Sasol Limited - Water Security 2021

W0. Introduction

W0.1

(W0.1) Give a general description of and introduction to your organization.

Sasol is an international integrated chemicals and energy company that is proudly rooted in our South African heritage. Our South African operations include a coal to liquids and chemicals facility, gas to chemicals facility and refining capacity that is vertically integrated to a retail liquid fuels network. We also supply fuels to other licensed wholesalers in the region. Sasol also has chemical manufacturing and marketing operations in South Africa, Europe, the Middle East, Asia and the Americas.

A significant part of our operations requires the use of large volumes of water. Maintaining water supply to our operations needs to be viewed against the backdrop of drought conditions periodically occurring in several regions of South Africa. Sasol engages actively with a collaborative approach on sustainability issues via various fora. Particularly relevant to water is our endorsement of the United Nations Global Compact CEO Water Mandate, since March 2008, and our membership in the Strategic Water Partners Network (SWPN). In the reporting year, we applied the United Nations Global Compact CEO Water Mandate's six focus areas to assist us in responding to water risks; and reporting comprehensively on our progress. One of the focus areas of the CEO Water Mandate is to assist companies in contributing to Goal 6 of the 2030 SDGs. In the year, Sasol embedded sustainability at the core of its strategy by prioritising four sustainability focus areas and four relevant Sustainable Development Goals (SDGs). Sasol is committed to improving our water use efficiency and pollution prevention initiatives whilst partnering with host governments to resolve water related challenges.

In assessing Sasol's responses to this questionnaire, it is important to note that Sasol's primary disclosure and communication of its official position on material matters, including water management, is through its annual suite of reporting publications which can be accessed on the following website www.sasol.com. For more information on Sasol's water related risks, see our Form 20F disclosure on www.sasol.com. These documents already cover water considerations and their impact on Sasol's business operations and strategy, and the related risk management and governance processes in a holistic way, providing a more detailed description than that provided within this questionnaire. In this regard, the prompts in this questionnaire, in particular the risk identifiers, time horizons, likelihood and magnitude of impacts, differ in some respects from our own internal approach. Thus, we have used best efforts in responding to the questions contained within this document by aligning with our own internal approach. For instance, in this questionnaire we have provided a view on the potential financial impacts regarding water issues on Sasol in alignment with the application of our own enterprise risk management framework.

Lastly, it is important to note that we are continuously refining our water risk management and response approach through detailed scenario analysis to inform robustness testing of our strategy and appropriate mitigation and adaptation responses. Our CDP data reporting is on a timeline that corresponds with our previous financial reporting year because the submission date of the CDP is usually before our current financial year end and auditing cycle. If the CDP submission continues to be later than 31 July, we will endeavour to align our reporting timelines for future submissions.

W-CH0.1a

(W-CH0.1a) Which activities in the chemical sector does your organization engage in?

Bulk inorganic chemicals
Specialty organic chemicals
Specialty inorganic chemicals

W-OG0.1a

(W-OG0.1a) Which business divisions in the oil & gas sector apply to your organization?

Upstream
Midstream/Downstream
Chemicals

W0.2

(W0.2) State the start and end date of the year for which you are reporting data.

	Start date	End date
Reporting year	July 1 2019	June 30 2020

W0.3

(W0.3) Select the countries/areas for which you will be supplying data.

China
Germany
Italy
Mozambique
South Africa
United States of America

W0.4

(W0.4) Select the currency used for all financial information disclosed throughout your response.

ZAR

W0.5

(W0.5) Select the option that best describes the reporting boundary for companies, entities, or groups for which water impacts on your business are being reported.

Companies, entities or groups over which financial control is exercised

W0.6

(W0.6) Within this boundary, are there any geographies, facilities, water aspects, or other exclusions from your disclosure?

No

W1. Current state

W1.1

(W1.1) Rate the importance (current and future) of water quality and water quantity to the success of your business.

	Direct use importance rating	Indirect use importance rating	Please explain
Sufficient amounts of good quality freshwater available for use	Vital	Vital	DIRECT: Sasol primarily uses good quality water to generate steam and cool processes, both of which are essential to run operations. Thus, water is considered a vital input for our operations. INDIRECT: Sasol also has an extensive value chain reaching into, for example, urban settlements (fuels, chemicals) and agriculture sectors where linkages to water availability and water quality are important considerations. Our South African operations use over 80% of Sasol's total water demand which is sourced from the Integrated Vaal River System (IVRS). 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. Thus, an insufficient supply of water would pose a risk to our operational continuity. FUTURE: Due to the quality of the water supplied from IVRS continuing to be highly variable and progressively to be of a poor quality, it is projected that our water demand specifically for Sasol Secunda Operations, will grow in the oncoming years. Indirect water use for urban use is expected to grow, however, water for electricity use is expected to decrease with increase in renewable energy opportunities.
Sufficient amounts of recycled, brackish and/or produced water available for use	Vital	Important	DIRECT: Sasol's Fischer Tropsch (FT) process generates significant quantities of process water as a by-product of the production process This water is upgraded and recycled back into the process as cooling water, thereby reducing Sasol's demand on fresh water withdrawal INDIRECT: In South Africa, there is a large reliance on recycled urban drainage for downstream use. Our South African operations use over 80% of Sasol's global water demand which is sourced from the Integrated Vaal River System (IVRS). In the case of the IVRS, the management of urban return flows (from both a quality and quantity perspective) affects the water security of all water users in the catchment. Accordingly, indirect recycled/brackish/produced water remains an important consideration in Sasol's water value chain. FUTURE: Sasol continues to investigate new technologies to improve recycling efficiencies and identify opportunities to recycle effluents. We envisage the amounts of recycled water to increase specifically at Secunda Synfuel Operations (SSO) as potential future recycling investments are estimated to offset a further 6 ML/day of river water use (SSO uses in the order of 240 ML/day of river water). In support of advancing future Indirect use, the greater reuse and recycling of municipal effluent opportunities are being explored which would reduce demand for fresh water from the IVRS.

W1.2

(W1.2) Across all your operations, what proportion of the following water aspects are regularly measured and monitored?

	% of sites/facilities/operations	Please explain
Water withdrawals – total volumes	100%	Water withdrawals are measured from all sites globally and is reported on through our sustainability reporting management process, referred to as SuPM. FREQUENCY: Water withdrawal readings are taken daily and reported monthly on our internal reporting system (SuPM). MEASUREMENT: Calibrated meters are used to measure water withdrawal volumes
Water withdrawals – volumes by source	100%	Sasol water withdrawals is as follows: - River Water – 75,74% - Potable Water – 8.49% - Desalinated Water – 0.50% - Produced Water – 6.47% - Other Water – 8,80% FREQUENCY: Water withdrawal readings are taken daily and reported monthly on our internal reporting system (SuPM). MEASUREMENT: Calibrated meters are used to measure water withdrawal volumes.
Entrained water associated with your metals & mining sector activities - total volumes [only metals and mining sector]	<Not Applicable>	<Not Applicable>
Produced water associated with your oil & gas sector activities - total volumes [only oil and gas sector]	100%	Produced water is only generated by our Sasol Secunda Operations which falls within the Oil and Gas sector. FREQUENCY: Water withdrawal readings are taken daily and reported monthly on our internal reporting system (SuPM). MEASUREMENT: Calibrated meters are used to measure water withdrawal volumes.
Water withdrawals quality	100%	Water quality is critical to our operations. The quality of water withdrawn is continuously analysed. The consequence of deteriorating feed water quality is an increased demand for water, increased treatment costs and additional salt handling burden. FREQUENCY: Water withdrawal readings are taken daily and reported monthly on our internal reporting system (SuPM). MEASUREMENT: Calibrated meters are used to measure water withdrawal volumes.
Water discharges – total volumes	100%	Compliance to volumes of water discharges is part of an aspect of our water use authorization conditions and is therefore continuously monitored. FREQUENCY: Water discharge readings are taken daily and reported monthly on our internal reporting system (SuPM). MEASUREMENT: Calibrated meters are used to measure water discharge volumes.
Water discharges – volumes by destination	100%	The volumes of water discharge by destination is known because of our water use authorizations. About 63% of the volume discharged is to the river and 37%to water service providers for treatment. FREQUENCY: Water discharge readings are taken daily and reported monthly on our internal reporting system (SuPM). MEASUREMENT: Calibrated meters are used to measure water discharge volumes
Water discharges – volumes by treatment method	100%	Known but not reported by treatment method on SuPM but as a total. FREQUENCY: Water discharge readings are taken daily and reported monthly on our internal reporting system (SuPM). MEASUREMENT: Calibrated meters are used to measure water discharge volumes.
Water discharge quality – by standard effluent parameters	100%	Measured and recorded according to our water use license conditions. FREQUENCY: Water discharge readings are taken daily and reported monthly on our internal reporting system (SuPM). MEASUREMENT: Calibrated meters are used to measure water discharge volumes.
Water discharge quality – temperature	100%	Temperature measurements are taken based on our sites water use authorisations. In South Africa where the bulk of our authorized discharges occur the regulator specifies that the temperature of the effluent discharged must not exceed 3 degrees centigrade above ambient. In Secunda Synfuels Operation's license conditions it is specified that temperature of the effluent discharge should be in the region of 25 to 30 degrees centigrade. For Sasolburg Operations they must discharge at ambient temperature. FREQUENCY: Water discharge temperature readings are taken daily but are not reported monthly on our internal reporting system (SuPM). MEASUREMENT: Calibrated temperature meters are used to measure water withdrawal volumes. In South Africa where the bulk of our discharges occur the regulator specifies that the temperature of the effluent discharged must not exceed 3 degrees centigrade above ambient.
Water consumption – total volume	100%	Our water consumption is known and reported monthly on our Sustainable Performance Management program (SuPM). FREQUENCY: Daily readings are taken for reporting monthly on SuPM. MEASUREMENT: Measurements are taken using calibrated meters.
Water recycled/reused	100%	Sasolburg Operations (SO) reuses treated domestic sewage water in its daily operations. FREQUENCY: Recycled water measurements are taken daily and reported monthly on our internal reporting system (SuPM). MEASUREMENT: Calibrated meters are used to measure recycled water volumes.
The provision of fully-functioning, safely managed WASH services to all workers	100%	Potable water for domestic purposes is as supplied by Municipality. We do not make our own or distribute potable water to any party outside of our battery limit. This ensures that Sasol employees have access to good quality drinking water, water for cooking and cleaning and solid waste management systems. Provision of WASH services is also in compliance to the South African Occupational Health and Safety (OSH) Act, applicable to the South African operations. FREQUENCY: Potable water quality is measured on a monthly basis and reported on SuPM. MEASUREMENT: Both the local municipality and Rand Water (bulk water utility supplying the municipalities) provides water quality information and water quality testing is done within our own laboratories as well.

