

sasol
reaching new frontiers



soul of sasol

Responding to social and economic development needs as a responsible corporate citizen



sasol vision

To be a respected global enterprise, harnessing our talents in applying unique, innovative and competitive technologies to excel in selected markets in the energy and chemicals sectors in Southern Africa and worldwide.

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chief executive's message

The pursuit of good corporate citizenship is at the heart of Sasol's culture. It underscores our vision, strategic objectives, shared values and the ways in which we strive to engage with all our stakeholders.

The journey of continuous improvement

The acceptability and credibility of business practices today depend on the extent to which companies subscribe to the principles of sustainable development and responsible corporate citizenship. To this end, we at Sasol are continuously improving our corporate governance, strengthening our commitment to sustainable development and building better, mutually beneficial relations with our many stakeholders.

We have come a long way in our journey towards being a better corporate citizen. While we are pleased to report continuing progress, we still face challenges ahead. This is particularly so in South Africa in the context of our history and our great economic divides. At Sasol, we are increasing our commitment to black economic empowerment and working on a host of broader socioeconomic transformation and development initiatives.

These initiatives include a greater commitment to science, maths and technology education and training; job creation and small-business development in downstream economic sectors; a concerted HIV/Aids response programme in the workplace and surrounding communities; and a range of sport development initiatives. Our sponsorship of South Africa's Amaglug-glug™ Under-23 football team, for example, is aimed at finding and grooming new talent for the 2008 Beijing Olympics.

We also are working hard towards strengthening our government relations, improving our safety performance and reducing our environmental footprint.

Our initiatives, we believe, support the South African Government's Accelerated and Shared Growth Initiative (Asgisa), which targets a 6% economic growth rate for South Africa between 2010 and 2014, while also embracing important national and global social and environmental initiatives.

We are working increasingly to dovetail our corporate social and economic plans with wider initiatives for the greater good of all the people wherever we operate. We shall continue to develop new opportunities and play a dynamic role to facilitate growth and development in Southern Africa.

We trust you will enjoy reading this publication, Soul of Sasol, which encapsulates some of our recent contributions and aspirations in the field of corporate citizenship. We believe this distils the essence or soul of Sasol. Our pursuit of good corporate citizenship is an ongoing journey.

Pat Davies
Chief executive
Sasol Limited

fact file

Patriotically South African

- *We contribute about R40 billion towards South Africa's GDP a year.*
- *We save the country about R30 billion annually in foreign exchange.*
- *We supply about 38% of the country's liquid fuel requirements.*
- *We are South Africa's largest private industrial investor.*
- *We invested R28 billion in new South African investments during the four years to June 2004, or about 90% of South Africa's total foreign direct investment during the same period.*
- *We provide direct and indirect employment to about 170 000 people.*
- *During the 2005 to 2007 financial period, we expect to spend approximately R40 billion on our capital projects, of which more than R25 billion (63%) will be spent in South Africa.*



Innovation and technology

- *We are the world leader in producing synthetic liquid fuels and chemicals from coal and gas.*
- *We add value to low-grade coal in South Africa through our unique technology and produce more than 200 products for sale to customers in more than 120 countries.*
- *Our chemicals are used to produce household and personal care products, compact discs, candles, paint, automotive components, garden furniture, footwear, fertilisers, explosives and bituminous surface coatings for airport runways and roads.*
- *Sasol employs more than 800 full-time engineers, scientists, technologists and related professionals. We employ the highest concentration of black engineers in South Africa.*
- *We spend almost R50 million a year on focused initiatives to advance science, mathematics and technology education.*
- *We have the highest number of PhD graduates outside academic institutions in South Africa.*



Transformation

- We increased our annual spend with Black Economic Empowerment (BEE) suppliers from approximately R600 million to almost R2,5 billion from the 2003 to 2005 financial years.
- We invested more than R530 million in employee development and training from 2001 to 2005.
- We invest more than R25 million annually in more than 400 bursaries and we continue to award about 60% of our bursaries to black people.
- Empowerdex ranked Sasol in the top quartile (45 out of 200) of JSE listed companies in terms of broad-based BEE.
- For the past three years we were rated in the National Corporate Investment Survey as the fuel and chemical company that is doing the most to develop South Africa and its people.



Community and the environment

- During the three years to 2005, we committed more than R200 million to socioeconomic projects in South Africa and Mozambique.
- We have provided R150 million to the South African Under-23 football team since 1994 and shall invest R120 million over six years in South African rugby as official national team sponsor of the Springbok rugby team.
- At our Secunda plant, more than R50 million has been committed over the next three years to improving air quality.

corporate governance

applying best practice

Our objective is to apply global best practices by managing governance systems and practices with integrity, transparency and a commitment to continuous improvement.

Sasol is listed on the JSE Limited in South Africa and the New York Stock Exchange. These listings bind us to the rules and regulations of these bourses, as well as South African, US and other national and regional laws and regulations. These include the requirements of the US Securities and Exchange Commission (SEC), the Sarbanes-Oxley Act, and the South African Code of Corporate Practices and Conduct as recommended in the second King Report (King II).

Our board shapes and reviews our group's strategic objectives and direction, while also setting the tone of our values and ethics. It reviews and approves large capital projects, works to maximise sustainable returns for shareholders and ensures legal compliance in all countries in which we operate.

From June 2006, Sasol's 15-member board comprises two international directors, Jürgen Schrempp and Anshu Jain, and 13 South African directors. Of these, seven (54%) are black and eight (62%) are from "designated" groups (including white women). The South African executive directors are: Pat Davies (CE); Trevor Munday (deputy CE); Nolitha Fakude (strategy and human resources); Dr Benny Mokaba (South African energy businesses) and Christine Ramon (chief financial officer).

The non-executive South African directors are: Pieter Cox (chairman), Sam Montsi, Mandla Gantsho, Hixonia Nyasulu, Imogen Mkhize, Elisabeth Bradley, Warren Clewlow and Brian Connellan.

In line with our commitment to transformation and creating a world-class company, Sasol now has a diverse board and senior management structure. We have superb depth of leadership with extensive local and international experience, which bodes well as we continue to grow in Southern Africa and internationally.

Promoting better SH&E governance



As part of our commitment to good governance and business sustainability, Sasol focuses on opportunities to improve safety, health and environmental (SH&E) management and reporting. Our goal is to benchmark and align ourselves with international best practices.

SH&E governance and reporting is an important pillar of our corporate governance framework and a key agenda item at board meetings.

Our SH&E management priority is on protecting and promoting employee health, safety and well-being, safeguarding assets and minimising our impact on the environment and people.



Building a centre of excellence

Our SH&E centre in Johannesburg oversees group-wide sustainability and SH&E management. The centre deals with important global and regional initiatives, including the Kyoto Protocol, the UN Global Compact and Responsible Care. This centre has established communities of practice across the group to share knowledge and experience, with the aim of pursuing best practice to support sustainable development. The centre has helped the group to implement a systems approach towards managing sustainability risks. All Sasol operations are governed by an integrated SH&E policy.

The Sasol group executive committee has set group-wide SH&E targets aimed at eliminating injuries, fires, explosions and releases, and achieving a 90% implementation of the Responsible Care management codes of practice by June 2006. Established in 1985, Responsible Care is a voluntary programme of action, committing members of the international chemical industry to continuous improvement in all areas of SH&E performance.



Striving to improve resource management

Sasol strives to reduce or minimise its environmental footprint. Some of our recent milestones include:

- replacing coal with natural gas as the primary feedstock at Sasolburg during 2004, which has reduced emissions into the atmosphere;
- advancing Responsible Care practices worldwide; and
- initiating projects to reduce solid, liquid and gaseous waste and emissions, and promote greater eco-efficiency (i.e. reduced water and energy consumption per ton).



Sasol's executive directorate: from left, Nolitha Fakude, executive director, human resources and strategy; Pat Davies, chief executive; Dr Benny Mokaba, executive director, South African energy businesses; Trevor Munday, deputy chief executive; Christine Ramon, executive director and chief financial officer.

values, ethics and the sasol brand

reaching new frontiers by living our values

Sasol's dynamic brand and corporate image are underscored by the values we promote worldwide in all our stakeholder engagements.

Founding behaviour on shared values

Sasol is a customer-focused company. We believe in winning with people and, for all of us, safety is our foremost priority. We aim to achieve excellence in all we do, while believing we can continuously improve. We also subscribe to integrity and transparency throughout our business.



		<p>Customer focus We meet customers' needs by providing world-class service, optimal product performance and efficient support systems.</p>
		<p>Winning with people We respect and encourage individuals to grow as unique contributors to their teams. We reward performance and promote sharing and the harnessing of diversity.</p>
		<p>Safety We commit to eliminate all incidents and work to world-class safety standards.</p>
		<p>Excellence in all we do We pursue world-class business and operating standards and superior performance within a framework of sound governance and internationally accepted health and environmental standards and practices.</p>
		<p>Continuous improvement Our innovative spirit drives us as we continuously improve our performance.</p>
		<p>Integrity We maintain the highest level of ethics, fairness and transparency in our interaction with each other, customers and all other stakeholders.</p>



Promoting good ethics

Our code of ethics is based on four fundamental principles – responsibility, honesty, fairness and respect – and comprises 15 ethical standards. These cover such issues as bribery and corruption, fraud, insider trading, human rights and discrimination.

