SASOL LIMITED
INTEGRATED REPORT
for the year ended 30 June 2020

sasol

Celebrating 70 years

POSITIONING FOR A
SUSTAINABLE FUTURE

POSITIONING FOR A SUSTAINABLE FUTURE

Sasol is a global integrated chemicals and energy company spanning 30 countries. Through our talented people, we use selected technologies to safely and sustainably source, manufacture and market chemical and energy products globally.

OUR VISION

To be a leading integrated and global chemical and energy company, proudly rooted in our South African heritage, delivering superior value to our stakeholders.

OUR PURPOSE

To create superior value for our customers, shareholders and other stakeholders. Through our talented people, we use selected technologies to safely and sustainably source, produce and market chemical and energy products competitively.

OUR SUSTAINABILITY STATEMENT

Advancing chemical and energy solutions that contribute to a thriving planet, society and enterprise.

SUSTAINABLE DEVELOPMENT FRAMEWORK

We have prioritised four relevant SDGs to ensure our business is environmentally, socially and economically sustainable.

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FORWARD-LOOKING STATEMENTS DISCLAIMER

Sasol may, in the Integrated Report, 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. These statements may also relate to our future prospects, developments and business strategies taking into account the impact of COVID-19 on Sasol. Refer to the inside back cover (IBC) for our full disclaimer on forward-looking statements.

OUR SUITE OF REPORTS

These reports are available on our website, www.sasol.com, or on request from Investor Relations. Contact details are on inside back cover (IBC).

IR

Integrated Report

Concise communication about how Sasol's strategy, governance, performance and outlook lead to the creation of value over the short, medium and long term.

SR

Sustainability Report

Communication about Sasol's environmental, social and governance (ESG) performance.

CCR

Climate Change Report

Information about Sasol's climate change risk management process, response strategy and summary of work underway to address our climate change risks.

AFS

Annual Financial Statements

Contains full analysis of the Group's financial results, with detailed financial statements, as well as the full Remuneration Report together with the report of the Audit Committee.

20-F

Form 20-F

Our Annual Report filed with the United States Securities and Exchange Commission (SEC), in line with the requirement of our New York Stock Exchange listing.

ABOUT THIS REPORT

Our Integrated Report aims to provide a balanced and accurate reflection of our strategy, performance, opportunities and future outlook in relation to material financial, economic, social and governance issues. The intent of the report is primarily to address value-creation considerations of long-term investors but also provides appropriate information to all our key stakeholders.

Reporting boundary for the Integrated Report
(risks, opportunities and outcomes)

Financial reporting entity
(control and significant influence)

SASOL

Subsidiaries | Joint arrangements | Other investments

Employees and organised labour | Shareholders and providers of capital | Customers | Governments and regulators | Communities | Non-governmental organisations (NGOs) | Suppliers | Media | Organised business and industry

Our suite of reports complies with the following reporting standards and frameworks

The International Integrated Reporting <IR> Framework	○ ●
South African Companies Act 71 of 2008, as amended	○ ●
Johannesburg Stock Exchange (JSE) listings requirements	○ ●
King IV™ Report on Corporate Governance for South Africa, 2016	○ ●
International Financial Reporting Standards (IFRS)	○ ● ●
Global Reporting Initiative (GRI)	● ●
Task Force on Climate-related Financial Disclosure (TCFD)	○ ● ●
United Nations (UN) Sustainable Development Goals (SDGs)	● ●
United States Securities and Exchange Commission (SEC) rules and regulations	●
Sarbanes-Oxley Act of 2002	●

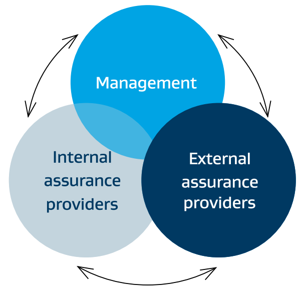
Reports

IR | SR | CCR | AFS | 20-F

Internal controls framework and assessment

The Board of Directors of Sasol Limited (the Board), with the support of the Audit Committee, is ultimately responsible for Sasol's system of internal control, designed to identify, evaluate, manage and provide reasonable assurance against material misstatement and loss. We apply a combined assurance model, which seeks to optimise the assurance obtained from management as well as internal and external assurance providers while fostering a strong ethical context and mechanisms to ensure compliance. Through the risk management process, approved by the Board, management identifies key risks facing Sasol and implements the necessary internal controls.

