported globally.
Water discharges- volume by	76-100	The figures are reported for SA Operations where the bulk of the water is used.

Water aspect	% of sites/facilities/operations	Please explain
destination		
Water discharges- volume by treatment method	76-100	Known but not reported as per CDP category but as total.
Water discharge quality data- quality by standard effluent parameters	76-100	Known and measured due to water use license conditions.
Water consumption- total volume	76-100	As published in SDR.
Facilities providing fully-functioning WASH services for all workers	76-100	This is in compliance to the South African Occupational Health and Safety (OSH) Act.

W1.2a

Water withdrawals: for the reporting year, please provide total water withdrawal data by source, across your operations

Source	Quantity (megaliters/year)	How does total water withdrawals for this source compare to the last reporting year?	Comment
Fresh surface water	107332	Higher	A 4% increase since 2015.
Brackish surface water/seawater	955	About the same	A significant decrease since 2015
Rainwater	0	Not applicable	Not reported.
Groundwater - renewable	22101	Lower	This value is 6% lower than 2015
Groundwater - non-renewable	0	Not applicable	
Produced/process water	0	Not applicable	
Municipal supply	8265	Higher	There has been a 6% increase since 2015.
Wastewater from another organization	0	Not applicable	

Source	Quantity (megaliters/year)	How does total water withdrawals for this source compare to the last reporting year?	Comment
Total	138623	Higher	This is within acceptable fluctuation in demand compared to our water consumption of 135,5 million m3 in 2015.

W1.2b

Water discharges: for the reporting year, please provide total water discharge data by destination, across your operations

Destination	Quantity (megaliters/year)	How does total water discharged to this destination compare to the last reporting year?	Comment
Fresh surface water	22659	Lower	The bulk of this is from South African Operations. Sasolburg and Secunda Operations. These operations also treat the town's sewerage hence no discharge to municipality.
Brackish surface water/seawater	0	Not applicable	
Groundwater	0	Not applicable	
Municipal/industrial wastewater treatment plant	4884	Higher	The bulk of this volume is due to our Eurasian Operations having their effluent treated at municipal treatment plants.
Wastewater for another organization	0	Not applicable	
Total	27543	Lower	Based on the reported 2015 liquid effluent there has been a 6% decrease in total liquid effluent discharged.

W1.2c

Water consumption: for the reporting year, please provide total water consumption data, across your operations

Consumption (megaliters/year)	How does this consumption figure compare to the last reporting year?	Comment
138623	Higher	This is within acceptable fluctuation in demand compared to our water consumption of 135,5 million m3 in 2015.

W1.3

Do you request your suppliers to report on their water use, risks and/or management?

No

W1.3a

Please provide the proportion of suppliers you request to report on their water use, risks and/or management and the proportion of your procurement spend this represents

Proportion of suppliers %	Total procurement spend %	Rationale for this coverage
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W1.3b

W1.4b

Please choose the option below that best explains why you do not know if your organization experienced any detrimental impacts related to water in the reporting year and any plans you have to investigate this in the future

Primary reason	Future plans
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Further Information

Module: Risk Assessment

Page: W2. Procedures and Requirements

W2.1

Does your organization undertake a water-related risk assessment?

Water risks are assessed

W2.2

Please select the options that best describe your procedures with regard to assessing water risks

Risk assessment procedure	Coverage	Scale	Please explain
Comprehensive company-wide risk assessment	Direct operations	All facilities	A Sasol global enterprise risk management process is adopted. The Group Risk and SHE function is responsible for developing and enabling implementation and monitoring risk management processes across the group including water risks related to security of supply and extreme weather.

W2.3

Please state how frequently you undertake water risk assessments, at what geographical scale and how far into the future you consider risks for each assessment

Frequency	Geographic scale	How far into the future are risks considered?	Comment
Annually	River basin	>6 years	An annual detailed analysis of the water risk facing South African operations which are dependent on the Integrated Vaal River System is undertaken. Further the monitoring of key changes and developments around the water supply risk is reported on quarterly. https://www.dwa.gov.za/Projects/VaalWRMS/documents.aspx

W2.4

Have you evaluated how water risks could affect the success (viability, constraints) of your organization's growth strategy?