We have an ethics forum to monitor and report on ethics best practices and compliance requirements, and to recommend



amendments to the code. Values form part of our mandatory employee performance management system. Employees are encouraged to anonymously report fraud and other deviations from ethical behaviour to an independent ethics hotline.

Developing a dynamic brand

Our corporate brand reinforces Sasol's dynamic, innovative and entrepreneurial culture, our vision and the changing macroeconomic environment in which we compete.

Our shared values provide the foundation for our brand characteristics that define who we are and what we most aspire to be:

- dynamic
- ambitious
- innovative
- reliable
- inspiring
- dedicated



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economic development and empowerment





adding economic value

unlocking wealth for stakeholders

During the six financial years to June 2005, Sasol created wealth of more than R134 billion by adding value to South African coal, Mozambican natural gas, imported crude oil and smaller volumes of other raw materials. The group contributed about R40 billion to state and regional treasuries through taxes and other contributions.



Sasol has been a major contributor to economic development in South Africa since the mid 1950s when we commissioned our original Fischer-Tropsch coal-to-liquids plant at Sasolburg south of Johannesburg.

Besides helping to establish about 170 000 direct and indirect jobs in South Africa, we add significant value to low-grade coal mined in the Secunda region and natural gas extracted in remote Mozambican fields.

Since 1990, we have been contributing to other economies, including those of the United States of America, Germany, Italy and the United Kingdom. We expect our contributions to increase in other economies, including those of Qatar, Nigeria, Iran, Malaysia, China and Australia.

Our African interests include Mozambique, Gabon and Nigeria, where we have hydrocarbon exploration, production and beneficiation interests.





creating wealth for diverse shareholders



At the end of our 2005 financial year, Sasol had almost 36 000 registered shareholders, (99,9% being public and the balance of 0,1% being non-public). The non-public shares, combined, were held by directors of Sasol Limited and their associates, directors of subsidiary companies, Sasol Investment Company (Pty) Ltd, the Sasol Employee Share Savings Trust and the Sasol Pension Fund.

International shareholders held 33% of Sasol's shares. (This had increased to 35% by April 2006.) Of these, 6% were in the form of American Depositary Receipts (ADRs) and the balance of 27% was held directly as ordinary shares. Larger institutional shareholders as at 30 June 2005 were South Africa's Public Investment Corporation (PIC) (14%), Sasol Investment Company (9%) and the Industrial Development Corporation of South Africa (IDC) (8%). Through the PIC and IDC, the South African Government indirectly held 22% of Sasol's shares at 30 June 2005.

The four largest categories of institutional shareholders as at 30 June 2005 were pension and provident funds (35%), growth funds and unit trusts (18%), treasury shares held by Sasol Investment Company (9%) and insurance companies (8%).

In August 2005, we announced our intention to sell almost all of our Sasol Olefins & Surfactants business. Should this sale go ahead as planned before the end of 2006, Sasol will have a smaller social and economic role in Europe and the USA.



Sasol is listed on both the New York Stock Exchange and the JSE Limited in Johannesburg.

black economic empowerment

building our nation



Sasol believes sustainable economic growth is a necessary condition for a peaceful and prosperous South Africa and that it is also a key requirement for our company's future success. We are committed to promoting and enhancing the participation of historically disadvantaged South Africans in our mainstream activities. Accordingly, we seek to build sustainable empowerment partnerships.

Sasol was the catalyst in establishing one of South Africa's most successful black economic empowerment (BEE) fuel retailers, Exel Petroleum, in 1997. Shortly afterwards, we contributed to the development of South Africa's first BEE charter, the Liquid Fuels Charter. We have since initiated projects to implement empowerment partnerships in the liquid fuels, gas, mining and chemical sectors. In May 2006 Sasol announced that it had appointed Rand Merchant Bank to advise on its BEE equity ownership strategy and the implementation of a further major BEE transaction or transactions.

BEE and socioeconomic transformation are strategic, business and moral imperatives for Sasol. There are compelling business and economic reasons for promoting BEE in South Africa.

All South Africans should have the opportunity to contribute to the national economy and to enjoy the rewards of their contribution.

We continue to advance employment equity in our South African operations in line with the Employment Equity Act of 1998. By mid-2005, 39% of our South African managerial, professional and supervisory posts were held by people from designated groups:

blacks (Africans, Coloureds and Indians), women of all races and people with disabilities. We intend to increase this to 50% over the next few years.

Board and senior management appointments

A major initiative is under way to bring in new black talent at Sasol. As a result, today three of the five Sasol executive directors are well-known, highly experienced black leaders. They are chief financial officer Christine Ramon, Nolitha Fakude, head of human resources and strategy, and Dr Benny Mokaba, who heads Sasol's South African energy businesses. They recently joined Sasol's chief executive Pat Davies and deputy chief executive Trevor Munday on the board.

At non-executive director level, 54% of Sasol's board comprises black directors and 62% represent South Africa's designated groups (including white women). We now have four respected black South African business leaders as non-executive directors on our main board: Hixonia Nyasulu, Sam Montsi, Imogen Mkhize and Mandla Gantsho.



Capacity building

We are also proud to employ the largest concentration of black engineers in Africa, at Secunda. Several of our senior black research engineers and scientists at Sasolburg hold doctorates and are respected for their contributions to the advancement of science, engineering and technology. We award more than 60% of our university undergraduate bursaries and more than 50% of our trainee artisan positions to people from historically disadvantaged groups.

In South Africa, alone, we spend almost R50 million a year on various initiatives to promote and advance mathematics, science and technology education. These initiatives include corporate social investment (R13 million), undergraduate bursaries (R24 million), sponsorships (R4 million) and research and development (R7 million).

Tshwarisano breaks new ground in liquid fuels empowerment

Our biggest BEE-equity transaction to date is the establishment of Tshwarisano LFB Investment.

Tshwarisano will own a 25% share in Sasol Oil. The R1,5 billion Tshwarisano transaction will benefit a broad base of black groups and individuals, including rural black women, the youth and the disabled. More than 50% of beneficiaries are women. Indirect beneficiaries number an estimated three million people. In addition to providing facilitation support for Tshwarisano's R1,1 billion financing requirements, Sasol will contribute R45 million towards the creation of two trusts aimed at empowering the underprivileged, as well as black staff and their families. Many of the former shareholders (both directors and employees) in Exel Petroleum are shareholders in Tshwarisano.



At the Tshwarisano launch in 2005: Reuel Khoza (promoter); Phumzile Mlambo-Ngcuka, South Africa's deputy president; Pat Davies, Sasol chief executive; Hixonia Nyasulu (promoter) and Dr Penuell Maduna (promoter).



Sasol Oil incorporates our liquid fuel and lubricants marketing, distribution and retailing interests, as well as our shareholding in the Natref oil refinery in Sasolburg, our Secunda synthetic-fuel blending and storage facilities and a long-term supply agreement for liquid fuel components produced by Sasol Synfuels. In addition, it comprises our international interests in procuring crude oil and our supply of fuels to other oil companies in South Africa.

Sasol had worked with the promoters and advisors of Tshwarisano for about a year to develop this empowerment transaction, announced in September 2005. In terms of the BEE equity transaction, Sasol's leadership has emphasised that:

- it will be enduringly broad-based with a high proportion of female participants;
- all shareholdings will be financially secure and unencumbered as soon as possible so that benefits will flow to the beneficiaries within a reasonable period; and
- the broad-based beneficiaries' shareholdings will be properly governed.

Sasol mining

The creation of Igoda Coal, the joint venture between Sasol Mining and black-owned mining company, Eyesizwe Coal, is another significant step in Sasol's transformation journey. In May 2004, Sasol Mining entered into discussions with Eyesizwe Coal. In March 2006, these companies announced their formation of a new company, Igoda Coal. The deal is worth almost R1,4 billion.

Igoda Coal – a 65:35 venture between Sasol Mining and Eyesizwe Coal – comprises the full value chain of Sasol's coal export mining business. This new company will export about 3,6 million tons (Mt) of coal a year and will also supply a further 4,2 Mt to Sasol Synfuels. Sasol Mining intends to announce further BEE transactions during 2006.



Other BEE transactions

Sasol Gas established its first gas marketing joint venture with a start-up BEE company in Durban in 2002. Spring Lights Gas is a joint venture of Sasol Gas (49%) with Coal Energy & Power Resources (51%). Spring Lights Gas' annual turnover exceeded R120 million in its third year of operation.

Sasol Polymers has achieved encouraging breakthroughs with DPI Plastics, its plastic-pipe and fittings manufacturing venture with Group Five. With its various BEE partners, DPI Plastics has established seven engineering merchant companies for distributing piping system products.



Through Sasol's ChemCity, which provides downstream chemical industry development expertise and is supported by Sasol Technology, we have established 16 small chemical and related businesses. Seven of these are defined as BEE ventures because black people own and control at least 50% of these businesses.

