

# UNITED NATIONS (UN) GLOBAL COMPACT

Communication on Progress (COP) including CEO Water Mandate 2022



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

## OUR PURPOSE | Innovating for a better world

Our Purpose compels us to deliver on triple bottom line outcomes of People, Planet and Profit, responsibly and with the intent to be a force for good. We have prioritised five Sustainable Development Goals (SDGs) to ensure our business is environmentally, socially and economically sustainable.

### OUR AMBITION

Grow shared value while accelerating our transition to Net Zero

### OUR SUSTAINABILITY STATEMENT

Advancing chemical and energy solutions that contribute to a thriving planet, society and enterprise

### About this COP

By incorporating the UN Global Compact principles into our business policies and procedures, we operate from a culture of integrity as encapsulated in our Code of Conduct and supporting policies. Best practices that meet the 21 Global Compact Advanced Criterion are included throughout this document. This COP provides a brief overview of our implementation of the UN Ten Principles and contain references to actions and policies relating to human rights, labour, anti-corruption and the environment. More detailed information is available in our 2022 Integrated Report [IR](#), Sustainability Report [SR](#), Climate Change Report [CCR](#) and in our GRI Standards content index.

This submission is intended as a stand-alone document and covers the period 1 July 2021 to 30 June 2022. Although this COP has not been assured by a credible third party, key aspects of our sustainability performance has been assured and an independent assurance statement is available in our [SR](#). Our suite of reports have been informed by various standards and initiatives, and have sought alignment with key reporting expectations and full compliance with all relevant legal requirements. Refer to [SR](#) or our reporting guidelines, standards and our reporting boundaries.

### Incorporating the SDGs into the COP (Criterion 15)

We show our contribution to our five prioritised SDGs supported by our Ambition and Sustainability Statement. We monitor our delivery to all SDGs, aspiring to improve our environmental, social and governance (ESG) ratings on a year-on-year basis with the ultimate aim of being included in the Dow Jones Sustainability Index.

We are committed to the Ten Principles of the UN Global Compact guiding us in our business activities.



### OUR SUSTAINABILITY FOCUS AREAS AND RELATED SDGS

#### Safe and enduring operations



SDG 8: Decent work and economic growth

Enhancing safe and enduring operations is critical to value preservation and creation in order to deliver on our strategy



SDG 9: Industry, innovation and infrastructure

Building resilient infrastructure, promote sustainable industries and foster innovation

#### Minimising our environmental footprint



SDG 12: Responsible consumption and production

Remaining committed to minimising our impact of our operations on the environment

#### Resilience in a low-carbon future



SDG 13: Climate action

Accelerating our transformational changes through partnerships, technology and innovation

#### Growing shared value



SDG 17: Partnerships for the goals

Working to create positive and measurable socio-economic impact responding to key societal challenges



// Growing shared value, while accelerating our transition. //

**Fleetwood Grobler**  
President and Chief Executive Officer

Dear stakeholder

## UNITED NATIONS GLOBAL COMPACT COMMITMENT

Our commitment to the UN Global Compact commenced in 2001. We are pleased to reaffirm that commitment and pledge our support for the UN Global Compact Ten principles, the CEO Water Mandate and the 21 criterion of the advanced level reporting programme.

Our Future Sasol strategy, introduced in September 2021, underpins our ambition to grow shared value for all our stakeholders, while we accelerate our transition to a low-carbon world. Framed within the triple bottom line outcomes of People, Planet and Profit, we have progress in each of these, in a reporting period characterised by significant change and uncertainty.

In light of the importance we place on partnerships, I am delighted to be a founding member of the UN Global Compact African Business Leaders Coalition (ABLC). The ABLC serves to unify and amplify Africa's business voice on the continent's most pressing issues that are not only core to us but also core to all our stakeholders.

We are committed to upholding the UN Global Compact's Ten Principles and use these principles in developing and growing a sustainable business for the future. This, together with our contribution towards the achievement of the SDGs is demonstrated in our progress reported in our 2022 Suite of Reports, namely the Integrated, Sustainability and Climate Change Reports.

The highlights of our achievements are contained within this COP, available at [www.sasol.com](http://www.sasol.com) and also uploaded to the UN Global Compact website.