Our combined assurance model



The process is monitored and evaluated under the direction of internal audit, while external audit teams cover key controls and accounting matters in the course of their audits. Other levels of external assurance are obtained as and when required. The Board and Audit Committee assessed the effectiveness of controls for the year ended 30 June 2020 as satisfactory, primarily through a process of management self-assessment, including formal confirmation from executive management and also considered reports from internal audit, external audit and other assurance providers. The consolidated financial statements present fairly, in all material respects, our financial position, results of operations and cash flows as of and for the period.

Directors' approval

The Board is ultimately responsible for ensuring the integrity of Sasol's integrated reporting. The Board gave attention to management's evaluation of the effectiveness of the Group's disclosure controls and procedures. Other than the material weaknesses reported in the Annual Financial Statements and the Form 20-F, we believe Sasol has designed such internal controls over financial reporting to provide reasonable assurance regarding the reliability of financial reporting and the preparation of financial statements for external purposes in accordance with International Financial Reporting Standards.

Notwithstanding the material weaknesses, we confirm that the 2020 Integrated Report addresses all material issues and matters which affect the Group's ability to create value, and fairly represents the Group's integrated performance. The Board approved this report and its publication on 21 August 2020.

The Board confirms that Sasol is in compliance with the provisions of the Companies Act relating to its incorporation and is operating in conformity with its Memorandum of Incorporation.

Signed by the Board:

Sipho Nkosi
Chairman of the Board

Fleetwood Grobler
President and Chief Executive Officer

Paul Victor
Chief Financial Officer

Vuyo Kahla
Executive Vice President

Colin Beggs | **Manuel Cuambe** | **Muriel Dube** | **Martina Flöel**

Katherine Harper | **Beatrix Kennealy** | **Nomgando Matyumza** | **Moses Mkhize**

Mpho Nkeli | **Peter Robertson** | **Stephen Westwell**

Committed to delivering sustainable value

Sasol is driven to create sustainable value for all our stakeholders. Our strategy takes into account the six capitals, the stakeholders with whom we interact and the risks and opportunities that our operating environment presents. Our heavily geared balance sheet and the extreme market volatility required us to revise our strategy to ensure our resilience in a dynamic new world and deliver a robust Future Sasol. We continuously monitor the material matters that we have identified as having the potential to substantially affect – both positively and negatively – our ability to create value over the short, medium and long term.

Risk

The main purpose of risk management is to adequately position the organisation to understand and respond to the potential risks that could materially impact the execution of our strategy and value creation.

Our top risks

- Financial risks
- Safety and operational risks
- Legal, regulatory and governance risks
- Information management risks
- Capital investment risks
- Geopolitical risks
- Market risks
- Sustainability risks
- People risks
- Stakeholder risks
- COVID-19 risks

Our key stakeholders

Our ongoing engagement with stakeholders enhances our reputation and improves our understanding of stakeholders' needs and interests to position us for a sustainable future.

- Employees and organised labour
- Shareholders and providers of capital
- Customers
- Governments and regulators
- Communities
- Non-governmental organisations (NGOs)

Six capitals

Human capital
To grow and steer our business and operate our facilities safely and efficiently, we require high-performing, innovative and diverse people with the right skills and experience. We focus on being an inclusive organisation, building and retaining critical skills and developing our leadership capabilities.

Social capital
To create an enabling environment for operations and investment, we integrate the needs of our stakeholders into our business and we deliver on our commitments. We actively engage stakeholders to ensure we progress on strategy and have a multi-stakeholder approach to solve challenges.

Natural capital
We require natural gas, coal and crude oil as well as air, water, land and energy to convert hydrocarbon reserves into value-adding product streams, while minimising our environmental footprint.

Financial capital
We are disciplined in the way we allocate our financial capital. We use cash generated by our operations, divestments, debt and equity financing to sustain our business and fund growth.

Manufactured capital
By investing in plant and equipment, we are able to convert hydrocarbon resources into high-value product streams and operate reliably. These investments also help manage our environmental footprint and assist in complying with regulatory requirements.

Intellectual capital
Our proprietary and licensed technologies, software, licences, procedures and protocols support our competitive advantage. Through various initiatives that include operational excellence and digitalisation, we enhance our robust foundation.