Growing support for black suppliers

We increased our annual spend with Black Economic Empowerment (BEE) suppliers from about R600 million to almost R2,5 billion from the 2003 to 2005 financial years.

Key to our commitment to promoting ethical behaviour, good governance and sustainable BEE, we uphold transparent procurement and tendering processes.

We also maintain several programmes and facilities to help us to identify, develop and support micro, small and medium-sized BEE companies. Examples of these complementary facilities are the Sasol-sponsored Highveld Ridge Business Development Centre at Secunda and the Infrachem Development Trust at Sasolburg. These initiatives play an important role in providing financial assistance to BEE suppliers.

Seeking a multipronged approach

To promote our transformation drive, we operate a BEE coordination office in Johannesburg. This office reports to our chief executive and group executive committee, and oversees all corporate BEE activities, which have six main components in our South African businesses:

- *introducing equity ownership by historically disadvantaged people;*
- *procuring goods and services, preferentially, from historically disadvantaged people;*
- *progressing employment equity;*
- *building human capacity and talent in industry;*
- *facilitating the development of smaller BEE enterprises; and*
- *implementing social upliftment initiatives.*

in the workplace

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human resources development

unlocking a human treasure chest

We strive to be an employer of choice and to build highly motivated and world-class teams of talented people.

Sasol has long recognised the importance of investing in the development of human talent to support not only our growth, but also that of the economies in which we operate. This challenge has grown in magnitude, particularly in South Africa, where we are increasing our efforts to develop people from historically disadvantaged groups.

in the workplace

Since our inception as a high-technology company more than fifty years ago, we have concentrated on developing, maintaining and optimising our skills base. We mine coal and explore for, and produce, natural gas and crude oil. We also operate more than 20 petrochemical and chemical sites around the world.

To ensure their ongoing productivity, safety and reliability, these operations need thousands of well-trained and motivated people with world-class skills, innovative ideas and a commitment to living our shared values.



We have evolved a culture of lifelong learning and encourage employees to maintain a personal career development programme based on continuous learning and development.

During the four financial years to June 2005, we invested more than R530 million in employee development and training. This covered in-house technical training and mentoring, self-learning centres and undergraduate bursaries.

Integrating talent management

We have further consolidated our human resources efforts through a talent management strategy. This integrated approach allows us to identify and develop high-calibre leadership, and to fill critical and new positions quickly and with confidence.

We remain committed to the fast-track development of high-potential employees from historically disadvantaged groups. A total of 48 high-potential, historically disadvantaged people from different disciplines will have completed our successful Accelerated Leadership Development Programme in South Africa, at the end of the current third intake.

Building better relations

We maintain a best-practices performance management system. All line managers worldwide undergo training to promote performance management, mentoring and the sharing of best practices in leading and coaching people.

We also apply a world-class rewards and remuneration system when evaluating and recognising the performance of employees.



More than 50% of our employees in South Africa belong to trade unions. We enjoy constructive relationships with representative unions. Joint forums have been established between trade unions and management to address important issues, including wages, conditions of employment, occupational health and safety, training and development, community care and HIV/Aids.

All representative unions and pensioners are represented on our medical scheme board of trustees and employees serve on the boards of union retirement funds.

In line with our commitment to the United Nations Global Compact, we uphold the requirements for:

- eliminating all forms of forced and compulsory labour;
- recognising the right to collective bargaining;
- abolishing child labour; and
- eliminating employment discrimination.



Natasha Pramchand, member of the Accelerated Leadership Development Programme

“Thus far, the ALDP has been a very positive experience for me. We have been given insight into the bigger Sasol picture as well as insight into ourselves. The experiential learning days and study schools have added value to me as an individual. Furthermore, I have had the pleasure and honour of interacting and working with a truly admirable group of people – the future leaders of Sasol. I would highly recommend the experience!”

intellectual capital and innovation

staying at the forefront of technology



As a leading high-technology company, we continue to safeguard and strengthen our unique technologies to sustain our competitive advantage.

As the world's only company that converts large volumes of coal into high-quality liquid fuels and chemicals on a sustained, commercial basis, we have long been driven by a culture of technological research and innovation in Fischer-Tropsch process optimisation and chemical beneficiation.

Without our commitment to safeguarding and evolving technology, we would not have been as successful in adding considerable value to low-grade coal from South African coalfields and stranded natural gas from Mozambican gas fields. Now we are also converting gas into fuel in Qatar.

We convert these hydrocarbons into more than 200 products for sale to customers in more than 120 countries.



Nurturing brainpower

We established our research and development (R&D) facilities in Sasolburg in 1957, two years after commencing commercial operations. Since then, we have maintained a university undergraduate bursary programme to nurture future generations of scientists, engineers and technologists. Today, Sasol Technology employs more than 800 full-time engineers, scientists, technologists and related professionals, 490 of whom are professional engineers.

To optimise our technology custodianship, we retain beneficial ties with a large number of organisations, including universities, colleges and technology companies. We partner with some of the world's most respected technology players, including Air Liquide, Chevron, Engelhard, Foster Wheeler, Haldor Topsøe, Lurgi, Linde and Stone & Webster.

Our fuels research group partners with leading automotive and related original equipment manufacturers, including Caterpillar, PSA (Citroën and Peugeot) and DaimlerChrysler (Mercedes-Benz). This group is working closely with Engelhard, Johnson Matthey and other catalyst producers to evaluate the effects of our diesel and petrol on automotive catalysts.





Sasol Polymers nurtures relationships with some of the world's leading polymer technology companies through licensing agreements. These include Novolen Technology Holdings and BP (polypropylene), Univation and ExxonMobil (polyethylene), European Vinyl Corporation (polyvinyl chloride) and Vintech for vinyl chloride monomer technology.

Sasol also builds partnerships with technology companies involved in coal, oil and gas exploration and production.

Some of our graduate engineers and scientists are sent to Europe and North America to work for technology and engineering companies to gain specialised knowledge and experience. We also encourage our people to undertake postgraduate studies.

Sasol Technology's culture of technical innovation and excellence extends to commercialising petrochemical processes, executing feasibility studies for complex projects and planning, project-managing and commissioning large investments. Such investments include refineries, chemical plants and Sasol Advanced Synthol™ (SAS™) reactors, which are used to convert synthesis gas into feedstock for making synthetic fuels and chemicals.

Sustaining in-house research

The overarching goal of our R&D and innovation programmes is to sustain competitive advantage by pursuing technological excellence. We strive to nurture a culture of international best practices in science, engineering and technology.

Underlying these aspirations is our drive to:

- *safeguard and appreciate intellectual capital;*
- *evolve unique technologies that promote our vision and business strategy;*
- *add greater value to raw materials and feedstocks;*
- *reduce plant operating and maintenance costs;*
- *increase process productivity;*
- *enhance process safety, eco-efficiency and emissions reduction; and*
- *supply customers with products that fulfil their requirements.*

We continue to invest in our most vital technology resources: well-qualified scientists, engineers and technologists supported by the facilities needed to undertake value-adding research and innovation. Our main Sasolburg R&D facilities feature sophisticated laboratories, pilot plants and demonstration plants, as well as a technology library, analytical equipment and specialised equipment for undertaking computational chemistry and chemical process modelling.

Sasol Technology R&D undertakes most of our petrochemical R&D through in-house programmes and in collaboration with companies and universities in South Africa, Europe and the USA. Sasol Technology's R&D is focused on coal and gasification;