Yes, evaluated over the next 1 year

W2.4a

Please explain how your organization evaluated the effects of water risks on the success (viability, constraints) of your organization's growth strategy?

The Sasol South African Operations are a large bulk industrial user of water from the Integrated Vaal River System (IVRS) and hence Sasol plays a prominent role in the Vaal River System planning committee to understand the ongoing water security risks and the effectiveness of the responses to address any potential shortcomings in supply. The water risks identified are as follows:

- The growing demand for water due to urbanization.
- The in-effectiveness of the water conservation and water demand management measures expected from the Municipalities reliant for water from the IVRS to address specifically poor consumer behaviour and leaks from aging infrastructure.
- The growing need for fresh water to dilute legacy Acid Mine Drainage (AMD) entering the Vaal River system.
- Delays in the implementation of Phase 2 of Lesotho Highlands Water Project targeted for completion by 2025 which aims to introduce new water into the IVRS.
- The impacts of climate change on water security
- More current risks are ageing and poor maintenance of infrastructure by the Department of Water and sanitation.

Sasol continues to evaluate and respond to water security risks, both on the bulk and potable water supply. A water security tracking tool has been developed and is currently being used. Water Stewardship principles are being applied to assist in mitigating some of these risks.

In May 2016 a decision was taken to implement water restrictions in the IVRS due to declining dam levels. This would mean potable water restrictions will be imposed by municipalities in FY 17.

W2.4b

What is the main reason for not having evaluated how water risks could affect the success (viability, constraints) of your organization's growth strategy, and are there any plans in place to do so in the future?

Main reason	Current plans	Timeframe until evaluation	Comment
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W2.5

Please state the methods used to assess water risks

Method	Please explain how these methods are used in your risk assessment
CEO Water Mandate's 'Understanding Key Water Stewardship Terms'	<p>Sasol is a signatory to the UN Global Compact CEO water Mandate and we adopt the mandates water stewardship framework in assessing and responding to water risks. The water security situation for the Sasol SA Operations is continuously assessed by the sustainable water group housed within the Risk and SHE Function who remain actively involved in the planning and operation performance monitoring of the Integrated Vaal River system. The Operation of the Vaal River system involves on an Annual Basis (April to May) the Department of Water and Sanitation (supported by Professional Service Providers) undertaking a scenario planning exercise. This is then followed by several stochastic computer simulations being done projecting the ability of the Vaal River system to provide water to all users. Sasol's water requirement is included in the water planning model. The model confirms whether any curtailments are necessary. For the year in review, on the 31st May 2016 a decision was taken at the Annual Vaal Operating Analysis Forum that a 50% of a level 1 restriction needs to be imposed on water users of the Integrated Vaal River System (IVRS). The decision was informed by the deteriorating water storage levels experienced in the IVRS due to insufficient rains. The following restrictions were then recommended to the Minister of the Department of Water and Sanitation (DWS) to be imposed on its customers: •15% for Urban users (Raw Water supplied to Water Boards like Rand Water who then treat this water and supply potable water to municipalities and businesses) • 5% for Industrial users (raw water supplied to non-strategic users by the DWS) • 0% for Strategic users (Sasol and Eskom and the mines that supply these Strategic industries with coal) • 20% for Irrigation (Raw water used by irrigation farmers)</p>

W2.6

Which of the following contextual issues are always factored into your organization's water risk assessments?

Issues	Choose option	Please explain
Current water availability and quality parameters at a local level	Relevant, included	Critical issue to securing water to operations.
Current water regulatory frameworks and tariffs at a local level	Relevant, included	Due to potential impact on operational costs.
Current stakeholder conflicts concerning water resources at a local level	Relevant, included	Supports stakeholder engagement and reputation management.