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

Sincerely

**Fleetwood Grobler**  
President and CEO

26 August 2022

Our ambition, supported by our updated strategy, sets a clear path for us towards Net Zero. Focusing on Environmental, Social and Governance (ESG) matters remains a major focus for the Sasol Board of Directors and the Sasol Group Executive Committee (GEC) which is reflected in Sasol's Purpose - Innovating for a better world. Sound corporate governance principles and practices are the cornerstone of our business and the foundation of our strategy supporting the delivery of Future Sasol. The short-term incentive and long-term incentive targets are aligned with Future Sasol priorities and include a holistic focus on sustainability matters. For more detail refer to [IR](#) Strategic direction, Governance and Remuneration Report – (Criterion 1).

In pursuing our Purpose, and ambition to grow shared value while accelerating our transition, we proactively manage risk to enable the achievement of business objectives. For more detail refer to [IR](#) Risk management. Recognising that our impacts extend beyond our operations we continue to increase our focus on the entire value chain and engage proactively with stakeholders in our value chain. We have rolled out and embedded supplier due diligence questionnaire within our supplier screening and due diligence process, as part of ensuring policies and practices on preventing forced labour, child labour, discrimination, harassment, etc are in place. We expect our suppliers to act ethically and fairly and uphold fundamental business and human rights including fair labour practices and to be transparent in their business practices in accordance with our Supplier Code of Conduct. For more detail refer to [SR](#) Human Rights – (Criterion 2).

Our Purpose and our updated strategy led us to prioritising a fifth SDG in 2022, which is SDG 9. To further enhance our contribution to our five prioritised SDGs, we have identified the relevant sub-goals against which we are developing metrics to measure our performance. Our material matters are informed by our prioritised SDGs and the sub-goal metrics will enable an overall improvement on our sustainability performance, which is aligned with our ESG ambition and aim of being included in the Dow Jones Sustainability Index (DJSI). For more detail on our contribution to the SDGs refer to [SR](#) Prioritising SDGs and SDG Index – (Criterion 15).

At Sasol, we work to create a positive and measurable socio-economic impact, responding to key societal challenges in our operational geographies and fenceline communities. For more detail on our social

investment approach refer to [SR](#) Growing shared value – Sasol in Society (Criterion 16).

To strengthen collaboration and partnerships on the African continent, Sasol's President and Chief Executive Officer (CEO) accepted an invitation to join the founding group of the ABLC. We engage at all levels of government in order to contribute to the formation of sound public policy. We engage directly with government, as well as through industry bodies such as the South African National Business Initiative and Business Unity South Africa. For more detail refer to [SR](#) President and CEO statement and [CCR](#) Climate advocacy and policy. We have started pursuing demonstration opportunities and partnerships as well as exploring repurposing assets to unlock green hydrogen opportunities. This includes work on eco mobility, the HyShiFT Consortium on cleaner aviation fuels and our partnership with the Industrial Development Corporation to develop South Africa's hydrogen economy. Refer to [IR](#) Sasol Chemical, Energy and ecoFT at a glance, [SR](#) and [CCR](#) (Criterion 17 and 18).

Our CEO's letter addressing Sasol's commitment to the ten principles of the UN Global Compact is adjacent and part of this document. For more detail refer to [SR](#) President and CEO statement (Criterion 19).

The Group's governance structures are regularly reviewed and provide for the assignment of authority while enabling the Sasol Board of Directors to retain effective control. The structures support effective and ethical leadership, good corporate citizenship and sustainability and are applied in the best interests of Sasol and our stakeholders. The necessary policies and processes are in place to ensure all entities in the Group adhere to essential Group requirements and minimum governance standards. For more detail refer to [IR](#) Governance – (Criterion 20).

As a result of our contribution to economic activity, value addition to society and our social investments we have a wide range of stakeholders. We aim to create shared value through the employment of social and human capital by taking into account the issues that our stakeholders identify as most pertinent in helping or hindering us in delivering our strategy. We have done this in finalising our material matters and through robust engagements that provide us the opportunity to listen to our stakeholders while providing feedback on our activities. For more detail refer to [IR](#) Engaging with stakeholders and [CCR](#) Responding to stakeholder issues (Criterion 21).