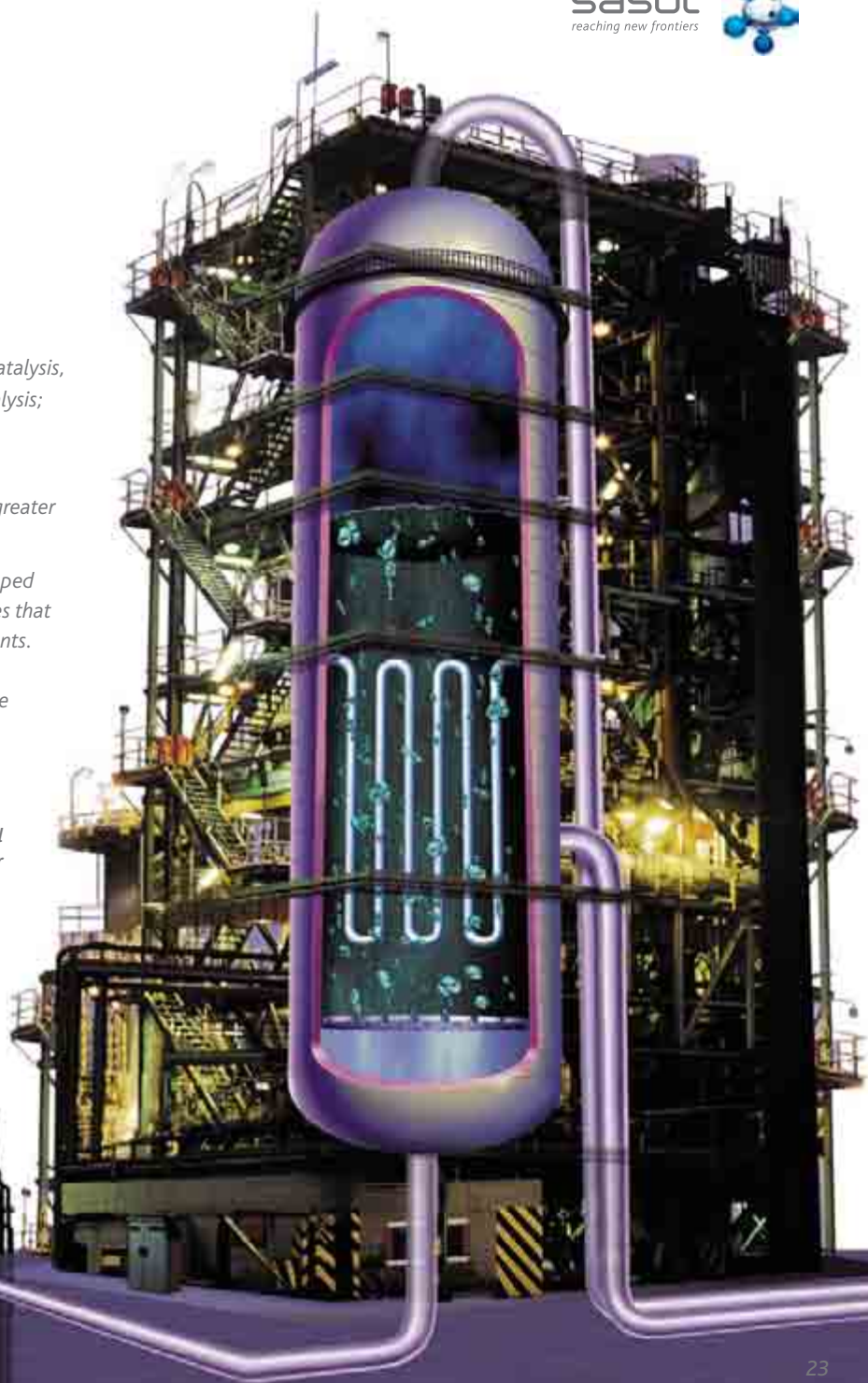


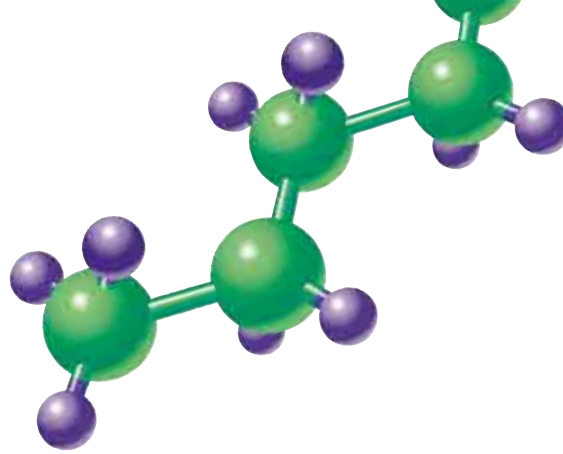
Fischer-Tropsch (FT) process technology, including catalysis, reactor design and pilot-plant operation; applied catalysis; separation processes; and process development, implementation and licensing.

We also conduct extensive R&D dedicated to adding greater value to chemicals derived from our FT processes.

During the 1980s and 1990s, Sasol Technology developed improved versions of the two Fischer-Tropsch processes that form the heart of our South African petrochemical plants. Research scientists and engineers developed the Sasol Advanced Synthol™ (SAS™) and the Sasol Slurry Phase Distillate™ (Sasol SPD™) processes.

An artist's impression of the Sasol Slurry Phase Distillate™ reactor





The Sasol Slurry Phase FT process at Sasolburg is used to produce waxes and other chemicals from natural gas. The three-step Sasol SPD™ process will be used in Qatar and Nigeria to convert natural gas into an environmentally preferred form of diesel that contains remarkably small amounts of sulphur and aromatics.

Our Secunda FT process produces large volumes of alpha olefins, high-value chemicals that are highly sought after in the international market. During the 1990s, Sasol Technology developed unique processes to extract and refine three of these alpha olefins: 1-pentene, 1-hexene and 1-octene. These are used to make speciality grades of polymers such as plastics. In January 2006, we announced that we would build a new plant at Secunda that would enable us to double our octene capacity in 2007.

Innovation at the coal-face

We depend on coal as an important feedstock in South Africa. Sasol Mining therefore continues to promote its mining innovation programme in Secunda. This business remains focused on evolving technologies to enhance employee safety, reduce dust and noise levels, elevate productivity, improve coal quality and lower costs. Skilled in-house teams coordinate all R&D.

Close cooperation with equipment suppliers, technical consultants and research organisations also contributes to Sasol Mining's technological advancement.



Sasol Mining's high-extraction underground mining innovation, for instance, enables mines to balance maximum reserve utilisation with minimum surface or overlaying strata impact.

The business also modified a new-generation continuous-miner in 2001 to include a complete management information system. A continuous-miner (see photograph below) is an automated, track-mounted machine used to cut coal from an underground coalface with the aid of a spiked, rotating cutting drum. The machine is controlled by a trained operator with the aid of a remote-control panel.

Sasol Mining also aroused international interest through its successful co-development of an effective on-surface directional drilling system, as well as its innovative continuous-miner operator training system incorporating virtual-reality technology.



Strengthening chemical R&D

The Polymer Technology Centre of Sasol Polymers in Johannesburg was constructed during 1997 and 1998 at a cost of R20 million. This customer-focused facility enables Sasol Polymers' technical resources to be housed in one centre of excellence with the aim of developing and sustaining key competencies in polymer science and technology.

Staffed by skilled polymer scientists and technicians, the centre has eight laboratories and a large machine hall housing extruders and other polymer conversion machines. Sasol Polymers uses these facilities for product development and customer support.

The Sasol Nitro, Sasol Solvents and Sasol Wax operations also have in-house technical support and product development programmes, many of which have led to novel products and processes, improved operations, better product quality and a wider range of speciality grades in response to market demands.



Funding university research

Sasol is also involved in research and innovation programmes with leading universities, including St Andrews in Scotland and Twente in the Netherlands. We have established Sasol-owned research facilities at St. Andrews and Twente. We are also undertaking research at various South African universities, including the universities of Cape Town, the Free State, KwaZulu-Natal, the North West, Stellenbosch, Pretoria, Johannesburg and the Witwatersrand.

The Sasol Technology fuels research group operates the Sasol Advanced Fuels Laboratory at the University of Cape Town for formulating and testing improved automotive fuels. Sasol Polymers maintains partnerships in polymer research,

formulation and testing with the Polymer Institute of Stellenbosch University and, in Pretoria, the Tshwane University of Technology and the CSIR. Our polymers division retains the advisory services of independent polymer consultants associated with European universities.

We also commission international universities and other centres of technological excellence to conduct independent scientific research and tests. We recently contracted the Southwest Research Institute in Austin, Texas to conduct independent tests of the distinctive properties and performance of the unique diesel fuel produced through the Sasol Slurry Phase Distillate™ (SPD™) process.

Professor Werner Olivier, School of Mathematics, Nelson Mandela Metropolitan University, Port Elizabeth

“The late politician and African National Congress leader, Govan Mbeki, once said: ‘Our South African youth must study mathematics and science in order for us to be a winning nation.’ With these words, he also inspired the start of the Govan Mbeki Mathematics Development Programme at the Nelson Mandela Metropolitan University. By sponsoring this initiative, aimed at the advancement of mathematical competency and problem-solving skills, Sasol is playing an invaluable role in securing a better tomorrow for the youth of South Africa.”



academic bursaries

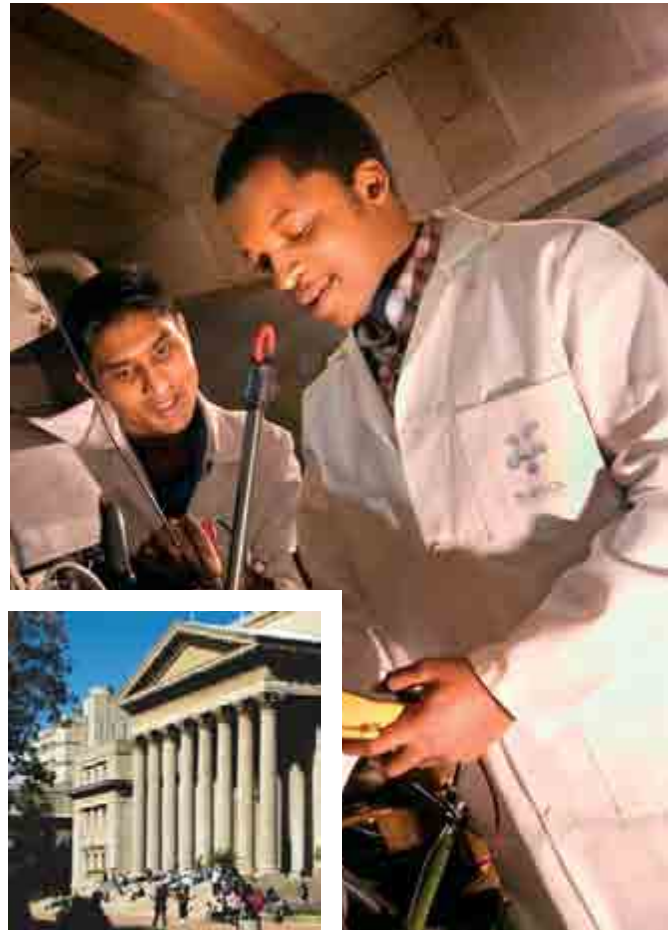
nurturing a wealth of technological skills