Issues	Choose option	Please explain
Current implications of water on your key commodities/raw materials	Relevant, included	Example is understanding the water footprint of our coal and natural gas feedstock.
Current status of ecosystems and habitats at a local level	Relevant, included	This is part of the Operations legal requirements as well as our water stewardship initiatives.
Current river basin management plans	Relevant, included	Sasol is part of the Vaal River Strategy steering committee providing information and oversight on interventions
Current access to fully-functioning WASH services for all employees	Relevant, included	The SHE function within Sasol makes certain that WASH services are implemented and maintained at all operational sites through accredited service providers.
Estimates of future changes in water availability at a local level	Relevant, included	Service providers appointed by the Department of Water and Sanitation make contact with users on an annual basis to obtain future water projections . This information is then shared at the Vaal River strategy steering committee of which Sasol is an active participant.
Estimates of future potential regulatory changes at a local level	Relevant, included	Sasol is in regular contact with the Department of Water and Sanitation (DWS) and provides input on regulatory issues under development – either directly or through an appropriate collective business platform such as Business Unity South Africa (BUSA)
Estimates of future potential stakeholder conflicts at a local level	Relevant, included	Foresee service delivery issues to communities around our operations which municipalities fail to provide.
Estimates of future implications of water on your key commodities/raw materials	Relevant, included	We always take a long term view when assessing water risks and required water stewardship responses.
Estimates of future potential changes in the status of ecosystems and habitats at a local level	Relevant, included	One of the identified risks is the impact of releasing acid mine drainage (AMD). If not treated the deterioration in water quality is expected. Poorly run municipal treatment plants and monitoring of industrial practices will also contribute to deteriorating water quality.
Scenario analysis of availability of sufficient quantity and quality of water relevant for your operations at a local level		Recognizing our complex water landscape we consider alternative future outcomes.
Scenario analysis of regulatory and/or tariff changes at a local level	Relevant, included	Basis here would be predicting future water restrictions and conditions imposed in the Water Services Act (South Africa).
Scenario analysis of stakeholder conflicts concerning water resources at a local level	Relevant, included	Municipalities not being in a position to provide adequate water treatment services as well as restricting users on potable water supply will result in conflict.
Scenario analysis of implications of water on your key commodities/raw materials	Relevant, included	One major risk is electricity outages and the impact on supply of water. The impact of managing and treating water in our coal mining activities is another factor.
Scenario analysis of potential changes in the status of ecosystems and habitats at a local level	Relevant, included	The delay in treating AMD is a critical factor. Also the quality of water discharged by industry and municipalities play a huge role.
Other		

W2.7

Which of the following stakeholders are always factored into your organization's water risk assessments?

Stakeholder	Choose option	Please explain
Customers	Relevant, included	Factored into our stakeholder mapping process.
Employees		An awareness raising drive has been implemented to educate and inform employees on how critical it is to conserve water.
Investors	Relevant, included	Through disclosure we inform investors to our water management initiatives
Local communities	Relevant, included	Factored into our stakeholder mapping process.
NGOs	Relevant, included	Factored into our stakeholder mapping process.
Other water users at a local level	Relevant, included	Factored into our stakeholder mapping process.
Regulators	Relevant, included	Factored into our stakeholder mapping process.
River basin management authorities	Relevant, included	More from implementing stricter Water Use license conditions or imposing water restrictions
Statutory special interest groups at a local level	Relevant, included	Related for example to the planning and maintenance on the pipelines supplying water
Suppliers	Relevant, included	Mainly focused on our utility supplier Eskom. the DWS and Rand Water.
Water utilities at a local level	Relevant, included	Specifically focused on the supply of potable water to our large operations.
Other		

W2.8

Please choose the option that best explains why your organisation does not undertake a water-related risk assessment

Primary reason	Please explain
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Further Information

Module: Implications

Page: W3. Water Risks

W3.1

Is your organization exposed to water risks, either current and/or future, that could generate a substantive change in your business, operations, revenue or expenditure?