Material matters

Material matters are those issues that could substantially affect our ability to create value in the short, medium and long term. Responding to the lower oil price, the severe economic effects of COVID-19 and managing the balance sheet have become our primary focus and will significantly impact all our material matters that are described on page 42

- Maximising value from foundation business
- Advancing sustainability
- Eliminating fatalities and improving our culture
- Managing market volatility and our self-help actions
- Optimising our portfolio

STABILISING THE BUSINESS AND RESETTING FUTURE SASOL

In 2020, Sasol faced challenges unparalleled in our 70-year history. The oil price collapse, volatility in chemical prices and the spread of COVID-19 came at a time when the balance sheet was at peak gearing. We took immediate steps to respond to this crisis but also realised that we had to reset Sasol to become sustainably profitable in a lower oil price environment. This will be achieved through our updated strategy and revised operating model.

Short-term pressures

- BALANCE SHEET UNDER SEVERE PRESSURE
- VOLATILE MACRO-ECONOMICS
- SAFE AND RELIABLE OPERATIONS

Response

Taken decisive steps to make zero harm a reality. In parallel, we implemented an immediate comprehensive response plan to conserve at least US$6 billion by 2021 through self-help measures, accelerated asset disposals and a rights issue of up to US$2 billion in the second half of financial year 2021.

Long-term challenges

- LOWER-FOR-LONGER OIL PRICES
- ASSETS AT RISK OF DIMINISHING RETURNS
- SHIFTING INVESTOR EXPECTATIONS
- INCREASED SOCIETAL PRESSURE TO REDUCE CARBON EMISSIONS

Implementing a strategic reset to create a sustainable Future Sasol. We revised our strategy to create greater focus on enhanced cash generation, value realisation for shareholders and overall business sustainability.

Resetting Sasol to focus on two distinct core businesses

Our Chemicals Business

Taking a specialty focus to deliver higher value returns

Our Energy Business

Using gas to transform our Southern Africa energy business

Immediate priorities

STABILISE THE BUSINESS

Stabilise operations throughout the Group by:

- Reigniting an awareness for safe and reliable operations
- Delivering on short-term cash conservation targets and reducing debt through expanded and accelerated asset disposal programme
- Rolling out the lessons learnt from the Lake Charles Chemicals Project (LCCP) to other areas of the business
- Driving tight production practices, liquidity management and cost discipline
- Enhancing cash flows from our foundation business by improving the customer experience and driving volume growth
- Boosting employee morale and engagement
- Switching to low carbon-intensive energy sources and investigating new ways in which to reduce our emissions profile

3 - 5 years focus

BUILD FUTURE SASOL

Build a resilient Company that is sustainably profitable in a US$45/bbl oil price world by:

- Increasing ROIC by leveraging digitalisation, cost optimisations, margin improvements, reduction in overheads and reviewing the portfolio
- Ensuring prudent balance sheet management through a disciplined capital allocation framework
- Strengthening stakeholder relationships through enhanced communication engagements
- Improving project execution and safely ramping up the LCCP at, or better than, expectations
- Transforming our business to ensure resilience in a lower-carbon future

5 - 10 years focus

SHIFT THE PORTFOLIO

Shift our portfolio to be fit-for-purpose by:

- Optimising our portfolio to focus only on those assets that can generate attractive returns through the cycle
- Continuing to divest from the identified non-strategic assets
- Identifying and developing new, differentiated applications for our performance chemicals products
- Exploring opportunities for development and production of gas in Southern Africa
- Growing our liquid fuels retail footprint in South Africa
- Invest in lower-carbon technologies and shift the portfolio to lower-carbon businesses
- Embrace digital technologies to address complexity of mining

Our strategic goals

Our value-based goals serve to remind us what good looks like and provide a mechanism for us to monitor our progress.

- Zero harm
- Engaged and stable workforce
- Sustainable returns to shareholders
- Increased cash flow through the cycle
- Enhanced social value delivery
- Delivering on our environmental commitments
- Commitment to reduce GHG emissions
- Produce sustainable chemical and energy products

NAVIGATING THROUGH CHALLENGING TIMES

Sipho Nkosi
Chairman

"In our 70-year history we have faced and overcome many challenges. Our deeply entrenched 'can-do' spirit drives our perseverance and has enabled Sasol to deliver, even in times of great uncertainty."

Dear stakeholders

We find ourselves in a rapidly changing world, primarily driven by the COVID-19 (coronavirus) pandemic. As governments grapple with containing this highly infectious, and often deadly virus, we are witnessing global economic turmoil on a scale unlike anything experienced in modern history.

COVID-19 has impacted every company and economy in some form, potentially also triggering lasting geopolitical change. The effects on Sasol are particularly profound.

