

SASOL



**SUSTAINABILITY
REPORT 2019**

INDEX

SASOL ITALY AND SUSTAINABILITY

SASOL ITALY AND SUSTAINABILITY	11
SASOL ITALY AND SUSTAINABLE DEVELOPMENT GOALS	12
About us	13
Sasol in Italy	14
Our locations	15
Integrated production	18
Our products: a task involving continuous research	18
METHODOLOGICAL NOTE	20
Materiality analysis	21
Our stakeholders	22
Associations	24
Our corporate governance structure	25
Shareholders' meeting	25
Board of Directors (BoD)	25
Board of Statutory Auditors	25
Organisation, management and controlling model, and code of ethics pursuant to Italian Legislative Degree 231/01	26
Committees influencing sustainability strategy-related decisions	27
Socio-economic compliance	27
Suppliers' code of conduct	27
Our management practices in the field of anti-corruption	28
Sasol's risk management policy	29
Operating practices	29
International certifications and standards	30



ECONOMIC SUSTAINABILITY

SASOL ITALY AND ECONOMIC SUSTAINABILITY	35
The Administration, Finance and Controlling department	36
Economic value directly generated and distributed	36
Local impacts	37
Suppliers	37
The investments	38

ENVIRONMENTAL SUSTAINABILITY

SASOL ITALY AND ENVIRONMENTAL SUSTAINABILITY	41
Energy efficiency aspects	42
Reduction of greenhouse gases	43
Electricity generation aspects	45
Water usage	46
Water withdrawals	46
Wastewater disposal	48
Management of atmospheric emissions	49
Waste management	51
Decontamination activities	52
Activities at the sites	53
The "No Fly" investigation	53

SOCIAL SUSTAINABILITY

SASOL ITALY AND SOCIAL SUSTAINABILITY	57
Development of human resources	58
Sasol people	59
Diversity and equal opportunities	59
Welfare at Sasol Italy	60
Other benefits	60
Our industrial relations	60
Safety as a priority	61
Risk management	61
The objective of zero harm	62
Figures on safety at Sasol	63
Aspects related to major accident hazards	64
Product safety	65
Safety training	65
Safeguarding the health and safety of Sasol's staff	66
Skills development	67
Performance evaluation	68
Other social sustainability initiatives focused on employees	68
Talent L@B	72
POLIMI Research Agreement	74
Chemistry and... literature	74



LETTER TO STAKEHOLDERS

Being sustainable in a changing world

“Be the change”, for all of us at Sasol, 2019 started with this ambitious goal: to be protagonists, through our actions, in a different and better world that pays increasing attention to the environment, to sustainable economic development and to our stakeholders’ requirements. Across the Sasol group, we have committed ourselves to bringing about a daily change, in our own small way, contributing to the progress made by the whole company in our sustainable development objectives.

The results of this commitment, with regard to Sasol Italy, are accurately and voluntarily reported on the pages of this 2019 report, which has been audited by an independent company and has been certified as adhering to the standards of the Global Reporting Initiative, the most widespread global standard for non-financial reporting.

However, over the months during which this document was written, it has become increasingly clear that we are talking about a world that has changed beyond recognition. Our data, forecasts and future strategies that fed into the results described in this report have been overturned by one of the most unexpected and overwhelming events of the last hundred years: the coronavirus crisis.

The arrival of the pandemic has impacted all of our outlooks and forecasts, dealing an extremely harsh blow to the global economy, transforming macroeconomic fundamentals, and creating feelings of uncertainty about the future of populations, countries and the manufacturing sector.

For all of us at Sasol, wherever we are in the world, 2020 unavoidably demanded an exceptional degree of commitment.

With regard to Sasol Italy, we were immediately at the forefront of the fight against the virus, being producers of intermediates for detergents and personal hygiene products. Our business has been categorised as a key industry in governmental decrees, and we have immediately responded promptly and flexibly to requirements in order to serve society, while protecting the safety and health of our employees at all times.

This commitment has not stopped at the plant gates, as Sasol Italy has been eager to provide concrete help to the communities around our plants through donations of beds and monitors for Covid-19 patients, donations of personal protective equipment to healthcare workers, employee fund-raising initiatives for hospitals and charities, and also supplementary insurance for our employees.

Separately and just like Sasol Limited, we have also been courageously confronting the disruptive economic setbacks caused by the spread of the virus. Already economically weakened in 2019 by the unexpected increases in expenditure related to a large project in North America, the company has had to face the additional and difficult global challenge caused by the pandemic, which – in combination with the drastic drop in the oil prices and the consequent market volatility– required urgent measures to limit spending.

We have worked as hard as possible to send a concrete signal of change and to instil confidence in our stakeholders and shareholders, envisaging a new Sasol 2.0 with an updated, even more competitive and sustainable operating model that will enable us to respond to the challenges of the future. All of this will be outlined in comprehensive detail in our next Sustainability Report focused on the calendar year 2020.

While we are living in a rapidly changing world, what has never been questioned is our commitment to achieving sustainability. Every single site and team is committed on a daily basis to continuing along this path and achieving ever-improving results on our sustainable development journey, from an environmental, economic and social point of view.

We will continue to do this by always having transparency as one of our priorities in our stakeholder relationships and by integrating our stakeholders’ needs into our business activities.

As a responsible company, we intend to continue making a concrete contribution to the development of our communities and to pursuing an approach based on dialogue and sharing. By doing this, we can help to diffuse an attitude of maturity that takes into account and harmoniously integrates both human and industrial dimensions.

Filippo Carletti

Managing Director Sasol Italy

A handwritten signature in black ink, appearing to read 'Filippo Carletti', written in a cursive style.

THE 2019 OF SASOL ITALY IN NUMBERS



€80 MILLION
ECONOMIC VALUE
DISTRIBUTED

€44 MILLION
INVESTED
IN SUSTAINABILITY

€4 MILLION SPENT
ON RESEARCH AND
DEVELOPMENT



100% OF STAFF
EMPLOYED ON
PERMANENT CONTRACTS

30% EMPLOYEES
HIRED ARE WOMEN

6000
TRAINING
HOURS



NO_x - 60,6%,
COMPARED
TO 2010

SO_x - 95,9%,
COMPARED
TO 2010

CO - 47,8%,
COMPARED
TO 2010

1

SASOL ITALY AND SUSTAINABILITY

PART ONE

SASOL ITALY AND SUSTAINABILITY

“Positioning for a Sustainable Future”. This is the motto driving the entire Sasol group’s progress towards a new era, one in which our daily actions for sustainable development will continue to develop and bring ever improved results. For Sasol, achieving the right balance between economic, environmental and social dimensions means:



Sasol Italy is aware of the impacts of its activities on the areas in which it operates. This is why it is committed to improving its environmental, economic and social performance each and every day.

Using tools of engagement and sharing such as this document, our aim is to integrate sustainability into our corporate strategy and create a relationship based on trust and constant dialogue with our stakeholders.

The indicators in this report describe the results achieved by Sasol Italy in the various areas of sustainability, allowing readers to make comparisons with previous years – in other words, to join us on our sustainability journey and learn about all of the stages it involves. *

A *modus operandi* that is encapsulated in our vision, our purpose and our sustainability statement.



SASOL AND THE SUSTAINABLE DEVELOPMENT GOALS

Guided by the Sustainable Development Goals (SDGs) set down by the United Nations in its Agenda 2030 and by sharing our goals with our stakeholders, we aim to contribute to an increasingly sustainable planet.

Ensuring that our business is environmentally, socially and economically sustainable is a strategic imperative. This means making the strategic choices that will allow Sasol to make a significant contribution to socio-economic and environmental development for the sake of future generations.

We are committed to creating long-term value for all our stakeholders by strengthening the sustainability of our activities, continuing to prioritise health and safety, and respecting the communities in which we operate. We care about the well-being of our people while respecting our stakeholders' interests and minimising our impact on the environment.

Sasol Italy believes to have an important role to play in tackling the 17 SDGs that were rolled out in 2015 as global targets to be achieved by 2030. These objectives are intended to address some of the greatest challenges facing the world, including improving health and education and responding to climate change. Achieving these objectives requires cooperation between

governments, the private sector and non-governmental organisations.

In particular, Sasol is committed to making a concrete contribution to the achievement of several of the 17 Sustainable Development Goals. For us, the most crucial include:

8 DECENT WORK AND ECONOMIC GROWTH
 In 2019 we continued to incentivise lasting, inclusive and sustainable economic growth, full and productive employment, and decent work for all. Our goal of "zero accidents" guides us as we pay ever greater attention to the health and safety of those working at Sasol.

12 RESPONSIBLE CONSUMPTION AND PRODUCTION
 Like every other manufacturing company, we rely on natural resources for our business. However, we always stay focused on our aim of minimising our impacts by applying all of the best technologies available and by constantly improving our environmental performance.



13 CLIMATE ACTION
 Both as businesses and citizens, we are called upon to take concrete steps to respond effectively and in a timely manner to the challenges posed by climate change. We are committed to taking concrete action to protect the future of our planet.

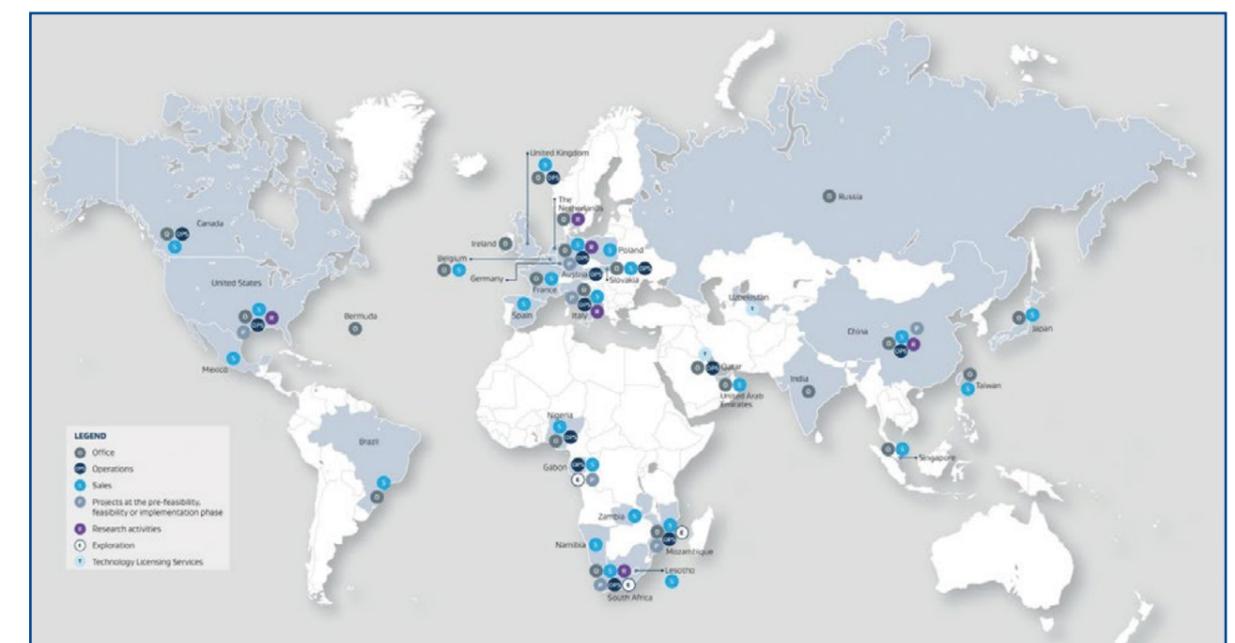
17 PARTNERSHIPS FOR THE GOALS
 Through our constant dialogue with all our stakeholders locally, we identify the themes and areas of intervention in which we should invest so as to contribute to the sustainable development of the communities in which we operate.



About us

Sasol is a global integrated chemicals and energy company that operates in 30 countries and that markets

its products in about 100 countries. With the support of our skilled people, we use selected technologies to identify, produce and market chemicals and energy-related products safely and sustainably at a global level.



Sasol in the world



Our Eurasian platforms form part of Sasol International Operations and include manufacturing facilities and product marketing activities in Europe and Asia. Our Regional Operating Hub includes ten production sites in Germany, Austria, Slovakia, Italy, the UK and China.

The approximately 2,200 highly skilled people employed by our Eurasia platforms produce a complete portfolio of chemicals including commodities and special chemicals using a wide variety of mainly proprietary technologies. Our product range includes surfactants, surfactant intermediates, fatty alcohols, mineral oil-based paraffin waxes, wax emulsions and petroleum gelatines, as well as very high-purity alumina.

The product portfolio includes:

Organics

Our organic products are used in a wide range of applications such as detergents, industrial intermediates, paints and coatings, personal care products and lubricants, as well as a wide range of special applications including oil recovery in spent oil wells, phase-change materials and catalysts for the production of polymers.

Inorganics

Our inorganic specialties are used in a wide range of applications, such as catalysts in the automotive, chemical and refinery industries. Very high-purity (99.999%) alumina is used as a raw material for synthetic sapphires, lasers, LED lighting and medical prostheses.

Waxes

These products are used in a wide range of applications, such as hot-melt adhesives, bitumen modification, building panels, personal care and cosmetics, industrial applications, packaging, pharmaceutical products, polymer processing, rubber and tyres. Candles are another important market for our waxes.

Sasol in Italy

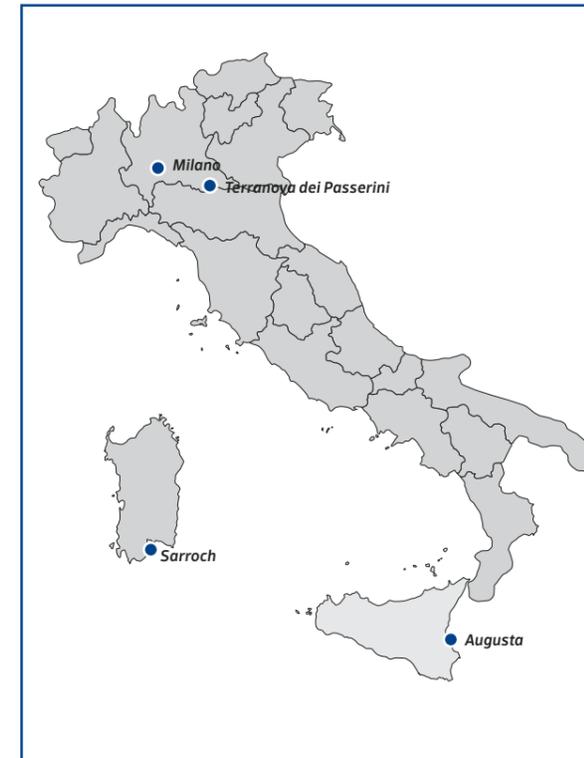
In Italy, Sasol is represented by three plants and a headoffice, with a total workforce of 632 people and revenues of approximately €1 billion.

The Italian plants produce mainly chemical intermediates and raw materials, for which the main applications involve detergents, personal care and other industrial sectors such as lubricants, paints, solvents and jet fuel.

In addition, Sasol owns two non-production sites currently undergoing renovation.

Combining people's skills with our technological advantage, Sasol has a constant focus on innovation. In a constantly changing global economic environment – one in which market requirements and stakeholder expectations are constantly evolving – Sasol is updating its methods, structures and products, thereby driving progress to add value for shareholders in a sustainable way.

Our locations



The plant is characterised by an integrated production cycle involving the raw materials kerosene, benzene and methane, while the products manufactured consist of paraffins, olefins, alkylates and alcohols, as well as important secondary products comprising jet fuel, paraffinic diesel, virgin naphtha, head and tail alcohols, and heavy alkylates.

The plant is located in the northern part of the Syracuse-Priolo-Augusta industrial area. The premises of the Sasol Italy plant are located in a highly complex industrial setting, identified in Italian Legislative Decree L426/98 as an "Industrial Site of National Interest". The plant also includes the Punta Cugno docks (as part of a government coastal concession agreement and shared with the Italian Navy). These are linked to the factory's internal storage facilities by pipelines of approximately 3 km in length.

The plant is connected with other major production facilities within the industrial zone by means of pipelines that supply more than 50% of its raw materials, thus avoiding the use of maritime and/or road transport and thereby significantly reducing environmental impacts and transport-related risks.

Technical gases, such as nitrogen and oxygen, are also supplied directly from the SOL plant housed within our manufacturing site.

Terranova Dei Passerini (Lodi)

The Terranova dei Passerini site, situated in the province of Lodi, employs 131 people and produces non-ionic, anionic, ester and amide surfactants, covering a total area of approximately 33 hectares. Some 87.5% of the raw materials come from other Sasol plants. The main raw materials involved consist of ethylene propylene oxide, linear

Augusta (Syracuse)

The Sasol Italy S.p.A. site in Augusta, in the province of Syracuse, Sicily, employs 370 people. Covering 136 hectares, it is the largest of our Italian plants and produces, in its operational cycles, a variety of products derived from materials of oil-based and petrochemical origin.



The Sasol Augusta plant



and branched alcohols, linear alkylbenzene (LAB) and sulphur, while the finished products consist of non-ionic surfactants, anionic surfactants and esters. The site manufactures a broad portfolio of non-ionic and anionic surfactants and constitutes a key element in the company's strategy of product differentiation. It is a strategic facility for Sasol Italy, as it operates streamlined and customised production cycles and is able to respond effectively and quickly to customer requirements, including those involving

small quantities of products for SMEs. The factory's operations combined with its on-site research and development capacity therefore enable it to respond flexibly to the demands of the market including those of any new business sectors. The plant's production cycles are designed to transform raw materials into intermediate products. It mainly produces active ingredients for detergents and personal care as well as emulsifiers, plasticisers and lubricants.



The Sasol Italy plant in Terranova dei Passerini

Sarroch (Cagliari)

The Sarroch site, in Sardinia, is the smallest of the Italian facilities, covering approximately 6 hectares. With a workforce of 37, it is situated within a site owned by Sarlux (a company belonging to the Saras group). The plant produces n-paraffins from kerosene using high-efficiency technology and supplies products to the Augusta and Terranova facilities as well as to customers.

The plant's production cycle is integrated with the one of the refinery from which it receives, via a pipeline, its raw materials (diesel or kerosene) and to which it returns dewaxed kerosene and virgin naphtha, also via a pipeline.

The splitting process enables a variety of paraffinic cuts to be obtained: some are sent to the Augusta factory for subsequent processing, while a small number are reserved for direct sale to end customers.

Utility services are provided by the Sarlux installations as regards demineralised water, cooling water, steam, utility air, instrument air, and distribution of nitrogen, fuel gas and H₂.

Milano

A total of 94 people are employed at Sasol Italy's Milan head office located on Viale Forlanini 23. The head office hosts the company's general management team and teams that work closely with the Eurasia head office in Hamburg. These include, among others, the Legal, Finance & Controlling, HR, Supply Chain and Customer Care departments and the Sasol Italy Energy division.

The non-production sites

There are two sites owned by Sasol Italy that have been decommissioned over time and are currently subject to soil and sub-soil decontamination activities. These are Paderno Dugnano (Lombardy), previously a research centre, and Porto Torres (Sardinia), where a linear alkylbenzene (LAB) production plant used to be based.



The Sasol Italy plant in Sarroch

Integrated production

As shown in the diagram below, production activities at Sasol Italy's plants are highly integrated. This enables control of the entire production chain by creating intermediate products required for the various processes performed by other plants thereby fulfilling all customer requirements. The plant's finished products thus become intermediate products for the subsequent processing phases performed by plants downstream.

In particular, the paraffins produced from kerosene in Augusta are supplemented by heavier cuts (in terms of carbon numbers) from the Sarroch plant, which uses kerosene and diesel as its raw materials. This enables a greater variety of alcohols and alkylates with different cuts, suitable for different market segments.

While some of Augusta's finished products are sold on, others are shipped to Terranova dei Passerini, where, by the use of ethoxylation and sulphonation processes, they undergo further transformations that allow more than one hundred different types of products to be marketed.

Our production involves continuous research

At Sasol Italy we are constantly looking for new technological solutions that will enable us to improve our production processes and commercialise new molecules, while achieving our two-fold objective of following environmental sustainability principles and fulfilling our customers' requirements.

Research & development activities take place mainly in the Augusta and Terranova Research Centres. In addition, certain specialised experiments are handled in collaboration with other research teams based at the Group's plants in Marl (Germany), Brunsbüttel (Germany), Lake Charles (USA) and Nanjing (China). Our organisational structure, in fact, combines a single coordinating body with close interaction between the various teams worldwide: one of the key strengths of the Sasol Group.

This means substantial investments that not only enable new research projects to be implemented but also ensure



The Terranova Research Centre brings together state-of-the-art analytical capabilities with, importantly, an in-depth knowledge of products, markets and applications.

As a result, we can interact with our customers, listen to their requirements and offer the best possible technical solutions. This fruitful dialogue allows us to generate ideas for both new products and new applications for products already marketed. The Technical Support team also interact with colleagues from other countries by participating in important working groups that carry out strategic projects for Sasol on a horizontal basis.



Although Sasol Italy is mainly focused on the detergent market, in recent years we have also increased and consolidated our presence in other "differentiated" sectors, such as metalworking & lubrication (MWL), enhanced oil recovery (EOR), agrochemicals, industrial applications, inks, paint and coatings (IPC).

We have dedicated resources and ongoing expansion projects focused on each of these application areas. In the field of detergents, for example, we are committed to developing products that offer optimised performance levels in line with market requirements.

With regard to the MWL sector, we have been researching new families of synthetic oil-soluble lubricants for some time, mainly for use in gears and compressors, as well as water-soluble lubricants that are utilised in hydraulic oils. All of these activities are based on our portfolio of alcohols and our team's ability to develop new synthesis strategies focused on the creation of new products.

In recent years, thanks to close cooperation between R&D and Operations, we have created two major product families that are still strategically important in the field of EOR (enhanced oil recovery from wells) and soil remediation (of land contaminated by hydrocarbons). In a similar way, as well as assisting potential customers in identifying the product best suited to their needs, we are also working to build a product portfolio suitable for other applications (foam EOR) in the field of chemical oil extraction.

Recently, Sasol decided to expand its horizons so as to seize the opportunities for growth offered by the agrochemical sector. The Terranova R&D team is committed to promoting our products in this application area and protecting its innovations by registering industrial patents.

Integrated logistics

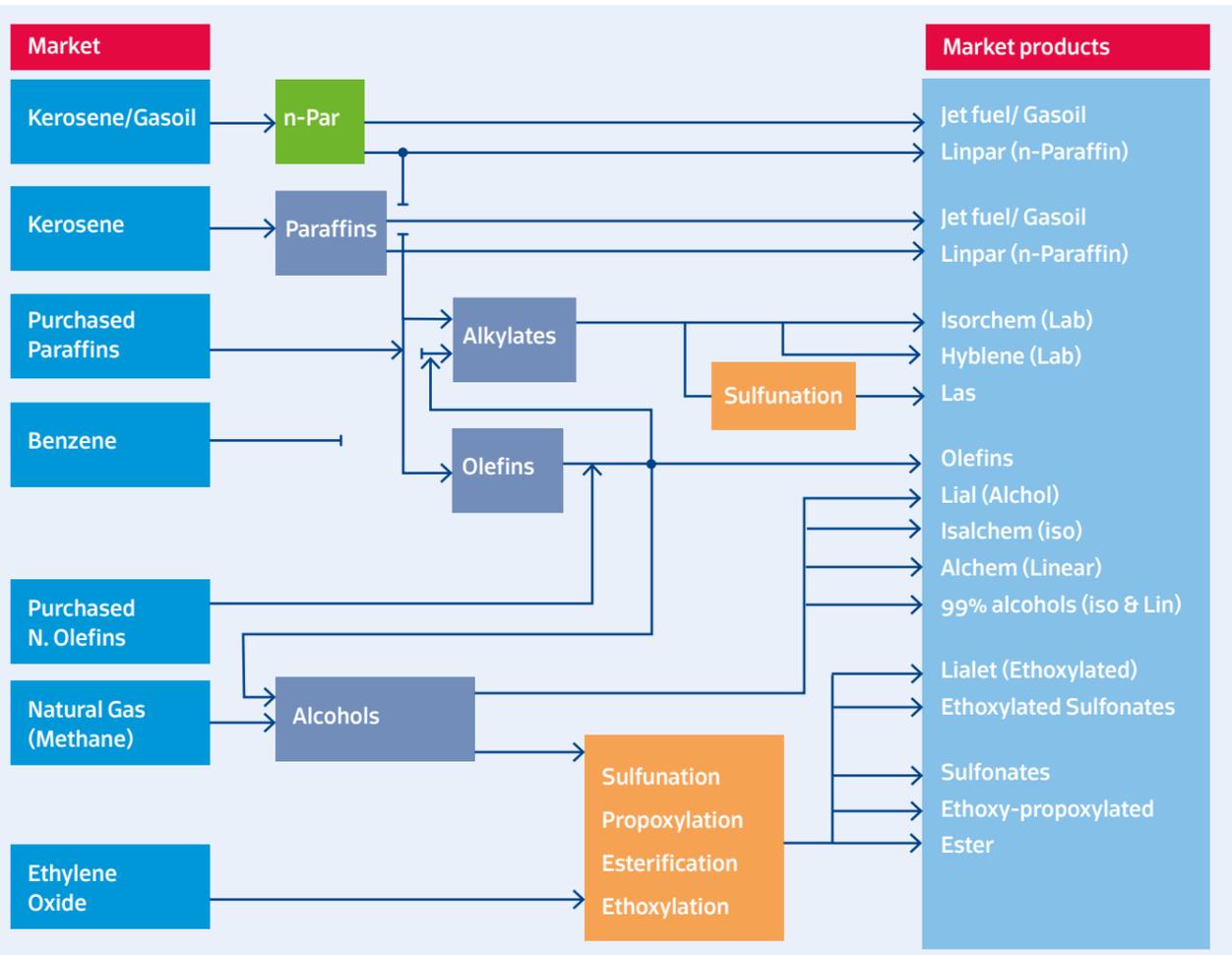
Sasol has also been turning its attention to its choices regarding the transportation of its products. Here, again, sustainability is our guiding theme. Sustainable logistics

that the structures and toolsets used for these activities always meet the latest technological standards. Over the last few years, in fact, the expenditure incurred by Sasol Italy on research and innovation has ranged between 2 and 4 million euro.

