

Company:	Sasol
Sector:	Energy and chemicals / petrochemicals
Report Year:	2012
Headquarters:	Johannesburg
Standard Application:	IIRC, GRI G3.1 A+
Format:	Listing and expansion in risk management description

An overview of our principal stakeholders, how we engage with them and the general nature of their expectations, is provided in the table below:

Stakeholder group	How we engage with our stakeholders	Their contribution to value creation	What our stakeholders expect from us	What concerns our stakeholders	Page
Employees and unions	<ul style="list-style-type: none"> Internal newsletters and posters Monthly communication from chief executive officer Sasol intranet Shop-floor briefings 360° performance reviews Management roadshows Partnership forums with unions at business unit and group level 	Employees form the foundation of our business and deliver the productivity, innovation and integrity necessary for Sasol to succeed.	Providing a safe, stimulating and rewarding work environment, which offers opportunities for personal and career development.	<ul style="list-style-type: none"> Health and safety performance Ongoing training and education Open communication between employees and managers Provision of internationally competitive remuneration and benefits packages Workforce transformation Access to HIV counselling and employee wellness programmes Progress on transformation in South Africa 	48
Shareholders and investors	<ul style="list-style-type: none"> Regular presentations and roadshows Investor newsletters Annual reports Media releases and published results 	Investors provide the financial capital necessary to sustain growth.	Providing sustained returns on investment through sound risk management, strategic growth opportunities and good governance practices.	<ul style="list-style-type: none"> Delivering sustainable returns Leadership and strategic direction Corporate governance and ethics Exposure to strong rand/US dollar exchange rates for protracted periods A slump in the Brent crude oil price Progress with project pipeline and future growth projects Capital expenditure for current and future periods 	10
					42
					50
					34
70					

Stakeholder group	How we engage with our stakeholders	Their contribution to value creation	What our stakeholders expect from us	What concerns our stakeholders	Page
Government and regulatory authorities	<ul style="list-style-type: none"> Personal meetings at all levels Written communication Through business organisations Parliamentary portfolio committees 	Government gives us our licence to operate and provides the enabling regulatory framework.	Supporting each region's developmental priorities through transparent and responsible behaviour in compliance with applicable legislation.	<ul style="list-style-type: none"> Increased contribution to the South African economy, including job creation and youth development Good corporate citizenship Enhanced taxation and royalty payments Empowerment, transformation and adherence to the revised BEE codes More effective safety management to eliminate fatalities and serious injuries Reduction of energy consumption Disclosure and management of carbon emissions Compliance with Clean Fuels 2 specification regulations 	31
					32
					47
					48
					68
Customers	<ul style="list-style-type: none"> Customer meetings and site visits Conferences Business association meetings 	Through their businesses, customers provide the basis for continued growth.	Providing safe, essential and quality products at competitive prices.	<ul style="list-style-type: none"> Quality of products Long-term security of supply Effective product stewardship 	22
Suppliers, service providers and JV partners	<ul style="list-style-type: none"> Supplier meetings and site visits Performance reports and audits Business association meetings 	Our suppliers provide valued products and services that support our growth.	Providing joint growth opportunities in a responsive and mutually respectful manner, with timely payment and favourable contract terms.	<ul style="list-style-type: none"> Long-term security of supply Effectiveness of planned procure-to-pay process Health and safety performance Preferential procurement 	22
					98
					100

Suppliers, service providers and JV partners	<ul style="list-style-type: none"> • Supplier meetings and site visits • Performance reports and audits • Business association meetings 	Our suppliers provide valued products and services that support our growth.	Providing joint growth opportunities in a responsive and mutually respectful manner, with timely payment and favourable contract terms.	<ul style="list-style-type: none"> • Long-term security of supply • Effectiveness of planned procure-to-pay process • Health and safety performance • Preferential procurement 	22 98 100
Business organisations	<ul style="list-style-type: none"> • Business body memberships • Participation in meetings and initiatives 	Business organisations allow us to share expertise and experience, and to engage collaboratively with governmental and civil society initiatives.	Contributing responsibly and credibly to the collective business voice, and sharing experience transparently.	<ul style="list-style-type: none"> • Disclosure and management of carbon emissions • Workforce transformation • Open and transparent communication 	31 32
Communities and NGOs	<ul style="list-style-type: none"> • Community outreach forums • Public and personal meetings • Corporate social investment initiatives • Engaging with environmental NGOs on environmental issues of mutual interest 	NGOs provide us with a deeper understanding of community and environmental interests, and contribute to building trusted relationships.	Contributing responsibly and transparently to broader societal interests through effective management of our core business and strategic social investment initiatives. Being transparent on environmental performance and engaging proactively with environmental NGOs.	<ul style="list-style-type: none"> • Supporting key community development issues • Corporate social investment and donations • Expecting Sasol to be a responsible corporate citizen • Building partnerships • Focus on triple bottom line 	10 14 37 68
Educational and research institutions	<ul style="list-style-type: none"> • Specific partnership arrangements • Academic conferences 	Educational bodies provide an opportunity to develop our talent and to develop innovative products and services.	Investment in patents and research and development infrastructure.	<ul style="list-style-type: none"> • Skills development initiatives • Sponsorships and bursaries • Engagement with students • Sponsorships 	10 14 37

our top risks

how we manage longer-term risks

Top risks differ from top issues, in that top risks are longer term in nature and top issues are of more immediate concern. Both our top issues and top risks are in some cases reflective of our material sustainability issues, which we cover in our sustainable development report.

The table below sets out the top risks identified through our enterprise risk management process. It also provides mitigation plans and how the respective risks link to our strategy.

Opportunities associated with these risks are detailed in the individual business reports. For more details on how we identify risks, please see our risk management report on page 34. Given that the intensity of risks change from time to time, we have not ranked the risks in order of priority. All these risks are important to the Sasol group and may impact our ability to deliver on our strategy.

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Further details on the top issues impacting our business are provided on page 39.

Top risk	Context	Mitigation	Link to strategy
Strategic growth			
Competitors introducing viable superior or alternative technologies	Sasol realises that technology advantage is critical to business growth. For this reason, we strive to achieve technology leadership and remain committed to reaching new frontiers through innovation.	We continuously monitor the technology landscape to identify and assess disruptive and competitive technologies.	Sasol's sustainable growth strategy is based on the following objectives: <ul style="list-style-type: none"> • Accelerate CTL and consider selective CTL growth • Grow related upstream business • Grow our technological lead • Grow chemicals based on feedstock, market and/or technology advantage • Develop and grow new energy
Not delivering on our CTL and GTL growth objectives	Through the use of our unique Sasol proprietary technologies, we add value to coal, oil and gas feedstocks to make liquid fuels, fuel components and chemicals. The challenge remains to adequately predict, understand and interpret competitive forces in the	Sasol Technology directs the research and development, technology innovation and management process. It helps our fuel and chemical businesses to maintain growth and competitive advantage through appropriate technology solutions	

Our risk management process

Sasol's structured risk management process, which is aligned to industry standards, is detailed below. This process is rolled out across the group, and risk profiles are developed at business, functional, process and project levels. These profiles are then analysed at an integrated level to identify the top risks which could significantly impact the achievement of our group strategy and our integrated value chain, which requires a group-wide initiative to mitigate.