As the COVID-19 storm approached, we were already at a disadvantage owing to our highly geared balance sheet. This placed the Group's liquidity at serious risk, especially as oil prices collapsed and product demand for some commodities evaporated.

This thrust a sudden and unprecedented set of challenges on us. In the face of these, the Board supported the management team in rapidly activating a comprehensive response plan. This plan was aimed at stabilising the business in the short term, while preparing for a strategic reset – Future Sasol – to ensure a sustainable Group in an enduring low oil price environment and carbon-constrained world.

Driving an immediate response

Much of the Board and management's focus in the latter half of the year was to stabilise and strengthen Sasol's foundation in the short term, which would serve as a springboard for building Future Sasol.

The immediate priority was a cash conservation drive to shore up Sasol's liquidity, alongside accelerating and broadening the asset disposal programme and preparing for a rights issue to shareholders.

These measures will continue well into the new financial year, while we transition to Future Sasol.

We recognise that the world may see lower-for-longer oil prices and will demand low-carbon energy and hence we have to change - Future Sasol aims to improve our cash flow generation and pursue lower carbon alternatives that can benefit all stakeholders. We are aiming to position a business that can be resilient and sustainably profitable in a US$45/bbl world. This change is underpinned by a reset strategy and revised operating model.

The Group's revised strategy focuses on areas where we believe there are good value growth prospects, which are low risk and with lower-carbon intensity, informed by evolving consumer needs and powerful megatrends.

Furthermore, we have narrowed Sasol's portfolio to focus on two businesses – Chemicals and Energy – pursuing customer-led growth in select markets, while resizing the upstream portfolio to focus on gas in Southern Africa and discontinuing oil growth activities in West Africa.

We remain firmly committed to transitioning to a lower-carbon world and developing solutions to meet our sustainability goals. The Board is working closely with management to deliver a credible greenhouse gas (GHG) reduction roadmap to meet our 2030 target and develop a longer-term emission reduction ambition to 2050. The 2030 roadmap has been published in the Climate Change Report CCR.

In our 70-year history we have faced and overcome many challenges. Our deeply entrenched 'can-do' spirit drives our perseverance and has enabled Sasol to deliver, even in times of great uncertainty. Evidence of this includes our track record of beating cost targets. We strongly believe we will emerge from this crisis a stronger, more resilient Group.

Our safety performance

It is with a heavy heart that I report six fatalities this year: three employees and three contractors tragically lost their lives in work-related incidents. On behalf of the Board and all Sasol people, I convey our sincerest condolences to the families, friends and colleagues of those who died.

'Eliminating fatalities and improving our culture' is one of the Group's five material matters identified in the year (see material matters on page 42). Any loss of life is unacceptable. As the Board, we are continuing to work with management to drive focused interventions to proactively address the prevention of fatalities and high-severity injuries.

To contain and prevent the spread of COVID-19, I am pleased that management acted swiftly in implementing all regulatory requirements and necessary workplace controls and continues to actively monitor and mitigate the impact.

Passing the dividend to protect the balance sheet

The Board made the decision to pass both the interim and final dividend. This was in an effort to protect the balance sheet in the long-term interest of our shareholders, and indeed of our many stakeholders. Dividend pay-outs by Sasol South Africa Limited (SSA) were also impacted by lower product demand and reduced earnings. This will affect SSA's ability to pay off the loans of the Broad-Based Black Economic Empowerment transaction – Sasol Khanyisa. It is therefore an immediate priority that we reset the business to improve cash flows, drive cost reduction and the profitability of our businesses.

Leadership and governance

The Board Review into the LCCP underscored the need to further strengthen Sasol's internal governance systems, prompting a number of initiatives to improve governance processes and controls.

The Board worked to ensure that Sasol has a culture of accountability. We acknowledged that for trust in the Group to be restored, a reset was required, including new leadership. As a result, the Joint Presidents and Chief Executive Officers, Mr Bongani Nqwababa and Mr Stephen Cornell, agreed to an amicable mutual separation, and a new President and CEO, Mr Fleetwood Grobler, was appointed effective 1 November 2019.

In addition to these changes, and the retirement of our Chairman, other governance developments in the year included the retirement of our Lead Independent Director (LID) and the appointment of a successor, the appointment of two new Directors, as well as a new Company Secretary.