W1.2b

(W1.2b) What are the total volumes of water withdrawn, discharged, and consumed across all your operations, and how do these volumes compare to the previous reporting year?

	Volume (megaliters/year)	Comparison with previous reporting year	Please explain
Total withdrawals	152480	About the same	CHANGE: Total withdrawals increased (+5.67%) from previous year which was 144,295 ML/year. The following threshold for comparison was used: < -30% Much lower > -30%, < -10% Lower > -10%, < 10% About the same < 30%, > 10% Higher > 30% Much higher. This increase was attributed to full commissioning of the Lake Charles Chemical Project (LCCP) in the US. FUTURE: Withdrawals are expected to increase with projected increase for river water by Secunda Synfuel Operations due to progress deteriorating feed water quality.
Total discharges	31662	About the same	CHANGE: Total discharge for the previous year was 30,281 ML, resulting in a 4,62% increase in discharge due to the full commissioning of LCCP in the US. FUTURE: Discharges are anticipated to decrease with future recycling and reuse initiatives being implemented by Secunda Synfuels Operations and Sasolburg Operations.
Total consumption	120818	About the same	CHANGE: Total consumption is 6% higher than previous year's consumption of 114,014 ML mainly. FUTURE: It is anticipated that the consumption of river water will increase to compensate for a deterioration in feed water quality

W-OG1.2c

(W-OG1.2c) In your oil & gas sector operations, what are the total volumes of water withdrawn, discharged, and consumed – by business division – and what are the trends compared to the previous reporting year?

	Volume (megaliters/year)	Comparison with previous reporting year %	Please explain
Total withdrawals - upstream	99	Higher	Change: This is due to our exploration and production international (E&PI) business unit which experienced a 16% increase in water withdrawal, relative to the previous year. Volumes are insignificant compared to Sasol's Total Withdrawals. Future: We expect the water withdrawals to continue to fluctuate within historic demands.
Total discharges – upstream	22	About the same	Change: A 5% increase in discharge volume was reported compared to the previous year because of process improvements. Future: We expect the water withdrawals to continue to fluctuate within historic demands.
Total consumption – upstream	77	Higher	Change: Total consumption is 17% higher due to increase in withdrawals. Future: Decrease in overall consumption in future due to potential setting of context-based water targets to be implemented post 2022.
Total withdrawals - midstream/downstream	2228	Lower	Change: Natref is regarded as a downstream operation. Natref was shut-down from April – June 2020 due to COVID-19 restrictions with a resultant reduction in withdrawals. Future: In the next year, it is anticipated that Natref will experience an increase in total withdrawals, as the operations return to full capacity for the reporting year FY2021.
Total discharges – midstream/downstream	1524	About the same	Change: Lower by 1% as a result of the shutdown due to COVID restrictions. Future: It is anticipated that Natref will return to full capacity in reporting year FY2021, thus a slight increase in total discharges may be expected.
Total consumption – midstream/downstream	704	Much Lower	Change: Lower by 34% as a result of the shutdown due to COVID restrictions. Future: It is anticipated that Natref will return to full capacity in reporting year FY2021, thus there might be an increase in total consumption.
Total withdrawals – chemicals	140213	About the same	Change: Increase by 6% due to the full commissioning of LCCP. Future: In FY2020, the COVID-19 pandemic may have caused decreased production of chemicals, due to lockdown restrictions. It is anticipated that all production (including chemicals) will return to full capacity in reporting year FY2021, thus there might be a slight increase in total withdrawals.
Total discharges – chemicals	30116	About the same	Change: Increase by 5% due to the full commissioning of LCCP. Future: In FY2020, the COVID-19 pandemic may have caused decreased production of chemicals, due to lockdown restrictions. It is anticipated that all production (including chemicals) will return to full capacity in reporting year FY2021, thus there might be a slight increase in total discharges.
Total consumption – chemicals	110.09	About the same	Change: Increase by 5% due to the full commissioning of LCCP. Future: In FY2020, the COVID-19 pandemic may have caused decreased production of chemicals, due to lockdown restrictions. It is anticipated that all production (including chemicals) will return to full capacity in reporting year FY2021, thus there might be a slight increase in total consumption.
Total withdrawals – other business division	<Not Applicable>	<Not Applicable>	<Not Applicable>
Total discharges – other business division	<Not Applicable>	<Not Applicable>	<Not Applicable>
Total consumption – other business division	<Not Applicable>	<Not Applicable>	<Not Applicable>

W1.2d

(W1.2d) Indicate whether water is withdrawn from areas with water stress and provide the proportion.

	Withdrawals are from areas with water stress	% withdrawn from areas with water stress	Comparison with previous reporting year	Identification tool	Please explain
Row 1	Yes	76-99	About the same	Other, please specify (DWS Water Planning model)	Change: Increase by 5% due to the full commissioning of LCCP. Future: In FY2020, the COVID-19 pandemic may have caused decreased production of chemicals, due to lockdown restrictions. It is anticipated that all production (including chemicals) will return to full capacity in reporting year FY2021, thus there might be a slight increase in total consumption.

W1.2h

(W1.2h) Provide total water withdrawal data by source.

	Relevance	Volume (megaliters/year)	Comparison with previous reporting year	Please explain
Fresh surface water, including rainwater, water from wetlands, rivers, and lakes	Relevant	115493	About the same	RELEVANCE: Sasol Operations in South Africa withdraw significant quantities of fresh surface water. Accordingly, the supply of water is critical (and thus relevant) to achieve operational sustainability. CHANGE: Our fresh surface water withdrawals for 2019 was 107,405 ML/year. The 7% increase is mainly attributed to the commissioning of LCCP FUTURE: Our Fresh water use is projected to increase due to a deterioration in water quality from the IVRS.
Brackish surface water/Seawater	Not relevant	<Not Applicable>	<Not Applicable>	None of our operations use brackish surface water/seawater and thus withdrawal of this water source is not applicable. FUTURE: Sea water is not anticipated to be used in the future.
Groundwater – renewable	Relevant	13412	About the same	RELEVANCE: Some of our operations are in regions where there is no access to river water supply. Therefore, ground water supply becomes the next viable source of supply and is subsequently relevant to Sasol. CHANGE: Our Groundwater withdrawal reduced marginally in FY20, relative to FY19, where13,480 ML was withdrawn. FUTURE: In North America, the use of ground water is expected to remain stable.
Groundwater – non-renewable	Not relevant	<Not Applicable>	<Not Applicable>	None of our operations withdraw non-renewable groundwater and thus, withdrawal from this source is not relevant. FUTURE: It is not anticipated that non-renewable groundwater to be used in the future
Produced/Entrained water	Relevant	9866	About the same	RELEVANCE: The water produced in our operational process enables us to reduce our dependence on freshwater withdrawn from rivers. Therefore, produced water is relevant to Sasol. CHANGE: There was a marginal decrease of 2.0% in produced water due to SSO decreasing production activity due to COVID. FUTURE: Based on projected trends, it is anticipated that future volumes of produced water will most likely remain the same.
Third party sources	Relevant	13709	About the same	RELEVANCE: Sasol utilizes potable water from municipalities for both industrial and domestic usage. Accordingly, it is relevant to our operations. This includes potable water use and desalinated water for EaO. CHANGE: Potable water sourced from 3rd parties increased in FY20. This is attributed to a deterioration in water quality to our SA operations hence an increase in potable water use. FUTURE: It is anticipated that future water withdrawal from 3rd party sources will increase as a result of projected growth projections for EaO and a deterioration in river water quality for SA Operations

W1.2i

(W1.2i) Provide total water discharge data by destination.

	Relevance	Volume (megaliters/year)	Comparison with previous reporting year	Please explain
Fresh surface water	Relevant		Please select	RELEVANCE: Discharge to fresh surface water is regulated and provisional to compliance with our WUL. Thus, surface water discharge is relevant to Sasol. CHANGE: Discharge has marginally decreased from 20,740 ML/year in FY19 to 19,934 ML/year) in FY20. This is attributed to lower production due to COVID restrictions. FUTURE: Projected future trends indicate a decrease in discharge due to the implementation of efficiency measures.
Brackish surface water/seawater	Not relevant	<Not Applicable>	<Not Applicable>	RELEVANCE: Our water use authorisations does not permit any of our operations to discharge into brackish surface water or seawater Treatment, reuse and recycling of any effluent water ensures that we remain compliant with our WUL. FUTURE: It is not anticipated that discharges to seawater will occur in the future.
Groundwater	Not relevant	<Not Applicable>	<Not Applicable>	RELEVANCE: Our water use authorisations does not permit any of our operations to discharge into groundwater. Treatment, reuse and recycling of any effluent water ensures that we remain compliant with our WUL. FUTURE: It is not anticipated that discharges to groundwater will occur in the future.
Third-party destinations	Relevant		Please select	RELEVANCE: Some of our operations discharge into a municipal network for further treatment, hence this discharge destination is relevant to Sasol. CURRENT: Discharges to municipalities increased to 11,728 ML/year in FY20 compared to 9,541 ML/annum in FY19. This is attributed to an increase in river water demand to our SA Operations. FUTURE: It is anticipated that future discharge to third party destinations will increase if river water quality continues to deteriorate.

W1.2j

(W1.2j) Within your direct operations, indicate the highest level(s) to which you treat your discharge.

	Relevance of treatment level to discharge	Volume (megaliters/year)	Comparison of treated volume with previous reporting year	% of your sites/facilities/operations this volume applies to	Please explain
Tertiary treatment	Relevant	19934	Lower	81-90	Relevance: Effluent discharged into the river from SO and SSO undergoes tertiary treatment. This is a requirement of our water use authorisation. A volume of 19,934 ML/annum in FY20 was treated. This decreased by 4% compared to FY19 due to the reduction in production due to COVID 19 restrictions. Current: Disinfection occurs at both SSO and SO before release into the environment. Future: This practice is expected to continue and the conditions for disinfection is expected over time to become more stringent.
Secondary treatment	Relevant	19934	Lower	81-90	Relevance: Effluent from SSO and SO requires secondary treatment as per our water use authorisation before discharge into the natural environment. A volume of 19,934 ML/annum in FY20 was treated. This decreased by 4% compared to FY19 due to the reduction in production due to COVID 19 restrictions. Current: Various water treatment technologies are used onsite for secondary treatment to meet compliance requirement Future: Efficiency of treatment will have to improve to increasing compliance requirements
Primary treatment only	Relevant	19934	Lower	81-90	Relevance: Effluent from SSO and SO requires secondary treatment as per our water use authorisation before discharge into the natural environment. A volume of 19,934 ML/annum in FY20 was treated. This decreased by 4% compared to FY19 due to the reduction in production due to COVID 19 restrictions. Current: Various water treatment technologies are used onsite for secondary treatment to meet compliance requirement Future: Efficiency of treatment will have to improve to increasing compliance requirements
Discharge to the natural environment without treatment	Not relevant	<Not Applicable>	<Not Applicable>	<Not Applicable>	Relevance: Our Water use authorisation and the nature of our effluents does not allow for discharge without treatment. Current: not practised Future: It is not anticipated that in the future discharges to the natural environment will occur without treatment due to the nature of our operations.
Discharge to a third party without treatment	Relevant	11728	About the same	51-60	Relevance: Also discharges to municipalities are done without treatment this is mainly domestic sewer and permitted industrial effluents. A volume of 11728 ML/annum was discharged to 3rd parties without treatment. This increased by 2% mainly due to the full commissioning of LCCP. Current: 3rd Party service provide is used to treat EAO's effluent stream Future: This practice is expected to continue.
Other	Not relevant	<Not Applicable>	<Not Applicable>	<Not Applicable>	Relevance: No other discharges to report

W-CH1.3

(W-CH1.3) Do you calculate water intensity for your activities in the chemical sector?