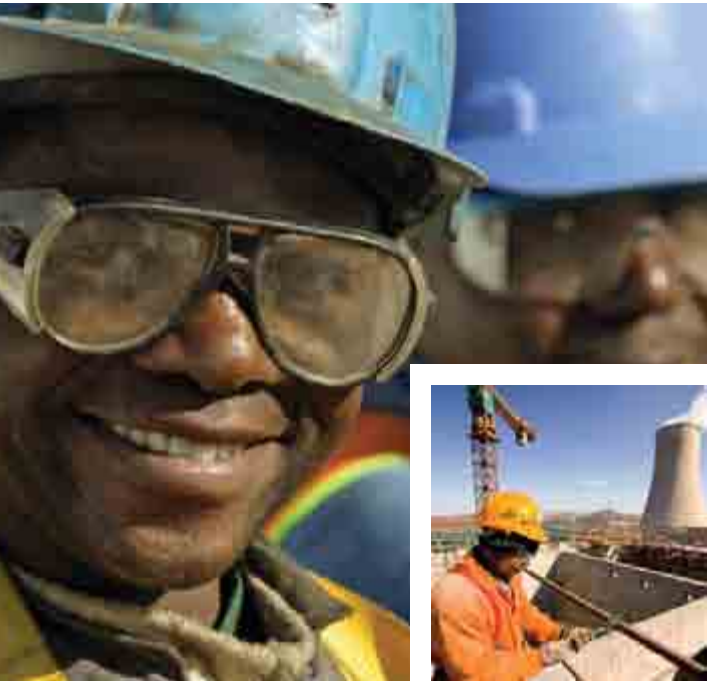
We have one of the largest bursary schemes in South Africa and are committed to developing talent in science, engineering and technology.

Sasol sponsored more than 1 000 undergraduate bursaries over the last 10 years. Most of these bursaries went to young people studying full-time towards bachelor degrees in science, engineering, geology, metallurgy and commerce.

At any given time, Sasol has more than 350 undergraduate bursars and 60 postgraduate bursars studying at universities throughout South Africa, representing a total annual investment of more than R25 million. In line with our increasing emphasis on helping to empower historically disadvantaged South Africans. More than 60% of our bursars are black.

Our commitment to building a diverse talent pool has not gone unnoticed. We were voted as the Ideal Employer of Engineering and Science Graduates in an extensive survey conducted by Magnet Communications in November 2005. We were voted second in 2004.





Growing South African artisan skills

Sasol has responded to the challenge of increasing the national complement of skilled artisans for South Africa's engineering and technical fields. Early in 2003, we commissioned the National Advisory Council for Innovation (NACI) to conduct a resources study in the South African construction sector. NACI estimated that the country lacked more than 5 600 skilled artisans, of which over 2 000 would be needed for shutdowns.

In October 2003, Sasol, Caltex, Engen, Natref, PetroSA, Sapref and the Chemical Industries' Education and Training Authority established the oil, gas and chemicals manufacturing skills development project. Since then, more than 800 learners have progressed with training and are on track to becoming artisans.

In particular, 2005 was a demanding year for oil companies because of their need to commit to multibillion-rand projects to meet the new petrol and diesel specifications that became mandatory in January 2006. Hundreds of foreign skilled project artisans had to be imported. In future, however, we expect all large maintenance shutdowns in South Africa will be executed almost entirely with locally developed skills.

MC Kekana, SAASTE representative at Evander, Mpumalanga

"On behalf of educators in the Evander region, we thank Sasol for its support to us when we had a regional SAASTE (South African Association of Science and Technology Educators) day for educators in our region. Your support has really proved to us that education is everybody's business in this country. We believe this conference has worked towards promoting science and technology in the region. We really appreciate it and hope for your relentless support for similar events in the future."



employment equity

encouraging equity and diversity

Sasol is committed to workplace transformation by promoting greater ethnic diversity and gender balance.

We continue to increase the percentage of our employees drawn from historically disadvantaged groups in line with South Africa's Employment Equity Act of 1998. These groups comprise Africans, Coloureds, Indians, women and people with disabilities.

We are confident of having 50% of our South African leadership, professional and supervisory positions held by people from designated groups in the next few years. People from designated groups held more than 39% of these positions at the end of June 2005. However new appointments for the year to June 2006 had improved figures at senior management level substantially. These figures were not available at the time of going to press.

All our South African businesses maintain employment equity forums to ensure we stay focused on achieving targets. We endeavour to nurture workplaces that are open, transparent and free from all forms of discrimination. We also promote employee equity and diversity in all the countries in which we operate in harmony with global best practice.



HIV/Aids challenge

fostering a culture of practical care

We have responded to the Aids challenge by initiating the far-reaching Sasol HIV/Aids Response Programme (SHARP).

About 20% of adults in South Africa could be HIV-positive, according to the Department of Health, actuaries and Aids organisations. Without the efforts of government, business, community organisations, caregivers and counsellors, South Africa is at risk of losing vital human capital needed to maintain its socioeconomic structures.

The Sasol HIV/Aids Response Programme (SHARP), launched in September 2002, is our integrated corporate approach focused on sustaining measures to reduce the rate of HIV infections throughout our company, and on extending the quality of life of infected employees by providing managed healthcare solutions.

We facilitate access to HIV testing, HIV/Aids education and counselling, as well as to the treatment of tuberculosis, malaria, sexually transmitted infections and other illnesses. We also provide access to managed healthcare, including free antiretroviral therapy, for employees.

Voluntary counselling and testing is SHARP's first step in facilitating appropriate access to healthcare and an important contributor to promoting positive behavioural change. We have achieved great success, with more than 80% of our workers volunteering to be tested. This compares well with the 50% to 60% uptake rate achieved in most South African corporate HIV/Aids management programmes. Only 7% of our almost 17 000 volunteering employees tested HIV-positive, which is significantly lower than our actuarial estimates of 15% to 20%.



Gavin King, Focus on the Family

"Through the sponsorships of Sasol, thousands of young children are taught to avoid high-risk behaviour, such as early sexual activity and alcohol and drug abuse. This investment in the lives of our communities may result in thousands of children being saved from HIV/Aids and substance abuse."



occupational health and safety

improving our safety culture



We have intensified our efforts to improve workplace safety with an emphasis on changing employee behaviour and attaining our goal of zero fatalities.

While aspiring to achieve zero injuries and fatalities, unfortunately we have had work-related fatalities in recent years. Ten of these fatalities resulted from a tragic explosion at our Secunda ethylene plant in September 2004.

Deeply distressed by these tragic incidents, Sasol has intensified a range of safety management and culture-change programmes. Management, employees and contractors have been encouraged to internalise safety as a key corporate value in an effort to attain our goal of zero fatalities.

We have identified opportunities to improve our safety culture after consulting with business leaders, employees, contractors and trade unions and commissioning the services of DuPont Safety Resources, a specialist international consultancy. In May 2005, we launched the Sasol safety improvement plan, a comprehensive change management initiative. This plan covers safe behaviour, contractor safety, process safety and other important safety elements for each of our South African workplaces.

This plan was followed in June 2005 with the signing of the landmark Sasol Safety Charter. The charter was signed between Sasol and three trade unions representing the majority of our South African employees: the Chemical, Energy, Paper, Printing, Wood and Allied Workers' Union (Ceppwawu); Solidarity; and the South African Chemical Workers' Union (Sacwu).



Reducing our recordable case rate

We remain concerned about our injury rate, which we measure as the internationally applied recordable case rate (RCR). An RCR is the number of fatalities, lost workdays, medical treatments beyond first-aid cases and job-transfer cases for every 200 000 employee hours worked. We have set an interim target of halving our worldwide RCR to 0,5 by June 2006. An RCR of 0,5 is considered to be in line with global best practices.

Our combined group recordable injury rates for the 2004 and 2005 financial years reflects a general trend of improvement, with a decline in minor injuries, lost workday cases and recordable cases for most businesses. The group's 2005 year-end RCR was 1,17. Ultimately, however, the goal remains one of zero fatalities. While the 2005 financial year's RCR is an improvement on that reported in our 2002 and 2003 financial years, we need to continue working diligently if we are to meet our 0,5 target by June 2006.

Improving process safety

Petrochemical manufacturing involves flammable substances, often at high pressure and high temperatures. Ensuring the effective management of the risk of fires, explosions and releases of hazardous substances therefore remains a critical part of our business worldwide. We have embarked on programmes to enhance process safety management throughout our operations. These programmes focus on the technical aspects of safety, including process, plant and equipment integrity, as well as the human interface with the hardware and software in chemical plants.