On behalf of the Board, I would like to thank Dr Mandla Gantsho, Mr JJ Njeke, Mr Bongani Nqwababa and Mr Stephen Cornell for their invaluable contributions over the years. I welcome Mr Fleetwood Grobler, Mr Vuyo Kahla and Ms Katherine Harper to the Board, congratulate Mr Stephen Westwell as our new LID, and extend a welcome to our new Company Secretary, Ms Lucy Mokoka. Diversity remains important to Sasol and I am pleased that these appointments further that goal as six of our 15 Board members are women.

In response to Sasol's recent challenges, the Directors unanimously agreed to a fee sacrifice of at least 20%, for the duration of the employee sacrifice, to assist the Group in overcoming cash flow challenges.

I would like to thank my fellow Directors for the important example they have set.

Acknowledgments

It was an honour to be appointed Chairman of Sasol on the eve of the Group's 70th anniversary. I am conscious of the great responsibility that comes with the position, particularly at a time of great upheaval – not only for a world suffering from the COVID-19 pandemic, but also for Sasol.

On behalf of the Board, I extend my thanks and deep appreciation for the profound contributions of every employee during a critical and unprecedented period in the Group's history. Sasol employees stepped up by diligently driving the cash conservation effort, while many thousands also sacrificed part of their salaries to support the organisation. This is evidence of the 'Team Sasol' spirit.

I also acknowledge Sasol's stakeholders for your continued support and engagement. Throughout this Integrated Report, and the Sustainability Report SR, we reflect on the work Sasol is doing to grow shared value for society at large; minimise our environmental footprint; ensure safe and enduring operations; as well as focus on securing the Group's resilience in a lower-carbon future. Your challenge and input have been important in our effort to set a new strategic direction. I look forward to continuing our dialogue.

Outlook

As we mark Sasol's seven decades in business, we take comfort from the Group's resilience. However, we do not take it for granted. We understand the extent of the work that is required to navigate successfully through the immediate macroeconomic storm as well as the substantial changes that are required to ensure the long-term sustainability of the Group in a low oil price and carbon-constrained world.

We look forward to working collaboratively with our many partners across the globe as we endeavour to regain their confidence and secure Future Sasol that is resilient and indeed fit-for-the-future.

Sipho Nkosi
Chairman

21 August 2020

PRESIDENT AND CHIEF EXECUTIVE OFFICER'S STATEMENT

STABILISING THE BUSINESS AND RESETTING FUTURE SASOL

Fleetwood Grobler

President and
Chief Executive Officer

> "A swift and decisive response was required to stabilise our business in the short term, while charting a path forward to long-term sustainability under a revised strategy and operating model."

Dear stakeholders

Since commencing my tenure as President and CEO of Sasol on 1 November 2019, the Group has faced unprecedented challenges.

Financial year 2020, which we indicated would be our peak gearing period, saw our stretched balance sheet come under significant pressure, initially with the collapse in the Brent crude oil price to 21-year lows and then the onset of the COVID-19 pandemic.

The virus spurred a sudden drop in commodity prices, while also suppressing product demand and causing general economic decline. Additionally, we suffered credit rating downgrades as a result of the volatile macro environment.

Responding to these new challenges in the second half of our financial year required a deliberate and swift pivot in our priorities to stabilise our business in the short term, while charting a path forward to long-term sustainability under a revised strategy and operating model. This we drove through a comprehensive response plan ultimately aimed at resetting Sasol.

Factors driving our strategic reset

Significant internal and external issues, both short and long term in nature, have compelled us to reset Sasol.

In the short term, two critical factors spurred our comprehensive response plan.

First, as the COVID-19 storm emerged, Sasol's financial position was already under severe pressure. The balance sheet was heavily geared due to the additional spend that was required to complete the Lake Charles Chemicals Project (LCCP). With high debt levels we cannot pay dividends, or invest in new growth opportunities, and our ability to withstand market shocks, like COVID-19, is weakened.

Second, the market was extremely volatile. In South Africa and other parts of the world we have seen dramatic falls in product prices and witnessed a steep decline in demand due to lockdowns.

The need to restore financial stability drove our self-help cash conservation measures which were introduced in the second half of the year. These measures are intended to restore financial stability in the short term and beyond.

In the first half of financial year 2020, we were planning on a US$60 per barrel oil price. Now, we need to plan in a US$45/bbl environment. This is a very significant change.

Many of our assets are also at risk of diminishing returns. What this means is that with lower oil prices and higher feedstock costs, we face the risk of lower returns on our invested capital.

Additionally, we need to take account of shifting investor expectations requiring a more focused portfolio and higher delivery of value from Sasol.

