

C12.3

(C12.3) Do you engage in activities that could either directly or indirectly influence public policy on climate-related issues through any of the following?

- Direct engagement with policy makers
- Trade associations
- Funding research organizations
- Other

C12.3a

(C12.3a) On what issues have you been engaging directly with policy makers?

Focus of legislation	Corporate position	Details of engagement	Proposed legislative solution
Mandatory carbon reporting	Support	Sasol has been engaging on the process on the development of mandatory GHG reporting for South Africa which culminated in the promulgation of mandatory GHG reporting regulations released on March 2017. Sasol has been a proponent of reporting for many years and has been voluntarily submitting GHG data to government since the country's earliest GHG Inventories. It our belief that for reductions to take place, an emissions baseline is critical. Sasol's first mandatory GHG submission was submitted in March 2018.	Mandatory GHG Reporting Regulations for South Africa which were promulgated in March 2017.
Energy efficiency	Support	As a founding signatory to the South African Energy Efficiency Accord (the Accord), Sasol has a long-standing commitment (since 2005) to promoting energy efficiency as a key business driver, in addition to the benefit of GHG reductions. Sasol recently committed to EP100 and supports the South African National Energy Efficiency Strategy of a 1% annual Energy Efficiency improvement target. Sasol has set an objective of a 15% improvement between 2015 and 2030 in addition to the 16.6% improvement under the Energy Efficiency Accord during the time period of 2000 to 2015. Sasol is in the process of setting new targets for our international operations. Following the utility energy efficiency improvement Sasol achieved under the Accord for South African operations in which we continued to set appropriate interim improvement objectives for several of our South African operations. Once the South African Department of Energy publishes the new 2030 National Energy Efficiency Strategy, Sasol will set new improvement targets aligned to the national objectives. Sasol's global operations are in the process of implementing standard utility energy efficiency measurements and reporting practices. Once baseline performance measurements have been determined, appropriate global improvement targets aligned with the respective national objectives will be set.	South African National Energy Efficiency Strategy.
Adaptation or resilience	Support	Sasol is not only an emitter of GHGs, we are also vulnerable to the impacts of climate change and have undertaken work to better understand our climate change exposure for our people and operations. Through an assessment of the impacts of climate change on our operations, we are taking steps to ensure that we are resilient to these impacts which include increased flooding from heavy rains, rising sea levels, extreme weather events such as hurricanes and tornadoes and heat stress in some regions where we operate. In this regard, Sasol is advancing work in developing an adaptation strategy for the identified key priority regions such as Lake Charles, Secunda and Sasolburg.	South African National Adaptation Strategy that takes into account business impacts by climate change and its implications for the country.