The Augusta Research Centre is equipped with pilot systems and autoclaves that allow us to simulate the plant's production processes. The main focus of the Augusta R&D team lies in developing new technological processes and continuously improving current production processes by identifying new catalysts, raw materials or different production structures.

The availability of sophisticated analytical tools, together with a workforce equipped with specific skills, also allows the R&D team to support production facilities in the process optimisation and troubleshooting phases.

Over recent years, a new technology has been developed that will enable the Augusta plant to produce alcohols using a more streamlined and innovative process. This technology has been fully developed and internally validated in more than 400 pilot experiments. Now, after successfully completing various industrial tests, we are working towards the final scale-up phase.



involves a range of aspects, from local distribution and pipeline-based transportation to maritime, road and intermodal transport over medium/long distances. We are pursuing this approach despite the infrastructural difficulties involved in intermodality within Italy and the rest of Europe.

To get an idea of the many challenges involved, it is worth noting that in 2019, Sasol transported around 2.6 million tonnes of finished products and raw materials.

These volumes are transported mainly by ship (about 56.1%, also taking into account the intermodal marine component), by transfers via dedicated pipelines (about 30.5%), road transport (11.9%), intermodal rail transport (equivalent to 1.5%) and a remaining volume of only 200 tonnes (equivalent to 0.01%) by air. This latter mean of transport is used mainly to transfer samples for commercial use.

Over recent years, Sasol has devoted increasing attention to the sustainability of its means of transport. By annually reporting the associated figures, we aim to lay the foundations for a more clearly delineated policy and strategy in this area.

The logistics team, especially with regard to road transport, pays particular attention to the environmental assessment of suppliers and the modes of transport provided. It gives priority to suppliers whose objectives include reducing their emissions by investing in more efficient engines and/or engines powered by renewable fuels in order to limit consumption and reduce emissions. During the annual audit of its hauliers, the condition of the vehicles and the attention given to environmental aspects, are assessed to verify the operators' level of compliance with the required standards.

To define medium-term strategies, it is essential to conduct a comparison of all operators in the supply chain, in order to provide added value through sustainable logistics (whether



logistics operators, trade associations or customers). In this context, Sasol is involved in several working groups for the purpose of contributing its experience and adopting the industry's best practices itself.

METHODOLOGICAL NOTE

This is the second sustainability report published by Sasol Italy. This edition has been prepared in accordance with the principles of the GRI Sustainability Reporting Standards, the most recent and widely used non-financial reporting standards as defined by the Global Reporting Initiative (GRI). The report has been externally reviewed, and has been certified as complying with the standards. The document has been prepared in line with the "GRI Standards: Core option".

This document therefore reports on the results achieved by Sasol Italy in terms of corporate social responsibility during the 2019 calendar year and also takes into account the experiences gained with the previous report and the comments and suggestions for improvement that emerged from the 2018 edition.

The scope of the report includes the Milan headquarters, the three plants within Italy (including the cogeneration plant managed by Sasol Italy Energia, a 100% subsidiary, at the Augusta site). With regard to decontamination activities only, the report will also cover the two decommissioned sites of Paderno Dugnano and Porto Torres.

This document has been prepared in accordance with the principles for defining report content proposed by the GRI:

- **Completeness:** the material topics considered in the report are covered in their entirety and constitute the environmental, social and economic aspects of most relevance for the company's activities, thereby allowing for a complete evaluation of the company's performance in the reporting year.
- **Stakeholder inclusiveness:** this document lists the company's stakeholders and the ways in which they are involved, and takes into account their interests in defining the contents of the report.
- **Materiality:** the topics reported have been identified on the basis of their relevance to both the company's business and its stakeholders.
- **Sustainability context:** Sasol Italy's performance is considered in the wider context of the sustainability of the company's business.

In preparing the report, the principles of information quality have been followed are:

- **Accuracy:** the information reported has been prepared with the aim of understanding and assessing sustainability performance over the reporting period.

- **Reliability:** the information presented in the document has been collected, processed and validated by the responsible managers of each function. The economic information is consistent with that reported in the annual financial report.
- **Clarity:** the report has been written in clear and accessible language, partly by using certain graphs and tables to represent the company's performance.
- **Comparability:** the indicators presented in the report are reported for the three-year period 2017-2018-2019 – unless otherwise indicated – and accompanied by a comment on how they have changed in such a way as to allow performance levels to be compared over time.
- **Balance:** the contents of this document report the company's performance in a balanced way, accurately indicating the progress made, with regard to results.
- **Timeliness:** the report takes into account any events that occurred up to 31 December 2019 that may be significant for evaluating the company's performance.

Coronavirus pandemic statement



With reference to the spread of the coronavirus pandemic within Italy and around the world, starting in the first months of 2020, it should be noted that this document covers a period prior to those events. It should therefore be stressed that the information reported here does not take into account the macroeconomic uncertainty and the social impacts that this crisis has had on the organisation and its employees. To briefly contextualise this issue, right from the beginning of the crisis Sasol has implemented measures designed to ensure, to the highest possible degree, the health and safety of its entire workforce, both in its factories and in all of its offices. Protocols were immediately implemented with regard to adopting infection-control measures.

The reporting of the effects of the pandemic on Sasol Italy and its stakeholders will be comprehensively explored in the 2020 Sustainability Report.

Materiality analysis

The purpose of this document is to explain the economic, environmental and social impacts of our activities and

the investments and performance levels achieved over the years and during 2019 in particular. In order to fulfil this purpose, a list of material topics have been identified, partly by reference to the Sustainable Development Goals (SDGs) highlighted as priorities and the related GRI standards.

The Board of Sasol Italy SPA identified the material topics by means of a benchmark analysis of the main companies operating in the sector and by utilising the contributions of the managers of the various corporate functions, who highlighted the priorities emerging from their day-to-day relationships with external and internal stakeholders.

The list of topics was then further subjected to a media analysis. This involved an examination of the information reported in the main traditional and online media for each geographical area in which Sasol operates (limited to Italy).

The combination of these factors gave rise to a list of topics, which were then submitted to a sample group of stakeholders using an online survey to identify the topics that were considered most important.

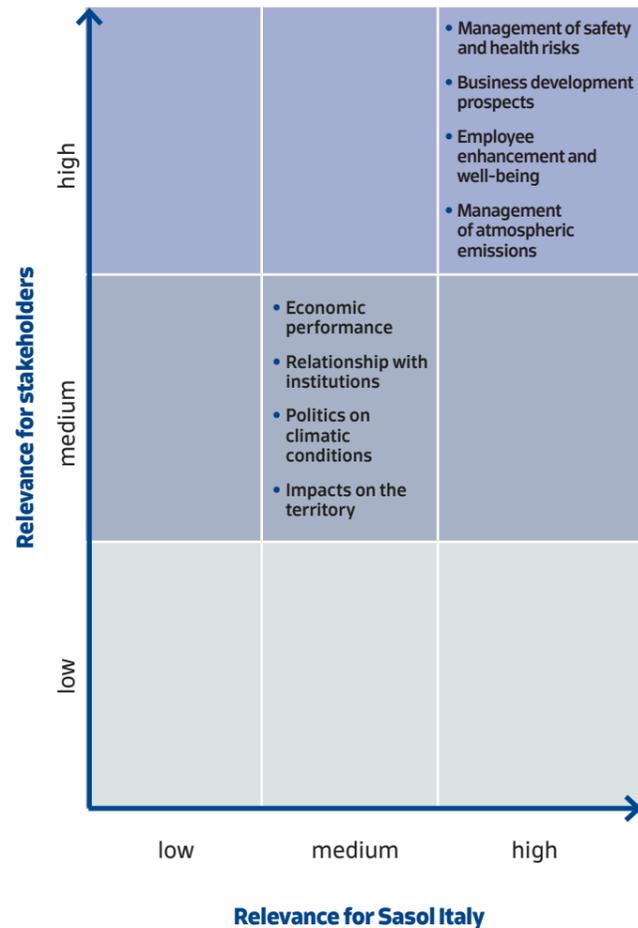
The representative sample identified was composed of external and internal stakeholders, with the particular involvement of the following:

- 300 external stakeholders including local and

national institutions, media, schools and universities, employers' associations and trade unions.

- 100 Sasol employees belonging to different teams and performing different tasks within the company.
- 10 of the largest customers chosen from those participating in the EcoVadis scheme, demonstrating their interest in sustainability issues.

The responses to the questionnaire were analysed, separating those obtained from internal stakeholders from those of external stakeholders, in order to better understand the priorities of both groups. An interest index was defined (percentage of choices for a single question compared to the questionnaire total), which was then aggregated for the two groups. The topics of greatest interest for both sample groups were then discussed with the Board of Sasol Italy and, where necessary and by unanimous decision. The interest index was adjusted proportionally, by increments only, to ensure the completeness of the report information based also on the perceived reporting need.



As shown in the graph, the topics considered most important by interviewed stakeholder are: workplace

safety, employee development, business development prospects. In particular, the issues of employee safety and development have been raised widely by training bodies at all levels, trade unions, employers' associations and employees themselves. The attention being given to these topics is probably partly due to concerns arising from the months of health crisis that we have been faced with in 2020. There was widespread agreement about the importance of business development prospects among the institutions, public sector representatives and companies that responded to the survey. This has resulted in less attention being given to topics that in the past were sensitive for the majority of stakeholders, such as environmental issues, which are extremely pertinent for the industrial areas in which we operate. Of course, this aspect is of less relevance for the Milan office. For these reasons, in the aggregate index, the company has deemed it appropriate to increase certain values in order to provide comprehensive information. This document has been submitted for conformity assessment by CERTIQUALITY Srl. Verification was carried out in accordance with the procedures set down in the "verification letter" included at the end of this publication. For more information on this and previous reports, please contact Sasol Italy's communications office at stampa@it.sasol.com

Our stakeholders

Promoting a constant, constructive dialogue, focused on listening to the needs and requirements of all of our stakeholders, is of strategic importance for Sasol Italy in order to build long-lasting relationships of trust. We strongly believe that only by sharing our goals, tangible results can be achieved, with regard to sustainability initiatives.

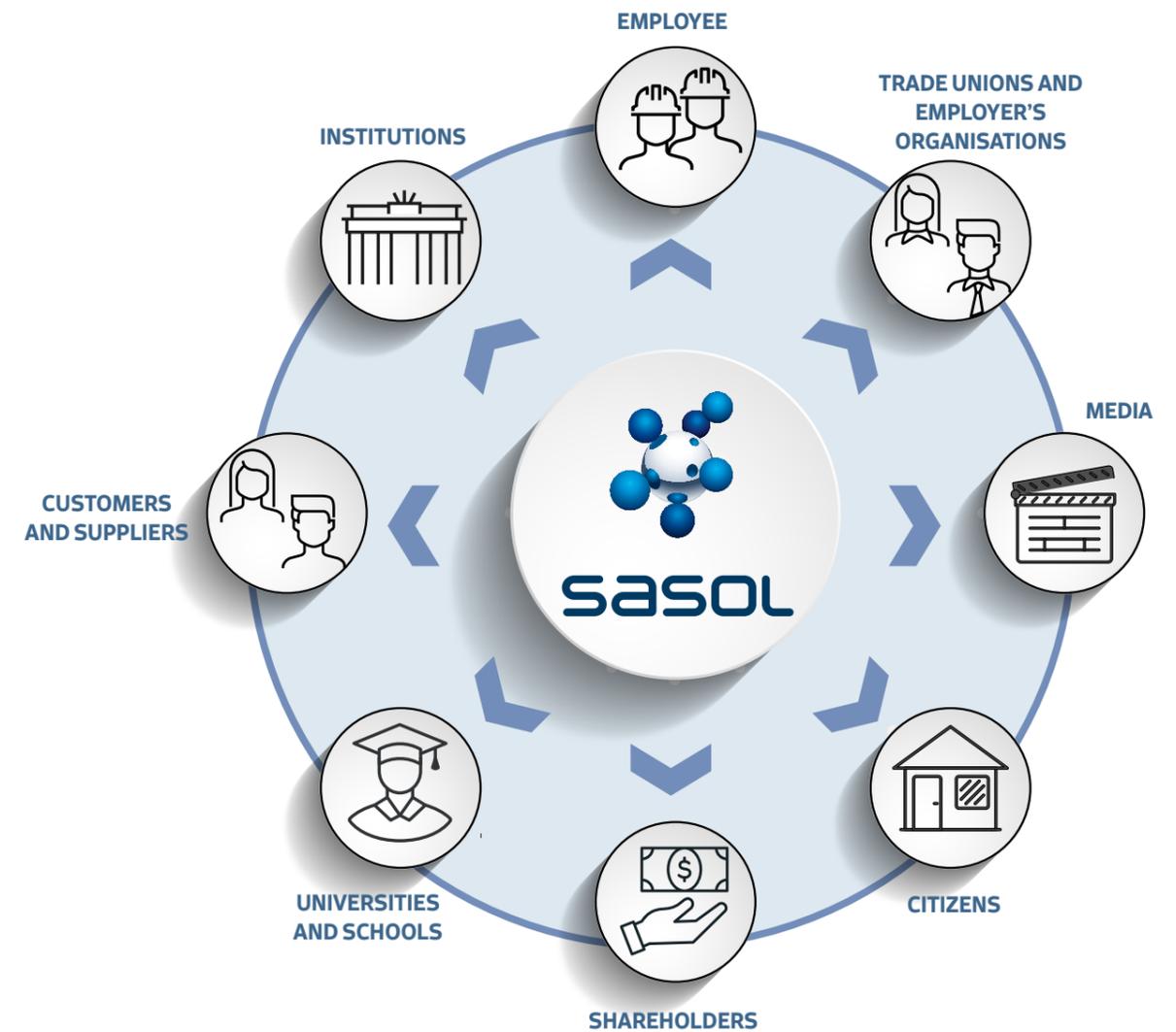
With each of our stakeholders, we plan a step-by-step route map that continues and develops over time, using different ways of involvement:

- **Institutions**, at national and local level, through continuous participation in the full range of debating and discussion forums. In particular, at national level, promoting contacts with ministries that are strategically relevant for our business (such as the Environment and Economic Development Ministries), by attending thematic meetings regarding specific regulatory updates. At local level, we promote concrete dialogue with regional governments, with the mayors of the municipalities in which our plants are located, with local councillors and with all institutional representatives.
- **Training bodies, universities and schools at all levels,**

with which we undertake a variety of initiatives every year, including internships, apprenticeships, scholarships and high school projects, as part of a collaborative approach to getting young people ready for the world of work.

- **Local and national media**, by cultivating a relationship based on transparency about our company's performance and results, including reports such as this one.
- **Shareholders**, with whom we maintain consistent and clear communication regarding financial and strategic information, with the aim of establishing and retaining their trust and fulfilling their expectations.
- **Citizens**, by promoting opportunities that encourage the dissemination of accurate and contextualised news, creating a relationship based on trust and integrity

- **Employees**, our most valuable asset, by making them be part of our motto "One Sasol", proud to work for this company, and act proactively as our commitment and sense of responsibility in all our activities.
- **Trade unions and employers' organisations**, by jointly contributing to a system of cutting-edge industrial relations in the sector, able to bring innovation to the company and to the entire chemical market.
- **Our customers and suppliers**, by listening to and collaborating with them, through adherence to the high professional standards required by Sasol so that they see us as a reputable company that is attentive to their needs, and by viewing them as part of our sustainable development process.



Associations

In order to proactively participate in discussions with institutions and map out, in cooperation with stakeholders, future scenarios for the industry and the chemical sector, Sasol Italy takes part in a number of programmes and initiatives focused on sustainability. It is also a member of various associations, at local, national and an international level.

More specifically, Sasol Italy is a member of:

- Federchimica, the Italian national chemical industry association, which represents 1,400 companies employing a total of more than 92,000 employees, grouped into 17 sectoral associations, which are in turn sub-divided into 37 product groups.
- Confindustria Siracusa, a local employers' association consisting of over 250 small, medium and large companies, offering goods and services in the manufacturing, construction, mining, tertiary, transportation, tourism, private health, chemical and agri-food sectors in the province of Syracuse.
- Assolombarda, the association of companies operating in the Metropolitan City of Milan and the provinces of Lodi, Monza and Brianza, and Pavia, involving more than 6,800 associated national and international companies of all sizes across all market sectors. The member companies employ more than 409,800 people.

- Confindustria Sardegna Meridionale, which acts at the voice of its member companies in dealings with public institutions and administrative bodies and through its relationships with political, economic, trade union and social organisations. It is part of Confindustria Sardegna, which represents approximately 1,400 companies and around 35,000 employees across Sardinia.
- CIPA, the Industrial Consortium for the Protection of the Environment, with which Sasol Italy is involved in conjunction with the other companies within the Syracuse petrochemical hub. CIPA collects environmental data with its 12 peripheral stations for measuring pollutants and six weather stations, along with a data collection and processing centre, in an area of 150 km².
- IAS, Industria Acqua Siracusana, the cooperative purification plant of which the majority shareholder is the Syracuse Industrial Development Area, with a minimum number of shares also reserved for the municipalities of Priolo Gargallo and Melilli; the rest of the share package is reserved for the large oil and petrochemical companies in the industrial area.

With a particular focus on sustainability, Sasol Italy, together with 170 other large, medium and small companies in Italy, joined the Responsible Care programme. It has also participated in the EcoVadis sustainability ratings scheme, an independent platform for evaluating more than 65,000 groups and companies across 200 sectors in 160 countries.

Both initiatives are described below:

Responsible Care

Responsible Care is a voluntary initiative to promote the sustainable development of the global chemical industry in line with values and behaviours focused on health, safety and environment. Currently, the Responsible Care commitment has been adopted by more than 10,000 chemical companies in more than 60 countries worldwide. Within Italy, the Responsible Care programme, launched in 1992 and managed by Federchimica, is currently being followed with commitment and determination by around 170 large, medium and small companies, including Sasol.

Joining the program, means engaging in a continuous dialogue for the purpose of sharing best business practices, designed to improve member companies' sustainability levels with the support of dedicated technical-scientific committees and working groups.

Every year the Responsible Care steering group, of which Sasol is a member, issues a report on the performance of Italian chemical companies compared to that of companies in other manufacturing sectors.

Some highlights: from an environmental perspective, the chemical industry is already on course to meet the EU's 2020 and 2030 targets. Since 1990, it has reduced its greenhouse



Responsible Care[®]

gas emissions by 54% and, since 2000, has improved energy efficiency by 49%. Its atmospheric emissions have decreased by 97% since 2005.

The chemical industry is strongly committed to following circular economy principles. Notably, the amount of waste generated for the same productive output has decreased by 7.7% relative to 2017; recovery is one of the top methods (26.8%, showing a marked increase), while only 4.8% goes to landfill.

In addition, the chemical industry can proudly claim to be among the leading manufacturing sectors with regards to occupational health safety. Notably, the chemical industry has a very low number of accidents and occupational diseases, which have decreased at an average annual rate of 3.7% and 5.4% respectively since 2010.

ECOVADIS

EcoVadis is an independent platform for rating the sustainability of more than 65,000 groups and companies across 200 sectors in 160 countries. It uses CSR assessment criteria based on the sustainability standards set by thousands of external sources, including NGOs, trade unions, international organisations, local government, and auditing bodies.

In 2019, independent consultants of EcoVadis evaluated Sasol Italy's sustainability performance by awarding it a platinum medal and ranking it among the top 1% of companies in the sector.

The assessment covered the areas of the environment, labour and human rights, ethics and sustainable procurement. In each of these areas, documents, policies and processes already in place were evaluated that testify to Sasol Italy's commitment to harmonising its economic, social and environmental performance.



Our corporate governance structure

Sasol Italy's corporate governance structure oversees the management and control of the company's business activities and is the fundamental element underlying the creation of value for its shareholders and stakeholders.

Sasol Italy is controlled by Sasol European Holdings LTD by means of a 99.94% share package; the remaining 0.06% of the shares is held by small investors.

The governance of Sasol Italy is organised in accordance with the traditional management and control model, including the Shareholders' Meeting, Board of Directors and Board of Statutory Auditors.

Management of the company is therefore assigned to the Board of Directors, supervisory functions are assigned to the Board of Statutory Auditors, while statutory auditing and financial control are both assigned to the External Auditors appointed by the Shareholders' Meeting.

In addition, a system of proxies and powers of attorney ensures the segregation of tasks and powers and improves flows and processes related to regulatory compliance. This also constitutes an instrument of management, supervision pursuant to Italian Legislative Decree 231/2001.

Shareholders' Meeting

The Shareholders' Meeting is the body that decides on and expresses the corporate will, is subsequently implemented by the Board of Directors. The most important duties of the Shareholders' Meeting include choosing the members of

the Board of Directors and the Board of Statutory Auditors, and approving the company's financial statements.

Board of Directors (BoD)

In compliance with the provisions of Article 18 of its Articles of Association, the company is currently managed by a Board of Directors consisting of four directors – in office until the date of the approval of the financial statements for the accounting period to 30 June 2020 – including one managing director.

The Board of Directors is vested with the broadest possible powers of ordinary and extraordinary administration, with the exception of those reserved exclusively by law for the Shareholders' Meeting.

The Board of Directors is also called upon to ensure the company's sustainable growth over the medium to long term, by including in its assessments any elements that might become relevant by means of an appropriate system for monitoring and managing the level of risk. In pursuing these objectives, it ensures an optimum level of transparency with regard to the market and investors, taking into account any significant changes in business prospects as well as any situations of risk to which the company is exposed.

Board of Statutory Auditors

The Board of Statutory Auditors oversees the company's compliance with the law and with its Articles of Association, adherence to the principles of proper administration, and the suitability of the organisational, administrative and accounting structures adopted by the company. The Board of Statutory Auditors also oversees the effectiveness of the internal control and

internal audit systems, the statutory audit of the annual and consolidated accounts, and the independence of the External Auditors.

The Board of Statutory Auditors, appointed by the Shareholders' Meeting on 27 October 2017, consists of three members (plus two alternates) and will remain in office until the Shareholders' Meeting will approve the financial statements scheduled for 30 June 2020.

All members of the Board of Statutory Auditors fulfil the requirements related to eligibility, integrity and professionalism set down in law. In addition, the Statutory Auditors are chosen from persons who can be judged as independent.

External Auditors

The External Auditors consist of an external body tasked with performing the statutory audit and are chosen by the Shareholders' Meeting. The Sasol Group's financial statements are audited by companies belonging to the PricewaterhouseCoopers network. The Shareholders' Meeting of 28 October 2016 appointed the company PricewaterhouseCoopers SpA ("PwC SpA") as the company charged with carrying out the statutory audit of Sasol Italy SpA.

To complete its corporate governance structure, the Company has also established a Supervisory Body pursuant to Italian Legislative Decree 231/2001. This is discussed more widely in the section relating to our Code of Ethics.

Organisation, management and control model, and code of ethics pursuant to Italian Legislative Degree 231/01

The Board of Directors of Sasol Italy SpA, as part of its internal control and risk management system, has adopted its own organisation, management and control model pursuant to Legislative Decree no. 231/2001 ("Model 231") and a "Code of Ethics" in order to avoid the risk that certain crimes or administrative offences are committed in the interest of or for the benefit of the entities by managers or by persons subject to their direction or supervision that might give rise to administrative liability on the part of the entities themselves.

The drafting of this model was preceded by a painstaking process of mapping out the areas of the company exposed to the risk of crimes being committed, including those pertaining to legislation on corruption, occupational health and safety, and the environment. This

process identified sensitive activities and offences that could be committed within the areas concerned.

"231 model" is periodically updated in order to adapt it to any changes in the internal organisation and the activities carried out, and in consideration of the continuous expansion of the list of crimes that can give rise to liability for companies and entities in general, under Italian Legislative Decree 231/2001, with the aim of making the predicate offences clearer and more effective in the event of significant violations or circumventions of the requirements contained therein.

The Supervisory Body (SB), as an expressly delegated body, has full and autonomous powers of initiative, intervention and control with regard to the operation, effectiveness and observance of Model 231, and continuously monitors activities that could potentially lead to the offences being committed that are indicated by the legislative decree.

For Sasol Italy, the adoption of ethical principles relevant to crime prevention pursuant to Legislative Decree no. 231/2001 forms an integral part of its internal control system. To this end, the rules of conduct set out in Model 231 and in the Code of Ethics represent the reference to which all those to whom this Code applies must adhere in carrying out their business activities.