HUMAN RIGHTS

Principle

Brief COP statement

- 1 Support and respect the protection of international human rights within their sphere of influence.
- 2 Make sure their own corporations are not complicit in human rights abuses.

Criterion 3, 4 and 5

Respect for human rights and dignity is critical for our business. We uphold and respect human rights and ensure integration of human rights into our business practices. Sasol’s commitment to uphold and respect human rights is captured in our Code of Conduct and our Human Rights Policy, as read with our Supplier Code of Conduct, Safety, Health and Environment (SHE) Policy and Security Policy.

Within Sasol, the term “Human Rights” is synonymous with “Business and Human rights” and our approach to business and human rights is aligned with the UN Guiding Principles on Business and Human Rights and the UN Global Compact and informed by the jurisdictions in which we operate. It is set out in our Code of Conduct, supported by other policies and practices together with our compliance programmes. We encourage our joint ventures, business partners and suppliers to implement similar policies within their business.

The Sasol Enterprise Risk Management Framework and Risk Management Approach are being applied to foster a systematic and standardised way to identify, prevent, mitigate and account for adverse impacts on human rights. This methodology will support how human rights impacts will be addressed and reported.

The responsibility to advance business and human rights resides with the Executive Director and Executive Vice President: Strategy, Sustainability and Integrated Services. The Human Rights Centre of Excellence is now headed by the Vice President: Securities and Governance Laws, following the restructuring of Sasol. The responsibility to implement and apply actions to advance human rights in the business also resides with the leadership of the businesses.

We are implementing a three-phased approach to assess the status of our risk management process in dealing with issues of business and human rights within Sasol. In addition, we have implemented a due diligence process which includes: risk identification in new businesses; risk identification of our value chain; risk identification of our own operations; risk mapping and periodic review; risk mitigation and processes implemented; mitigation plans in businesses; and the types of remediation action taken. A due diligence questionnaire for our suppliers has also been developed which will assist in assessing risks related to business and human rights in our supply chain processes and take appropriate steps to mitigate such risks.


Initiatives are continuing through our Enterprise Supplier Development and Centre for Shared Value Management to provide employees, members of communities and local partners with training and development and to support innovative solutions to tackle societal issues. Through our human rights awareness campaigns, we remind our employees about the company’s commitment to uphold and respect business and human rights in terms of the Sasol Human Rights Policy.


We offer employees and third parties the opportunity to make confidential disclosures to our EthicsLine, Group Ethics Office or trained Sasol Ethics Officers.


For more detail refer to:

**IR** Enterprise Risk Management, Engaging with stakeholders to deliver value

**SR** Human Rights and Ethics

 Human Rights Policy, Universal declaration on Human Rights, Sasol’s Modern Slavery Statement and Sasol’s Business and Human rights framework:  
<https://www.sasol.com/sustainability/human-rights>  
<https://www.sasol.com/sustainability/human-due-diligence-process>

 Sasol Code of Conduct, Slavery and Human Trafficking Statement:  
<https://www.sasol.com/sustainability/ethics/sasol-code-of-conduct>

 Group SHE Policy:  
<https://www.sasol.com/sustainability/safety>

LABOUR

Principle

Brief COP statement

- 3 Freedom of association and the effective recognition of the right to collective bargaining.
- 4 The elimination of all forms of forced and compulsory labour.
- 5 The effective abolition of child labour.
- 6 The elimination of discrimination in respect of employment and occupation.

Criterion 6, 7 and 8

Fundamental to creating value is attracting, developing and retaining high-performing people. We are committed to offering a compelling employee value proposition, fostering positive relationships with our employees, developing our leadership capability, promoting a diverse and inclusive culture and developing talent and critical skills.

We maintained constructive relationships and enabled improved working conditions by: Recognising and respecting the right to collective bargaining as part of trade union recognition agreements; Engaging and ensuring effective partnerships with all recognised trade unions and works councils in all the countries within which we operate; Ensuring that key stakeholders retained consultative or negotiating powers on issues of mutual interest in line with applicable labour laws; Regularly reviewing and updating our policies and procedures in line with business, legislative requirements and key conventions of the International Labour Organisation; and Implementing appropriate strategies on multi-sectoral wage negotiations and ensuring labour stability.