Yes, direct operations and supply chain

W3.2

Please provide details as to how your organization defines substantive change in your business, operations, revenue or expenditure from water risk

Substantive change can be brought about due to the following factors:

- Physical: this is mostly related to failure of the infrastructure supplying Sasol from the IVRS which will impact on operations i.e. loss of production/revenue. If water quality deteriorates it will result in Sasol incurring more costs to treat the water.
 - Regulatory: these include targets or restrictions that DWS may impose on Sasol.
 - Reputational: These are related around our communities and investors. Communities have a right to basic services like water and sanitation. By not having such services could lead to protest actions. Further, our employees live in these communities and we have a responsibility to their health and well being.
-

W3.2a

Please provide the number of facilities* per river basin exposed to water risks that could generate a substantive change in your business, operations, revenue or expenditure; and the proportion of company-wide facilities this represents

Country	River basin	Number of facilities exposed to water risk	Proportion of company-wide facilities that this represents (%)	Comment
South Africa	Orange	2	71-80	The impact would be to our Secunda and Sasolburg operations which require water at a high security of supply and of good quality.
South Africa				

W3.2b

For each river basin mentioned in W3.2a, please provide the proportion of the company's total financial value that could be affected by water risks

Country	River basin	Financial reporting metric	Proportion of chosen metric that could be affected	Comment
South Africa	Orange	% global production capacity	71-80	Raw water supply is a key feedstock to our operations. Loss in water supply or a deterioration in water quality would have a direct impact on Sasol's bottom line.

W3.2c

Please list the inherent water risks that could generate a substantive change in your business, operations, revenue or expenditure, the potential impact to your direct operations and the strategies to mitigate them

Country	River basin	Risk driver	Potential impact	Description of potential impact	Timeframe	Likelihood	Magnitude of potential financial impact	Response strategy	Costs of response strategy	Details of strategy and costs
South Africa	Orange	Physical- Increased water scarcity Regulatory- Unclear and/or unstable regulations on water allocation and wastewater discharge Reputational- Community opposition	Plant/production disruption leading to reduced output	Total restriction of river water supply to our 2 most significant operations being Sasol Secunda and Sasolburg.	>6 years	Unlikely	High	Alignment of public policy positions with water stewardship goals		

W3.2d

Please list the inherent water risks that could generate a substantive change in your business operations, revenue or expenditure, the potential impact to your supply chain and the strategies to mitigate them

Country	River basin	Risk driver	Potential impact	Description of potential impact	Timeframe	Likelihood	Magnitude of potential financial impact	Response strategy	Costs of response strategy	Details of strategy and costs
South Africa	Orange	Physical-Increased water scarcity	Plant/production disruption leading	Loss of production	>6 years	Highly probable	High	Engagement with other		

Country	River basin	Risk driver	Potential impact	Description of potential impact	Timeframe	Likelihood	Magnitude of potential financial impact	Response strategy	Costs of response strategy	Details of strategy and costs
		Regulatory-Unclear and/or unstable regulations on water allocation and wastewater discharge Reputational-Community opposition	to reduced output					stakeholders in the river basin		

W3.2e

Please choose the option that best explains why you do not consider your organization to be exposed to water risks in your direct operations that could generate a substantive change in your business, operations, revenue or expenditure

Primary reason	Please explain
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W3.2f

Please choose the option that best explains why you do not consider your organization to be exposed to water risks in your supply chain that could generate a substantive change in your business, operations, revenue or expenditure

Primary reason	Please explain
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W3.2g

Please choose the option that best explains why you do not know if your organization is exposed to water risks that could generate a substantive change in your business operations, revenue or expenditure and discuss any future plans you have to assess this

Primary reason	Future plans
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Further Information

Page: W4. Water Opportunities

W4.1

Does water present strategic, operational or market opportunities that substantively benefit/have the potential to benefit your organization?

Yes

W4.1a

Please describe the opportunities water presents to your organization and your strategies to realize them

Country or region	Opportunity	Strategy to realize opportunity	Estimated timeframe	Comment
South Africa	Cost savings	Water Offsetting	>6 years	Drive water Conservation and water demand management (WC/WDM) initiatives through Water Stewardship principles. Also to demonstrate far greater water savings can be achieved by embarking on WC/WDM in communities than within our factory boundaries. Sasol has the potential to be a suitable off-taker for treated legacy Acid Mine Drainage from DWS which could improve our security of supply. On Sasol's communication on progress to the UNGC CEO Water Mandate please access the following site: http://www.sasol.com/extras/AIR_2016/downloads/sustainability