Sasol aims, in fact, to work in compliance with the principles of decency, fairness, transparency, honesty, respect for the dignity of the person, and integrity. The ways in which results are achieved are therefore just as important as the results themselves.

Decency underpins the company's commitment to operate responsibly by applying rigorous ethical and corporate governance standards.

The Code of Conduct, collects the set of values that the Group acknowledges, shares and promotes, in the awareness that conduct inspired by the principles of diligence, decency and fairness constitutes an important driver of economic and social development. The Code applies both in Italy and abroad, while taking into account the cultural, social and economic diversity of the various countries in which Sasol operates.

Model 231 and the Code of Ethics are intended to guide the behaviour of the company, compliance with it being essential and of primary importance for the proper functioning, reliability, reputation and image of the Sasol Group and for customer satisfaction. These factors constitute the foundation for the current and future development of businesses managed by the Sasol Group companies and for the prevention of crime.

The commitments described in the Code of Conduct are aimed at both employees and all those who interact with Sasol. Customers, collaborators, consultants, suppliers and shareholders are therefore called upon to protect and respect the image and integrity of the group, each in accordance with their role.

In 2020, the Code of Conduct is being fully updated.

Committees influencing sustainability strategy-related decisions

Sasol entrusts decision-making bodies with the task of monitoring the application of its sustainability strategies, creating multifunctional teams for a comprehensive analysis of those initiatives deemed essential, at a global and local level. At the highest level the CEO, together with the Group Executive Committee, sets the strategic guidelines for the company's approach. The implementation of those strategies is entrusted to the next-level committees, which implement all the actions to achieve the objectives defined.

Socio-economic compliance

Sasol applies particular controls to ensuring compliance with all the applicable laws. These controls are described in a compliance report, updated on a quarterly basis and managed by Sasol Limited's central legal team. At the operational level, a register of applicable laws has been created for each country, by the related department.

The Governance department is responsible for this register with regard to HSE aspects. Every month, this department does a check out on existing laws and regulatory updates.

In addition, Sasol is subject to external and internal audits aimed at verifying legal compliance. The Supervisory Body carries out checks relating to the predicate offences covered by Model 231.

With regard to financial aspects, in compliance with the applicable legislation, Sasol Italy has appointed a company as Statutory Auditor to express an opinion on the contents of its Financial Statements and its Consolidated Financial Statements. The assessment concerns the company's financial position, financial performance and cash flows, in accordance with the regulatory framework of reference.

During the regular audits, the Board of Statutory Auditors also acquires knowledge and supervises, to the extent of its competence, the suitability of the company's organisational structure and its compliance with the principles of proper administration.

During 2019, there were no violations of corporate

obligations or irregularities, nor were any significant monetary or non-monetary sanctions recorded for non-compliance with laws and regulations in the socio-economic field. With regard to this report, although voluntary, it is drawn up with the same strict criteria reserved for company documentation verified and certified by law. Any errors are to be considered the result of inadvertent mistakes.

Suppliers' code of conduct

Our shared values of integrity and respect require us to always act in the proper manner and to maintain the highest level of ethical conduct in our dealings with current and future suppliers.

Sasol is honest and sincere in its operations, rejects all forms of dishonesty and operates a zero-tolerance policy in respect of illegal or dishonest behaviour, regardless of whether or not the consequences are minor.

Sasol reserves the right to decide and only does business with companies or institutions that are honest and have values and ethics similar to those of Sasol. Suppliers play an extremely important role in Sasol's ability to operate and to provide products and services to its customers.

Sasol can achieve its objectives only with the support of trusted suppliers; this requires the highest possible degree of professional and personal integrity in our relationship with each other. Sasol seeks to develop relationships with current and future suppliers that share similar values and that operate in accordance with Sasol's Code of Conduct and with the company's shared values.

The key principles of the Code of Conduct consist of:

- Respect, protection and enhancement of human rights
- Combating forced labour and child labour
- Prevention of harassment, retaliation and bullying
- Respect for diversity and prevention of discrimination
- Respect for freedom of association and collective bargaining rights
- Provision of safe and healthy working conditions
- Protection of the environment and respect for the rights of local communities
- Prevention of conflicts of interest, including offering and receiving gifts, entertainment and hospitality
- Compliance with the company's policy on gifts, entertainment and hospitality
- Accuracy and completeness of information on the quality and safety of the company's products and services
- Accuracy in the management of records
- Legal compliance
- Combating corruption, bribery and money laundering
- Fair competition and anti-trust practices
- Protection of confidential information and intellectual property

Our management practices in the field of anti-corruption

The entire Sasol Group, including Sasol Italy, strictly adheres to the anti-corruption policy. This policy applies to the Group as a whole, including employees, Group companies and joint ventures. Entities in which Sasol does not hold a majority shareholding and/or control are encouraged to apply this policy or a similar one.

Sasol's employees, as well as any subsidiaries wholly owned or majority-owned by Sasol, undertake to comply with the anti-corruption laws of all countries in which the group operates and distributes its products. These laws prohibit the use of bribes, commissions or illegal payments for the purpose of influencing business deals and require us to maintain accurate

records and archives as well as a system of internal controls.

The policy considers bribery as any activity involving offering, giving or promising anything of value to another person for the purpose of inducing that person or another person to perform duties in an improper way. This also includes requesting, agreeing to receive or accepting anything of value with the intention of inducing a person to perform duties in an inappropriate way.

The gifts, entertainment and hospitality policy expands and complements what is already specified in the anti-bribery policy by clarifying the criteria for valuing a benefit and the written pre-approval process required for ensuring the compliance of any activity. During 2019, no incidences of corruption were recorded.

Sasol's risk management policy

At Sasol Italy, in accordance with our values and corporate policy, we proactively manage risks to enable us to achieve our business objectives, thereby ensuring that we are a company that strives for a positive reputation among our stakeholders.

Risk management is based on principles and practices designed to address uncertainty in the business environment, by minimising losses and capitalising on the potential benefit in relation to our business objectives.

Sasol is committed to effectively managing risks in pursuit of its strategic objectives, with the ultimate goal of increasing value in a sustainable way for all of its stakeholders, by incorporating risk management into its key decision-making processes and day-to-day activities.

Risk management is inextricably linked to our business strategy and is an essential element of sound corporate governance, as well as a vital element in exploiting opportunities.

We identify and assess the risks associated with our activities and manage them proactively and effectively in the context of our exposure to risk, with the additional aim of optimising corporate returns.

Sasol promotes a culture of risk awareness. All significant risks across the company are assessed and managed consistently in accordance with the corporate risk management guidelines. Significant risks, related mitigation plans and assurance of controls are executed at different levels within the organisation, thereby guaranteeing effective risk management for the board while complying with a defined reporting protocol.

Operating practices

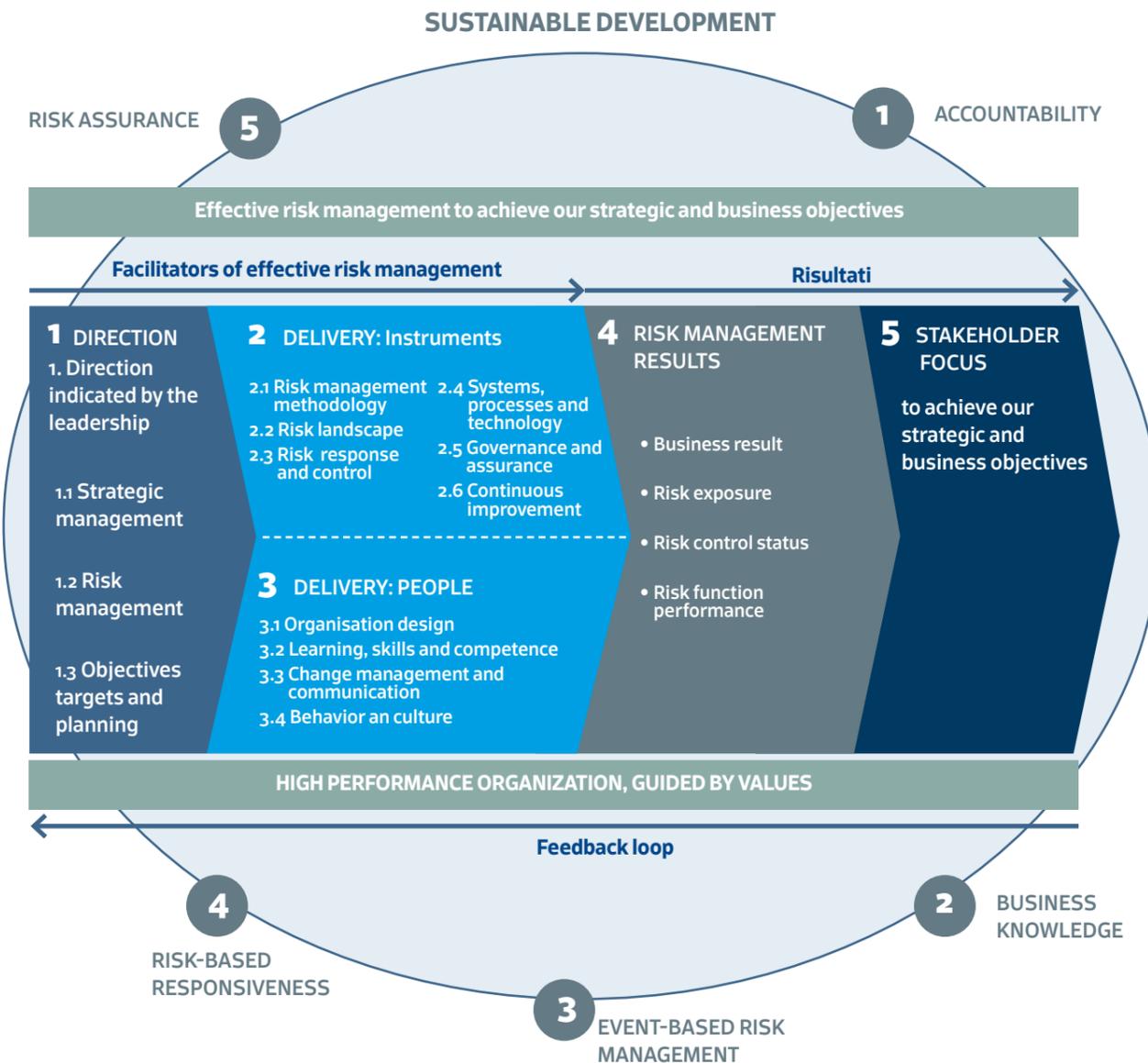
Risk is defined as an uncertain future event that has the ability to affect the achievement of our strategic and business objectives. Uncertainty is viewed both as a risk of loss and as an opportunity for profit. The company adopts a systematic approach to addressing uncertainty, thereby minimising any negative consequences and maximising the opportunities presented by events. Our approach to identifying and responding to risks is based on the "bow-tie" methodology, represented schematically below.

The aim is to identify appropriate controls for reducing the likelihood and impact of events considered critical to our sustainability. Risk events are not assessed in isolation; instead, where appropriate, the interdependence of impacts is identified.

The controls identified are performed and monitored by means of a chain-type process of verifications. This ensures that the controls are implemented, correctly executed and are effective, so that continuous improvement principles can be adopted if revisions are required.

International certifications and standards

All administration of ISO standards relating to quality, environment and occupational health and safety is performed with the aid of the integrated management system (IMS). The voluntary adoption of this system allows Sasol Italy to comprehensively address these key areas while implementing a process of continuous improvement and achieving high levels of performance.



The integrated management system incorporates:

- **ISO 9001:** a quality management system that enables us to maintain very high production standards by meeting requirements related to the supply chain, from our suppliers to our customers.
- **ISO 14001:** an environmental management system designed to minimise impacts on environmental matrices by means of both technical measures and advanced training for workers and all those involved with the company.
- **ISO 45001:** an occupational health and safety management system for reducing work-related hazards including those defined as "relevant" by the regulations; this is achieved by both preventative actions and the cultural and professional development of workers and all those involved with the company.

These three systems were brought into effect independently of one another.

The new editions of the ISO 9001:2015 and ISO 14001:2015 standards require operators to pay particular attention to stakeholder relationships, not only in terms of compulsory requirements, as is the case with rules and regulatory applications, but also as expectations of its stakeholders in relation to issues that are sensitive in terms of public opinion.

Just like ISO 45001:2018, recently replaced British Standard OHSAS18001 on occupational health and safety, it is focused on paying attention to stakeholders. Sasol Italy's compliance with the new standard was assessed during a supervisory audit carried out by the Certification Body at the Terranova dei Passerini plant in 2019. The audit highlighted even more clearly the interconnectivity between the three applied standards and the process used for evaluating

opportunities, including the needs of stakeholders.

This means that business management activities need to go beyond the factory gates and the application of rules. Instead, it is important to not merely talk about how the plants are managed but also start to "manage", in similar ways, aspects related to the local area (such as communication with local communities).

In order to adopt this new orientation of the international standards, Sasol Italy has recalibrated its objectives to take account of the presence and expectations of the surrounding communities.

As already detailed in the document, the company has adopted an organisational model in accordance with Italian Legislative Decree 231/01 for the prevention of any predicate offences, including those related to workers' health and safety and to the environment. Sasol keeps this model up to date by using it as a proactive tool for identifying points of improvement and of support for legal compliance.

In view of the fact that Sasol Italy's products are used as semi-finished products in the global detergent and personal care market, the company has recognised the importance of verifying whether its products are used in markets with specific needs based on custom and tradition, such as Jewish and Islamic practices.

Our attention to these matters has been reflected in the fact that all the products manufactured at each of our plants have been Kosher-certified. Kosher certification is issued following a specific visit by a rabbi, who, by analysing the characteristics of the raw materials and the production cycle, has certified the "compatibility" of the product with Jewish tradition. In addition, our products comply with all conformity requirements specified in Islamic (Halal) rules on lawfulness.



2

ECONOMIC SUSTAINABILITY

PART TWO

SASOL ITALY AND ECONOMIC SUSTAINABILITY

For Sasol, sustainability and value creation are concepts that are closely interlinked. A sustainable approach creates value for the company and for stakeholders in the local area by creating a relationship between business and corporate social responsibility. Through its activities, Sasol produces wealth that contributes, directly and indirectly, to the economic growth of the communities in which it operates.

Sasol Italy is aware of the economic impacts of its work in the surrounding areas and sees the results of its actions in creating added value for local communities and stakeholders – in other words, by creating income for employees, third-party companies and its various stakeholders. In 2019, the company also achieved results in line with those of the previous year, confirming its role as an economically sustainable and responsible company.

The personnel costs incurred amounted to €49.1 million, while taxes and duties payable to national and local government amounted to €2.6 million. This contributed to the creation of added value of around €80 million, much of which was passed on to local communities. At its production plants, employees live in areas in close proximity to their place of work; the total sum allocated to the workforce can therefore be registered as a share of added value distributed throughout the local area. Regarding the Milan head office, about 4% of employees live outside the local area. For Sasol Italy, the proportion of labour costs that does not have a direct impact on the local area is less than 1%.

In order to ensure long-term economic sustainability, Sasol has invested approximately €44 million in the maintenance and development of its plants to ensure their reliability and safety also in the future. Finally, economic sustainability involves a commitment to ensuring that the company behaves in a way that sees values as the cornerstone of the business, behaving responsibly in its actions, and keeping its promises to the community, its employees and any other stakeholders.

About COVID-19



This document was drafted at the very start of the Covid-19 crisis and analyses information referring to the period prior to the pandemic, reporting results for the period 1 January - 31 December 2019.

In 2020, Sasol also had to confront the major challenges created by the pandemic in every global market and industry. We took immediate steps to respond to the crisis and to remain sustainable in the future. These issues will be comprehensively explored in our 2020 Sustainability Report.

The Administration, Finance and Control department

The Administration, Finance and Control department handles administrative, accounting and fiscal management issues, ensures that national and international accounting standards for the preparation of the group's statutory financial statements and IFRS reports are properly applied, deals with the management control of the company, and ensures that business processes comply with applicable regulations.

Its objective is to gain immediate feedback on financial issues affecting the company in order to provide useful data for verifying and if necessary modifying any strategies focused on business objectives and provide reliable information to our shareholders. The aim is enhance our transparent relationship with shareholders. The department also publishes a monthly report with the expected results and projections for the following months in accordance with the objectives set.

Economic value directly generated and distributed

Regarding the economic value directly generated and distributed, this has been determined on the basis of the accounting figures used for calculating the gross value added ("GVA"). These figures, extracted by calendar year and based on national accounting

Economic value directly generated and distributed

Million euro	2017	2018	2019
Economic value generated	1.164,6	1.241,1	993,7
Operating costs	1.067,2	1.138,4	912,4
Salaries and employee benefits	46,9	49,8	49,1
Capital providers	1,6	2,0	2,3
Public administration	2,2	3,7	2,6
Economic value distributed	1.118,0	1.193,9	966,4
Economic value retained	46,6	47,2	27,3

standards, are reviewed by the external auditors (PwC – PricewaterhouseCoopers).

The **economic value** generated in 2019 was approximately **€993.7 million**. This represents a decrease of approximately €247.4 million relative to the previous year, equivalent to a reduction of approximately 20%. This decrease was due mainly to the contraction in the market prices of finished and dewaxed products, which were closely linked to trends in the oil market.

In 2019, the economic value generated was approximately €966.4 million, with a reduction of €227.5 million, almost directly proportional to the decrease in the economic value generated.

The distribution of the economic value generated was as follows:

- Operating costs of €912.4 million, a reduction of €226 million compared to the previous year, equivalent to a 20% decrease. This figure includes costs incurred for the purchase of raw materials used in production and costs for services from third-party suppliers; the reduction in operating costs was generated mainly by the decrease in variable production costs.
- Salaries and benefits paid to employees of €49.1 million
- Public administration costs of €2.6 million, mainly consisting of national and local taxes
- €2.3 million on financial charges and interest paid to credit institutions and the Sasol Group.

The **economic value retained** in 2019, equal to the difference between the generated economic value and the distributed economic value, was **€27.3 million**. This item, consisting of the sum of net profits for the period and the amount of depreciation and provisions, fell by €19.9 million compared to 2018. This decrease is derived from the net loss for 2019 of approximately €2 million, compared to the €20.1 million profit achieved in 2018. The reduction in the net profit seen in 2019 is attributable mainly to a contraction in margins achieved on sales of finished products resulting from an unfavourable market and material price scenario.

In the 2019 calendar year, **share capital** amounts to €177.3 million while borrowing amounts to €110.3 million. The amount of **production** sold in 2019 is 734,398 tonnes, approximately 96,500 tonnes less than in 2018.

Local impacts

In addition to the above, over recent years Sasol Italy has invested significantly in enhancing the environmental sustainability of its sites and the health and safety of its direct and indirect workforce.

This forms part of the Sasol Group's strategy, which favours concrete actions aimed at the well-being of the community.

At the moment, this strategy has required economic efforts to reduce the resources allocated to local initiatives. The section on social sustainability describes the numerous activities carried out across our various territories that, while not involving the deployment of significant economic forces, testify Sasol Italy's significant and consistent commitment to its stakeholders.

Suppliers

The guidelines set down in Sasol Italy's policy for dealings with third-party companies are aimed at maximising value for the entire organisation. Sasol Italy has always been actively focused on seeking and creating of solid and mutually beneficial relationships with third-party companies, while ensuring that its requirements are understood as compliant with policies of equity and price adequacy. Firm principles and robust governance processes

underpin Sasol Italy's approach and ensure that its shared values are effectively applied. This requires ethical conduct in all activities carried out in the fulfilment of business commitments.

The general criteria used by Sasol Italy in evaluating its partners are based mainly on the following aspects:

- compliance with health, safety, environmental and quality requirements;
- quality and technology of the product supplied including with a view to Industry 4.0 principles;
- technical, managerial and organisational capacity;
- economic and financial reliability;
- requirements for compliance with applicable regulations including adherence to the control principles set down in the organisation, management and control model pursuant to Italian Legislative Decree 231/01 as amended and supplemented.

No. of companies commissioned	292
Invoice amounts paid (€/1000)	41.981
of which local	26.115
of which regional	2.403
of which Italian	12.729
of which foreign	734

Finally, in line with the guiding principle of "zero harm", Sasol's policy is zero accidents in the workplace, incorporating specific training sessions for the continuous improvement of safety levels for third parties.

During the 2019 calendar year, Sasol Italy benefited from the services of around 300 third-party companies for carrying out mechanical, electro-instrumental and construction-related maintenance of its plants and supplying materials, engineering services and a variety of industrial services.

The term 'local' refers to suppliers that have administrative offices, branches and operational offices in the same areas as our factories.

The investments

At Sasol Italy, the main aim of every new initiative is to improve the sustainability of the company's production sites by maintaining or developing the production capacity of the plants while still guaranteeing safe conditions of work and reducing environmental impacts in line with all leading standards and technologies.

The group's policy involves achieving excellence in production through continuous improvement in terms of safety, environment, employee health, prevention of major accidents and quality.

The principle of 'zero harm' forms part of Sasol's mission as a fundamental requirement underpinning the development of its business.

In 2019, as reported in the Annual Investment Plan, total investments for new initiatives were almost €44 million, divided between non-routine maintenance, technology improvements, environment, safety, innovation and sustainability (including R&D).

The following table shows the amount for each area:

AREA	AMOUNT
Non-routine maintenance	€25.6 million
Technological improvements	€14.6 million
Environment	€1.5 million
Safety	€1.1 million
Innovation	€0.9 million

The most recent investments include the installation of double bottoms on tanks, the insertion of ultra-low NOx burners in site furnaces, continuous improvements resulting from hazard and operability (HazOp) analyses, the enabling of remote control for production processes, the implementation of control systems with advanced technologies, and applications for improving operational safety.

Investments are managed by the Capital and Project Management (PM) function within the Technical Services team. The processes used to ensure the proper sustainability of investments involve development and authorisation processes that take into account all aspects of the project proposals, including the sustainability of the business.

There are two procedures used, depending on the size of the proposal. The first is the Business Development Investment (BDI) process, based on the "7 Gates" methodology, which tracks the project right up to the performance verification phase. The second is the Management of Change (MOC) process, based on a series of assessments of project aspects within the site, including those related to reducing impacts on safety and the environment.

Both of these processes involve an initial development phase that takes place at the time when process basics are defined and the resulting basic engineering plan is issued. This phase culminates in the receipt of all necessary authorisations, internal and external, for implementation of work.

The post-development phase consists of the implementation or execution phase of the initiative. The investment completion process closes with a start-up phase and verification of how well the investment has performed.

3

ENVIRONMENTAL SUSTAINABILITY

PART THREE

SASOL ITALY AND ENVIRONMENTAL SUSTAINABILITY

Sasol is committed to responding to the key issues of environmental protection and climate change by developing and implementing an adequate response to mitigate its impacts in these areas. This will ensure that our corporate strategy and production activities are sustainable in the long term.

This response includes measuring, analysing and reducing our water, atmospheric and soil emissions and striving for genuine energy efficiency in our activities.

Ever since the Paris Agreement was signed in 2015, stakeholders' awareness and expectations regarding climate change have continued to rise. Our stakeholders are increasingly mindful of and interested in the analysis of performance indicators related to climate change and Sasol's positioning in this area.

The company looks forward to the development of European environmental legislation in line with the Green Deal roadmap, the European strategy to transform climate-related and environmental challenges into opportunities across all sectors while making the transition fair and inclusive for all.

Each of our plants is committed to adopting the necessary measures, including in terms of complying with applicable policy and legislation, in order to implement our impact reduction strategy and analyse the data collected thereby continuously improving our performance.

With reference to Sasol Italy, compared to 2010, NOx emissions fell by 60.6%, while SOx emissions and CO emissions dropped by 95.9% and 47.8% respectively.

In most instances, the figures stated refer to our production plants, as the environmental data for our Milan offices are insignificant for the purposes of this document.