The Sasol Code of Conduct and Sasol’s commitment to the UN Global Compact principles specifically prevent forced labour. All labour is sourced from the open labour market; employees are provided with labour contracts in accordance with relevant labour legislation and are free to resign at any time.

Our Enterprise Risk Management process and stakeholder engagement processes expose our levels of risk with respect to labour principles. We have forged strong relationships with trade unions and we regularly engage and discuss our progress in addressing labour standards.

We expect our suppliers to act ethically, fairly, to comply with all applicable laws and regulations, uphold fundamental human rights including fair labour practices and to be transparent in their business practices in accordance with our Supplier Code of Conduct. Our Supplier Code of Conduct affirms that all human beings have the right to work freely and of their own free will in accordance with applicable legislation. It requires suppliers not to participate in or benefit from any form of forced labour – which is work performed involuntarily under threat of penalty. In this context, forced labour includes bonded labour, debt bondage, forced prison labour, slavery, servitude or human trafficking. We also conduct due diligence investigations in respect of prospective transactions, contracting parties and business partners. We have not detected any significant issues relating to incidents of forced or compulsory labour. The Ethics Line is available to all employees (and other stakeholders) to report any transgressions.

Sasol has a number of policies that provide Sasol’s position on matters such as child labour and our support to eliminate discrimination in respect of employment and occupation. The Sasol Code of Conduct expressly states that we are against child labour and for the abolishment of modern slavery and human trafficking and that our commitments are informed by the International Bill of Rights, applicable UN Global Compact guiding principles and internationally accepted codes of conduct and performance standards. We monitor and ensure our compliance with the labour legislation in all of the countries where we operate. Through the implementation of our supplier engagement plan, we review the practices of suppliers and contractors.


Promote diversity, equity and inclusion in the workplace remained part of the top priorities in 2022. Our Purpose, values and our espoused culture commits us to non-discrimination and to foster diversity by ensuring that our workplaces globally are inclusive, fair, open, flexible and supportive. Our integrated Culture Transformation and Capability Building Programme remains a strategic enabler towards Future Sasol with a shift to a more customer-centric, caring and inclusive culture with leadership styles that enable agile ways of working, driving an owners’ mindset and creating a sense of belonging.


We are confident in our ethical culture and our employees are encouraged to address allegations of unethical behaviour through our Sasol EthicsLine, a confidential independent system for the reporting of suspected transgressions of our Code of Conduct, breaches of law or allegations of human rights abuses. We express zero tolerance for any unethical behaviour including discrimination, victimisation and harassment in all its forms.


For more detail refer to:

**IR** Enterprise Risk Management, Engaging with stakeholders to deliver value

**SR** Human Capital: Labour Management, Human Rights and Ethics.

 Sasol Code of Conduct, Slavery and Human Trafficking Statement:  
<https://www.sasol.com/sustainability/ethics/sasol-code-of-conduct>

 Human Rights Policy, Universal declaration on Human Rights, Sasol’s Modern Slavery Statement and Sasol’s Business and Human rights framework:  
<https://www.sasol.com/sustainability/human-rights>

 Sasol Supplier Code of Conduct, Modern slavery statement:  
<https://www.sasol.com/suppliers/sasol-supplier-landscape-and-guiding-principles>

ENVIRONMENT

Principle

Brief COP statement

- 7 Support a precautionary approach to environmental challenges.
- 8 Undertake initiatives to promote greater environmental responsibility.
- 9 Encourage the development and diffusion of environmentally friendly technologies.

Criterion 9, 10 and 11

The management of SHE applies to everyone at Sasol, across all geographies in line with all international and national protocols where we operate. It helps us achieve our Purpose 'Innovating for a better world' while we deliver on our triple bottom line outcomes of People, Planet and Profit. We have a multi-faceted approach to SHE, integrated into our ESG framework. Our aim remains the creation and preservation of sustainable value informed by stakeholder engagements, reasonably responding to stakeholder expectation and being transparent regarding our commitments and performance. We use natural resources as well as renewable energy in our operations and leverage our Fischer-Tropsch technology to convert hydrocarbon reserves into value-adding product streams. We recognise and understand the environmental footprint associated with our activities and responsibly manage these in a prudent and legally compliant way. We have set targets relating to water use, energy efficiency, greenhouse gas emission reductions and health and safety and we report on our sustainability performance related to our businesses. We also continue to monitor suppliers with respect to environmental standards, based on International Organisation for Standardisation (ISO) 14001.