W4.1b

Please choose the option that best explains why water does not present your organization with any opportunities that have the potential to provide substantive benefit

Primary reason	Please explain
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W4.1c

Please choose the option that best explains why you do not know if water presents your organization with any opportunities that have the potential to provide substantive benefit

Primary reason	Please explain
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Further Information

Module: Accounting

Page: W5. Facility Level Water Accounting (I)

W5.1

Water withdrawals: for the reporting year, please complete the table below with water accounting data for all facilities included in your answer to W3.2a

Facility reference number	Country	River basin	Facility name	Total water withdrawals (megaliters/year) at this facility	How does the total water withdrawals at this facility compare to the last reporting year?	Please explain
Facility 1	South Africa	Orange	Sasol Secunda Operations	93251	Higher	Growth in production.
Facility 2	South Africa	Orange	Sasolburg Operations	22973	Higher	Growth in production.

Further Information

Page: W5. Facility Level Water Accounting (II)

W5.1a

Water withdrawals: for the reporting year, please provide withdrawal data, in megaliters per year, for the water sources used for all facilities reported in W5.1

Facility reference number	Fresh surface water	Brackish surface water/seawater	Rainwater	Groundwater (renewable)	Groundwater (non-renewable)	Produced/process water	Municipal water	Wastewater from another organization	Comment
Facility 1	84229	0	0	0	7114	0	1905	0	Both Fresh Water and municipal water increased compared to 2015
Facility 2	20994	0	0	0	0	0	1985	0	Fresh Water increased but potable water remained the same

W5.2

Water discharge: for the reporting year, please complete the table below with water accounting data for all facilities included in your answer to W3.2a

Facility reference number	Total water discharged (megaliters/year) at this facility	How does the total water discharged at this facility compare to the last reporting year?	Please explain
Facility 1	4060	Lower	not substantive
Facility 2	12821	About the same	not substantive

W5.2a

Water discharge: for the reporting year, please provide water discharge data, in megaliters per year, by destination for all facilities reported in W5.2

Facility reference number	Fresh surface water	Municipal/industrial wastewater treatment plant	Seawater	Groundwater	Wastewater for another organization	Comment
Facility 1	4060	0	0	0	0	Sasol SA operations have their own sewerage treatment facility hence all discharge is to the River.
Facility 2	12821	0	0	0	0	Sasol SA operations have their own sewerage treatment facility hence all discharge is to the River.

W5.3

Water consumption: for the reporting year, please provide water consumption data for all facilities reported in W3.2a

Facility reference number	Consumption (megaliters/year)	How does this compare to the last reporting year?	Please explain
Facility 1	93251	Higher	Water withdrawn equivalent to water used.
Facility 2	22973	Higher	Water withdrawn equivalent to water used.

W5.4

For all facilities reported in W3.2a what proportion of their water accounting data has been externally verified?

Water aspect	% verification	What standard and methodology was used?
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Water aspect	% verification	What standard and methodology was used?
Water withdrawals- total volumes	76-100	It's done by individual business units through the SDR reporting process.
Water withdrawals- volume by sources	76-100	It's done by individual business units through the SDR reporting process.
Water discharges- total volumes	76-100	It's done by individual business units through the SDR reporting process.
Water discharges- volume by destination	76-100	It's done by individual business units through the SDR reporting process.
Water discharges- volume by treatment method	76-100	It's done by individual business units through the SDR reporting process.
Water discharge quality data- quality by standard effluent parameters	76-100	It's done by individual business units through the SDR reporting process.
Water consumption- total volume	76-100	It's done by individual business units through the SDR reporting process.

Further Information

http://www.sasol.com/extras/AIR_2016/downloads/sustainability

Module: Response

Page: W6. Governance and Strategy

W6.1

Who has the highest level of direct responsibility for water within your organization and how frequently are they briefed?