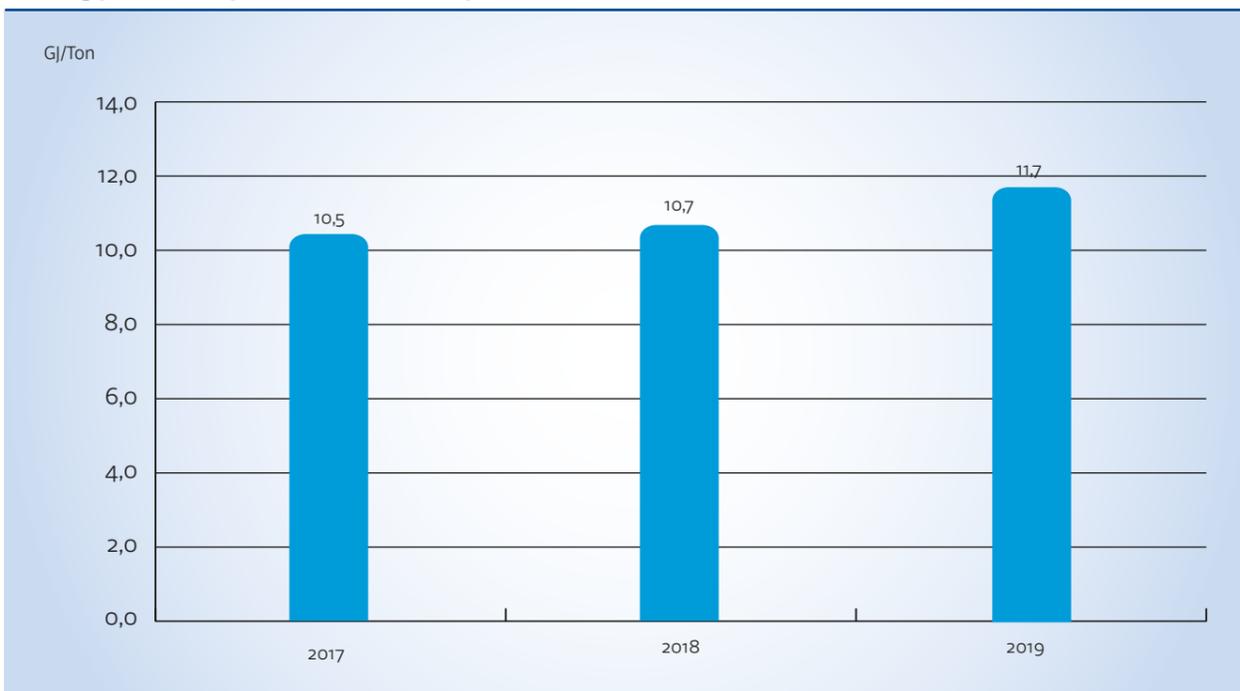


Energy efficiency aspects

In the light of a broad transformation of the economy and strategies of the European Union, Sasol Italy considers decarbonisation, energy efficiency and the rational and equitable use of natural resources to be important objectives and tools for a business economy

that is more respectful of people and the environment. Improving energy efficiency and reducing GHG (greenhouse gas) emissions from chemical plants are mandatory approaches for achieving the 2030 targets set by the EU in its "Clean Energy for all Europeans" package, which follow on from the limits set by the previous 2020 climate & energy package.

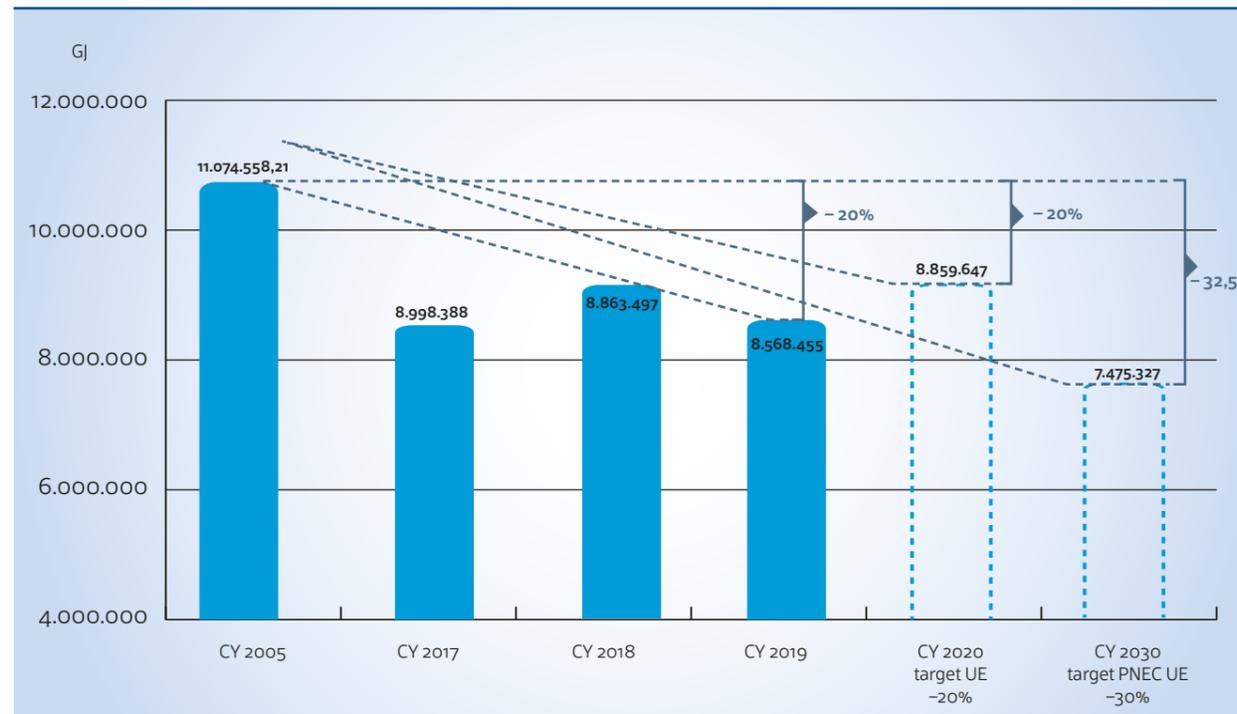
Energy intensity index Sasol Italy



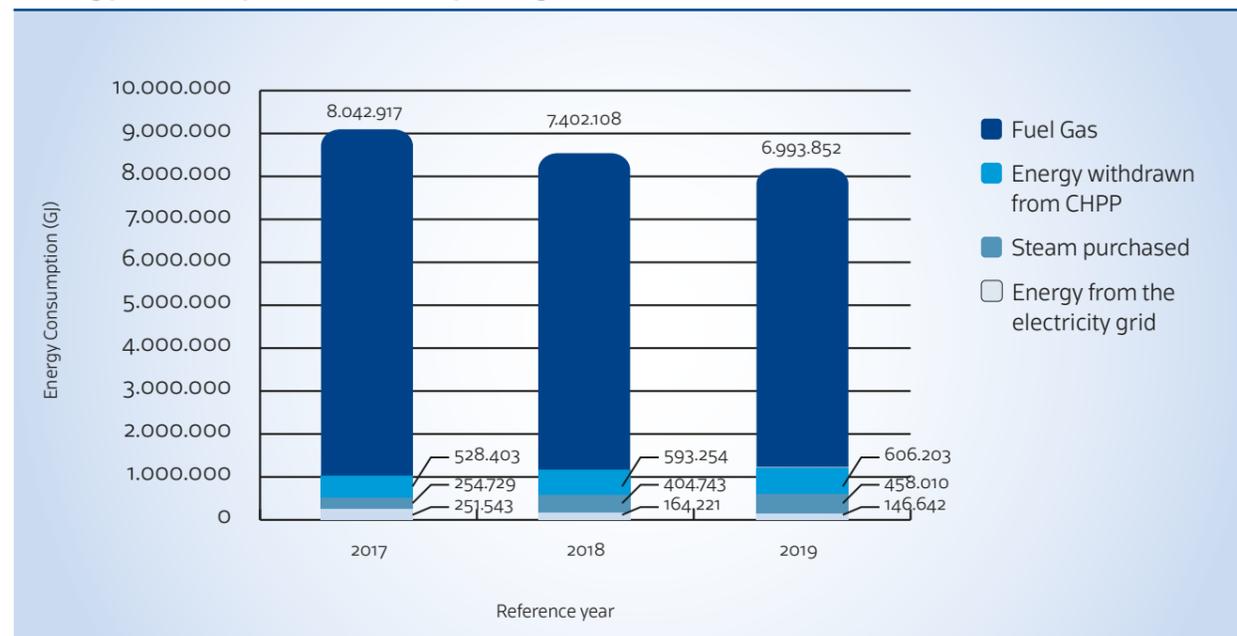
Sasol Italy reports energy consumption on a monthly basis in order to have the data required for the pursuit of operational excellence and for highlighting any points of improvement or areas of inefficiency. The following graph shows, with reference to Sasol Italy, changes in the energy intensity index calculated as the ratio of consumption (Gj), of both electricity and heat, to the tonnage produced. The variation shown in the graph is due to several factors mainly related to the commissioning, in Augusta, of the water

treatment plant, which has enabled a substantial reduction in the volume of water drawn from wells, and above all to the restarting of one of the main plants. This has made the site more reliable in terms of business continuity and has allowed a higher proportion of raw materials to be produced in-house. With regard to energy consumption, both of electricity and thermal energy, the values are as follows in relation to the target consumption value for 2020/2030, which uses as its reference base the figures for 2005:

Use of energy in plants



Energy consumption divided by categories



As is evident from the data presented, Sasol Italy has for several years achieved its contribution to reducing the amount of energy consumed in the country system, in line with the results achieved by the chemical industry in general.

The following graph shows the breakdown of the energy consumed by different sources.

For the future, the company aims to continue along this path by setting itself increasingly challenging targets

from an environmental sustainability perspective, including with regard to the European Green Deal policy.

Reduction of greenhouse gases

Sasol Italy has adopted energy efficiency policies that translate into a continuous improvement in the company's efficiency levels. These have generated a significant percentage reduction in CO₂ emissions, effectively enabling the company to achieve its 2020 EU

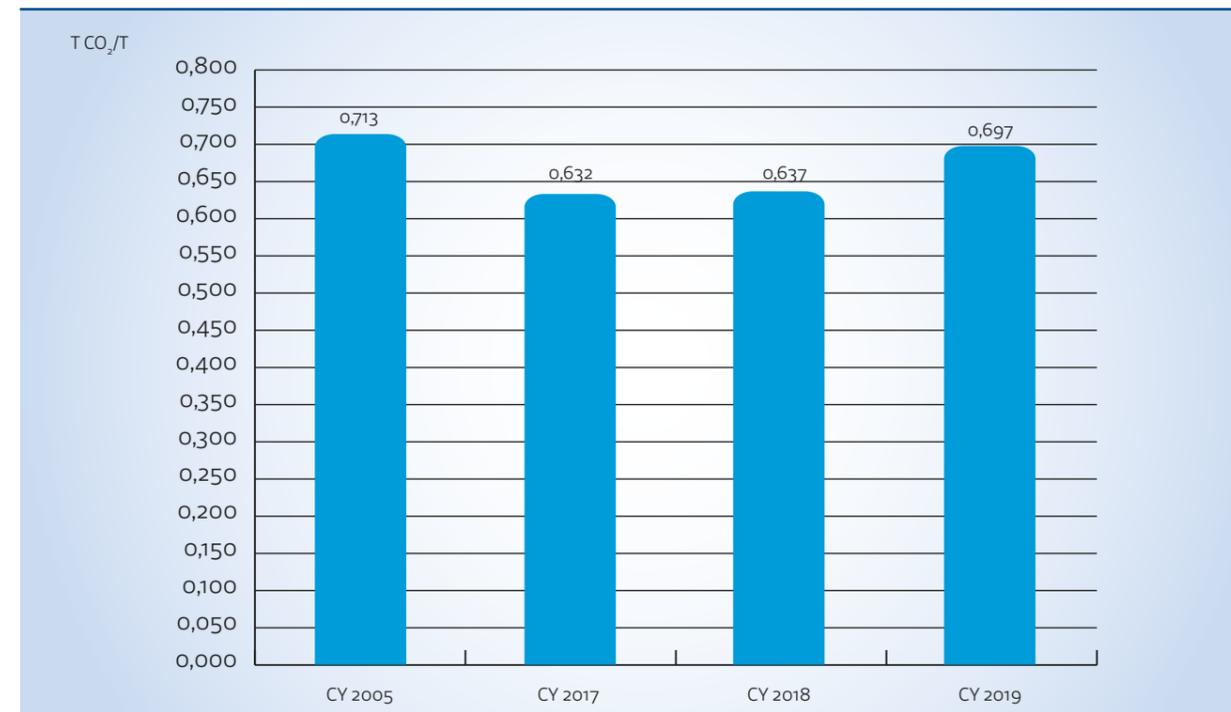
target of contributing a 20% reduction in greenhouse gases relative to calendar year 2005. The figures for CO₂ emissions, both direct and indirect, and the emission intensity index, in relation to the tonnes of production for sale, are shown below.

While the overall emission reduction target has been achieved, the intensity index shows an increase in the last year. This rise is due to the decrease in the volumes sold (approx. 100,000 tonnes less than the previous year).

CO₂ emissions



GHG Intensity emissions

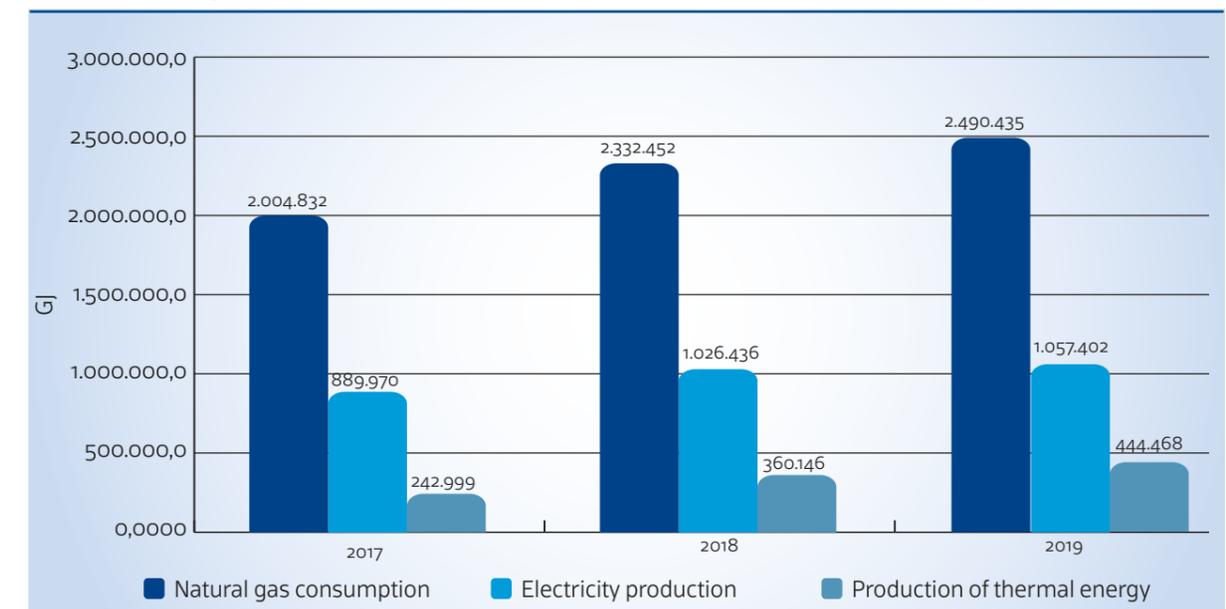


Electricity generation aspects

The Augusta site operates a combined cycle gas turbine (CCGT), a combined cycle co-generation plant powered by natural gas, with an installed capacity of 49 MW. All of the steam produced by the plant is fed into the steam network of the Augusta site, while the

electricity generated and not consumed within the site is transferred to the national grid. The following table summarises the figures relating to the production of electricity and thermal energy, compared to the consumption of natural gas, the fuel supplied to the CHPP:

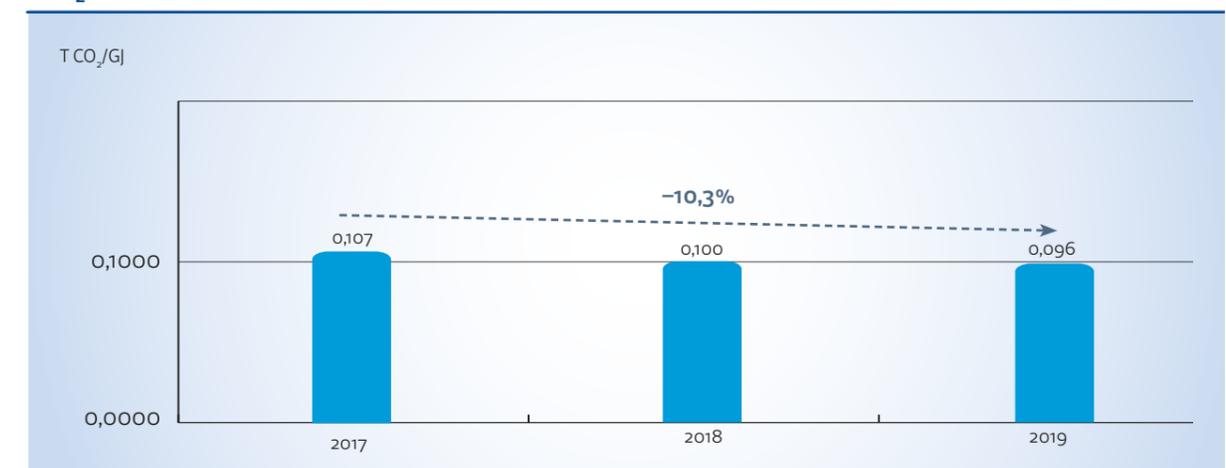
Comparison between the consumption of natural gas and the generation of electricity and thermal energy by the CHPP



In 2019, compared to 2017, the plant generated 18.8% more electricity and 82.9% more steam, set against an increase in natural gas consumption of about 24%. Sasol is constantly endeavouring to continuously improve energy efficiency and reduce CO₂ emissions. Specific emissions of CO₂, both direct and indirect, per GJ of

electricity and thermal energy generated, have fallen by 9.4% in the last 3 years, with a decrease of 10.3% of tonnes of CO₂ relative to the unit of energy generated. Shown below are the CO₂ emission figures and the emission intensity index in relation to the energy generated (shown as the total electricity and heat):

CO₂ emissions based on generated energy



Water usage

The use of water is a key element of industrial transformation processes. In a highly industrialised society such as the Western one, industry accounts for around a quarter of total consumption of this natural resource.

Sasol uses water in its plants mainly to transport the heat required in chemical processes (steam) or for cooling the plants.

Sasol Italy is committed to reducing water consumption in all of its plants through a careful policy of water management.

In accordance with the requirements set in the relevant authorisations and the internal procedures of the various plants' management systems, water consumption is measured by calibrated instruments.

The figures are monitored and recorded, and periodic reports on water consumption are drawn up and then sent to the inspection bodies. Every month, the figures are also sent to the corporate Headquarters using IT tools and used for defining Sasol's sustainability strategies.

Notwithstanding the regulatory limits in force on the consumption of water resources, the organisation applies

controls in order to limit consumption and the resulting environmental impact.

Water withdrawn

The Augusta plant is authorised to consume of water resources by local authorities. The water needed by the plant is taken from the following sources: 5 wells with a total authorised withdrawal rate 1,491,327 m³/year; Marcellino River, a source of supply used only in case of emergency by the fire-fighting service.

Since 2017, Augusta has also been the location for a treatment plant that transforms industrial waste water, including initial rainwater, into demineralised water that is reused in the industrial processes. The plant that facilitates this wastewater treatment (WWT) process is able to treat 90 mc/h of waste water by producing 60 mc/h of demineralised water and 30 mc/h of salt-rich water, which is sent to the consortium plant.

For 2019, this project made a significant reduction (of 22%) in the amount of water discharged from wells as compared to the previous year. The WWT process enabled 54% of the water discharged to be recovered within the production cycle.

There are also plans to upgrade the WWT plant to

approximately 150 mc/h so as to produce purified water, thereby reducing withdrawals by a further 15% and allowing total recovery of up to approximately 65%.

To cool its machinery, the plant utilises a closed circuit culminating in a cooling tower. This solution for reusing the water that is cooled downstream of the exchange in the machinery enables water consumption to be reduced considerably, thereby preventing, among other things, the introduction of heat into the environment.

The same process of reintroducing the water within the closed circuit is performed with the water treated by the WWT plant.

At the Terranova dei Passerini plant, the water supply is sourced from two groundwater drainage wells. Public aqueduct water is also used for civil purposes.

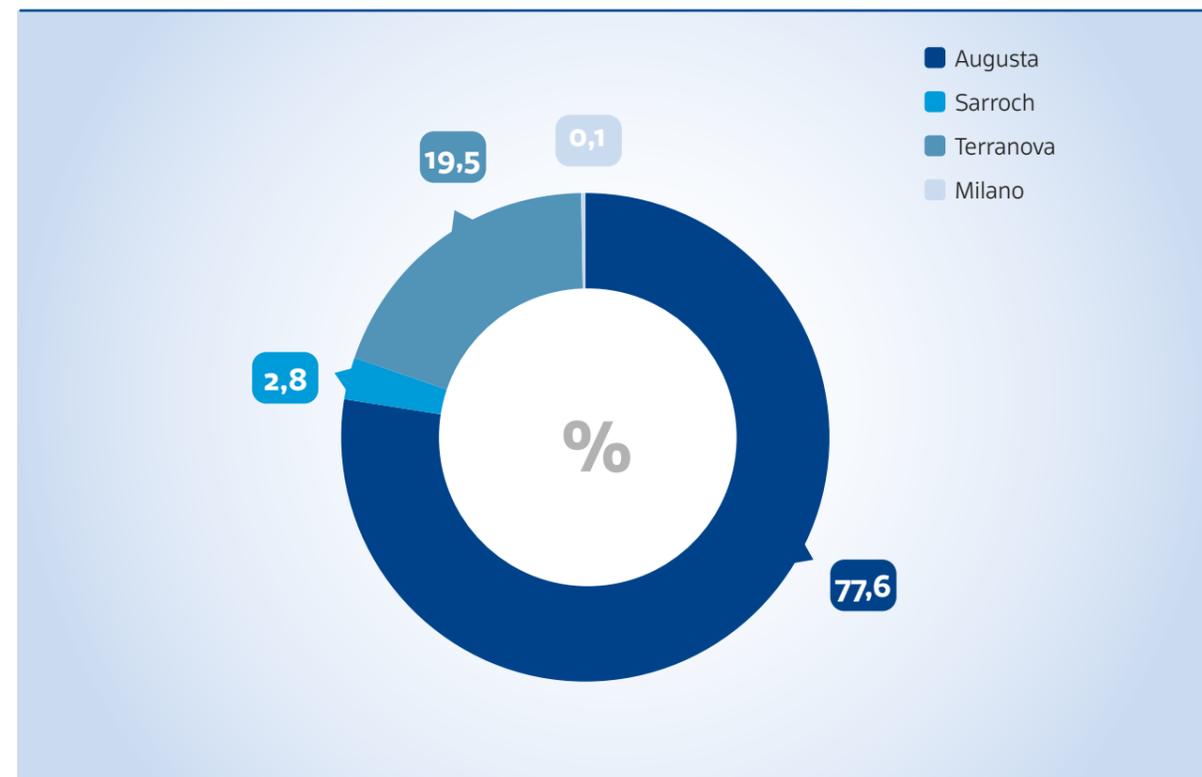
The water taken from the wells is utilised for industrial purposes (steam production, process water, cooling water and fire-fighting water). Good management

practices have reduced withdrawal from wells by 26%, compared to the previous year. The same applies to water used for civil purposes, which decreased by 14%. The water supply used at the Sarroch site is sourced from Sarlux (the company that manages shared services at the multi-company site), a third-party provider that draws water from the CACIP industrial consortium. The water withdrawn is utilised for industrial and civil purposes. The following graph shows the percentage incidence of water withdrawal at the various production sites and at the Milan site.

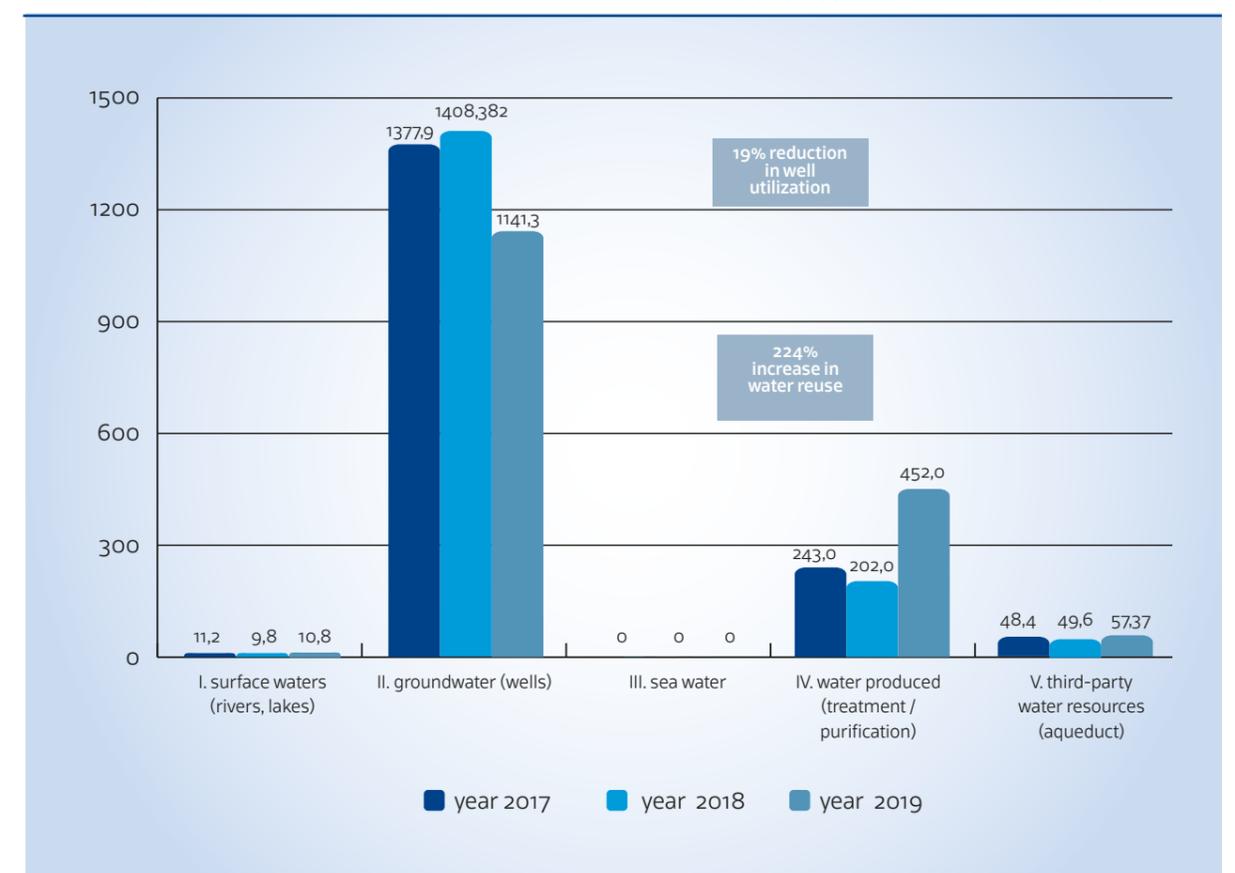
As can be seen, the vast majority of water withdrawal takes place at the Augusta plant where, in 2016, a water treatment plant was brought into operation. As shown in the following chart, in 2019 this enabled a 19% reduction in the water withdrawn from the wells compared to the previous year along with a 224% increase in the reuse of treated water.