Yes

W-CH1.3a

(W-CH1.3a) For your top five products by production weight/volume, provide the following water intensity information associated with your activities in the chemical sector.

Product type
Specialty organic chemicals

Product name
Synthetic Fuels from our Sasol Secunda Operations

Water intensity value (m3)
11.93

Numerator: water aspect
Total water consumption

Denominator
Ton

Comparison with previous reporting year
Lower

Please explain
EXPLANATION: In FY 2020, Secunda Synfuel Operations (SSO) achieved a 3% deterioration on their baseline of 11.58 m3/ ton, which is a 7% deterioration from FY19. This poor performance was attributed to a deterioration in river water quality. SSO is not optimistic about achieving their target by end-FY21 since river water quality continues to deteriorate in the Integrated Vaal River System (IVRS). METRICS: The metric is used to reduce river water demand by driving reuse and recycling. FUTURE: Few opportunities exist to reuse and recycle, however far greater savings can be realised elsewhere in the catchment. STRATEGY: As part of Sasol's water security strategy, we are assessing the setting of contextual water targets in the Upper Vaal catchment aimed at assisting the Govan Mbeki Local Municipality reduce water losses. SSO is also investigating further efficiency measures to reduce demand on river water.

Product type
Specialty organic chemicals

Product name
Organic products produced at our Sasolburg operations

Water intensity value (m3)
10.83

Numerator: water aspect
Total water consumption

Denominator
Ton

Comparison with previous reporting year
Lower

Please explain
EXPLANATION: In FY20 SO achieved an efficiency of 10.83 m3/ ton, which is an 10.4% deterioration against their baseline of 9.81 m3/ton. This is due to lower production and water pre-treatment requirements. INITIAL METRICS: The metric is used to reduce river water demand by driving reuse and recycling. FUTURE: Few opportunities exist to reuse and recycle, however far greater savings can be realised elsewhere in the catchment. STRATEGY: As part of Sasol's water security strategy, Sasol is investigating the implementation of contextual water targets in the Upper Vaal catchment which could assist SO's host municipality, Metsimaholo Local Municipality, reduce their water losses SO is also investigating further efficiency measures to reduce demand on river water.

W-OG1.3

(W-OG1.3) Do you calculate water intensity for your activities associated with the oil & gas sector?
Yes

W-OG1.3a

(W-OG1.3a) Provide water intensity information associated with your activities in the oil & gas sector.

Business division
Chemicals

Water intensity value (m3)
11.38

Numerator: water aspect
Total water consumption

Denominator
Other, please specify (tons saleable product)

Comparison with previous reporting year
About the same

Please explain
EXPLANATION: Water intensity targets were set for Secunda Synfuel Operations (SSO) and Sasolburg Operations (SO). Both fall into the chemical division and have water intensity values of 11.93 and 10.83 m3/ton saleable product. Taking the weighted average of individual water intensities resulted in a water intensity of 11.70 m3/ton of saleable product. This combine water intensity is about the same to FY19. METRICS: Intensity metrics for our SSO and SO operations are used to determine whether or not we are meeting our annual voluntary water use efficiency targets. FUTURE: The intensity targets to become more stringent due to measures being implemented by SO and SSO. STRATEGY: Both SO and SSO are looking at measures to reuse and recycle effluent to reduce river water demand.

W1.4

(W1.4) Do you engage with your value chain on water-related issues?
Yes, our suppliers
Yes, our customers or other value chain partners

W1.4a

(W1.4a) What proportion of suppliers do you request to report on their water use, risks and/or management information and what proportion of your procurement spend does this represent?

Row 1

% of suppliers by number
26-50

% of total procurement spend
51-75

Rationale for this coverage
WHY: Sasol had sent self-response questionnaires to all our significant-spend suppliers (in accordance with Sasol's Rand spend), to enable Sasol to understand the investment/ impact of suppliers against sustainability issues, including water risks. INCENTIVES: Suppliers were in no way incentivised to respond; however, the questionnaire prompted suppliers to think about their sustainability if they haven't started doing so.

Impact of the engagement and measures of success
INFO REQUESTED: The type of questions posed to our strategic suppliers included: • Please rate the importance (current and future) of water quality and water quantity to the success of your organization? • Has your organization experienced any detrimental impacts related to water in the reporting year? • Does your organization undertake a water-related risk assessment? • Is your organization exposed to water risks, either current and/or future, that could generate a significant change in your business, operations, revenue or expenditure? • Does water present strategic, operational or market opportunities that significantly reduce your organisation's ability to produce or manufacture products and services? INFO USAGE: The information that the suppliers provided was used to understand whether the suppliers have adequate measures to address water risks. SUCCESS: The threshold of success was based on a response rate of above 80% and we achieved an 86% response rate. This questionnaire was not sent out in FY20 due to organisational restructuring, however, our supplier base didn't change much in FY20.

Comment
For our strategic suppliers, water as a commodity is becoming increasingly valuable. The response from the Sasol Supply Chain Sustainability Questionnaire done in FY19 showed that 37% of our Strategic suppliers indicated that water was vital for their operations. Further, 23% of respondents indicated that their organisations were exposed to water risks, either currently or in future, and that this could generate a significant change in their business operations' revenue.

W1.4b

(W1.4b) Provide details of any other water-related supplier engagement activity.

Type of engagement
Innovation & collaboration

Details of engagement
Educate suppliers about water stewardship and collaboration

% of suppliers by number
26-50

% of total procurement spend
26-50

Rationale for the coverage of your engagement
The focus has been on our utility suppliers, Eskom – the South African national electricity utility, Department of Water and Sanitation in South Africa, various relevant Water boards and local municipalities in order to drive water conservation in the catchment and improve service delivery. These suppliers have been earmarked as having the greatest impact on Sasol's operational continuity. Water and electricity supply impacts our operations directly.

Impact of the engagement and measures of success
●BENEFICIAL OUTCOMES: Some beneficial outcomes of our supplier engagements with our relevant and significant suppliers includes: ● Municipalities and Water Boards (water utilities) are increasingly receptive to exploring innovative technologies on advanced pressure controllers to reduce water losses. As a result, we have successfully supported the municipalities in Sasolburg and Secunda in implementing advanced pressure reduction systems in reducing water losses ● We have also educated these suppliers on setting contextual water targets. SUCCESS: Sasol measures success of our supplier engagements through the number of questionnaire responses obtained from our suppliers. Sasol achieved success in having more than 80% of strategic suppliers responding to the questionnaire, assisting us in understanding our supplier water-related risks better.

Comment
In FY22, we plan on exploring partnerships to improve feed water quality from the Integrated Vaal River System (IVRS) and various water reuse opportunities with Rand Water and host municipalities as an alternative source of river water supply. We are also investigating reuse of mine water.

W1.4c

(W1.4c) What is your organization's rationale and strategy for prioritizing engagements with customers or other partners in its value chain?

Sasol prioritises engagement with the regulatory authorities regarding security of water supply.

PARTNERS ENGAGED: We have ongoing engagements with the South African Department of Water and Sanitation (DWS) on various aspects related to Sasol's water requirements from the Integrated Vaal River System.

RATIONALE: This engagement is a priority for Sasol to address challenges related to the long-term assurance of supply, operation and maintenance of relevant infrastructure and in efforts to improve water quality supplied to our operations.

METHOD/ STRATEGY: Sasol provides technical support to the DWS to sustain pumping infrastructure. In terms of potable water supply, Sasol provides our host municipalities with support in terms of reducing water losses and improving supply infrastructure. This approach supports our efforts to achieve security of supply and reduces the risk of production interruption related to water supply.

SUCCESS: Sasol measures the success of these engagements through monitoring the volumes and quality of water supplied to our operations.

W2. Business impacts

W2.1

(W2.1) Has your organization experienced any detrimental water-related impacts?
No

W2.2

(W2.2) In the reporting year, was your organization subject to any fines, enforcement orders, and/or other penalties for water-related regulatory violations?
No

W3. Procedures

W-CH3.1

(W-CH3.1) How does your organization identify and classify potential water pollutants associated with its activities in the chemical sector that could have a detrimental impact on water ecosystems or human health?

POLICIES AND PROCESSES: Sasol has a comprehensive enterprise risk management (ERM) process in place, which focuses on all business-related risks, which includes an assessment of any water pollutants as a result of our activities. The ERM process ensures that water risks are systematically identified, assessed and managed. Sasol's risk management approach delivers risk profiles at a group and operating model entities (OMEs) level. OMEs include our operating business units, regional operating hubs, strategic business units and functions. OME's are responsible for identifying and classifying, amongst others, water quality challenges.

Most operations also have Integrated Water and Waste Management Plans (IWWMPs) with action plans in place to address pollution and water quality deterioration risks. This also demonstrates that processes and plans are in place to identify and address water-related risks. An IWWMP, and the regular updating thereof, is also a standard condition that is included in water use authorisations. Online daily measurements are conducted at all sites, which allows quick detection of changes and/or incidents which may impact watercourses. The system allows for instant text messaging (SMS) communication, which will alert the required persons to investigate. Releases into water courses are governed by our authorisations. Incident are investigated with a root cause analysis performed when impacts on a watercourse has occurred to determine the source and prevent similar incidents in future. Learnings from incidents are also shared across the organisation.

Sasol's upstream oil and gas activities as well as manufacturing and distribution of our products can potentially contribute to pollution of a water course:

· Effluent discharged from our water treatment processes may contain inorganic and organic pollutants;

· Overflow of effluent storage dams;

· Spillage of our products; and

· Sewage spillages from domestic wastewater treatment works.