Focus of legislation	Corporate position	Details of engagement	Proposed legislative solution
Carbon tax	Oppose	We have and continue to provide extensive input to the development of the National Treasury's carbon tax proposal for South Africa. National Treasury published a carbon offsets paper for public comment in April 2014 and subsequently a Draft Carbon Tax Bill in November 2015 with a second draft bill in December 2017. Early on in the policy making process, Sasol contributed information both generated internally and through independent third party consultants in order that policy development takes account of the broadest spectrum of issues facing business and the economy which in addition to the long term structural challenge the country faces, a number of short-to-medium term economic challenges due to low commodity prices and the substantial increases in electricity prices in recent years. Where specific documents are produced by policy makers, Sasol provides detailed comments on policy intent and structure and will continue to engage with National Treasury and related governmental departments such as the Department of Environmental Affairs via various forums. A key purpose of Sasol's contributions is to try and ensure that policy does not result in unintended consequences for business, society and the broader economy and that policy is cohesive, implementable and workable. It is also to ensure that policies so selected must be implementable having due regard to the energy mix in the country and its development status.	While Sasol supports a transition to a lower-carbon economy we remain concerned that the proposed stand-alone carbon tax will further diminish the country's investment attractiveness and competitiveness. The introduction of the carbon tax is inappropriate given the following: <ul style="list-style-type: none"> • It will exacerbate the current challenges faced by the industrial sector of the economy in light of the rapid rise in electricity prices over the last few years and challenges faced at Eskom; and • It is unnecessary to implement the tax now in light of the fact that South Africa's greenhouse gas (GHG) emissions are below the international targets it committed to. Hence South Africa has time to develop an integrated mitigation policy within a well-designed climate change policy and legislative framework • The adoption of the Bill as it stands may increase investor uncertainty; • Lack of clear policy alignment with other environmental policies such as the carbon budgets will result in two economic instruments addressing the same set of emissions; and • Lack of clarity as to the nature of the climate change regime post 2020. We support Government utilising the time and carbon space created by our current GHG emissions trajectory to develop a properly integrated climate change policy and legislation rather than rushing with the adoption of the carbon tax bill at this stage.
Other, please specify (Mitigation system & Carbon Budgets)	Support	Sasol has engaged directly with various stakeholders on matters related to climate change. The nature of the engagement is tailored to the specific needs of the policy debate at a specific time. During the year, for our South African operations, we continued to participate in the roll-out of the National Climate Change Response Policy and the development of the newly proposed draft Climate Change Bill with the Department of Environmental Affairs both on our own and through business and trade associations. Sasol has been and is fully participating in the carbon budget process and is actively engaging on the development of an integrated mitigation system including carbon offsets and trading of budgets.	Sasol is committed to playing our part in South Africa's transition to a lower carbon and more climate resilient economy within the context of it being a developing country. We recognise that we have a particular responsibility and opportunity to contribute to finding solutions to this challenge. We believe that meeting the growing global demand for energy will accelerate GHG emissions unless viable technological solutions are developed and implemented in an economically sustainable manner. We actively engage with government and various stakeholders on our approach to responsibly manage these challenges.

C12.3b

(C12.3b) Are you on the board of any trade associations or do you provide funding beyond membership?

Yes

C12.3c

(C12.3c) Enter the details of those trade associations that are likely to take a position on climate change legislation.

Trade association

Chemical and Allied Industries' Association (CAIA)

Is your position on climate change consistent with theirs?

Consistent

Please explain the trade association's position

CAIA members are well aware that a business as usual scenario is not feasible and are committed to playing their part in developing and implementing a national climate change response policy that places South Africa on a lower carbon growth path while at the same time addressing developmental imperatives. The chemical industry recognizes its responsibility to contribute to efforts to mitigate climate change. The industry's goals in this regard are to reduce its own emissions by improving its processes and to encourage the use of chemical products that create a net emission reduction along the value chain. The chemical industry is also addressing the challenge of adaptation to climate change through its commitment to improving water use efficiency.

How have you, or are you attempting to, influence the position?

Sasol plays an active role in developing and implementing the global chemical industry's Responsible Care® initiatives. We participate in working groups of the European Chemical Industries' Council (CEFIC), and South African Chemical and Allied Industries' Association (CAIA).

Trade association

South African Petroleum Industry Association (SAPIA)

Is your position on climate change consistent with theirs?

Consistent

Please explain the trade association's position

The cycle of developing, producing, transporting, refining and delivering oil to end-users presents significant environmental challenges. In response to these challenges, the industry has embarked on a number of initiatives to ensure that it will continue reducing its environmental impact into the future. The SAPIA Engineering and Environmental Committee's anti-pollution strategies include: Development of a common emission management strategy, common emission reporting protocol and common flaring report protocol by the Refinery Managers' Environmental Forum (RMEF) to manage the environmental implications of their activities. Individual refineries have invested heavily in the installation of new emission control technology.

How have you, or are you attempting to, influence the position?

Sasol plays an active role in all SAPIA meetings, including the Climate Change Committee.

Trade association

Minerals Council of South Africa

Is your position on climate change consistent with theirs?

Consistent

Please explain the trade association's position

The mining industry can demonstrate its commitment to improving energy efficiency and managing climate change by developing a detailed inventory of carbon emission, showing what energy savings have taken place and perhaps set its own targets for energy efficiency (most companies have already signed the Energy Efficiency Accord). This would demonstrate that the industry is serious about dealing with national challenges.