Highest level of direct responsibility for water issues	Frequency of briefings on water issues	Comment
Board of individuals/Sub-set of the Board or other committee appointed by the Board	Scheduled- quarterly	The Risk and SHE function comprises experts from the corporate centre and also from our various operating entities. It is mandated to develop, implement and monitor the enterprise risk and SHE management processes across the Group, ensuring and assuring adherence to Group risk and SHE requirements. The Risk and SHE function reports on consolidated group-wide SHE performance, compliance and risk management to the relevant governance structures of which reporting on water related risks are included.

W6.2

Is water management integrated into your business strategy?

Yes

W6.2a

Please choose the option(s) below that best explains how water has positively influenced your business strategy

Influence of water on business strategy	Please explain
Introduction of water management KPIs	Sasol's largest water users have set the following new voluntary water targets applicable for a five-year period up to 2020: • Sasolburg Operations: maintain the 2015 baseline of 9,6 tons of water use per ton of saleable production, and reported a 10% deterioration against the baseline during 2016; • Secunda Synfuels Operations: achieve a 2,5% improvement in water intensity against actual consumption in 2014 of 11,58 tons of water use per ton of saleable production, but reported a 1% deterioration against the baseline during 2016; and • Mining, restricted the increase in potable water use to a maximum of 10%, and reported a 10% improvement against baseline during 2016.

W6.2b

Please choose the option(s) below that best explains how water has negatively influenced your business strategy

Influence of water on business strategy	Please explain
No measurable influence	

W6.2c

Please choose the option that best explains why your organization does not integrate water management into its business strategy and discuss any future plans to do so

Primary reason	Please explain

W6.3

Does your organization have a water policy that sets out clear goals and guidelines for action?

Yes

W6.3a

Please select the content that best describes your water policy (tick all that apply)

Content	Please explain why this content is included
Company-wide	The water use license conditions may differ from country to country but the principles of water conservation and demand management is applied Company wide since Sasol is a global company.

W6.4

How does your organization's water-related capital expenditure (CAPEX) and operating expenditure (OPEX) during the most recent reporting year compare to the previous reporting year?

Water CAPEX (+/- % change)	Water OPEX (+/- % change)	Motivation for these changes
-12	0.3	This information is provided from Facility 1 (Sasol Secunda Operations) .The downward change in CAPEX is on account of poor capital cash flow performance on the big water related projects (i.e. Construction of fine ash dam 6, Water Works Process Optimization and Second life cycle replacement of corroded fire water network (Phase2). The OPEX appear to remain unchanged but that as a result of the increase at Business Unit: Water & Ash being annulled by the OPEX improvement at Water Works.

Further Information

Page: **W7. Compliance**

W7.1

Was your organization subject to any penalties, fines and/or enforcement orders for breaches of abstraction licenses, discharge consents or other water and wastewater related regulations in the reporting year?

No

W7.1a

Please describe the penalties, fines and/or enforcement orders for breaches of abstraction licenses, discharge consents or other water and wastewater related regulations and your plans for resolving them

Facility name	Incident	Incident description	Frequency of occurrence in reporting year	Financial impact	Currency	Incident resolution
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W7.1b

What proportion of your total facilities/operations are associated with the incidents listed in W7.1a?

W7.1c

Please indicate the total financial impacts of all incidents reported in W7.1a as a proportion of total operating expenditure (OPEX) for the reporting year. Please also provide a comparison of this proportion compared to the previous reporting year

Impact as % of OPEX	Comparison to last year
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Further Information**Page: W8. Targets and Initiatives**

W8.1

Do you have any company wide targets (quantitative) or goals (qualitative) related to water?

Yes, targets and goals

W8.1a

Please complete the following table with information on company wide quantitative targets (ongoing or reached completion during the reporting period) and an indication of progress made

Category of target	Motivation	Description of target	Quantitative unit of measurement	Base-line year	Target year	Proportion of target achieved, % value
Reduction of product water intensity	Water stewardship	Secunda Synfuels Operations to achieve a 2,5% improvement in water intensity against actual consumption in 2014 of 11,58 tons of water use per ton of saleable production.	% reduction per unit of production	2014	2020	0%
Reduction of product water intensity	Water stewardship	Sasolburg Operations: maintain the 2015 baseline of 9,6 tons of water use per ton of saleable production	% reduction per unit of production	2015	2020	0%