STANDARDS: For the IVRS Resource Quality objectives have been established by the regulator which inform our water use authorisation conditions. Compliance standards are set that have to be adhered to for authorised discharges into the receiving watercourses.

IMPACT VARIATION:

The impacts are managed by implementing control measures. However, impacts downstream are, in most cases, out of our operational control, relying on customers to responsibly use our products.

W-CH3.1a

(W-CH3.1a) Describe how your organization minimizes adverse impacts of potential water pollutants on water ecosystems or human health. Report up to ten potential pollutants associated with your activities in the chemical sector.

Potential water pollutant	Value chain stage	Description of water pollutant and potential impacts	Management procedures	Please explain
Inorganic (Sulphate, nitrates, ammonia, chloride, fluoride and phosphates)	Direct operations	PPOTENTIAL IMPACT: Above certain concentration levels, inorganic compounds are detrimental to aquatic and plant life existing in surface and ground water. Thus, these compounds have the potential to negatively impact a water ecosystem. SCALE/ MAGNITUDE: These will contribute to the salt load to the already contaminated Vaal River from which our supply is sourced. Even though in terms of load on the catchment this maybe small, it would be in our interest to mitigate such pollutants entering the river system.	Compliance with effluent quality standards	RISK MANAGEMENT: Our water use and discharge activities are governed by authorisations. Non-compliance to these authorisations can result in compliance enforcement including the withdrawal or suspension of authorisations. Thus, by complying with authorisations and legal requirements, we manage the risk of negatively impacting water ecosystems. SUCCESS: Success is measured by not having any environmental incidents occurring, in this regard. Environmental incidents are tracked and monitored monthly.
Organic compounds	Direct operations	POTENTIAL IMPACT: Organic compounds can be found in the effluent produced from our operational process. High discharges of organic compounds into surface and ground water can result in damage to aquatic life. SCALE/ MAGNITUDE: This will contribute to the COD (i.e., chemical oxygen demand) load to the already contaminated Vaal River, from which our feedstock supply is sourced. Even though in terms of load this maybe small, it would be in our interest to mitigate such pollutants.	Compliance with effluent quality standards	RISK MANAGEMENT: Our water use and discharge activities are governed by water authorisations. Non-compliance to these authorisations can result in compliance enforcement action, including the potential closure of our facilities. Thus, by complying with water regulations we manage the risk of negatively impacting aquatic and plant life existing in surface and ground water. SUCCESS: Success is measured by not having any environmental incidents occurring, in this regard. Environmental incidents are tracked and monitored monthly
E.Coli from sewage treatment plant	Direct operations	POTENTIAL IMPACT: Sasol Operations in Secunda and Sasolburg treat the town's sewerage and the treated effluent is discharged under authorisation to the river. Inefficient treatment could result in the discharge of E.Coli into the river, which may result in waterborne illnesses. Neighbouring communities use this water as potable water for farming and other domestic needs. Subsequently, these communities may be exposed to a higher risk of contracting waterborne illnesses. SCALE/ MAGNITUDE: This will contribute to the E. Coli contamination in the already contaminated Vaal River from which our feedstock supply is required. Even though in terms of load this maybe small, it would be in our interest to mitigate such pollutants.	Compliance with effluent quality standards	RISK MANAGEMENT: Our water use and discharge activities are governed by water authorisations. Non-compliance to these authorisations can result in compliance enforcement action including the potential closure of our facilities. Thus, by complying to water regulations we manage the risk of discharging E. Coli into the river and avoid the spread of waterborne diseases. SUCCESS: Success is measured by not having any environmental incidents occurring, in this regard. Environmental incidents are tracked and monitored on a monthly basis.

W-OG3.1

(W-OG3.1) How does your organization identify and classify potential water pollutants associated with its activities in the oil & gas sector that may have a detrimental impact on water ecosystems or human health?

POLICIES AND PROCESSES: Sasol has a comprehensive enterprise risk management (ERM) process in place, which focuses on all business-related risks, which includes pollution risks. The ERM process ensures that water risks are systematically identified, assessed and managed. Sasol's risk management approach delivers risk profiles at a group and operating model entities (OMEs) level. OMEs include our operating business units, regional operating hubs, strategic business units and functions. OME's are responsible for identifying and classifying water quality challenges. Most operations also have Integrated Water and Waste Management Plans (IWWMPs) with action plans in place that deal with water pollutants. This also demonstrates that processes and plans are in place to identify and address water-related risks An IWWMP and the regular updating thereof is also a standard condition that is included in Water Use Licences WULs. Online daily measurements are conducted at all sites which allows quick detection of changes and/or incidents which affect the watercourses. The system allows for SMS communication which will alert the required persons to investigate. Chemical analysis is performed weekly or when incidents are detected. Releases into water courses are governed by our WULs. Incident reports/root cause analysis is performed when impacts on the watercourses occurred to determine the source and prevent similar incidents in future.

IMPACTS CONSIDERED:

Sasol's upstream oil, gas and mining as well as manufacturing and supply chain can potentially contribute to pollution of a water course:

· Effluent discharges from our water treatment processes containing inorganic and organic pollutants;

· Overflow of effluent storage dams;

· Spillage of our products; and

· Sewage spillage from domestic wastewater treatment works.

STANDARDS: In the IVRS Resource Quality objectives have been established by the regulator which is included in our water use authorisation. These are the compliance standards that have to be adhered to in terms of discharges into the receiving ecosystems.

IMPACT VARIATION:

The impacts within Sasol's direct operations are managed by implemented control measures, using the policies and processes mentioned above in a groupwide approach. However, impacts downstream are, in most cases, out of our control, relying on customers to responsibly use our products.

W-OG3.1a

(W-OG3.1a) For each business division of your organization, describe how your organization minimizes the adverse impacts on water ecosystems or human health of potential water pollutants associated with your oil & gas sector activities.

Potential water pollutant	Business division	Description of water pollutant and potential impacts	Management procedures	Please explain
Chemicals	Chemicals	POTENTIAL IMPACT: Above a certain concentration levels, inorganic compounds, hydrocarbons are detrimental to aquatic and plant life existing in surface and ground water. Thus, the compounds have the potential to negatively impact a water ecosystem. SCALE, MAGNITUDE: This will contribute to the salt load fresh water ecosystems from which our feedstock supply is required. Even though in terms of load this maybe small, it would be in our interest to mitigate such pollutants entering the river system.	Compliance with effluent quality standards	Please explain RISK MANAGEMENT: Our water uses and discharge activities are governed by water authorisations. Non-compliance to these authorisations can result in compliance enforcement action including the potential closure of our facilities. Thus, by complying to water regulations we manage the risk of negatively impacting aquatic life and plant life existing in surface and ground water. . SUCCESS: Success is measured by not having any environmental incidents in this regard. Environmental incidents are tracked and monitored monthly.

W3.3

(W3.3) Does your organization undertake a water-related risk assessment?

Yes, water-related risks are assessed

W3.3a

(W3.3a) Select the options that best describe your procedures for identifying and assessing water-related risks.

Direct operations

Coverage
Full

Risk assessment procedure
Water risks are assessed as part of an enterprise risk management framework

Frequency of assessment
Annually

How far into the future are risks considered?
More than 6 years

Type of tools and methods used
Enterprise Risk Management

Tools and methods used
Other, please specify (Sasol's Enterprise and Risk Management Framework)

Comment
A Sasol global enterprise risk management process has been adopted. The Group Risk and SHE function is responsible for developing risk management processes monitoring the implementation thereof by OMEs across the group including water risks related to security of supply and extreme weather.

Supply chain

Coverage
Partial

Risk assessment procedure
Water risks are assessed as part of an enterprise risk management framework

Frequency of assessment
Annually

How far into the future are risks considered?
More than 6 years

Type of tools and methods used
Other

Tools and methods used
Internal company methods
Other, please specify (• The Vaal Water Resource Planning Model)

Comment
The Vaal Water Resource Planning model is a planning tool used to managing water supply risks from the Integrated Vaal River System (IVRS) and applied by Sasol to manage our water supply risk responses.

Other stages of the value chain

Coverage
Partial

Risk assessment procedure
Water risks are assessed as part of an enterprise risk management framework

Frequency of assessment
Annually

How far into the future are risks considered?
1 to 3 years

Type of tools and methods used
Enterprise Risk Management

Tools and methods used
Other, please specify (Sasol's Enterprise Risk Management Framework)

Comment
This relates to reputational risks linked to water services from municipalities which contribute to the stability of our operations.

W3.3b

(W3.3b) Which of the following contextual issues are considered in your organization's water-related risk assessments?