The following chart shows the figures for all the plants in relation to the water supply type.

Percentage withdrawals at sites for 2019



Consumption (in thousands of cubic metres) by supply type for Sasol Italy's plants



Wastewater disposal

Each plant is equipped with authorised discharges managed in line with the limits specified in the authorisation documents and controlled in line with the monitoring and control plans applied.

All of the improvements planned and implemented are intended to enhance the quality of the wastewater in terms of reducing the concentration of pollutants transferred to the final receiver. This is done both with dedicated treatment sections and through proper management of the sources at which wastewater is produced, which are constantly monitored.

In some cases, the water undergoes preliminary treatment and is then transferred to its final destination.

In Augusta, there are two discharge points: SF1 and SF2. The first one is authorised to discharge rainwater that falls in non-industrialised areas (roads, yards, green areas) near the Marcellino river, after removing what is termed initial rainwater. SF2 is for the discharge of industrial wastewater and rainwater within the plant areas, as well as the water from the hydraulic barrier.

These types of water undergo initial pre-treatment involving de-oiling in the API tanks, to then flow into the WWT plant for treatment as described in the previous paragraph.

SF2 terminates in the consortium pipeline that transfers the water to the plant belonging to the IAS (Industria Acque Siracusane) consortium for final treatment.

In order to make use of the factory's wastewater treatment capacity, there are plans to construct two drains, SF3 and SF4, feeding into the Marcellino river. The first of these will replace the SF2 drain, which will still be active for situations

related to the times when SF3 is being maintained or is out of service; the second will transfer, following treatment in a GWT (groundwater treatment) plant currently under design, water from the hydraulic barriers, and will be added as a design proposal for decontamination of the site.

In Terranova, there is a wastewater treatment plant (WTP), which was subjected to a major renovation investment in 2013 and now consists of a chemical-physical treatment section used for treating process waters with a high organic load, a biological treatment section using activated sludge for treating process water, and a tertiary plant downstream of the sludge settling vessel, consisting of sand filters and activated carbon filters.

Water from the plant is discharged into a surface body of water, the "Valguercia Canal". Since 2012, a plant has also been available for treating the liquid stream leaving the sulphonation plant, for the separation of sodium sulphate before sending it to the water treatment plant.

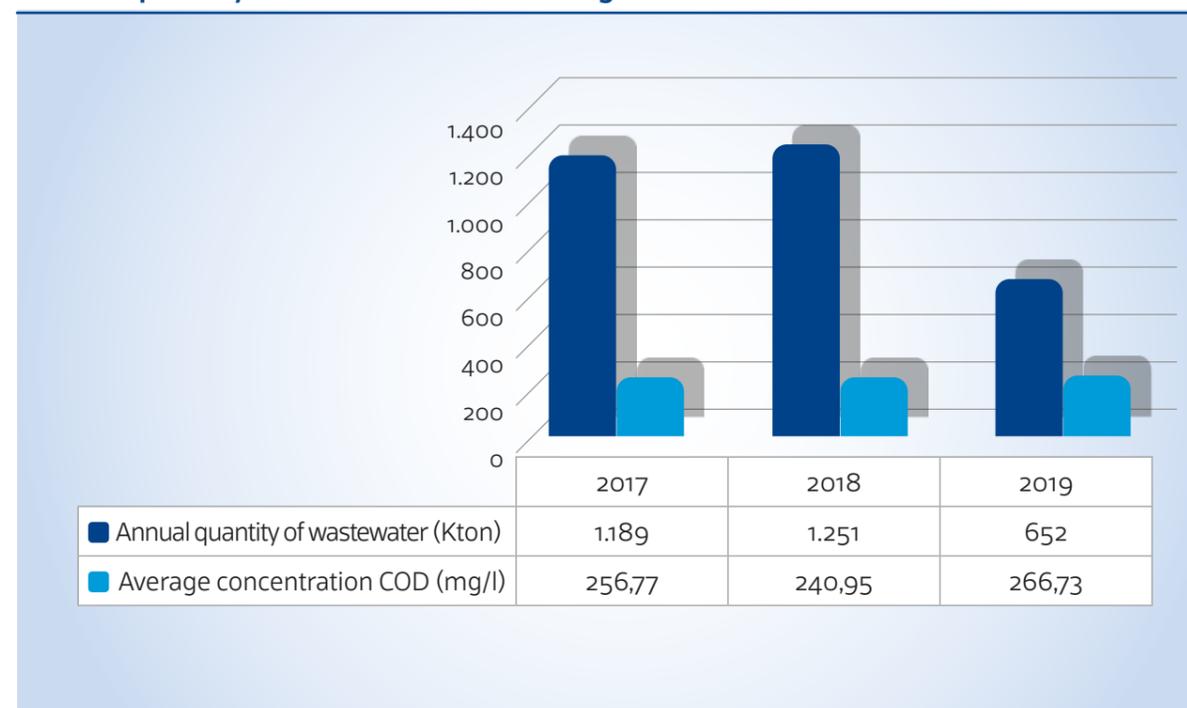
At the Sarroch plant, liquid effluents are sent to a third-party provider that operates a specific treatment plant (STP) involving authorised discharge to sea. Sasol periodically monitors the water discharges delivered to the treatment plant in compliance with its Monitoring and Control Plan.

The amount of annual wastewater that the factories send to the final destination is strongly influenced by the level of rainfall during the reporting period. This means that, for environmental protection reasons, any rain falling within the perimeter of the plants is treated as industrial waste since it is classified as potentially polluted. The same applies to what is termed "initial rain water", which falls on shared areas such as roads and yards that are not covered by industrial plants.

In 2019, the Augusta factory registered an approximately

SITE		2017	2018	2019	Contribution
Augusta	Quantity (kt/year)	1.018	1.004	491	Consortium pipeline
	COD (t)	301,1	294,9	169,9	
Sarroch	Quantity (kt/year)	11	19	19	Industrial sewage pipeline
	COD (t)	0,4	1,2	0,6	
Terranova dei P.	Quantity (kt/year)	159	228	142	Post-treatment surface water
	COD (t)	3,7	5,3	3,3	

Annual quantity of wastewater and average concentration of COD



49% reduction in wastewater sent to the consortium sewage treatment plant during the continuous operation of the WWT recovery plant.

The following chart shows the figures relating to industrial wastewater recorded at the discharge points.

The quality of the discharges in terms of COD (chemical oxygen on demand) is shown in the following table. Despite the sharp decrease in the flow rate, the quality of the wastewater remained in line with that of previous years.

Management of atmospheric emissions

Sasol Italy is working towards progressively reducing all of its atmospheric emissions to the greatest possible degree. These can be classified as "vented", "diffuse" and "fugitive" emissions.

For several years now, Sasol has carried out periodic monitoring of its atmospheric emissions in accordance with Integrated Environmental Authorisations (IEAs)

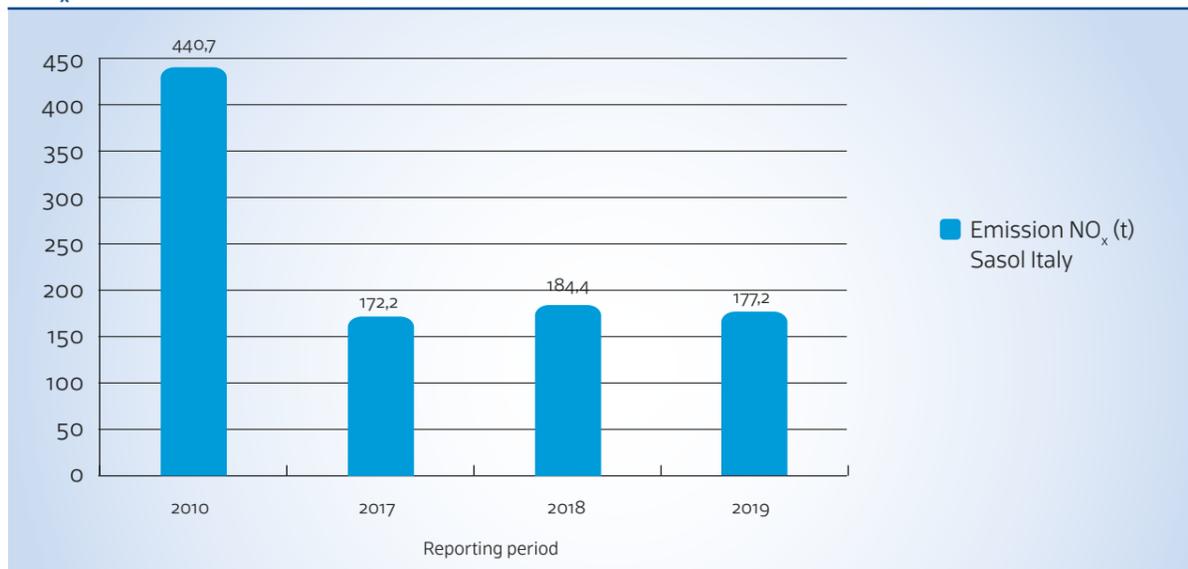
and applicable legislation so as to implement the most effective management and technical measures possible.

It is worth pointing out that, in some cases the substances emitted, because of their odour, while not posing a risk to health, constitute one of the impacts experienced most clearly by the population. There are some substances that, if present in the air in even very small quantities, are perceived as unpleasant smells.

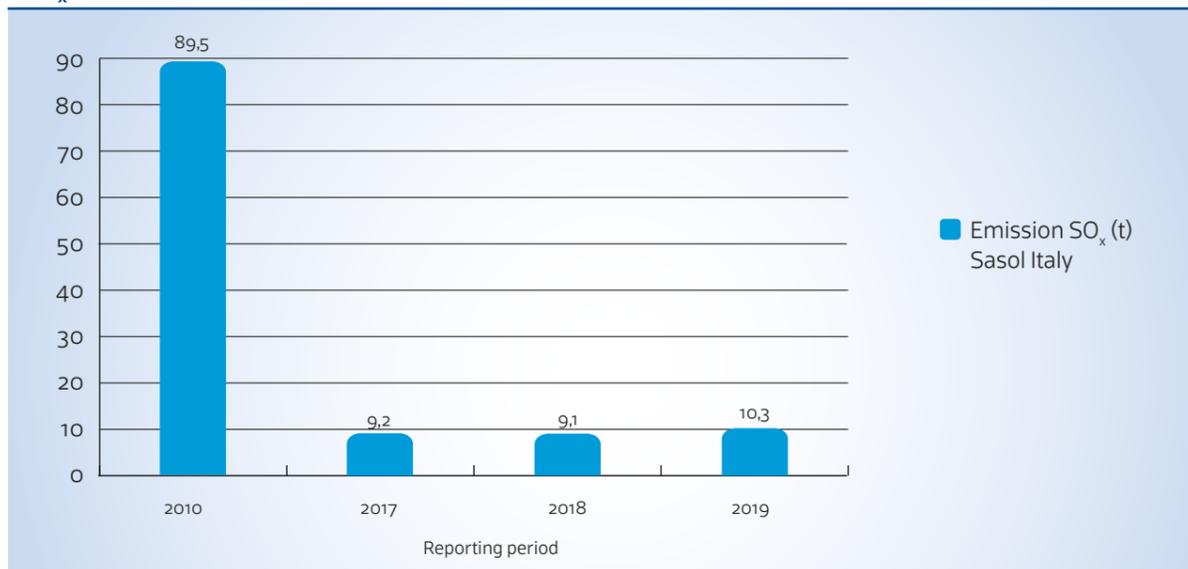
The following graphs show the emissions related to the main pollutants (NO_x, SO_x and CO) recorded across Sasol Italy as a contribution to the country system. In particular, NO_x emissions, compared to 2010, fell by 60.6%, SO_x emissions by 95.9%, and CO emissions by 47.8%.

Please note that emission figures compared with the previous reporting year remained substantially unchanged except for the CO parameter, which is associated with furnace combustion efficiency and suffered from the decline in production during the period concerned. This is also fed into the data that Sasol is analysing in order to identify areas for improvement.

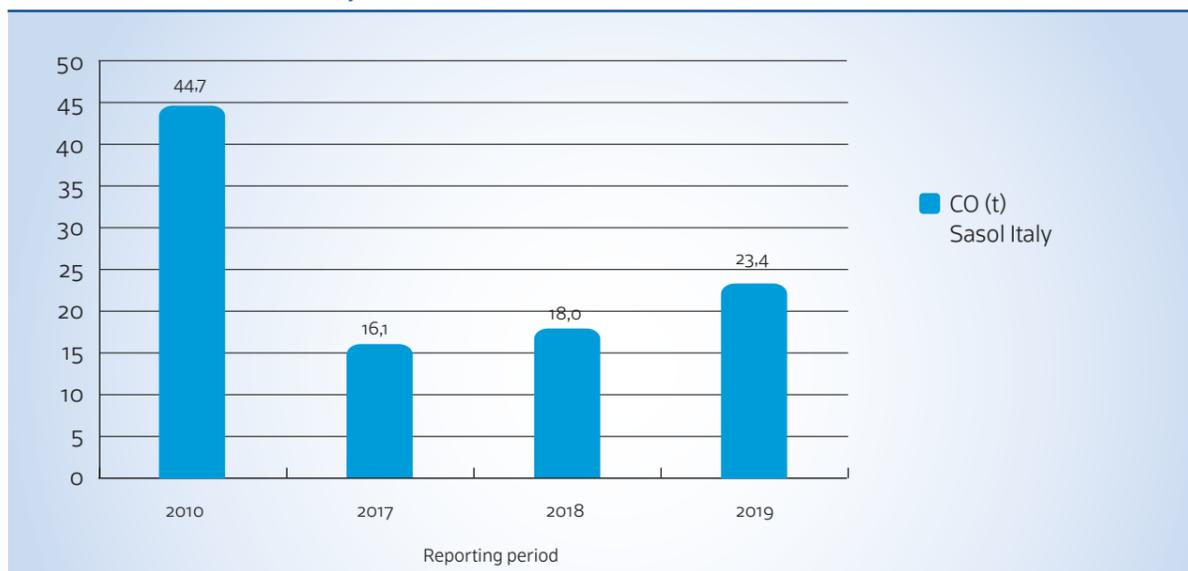
NO_x emissions Sasol Italy



SO_x emissions Sasol Italy



CO emissions Sasol Italy



Augusta plant

The plant's atmospheric emissions are managed in accordance with the applicable Integrated Environmental Authorisation (IEA).

For some time now, the Augusta plant has used natural gas as its main fuel, together with a small proportion of the process gas produced by the various plants. The use of natural gas as the main fuel drastically reduces the presence of pollutants such as CO, SO_x, dust and VOCs in the fumes vented to chimneys.

The vented emissions are emitted by nine active chimneys 24 hours a day, by a tenth non-continuous chimney (for the plant's steam integration boiler), by the emergency flare and by a thermal oxidiser for the treatment of the pipeline vapours.

The emissions vented to the nine chimneys are monitored by continuously operating analysers (EMS – emission monitoring system – for CO and NO_x parameters) and by non-continuous analyses performed by accredited external laboratories for the other parameters. On the tenth chimney, being powered by natural gas, only non-continuous monitoring is carried out for NO_x emissions.

The results of the checks, are sent to the competent authorities, which verify compliance annually by means of on-site inspections.

The fugitive emissions are those caused by leakage of the joints of the control devices, such as valves, flanges and machinery.

These emissions are measured using the LDAR (leak, detection and repair) programme, which also facilitates immediate maintenance interventions that further restrict the quantity of atmospheric emissions.

Diffuse emissions are those emitted from the floating covers of the storage tanks and from the tanks in which the hydrocarbon phase is recovered before the liquid waste is sent for final treatment. This form of emission was virtually zero thanks to the floating covers used for the API tanks.

With regard to storage tanks with floating covers, thermal camera monitoring and the resulting maintenance activities allow the level of atmospheric emissions to be kept to a minimum. All of these activities make use of what are known as the BAT (best available techniques) applicable to the type of machinery present in the plant.

Terranova dei Passerini plant

The plant's atmospheric emissions essentially consist of emissions vented to the chimneys of the production

facilities. Diffuse and fugitive emissions are therefore not considered relevant in this case.

Emissions from the ethoxylation plant (process reactors, vacuum system and the ethylene oxide and propylene oxide storage tank vents) are vented to a chimney controlled by a "scrubber"-type abatement system (filter). There are three other chimneys that vent emissions from the finishing and scaling section.

Sarroch plant

The plant produces vented, diffuse and fugitive emissions.

The plant's vented emissions consist of the fumes from the chimney (E8) that come from the process furnaces. The chimney is monitored by a continuous emission monitoring system (EMS) for the following CO, SO_x and NO_x parameters and also by measurement of the fumes' flow rate and temperature.

Other parameters are monitored on a non-continuous basis by certified external laboratories.

Fugitive and diffuse emissions come from storage tanks, pumps, lines (flanged couplings) and valves.

With regard to fugitive emissions, Sasol implements a specified annual inspection and monitoring plan, based on the requirements of applicable Integrated Environmental Authorisation (IEA). This LDAR programme (leak, detection and repair) allows for the estimated emissions to be calculated for the fugitive emission sources identified for the factory.

Waste management

Sasol has always been committed to considering waste with a view to recovery, rather than waste material at the end of its life being sent to landfill.

The quantity of waste generated depends on activities such as maintenance, cleaning of machinery, and new investments or demolitions that are planned and carried out over the year. Other waste comes from soil and groundwater decontamination operations, research and laboratory activities, and the need to replace process catalysts.

Since these are strategic and mandatory activities, the quantity of waste does not correspond to any efficiency parameter. What can make a difference is a strategy based on estimating the reuse of waste, which also accords with the principles of the circular economy.

Operational and document management for the waste cycle is carried out by a team of qualified staff who work through the entire administrative process of waste tracking, from production and temporary storage to specification of the final disposal method at dedicated external plants.

In 2019, Sasol Italy sent for recovery and disposal a quantity of waste equivalent to approximately 11,913 tonnes, broken down into 3,908 tonnes of hazardous waste and 8,005 tonnes of non-hazardous waste. In total, 51% of all waste was recycled and treated, of which 64% was hazardous and 45% non-hazardous waste.

In particular, the Augusta site sent 70% of its hazardous waste and 44% of its non-hazardous waste for recovery.

SITE	UOM	2017	2018	2019
Total weight of hazardous waste	t	7487,44	5329,19	3907,87
sent for recovery		529,02	4428,39	2493,72
sent for disposal		6958,42	900,8	1414,15
Total weight of non-hazardous waste		5285,76	3694,93	8005,42
sent for recovery		3106,56	1161,8	3602,26
sent for disposal		2179,2	2533,13	4403,16

Decontamination activities

The sustainability of a production site cannot be separated from actions aimed at improving the environmental conditions of the area in which it is located, taking into account also the soils and groundwater on which the facilities are situated, including non-productive ones. Sasol evaluates such activities as part of its priority actions by investing in resources that can help achieve the objectives set by applicable legislation, by requests of the competent authorities, and based on the site-specific conditions involved.

The Sasol sites in Augusta and Sarroch are located within the areas identified by ministry as Sites of National Interest (SINs), while the Porto Torres site is no longer operational. They therefore fall under the jurisdiction of the Ministry of the Environment, which gives directives on the entire decontamination process right from the initial stages of characterising the groundwater and soil. Other ministries (such as the Ministry of Health), territorial bodies and trade unions are involved in the investigation and decision-making phases and have the right to comment on, prescribe and even reject the documentation investigation prepared by Sasol.

The decontamination process for the Terranova dei Passerini and Paderno Dugnano plants is under the responsibility of the Lombardy Region.

Sasol's decontamination processes relate to approximately 120 hectares of land, of which around 90 hectares are occupied by plants and products for industrial production. In accordance with applicable legislation, once the free areas

In Terranova del Passerini, 99,5% of the hazardous waste and 85% of the non-hazardous waste were recovered. In Sarroch, given the size of the plant, only a very small quantity of waste is produced. The recovery rate was 3% for hazardous waste and 94% for non-hazardous waste. At the production sites, no instances of non-compliance with the requirements set down in the Integrated Environmental Authorisations or with environmental legislation were identified, as also confirmed by the checks carried out by the inspection bodies.

are restored for legitimate uses, a substantial part of the free areas may be subject to planning focused on green economy.

All sites owned by Sasol have been characterised and the results, validated by the competent inspection bodies, have enabled the immediate implementation of groundwater prevention measures (Emergency Safety Measures: ESMs). ESM-related activities were started between 2003 and 2004; the environmental controls are still in force and have been subject to environmental monitoring for decades to verify any changes in contamination levels. In general, the analyses performed provide evidence of a trend whereby pollutants in the groundwater are decreasing. This is due to both the efficiency of the ESM systems and the application of proper environmental protection management, based on the prevention of environmental accidents and on the activities for controlling the design and management of plants.

The preparation of the site-specific Health Risk Analysis (HRA), based on examination of the characterisation results, lays the foundations for establishing the objectives for the decontamination. The HRA is drawn up in accordance with ministerial guidelines based on the concept of maximum precaution. Approval of the risk analysis by the competent authorities is the prelude to the drafting of the decontamination plan for the decommissioned sites and free areas, and of the operational safety plan (OSP) at the sites where the plants are still operational.

Since 2001, Sasol Italy has spent approximately €23.7 million on decontamination activities at its sites: in 2019

the direct costs for decontamination activities were €665,921. It has already set aside about €10.7 million for the activities scheduled for the coming years. These costs do not take into account any investment related to the protection of environmental matrices and control measures. In 2017 and 2018, Sasol spent €691,520 and €601,947 on decontamination activities.

Activities at the sites

The area around the Augusta Plant is within the boundary of the Priolo Gargallo-Melilli-Augusta Site of National Interest (SNI). In accordance with applicable legislation, since 2001 the Site has been carrying out the decontamination process, characterising all areas owned by Sasol. Since 2004, Sasol has activated a series of hydraulic barriers in accordance with the legislation and guidelines set down by the competent authorities. These barriers are designed to contain and capture any groundwater that crosses the site. The hydraulic barriers comply with the OSP (operational safety plan) already submitted to the Ministry of the Environment during the approval phase, in particular the barrier (composed of 76 wells) installed along the Marcellino river, a watercourse that separates the Sasol plant from the Sonatrach refinery. As part of its periodic monitoring of the condition of the aquifer, the plant implements a monitoring plan approved by the inspection bodies. The periodic monitoring continues to demonstrate a significant improvement in groundwater quality, confirming that the prevention measures adopted are working, including those related to the proper management and maintenance of the plants. The OSP for water and land is currently being evaluated for approval by the Ministry of the Environment. Sasol's plant at Sarroch is situated inside the facility currently owned by Sarlux, previously owned by Versalis (part of the Eni group), where a shared water-front hydraulic barrier is operational. (Sasol's plant covers a waterfront that represents about 15% of the barrier's length). In this case too, monitoring has highlighted a substantial reduction in pollutants over time.

The decontamination project, already approved by the competent bodies, is in the process of being implemented, both with regard to the aquifer and the land. The water decontamination project, with a total cost of about €1.2 million, is jointly managed with Versalis, which is responsible for executing the decontamination activities at the multi-company facility including the Sasol plant in order to coordinate the intervention strategies and techniques. The project is expected to be operational by the first few months of 2021. The Covid pandemic has, however, caused an approximately five-month delay in construction operations. The Sasol site at Porto Torres was completely decommissioned in 2014 and is divided into two non-contiguous areas. An emergency safety measure is in operation in both areas of this site. The Ministry of the Environment, requested additions to the document submitted, thereby making the approval of the HRA subject

to the execution of four quarterly soil gas projects in the two areas owned by Sasol and the removal of an accumulation of pyrite ash in one of these defined SASs. This latter activity is currently being designed and works assigned to a specialist company. The inclusion of the HRA is expected to be presented in 2021. As a result of this activity, Sasol is evaluating possible projects for generating electricity from renewable sources, integrated with the decontamination activities; these evaluations form part of the strategy adopted for achieving sustainable development objectives.