We are cognisant of the diversity of our environmental compliance obligations across the numerous jurisdictions in which we operate. This is demonstrated by our adherence to applicable local and international laws, regulations and standards. We have integrated sustainability better into our strategy and are refining aligned environmental targets and key performance indicators. We are investigating alternative water- and energy- supply options for our operations.

Our businesses maintain external certification including the ISO 9001, 14001 and 45001 and third-party Responsible Care® verification. SHE regulatory compliance audits are conducted within the businesses to assist in compliance management and assurance in addition to the Group compliance programme. Most of our German operations are ECO Management and Audit Scheme validated. Our operations in North America are Responsible Care®(RCMS) or ISO 14001 (RC14001) certified. Three of our sites in Eurasia achieved ISCC-PLUS certification to use mass balanced bio-based and recycled feedstocks at our major facilities which will enhance our low-carbon product portfolio.

We work diligently to continuously improve the SHE impacts of our products, as well as manage security throughout the product life cycle, in partnership with suppliers, customers and other stakeholders. Where particular applications or uses of our products are scientifically considered harmful, and effective risk reduction measures cannot reasonably be implemented, we adopt a principle of not selling the product for that application. We support the view that plastic waste in the environment and oceans is unacceptable and are addressing this challenge by embracing the principles of the circular economy and the waste hierarchy. We have set a bold ambition to achieve Net Zero by 2050 to sustainably decarbonise. We have tripled our 2030 emission-reduction target for our Sasol Energy and Chemicals Businesses. We acknowledge the link between our activities and air quality and the need to act responsibly in managing our impacts in the regions in which we operate. We have a holistic air quality management approach, which is informed by internationally accepted practices. We rely heavily on water for our processes and consider it a precious resource. We are a signatory to the UN Global Compact CEO Water Mandate and have adopted the Mandate's Water Stewardship Framework in responding to water risks. The waste footprint of each business differs depending on its feedstock and process activities. As a result, each has its own tailored roadmap of programmes to implement to meet legal requirements while adhering to waste management hierarchy principles. We have a responsibility to minimise the impact of our facilities on biodiversity.

Where applicable, incidents are reported to the relevant authorities in accordance with applicable statutory and licensing requirements. Incidents are investigated in accordance with the SHE Incident Management Procedure to identify the root cause which informs the necessary corrective and preventative measures to be adopted to mitigate against their re-occurrence.

For more detail refer to:

**SR** Process safety, Product stewardship, Sustainable use of Plastics, Managing our Environmental Footprint and Data and Assurance.

**CCR** Our climate change response

 Group SHE Policy:  
<https://www.sasol.com/sustainability/safety>

ANTI-CORRUPTION

Principle

Brief COP statement

10 Work against corruption in all its forms, including extortion and bribery.

Criterion 12, 13 and 14


Promoting high ethical standards, and combating corruption throughout our sphere of influence is an important part of our drive to deliver social value through our core activities. Sasol has adopted various anti-bribery and competition law policies which set out the parameters for engagements with external parties to enable compliance with applicable laws.

Providing annual training to employees, whose roles and positions are at greater risk, on matters relating to anti-bribery and competition (anti-trust) laws. As part of the training, assessing employees for the understanding of the training modules. Providing employees with standards, guidelines and procedures aimed at ensuring anti-bribery and competition law compliance, which are reviewed and updated regularly, in line with legal changes and developments. Sasol strives to implement standards that are aligned to international best practice and does not just focus on the requirements of local laws. Assisting employees in identifying situations that may require legal advice, encouraging them to seek such advice and report any violations.


We offer employees and third parties the opportunity to make confidential disclosures to our EthicsLine, Group Ethics Office or trained Sasol Ethics Officers.