Our main occupational health risks relate to handling chemicals, potential exposure to non-methane hydrocarbons, exposure to dust during mining and noise-induced hearing loss. We continue to identify known and potential workplace risks. Where relevant, employees and contractors are given protective equipment and appropriate education, training and motivation.

Sasol maintains a comprehensive environmental management programme, details of which can be found in our 2005 sustainable development report: www.sasol.quickreport.co.za/sasol_sr_2005/).

in the community

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corporate social investment

partnering to create opportunities

Sasol has committed more than R600 million to social upliftment and human development over the last decade.

We support the upliftment and empowerment of the underdeveloped and disadvantaged communities in which we operate, especially in South Africa, our corporate home, and in Mozambique, where we completed the R8 billion Mozambique Natural Gas Project in 2004. Sasol has an important role in helping South Africa and Mozambique to unlock their socioeconomic potential.

in the community

The challenge in both South Africa and neighbouring Mozambique is to eradicate poverty and related issues, including illiteracy, hunger, disease, poor sanitation, infrastructural backlogs, overcrowding and crime. In partnership with these Governments, Sasol is helping tackle poverty-alleviation and social development challenges.

During the three years to June 2005, we committed more than R200 million to socioeconomic development projects, mostly in Sasolburg and Secunda and along the pipeline route from Temane in Mozambique to Secunda in South Africa.

We channel our social investments into education, job creation and capacity building, health and welfare, arts and culture, and the environment.



Supporting education

To promote mathematics, science and technology education in South Africa, we sponsor, among others, Sasol SciFest in Grahamstown, the Sasol Techno X science and technology exhibition in Sasolburg and the award-winning community educational resource centres of Boitjhorisong in Sasolburg and Osizweni near Secunda.

Boitjhorisong and Osizweni play an important role in helping teachers and pupils to increase their skills and achieve better results in national school-leaving examinations. We have significantly increased the maths pass rate through these centres. This is done by strengthening teachers' skills and knowledge in line with South Africa's revised national school curricula.

We also fund, among others:

- *the Discovery Mobile Science Bus, which travels to many schools around the country;*
- *the Sasol Blue Box programme which we use to train rural science teachers and provide science kits for schools, in partnership with the McCarthy Rally to Read project;*
- *the Govan Mbeki Sasol Mathematics Programme at the Nelson Mandela Metropolitan University in Port Elizabeth; and*
- *the Science, Engineering and Technology Week Exhibition and Eskom Expo for Young Scientists in Mpumalanga.*



Creating jobs and capacity

We support initiatives aimed at creating jobs and building greater economic capacity in communities. For instance, we sponsor the Sasol BirdLife SA training programme, which enables black birdwatching guides to earn a living as independent operators nationally.

We also support Secunda's Highveld Ridge Business Development Centre. This was established in 1995 to help emerging small businesses in the Highveld Ridge region of Mpumalanga to participate in the regional economy. The centre has become one of our community success stories by empowering hundreds of people, many of whom were previously unemployed.

During our 2004 and 2005 financial years, we granted R8 million to The Business Trust as part of a R20 million commitment over five years to enable this South African business initiative to create new jobs. At Sasolburg, we sponsor skills training of unemployed people.

Sasol also donated R15 million to establish five integrated energy centres (leCs) in under-resourced rural areas of South Africa.

An leC is a multifaceted retail facility selling illuminating paraffin, candles, liquefied petroleum gas, petrol and diesel. Located in poorer rural communities, these centres also provide advice and training on a variety of subjects, including using fuels safely and economically. These leCs are cooperatives owned by local community members.



Millions of people in rural South Africa have little or no access to energy other than firewood and small amounts of illuminating paraffin and bottled gas. The leCs help to solve this problem as part of the South African Government's Integrated Sustainable Rural Development Plan. We have established three Sasol-branded leCs in remote rural areas since late-2004.

In another initiative, our Secunda operations have launched Mpumalanga's first provincial entrepreneurship competition. Winners will receive entrepreneurial coaching and training as part of a wider commitment to create sustainable businesses.

Supporting health and welfare

Our focus in the community has been to impact on urgent development needs. Much of our support, however, has been directed at communities most affected by the HIV/Aids epidemic.

The Topsy Foundation in Grootvlei, Mpumalanga, operates a sanctuary for children whose parents have died of Aids-related ailments. Some of the orphans are HIV-positive.

We also sponsor Sasolburg's Matlafala Centre, which provides training and voluntary confidential counselling and testing. Sasol sponsored the reconstruction of the Esperado and Amazing Grace children's Aids shelters in Barberton and Malelane, respectively, in Mpumalanga. We also contribute to welfare organisations and medical research programmes.





Photograph: Dr Johan Botha

Caring for the environment

Sasol sponsors conservation and environmental education initiatives in South Africa, including birdcall recordings, books on birds and natural history topics, birdwatching facilities and wildlife conservation. Our conservation efforts are focused on endangered species such as Wild Dogs, vultures and Ground Hornbills.

The Sasol Schools Cleanup Project educates schoolchildren in Sasolburg and Secunda on the importance of maintaining a clean and healthy environment. Financial rewards presented to participating schools have enabled them to buy computers and books, improve sport facilities and build new classrooms.

Rejuvenating Sasolburg

In 2001, we initiated an urban renewal and upgrading project in Sasolburg. To date, we have invested almost R15 million. Known as the Rejuvenation of Metsimaholo because it has been expanded to incorporate the wider municipal area of Sasolburg, this public-private partnership project is aimed at improving the quality of urban life through various environmental, economic development, sport and recreation, social development and education upliftment projects.



Playing our role outside South Africa

Our businesses and joint ventures are also involved in a variety of community support and charitable activities outside Southern Africa. For example, at Kertih in Malaysia, through our interests in Optimal Olefins and Petlin, we support educational and charitable projects, including a school for children with physical and mental disabilities. In January 2005, we donated funds towards the relief programmes for the victims of the Asian tsunami disaster.

Vanessa Bouwer, deputy director, De Wildt Cheetah and Wild Dog and Wildlife Trust

“Sasol has funded research, release and education programmes for vulture conservation and the African Wild Dog. This has contributed to the conservation of these highly endangered species.”

mozambique natural gas project

bringing the human touch to projects

Our commercialisation of natural gas is a boon to the Mozambican economy and under-resourced communities. The country has the potential to earn billions of rands through gas-related taxes, royalties and dividends during the lifetime of our gas project.

The Mozambique Natural Gas Project (MNGP), completed in mid-2004, exemplifies how we approach a large capital project as a corporate citizen. As a result of our R8 billion investment, we extract natural gas from the Temane field, clean and compress it, and pipe it to South African gas customers and our petrochemical plants, where we convert this resource into fuels and chemicals.

In the spirit of the New Partnership for Africa's Development (NEPAD), the project has become a catalyst for strengthening the social, economic and political ties between South Africa and Mozambique.

The World Bank, among other organisations, cited the project as a benchmark for undertaking new investments in Africa in terms of social, political, economic and environmental criteria. The project earned Sasol the 2005 project management excellence award from the South African chapter of the international Project Management Institute.



A group of representatives from The World Bank visit one of the boreholes provided by Sasol for the community in Mozambique.



Construction of the 865-km cross-border pipeline to transport gas to South Africa commenced in June 2002 and the first gas reached Secunda in February 2004. A comprehensive study – based on critical economic, social, environmental and technical criteria – enabled us to select the optimal design, routing and construction of the pipeline required to transport gas to South Africa.

Showing concern

Care was taken during construction to minimise environmental impacts. In unavoidable circumstances, damaged areas were rehabilitated according to an agreed environmental management plan. Sasol and its contractors undertook measures to protect flora and fauna, including the oribi, red duiker, African python and other threatened species. Baobab trees, which have significant value to local communities, were rarely uprooted and, where unavoidable, affected baobabs were transplanted. In most instances we rerouted our pipeline to preserve baobabs.

The impact of our project on arable land was also minimised. According to environmental consultants, about 435 hectares of arable land was temporarily impacted by construction, which is minimal by world norms.

A small number of households had to be relocated and compensated. Sasol applied a viable human resettlement plan in line with World Bank and International Finance Corporation guidelines.



The International Association of Impact Assessment South Africa recently presented its premium award to Sasol in recognition of this resettlement programme. We also appointed a contractor to remove landmines from the 520-km Mozambican pipeline corridor.

The Mozambique Natural Gas Project became a catalyst for social upliftment projects, mostly for under-resourced communities living alongside the pipeline in southern Mozambique. By the end of the construction phase, Sasol had spent R33 million on social projects in Mozambique and R10 million on social projects in South Africa.

With our social investment focus being on the basic needs of the communities in our area of activity, we built clinics and schools, and sunk boreholes for drinking water in the pipeline-corridor and the areas around the gas processing plant. We also renovated a technical school in Beira and established projects for small businesses and farming. We sponsored care facilities for the aged, people with disabilities and Aids orphans, and donated computers to schools and community centres.



Evelina Chauque, head nurse at Moire health post in Mozambique

“The number of patients looking for medical care has increased since the opening of the healthcare facilities sponsored by Sasol. There are a lot of people who need our services, particularly those suffering from fever, malaria and sexually transmitted diseases.”