The Sasol site at Paderno Dugnano, a former research centre, was discontinued following the decision to move research activities onto the premises of the production sites. In this area, the decontamination of the aquifer is undergoing final testing. Since 2010, in fact, a hydraulic barrier has been operational, incorporating treatment of groundwater and its re-introduction into the aquifer. Its operating principle involves draining to be "purified" from the aquifer, which, instead of going into a sewage system, is reintroduced into the aquifer in a controlled way. Within just four years, this technology has made it possible to achieve a concentration of pollutants below the limits set in legislation and in the decontamination objectives.

At the Terranova dei Passerini site, the characterisation showed the presence of some pollutants not attributable to the production cycle and therefore resulting from previous contamination. The site-specific risk analysis has been submitted to the competent bodies for approval. Also at this plant, monitoring is taking place to verify changes in concentrations of pollutants in the groundwater that, in recent years, have remained constant.

The "No Fly" investigation

On 21 February 2019, Sasol Italy's Augusta plant, together with other companies within the Syracuse petrochemical hub, became subject to a precautionary seizure order in the context of the "No Fly" investigation. The company has ensured maximum collaboration with the Public Prosecutor's Office of Syracuse and is confident to be able to prove the correctness of its operations and the results of its commitment to sustainability.

On 23 May of the same year, Sasol Italy obtained the positive acceptance of its request to lift the seizure of the Augusta plant in a ruling issued by the Syracuse Public Prosecutor's Office. The ruling was issued following the verification of the technical documentation submitted and the site inspection by consultants working for the Public Prosecutor's Office, who confirmed the fundamental suitability of Sasol's management of the site.

Sasol Italy, in fact, has remained constantly and demonstrably committed to sustainability for many years now, undertaking significant investments and in continuous compliance with regulatory requirements and with the use of the best available techniques.

4

SOCIAL SUSTAINABILITY

PART FOUR

SASOL ITALY AND SOCIAL SUSTAINABILITY

At Sasol Italy, we want to create an environment that allows us to work closely with our communities and our internal and external stakeholders, growing and improving together.

At our sites, we actively engage our stakeholders, creating opportunities to listen to their needs and learn about their priorities. In continuous dialogue, we promote an approach that enables us to respond to any challenges by integrating the associated requirements into our day-to-day activities and our strategies for growth. At Sasol, we always act as transparent and reliable interlocutors, consistently fulfilling our commitments.

By analysing and understanding our stakeholders' issues, we identify the areas of greatest interest that require our investment, in terms of both, time and resources. We seek to implement the best possible solutions for engaging our stakeholders at all levels and creating value.

We pay constant attention to respecting human rights and avoiding discrimination, and we promote diversity and inclusion in all our work teams and in all of our external activities.

Our goal is to set an example for positive change and inclusion through our investments in training and skills development, school and university education, financial support for local community projects, and attention to the most sensitive issues for our local areas.

In 2019, we completed approximately 6,000 hours of training, including safety and skills development for employees, averaging more than 9 hours a year per employee. We spent approximately 3,300 hours of safety training for third-party employees.

In our relationships with schools and universities, we have improved the results and commitment achieved compared to previous years by participating in three career days, providing lessons in universities and hosting two interns. We have also continued our Sasol@School initiative, the high school project that has engaged more than 110 students with a total of approximately 150 hours of traditional lessons and 40 hours per student in our plants, close to Sasol employees.

Our production plants lie within local environments that Sasol intends to safeguard by minimising the impacts of its activities. Although they lie not close to inhabited areas, allowing us to consider impacts such as logistics and noise as non-significant, this does not limit our commitment to other potential impacts, particularly those of an environmental nature.

The results of this effort in every area are described in the various sections of this document.

About COVID-19

This document was drafted at the very start of the Covid-19 crisis and analyses information and initiatives referring to the period prior to the pandemic, reporting results for the period 1 January - 31 December 2019.



In 2020, Sasol faced unprecedented challenges due to the collapse in oil prices, the volatility of chemical prices and the objective difficulties created by the pandemic in every global market and industry. We took immediate steps to respond to the crisis by ensuring that our staff have remained as safe as possible and protecting their health and by helping communities affected by the emergency. These initiatives will be comprehensively explored in our 2020 Sustainability Report.

Development of our human resources

Sasol views their staff as the company's most valuable resource, being a team of professionals who, through their day-to-day work, are responsible for creating value and innovation. We believe that the development and growth of our workforce is the best way of investing in our future.

Sasol is committed to continuously promoting a stimulating work environment, one that allows everyone to fully demonstrate their value and potential. The well-being of

those who work for Sasol is key: for this reason, we favour a culture that allows and encourages freedom of expression and, through sharing, brings change and growth.

We believe in the development of our staff and in respect for diversity, having as guiding principles our Group Values, above all that of "Care" – in other words taking care of others.

With their expertise, background and culture, Sasol's 632 employees in Italy form part of the unique mosaic that brings our motto: together, we are "One Sasol".

Heartbeat 2019 survey

In 2019, Sasol's employees around the world were given the chance to participate in the Heartbeat survey. This survey takes place every three years and is a vital tool for understanding, the levels of satisfaction of our staff, and the priorities and issues in which we need to invest time and resources to improve ourselves.

In the 2019 survey, people were also invited to express their opinions about their experience of work: how aligned they felt with the company's strategic direction, whether they felt part of a wider team, and which ideas they wanted to propose to make Sasol an even better place to work.

Participation in the survey was optional and confidential. To ensure this confidentiality, the Heartbeat 2019 survey was conducted and managed by an independent research agency, and responses were not identifiable in the results.

Approximately 19,500 employees worldwide took part in the survey. In the Eurasia region, 68% of employees, or 1,799 people, provided feedback. The results of the survey allow the company to gain vital feedback for identifying future priorities and areas for improvement. From this survey, the HR team identified three main areas for improvement over the next three years:

- continuous improvement
- bureaucracy
- performance management/feedback

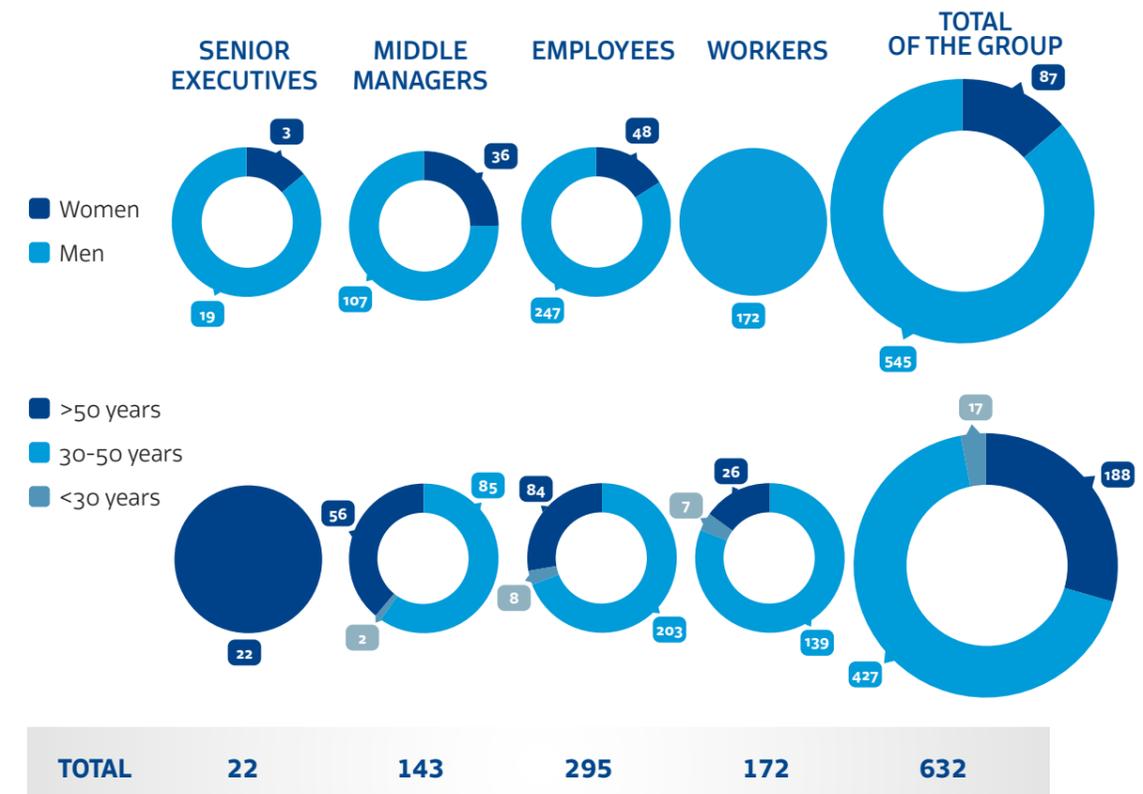
These areas were then set out in a plan of concrete actions and initiatives for the three-year period, for both managers and teams, in each country. In addition to the aggregated data for Eurasia, the survey also provided results for each country. Focusing on employees in Italy, the workplace climate was viewed as positive by 70% of survey participants. The top three behaviours rated as positive were:

- Teamwork
- Orientation to the future
- Sharing information and a focus on results and objectives

The areas identified for improvement were:

- Bureaucracy
- Fear of making mistakes
- Hierarchy

The results of the survey were presented at each site in order to encourage discussion and gather feedback and subsequently, in each team, to customise the actions taken to fit the needs of each unit.



Sasol staff

In 2019, 100% of our 632 employees are employed on permanent contracts, as we view each person as an essential component of the team in which they work, valued for the expertise they develop over the years. We are committed to ensuring that our employees feel part of the company in all their activities, and aware of being part of a solid organisation.

One of our employees is employed on a part-time contract. Only marginal use is made of temporary workers. The minimum notice periods regarding operational changes adopted by Sasol complies with the regulatory requirements of the sector's National Collective Bargaining Agreement.

During the year under review, there were 21 new employees hired, 25% of whom are under 30, and 11 terminations. The age composition of Sasol Italy's workforce represents a perfect balance between experience and innovation. The average age of Sasol Italy's employees is 45 years.

The average length of service is 18 years. This demonstrates firstly the loyalty of our staff and, secondly, ensures that the company can draw on a

consolidated set of skills deriving from our employees' experience and deep knowledge of our markets, processes and business tools.

Sasol Italy's workforce is highly qualified. Almost two-thirds of employees have at least one high school diploma. A total 22.5% of Sasol Italy's employees have a university degree – a significant increase, in view of the fact that in 2008 graduates accounted for only 14% of the total workforce. Of these, as many as 70% graduated in science and technology, compared to an Italian average of 41%.

Furthermore, 100% of graduate employees are managers or white-collar staff.

Diversity and equal opportunities

Sasol Italy, in line with Group policies, welcomes and implements diversity and inclusion as strategic elements in setting its personnel recruitment policies.

The HR function, in collaboration with the managers of the individual functions, writes the job description for a vacancy while analysing the company's requirements. A diverse management team, in terms of gender differences, cultural diversity, age and skills, forms part of the company's policy of value creation, including by

means of high-quality training in the form of courses and thematic workshops.

During 2019, no instances of discrimination were recorded.

During the year under review, Sasol Italy has a percentage of female employees equivalent to 14%, an increase of 1% compared to 2018. This also reflects the group's commitment to diversity and inclusion. 30% of all the new employees hired in the reporting year are women.

At Sasol Italy, we are also committed to ensuring equal economic treatment and equity between women's and men's wages.

The salaries of women in the "White-collar worker" category are 2.2% higher than those of men. For the "Supervisor" category, the difference is minimal (-0.90%).

The vast majority of those at "Manager" level were appointed or hired at least 15 years ago. Since 2005, there have been only three appointments of internal staff as managers. Female managers have an average salary in line with that of male managers.

Welfare at Sasol Italy

On the subject of social sustainability, the attention that has always been given to contractual welfare provisions is certainly relevant and testifies the importance given to employees' well-being and the provision of supplementary benefit funds. Over the years, together with unions, Sasol has always chosen to focus on enhancing the contractual pension funds called Fonchim and the supplementary healthcare funds named FASCHIM. These welfare programmes are offered to all employees.

With regard to the supplementary healthcare fund, for employees registered with FASCHIM, 70% of the family registration fee is paid by the company.

The agreement also provides for additional supplementary insurance that is intended to top up what is already provided by the health funds. This coverage effectively reimburses the portion of medical fees not covered by the sectoral pension fund, as indicated in the tariff. The coverage applies to both employees and managers (FASCHIM for employees and FASI for managers). Coverage also extends to employees and managers' immediate families.

A distinctive element of Sasol Italy's health insurance scheme is the integration between FASI and FASCHIM with Unisalute (the supplementary healthcare fund) via

a single submission of all documentation to request the reimbursement of medical fees. A single IT system, in fact, assists employees when requesting the reimbursement and thereby guarantees reimbursement from both funds.

This attention to contractual welfare benefits has resulted in the company now having a total number of employees registered with FASCHIM equivalent to 90.7% of the workforce and a total number of those registered with the Fonchim equivalent to 94.7%.

Sasol Italy also provides insurance for its employees and managers to cover occupational accidents and accidents outside work. This coverage is provided 24 hours a day, on a worldwide basis, both during professional activities and in the performance of any other non-professional activities.

Other benefits

Since 2010, the company has provided its employees with economic benefits covering the cost of the ticket for local public transport services (buses, trams, metro and trains). This is for the purpose of assisting our employees with the expenses incurred in travelling between their home and place of work.

Our industrial relations

In our company, the participatory model that characterises industrial relations in the chemical sector has contributed to the development of open, transparent and constructive relationships with the company union representatives. This has enabled us to conclude innovative second-level agreements and benefit from all the possibilities offered by the National Collective Bargaining Agreement in terms of company-level bargaining.

This model plays a key role in ensuring compliance with the rules and ethics of conduct and timeliness in addressing any issues and defining negotiated solutions. It also guarantees consistency in the implementation of the agreements reached.

The development of a participatory system within our business process should be seen as an important element in enhanced professional development and, at the same time, in ensuring that our organisational processes are implemented more effectively.

Any problems are addressed in a timely and flexible way thanks to a system of prior and continuous participation in which people can express their views and be treated as important and worthy of respect. This also applies to face-to-face discussions and non-negotiation-related situations.

In a constantly changing economic and business scenario the mutual reliability of the parties, the adoption of ethical behaviours, and consistency in the implementation of the agreements reached are strategic factors in keeping the company competitive.

To achieve this participatory system, in second-level agreements of 2013 and 2017, a number of discussion forums were established at local and national level. These include:

The "Group Observatory"

Still operational within the group, the Observatory convenes at least once a year and aims to analyse any issues that might have an impact on the company's economic and production-related performance, based on information relating to market and production dynamics.

The "Corporate Economic Scenario Committee"

Established by means of a second-level agreement in 2013 and then known as the "Corporate Development Committee", this body meets at least once a year and aims to analyse and understand business strategies and objectives, with particular reference to their impacts on economic performance, on Sasol Italy's growth, and on verifying how the company's business decisions are being implemented in relation to the overall strategy. This committee is also tasked with identifying new models of participation and welfare. It represents a non-negotiating discussion forum that has become a best-practice model for the entire chemical industry. In fact, when the National Collective Bargaining Agreement was renewed on 15 October 2015, the "Corporate Economic Scenario Committee" was accepted as a model in the agreement for the chemical-pharmaceutical sector.

The profit-sharing scheme

In line with the policy of the Group, Sasol Italy has an annual profit-sharing bonus. This is a variable amount, recognition of which is linked to the company's levels of productivity, profitability, quality, efficiency and innovation at a global level. At national level, the agreement sets out the guidelines for drawing up the Group's remuneration policies in compliance with the specifics of Italian legislation. The profit-sharing scheme is one of the company's main tools for sharing and redistributing its global business profits.

Safety as a priority

At Sasol Italy, we are determined to achieve our goal of zero harm – in other words, zero accidents – by disseminating a culture of safety, so that this becomes the guiding principle for our day-to-day activities, both inside and outside the factories. All of our teams' initiatives are designed to consolidate

a precautionary mindset with regard to the risks and consequences of every action, based on specific risk assessments and on analysing dangerous and unwanted events that might potentially result in accidents.

To further improve our performance, the corporate team has drawn up a series of risk analysis activities that are based, in addition to best practices, on continuously comparing events that have occurred in all plants around the world. Through a process of sharing, we identify hazardous situations and work to prevent them by implementing the most effective solutions globally.

This is not a simple matter of standardisation but rather a process of customisation that serves to integrate the most effective measures into the real-life settings of our sites. This is also done in relation to the regulations applicable in the various countries.

Risk management

For the HSE function, the guidelines are set down in the ERM (enterprise risk management) system. This outlines an approach based on hazard identification and subsequent risk analysis, on which the set of preventative controls for minimising residual risk must be based.

Identifying controls is not enough. Risk management also requires the identification of a "risk owner", responsible for the area in which the risk arises and who must ensure that the controls are implemented and are effective. Within Sasol, this process is termed: "First Level of Assurance".

In addition, there are the various checks carried out during both internal and external audits.

This risk assessment is not limited to direct employees but also extended to contractors. In fact, given the large number of activities outsourced, especially in maintenance and new developments and services, Sasol pays the same attention to internal and external workers.



Great attention is paid to the risks of interference between internal and outsourced activities. For this reason, all third-party companies are required to demonstrate that they fulfil certain professional requirements, particularly for activities where the level of risk is considered high.

A lack of legal certification automatically prevents access to the company's factories, as does a failure to attend initial training or refresher training courses carried out by Sasol on a periodic basis, e.g. maintenance shut-downs or work in confined spaces.

The "bow-tie" visualisation scheme for the risk analysis and controls, which is used for a list of activities considered critical, takes into account the causes and controls linked to the contractors' activities. On-site visits are aimed at monitoring that behaviour of all workers have been implemented. This monitoring covers all activities, including outsourced ones.

In each plant, there is a Prevention and Protection Service Manager (PPSM), who operates in accordance with applicable legislation and implements company policies. In addition to legal courses, our PPSMs and QSE managers undergo training during the workshops in line our company policy that sees the professional development of staff, in all sectors, as a fundamental success factor.

The objective of zero harm

The "zero harm" objective is set at all levels of the organisation. As a result, everyone at Sasol Italy knows that their safety and that of others forms the basis of the

way they work. Staff can always report any dangerous situations, both via their managers and during the daily work organisation meetings (as introduced by the Voyager initiative). This facilitates the application of provisional safeguards until the anomaly is resolved.

Reports are also made following daily "safety walks": inspections carried out in areas of the plant included in a special check-list, drawn up by line managers and the QSE function. The company encourages its staff to look out for any non-conformities on site. The daily meetings also provide an important opportunity for involving workers in a structured way in identifying risks.

Analysis of hazardous situations, near misses and accidents is an important practice for detecting non-conformities, conducting a proper investigation and examine causes.

Knowledge of the causes of such situations allows to proceed with actions aimed at mitigating and eliminating them, thereby lowering the levels of risk. Information on accidents is shared with all Sasol plants around the world. This enables risks and similar improvement measures to be identified at any production site.

Every week, plant managers organise meetings on HSE issues: the topics covered are generally related to updates in regulations or the status of improvement actions during the implementation phase. Information about any near misses or accidents is also

Life-Saving Rules

In recent years, Sasol has developed and disseminated "life-saving rules" at its operational sites. This set of twelve safety rules specifies the behaviours required in relation to the activities carried out within the plant.

Wearing personal protective equipment, not accessing work environments under the influence of alcohol or drugs, always complying with fall protection requirements when working at height, following procedures before, during and after work activities, and obtaining a work permit before entering confined spaces, are just some of the rules.

In each control room and common area, you can find brochures and posters listing the life-saving rules. This represents an immediate and effective tool to encourage the adoption of responsible behaviours in all activities that take place in such a complex work environment as that of the Sasol plants.



given in these meetings. Every day in the production departments, in line with the Voyager initiative, preparations are made for the day's activities, including any safety issues.

Figures on safety at Sasol

In 2019 the number of hours worked in Italy, i.e. the index of exposure to the risk of accidents in the company, was 1,084,965. The number of hours worked by contractors recorded over the same period – 1,008,799 – is comparable to the one for employees.

In 2019, six injuries involving Sasol staff were recorded, three of which occurred while commuting. No accidents were recorded for contractors during the twelve months of 2019. On the basis of these figures, the risk characterisation ratio (RCR), the number of accidents compared to the number of hours worked on a 200,000-hour basis, is 0.55 (calculated for Sasol staff only).

Sasol Italy, in accordance with corporate policy, treats contractors' staff working at Sasol sites with the same care as its own staff; Sasol therefore uses an overall RCR, calculated to include the number of accidents and hours worked by contractors. In 2019 for Sasol Italy, this is 0.29.

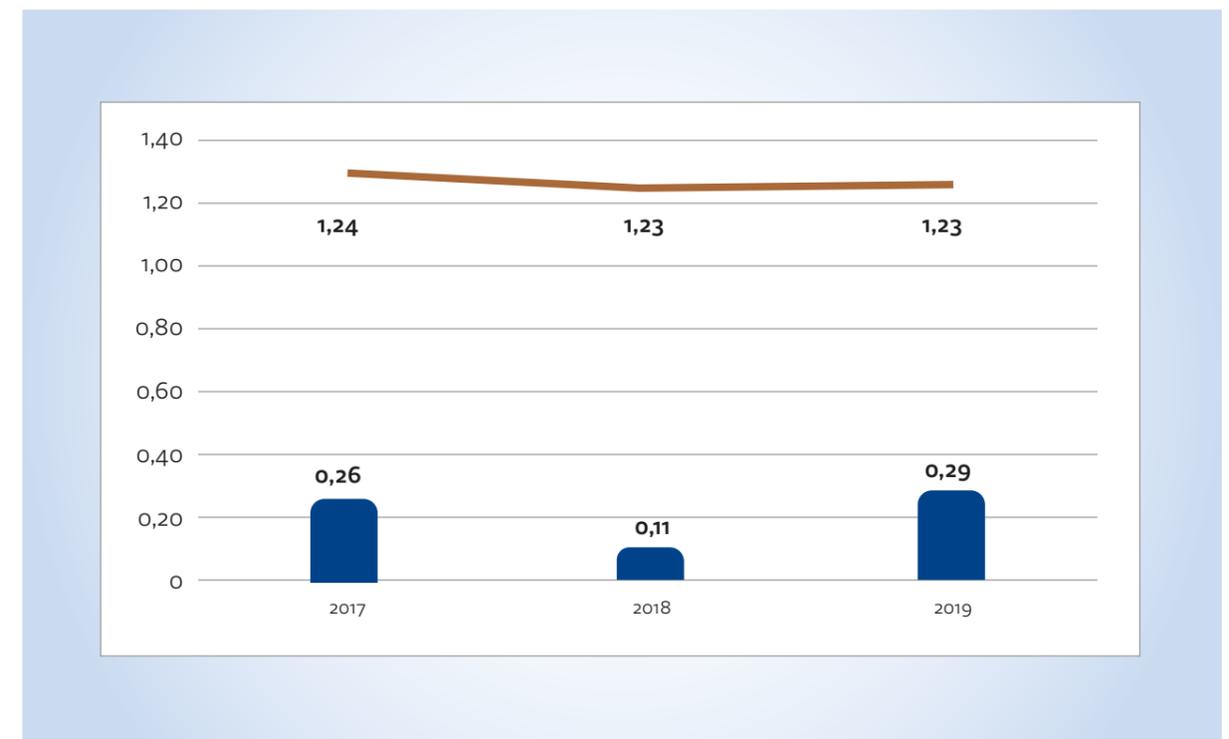
During the year under review, contractors' staff made a very positive contribution to safety performance by not registering any accidents at the plants.

The trend in terms of accidents at the operational sites and the Milan head office over the last three years is shown in the following table:

Year	Milan	Augusta	Terranova dei P.	Sarroch
2017	3*	1+4*	3*	1
2018	0	1	0	0
2019	1*	1+1*	1	1+1*

The asterisk indicates the number of accidents while commuting

The trend for the RCR ratio during the reporting period for Sasol Italy is as follows: The comparison (brown line) is made with companies participating in the Responsible Care program.