For more detail refer to:

**SR** Ethics.

 Sasol Code of Conduct:  
<https://www.sasol.com/sustainability/ethics/sasol-code-of-conduct>

 Ethics at Sasol  
<https://www.sasol.com/index.php/sustainability/ethics/ethics-at-sasol>

 Anti-bribery at Sasol  
<https://www.sasol.com/suppliers/existing-supplier-portal>

## CEO WATER MANDATE COMMUNICATION ON PROGRESS

Focus	Brief COP statement
1 Direct Operations	<p>As part of Sasol's ESG ambition for inclusion in the DJSI, Sasol Energy requires improvement in several ESG areas including the monitoring and tracking of water consumption as well as the performance against related water-reduction targets.</p> <p>The Sasol Energy Business approved the methodology to develop short-term (Phase 1) and long-term (Phase 2) water targets. The Phase 1 targets for the three largest water using sites of Sasol Energy being, Secunda Operations (SO), Sasolburg and Ekandustria Operations (SEO) and Mining have been developed and approved. Once the emission-reduction pathways have been confirmed in 2023 the long-term water targets will be developed.</p> <p>The following short term water commitments including targets have been agreed to:</p> <p><b>SO:</b></p> <ul style="list-style-type: none"><li>• Maintain the condition based (receiving feedwater &lt;300 microsiemens per centimetre (uS/cm) water intensity of 11,3 tons of water per ton of saleable product.</li><li>• Develop a water loss reduction strategy to address unaccounted water losses by 2025.</li><li>• Work towards achieving Green Drop Certification status by 2025.</li><li>• Support multi-stakeholder catchment assessments to identify opportunities to advance management of the Upper Vaal including Waterval catchment area.</li><li>• Commit to continue beyond fenceline involvement in communities to address water, sanitation and other priorities.</li></ul> <p><b>SEO:</b></p> <ul style="list-style-type: none"><li>• A 7,5 reduction in fresh-tons of water used per ton of saleable product for the Sasolburg sites by end of 2025 as measured against a 2021 baseline.</li><li>• Continue pursuing the existing potable water target for the Sasolburg sites of an average use of 150 000 m<sup>3</sup>/month over a financial year by end of 2025.</li><li>• Actively drive water loss reduction by addressing water leaks which are within operational control.</li><li>• Maintaining SEO's Green Drop Certification for the Sasolburg Bio-works.</li><li>• Providing support to multi-stakeholder catchment assessments to identify opportunities to advance management of the Upper Vaal.</li><li>• Ongoing beyond fenceline involvement in communities where appropriate to address water, sanitation and other environmental priorities.</li></ul> <p><b>Mining:</b></p> <ul style="list-style-type: none"><li>• Ensure potable water use does not increase more than 15% against 2019 baseline of 1 520ML by 2025.</li></ul>
2 Watershed Management	<p>The greatest need for water is for our South African operations requiring over 80% of Sasol's global demand, specifically for our SO and our SEO. The water demand for these operations is supplied from the Integrated Vaal River System (IVRS) as river water. Potable water for our South African Operations is also sourced from the IVRS through Rand Water. Sasol is the largest private sector user of water from the IVRS, utilising about 3,5% of the yield of the system.</p> <p>Over the past two years the IVRS has received above average rainfall. This favourable rainfall has greatly improved the storage levels in the IVRS thereby significantly reducing supply risks, but this has come with increased flooding risks. The high rainfall also increased run-off into water supply dams resulting in water quality challenges to specifically our SO. Community protest actions at critical pump transfer stations, mainly due to the need for jobs, also continued to persist in the IVRS. In response Sasol, has implemented the following actions to secure water supply from the IVRS:</p> <ul style="list-style-type: none"><li>• Providing technical support and advice to Department of Water and Sanitation (DWS) on maintaining critical water supply pump stations in the Vaal river Government water supply scheme.</li><li>• Participating in operational meetings to understand the challenges faced by the operators which creates a platform for industry to contribute to the challenges being faced by the DWS. Sasol has consistently positioned itself to support the DWS where feasible rather than continuously raising challenges.</li><li>• Maintaining relationships with the teams operating the water transfers. These relationships are critical to obtaining early warning signals for critical water supply challenges. Regular engagements with operators on the ground have informed us of supply challenges that we have been able to timeously escalate.</li><li>• Continuously participating in planning sessions to stay abreast on the latest developments related to the water supply situation from the Vaal river.</li><li>• Escalating challenges through formally submitting letters to the office of the Minister and Director General of DWS.</li><li>• Constituting quarterly engagements with the DWS to resolve issues with water use license applications and amendments. The quarterly engagements have also helped in resolving issues with the processing of Water Use Licences (WULs) and has created a platform to raise other water related challenges.</li></ul>