Finally, increasing societal pressure to reduce our carbon emissions will remain. Globally there is an enhanced focus on sustainability, which Sasol supports, and we want to take a leadership role in South Africa's transition to a lower-carbon economy by helping develop gas as a key feedstock and renewables as a secondary energy source. We will leverage our engineering and energy expertise to drive low-carbon energy solutions and help the country meet its international climate change commitments.

Many of these factors are not new and our strategy has been evolving to take account of them in recent years. The events of 2020 and the financial pressures we faced required an acceleration in our strategic response to fundamentally reset Sasol.

Urgent steps to survive the crisis

With the onset of the COVID-19 pandemic we took urgent steps to stabilise the Group in the short term. This entailed:

- Conserving cash through self-help management actions in operational and capital expenditure of US$1 billion in 2020 with a further US$1 billion in financial year 2021.
- Accelerating asset disposals and delivering proceeds in excess of the targeted US$2 billion.
- Pursuing a rights issue of up to US$2 billion.

I am pleased to report that by year-end:

- We exceeded our self-help target of US$1 billion by curtailing discretionary capital and limiting sustenance capital to the minimum level required to maintain safe and reliable operations. Furthermore, we optimised external spend and implemented cost saving measures across various human capital levers. This culminated in our best working capital performance yet and a robust cost performance.
- On asset divestments, we concluded the establishment of our joint venture explosives business with Enaex and sold our interest in the Escravos GTL plant in Nigeria to Chevron. In July 2020, we signed an exclusive negotiation agreement with Air Liquide to own and operate our 16 air separation units at our Secunda complex for proceeds of approximately R8,5 billion. The proceeds from these transactions make a substantial contribution to our targeted divestments.
- Progress on a partnering transaction in our Base Chemical assets in United States (US) is far advanced and announcements will be made at the appropriate time.

All our actions have culminated in a net debt to EBITDA ratio of 4,3 times. We successfully agreed with our lenders to waive the covenant at June 2020 and lift the December 2020 covenant from 3,0 times to 4,0 times.

We will pursue a rights issue of up to US$2 billion in the second half of financial year 2021. Cash flow generation and divesting of non-core assets will all contribute to re-instating the dividend at a time when net debt to EBITDA is below 2,0 times.

Advancing our strategy for long-term value

A key part of our comprehensive response plan was to look beyond near-term measures and position the business for sustained profitability in a low oil price environment. This entailed reviewing and updating our strategy to bring greater focus to our portfolio and transition Sasol to a lower-carbon future.

Future Sasol will comprise two market-focused businesses, Chemicals and Energy. A key decision as a result of this is the discontinuation of all oil growth activities in West Africa and resizing our upstream portfolio to focus on gas. The revision of our strategy aims to have a greater focus on value realisation for all stakeholders, business sustainability and enhanced cash generation. It acknowledges the need to streamline what was previously a complex and wide portfolio.

The Chemicals Business will transform our portfolio towards specialty chemicals in which we enjoy differentiated capabilities and strong market positions that can be expanded over time. We will continue to focus on our commodity chemicals portfolio, however this will diminish over time as we focus more on specialty chemicals.

The Energy Business comprises the Southern African value chain and associated assets and will be positioned for higher cash generation through improved margins, cost efficiency and divesting of assets with low returns. This business will also pursue GHG reduction through a focus on gas as a key complementary feedstock and renewables as a secondary energy source. These will be critical enablers to achieve our 2030 GHG reduction target and our longer-term sustainability aspirations.

These two businesses will be fully accountable for profit and loss, management of resources and capabilities. A lean corporate centre will enable the businesses by fostering synergies and integrating activities, setting strategic boundaries and allocating capital. These developments will support improved financial returns.

In tandem, resetting our strategy necessitated a revised operating model, which will become effective on 1 November 2020. The top leadership structure has already been realigned and optimised to enable this new model. Our intent with Future Sasol is to deliver a Group that is streamlined, focused and positioned to succeed. It is therefore a matter of much regret that not all our employees will be able to make the journey to the new Sasol. In this, unfortunately, we have no choice. We have to put the sustainability of Sasol first, and the steps we are following are taken with only this in mind.

Future Sasol will not only look different, it will behave differently, requiring a change in culture and ways of working, and will be more open to partnering arrangements. It will remain heavily committed to South Africa and plans to work closely with the government to align with the country's energy and economic goals.