Harnessing benefits

Besides creating opportunities for Sasol Gas and its customers, natural gas enables our Secunda facilities to supplement its fuel production in line with market demand. Now that our Sasolburg petrochemical plant has converted from coal to natural gas for producing chemical feedstock, we have significantly reduced emissions into the atmosphere.

The MNGP is of considerable economic benefit to Mozambican citizens. Based on an agreed formula with Mozambican authorities, a target of achieving local content of 15% of work associated with the project was set and, by the end of the project, we had achieved local content of 29%. Sasol awarded 205 contracts valued at R511 million to private Mozambican

companies during the development phase. The project also created almost 3 200 temporary jobs and more than 200 permanent jobs.

Benefits to Mozambique include new job opportunities and new revenue streams. The royalty income from gas could, in time, be a catalyst to enable Mozambique to develop other economic areas. The country has the potential to earn billions of rands through taxes, royalties and dividends during the project's lifetime. Economists estimate this will significantly increase Mozambique's gross domestic product.

Through our Mozambican subsidiary companies, we continue to explore for additional gas reserves in Mozambique's Temane and Pande fields, as well as in two offshore blocks, Block 16 and Block 19.



President Thabo Mbeki, president of South Africa and former president of Mozambique, Joaquim Chissano, at the opening ceremony of the Mozambique Natural Gas Project.



sponsorships

strengthening passion for sport, art and nature

Our multifaceted sponsorships engender greater support for nation-building in the areas of sport, art, culture and the environment.

Sasol's sponsorships have created rewarding relationships and goodwill in communities. We believe sponsorships of national teams contribute towards nation-building by uniting people in a spirit of shared enthusiasm and patriotism.

In October 2004, we announced an investment of R120 million over six years in South African rugby as the official sponsor of the Springboks, South African A, Springbok Sevens and South African Under-19 and Under-21 rugby teams.



Sasol is an enthusiastic patron of the arts in South Africa and is involved in helping people from disadvantaged groups develop their artistic talents.

in the community

We have provided R150 million to the South African Under-23 football team, Amaglug-glug™, since 1994. We have committed a further R40 million for the four years to 2009. In 2005, we were involved, through the South African Football Association, in a countrywide “Wonke Wonke” talent search to develop a national Under-23 soccer team that is seeking success at the 2007 All Africa Games and the 2008 Beijing Olympic Games.

We also sponsored the South African team that participated in the 2004 Athens Olympic Games.



Additionally, we have sponsored motor sport for many years, with the annual Sasol Rally in Mpumalanga being one of the highlights. The Sasol Liquid Fuels Business sponsors the Exel cycling team.

Sasol also sponsors the South African Paralympic Team. By supporting Disability Sport South Africa (DISSA) we will help disabled athletes participate in the Paralympic Games in China in 2008.





Supporting beyond the playing fields

Our sponsorships extend to artistic, cultural, educational and environmental initiatives. Highlights include our past and present sponsorship of:



- Sasol SciFest, an annual national science and technology exhibition in Grahamstown;
- Sasol Techno X, an annual science and technology exhibition in Sasolburg;
- Mpumalanga's Science, Engineering and Technology Week;
- the National Potato Festival in Bethal;
- the Sejacufe Jazz and Cultural Festival in Secunda;
- the Sasol Schools Festival;
- the South African National Youth Orchestra;
- the visual arts category of the Aardklop Kunstefees (art festival) in Potchefstroom;
- the Sasol New Signatures Art competition for young and upcoming artists;
- the Sasol Wax Art Award to recognise professional career artists;
- the Sasol First Field Guide series of natural history and bird books;
- the Sasol Schools Cleanup Project in Sasolburg and Secunda;
- the Sasol Wild Dog Camp at the De Wildt Research Station near Brits; and
- the Sasol annual Mini Baja competition for engineering students who are required to build a four-wheeled, single-seater, off-road recreational vehicle.

Moeketsi Victor Makhalemele, a University of Cape Town BSc (IT) graduate and former participant in the programmes of the Boitjhorisong Resource Centre, Sasolburg

"Your contribution to Boitjhorisong is making a great difference to the community. Your role towards the enrichment of individuals through the centre subsequently enriches the nation. I personally appreciate your support and wish you growth and prosperity in business as you continue doing good work for mankind."

stakeholder relations

keeping stakeholders informed

We endeavour to build open and engaging relationships with stakeholders throughout our global operations.

Sasol shares information and opinions with stakeholders worldwide across a broad spectrum of issues. We maintain well-resourced communication, government relations, investor relations, corporate social investment, sponsorship and brand management teams.

We present our half-yearly and annual financial results to the financial community and media. We continuously issue media releases and investor updates, which we also publish through our website. We issue our annual reports, sustainable development reports and other publications to all stakeholder groups. Stakeholders are invited to participate in mine and plant visits, as well as plant and project openings and other Sasol events around the world.

Growing support for investors

Assisted by investor relations and communications consultants in New York and London, we keep shareholders and the wider investment community posted on our financial performance and topical issues. Our business leaders regularly present and discuss group performance and strategy with investment analysts, institutional investors and journalists around the world.

We also publish highlights of our annual and interim financial results in the main South African daily newspapers. In line with regulations of the New York Stock Exchange, the US Securities and Exchange Commission (SEC) and the JSE Limited in Johannesburg we do not disclose information selectively to shareholders and endeavour to share information with as many stakeholders as possible.

Major announcements are made through the JSE's Stock Exchange News Service, news wire services, media releases and the Internet, as well as through the relevant mediums required by the SEC.

We strive to build good relations at all levels of government, as well as local communities at all our operations worldwide. Our social investment, communication, SH&E and business leaders are involved in maintaining ties with non-governmental organisations, including environmental, welfare, academic and research organisations, social investors, chambers of business, trade unions, Aids groups and traditional tribal leaders.

At all times, we strive to be a better corporate citizen. We do this by being a responsible and caring neighbour that seeks to build and safeguard constructive relations for the greater good of all our stakeholders.



awards and citations

recognition for exemplary efforts

Sasol has received numerous awards and rankings from South African and international organisations. Highlights include:

Science, engineering and technology

- 2005** *The Mozambique Natural Gas Project (MNGP) received the project management excellence award from the South African chapter of the Project Management Institute.*
- 2004** *Sasol received a South African Technology Top 100 award for technology excellence for a large corporation for the Mozambique natural gas project.*
- 2004** *Sasol Technology received a technical project award from the Fossil Fuel Foundation for facilitating the growth of coal-based synthesis gas.*
- 2003** *Sasol Technology won three innovation awards from the South African Institute of Chemical Engineering (SAIChE) for commercially demonstrating a new reactor configuration in high-temperature Fischer-Tropsch technology, refurbishing natural-draft cooling towers online and advancing the technique for evaluating an adiabatic catalyst's performance.*
- 2003** *Sasol Technology received from SAIChE the Bill Neale-May gold medal for developing a modified cobalt-catalysed hydroformylation process.*
- 2002** *Sasol won a Technology Top 100 award for most outstanding innovation.*
- 2001** *Sasol Technology won a National Science and Technology Forum (NSTF) award for outstanding corporate contribution in science, technology and engineering.*
- 2001** *Sasol Technology and Linde won a SAIChE innovation award for an azeotropic distillation process that removes oxygenates from a C₄ broad cut.*
- 2000** *Sasol Technology won two SAIChE innovation awards for developing and implementing a unique 1-octene recovery process and for producing acrylamide in a catalytic distillation column, as well as project-managing a distillation tower featuring the world's largest partitioned column with trays.*

Business and financial

- 2006** Empowerdex ranked Sasol 45 out of 200 JSE listed companies in terms of broad-based BEE, putting us in the top quartile.
- 2005/2006** Sasol was the winner in the Ernst & Young excellence in corporate reporting awards, for two years running.
- 2005** Sasol won the Project Finance African oil and gas deal of the year award for the MNGP.
- 2005** Sasol won the overall financial reporting award from the Investment Analysts' Society (IAS) of Southern Africa, having also won several category winner and other financial reporting awards in previous IAS awards.
- 2005** Sasol Oil won a Franchise Association of South Africa award in recognition of its successful establishment of the first Sasol convenience centres around South Africa.
- 2002** Sasol Mining received the coal company of the year award in the annual Platts/Business Week global energy awards.

Social, sustainability and environmental affairs

- 2005/2006** Sasol is ranked in the top six of the 31 high-impact companies by the JSE in its Socially Responsible Investment (SRI) Index.
- 2006** Sasol receives the Gold Award in the Free State Premier Excellence Awards for outstanding and consistent work in social development.
- 2005** The 2004 Sasol sustainable development report won the award for best sustainable development report in the South African Sustainability Reporting Awards sponsored by the Association of Chartered Certified Accountants (ACCA).
- 2004** The MNGP resettlement planning and implementation team won an International Association of Impact Assessment, South Africa award for excellence in environmental management and project execution.
- 2004** The 2002 Sasol sustainable development report received the runner-up award for best sustainable development report in the ACCA-sponsored South African Sustainability Reporting Awards.
- 2004** Dow-Jones sustainability rating improved again.
- 2004** Sasol was one of the first companies to be listed on the JSE Socially Responsible Investment Index.
- 2003** Sasol received a special commendation for investment in innovative projects to minimise environmental impacts in the Mail & Guardian Greening the Future awards.
- 2003** Two Sasol mining operations each won an Excellence in Mining Environmental Management award from a provincial Department of Minerals and Energy: Bosjesspruit in Mpumalanga and Sigma-Wonderwater in the Free State.
- 1999** The Sasol-sponsored and co-founded Boitjhorisong Resource Centre received the Free State premier's education project of the year award.

memberships and affiliations

maintaining important global affiliations

Sasol has been listed on the JSE Limited in South Africa since October 1979 and remains one of the largest industrial companies listed on the Johannesburg bourse on the strength of our market capitalisation. After being listed on NASDAQ in the USA for several years, we transferred our secondary American listing to the New York Stock Exchange in April 2003.