Focus	Brief COP statement
<p>3 Collective action</p>	<p>Given the scale of water related challenges experienced globally but specifically in South Africa, Sasol has and is supporting the following activities to assist in mitigating the threat of an escalating water crisis:</p> <ul style="list-style-type: none"> <li>Supported the call from the Director General of DWS to assist in increasing the supply of chlorine to the market during a shortage impacting municipalities nationally in treating water at their waste-water treatment plants.</li> <li>Sasol shifted production to produce additional volumes of chlorine for the water treatment market to enable greater supplies to affected municipalities. Through a multi-stakeholder approach, a study to better understand the deterioration in feed water quality from Grootdraai dam supplying SO and other users has been commissioned. This study is being implemented in collaboration with DWS, Rand Water, Eskom and Water Research Commission (WRC). Sasol has committed R1,5 million over a period of three years and WRC committed R500 000. Rhodes University has been appointed as the service provider to execute this study.</li> <li>Sasol continues to support the activities of the Strategic Water Partnership Network, and in FY22 recommenced contributing its membership fee.</li> </ul>
<p>4 Community engagement</p>	<p>In 2022, SO spent R74 million on pump station upgrades, sewer network upgrades and water projects in Govan Mbeki, Lekwa and Dipaleseng Local Municipalities. The combined projects created more than 110 employment opportunities for locals. A total of 11 local small medium and micro enterprises were given business opportunities.</p> <p>SEO supported their host municipality, Metsimaholo Local Municipality, implement extensive 3-phase upgrades to the water and sanitation pump station systems in the greater Sasolburg area valued at R2 million during phase one. Also critical mechanical and electrical work at Gortin and Chris Hani Pump stations valued at approximately R3 million in phase two. There was also civil work conducted at 11 Metsimaholo Local Municipality pump stations. Lastly, phase three comprised of the critical remedial upgrades and capacity building of MLM sanitation network valued at R 6 million, inclusive of the electric monitoring of major sewer pump stations in Baddrif, Weldgelegen, Leeuwspruit, Leitrim, Gortin 4 and Amelia.</p>
<p>5 Public Policy</p>	<p>Sasol continues to respond to policy and regulatory developments as they arise including translating technical implications for Sasol and responding accordingly with technical inputs. This year Sasol contributed to the following:</p> <ul style="list-style-type: none"> <li>Re-establishment of the Water and Sanitation Sector Leadership Group.</li> <li>Responded to notice proposing the business plan for the merged Vaal and Orange Catchment Management Area.</li> </ul> <p>We continue to demonstrate business value in beyond fence-line water conservation partnerships with host municipalities. The lessons learnt from these partnerships will be used to further inform the development of government policy on incentivising such initiatives.</p>
<p>6 Transparency</p>	<p>Sasol has been voluntarily reporting to CDP since 2010 and was one of the first respondents to do so.</p> <p>Our disclosure is for the previous financial year and therefore lags by a year against our annual reports.</p> <p>We report on climate change, supply chain and water security issues through separate questionnaires, led by the relevant Sasol specialist in the company.</p> <p>In 2021, we maintained an A- score. This is within the leadership band, recognising that we are taking coordinated action on water-related issues. This score is higher than the Africa regional average of B, and higher than the Chemicals sector average of B. We can improve on this score by focusing on the areas of water policies, targets, and goals and in the area of Governance. We are considering ways to develop a focused water policy in addition to the Group SHE policy and setting ambitious water targets as a means to improve our score.</p> <p> Our CDP submission can be viewed at <a href="http://www.sasol.com">www.sasol.com</a></p>

For more detail refer to:

**SR** Water management.

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