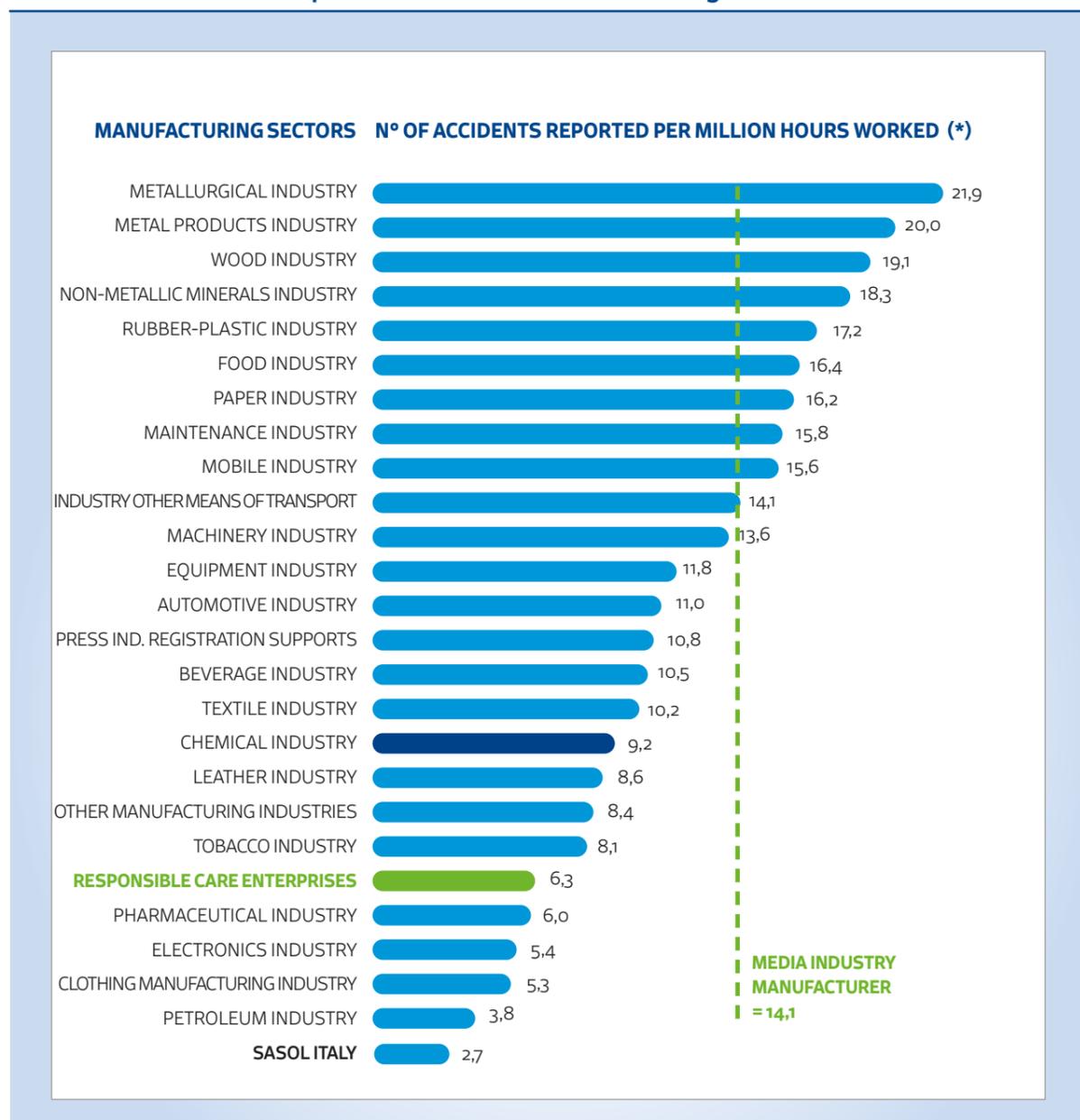


The graph below shows Sasol's positioning with respect to Italian manufacturing sectors as shown in Federchimica's 26th Responsible Care Report, which examines the same reporting period. With 2.7 accidents reported per million hours worked (INAIL frequency rate), Sasol Italy performs better than the companies participating in the Responsible Care initiative and in comparison with other manufacturing sectors.

Aspects related to major accident hazards

All Sasol Italy production plants are classified as sites of "Major Accident Risk" pursuant to Italian Legislative Decree 105/15. For this reason, as well as drafting a risk assessment in line with Legislative Decree 81/08, plant managers also have to draw up a safety report that considers all incidental scenarios that could potentially have an effect even outside the area of the plant.

Accidents at work: comparison between manufacturing sectors



The safety report goes through a phase of examination by the Regional Technical Committee to verify that all the requirements under the aforementioned decree are fulfilled and that the incidental scenarios and consequent prevention and mitigation actions are properly structured and effective.

The decree also specifies that a company's safety management system should be adapted in line with the system indicated in the decree itself. A committee of the Ministry of the Environment also verifies this compliance. In case there are no substantial changes (e.g. risk involved in the production process), the safety report has to be updated every five years.

During 2019, the commissions that audited the Sasol sites confirmed the company's compliance with the legislation.

Product safety

The REACH regulation – Registration, Evaluation, Authorisation and Restriction of Chemicals [Reg. 1907/2006/EEC], and the CLP regulation – Classification, Labelling and Packaging – [Reg.1272/2008/EEC] are the two key regulations governing the trade in chemicals within Europe, ensuring that they are prepared, marketed and used with the utmost respect for the environment and human health.

REACH requires every manufacturer or importer of chemicals to carry out a risk assessment of their uses for each chemical. The CLP regulation specifies that each type of chemical must be marketed with a specific classification and that this classification must be communicated to the European Chemicals Agency (ECHA). All information on both the registration and classification of products has to be reported in the safety data sheets and labels.

In the 2019 fiscal year, product safety activities concerned several aspects related to the two aforementioned laws. In terms of REACH in particular, all registration activities were completed and work was carried out to check the accuracy of the details presented in the various dossiers and their implementation. Another aspect related to REACH concerns the completion of the dossier evaluation procedure (CoRAP), the results of which are expected by the end of the next fiscal year.

With regard to the CLP regulation, Sasol Italy has conducted a complete review of the notifications of polymer classifications submitted to the ECHA over recent years, an activity that complements the company's compliance with the recommendations of CESIO (the European Committee of Organic Surfactants and their Intermediates) concluded in the previous fiscal year.

In addition, preliminary actions have also been implemented for the CLP as regards application of Article 45 of that regulation, concerning the requirement to inform poison-control centres of any hazardous mixtures present on European territory.

Safety training

Education, information and training are important elements in our programme of protecting the health and safety of staff and disseminating a culture of safety.

The regulations require the employer to provide staff – at the time of hiring, when they change job, or when new work equipment and/or hazardous substances are introduced – with appropriate and specific training in health and safety with particular regard to the employee's specific work and duties.

In addition, as required by Sasol's HSE policies, training is also provided to staff of third-party companies operating in our plants. These are means by which Sasol intends to also disseminate its culture of safety to any stakeholders who interact directly with its staff.

The training on safety issues therefore plays a fundamental role as a management tool that promotes and disseminates the company's workplace safety culture and the importance of accident prevention. In addition, such training provides an indispensable opportunity for the company to share knowledge, raise awareness, and see conscious and responsible behaviours adopted.

Learning about safety involves gaining knowledge and awareness of one's role, acquiring the ability to assume responsibility, recognising the social value of work, and learning to manage risk both individually and collectively. Learning about safety also involves growing the company's inventory of knowledge, as only by doing this can we tackle the risks of the future.

In 2019, a total of 5,346 hours of safety training took place for both Sasol employees and third-party workers. Safety training, in addition to that described in this paragraph, covered specific topics related to analysing accidents, identifying potentially unsafe situations and investigating near misses.

Employee training hours remained substantially unchanged compared to 2018. An increase was registered in the hours dedicated to contractors during scheduled plant shut-downs, particularly related to risk assessment procedures before starting work, life-saving rules, and controls relating to HSIs (high-severity incidents).

Sasol Italy also promotes other educational opportunities designed to disseminate its culture of safety that are not

counted in this list. These include, for example, "Safety Moments", consisting of insights on the topic at the start of any meeting held in the company.

Safeguarding the health and safety of Sasol's staff

Occupational health practices aim to standardise the approach taken to the associated issues across all sites in compliance with the corporate guidelines on workers' health and well-being as well as with applicable legislation.

The company's Occupational Health Service has the fundamental role of effectively assessing the risks associated with each task, the workplace environment and the organisation of activities. The critical analysis of employee health monitoring provides valuable information on the effectiveness of the preventative measures adopted at each plant and helps ensure that appropriate mitigation measures are taken. In addition, it allows any illnesses or changes to be detected in relation to incorrect lifestyle-related practices and habits. The role of the Medical Officer, is therefore not, limited to solely identifying and resolving problems related to the workplace and workers' duties but also includes broader aims of protecting the health of Sasol's staff. In addition, the Medical Officer permanently participates in

meetings with the Workers' Representatives for Health, Safety and Environment in order to share any aspects related both to risk assessment and management and to health promotion initiatives for all employees. These opportunities for discussion are also useful for gathering suggestions for new screening activities.

In such activities, the Medical Officer makes use of specialist doctors and external bodies for organising and implementing programmes for medical surveillance and prevention of occupational diseases and for workers' health in general.

The objective of the medical surveillance initiative is, firstly, to safeguard the state of health of each individual worker ("state of health" referring here to his or her condition of physical, mental and social well-being) and, secondly, to prevent the onset of occupational diseases. This involves the use of any biological "dosage" indicators that might highlight inappropriate exposure to risk and biological "damage" indicators that allow the onset of harmful effects related to any exposures to be detected at an early stage. The health surveillance activities performed include:

- 1) Preventative checks, which are carried out as standard before workers are assigned to a specific task in order to check the absence of diseases that might cause partial and/or total temporary or permanent unfitness for that task.

- 2) Periodic checks to verify the state of health of workers assigned to a specific duty so as to be able to ratify, in accordance with the law, the medical and legal assessment of their fitness for work.

In drawing up the medical surveillance plan, the following factors were examined:

- organisation and working time;
- processing technologies;
- environmental conditions in which the activities are performed;
- materials / substances / mixtures used in the various phases;
- plant, machinery and equipment used.

Based on the specific duties and associated risks, a protocol has been developed that divides workers into two homogeneous groups, also taking into account factors related to age, sex and medical history. The first group consists of workers assigned to operational or technical duties carried out in the field; this also includes supervisory duties for the control rooms; the second group includes staff assigned to clerical duties of an administrative, technical or managerial nature.

In 2019, a total of **715 medical examinations** were performed, for a total of **3,680** people, consisting of diagnostic tests, blood samples, clinical history assessments and objective clinical evaluations.

The final ratification of the assessment of fitness for the specific duty is always performed by the Medical Officer, as required by law.

With regards to the internal policy, in addition to the provisions of Italian Legislative Decree 81/08 on the requirement for a medical examination upon any return to work from illness and/or injury involving absences longer than 60 days, Sasol Italy also undertakes medical checks on any plant personnel assigned to certain specific duties (mainly specialist processes) even when they return after just a few days of absence. The 60 hours indicated in the table were undertaken in the Augusta and Terranova dei Passerini plants.

Certificates for the Specific Work-Related Duty are ratified annually, including for those workers who undergo examinations or assessments on multiple occasions during the year.

From 1 January to 31 December 2019, a total of 574 assessments of fitness for a specific duty were ratified, covering the equivalent of 90.8% of the workforce. Medical records are kept by the Medical department, which guarantees the protection of privacy and professional secrecy. In compliance with obligations under applicable legislation, all medical documentation is made available for all forms of control solely to the supervisory

bodies. Any worker may request a copy of his or her medical records at any time.

Every year, the company's occupational health service offers information and training campaigns for staff on:

- Work-related stress
- Healthy lifestyles and information about drugs and alcohol
- First aid training and instruction.

The Medical Officer is also entrusted with emergency management functions in terms of healthcare-related matters, as defined by Italian Legislative Decree 81/08.

To facilitate this, the Augusta plant is provided with an on-duty nurse on a 24-hour basis. At the Sarroch plant, the management of health emergencies is linked to the multi-site organisation that allows for intervention by the Sarlux health facility, which is available 24 hours a day. At the Terranova plant, 24-hour emergency personnel and the intervention of Italy's national health service are available. For the Milan administrative office, first aiders can provide assistance during office opening hours.

The Health Project

In addition to the work protocol, in accordance by the applicable regulations, Sasol runs a Health Project, which aims to promote health and prevention. Every year, Sasol employees have free access to additional health check-ups and vaccines, with a particular focus on specialist examinations, ultrasound diagnostics, and endoscopies.

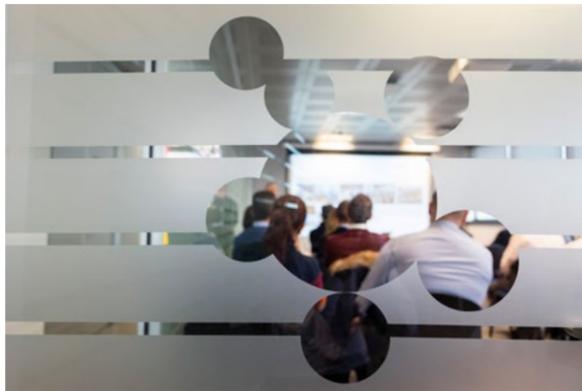
In 2019, a total of 103 people benefited from medical check-ups, while 60 took advantage of the flu vaccine.

Skills development

Sasol Italy views training and the continuous development of its staff's skills as a strategic asset for the company, enabling it to remain competitive into the future in a working environment that is constantly changing. For this reason, every year the HR function, by carrying out an advance analysis of training needs with the managers of the individual functions, draws up:

- an internal training plan, closely linked to the duties involved, aimed at enhancing the skills of the individual worker and facilitating the skill development, including mandatory safety training activities and activities related to Model 231.
- an external training plan. This includes both the mandatory training required by law in safety matters, if carried out externally, and training to improve soft skills,

TYPE	Augusta	Sarroch	Terranova dei P.	Milan	Totals
Medical visits	503	40	111	61	715
upon return after illness and / or accident	60				60
periodic	431	37	100		568
on request	46				46
Other type	12	3	11		26
Audiometries	416	37	19		472
Spirometry	390	37	38		465
Electrocardiogram	374	37	102		513
Laboratory exams	307	37	121		465
Biological monitoring	100	37			137
Eye examinations - VISIOTEST	46			61	107
Other medical services (not coded)	At all sites				106
Total contacts					3680



at an individual or team level, as identified from time to time by the departmental managers.

In this way, we intend to build value in terms of both organisational and individual development.

In 2019, a total number of more than 5,900 hours of training were provided.

In addition to the more traditional training plans related to the company's training needs, every year Sasol organises projects on specific topics, with a particular focus on organisational and behavioural change and in line with the group's objectives. These projects help to create value in economic, reputational and well-being terms.

In 2019, such activities included:

- Training days on the topic of diversity & inclusion at the Augusta, Terranova dei Passerini and Milan locations, with the aim of:
 - 1) creating greater awareness of the importance of diversity and inclusion, in relation not only to gender but also age, culture, religion and any aspect that might add to the diversity of a team.
 - 2) building an inclusive management culture, with a focus on organisational and individual obstacles to the development of this culture and on the current and future importance of managing diversity within the company.

VOYAGER

During 2019, new working methods were developed and implemented in production sites by means of a reskilling process carried out as part of the group's worldwide Voyager initiative.

The purpose of the programme is to optimise the way of working and automate certain processes, with a view to improving organisational and production dynamics (efficiency of business continuity).

Continuous improvement and change are the two pillars of the Voyager initiative.

In aid of the programme, a specific training plan has been defined and introduced for plant staff, while new IT systems (such as the electronic register) have been implemented to support managers and those working with them on the path towards technological innovation and the use of new tools.

In this regard, the acquisition of new organisational and working tools has been supported by specific training to develop the digital skills needed for improving and facilitating organisational change.

- Team building for the departmental managers (operations and technical services) at the Augusta site, for the purposes of:
 - 1) Enhancing positive relationships between people from different teams
 - 2) Providing activities for mutual discussion and for sharing ideas and experiences in order to strengthen the network.
 - 3) Increasing employees' awareness of the importance of their role and its interdependence with other roles.

These and other projects form part of a wider set of initiatives developed across Sasol, which aim to raise employees' awareness of relevant issues and make our organisation a cutting-edge and innovative place to work.

Company training is financed with the aid of multi-sectoral funds, thanks to the collective signing of corporate agreements with the company's union representatives at all company locations. These agreements enable joint training projects to be arranged that guarantee continuous professional development within the company.

Performance evaluation

In Sasol Italy, about one-fifth of employees take part in periodic performance reviews. This figure is 19%

for employees designated as managers, 61% for supervisors, and 20% for white-collar employees.

The periodic performance review system is intended to ensure that clear and challenging objectives are set in relation to the person's role and potential.

Regular performance monitoring helps to assess the employees' progress and enable an understanding of how they can achieve their objectives.

Other social sustainability initiatives focused on employees

The Open Day in Sasol Augusta

On June 15, 2019, Sasol Italy opened the doors of its Augusta plant to all employees and their families and friends. The event involved more than 400 people of all ages and was dedicated to those who make a daily contribution to Sasol's sustainability achievements and to those who wanted to get to know more about the company.

How does the plant operate? What are the main applications for Sasol Italy products? What environmental sustainability measures are adopted? What types of systems guarantee worker safety? These and other questions were answered on the day, both during the on-site tour and at the stands dedicated to research & development, the environment, safety, and to products.

The participants were thereby able to closely observe and gain clear and complete information on some of the concrete measures taken in terms of sustainability. These extend from methods utilised to protect the environment deploying the best available technologies and the PPE used by workers in the plants, to the different characteristics and applications of the products, from powdered surfactants to 100% biodegradable liquid or flaked surfactants. The open day was an opportunity for the company to invite everyone to participate in the sustainability journey that the Augusta site has undertaken and invested in substantially over a number of years – a journey that will continue.



Scholarships

Also in 2019, scholarships were awarded to the daughters and sons of employees who stood out for their commitment and excellent results achieved in their education.

A total of 50 scholarships were awarded, divided equally across all locations. The categories for which scholarships are awarded each year consist of:

- Average high school grades
- High school diploma grade
- Average university grades
- Three-year bachelor's degree
- Master's degree

During the award ceremonies, the winners in each category were given the chance to talk briefly about their educational path, their dreams and aspirations, and their plans for the future.

Stakeholder event for the 2018 Sustainability Report

In December 2019, Sasol Italy organised a public event to unveil the first edition of its Sustainability Report, in Syracuse, Sicily. The event saw more than 100 people take part in Sasol's sustainable development journey.

The event was attended by, among others, representatives of local institutions, law enforcement personnel, mayors of the municipalities surrounding the plant, journalists, company and regional trade union representatives, students and teachers from schools participating in company projects, university professors, students including interns and company employees.

During the event the most relevant data from Sasol Italy's Sustainability Report were covered, including the results achieved in economic, social and environmental terms and the company's objectives for the future.

Time was also made to discuss the wider context. Specifically, the President of CIPA (the Industrial Environmental Protection Consortium for Syracuse), the President of the Zonal Authority of Porto Marghera, and a Professor of Contemporary History of the University of Catania discussed the following topic: "The petrochemical hub meets Porto Marghera: stories of integration between businesses and the local area. What future for the industrial zone?" During the debate, which included opportunities for audience participation, the sharing of different experiences gave rise to new proposals for future projects and possibilities.

Sasol@School

"Sasol@School: chemistry meets school" is the name of the high school project that Sasol Italy offers to high schools across Italy.

The project experiments with a teaching methodology that, by means of practical lessons along with training and work experience, brings students to the world of chemistry and encourages them to get involved, including via the use of new technologies.

In the first part of the project, young people discover what sustainability means for the chemical industry and for Sasol Italy, test their skills with chemical experiments, and simulate the operations of a real company. They also get to grips with writing a CV, taking part in a job interview and using work-related social media such as LinkedIn. By means of company presentations, they can interact with the different professional roles performed in a company in this sector. In the second phase of the project, students are selected for an opportunity to undertake work experience within the company.

In 2019, the project was launched and co-designed with the Ruiz Institute in Augusta and involved around 110 students from the Scientific High School of Applied Sciences and the Technical Institute in the Technology Sector.

The students actively participated in the first phase for a total of about 40 hours per student, interacting with company professionals in the different topics covered. Twenty of the students were then selected by means of an interview and given the opportunity to experience every-day life at the plant, try out their skills in a work environment, and gain first-hand experience of the company's varied commitment to sustainability.

At Terranova dei Passerini, we also have a strong relationship with the Casalpusterlengo Industrial-Technical High School, an institute with a special focus on chemistry. Every year, two Year-12 students are hosted in the company for three weeks at the end of the school year.

In 2019 they were hosted in the quality control laboratory and had the opportunity to examine the main analytical methods in use and the related instrumentation utilized for inspecting surfactants. They then moved on to the practical elements and carried out parallel testing with the support of laboratory staff.

Below, we report on the experiences of Andrea and Domenico, two of the young students who participated in the Sasol@School initiative at Augusta. They describe their impressions and what the experience meant for them.



Domenico Sosta

It all started in June 2019 with an experience of classroom lessons in the main hall of our college. A few months later, I took part in an interview to select a group of students who could continue the journey within the company. I was chosen together with three other boys from my class. In December, we started our activities in the company.

On the morning of the first day, I felt really anxious and excited, but once we went in and were given an access pass, they welcomed us into the meeting room and explained the rules for our safety.

I went into Sasol with a stereotypical idea about the industry. My thoughts, probably as a result of prejudice, prompted me to repeat to myself, "This industry causes pollution, leads to cancer, etc..." I imagined that Sasol was

a normal industry that didn't care about people's health, and that it only thought about maximising its profits, not caring about the dangerous consequences that might damage the environment. But as Albert Einstein said, "It is easier to smash an atom than a prejudice."

I can now say that my experience at Sasol has totally changed my perspective on the industries: I believe that I have learned a lot more than just the educational aspects, and the real treasure I take forward involves the discussions I had with plant operators, a dialogue that succeeded in eliminating the mistaken ideas I had about the industry.

And so... my trip to those control rooms gave me a new perspective on my ideas for the future, seeing how production and sustainability can improve our quality of life. I might well think of becoming a worker in industry!

Andrea Tringali

In 2019, thanks to the collaboration between Sasol Italy in Augusta and the "Arangio Ruiz" High School, the project "Chemistry and industry for a sustainable future" was launched.

The project was set up in the hope of making us, as students, aware of the choices that might mark out our future and, at the same time, let us learn about the company's activities and structure in practice. The journey began with a series of meetings in which the company was introduced to us. Then we got more into the specifics, thanks to actual chemistry and business lessons, accompanied by top-quality information about safety and advice on how to make the most of social media and write an effective CV.

After the classroom sessions, we moved on to the next step:

the selection of students through a job interview, we were able to continue our experience within the factory. On this journey, I and another student in my class were handed over to the operators of the mechanical department. Thanks to this, we clarified our ideas, which were a little confused, and were able to see and touch with our own hands a world that was definitely more fascinating and real than what we'd been used to seeing from the outside.

Our short "work experience" ended on 6 December 2019 with a public event in Syracuse, attended by various directors and representatives from the company and elsewhere. Sasol chose this location to present its "Sustainability Report" and tell the story of the connections between the company and the Porto Marghera area. In conclusion, I would define this dual-training opportunity as the most interesting and constructive project I could have done in these last years of high school, one that was definitely set up and led by

Talent L@B

Initiatives involving universities form a fundamental part of Sasol Italy's relationship with the community and, in particular, with the talents of the future. They are the inspiration for the name of the project that brings all these initiatives together: Talent L@B. Every year, agreements and partnerships allow us to involve approximately 50 graduate students including bachelor students, those following specialist programmes and even post-graduate students.

The universities with which we have, over time, established and maintained relations are: Polytechnic University of Milan and the Universities of Palermo, Catania, Messina, Enna and Bari. With those institutions, we maintain an open and regular dialogue designed to create the conditions needed to reduce the gap between the professional skills offered by universities and real-life business needs. This also, of course, enables participants in the project to learn about Sasol Italy's activities, the technologies used in our processes, and the different job and career opportunities available at our locations.

To achieve these goals, we take part in round tables to discuss the degree programme content, especially for the Chemistry and Chemical Engineering degrees.

In 2019, some of Sasol's professionals gave several hours of lectures at the universities. As well as more traditional face-to-face teaching, the lectures always include practical examples and simulations designed to bring young people closer to real-life practices in our plants.

Every year, some of the students who attend our classes are then selected to continue their career in the company, either on degree-related internships or to complete their dissertation projects. These opportunities range from 200 to 400 hours in length, depending on the educational project involved. Working alongside mentors from the company, students collect and rework data



and, supported by their lecturers and professionals from Sasol, complete their course of study by working on a project with a highly professional focus.

Two undergraduate students were hosted at the Augusta plant during the year under review.

Edoardo Arena, from the Faculty of Chemical Engineering of the University of Catania, undertook an internship enabling him to complete his degree

dissertation with the support of expert mentors from the company, who supervised the project and allowed Edoardo to gain practical experience. The dissertation focused on certain damage-related mechanisms, specifically involving the Pacol HF alkylation plant. Goutam Dadala, an Indian student who has completed a period of training at the University of Catania, used his chemical engineering degree dissertation to focus, with the support of the functional team, on the wastewater treatment (WWT) plant.

The two students recount their experience in the following pages.

There are also frequent lectures given on specific topics involving not only the faculties of engineering but also humanities departments. In 2019, a series of lectures was given in the University of Catania's Literature Department of part of the its "History of the Environment" course. The lectures were planned jointly by university lecturers and environmental experts and covered insights into environmental legislation, the origin and composition of major pollutants and the resulting effects on the environment and human health.

Finally, Sasol takes part in career days, at which its representatives are given the opportunity to speak, make themselves known to students, and receive unsolicited applications, which are often useful when we recruit new staff. In 2019, Sasol Italy took part in three career days in Bari, Messina and Palermo.

Edoardo Arena

During my experience at Sasol Italy, a company in which I was able to complete my dissertation project as part of my Master's Degree in Chemical Engineering, I was given the chance to carry out an analysis of the damage mechanisms involving the alkylation-HF plant for the production of linear alkylbenzenes (LABs).