We are corporate members of international and local business, industrial, engineering, scientific and other organisations. In South Africa, these include:

- *Business Trust*
- *Business Against Crime*
- *Chambers of Commerce & Industry South Africa*
- *Business Unity South Africa*
- *Chamber of Mines*
- *Chemical and Allied Industries' Association*
- *Plastics Federation of South Africa*
- *South Africa Foundation*
- *South African Colliery Managers' Association*
- *South African Institute of Chemical Engineering*
- *South African Institution of Mechanical Engineering*
- *South African Petroleum Industry Association.*

In Europe, the USA and Asia, we also are members of business, industrial and other bodies at regional, national, state/provincial and metropolitan levels. Through such organisations, we play a constructive role in supporting important communities of interest.

Supporting international initiatives



We signed the Responsible Care guidelines and management principles in 1994.

This signalled our global commitment to become more publicly proactive in managing and improving our safety, health and environment performance in our fuel and chemical operations. In 2000, we accepted sustainable development as a strategic

imperative and began to prepare our management and reporting systems in accordance with the Global Reporting Initiative's sustainability reporting guidelines.

This commitment inspired us to participate in the international Dow-Jones Sustainability Index (DJSI). We have on several occasions been included in the DJSI by achieving a top-quartile ranking for our category, the international chemical industry.

Sasol signed the United Nations Global Compact in 2001 to demonstrate our commitment to work with the global community in seeking solutions to many of the world's pressing social, economic and environmental challenges. These include the drive to reduce poverty and greenhouse-gas emissions.

We also participated in the 2002 World Summit on Sustainable Development.

We observe international charters, protocols, codes of conduct and related guidelines, including those of the International Labour Organisation, Social Accountability International, Transparency International, the United Nations' Declaration of Human Rights, the Kyoto Protocol and the Montreal Protocol.

citizenship milestones

a legacy of good citizenship

- 1990** *First corporate environmental policy released.*
- 1994** *Sasol becomes a Responsible Care signatory.*
- 1996** *Group obtains first two ISO 14001 certifications for environmental management systems.*
- 1996** *First voluntary environmental report released to the South African public.*
- 1996** *Sasol stops producing chlorofluorocarbons under the Montreal Protocol.*
- 1997** *Group commits to black economic empowerment (BEE) by forming Exel Petroleum with historically disadvantaged South Africans.*
- 1999** *Sasol safety, health and environmental (SH&E) centre established to enhance SH&E programmes worldwide.*
- 2000** *Group commits to sustainable development and the adoption of world-best practices in pursuing sustainable development.*
- 2001** *Sasol implements new global safety, health and environmental policy.*
- 2002** *Group participates in the World Summit on Sustainable Development in Johannesburg.*
- 2002** *Sasol HIV/Aids Response Programme (SHARP) launched to further reduce the impact of Aids in the workplace and host communities.*
- 2003** *More than 80% of our production operations worldwide report having ISO 14001 certification for their environmental management systems.*
- 2004** *The introduction of natural gas at Sasolburg eliminates hydrogen sulphide emissions and reduces emissions of particulates, sulphur dioxide, nitrous oxides and carbon dioxide.*
- 2005** *Sasol publishes its third biennial corporate sustainable development report based on the sustainability guidelines of the Global Reporting Initiative. We announce plans to publish our sustainable development reports annually.*

contact directory

	Telephone	e-mail
Investor relations Cavan Hill	+27 11 441 3563	<i>investor.relations@sasol.com</i>
Group corporate affairs André Botha	+27 11 441 3218	<i>andre.botha@sasol.com</i>
Group communication Marina Bidoli	+27 11 441 3511	<i>marina.bidoli@sasol.com</i>
Media affairs Johann van Rheede	+27 11 441 3295	<i>johann.vanrheede@sasol.com</i>
Human resources Nolitha Fakude	+ 27 11 441 3814	<i>nolitha.fakude@sasol.com</i>
Government relations Max Sisulu	+27 11 441 3440	<i>max.sisulu@sasol.com</i>
Black economic empowerment Max Sisulu Neil Bawden	+27 11 441 3440 +27 11 441 3201	<i>max.sisulu@sasol.com</i> <i>neil.bawden@sasol.com</i>
Corporate social investment Pamilla Mudhray	+27 11 441 3597	<i>pamilla.mudhray@sasol.com</i>
Group sponsorship Andriesa Singleton	+27 11 441 3346	<i>andriesa.singleton@sasol.com</i>
Sustainable development and safety, health and environmental affairs Dr Mike Rose	+27 11 344 0147	<i>mike.rose@sasol.com</i>
Corporate governance Dr Nereus Joubert Michelle du Toit	+27 11 441 3413 +27 11 441 3359	<i>nereus.joubert@sasol.com</i> <i>michelle.dutoit@sasol.com</i>
International synfuels technology Rudi Heydenrich Sasol Synfuels International	+27 11 344 0045	<i>rudi.heydenrich@sasol.com</i>
Research and development Dr Chris Reinecke Sasol Technology	+27 16 960 2900	<i>chris.reinecke@sasol.com</i>
Fuels research and reformulation Dr Johan Botha Sasol Technology	+27 11 344 0142	<i>johan.botha@sasol.com</i>

useful publications

providing deeper insight

Stakeholders seeking a greater understanding of Sasol's aspirations and achievements can explore other publications, some of which are available through our website (www.sasol.com). These include annual reports and Forms 20-F submitted to the US Securities and Exchange Commission, investor newsletters, sustainable development reports and the Sasol Facts booklet. We also feature our Partnership and Growth BEE booklet, as well as media releases, investor presentations and briefing documents.

Note to readers

The Soul of Sasol has been conceived to update stakeholders on Sasol's main challenges and achievements in our pursuit of good corporate citizenship. This review's primary focus is on our social and economic involvement in South Africa and Mozambique.

Sasol publishes a comprehensive sustainable development report in accordance with the sustainability reporting guidelines of the Global Reporting Initiative (GRI). This annual publication provides detailed reporting on key areas of sustainability, including performance in safety, health and environmental management.

Several references are made to Sasol's financial years, which end on 30 June. A reference to our 2005 financial year, for example, refers to the period between 1 July 2004 and 30 June 2005.

Disclaimer

Forward-looking statements

In this publication we make certain statements that are not historical facts and relate to analyses and other information based on forecasts of future results and estimates of amounts not yet determinable, relating, among other things, to volume growth, increases in market share, total shareholder return and cost reductions. These are forward-looking statements as defined in the US Private Securities Litigation Reform Act of 1995. Words such as "believe", "anticipate", "expect", "intend", "seek", "will", "plan", "could", "may", "endeavour" and "project" and similar expressions are intended to identify such forward-looking statements, but are not the exclusive means of identifying such statements. Forward-looking statements involve inherent risks and uncertainties and, if one or more of these risks materialise, or should underlying assumptions prove incorrect, actual results may be very different from those anticipated.

The factors that could cause our actual results to differ materially from such forward-looking statements are discussed more fully in our most recent annual report under the Securities Exchange Act of 1934 on Form 20-F filed on 26 October 2005 and in other filings with the United States Securities and Exchange Commission.

Such forward-looking statements apply only as of the date on which they are made, and we do not undertake any obligation to update or revise any of them, whether as a result of new information, future events or otherwise.

Sasol is an integrated oil and gas company with substantial chemical interests. Based in South Africa and operating worldwide, Sasol is listed on the NYSE and JSE stock exchanges. We are the leading provider of liquid fuels in South Africa and a major international producer of chemicals. Sasol uses proprietary Fischer-Tropsch technologies for the commercial production of synthetic fuels and chemicals from low-grade coal and natural gas. We manufacture more than 200 fuel and chemical products that are sold worldwide. In South Africa we also operate coal mines to provide feedstock for our synthetic fuels plants. Sasol operates the only inland crude oil refinery in South Africa. The group produces crude oil in offshore Gabon, supplies Mozambican natural gas to end-user customers and petrochemical plants in South Africa, and with partners is developing gas-to-liquids fuel joint ventures in Qatar and Nigeria.

Sasol Limited

1 Sturdee Avenue, Rosebank 2196, Johannesburg

PO Box 5486, Johannesburg 2000, South Africa

Telephone: +27 11 441 3111

Telefax: +27 11 788 5092

E-mail: sasolltd@sasol.com

Website: www.sasol.com

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