Megaproject on cusp of completion

The LCCP in United States has essentially reached completion. The ethane cracker achieved beneficial operations in August 2019 and by year-end, five out of the six downstream chemicals units were fully operational, with the most recent Ziegler and Guerbet alcohols units reaching beneficial operations in June 2020. These milestones have brought the online capacity of LCCP's specialty chemicals units to 100% and LCCP's total online nameplate capacity to 86%. The low-density polyethylene (LDPE) plant is the last remaining unit to bring the capacity of the LCCP to 100%. We expect the LDPE to reach beneficial operations in October 2020.

The completion of the specialty chemicals units cements our position as having the broadest integrated alcohols and surfactants portfolio in the world and further strengthens recognition of our leading position in chemicals for essential care markets such as laundry, home care, personal care and hygiene.

> "Our focus is stabilising the business in the short term and implementing Future Sasol to position the Group to be sustainable into the future."

Prioritising our people

Improving our culture remains paramount, with a particular effort to embed the right behaviours. Foremost of these is safety. It is thus very distressing that we reported six fatalities in the year. This is unacceptable. We continue to take decisive action to make zero harm a reality by pursuing with greater vigour our programme to prevent high-severity injuries and fatalities.

We are fast-tracking our investigations into fatalities so that we can establish the root cause without prolonged delays. This will allow us to address any underlying risks and put in place measures to prevent any recurrences.

To drive this greater focus and efficiency, since my appointment I have been personally involved in managing the investigations into every fatality.

In what has been Sasol's most challenging year on record, I must commend all Sasol employees for diligently implementing our comprehensive response plan to stabilise our business. Across the organisation, I have witnessed our people rally behind delivery on our self-help measures to improve Sasol's cash position, with many thousands of employees also sacrificing a portion of their salaries.

Reflecting on our 2020 results

We reported a strong operational performance in the first half of 2020, however with the oil price collapse and outbreak of COVID-19 in the second half, we experienced much lower demand for our products and depressed margins. We recorded a loss of R91,3 billion for the year including impairments of R111,6 billion.

Since June 2020, we have seen a marked improvement in our operational performance with demand resuming in some areas of the business. We are optimistic that this performance will continue in 2021.

Looking ahead

In the ten months since I was appointed, we have navigated a scale of volatility that I have not seen in my 36 years at Sasol.

We look ahead to the new year with greater clarity and confidence. Drawing on the experience over the last 70 years and expertise both within the Group and among our many stakeholders, I am optimistic that we have what it takes to enhance cash flow and reposition the balance sheet in the short term, on the assumption that oil prices remain low until the end of our 2021 financial year. Over the longer term, our strategy will enable a more robust, resilient and sustainable Sasol.

In closing, I would like to acknowledge the significant efforts of 'Team Sasol' across the globe. I am encouraged by your energy, focus and delivery in this volatile environment. Thank you.

Fleetwood Grobler
President and Chief Executive Officer

21 August 2020

LINKING OUR TOP 2021 PRIORITIES TO SHORT-TERM INCENTIVES

Our top priorities

Our Group top priorities are determined annually in response to the environment in which we operate and focus our leadership and the organisation on those key deliverables that will allow us to remain relevant and competitive, and lead to the realisation of our strategy. These priorities entail a rigorous focus on our key controllable factors – ensuring safe and reliable operations, maintaining tight production and cost discipline. And for the year ahead, they will ensure we focus on transitioning to Future Sasol.

	TOP PRIORITIES		OUTCOMES LINKED TO OUR INCENTIVE PLAN
STABILISING THE BUSINESS	Zero harm and improving our culture	• Strive for zero harm through relentless focus on preventing high-severity injuries and eliminating fatalities • Enable step change in our safety performance through commitment and operational discipline • Continue embedding behaviour shifts to improve our culture • Rebuild trust and shared value with stakeholders	Zero harm
STABILISING THE BUSINESS	Maximise value; Fix the balance sheet	• Derive optimum value from existing assets • Protect balance sheet through prudent financial risk management, working capital management and effective cost control • Conserve cash of at least US$1 billion through EBITDA* and capital savings in 2021 • Pursue rights issue of up to US$2 billion in the second half of the 2021 financial year • Improve Mining productivity to achieve 1 250/t/cm/s • Take final investment decision on the gas Production Sharing Agreement	US$1 billion cash saving through EBITDA* and capital
STABILISING THE BUSINESS	Deliver on LCCP and portfolio management	• Full delivery of all Lake Charles Chemicals Project (LCCP) units, with ramp-up towards our run-rate earnings expectations • Deliver partnership transaction in US Base Chemicals • Achieve overall portfolio asset divestment of at least US$2 billion on other assets by 2021	All LCCP units operational and ramping up At least US$2 billion in addition to partnering on US Base Chemical assets
TRANSITIONING TO A NEW SASOL	Advancing sustainability	• Deliver a credible greenhouse gas emission reduction roadmap to reduce South African emissions by at least 10% by 2030 • Develop a long-term emission reduction ambition to 2050 • Contract liquefied natural gas (LNG) supply in 2021 to augment existing gas supply by 2024 and further develop gas supply programme including Mozambique north-south pipeline	Deliver emission reduction roadmap to 2030 LNG contracted in 2021 to augment gas supply
TRANSITIONING TO A NEW SASOL	Evolving to a new sustainable Sasol	• Implement Future Sasol in 2021, to be sustainable in a US$45/bbl (real) oil world from 2022 • Drive stable operations producing market-led downstream products • Transform chemicals portfolio towards a specialty chemicals portfolio through divestments	Approved business improvement plans to achieve our sustainable free cash flow target for financial years 2022 to 2025