	Relevance & inclusion	Please explain
Water availability at a basin/catchment level	Relevant, always included	WHY: It is essential that all our operations have access to a secure supply of water to ensure the integrity of our production process. ASSESSMENT: The water security situation for the Sasol SA Operations is continuously assessed by 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 the Department of Water and Sanitation (DWS), supported by a Professional Service Provider undertaking, on an annual basis, a water resource planning process. A scenario planning exercise is undertaken, on an Annual Basis (April to May), to confirm the key assumptions to be applied in the modelling. Water availability projections are generated using the Vaal Water Planning Model. Stochastic computer simulations project the ability of the Vaal River system to provide water to all users under varying hydrological conditions. Sasol's water requirement is included in the water planning model. The model confirms whether any curtailments are necessary for the upcoming year. For the year in review curtailments were projected to be needed (which was also shown to be the case). A performance report from the system is issued monthly. TOOL USED: The Vaal Water Resource Planning Model (WRPM) is used in the risk assessment process.
Water quality at a basin/catchment level	Relevant, always included	WHY: Water quality has an impact on Sasol's operational costs and demand and is therefore critical to our operations. There are 3 factors that play a role in deteriorating water quality which affects all sites: • Discharge of legacy gold mining lime-treated Acid Mine Drainage (AMD) into the Vaal River. Legacy AMD has a total dissolved solids (TDS) of more than 3000 mg/L. The Department of Water and Sanitation (DWS) is currently lime treating the AMD. Some dilution releases are required to dilute the discharged AMD to maintain river quality at below 600 mg/L. A long term solution to the AMD continues to be assessed by the DWS. • Poor effluent discharge quality from municipal Waste Water Treatment Works (WWTW). These WWTW discharge occasionally large nutrient loads (N&P) into the river as well as pathogens thus deteriorating river quality. • Diffuse pollution originating from land use like the irrigation sector due to over application of fertilizers which washes off into rivers. Wash off from salt and tailing dams can also impact on river and groundwater contamination. Also Sasol Secunda Operations (SSO) can receive its water from 2 differing sources from the Integrated Vaal River System (VRESAP transfer system and the Grootdraai transfer system). The quality is dependent on the source of supply, due to natural processes, resulting in operational changes to treat the water on site. SSO have experienced that the quality of water supplied from the Grootdraai transfer system is of a poorer quality than that of the VRESAP transfer system resulting in additional water demand and increased salt handling requirements. ASSESSMENT: Water quality assessment of the IVRS is done by the DWS and the results are presented annually at the Vaal System Operating Forum. TOOL USED: The Vaal Risk planning tool (The Vaal Water Resource Planning Model) is used in the risk assessment process.
Stakeholder conflicts concerning water resources at a basin/catchment level	Relevant, always included	WHY: Sasol is a large water off-taker and thus, there is a stakeholder expectation for Sasol to do more in host and neighbouring municipalities to ensure water services are provided to communities. We receive ongoing requests from the Department of Water and Sanitation (DWS) to provide support on maintaining its water supply pump infrastructure. This involves assessing pumps, installing valves, etc. These requests are considered and responded to. In order to maintain our social licence to operate, Sasol understands its need to support the municipalities in such services. ASSESSMENT: Stakeholder conflicts are assessed and responded to by Sasol's Stakeholder Relations teams, where stakeholder requirements (which may include conflicting interests) are received from various sources. TOOL USED: Sasol's Stakeholder Issues Management Tool.
Implications of water on your key commodities/raw materials	Relevant, always included	WHY: Our largest electricity utility supplier is Eskom (the South African national electricity utility), who is also highly reliant on the IVRS for water supply. A water supply interruption will therefore disrupt Eskom's electricity supply to our operations, and in turn impact the continuity of our operations. ASSESSMENT: Conducted by Sasol's Group Risk and SHE Committees. TOOL USED: The Vaal Water Resource Planning Model is used in the risk assessment process.
Water-related regulatory frameworks	Relevant, always included	WHY: In South Africa, both the National Water Act (NWA) and the Water Services Act (Act 108 of 1997) are expected to be amended and the implications this will have on Sasol remains uncertain. A water quality policy is being developed which could result in future stringent discharge standards being implemented. This could make it difficult for Sasol to comply. This also makes it difficult for Sasol to design treatment options, since compliance targets continue to become increasingly stringent. More recently, the DWS informed users of reducing 9 Catchment Management Agencies (CMA) from 9 to 6. A proposal was gazetted for comment for the Vaal and Orange CMA to be merged. The merged management of this catchment may exacerbate the risks the catchment faces. ASSESSMENT: Conducted by Sasol Regulatory Services. TOOL USED: Water Policy Prioritisation Matrix.
Status of ecosystems and habitats	Relevant, always included	WHY: Sasol's operations can have an impact on ecosystems and habitats, thus all Sasol's activities are undertaken under strict regulatory compliance. Biomonitoring of watercourses are conducted as per specific Water Use Licences (WUL) requirements. Both Sasol Secunda Operations and Sasolburg Operations discharge effluent (within conditions specified in the licenses) into the Vaal River. Wetlands exist close to our operations, which could be impacted on by Sasol's environmental incidents and mining activities. ASSESSMENT: Conducted by the Department of Water and Sanitation (DWS). TOOL USED: Reserve Determination Tool.
Access to fully-functioning, safely managed WASH services for all employees	Relevant, always included	WHY: WASH services are implemented and maintained at all Sasol's operational sites through accredited service providers. Our South African Operations implement requirements in accordance with the Occupational Health and Safety Act, which requires a measure of control that our facilities have proper WASH services. ASSESSMENT: Conducted by the Occupational Hygiene Team at Sasol. TOOL USED: Sasol Health Risk Assessment Tool.
Other contextual issues, please specify	Relevant, always included	WHY: Sasol's beyond fence-line partnerships are critical in driving water savings for the catchment as a whole. We are also involved in collective action with the Strategic Water Partnership Network (SWPN), which a Sasol representative co-chaired in South Africa, addressing priority national water risks. More recently we have commenced discussions with Rand Water to explore water reuse opportunities. ASSESSMENT: Group Risk and SHE Committees. TOOL USED: CEO Water Mandate's Communication on Progress.

W3.3c

(W3.3c) Which of the following stakeholders are considered in your organization's water-related risk assessments?

	Relevance & inclusion	Please explain
Customers	Relevant, always included	WHY: Our retail customers have been engaged since water supply interruptions affect their operations. FUTURE: Our broader customer base will need to be included in our water risk assessments due to growing reality of potable water restrictions being imposed in South Africa by 2025 water risks to our customers will need to be greatly assessed in the future.
Employees	Relevant, always included	WHY: Many of our employees reside close to our operations and are directly impacted by municipal water supply interruptions. Direct disruptions of potable water supply to our operations and offices impacts employee wellbeing as well. ENGAGEMENT METHOD: Sasol Group engages with employees by conducting water conservation awareness campaigns during World Water Week. Most OME's in South Africa have also communicated water saving tips to employees to practice both at work and at home.
Investors	Relevant, always included	WHY: Investors play a vital role in the success and growth of Sasol. ENGAGEMENT METHOD: Through our disclosures, we inform investors on our water management initiatives. This is via responses to requests from investors/stakeholders and our public disclosures such as our Sasol Sustainability Report and through the CDP Water disclosure process.
Local communities	Relevant, always included	WHY: Sasol aims to maintain good community relations, such to maintain our social license to operate. Many of our employees also live within our local communities and rely on the water available to them for sustenance and health. Thus, Sasol recognises water related risks facing our local communities relevant to us. ENGAGEMENT METHOD: In Sasolburg and Secunda we treat the town's sewer. We are also large customers of potable water from our host municipalities. We therefore take local community interest seriously by investing through our CSI initiatives. We engage with communities including through Municipal structures. In Govan Mbeki Municipality and Metsimaholo Local Municipality we worked through ward councillors to inform communities on the water loss reduction campaigns that were executed. Sasol also worked through the local schools in informing learners on the importance of conserving water. Through Sasol Mining's Social and Labour Plans we support host municipalities to improve water and sanitation services.
NGOs	Relevant, always included	WHY: NGOs play a major role in shaping Sasol's sustainable development agenda, including action items for responding to water quality and water stress. ENGAGEMENT METHOD: They are an important stakeholder that we continuously engage with on water risks and opportunities. We engage with various NGO's including the Centre for Environmental Rights (CER), WWF, Vaal Environmental Justice Alliance (VEJA) and Greenpeace.
Other water users at a basin/catchment level	Relevant, always included	WHY: Sasol recognises the competing nature of water supply and the needs of other water users within the catchment areas in which we operate. This is key to ensuring security of water supply to our operations, thus we consider these users relevant. ENGAGEMENT METHOD: Sasol has a close collaboration with Eskom and Rand Water, both with a large interest in the IVRS. Sasol as part of the Vaal River Systems Operating Forum can assess the combined water risks of its electricity supplier (Eskom), its river water supplier (the DWS) and its potable water supplier (Rand Water). These suppliers report to this forum on their water risks and mitigation strategies. Eskom is also our largest strategic supplier that publicly discloses to CDP water on their water risks. Eskom faces similar challenges to that of Sasol since they are reliant on the Integrated Vaal River System (IVRS) for their water supply. Through piloting the setting of context-based water targets we advanced the process of engaging other businesses in the IVRS to support collective action in the catchment.
Regulators	Relevant, always included	WHY: Regulators play a critical role to ensure that compliance by all stakeholders are achieved. Sasol recognises the role of regulators in regulating the use and protection of water resources. ENGAGEMENT METHOD: Our engagement with the regulatory authorities is mainly on the application for and amendments to/renewal of authorisations. In the case of river water supply the DWS is both the regulatory authority and the supplier. The DWS is also responsible for water resource planning.
River basin management authorities	Relevant, always included	WHY: Management authorities ensure that compliance is achieved in their respective catchments and drive collaboration to ensure resource protection. Sasol recognises the role of these authorities in protecting water resources. ENGAGEMENT METHOD: Our engagement on river basin management issues is with the Department of Water and Sanitation (DWS) directly and through the Vaal planning and performance monitoring forums.
Statutory special interest groups at a local level	Relevant, always included	WHY: ENGAGEMENT METHOD: Planned Stakeholder engagement sessions are conducted by the Corporate Affairs teams. These are mainly local NGO's that we engage with at a regional level (e.g., Representatives from our Sasolburg Operations participates in the Leeu-Taaibospruit forum on catchment related challenges). Sasol co-funded a joint study with the Water Research Commission looking at water quality issues in the Leeu-Taaibospruit catchment. Representatives from our Sasol Secunda Operations participates in the Waterval Catchment Forum.
Suppliers	Relevant, always included	WHY: ENGAGEMENT METHOD: We have advanced the process of engaging with strategic suppliers. This is done through an internally generated, annual questionnaire sent to our strategic suppliers (selected by Rand spent) to self-evaluate themselves against sustainability issues, including water risks.
Water utilities at a local level	Relevant, always included	WHY: ENGAGEMENT METHOD: We have regular engagements with Rand Water and our host municipalities being Govan Mbeki Municipality (Secunda) and Metsimaholo Municipality (Sasolburg). Engagement is through the Stakeholder relations teams housed within operations.
Other stakeholder, please specify	Relevant, always included	WHY: Sasol is a signatory to the UN Global Compact CEO Water Mandate and supported the piloting of Contextual Based Water Targets in the Upper Vaal as part of the Mandate. This pilot was concluded, and the case study was written-up https://pacinst.org/wp-content/uploads/2020/07/UNG_PI_Site-Water-Targets_South-Africa.pdf. ENGAGEMENT METHOD: Sasol attends the Mandates meetings at Stockholm World Water Week and regular conference calls arranged by the Mandate.

W3.3d

(W3.3d) Describe your organization's process for identifying, assessing, and responding to water-related risks within your direct operations and other stages of your value chain.

TOOL APPLICATION: Water risks are identified using Sasol's Enterprise Risk Management Framework Risk Breakdown Structure. Sasol's Enterprise Risk Management process uses a 7 x 7 matrix that assesses, evaluates and rates the risk. Is used as a tool internally. The Vaal Water Resource Planning tool is used to identify and respond to catchment risks.

OUTCOMES: Water supply risks are identified as a Group Top Risk. Sasol is a signatory to the UN Global Compact CEO Water Mandate and we adopt the Mandate's water stewardship framework for responding to water risks. The water security situation for the Sasol SA Operations is continuously assessed by the sustainable water group housed within the SHE Function, who remain actively involved in the planning and operation performance monitoring of the Integrated Vaal River system (IVRS). We identified drought conditions, poor governance by DWS and deterioration of water quality to be a high risk in the Vaal so a decision was made to initiate a project to identify and implement water consumption reduction and efficiency opportunities to mitigate against a water supply risk.