W8.1b

Please describe any company wide qualitative goals (ongoing or reached completion during the reporting period) and your progress in achieving these

Goal	Motivation	Description of goal	Progress
Strengthen links with local community	Water stewardship	Help host municipalities achieve water conservation/water demand targets.	<ul style="list-style-type: none"> • Sasol is involved in a water conservation/water demand management baseline setting project for the Metsimaholo Local Municipality (MLM) in Sasolburg, in collaboration with Rand Water (as implementing agent), GiZ and the DWS. The DWS contributed R4 million, Sasol R2.9 million and GiZ 60,000 Euros. Once the baseline work has been completed it will provide for focused attention on areas experiencing high leaks. • Secunda Corporate Social Responsibility (CSR) has partnered with Cobra Watertech (Pty) Ltd to assess the feasibility of an innovative approach in dealing with high water leaks at six identified schools within Govan Mbeki Municipality (GMM). The approach involved installing a device called Aquatrip that trips the water supply during non- operational periods. Plumbers have also been trained to fix visible leaks. On average, savings of more than 60% of losses have been realised in the first month of implementation.

W8.1c

Please explain why you do not have any water-related targets or goals and discuss any plans to develop these in the future

Further Information

Module: Linkages/Tradeoff

Page: W9. Managing trade-offs between water and other environmental issues

W9.1

Has your organization identified any linkages or trade-offs between water and other environmental issues in its value chain?

Yes

W9.1a

Please describe the linkages or trade-offs and the related management policy or action

Environmental issues	Linkage or trade-off	Policy or action
Air Quality	Linkage	Integrate water conservation and demand management with reducing air emissions. eg reducing emissions from waste water treatment plants. Also linking water conservation initiatives to meeting Enterprise and Supplier Development group targets.

Further Information

Module: Sign Off

Page: Sign Off

W10.1

Please provide the following information for the person that has signed off (approved) your CDP water response

Name	Job title	Corresponding job category
Oliver Naidu	VP SHE Enablement	Environment/Sustainability manager

W10.2

Please indicate that your organization agrees for CDP to transfer your publicly disclosed data regarding your response strategies to the CEO Water Mandate Water Action Hub.

Note: Only your responses to W1.4a (response to impacts) and W3.2c&d (response to risks) will be shared and then reviewed as a potential collective action project for inclusion on the WAH website.

By selecting Yes, you agree that CDP may also share the email address of your registered CDP user with the CEO Water Mandate. This will allow the Hub administrator to alert your company if its response data includes a project of potential interest to other parties using water resources in the geographies in which you operate. The Hub will publish the project with the associated contact details. Your company will be provided with a secure log-in allowing it to amend the project profile and contact details.

Yes

Further Information

Module: Water Supply Chain Module

Page: SW1. Facilities Exposed To Water Risk

SW1.1

Are you able to identify whether water-related impacts on any of the facilities reported in W5.1 could have an impact on a customer?

Please select the facilities	Please select the requesting member(s)	Comment
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SW1.2

Are you able to provide geo-location data for your site facilities?

SW1.2a

Please attach the Excel template to this question

SW1.2b

What proportion of your revenue do the facilities listed in SW1.2a represent?

Further Information

Page: SW2. Collaborative Water Opportunities

SW2.1

Please use the table below to communicate any proposals you would like to make to specific CDP supply chain members for the collaborative development of water-related projects or reducing risk for facilities exposed to water risk

Please select the requesting member(s)	Motivation	Type of project	Estimated timeframe for project to be achieved	Projected outcome	Financial benefits	Details of project
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SW2.2

Have any water projects been implemented due to member engagement?

SW2.2a

Please select the requesting member(s) that have driven water projects

Please select the requesting member(s) that have driven a project	Describe the project	How much progress have you made towards the implementation of this project?
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Further Information

Page: SW3. Product Water Intensity

SW3.1

For the reporting period, please provide any available water intensity values for your organization's products or services across its operation

Country	River basin	Product name	Product unit	Water unit	Water intensity (Water unit/Product unit)	Water use type	Comment
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Further Information

CDP 2017 Supply Chain 2017 Information Request