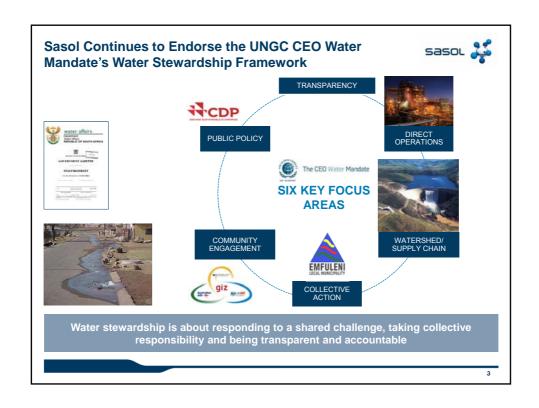


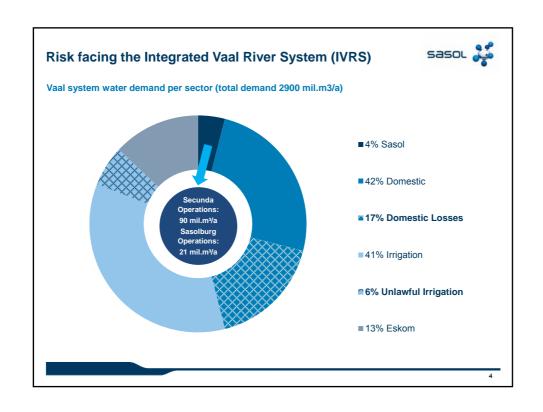
Preamble





- · in water scarce regions like South Africa;
- in companies with large and complex footprints like Sasol (compared to our peers we have an
 unusually large water demand from water scarce regions).
- Water has strategic importance for Sasol due to our upstream manufacturing activities.
- Companies that identify the lack of water as a significant risk to their business are taking action via improved water management practices referred to as corporate water stewardship.
- Water stewardship is a stakeholder-inclusive process that involves site-and-catchment based actions to decrease water risk exposure.
- Sasol has been a signatory to the UN Global Compact CEO Water Mandate since 2007 and has
 adopted the mandate's water stewardship framework in responding to water risks.
- Driving water partnerships is advocated by the UNGC CEO Water Mandate (collective action and community engagement).





Business case for Water Partnership Incentives



SA stats*(WRP,2017):

- Non-revenue water is close to 37%.
- 45% of municipalities have poor/no water loss information and plans.
- Average water consumption in SA is 238 L/capita/day as apposed to international which is 178 L/c/d.

The Department of Water and Sanitation (DWS) Response:

- Reconciliation Strategy identified meeting 15% savings target in reducing urban water losses by Municipalities as a significant opportunity in bringing the IVRS into balance.
- Appeal to the private sector to support Government initiatives in water conservation/water demand management (WC/WDM).
- The DWS included the development of a Water Offsetting Policy (being revised to Water Stewardship framework policy) in the National Water Resource Strategy 2 (NWRS2) as an incentive for Business to participate.
- In discussion with the DWS to consider merging the 2 policies to be called Incentive Based Partnership Policy
 Framework.
- A company may offset for good corporate stewardship, or may seek a regulatory benefit such as higher-priority
 access to water in times of drought
- · (Hastings & Pegram; 2012)

Sasol has concluded that water security for our operations can be improved in a more meaningful way by saving water beyond our factory fence line.

*WRP, Status Report on Water Losses within the 8 large water supply systems, March 2017.

5

War on Leaks in Metsimaholo Local Municipality – A Case for Water Offsets



Summary:

- Sasol is involved in a water conservation/water demand management project for MLM in Sasolburg, in collaboration with Rand Water, GiZ and the DWS.
- A feasibility study completed in 2012 concluded that the focus of the MLM War on leaks project should be in the Greater Zamdela area.
- The DWS contributed R4 million (baseline establishment), Sasol R2.9 million (advanced pressure management) and GiZ 60,000 Euros (education and awareness raising).
- The partnership support contributed to MLM achieving a reduction in potable water demand in the greater Zamdela area by 23% (3.1 ML/day) due to pressure reduction (equates to savings of approx. R9 million/annum).
- Saving equates to offsetting 5% of SO's raw water demand (60 ML/day) and 72% of SO's potable water demand (4.3 ML/day).