W4. Risks and opportunities

W4.1

(W4.1) Have you identified any inherent water-related risks with the potential to have a substantive financial or strategic impact on your business?

Yes, both in direct operations and the rest of our value chain

W4.1a

(W4.1a) How does your organization define substantive financial or strategic impact on your business?

Sasol's risk management approach delivers top risk profiles at group and entity levels, identifying those risks that could potentially significantly impact our business and delivery on our strategy, in the context of an ever-changing internal and external operating context. Sasol has a robust and standardised Enterprise Risk Management (ERM) Framework, incorporating relevant risk management and governance practices recommended by South Africa's King IV Code for Corporate Governance, the Committee of Sponsoring Organizations' Enterprise Risk Management Integrated Framework and the International Standards Organisation's 31000 Standard. Sasol uses a standard risk matrix to analyse, rank and prioritise its top risks, including water risks in terms of potential likelihood and impact.

Our impact criteria include both quantitative and qualitative impacts, with impact categories spanning financial, operational, market, people, legal & regulatory, and geo-political / reputational. As risks relate to uncertainty, the quantitative impacts expressed are based on the potential and not absolute impact of the risk occurring.

DEFINITION: A substantive financial or strategic impact would be an issue that has the potential to prevent value creation in the short, medium and/or long term by preventing Sasol's ability to execute it strategy, meet its business objectives or remain competitive.

METRIC: Sasol has defined Group-level quantitative and qualitative materiality impact metrics and thresholds ("materiality lens") which enable the identification of substantive business changes. The "materiality lens" potential substantive high impact quantitative criteria includes Financial (> of a certain % of Group EBIDTA impact, or (> of a certain Group cash fixed cost impact), Operational (Group impact on the integrated value chain of > a certain period), Market (impacts of > of a certain % of specific key/critical product lines, or loss of > of a certain (> of a certain % of the Groups market share), Legal & Regulatory (fines / penalties / legal action with total impact of (> of a certain % of Group turnover), and Geopolitical/Reputational (share price impact of (> of a certain %).

THRESHOLD: An impact would be considered to be substantive if the financial impacts of the above-mentioned metrics exceed thresholds exceeds a range of ZAR 300 million to ZAR 4.5 billion.

APPLICABILITY: This definition for substantive impact defined by Sasol applies to our Direct Operations.

EXAMPLE: 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. Deterioration of water quality will result in Sasol incurring more costs to pre-treat the water prior to use.

- Regulatory: include targets or restrictions that DWS may impose in the future on Sasol. This will have significant impact on Sasol since water is required at a high assurance of supply and any reduction target or restriction will imply Sasol investing in capital intensive treatment solutions to meet demand.

- 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 community protest actions. Further, our employees live in these communities and we have a responsibility to their health and well-being.

W4.1b

(W4.1b) What is the total number of facilities exposed to water risks with the potential to have a substantive financial or strategic impact on your business, and what proportion of your company-wide facilities does this represent?

	Total number of facilities exposed to water risk	% company-wide facilities this represents	Comment
Row 1	2	76-99	Sasolburg Operations (SO) abstract about 60 ML/day of raw water through the Zuikerbosch pump station directly from the Vaal River downstream from the Vaal Dam. The SO Operations make up 16% of Sasol's total demand or 0.8% of the total demand from the Integrated Vaal River System (IVRS). Sasol Secunda Operations (SSO) consumes 62% of Sasol's demand or 3.2% (240 ML/day) of Sasol's total demand from the IVRS. The demand from the Vaal river system continued to exceed sustainable supply.

W4.1c

(W4.1c) By river basin, what is the number and proportion of facilities exposed to water risks that could have a substantive financial or strategic impact on your business, and what is the potential business impact associated with those facilities?

Country/Area & River basin

South Africa	Orange

Number of facilities exposed to water risk
2

% company-wide facilities this represents
26-50

Production value for the metals & mining activities associated with these facilities
<Not Applicable>

% company's annual electricity generation that could be affected by these facilities
<Not Applicable>

% company's global oil & gas production volume that could be affected by these facilities
26-50

% company's total global revenue that could be affected
21-30

Comment
The bulk of Sasol's water demand is to meet water requirements of the Sasol Secunda and Sasolburg Operations. Water risks can materialise such as water restrictions, which could have an operational impact on our SA operations.

W4.2

(W4.2) Provide details of identified risks in your direct operations with the potential to have a substantive financial or strategic impact on your business, and your response to those risks.

Country/Area & River basin

South Africa	Orange

Type of risk & Primary risk driver

Physical	Increased water scarcity

Primary potential impact
Reduction or disruption in production capacity

Company-specific description
A study was undertaken by Sasol to develop a first order estimate of the types of impacts and financial losses which arose from extreme weather events over the past decade. The study was titled "Understanding adaptation: Assessment of the impact of historic weather events" and showed that the Secunda operations in South Africa face a greater risk of flooding. Flood occurrences could result in disruptions to our Secunda operations, with a resultant production interruption.

Timeframe
More than 6 years

Magnitude of potential impact
Medium

Likelihood
Likely

Are you able to provide a potential financial impact figure?
Yes, an estimated range

Potential financial impact figure (currency)
<Not Applicable>

Potential financial impact figure - minimum (currency)
100000000

Potential financial impact figure - maximum (currency)
362000000

Explanation of financial impact
The financial impact is based on six recorded incidents of production loss due to flooding and heavy rain over the period 2004-2010. The financial impact of these six events was R362 million in lost production.

Primary response to risk
Develop flood emergency plans

Description of response
In response to flooding risk, we have initiated the implementation of the following mechanisms: - Ensuring maintenance plans and monitoring of systems to manage weather risk. - Adequate incorporation of weather risks in operations' 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 also embarked on a comprehensive programme aimed at mitigating such 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; and - Implement low-cost adaptation measures (including systematic improvement of maintenance efforts, investigation into rainwater harvesting technologies, investigation into the enhancement of desalination capacity). A weather readiness guideline has also been developed and approved as a tool aimed to equip the operations to mitigate the risk associated with an extreme weather event.

Cost of response
950000

Explanation of cost of response
The direct cost of the initial studies amounted to approximately R950,000 which has been used to calculate the cost of the response. There are also internal human resource costs associated with managing this risk.

Country/Area & River basin

South Africa	Orange

Type of risk & Primary risk driver

Physical	Severe weather events

Primary potential impact
Increased cost of capital

Company-specific description
Sasol commissioned the development of a climate change adaptation strategy. Site-specific engagements were held to determine the extent to which the business is exposed to physical climate change risks. One of the risks identified was the increased frequency of heavy rainfall events resulting in increased discharge to the environment and additional cost to the business. For example, in February and December 2017 and March 2018 the Sasolburg operations experienced significant rainfall events (230mm in 3 days in February 2017, 76mm in 24 hours in December 2017 and 90mm in 24 hours in March 2018) which exceeded the 1 in 100-year flood events. This had no reported direct impact on the production at the operations but there were several overflows into the environment. This was complicated by high volumes of contaminated storm water ingress into the Sasol site from the neighbouring municipality, which infrastructure has been compromised due to age and poor maintenance. No fines or penalties were incurred from this incident. However, significant capital was spent to upgrade the on-site stormwater system. This required increased capital investment from Sasol.

Timeframe
Current up to one year

Magnitude of potential impact
Medium

Likelihood
Likely

Are you able to provide a potential financial impact figure?
Yes, a single figure estimate

Potential financial impact figure (currency)
70000000

Potential financial impact figure - minimum (currency)
<Not Applicable>

Potential financial impact figure - maximum (currency)
<Not Applicable>

Explanation of financial impact
R70 million was based on the capex and opex investment made into upgrading the stormwater system.

Primary response to risk
Develop flood emergency plans

Description of response
At a Group level, Sasol commissioned the development of a climate change adaptation strategy which also considers the impact of climate change on water. As part of this work, downscaled climate modelling was conducted at 4 of Sasol's main production sites to assist Sasol in developing adaptation measures that are meaningful at each site.

Cost of response
1100000

Explanation of cost of response
A service provider was appointed to conduct the adaptation strategy. The direct cost of the adaptation strategy was R1,1 million. There are also internal human resource costs and capital and maintenance costs associated with managing this risk that are not included in this cost.

W4.2a

(W4.2a) Provide details of risks identified within your value chain (beyond direct operations) with the potential to have a substantive financial or strategic impact on your business, and your response to those risks.

Country/Area & River basin

South Africa	Orange

Stage of value chain
Supply chain

Type of risk & Primary risk driver

Physical	Increased water stress

Primary potential impact
Reduction or disruption in production capacity

Company-specific description
For Sasol's Secunda operations, the primary source of supply to Secunda Synfuels Operations (SSO) is via the Grootdraai Dam, within the Integrated Vaal River System (IVRS), and associated transfer system. Grootdraai Dam water quality has been progressively deteriorating and has reached levels above 300 µS/cm conductivity (refer to Figure 2). Optimum conditions for SSO is for the water quality to be below 240 µS/cm. This deteriorating water quality has resulted in an increase in SSO's demand for river water due to reduced boiler efficiencies and to manage an increase in the salt loading capacity on site. This poses an additional risk to Sasol's business model.

Timeframe
1-3 years

Magnitude of potential impact
Medium-high

Likelihood
More likely than not

Are you able to provide a potential financial impact figure?
Yes, an estimated range

Potential financial impact figure (currency)
<Not Applicable>

Potential financial impact figure - minimum (currency)
500000000

Potential financial impact figure - maximum (currency)
1400000000

Explanation of financial impact
To deal with this water quality risk Sasol may have to invest in capital expensive water treatment technologies. Focusing on the source of the pollution in the catchment will be a more feasible and cheaper option. The range in capital investment was derived from an internal study to consider various technical and managerial options.

Primary response to risk

Supplier engagement	Promote investment in infrastructure and technologies for water saving, re-use and recycling among suppliers

Description of response
Sasol has been engaging with the Department of Water and Sanitation (DWS), Rand Water and Eskom on collective catchment-based action to resolve the water quality challenge in the Grootdraai Dam catchment. Sasol is in the process of scoping a joint catchment-based study to investigate sources of pollution.

Cost of response
5000000

Explanation of cost of response
Cost to be collectively shared with all affected stakeholders. Also, skills can be transferred to Wastewater Treatment Plants which, if inefficiently operated within municipalities, contributes to poor quality. The cost of response is a very rough order estimate based on a similar study funded in the Leeu/Taai catchment

W4.3

(W4.3) Have you identified any water-related opportunities with the potential to have a substantive financial or strategic impact on your business?
Yes, we have identified opportunities, and some/all are being realized

W4.3a

(W4.3a) Provide details of opportunities currently being realized that could have a substantive financial or strategic impact on your business.