How have you, or are you attempting to, influence the position?

Sasol plays an active role in Chamber of Mines meetings.

Trade association

Business Unity South Africa (BUSA)

Is your position on climate change consistent with theirs?

Consistent

Please explain the trade association's position

BUSA is a confederation of business organisations including chambers of commerce and industry, professional associations, corporate associations and unisectoral organisations. It represents South African business on macro-economic and high-level issues that affect it at the national and international levels. BUSA's function is to ensure that business plays a constructive role in the country's economic growth, development and transformation and to create an environment in which businesses of all sizes and in all sectors can thrive, expand and be competitive. As a principal representative of business in South Africa, BUSA represents the views of its members in a number of national structures and bodies, both statutory and non-statutory. BUSA also represents businesses' interests in the National Economic Development and Labour Council (NEDLAC).

How have you, or are you attempting to, influence the position?

Sasol plays an active role in various BUSA meetings and co-chairs the BUSA Environmental Sub-committee.

Trade association

Industry Task Team on Climate Change (ITTCC)

Is your position on climate change consistent with theirs?

Consistent

Please explain the trade association's position

The ITTCC is a non-profit organization that represents energy-intensive industries. It is committed to working with industry, business groups and government departments to ensure sustainable economic growth while transitioning South Africa to a lower-carbon economy. The ITTCC's role is to undertake technical, fact-based studies to ensure that South Africa's policies regarding climate change are based on the best information, best practice and prescribe tangible, achievable ends.

How have you, or are you attempting to, influence the position?

Sasol actively participates in meetings, provides expert advice and supports various pieces of work to provide a fact base to inform climate change policy development. Sasol is currently the Vice Chair of the ITTCC.

C12.3d

(C12.3d) Do you publicly disclose a list of all research organizations that you fund?

No

C12.3e

(C12.3e) Provide details of the other engagement activities that you undertake.

Sasol is committed to working with all in the countries where we operate to achieve optimum GHG management solutions balanced with economic development and growth drivers. We believe that business is an

essential part of the solution to the climate change challenge and that only through working collaboratively with national and international stakeholders in developing climate change related policies both in South Africa

and globally, will we achieve the required impetus and solutions .

We engage directly with regulators and policymakers, as well as indirectly through relevant national and international business associations and task teams. At an international level, we work through organisations such

the International Chamber of Commerce (ICC), and the International Council of Chemical Associations (ICCA). This provides us access to thought leadership, particularly around improving climate change data reporting

and energy efficiency. Our national operations engage directly and through organized business associations such as the American Chemistry Council (ACC), BUSA, Business Leadership South Africa (BLSA), National

Business Initiative (NBI), CAIA and Industry Task Team on Climate Change (ITTCC). Sasol has attended and participated consistently in the Conference of the Parties (COP) since COP 15 and supports the Paris

Agreement.

In terms of recent policy developments, the regulatory issues that have a particularly profound potential impact on our South African activities are those relating to the proposed carbon tax (and associated regulations

including carbon offsets) and carbon budgets, clean fuel specifications, air quality, water and waste management. A multi-disciplinary team has been in existence for 8 years to consider climate change policy and this has

now been widened to environmental policy as well. The Stakeholder Affairs department which is part of the multi-disciplinary team arranges our engagement with key stakeholders. The aforementioned team derives its

mandate through a sub-committees of the Group Executive Committee (GEC).

We believe that a consistent approach to engaging with various tiers of government on critical policy and regulatory issues is contributing to a more productive and mutually beneficial relationship. It is also

encouraging further alignment between the regulatory requirements of different government departments in South Africa.

These engagements also allow Sasol to learn and share work and experiences with government and other organisations – an example is Sasol's participation with the South African government and wider business at

COP 23 in Germany showcasing the significant advances made on both climate change mitigation and adaptation by government and business.