Throughout the period I spent in the company, from July to October 2019, I was supported by a company mentor who, through his professionalism and deep knowledge, provided me with the tools I needed for understanding the nature and effects of the main damage mechanisms found in the plant.

As well as being a good learning experience from a purely educational point of view, the time I spent at the company allowed me to understand how important it is to work in a team. In fact, I was able to understand how useful it is to interface with the different units in terms of the various corporate functions and/or roles, so as to overcome the problems that can inevitably arise in the plant. It is precisely because of this "dual" benefit that I will always be grateful to the mentor and to Sasol Italy in general for giving me this opportunity.



Goutam Dadala

I think my internship could not have happened at a better time as, when I started my internship, there were a number of maintenance activities underway in the wastewater treatment (WWT) plant and in several other treatment units.

This meant I was able to learn a lot more about the work and activities involved in the process. During the maintenance activities, we found a small malfunction in the treatment process, which was restored to normal working conditions following a series of tests and minor modifications. This intervention became the issue I addressed in my dissertation.

During the internship, I was part of a wonderful team and gained a lot of new knowledge, which I now see as a bonus for my future. I can say with certainty that I have improved my skills, from communication to teamwork and even technical skills, representing an added value for my professional career.

I thank Sasol Italy for making my internship memorable with the support and care of the people who assisted me on my journey.



POLIMI Research Agreement

In 2019, Sasol Italy signed a research agreement with the Department of Chemistry, Materials and Chemical Engineering of the Polytechnic University of Milan. The agreement lasts for three years and is designed to enable the recruitment of a University Researcher from the institution in the field of applied physical chemistry.

The aim of this research project is to improve and advance research in the olfactory field. During the three-year period, the researcher will undertake chemical and olfactory monitoring research for assessing the odour impacts of the Petrochemical Hub.

Chemistry and... literature

Also in 2019, Sasol took part in a project with the University

of Catania – specifically, a “History of the Environment” course within the University’s Literature Department.

This project involves students of humanities and introduces them to the world of the chemical industry and Sasol’s sustainability activities. The course was planned jointly by university lecturers and Sasol Italy’s experts on sustainability and environmental issues in general.

The initiative included in-depth studies of environmental legislation, explanations of the origin and composition of the main pollutants and, more particularly, their actual effects on the environment and human health.

The course then concluded with the preparation of a final document focusing on the topics of greatest interest among those studied.

The CIPA experience

Together with the other companies in the Syracuse petrochemical hub, Sasol Italy contributes to an important initiative launched in the mid-1970s that aims to verify the overall impact of the industrial zone. Participation in the consortium demonstrates the company’s willingness to ensure that it is involved in the debate with the full range of stakeholders interested in environmental sustainability.



The Industrial Consortium for the Protection of the Environment (CIPA) is a data collection network consisting of 12 peripheral stations for measuring pollutants and six weather stations, along with a data collection and processing centre. It covers an area of 150 km². The main aim of CIPA is to promote knowledge and awareness of the environmental situation in Syracuse’s industrial zone, with particular attention given to assessing air quality through the identification of pollutant concentrations released into the northern part of the province of Syracuse.

As a result of upgrading and restructuring activities, the network is able to meet the following objectives:

- constantly verify the state of air quality over time with reference to the applicable legal limits
- prevent deterioration of air quality by activating emission self-monitoring procedures that regulate appropriate corrective actions
- provide, on the basis of objective evidence, elements useful for environmental assessment.

The network is equipped with a mathematical weather/climate model – a radio acoustic sound system (RASS), which is able to identify thermal inversion phenomena. With the agreement of the local authorities and the prefecture, an emission control procedure has been implemented by the companies within the zone for studying the behaviour of pollutants in adverse situations, creating a special intervention protocol in the event of poor air quality.

Recently, CIPA has been tackling the challenges involved with recognising other substances classed as odorigenic. This also covers substances not subject to statutory limits.

Sasol continues to support this initiative, which not only includes a state-of-the-art laboratory but also represents an important means of communicating with the local community.

GLOSSARY

A

Water drawn

This denotes the water the organisation draws directly from surface water (rivers, lakes, sea) or groundwater (wells) or from public or private distribution sources and for use in industrial and civil applications.

IEA

The Integrated Environmental Authorization that some companies require to comply with the principles of Integrated Pollution Prevention and Control (IPPC) as stipulated by the European Union.

Alkylate

Product arising from the reaction of paraffin with benzene, used in particular in the preparation of detergents.

Alcohol

Alcohols are organic compounds with a structure similar to paraffin, in which a hydrogen atom is replaced by a hydroxyl group (-OH) in the molecule.

Materiality analysis

Process to identify material issues whereby the organisation defines the order of priority of material issues for inclusion in the sustainability report, i.e. through direct and indirect surveys of stakeholders, including those within the organisation.

Reference year

Historical date (e.g. a specific year) against which a measurement is tracked over time.

Audit

Independent assessment of the extent to which the criteria or standards have or have not been fulfilled.

B

Best practice

Best practice or good practice refers to experiences, procedures or actions that have produced the best results, even in other areas, and are therefore considered guidelines.

Site remediation

A set of measures to eliminate sources of pollution and contaminants or to reduce the concentrations of pollutants in the soil, subsoil, surface water or groundwater to a level equal to or below concentration values that are no longer hazardous to health and the environment.

The “bowtie” method is a risk evaluation tool used to analyse and demonstrate the level of risk. The bowtie contains the elements that characterise the risk analysis (causes, consequences, etc.) and the actions to minimise such risk (prevention, corrective action, etc.).

C

Climate change

Any change in climate attributed directly or indirectly to human activity which changes the composition of the global atmosphere and increases the natural climate variability observed over comparable time periods.

Waxes

These are mixtures of hydrocarbons containing predominantly linear and long chain paraffins, i.e. with more than 16 carbon atoms. The name derives from the similarity in appearance and properties to natural waxes.

CHPP

Acronym for combined heat and power plant, a facility that generates electricity and heat (see combined cycle cogeneration).

CLP

European Union regulation whereby the system of classification, labelling and packaging of chemicals (and their composition) has been aligned with the global system of the classification and labelling of chemicals. The acronym for classification, labelling and packaging.

CO

This is the carbon monoxide produced by combustion reactions when there is insufficient oxygen in the air to convert all the carbon into carbon dioxide.

CO₂

Carbon dioxide (also known as carbon anhydride). It is classified as a “greenhouse gas”.

COD

The chemical oxygen demand (COD) is an indicator of water pollution, i.e. the amount of oxygen in mg required to chemically oxidise pollutants (organic and inorganic) in one litre of water.

Combined cycle cogeneration

A process for the combined generation of electricity and heat. These two forms of energy are generated in cascade in a single plant. These are processes with a high overall efficiency and which can use environmentally sustainable energy carriers (e.g. natural gas).

D

Decarbonisation

This is the process of reducing the number of carbon atoms relative to the number of hydrogen atoms in sources of energy.

E

Circular economy

A model of production and consumption that involves sharing, lending, reusing, repairing, reconditioning and recycling existing materials and products for as long as possible. This extends the life cycle of products and helps reduce waste. Once the product has terminated its useful life, the materials are reintroduced into the economic cycle wherever possible. They can therefore be continuously reused within the production cycle, thus generating additional value.

Energy efficiency

This is the ability of an organisation to achieve a result using less energy and increasing overall performance.

Emission

In terms of the environmental, an emission is any solid, liquid or gaseous substance that is introduced into the environment.

Specific emission

This is the quantity of a substance emitted in relation to production.

F

Supplier

An organisation or person providing a product or service which is used in the organisation’s supply chain. A supplier is characterised by a genuine business relationship with the organisation.

G

Green deal

The European Green Deal is an action plan to promote the efficient use of resources by moving towards a clean and circular economy, and to restore biodiversity and reduce pollution.

Greenhouse gas

Greenhouse gases are gases in the atmosphere that are able to retain a considerable proportion

of the infrared component of the sun’s radiation that strikes the Earth, with the effect of increasing its average temperature.

GRI standard

Acronym for Global Reporting Initiative, which provides guidelines for voluntary reporting on issues relating to sustainable development.

J

Jet fuel

Fuel used in air transport.

Job description

Analytical description of the main features of a post or position in an organisation, formalised in writing.

K

Kosher

Set of religious rules that define the eating habits of observant Jewish persons. The word ‘kosher’ means: in accordance with the law, suitable, permitted.

H

Halal

In Islam, this term indicates what is permitted in terms of behaviour, language, clothing and diet.

Hub

(Literally fulcrum, central element); the main sorting or logistics node in a network for moving data and products.

I

IFRS (IAS)

International Accounting Standards (IAS) are recognised global accounting standards. The IAS are issued by a group of accounting professionals to standardise accounting rules and regulations worldwide. The accounting standards referred to are the International Financial Reporting Standards (IFRS).

Impact

Unless otherwise specified, it is the effect of an organisation on the economy, environment and/or society, i.e. it indicates the contribution (positive or negative) to sustainable development.

Indicator

This is a value representing the status or trend of a global situation or a specific sector in a given period.

INAIL frequency index Value of the number of accidents in relation to total hours worked on based on 1,000,000 hours.

Commuting injury

Accident occurring on the way between the workplace and a private location (e.g. place of residence, place where the person generally eats meals). Transfer modes include, but are not limited to, motor vehicles, rail vehicles, bicycles and walking.

Accidents at work (recordable cases)

Accidents at work causing one of the following: death, days off work, limitation of work duties or transfer to another job, medical treatment that goes beyond first aid.

Inorganic (product)

Any chemical compound not containing carbon atoms with the exception of carbon dioxide (CO₂) and carbonic acid (H₂CO₃) and their salts, bicarbonates, carbonates and carbon monoxide (CO).

Energy intensity

It is the ratio of energy consumption to tons of product destined for sale.

Investment

Sums of money dedicated to initiatives relating to process efficiency, minimisation of impacts relating to sustainability issues, increase in corporate value.

ISO standard

ISO is the International Organization for Standardization, an independent, non-governmental, international organisation comprising 165 national standardisation bodies. Its members bring together experts to share knowledge and develop voluntary, consensus-based, market-relevant international standards to promote innovation and seek solutions to global challenges, including sustainability.

L**LDAR**

Is the acronym for Leak Detection and Repair, which is an excellent system of monitoring and containing fugitive emissions, i.e. the emission of organic substances in the form of vapours emanating from industrial plant components, i.e. valves, flanges, pump/compressor seals.

Integrated logistics

It is a business management process that governs the shipment of materials for production or products from the point of origin to the point of arrival, in which all the management activities are interrelated and interdependent.

M**Occupational diseases**

Negative health impacts from exposure to workplace hazards.

MATTM

Ministero dell'Ambiente e della Tutela del Territorio e del Mare (Ministry for the Environment, Land and Sea).

N**NO_x**

This is a generic term that collectively identifies all nitrogen oxides and their mixtures, typically arising from combustion processes using oxygen.

O**Olefin**

A class of hydrocarbon compounds having a double bond between two carbohydrate atoms in the hydrocarbon chain.

Organic (product)

A compound in which one or more carbon atoms are joined to atoms of other elements (mainly hydrogen, oxygen, nitrogen).

P**Paraffin**

This is the common name (chemical name alkane) for hydrocarbons the molecules of which have a chain of carbon atoms.

Perimeter (of the report)

Description of where the impacts of a material issue lie and the involvement of the organisation in such impacts. The perimeter may vary depending on the specific theme.

Reporting period

Specific time period covered by the information reported. This will vary depending on the respective subject matter.

Anti-corruption policy

Set of principles, rules and international regulations that protect organisations from activity that may constitute misconduct by a person inducing

another person to act in conflict with their duties and obligations in exchange for money or other benefits and/or advantages.

Product safety

A commercial process that regulates the safe use of products placed on the market by the organisation, in accordance with the stipulations of the respective European legislation.

Integrated production

The production cycle is described as integrated when the product of one plant is used as the raw material of a subsequent plant to create other products.

R**RCR**

Recordable Case Rate is the frequency index used by the organisation and is the value of the number of accidents in relation to the total number of hours worked based on 200,000 hours.

REACH

European Union regulation adopted to improve the protection of human health and the environment from the hazards posed by chemicals. Acronym for the Registration, Evaluation, Authorisation of Chemicals.

Corporate social responsibility Voluntary action, i.e. voluntary integration of the social and ecological concerns of companies with respect to their business operations and relationships with stakeholders.

Risk

Value that takes into account the relationship between the probability of the occurrence of an undesirable event which could influence the achievement of the organisation's objectives and the damage caused by such event.

Major accident risk (MAR)

This denotes the probability that a fire, explosion or release of a hazardous substance from an industrial facility that uses specific derived substances will endanger human health and/or the environment, inside or outside the establishment, due to the uncontrolled nature of the event.

S**Scale-up**

Transition from experimentation in a small-scale plant to large-scale industrial production.

Water discharge

Wastewater or effluent (either treated in a wastewater treatment plant or untreated) which is discharged into a receiving body of water body or a public or private sewerage system.

Shareholder

Shareholder who owns a shareholding or shares in a company.

Integrated management system

The set of policies, guidelines and operating instructions governing the business processes of an organisation.

Sustainability

See sustainable development

SO_x

(SO_x) denotes the family of sulphur oxides generated by the oxidation of sulphur in the thermal oxidation processes of fuels containing this element (generally as an impurity).

Stakeholder

Entity or individual that can reasonably be expected to be significantly affected by the organisation's activities, products and services or whose actions can reasonably be expected to affect the organisation's ability to successfully implement its strategies and achieve its objectives.

Official group of persons who have authority and powers within an organisation at all organisational levels.

Governance structure or governance body

Official group of persons who have authority and powers within an organisation at all organisational levels.

Sustainable development goals

Development objectives for issues around sustainability. Refer to those stipulated by the United Nations (under the acronym SDGs) in the 2030 Agenda.

Sustainable statement

The statement of intent of an organisation in terms of sustainability that determines the vision and defines the strategy.

Sustainable development/sustainability

Development that meets the needs of the present generation without compromising the ability of future generations to fulfil their own needs. Sustainable development has three dimensions: economic, environmental and social.

T**Material issue**

An issue that reflects the economic, environmental and social impact deemed significant by the organisation or profoundly influencing stakeholder assessments and decisions.

Troubleshooting

A logical and systematic search for origins or occurrences to be removed from a product or process, generally starting with system monitoring, such that the system can be improved to prevent a repeat of the defect or inefficiency.

V**Economic value generated and distributed**

Economic value generated and distributed is the numerical expression of a company's ability to produce wealth (economic value generated) and then distribute it to the various stakeholders (economic value distributed). The items of economic value distributed include economic value retained, i.e. the portion of economic value generated that relates to deferred tax assets and liabilities, provisions and operating profit.

API tanks (separators)

This is a device designed to separate oily residues from arising from the production process from plant wastewater, which are generally recycled during this process.

W**WWT**

The acronym for wastewater treatment, i.e. an industrial wastewater treatment plant.

GRI Content Index

GRI 102: GENERAL DISCLOSURES (2016) ORGANISATIONAL PROFILE

- 102-1 Name of the organisation
- 102-2 Main brands, products and services
- 102-3 Headquarters
- 102-4 Location of operations
- 102-5 Ownership and legal form
- 102-6 Markets served
- 102-7 Scale of the organisation
- 102-8 Characteristics of the workforce
- 102-9 Organisational supply chain
- 102-10 Significant changes to the organisation and its supply chain
- 102-11 Application of the precautionary approach to risk management
- 102-12 External initiatives
- 102-13 Main partnerships and affiliations

STRATEGY

- 102-14 Statement from the most senior decision-making authority
- 102-15 Key impacts, risks, and opportunities

ETHICS AND INTEGRITY

- 102-16 The organisation's values, principles, standards and rules of behaviour

GOVERNANCE

- 102-18 The organisation's governance structure
- 102-22 Composition of the highest governance body and its committees
- 102-24 Selection and appointment of the members of the highest governance body
- 102-25 Conflicts of interest
- 102-30 Effectiveness of risk management processes
- 102-32 Highest governance body's role in sustainability reporting
- 102-35 Remuneration policies

STAKEHOLDER ENGAGEMENT

- 102-40 List of stakeholders
- 102-41 Collective bargaining agreements
- 102-42 Identification and selection of stakeholders
- 102-43 Approach to stakeholder engagement
- 102-44 Key aspects emerging from stakeholder engagement

REPORTING PRACTICES

- 102-45 Entities included in the consolidated financial statements
- 102-46 Defining report content and material topic boundary
- 102-47 List of material topics
- 102-48 Changes to information contained in earlier reports
- 102-49 Significant changes in terms of material topics and their boundary
- 102-50 Reporting period
- 102-51 Publication date of the most recent report
- 102-52 Reporting Frequency
- 102-53 Contacts for information about the report
- 102-54 Indication of the "in accordance" option chosen
- 102-55 GRI content index
- 102-56 External assurance

GRI 200: ECONOMIC SERIES (2016)**GRI-201: ECONOMIC PERFORMANCE (2016)**

201-1 Direct economic value generated and distributed

GRI-203: INDIRECT ECONOMIC IMPACTS (2016)

203-1 Infrastructure investments

GRI-204: PROCUREMENT PRACTICES (2016)

204-1 Proportion of spending on local suppliers

GRI-205: ANTI-CORRUPTION (2016)

205-1 Operations assessed for risks related to corruption
205-3 Confirmed incidents of corruption and actions taken

GGRI 300: ENVIRONMENTAL SERIES (2016)**GRI-302: ENERGY (2016)**

302-1 Energy consumption within the organisation
302-3 Energy intensity

GRI-303: WATER (2016)

303-1 Water withdrawal by source

GRI-305: EMISSIONS (2016)

305-1 Direct greenhouse gas emissions (GHG) – Scope 1
305-2 Indirect greenhouse gas emissions (GHG) – Scope 2
305-4 Greenhouse gas (GHG) emissions intensity
305-7 Nitrogen oxides (NOX), sulphur oxides (SOX) and other significant air emissions

GRI-306: EFFLUENTS AND WASTE (2016)

306-1 Water discharge by quality and destination
306-2 Waste by category and disposal method

GRI-307: ENVIRONMENTAL CONFORMITY (2016)

307-1 Non-compliance with environmental laws and regulations

GRI 400: SOCIAL SERIES (2016)**GRI-401: EMPLOYMENT (2016)**

401-1 New employee hires and turnover

GRI-402: Labour and industrial relations (2016)

402-1 Minimum notice periods regarding operational changes

GRI-403: OCCUPATIONAL HEALTH AND SAFETY (2016)

403-2 Types of injury, frequency index, severity index, rate of absenteeism, and number of work-related fatalities

GRI-404: TRAINING AND EDUCATION (2016)

404-1 Average hours of training per year per employee
404-3 Percentage of employees receiving regular performance and career development reviews

GRI-405: DIVERSITY AND EQUAL OPPORTUNITIES (2016)

405-1 Diversity of governance bodies and employees

GRI-406: NON-DISCRIMINATION (2016)

406-1 Incidents of discrimination and actions taken

GRI-413: LOCAL COMMUNITIES (2016)

413-2 Operations with significant actual and potential negative impacts on local communities

GRI-419: SOCIO-ECONOMIC COMPLIANCE (2016)

419-1 Non-compliance with laws and regulations in the social and economic area

VERIFICA DEL BILANCIO DI SOSTENIBILITÀ ANNO 2019 SASOL ITALY

Scopo

Certiquality S.r.l. ha ricevuto da Sasol Italy S.p.A. l'incarico di verificare il Bilancio di Sostenibilità relativo all'anno 2019, al fine di valutarne la congruenza con le linee guida GRI (Global Reporting Initiative) Standards, con riferimento al livello di applicazione "core", che prevede l'informativa standard semplificata e la quantificazione di almeno un indicatore di performance per ciascun aspetto identificato come rilevante (o "materiale"). La presente lettera descrive le attività svolte, riporta i risultati della verifica e le raccomandazioni per il miglioramento.

La verifica è stata effettuata con riferimento ai "GRI Standards" pubblicati nel 2016 dal Global Reporting Initiative e in parte aggiornati successivamente, e ha riguardato in particolare:

- la verifica dei principi di definizione del contenuto del report (inclusività degli stakeholder, contesto di sostenibilità, materialità, completezza);
- la corretta definizione del perimetro del report;
- la verifica dei principi di garanzia della qualità del report (equilibrio, comparabilità, accuratezza, tempestività, chiarezza, affidabilità del sistema di gestione dei dati e delle informazioni);
- la rispondenza dei contenuti del Bilancio a quelli previsti dalle linee guida GRI Standards per il livello di applicazione "core".

La verifica è stata condotta nel rispetto delle procedure adottate da Certiquality per gli audit in conformità alla norma UNI EN ISO 19011:2018. A causa dell'emergenza COVID-19, l'intera verifica si è svolta in modalità off-site, intervistando in videoconferenza le funzioni interessate ed esaminando la documentazione condivisa da remoto.

Metodi

L'attività si è svolta secondo le seguenti modalità operative:

- analisi del documento "Bilancio di Sostenibilità Sasol Italy 2019", con particolare riferimento ai principi e ai contenuti previsti dalle linee guida GRI (definizione del perimetro del report, informativa standard e indicatori di performance);
- colloqui con le funzioni coinvolte, direttamente o indirettamente, nella redazione del documento e nel processo di gestione dei dati e delle informazioni (dalla raccolta alle successive elaborazioni);
- esame di documenti e registrazioni presenti presso la sede di Sasol Italy S.p.A. di Milano e presso due dei tre stabilimenti (Augusta, in provincia di Siracusa, e Terranova dei Passerini, in provincia di Lodi);
- l'analisi ha riguardato sia le procedure adottate per la raccolta, archiviazione ed elaborazione dei dati, sia gli aspetti tecnico-normativi delle attività svolte.

Considerato che l'esercizio di Sasol Italy non è relativo all'anno solare, ma si chiude al 30 giugno di ogni anno, i dati di tipo economico-finanziario sono in parte ricavati dal prospetto denominato "Valore aggiunto lordo per l'anno solare 2019", sottoposto a revisione contabile limitata ai fini dell'ottenimento delle agevolazioni per le imprese a forte consumo di energia (come da relazione PWC del 27/11/2020), in parte da rielaborazioni interne dei dati di bilancio degli anni interessati, comunque coerenti con i dati verificati da PWC.

Le attività di verifica relative alla gestione dei dati e delle informazioni contenuti nel Bilancio si sono svolte a campione, avendo cura di garantire un'adeguata copertura di tutti gli aspetti trattati nel documento.

Risultati e raccomandazioni

Il Bilancio di Sostenibilità 2019 di Sasol Italy S.p.A. risulta complessivamente in linea con i GRI Standards di riferimento per quanto riguarda i principi per la definizione dei contenuti del report: il processo adottato per la definizione degli aspetti rilevanti da trattare nel documento ha previsto un adeguato coinvolgimento dei principali stakeholder, che ha portato a rendicontare su un set di temi e indicatori che offrono un quadro sufficientemente completo del rapporto dell'attività di Sasol Italy con il contesto in cui opera.

Il processo di coinvolgimento degli stakeholder risulta sufficientemente strutturato ed efficace nel contribuire alla definizione dei contenuti del report; l'analisi di materialità è pertanto adeguata alla realtà aziendale.

Per quanto riguarda il perimetro del rapporto non risultano esclusioni significative; l'esclusione degli aspetti ambientali relativi alla sede amministrativa, dichiarata all'interno del rapporto, non è rilevante e risulta dunque giustificata.

Dalla verifica sono emersi alcuni spunti di miglioramento, compatibili con una prima edizione del bilancio di sostenibilità realizzato in conformità agli Standard GRI e non critici per la conformità agli standard stessi:

- alcuni indicatori sono riportati unicamente per l'ultimo anno anziché nell'arco del triennio di rendicontazione, non consentendo una valutazione dell'andamento nel tempo; si ritiene necessario che l'Organizzazione preveda di rendicontare tali indicatori nel tempo dal prossimo bilancio.
- il processo di raccolta dati è complessivamente ben impostato; il sistema di gestione dei dati richiede tuttavia di essere maggiormente strutturato, in quanto talvolta non risulta agevole la tracciabilità del percorso che conduce dalle fonti primarie.
- per alcune delle informazioni e indicatori contenuti nel documento, le modalità di rendicontazione sono leggermente differenti da quanto previsto dagli standard di riferimento anche se questo non pregiudica comunque la qualità delle informazioni riportate e la loro leggibilità. Risultano inoltre migliorabili, in alcuni casi, le informazioni riportate nel testo sulle modalità di costruzione dei singoli indicatori, utili per poter interpretare correttamente i dati riportati.

Conclusioni

La verifica del "Bilancio di Sostenibilità Sasol Italy S.p.A." relativo al 2019 ha evidenziato un sostanziale allineamento con i principi delle linee guida GRI Standards e i contenuti in termini di informazioni e indicatori di performance. Si ritiene che le opportunità di miglioramento individuate possano essere facilmente prese in carico dall'Organizzazione in previsione delle prossime edizioni.

Dalle verifiche effettuate non sono comunque emersi elementi tali da far ritenere che il Bilancio non sia conforme al livello di applicazione "core".

11 dicembre 2020

Certiquality S.r.l.
IL PRESIDENTE
Cesare Puccioni