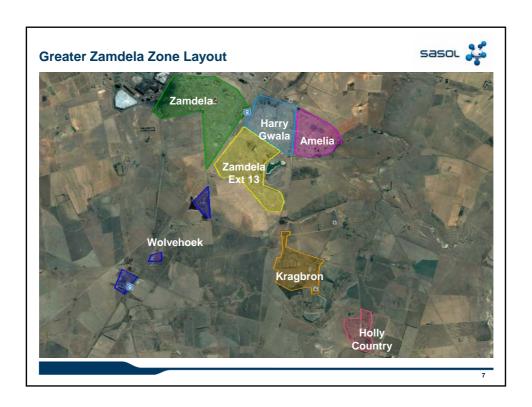












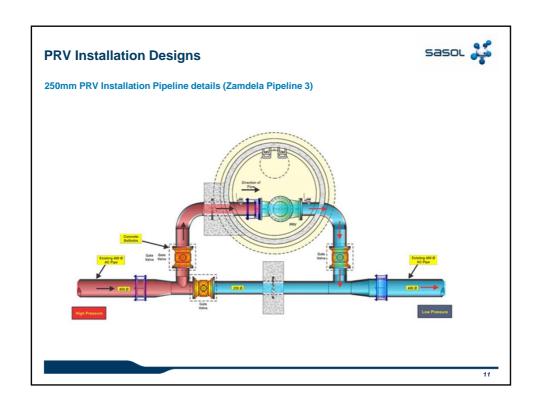
Scope of Work



- Baseline Establishment
- Advanced Pressure Management in Zamdela and Harry Gwala
- Harry Gwala Reservoir Complex Remedial Works
- Large Consumer Meter Audits and Meter Installations
- Large Consumer Meter Monitoring
- Control Valve Training

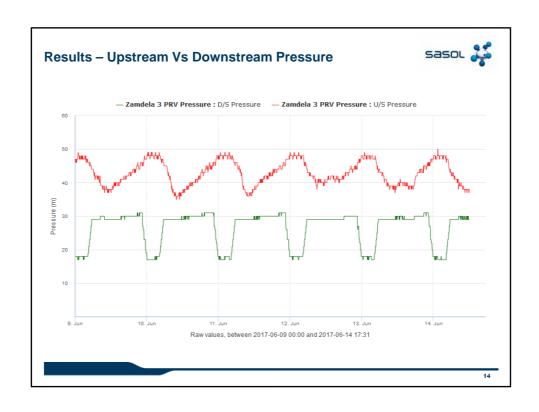
AREA	NO. PROPERTI ES	ESTIMATED POPULATION PER PROPERTY	ESTIMATED POPULATION	MEASURED DAILY DEMAND (M³/DAY)	DEMAND / HOUSEHOLD / MONTH (M³)*	LITRE / CAPITA / DAY **	MNF/ AVERAGE	
Zamdela	7386	6	44316	11 448	47.1	258	85%	
Harry Gwala	3265	5	16325	3 558	33.1	218	82%	
Zamdela X13	5338	4	21352	1 559	8.9	73	N/A	
Amelia	3150	4	12600	1 105	10.7	88	N/A	
Kragbron	389	4	1556	193	15.1	124	50%	
Holly Country	208	4	832	148	21.6	178	0%	
Wolvehoek	N/A	N/A	N/A	836	N/A	N/A	N/A	
Total	19736	4.9	96981	18 294	28.2	189		
			*M	NF = Minimum N	ight Flow			
				141 - Million 14	igitt i iow			

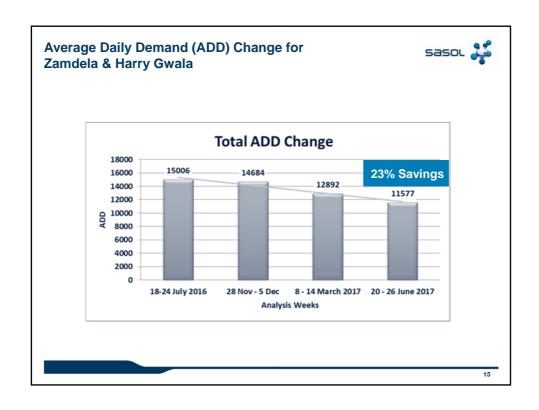
















sasol 🎎 **Summary of Large Consumer Logging Results to Date** AVERAGE DAILY CONSUMPTION (M³/DAY) AVERAGE FLOW RATE (M³/H) MINIMUM NIGHT FLOW (M³/H) ESTIMATED LEAKAGE (M³/DAY) LARGE CONSUMER 22,6 13,9 538 300,2 5,5 4,6 106 99,4 0,3 0 7 0 0,3 0 8,3 0 15 12,7 315 274,3 10,5 6,5 253 140,4 3,4 0 80,8 0 8,5 6,4 137,8 138,2 47 34,6 1,9 1,6 2,5 18



Lessons Learnt in Water Partnership Projects



- Leak reduction projects should be done on a large enough scale to see savings on bulk purchases.
- A proper baseline needs to be established in order for losses to be measured.
- Municipality needs to dedicate resources to the project.
- Project Management is required for the success of partnership projects.
- Ensure that partners contribute equally in the process.
- Education and awareness on water conservation needs to be ongoing and part of the municipalities business model for sustainability of such a project.
- Proper project governance needs to be administered.
- Stakeholder management communities and political stakeholders needs to be kept informed.
- Assess beneficiaries capabilities to ensure sustainability.

Conclusion and Recommendation



- The Zamdela water loss reduction project was a success; there are still opportunities for further leakage reduction.
- Sasol is aligned to a stakeholder approach in mitigating our water risks hence we support water partnerships.
- Municipalities are under immense pressure to meet their WC/WDM targets hence this case study demonstrates a need for incentives for private sector investment beyond the factory fence-line.
- It is therefore recommended that the DWS enable incentives like Water Offsetting to be recognised in law
 to attract private sector investment in Public infrastructure.