Type of opportunity
Resilience

Primary water-related opportunity
Increased resilience to impacts of climate change

Company-specific description & strategy to realize opportunity
Water security has been identified as a Group Top risk for Sasol and it is understood that the effects of climate change in the future could exacerbate this risk further, particularly for our South African operations. Water is a critical feedstock for our business operations, the communities we operate in and many of our current or planned facilities are in areas with water quantity, quality or delivery challenges. Sasol believes there is an opportunity to assist in advancing water security for the country, beyond just the gates of our own operations. Through the process of piloting context-based water targets in the Upper Vaal Catchment, we came to the conclusion that by setting such targets both the business and catchment can benefit. The pilot work concluded that Sasol should consider setting a water quantity target by reducing surface water demand. This can be done either internally or through supporting Rand Water and its municipal customers. The approach is to advance both protecting the catchment, as well as securing water for Sasol well into the future. Due to the Sasol restructuring, the setting of new targets will be investigated further in FY22 once the internal restructuring underway has been concluded.

Estimated timeframe for realization
1 to 3 years

Magnitude of potential financial impact
Medium

Are you able to provide a potential financial impact figure?
Yes, a single figure estimate

Potential financial impact figure (currency)
500000000

Potential financial impact figure – minimum (currency)
<Not Applicable>

Potential financial impact figure – maximum (currency)
<Not Applicable>

Explanation of financial impact
Sasol's river water demand from the Integrated Vaal River System (IVRS) for FY20 was 105 million m3. To illustrate the financial implications should a reduction target of 15% be set the following: Sasol would be required to invest in treating / upgrading waste water at an approximate cost of R25 m3. As an alternative response Sasol could assist Rand Water with implementing Project 1600 to save on their current river water demand which would come at a cost of R3 m3. This would result in a net positive financial impact of approximately R500 million to Sasol.

W5. Facility-level water accounting

W5.1

(W5.1) For each facility referenced in W4.1c, provide coordinates, water accounting data, and a comparison with the previous reporting year.

Facility reference number
Facility 1

Facility name (optional)
Sasol Secunda Operations located in the Town of Secunda in the Mpumalanga Province

Country/Area & River basin

South Africa	Orange

Latitude
-26.515779

Longitude
29.191392

Located in area with water stress
Yes

Primary power generation source for your electricity generation at this facility
<Not Applicable>

Oil & gas sector business division
Midstream/Downstream

Total water withdrawals at this facility (megaliters/year)
98895

Comparison of total withdrawals with previous reporting year
About the same

Withdrawals from fresh surface water, including rainwater, water from wetlands, rivers and lakes
82007

Withdrawals from brackish surface water/seawater
0

Withdrawals from groundwater - renewable
0

Withdrawals from groundwater - non-renewable
0

Withdrawals from produced/entrained water
9856

Withdrawals from third party sources
7012

Total water discharges at this facility (megaliters/year)
3709

Comparison of total discharges with previous reporting year
About the same

Discharges to fresh surface water
3709

Discharges to brackish surface water/seawater
0

Discharges to groundwater
0

Discharges to third party destinations
0

Total water consumption at this facility (megaliters/year)
94386

Comparison of total consumption with previous reporting year
About the same

Please explain
The volume consumed in 2019 was 92,920 megalitres. The amount consumed increased by 2% due to the deterioration in river water quality in the Integrated Vaal River System (IVRS). Consumption is expected to increase in the future to compensate for the continued deterioration in river water quality. This trend is confirmed by the Vaal Water Resource planning tool.

Facility reference number
Facility 2

Facility name (optional)
Sasolburg Operations located in Sasolburg Town in the Free State Province.

Country/Area & River basin

South Africa	Orange

Latitude
-26.515779

Longitude
29.191392

Located in area with water stress
Yes

Primary power generation source for your electricity generation at this facility
<Not Applicable>

Oil & gas sector business division
Midstream/Downstream

Total water withdrawals at this facility (megaliters/year)
22774

Comparison of total withdrawals with previous reporting year
Lower

Withdrawals from fresh surface water, including rainwater, water from wetlands, rivers and lakes
20744

Withdrawals from brackish surface water/seawater
0

Withdrawals from groundwater - renewable
0

Withdrawals from groundwater - non-renewable
0

Withdrawals from produced/entrained water
0

Withdrawals from third party sources
2030

Total water discharges at this facility (megaliters/year)
16225

Comparison of total discharges with previous reporting year
About the same

Discharges to fresh surface water
16225

Discharges to brackish surface water/seawater
0

Discharges to groundwater
0

Discharges to third party destinations
0

Total water consumption at this facility (megaliters/year)
6549

Comparison of total consumption with previous reporting year
Lower

Please explain
The decrease in consumption was attributed to shutdown due to COVID -19 restrictions imposed on the country. Consumption is expected to increase in the future to compensate for the continued deterioration in river water quality according to the Vaal Water Resource planning tool.

W5.1a

(W5.1a) For the facilities referenced in W5.1, what proportion of water accounting data has been externally verified?

Water withdrawals – total volumes

% verified
76-100

What standard and methodology was used?
The standard used was ISAE3000. Audit was conducted by Price Waterhouse Coopers (PWC). Detailed audits were conduct on 5 major facilities and the rest of our facilities underwent a desktop audit.

Water withdrawals – volume by source

% verified
76-100

What standard and methodology was used?
The standard used was ISAE3000

Water withdrawals – quality

% verified
Not verified

What standard and methodology was used?
<Not Applicable>

Water discharges – total volumes

% verified
76-100

What standard and methodology was used?
The standard used was ISAE3000

Water discharges – volume by destination

% verified
76-100

What standard and methodology was used?
The standard used was ISAE3000

Water discharges – volume by treatment method

% verified
Not verified

What standard and methodology was used?
<Not Applicable>

Water discharge quality – quality by standard effluent parameters

% verified
Not verified

What standard and methodology was used?
<Not Applicable>

Water discharge quality – temperature

% verified
Not verified

What standard and methodology was used?
<Not Applicable>

Water consumption – total volume

% verified
Not verified

What standard and methodology was used?
<Not Applicable>

Water recycled/reused

% verified
76-100

What standard and methodology was used?
The standard used was ISAE3000

W6. Governance

W6.1

(W6.1) Does your organization have a water policy?

No, but we plan to develop one within the next 2 years

W6.2

(W6.2) Is there board level oversight of water-related issues within your organization?

Yes

W6.2a

(W6.2a) Identify the position(s) (do not include any names) of the individual(s) on the board with responsibility for water-related issues.

Position of individual	Please explain
Director on board	The Board reviews the Sustainability Report each year. The board director must sign off all reviews. The Sustainability Report is part of the annual suite of reports. It is supplementary to the Integrated Report and outlines what sustainability means for Sasol in greater detail. There is a dedicated water update under the section “Minimising our environmental footprint”. Under our fourth focus area “Growing Shared Value”, we also set out case studies of our water stewardship initiatives and community involvement regarding water for the reporting period. Our approach to water stewardship is informed by the United Nations Global Compact CEO Water Mandate, of which Sasol is a signatory. The Directors of the board are thus ultimately responsible for water-related issues identified within Sasol. Example of a water-related decision: The directors of the Board made a decision to set Group Water Targets.

W6.2b

(W6.2b) Provide further details on the board’s oversight of water-related issues.

	Frequency that water-related issues are a scheduled agenda item	Governance mechanisms into which water-related issues are integrated	Please explain
Row 1	Sporadic - as important matters arise	Monitoring implementation and performance Overseeing major capital expenditures Reviewing and guiding strategy Setting performance objectives	The Sasol Limited Board's Risk and SHE Committee provides oversight of Sasol's risk management activities and considers the top risks which include water risks. Recommendations are made on water risk mitigation plans, including Sasol operations' Integrated Water and Waste Management Plans (IWWMPs) which have supporting action plans. The implementation of these plans is monitored by Risk and Sustainability Function. Water targets are also approved by the Board.

W6.3

(W6.3) Provide the highest management-level position(s) or committee(s) with responsibility for water-related issues (do not include the names of individuals).

Name of the position(s) and/or committee(s)

Chief Executive Officer (CEO)

Responsibility

Both assessing and managing water-related risks and opportunities

Frequency of reporting to the board on water-related issues

Quarterly

Please explain

Sasol’s President and CEO is part of the Group Executive Committee (GEC), alongside the Executive Vice Presidents of the group. The CEO, through the GEC is accountable for recommending to the Board for approval the Company’s strategy and long-term plans. The GEC guides sustainability management throughout the group and coordinates development of the Group’s objectives, targets and initiatives including water management. REPORT: Quarterly, the Group Risk and Sustainability function prepares a Dashboard update and a Risk Report, which features 19 top risks and major developments of Sasol’s business. Water management is included in these reports based on the risk of production interruptions due to water supply. RESPONSIBILITIES: Accountability for our response to water challenges rests with the GEC (and in turn the CEO), which receives advice and assistance from various GEC sub-committees and specialists within the Group.

W6.4

(W6.4) Do you provide incentives to C-suite employees or board members for the management of water-related issues?

	Provide incentives for management of water-related issues	Comment
Row 1	No, not currently but we plan to introduce them in the next two years	

W6.5

(W6.5) Do you engage in activities that could either directly or indirectly influence public policy on water through any of the following?

Yes, direct engagement with policy makers

W6.5a

(W6.5a) What processes do you have in place to ensure that all of your direct and indirect activities seeking to influence policy are consistent with your water policy/water commitments?

PROCESS: Sasol's Group Executive Committee (GEC) is accountable for our responses to changes regarding water policy changes and developments. The GEC receives advice and assistance from various GEC subcommittees, other governance structures and specialists. The GEC is supported by the Policy, Sustainability and Stakeholder Relations Committee (PSSR), with responsibilities assumed from the former Climate Change and Environmental Policy Steering Committee (CCEP). Strategic prioritisation of our water response is provided via the CCEP, with specific oversight on our scenario analysis and other considerations. The PSSR reports into the SSEC – the Safety, Social and Ethics Committee.

The SSEC assesses and approves Sasol's sustainability management in terms of the strategy and material matters, in line with King IV and other reporting requirements, as well as boundary conditions informed by Sasol's strategic metrics, targets and objectives.

A Group Sustainability function has been established, with effect from 1 July 2019, to coordinate the development of Sasol's sustainability approach. The Sustainability function, including the Enterprise Risk Management function, are led by the Chief Sustainability and Risk Officer.

ACTION ON INCONSISTENCY: A planning meeting is convened prior to the CCEP meeting, to ensure alignment and address any challenges that arise. At this planning meeting inconsistencies are addressed.

W6.6

(W6.6) Did your organization include information about its response to water-related risks in its most recent mainstream financial report?

Yes (you may attach the report - this is optional)

W7. Business strategy

W7.1

(W7.1) Are water-related issues integrated into any aspects of your long-term strategic business plan, and if so how?

	Are water-related issues integrated?	Long-term time horizon (years)	Please explain
Long-term business objectives	Yes, water-related issues are integrated	> 30	ISSUES: The issue of security of water supply is integrated into our long-term strategic business plan as water is a key resource in our operational process. Future projections for the Integrated Vaal River System (IVRS) indicate that if the DWS augmentation projects are not realised on time, this will present a risk to achieving long term assurance of water supply to Sasol South African operations. Due to the potential severity of this risk, water-related strategies and plans have been included in our planning (1-Environmental Roadmap) to achieve the objective of sustainable operations up to 2050. EXAMPLE: A specific example is the investigation of feasible options to reduce river and potable water demand, as well as commissioning of studies to identify alternative sources of water supply.
Strategy for achieving long-term objectives	Yes, water-related issues are integrated	> 30	ISSUES: Due to the severity of the risk of long-term water security, Sasol has developed multiple mechanisms, to mitigate this water risk up to 2050. These mechanisms include: • Driving water efficiency projects within our operations. • Investigating alternate sources of supply. • Investigating other strategic opportunities beyond our direct Operations. Note: Sasol is in the process of investigating new context-based water targets post FY20. EXAMPLE: Having set Group Potable Water Targets and undertaken the piloting of context based water targets.
Financial planning	Yes, water-related issues are integrated	5-10	ISSUES: The mitigation of water security risks (as detailed in our business strategy) requires investment into capital projects that, for example, improve operational water efficiency or provide an alternative water supply. Thus, financial planning is an essential part of the long-term business strategy to ensure that appropriate water projects and initiatives can be implemented. EXAMPLE: Our water-related financial planning is done based on the needs of the various operating entities, subject, however, to governance on capital allocation. Our largest water using OME's are our Sasol Secunda Operations and Sasolburg Operations. Accordingly, these two operations are advancing options of reducing river water demand.

W7.2

(W7.2) What is the trend in your organization's water-related capital expenditure (CAPEX) and operating expenditure (OPEX) for the reporting year, and the anticipated trend for the next reporting year?

Row 1

Water-related CAPEX (+/- % change)

-57

Anticipated forward trend for CAPEX (+/- % change)

-15

Water-related OPEX (+/- % change)

8.5

Anticipated forward trend for OPEX (+/- % change)

5

Please explain

The CAPEX expenditure, to improve water use efficiencies, for 2020 was significantly lower that of 2019. This is the due to a companywide cost and capital expenditure containment drive. It is expected that the CAPEX reduction trend will continue in 2021 on account of the maintained CAPEX reduction focus. The increase in OPEX mostly relates to increases in labour, electricity and water cost. It is anticipated that the increasing OPEX trend will continue for 2021.

W7.3

(W7.3) Does your organization use climate-related scenario analysis to inform its business strategy?

	Use of climate-related scenario analysis	Comment
Row 1	Yes	In 2020, Sasol updated our climate related scenario analysis to inform our strategic decisions. As part of our value-based growth strategy, climate change considerations have influenced Sasol's decision to no longer consider investments in greenfield coal to liquid (CTL) and gas to liquid (GTL) facilities, or further increasing Sasol's current crude oil refining capacity. Following the outcomes of the scenario analysis study conducted, Sasol has shifted our focus towards lower carbon intensive value-based growth through: • Expanding our specialty chemicals business; • Growing our exploration and production portfolio by securing additional natural gas for our South African operations, and potentially aiding in the decarbonisation of the Southern Africa electricity sector; • Expanding our fuels retail footprint.

W7.3a

(W7.3a) Has your organization identified any water-related outcomes from your climate-related scenario analysis?

Yes

W7.3b

(W7.3b) What water-related outcomes were identified from the use of climate-related scenario analysis, and what was your organization's response?

	Climate-related scenarios and models applied	Description of possible water-related outcomes	Company response to possible water-related outcomes
Row 1	RCP 2.6 IEA Sustainable Development Scenario	In 2018, Sasol commissioned a further addition to our adaptation work to develop a climate change adaptation strategy. A critical component of the adaptation work was the use of downscaled climate modelling, which applies global climate models to a specific location, at a finer resolution, to assist in informing decisions regarding our existing infrastructure, in light of climate change impacts. The results of the climate modelling consistently indicated future warmer regimes for all of Sasol's sites. Surface temperature increases of between 1 and 4 °C is anticipated by mid-century (2050), with an increase in the number of extreme hot days. For all sites, the increase in the number of extreme hot days was projected to increase as much as five-fold from the current 5-10 days a year to 25 days in the year. One of the other risks identified via the modelling work was the increased frequency of heavy rainfall events. This was found to result in increased water discharge to the environment from Sasol's facilities as a result of overflow from onsite water storage facilities, resulting in additional cost to the business. Furthermore, additional climate-related risks identified include increased intensity of cyclones and hurricanes on our operations, particularly our Mozambique and US operations.	RESPONSE: In response to the water-related outcomes identified, Sasol is in the process of finalising an adaptation strategy that will focus our attention on integrating climate change risks (including those related to water) into our existing business processes and developing site-specific actions to address these risks. The risks associated with hurricanes and cyclones are managed in Houston, Lake Charles and Mozambique using robust preparedness measures. Low cost adaptation measures and actions have been identified and implemented to manage these risks which includes: - 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 improving maintenance contracts systematically), - Continue to engage with government to feed into policy development process on a national level and to support development of adaptation interventions on a wider scale. In response to increasing surface temperatures and increased extreme rainfall events. Measures are taken to manage heat stress and mitigate against flooding events TIMELINES: measures are taken to manage heat stress and mitigate against flooding events

W7.4

(W7.4) Does your company use an internal price on water?

Row 1

Does your company use an internal price on water?
Yes

Please explain
Sasol uses an internal price on water to justify funding decisions on all projects requiring any water utilities. The price was established after considering the cost of procurement, treatment and environmental impacts of water usage. The price we pay for water differs due to the infrastructure needs to supply water. River water costs Secunda Synfuels Operation and Sasolburg Operations approximately R6/m3 and R3/m3 respectively. These Operating Model Entities (OME's) plan for inflation related increases.

W8. Targets

W8.1

(W8.1) Describe your approach to setting and monitoring water-related targets and/or goals.

	Levels for targets and/or goals	Monitoring at corporate level	Approach to setting and monitoring targets and/or goals
Row 1	Company-wide targets and goals Business level specific targets and/or goals Site/facility specific targets and/or goals	Targets are monitored at the corporate level	In 2015, Sasol set voluntary water efficiency targets driven by our largest water using business in South Africa. These are applicable up to 2020. Being a large water user, we track and monitor the performance of the Integrated Vaal River System (IVRS) in terms of storage capacity of the system and the dams. Any deviations in operating rules are addressed directly with the Department of Water and Sanitation (DWS). In FY17, we commenced the discussion on setting a group potable reduction water target. This target was implemented in FY19. Considering that our water targets end in FY20, Sasol has been guided by the UNGC CEO Water Mandate in developing Contextual Based Water Targets. In the interim old targets continue to be monitored, and that new targets are under development.

W8.1a

(W8.1a) Provide details of your water targets that are monitored at the corporate level, and the progress made.

Target reference number
Target 1

Category of target
Water use efficiency

Level
Site/facility

Primary motivation
Water stewardship

Description of target
Secunda Synfuels Operations aimed to achieve a 2,5% improvement in water intensity against actual consumption in 2014 of 11,58 tons of water used per ton of saleable production.

Quantitative metric
Other, please specify (tons of water use per ton of product)

Baseline year
2014

Start year
2016

Target year
2020

% of target achieved
0

Please explain
Current performance against target is a 3,0% deterioration against baseline. Poor performance relates to a deterioration in feed water quality. The target to be achieved was 11.29 tons of water used per ton of saleable production, however, at the end of 2020 the efficiency was 11.93.

Target reference number
Target 2

Category of target
Water use efficiency

Level
Site/facility

Primary motivation
Water stewardship

Description of target
Sasolburg Operations aimed to maintain the 2015 baseline of 9,81 tons of water use per ton of saleable product.

Quantitative metric
Other, please specify (tons of water use per ton of product)

Baseline year
2015

Start year
2016

Target year
2020

% of target achieved
0

Please explain
Current performance against target is a 10,4% deterioration against baseline. This is due both to lower production and water pre-treatment requirements.

Target reference number
Target 3

Category of target
Water consumption

Level
Site/facility

Primary motivation
Water stewardship

Description of target
Sasol's Mining operations aim to restrict the increase in potable water use to a maximum of 10% by 2020.

Quantitative metric
% reduction in total water consumption

Baseline year
2015

Start year
2016

Target year
2020

% of target achieved
100

Please explain
Mining reported a 32% improvement during 2020 against the 2015 baseline, meeting their target of restricting the increase in potable water use to a maximum of 10%.

Target reference number
Target 4

Category of target
Water consumption

Level
Company-wide

Primary motivation
Water stewardship

Description of target
Reduce Group Potable Water Target by 5%

Quantitative metric
Other, please specify (Group potable water reduction target of 5% by FY20)

Baseline year
2016

Start year
2018

Target year
2020

% of target achieved

100

Please explain

This target has been achieved mainly due to enhancements implemented by SSO

W9. Verification

W9.1

(W9.1) Do you verify any other water information reported in your CDP disclosure (not already covered by W5.1a)?

Yes

W9.1a

(W9.1a) Which data points within your CDP disclosure have been verified, and which standards were used?

Disclosure module	Data verified	Verification standard	Please explain
W6 Governance	Total water use and recycled water	ISAE 3000	Limited Assurance done by 3rd party service provider. Refer to 2020 Sasol Sustainability Report

W10. Sign off

W-FI

(W-FI) Use this field to provide any additional information or context that you feel is relevant to your organization's response. Please note that this field is optional and is not scored.

W10.1

(W10.1) Provide details for the person that has signed off (approved) your CDP water response.

	Job title	Corresponding job category
Row 1	Disclosure Working Group; Vice President Climate Change; Senior Vice Present Portfolio Strategy and Sustainability	Other, please specify (Senior Leadership)

W10.2

(W10.2) Please indicate whether your organization agrees for CDP to transfer your publicly disclosed data on your impact and risk response strategies to the CEO Water Mandate's Water Action Hub [applies only to W2.1a (response to impacts), W4.2 and W4.2a (response to risks)].

Yes

Submit your response

In which language are you submitting your response?

English

Please confirm how your response should be handled by CDP

	I am submitting to	Public or Non-Public Submission
I am submitting my response	Investors Customers	Public

Please confirm below

I have read and accept the applicable Terms