* Refer IBC for definition of EBITDA.

PURSUING A MORE FOCUSED STRATEGY

Our revised strategy aims to have a greater focus on value realisation for our stakeholders, sustainable growth and improved business sustainability as well as enhanced cash generation. The Chemicals Business will grow by meeting evolving consumer needs, including the demands of a growing and urbanising middle class. It will focus its activities on specialty chemicals where it has differentiated capabilities and strong market positions that can be expanded over time. The Energy Business will position to be responsive to global trends by providing new energy and mobility solutions over time, pursuing greenhouse gas emission reductions through growth in gas and renewables, and higher cash generation.

POSITIONING FOR A MORE RESILIENT FUTURE SASOL

with a focus on growing specialty chemicals globally and advancing energy solutions in Southern Africa

OUR VISION

To be a leading integrated and global chemical and energy company, proudly rooted in our South African heritage, delivering superior value to our stakeholders.

OUR STRATEGY

Chemicals

Source, manufacture and market chemical products globally. In addition, this business will transform the portfolio towards specialties and accelerate high-value growth by extending market-leading positions using existing assets and new investments in the US and China.

Leveraging integrated value chains for high-value returns

Focus areas

- **Align** our business with powerful megatrends
- **Transform** our portfolio towards specialty products
- Earn the right to accelerate **high value growth**
- Aggressively **drive excellence** in all we do

Competitive advantages

- **Broadest** integrated alcohols and surfactants **portfolio**
- **Leader** in specialty aluminas tailored for specific customer needs
- **Strong brand reputation** in essential care chemicals
- Select regional assets with **competitive feedstock**

Energy

Work to secure feedstock, maintain safe and reliable operations while reducing its footprint and supply sustainable energy products in Southern Africa.

Strong cash generator with stable long term profile

Focus areas

- Improve economic value and **cost competitiveness**
- Reduce the **carbon footprint** of our facilities
- Secure **affordable gas** supply and implement renewables
- **Higher margins** in fuel retail business
- Identify sustainable **lower carbon** growth options

Competitive advantages

- High **cash generating** assets
- South Africa gas off-taker with capabilities across the **integrated** value chains
- Respected Southern African brand with long term **mutually beneficial** partnerships

Enabled by:

High-performing people | Highest level of governance and ethics | Risk management | Community engagement

Supported by our sustainability focus areas:

- Safe and enduring operations
- Minimising our environmental footprint
- Resilience in lower-carbon future
- Growing shared value

OUR DEFINITION OF VICTORY

To deliver sustainable returns over the long term to all our stakeholders.

HOW OUR STRATEGY CHANGED

We removed upstream oil exploration and production as a growth area in our Energy Business and have expanded the role that we see for gas in our portfolio. While still part of our integrated energy value chain, Mining will not pursue any new investments in coal. We will continue work to incrementally expand margins in our retail business, mainly through organic means.

PURSUING A MORE FOCUSED STRATEGY (continued)

HAVING WHAT IT TAKES

Based on our track record over the past 70 years, we have the capabilities and competencies to deliver sustainable value in these two core businesses. In Energy, we will leverage our integrated value chain and strong cash generating assets to deliver enhanced returns and use our leading position in gas to grow in the region.

In Chemicals, our broad range of integrated alcohols and surfactants, specialty alumina products and our track record of collaborative innovation with customers position us to win in specialty markets.

We will deliver on our strategy over three time horizons. In the next two years, we must take decisive actions to restore financial stability and in parallel reset the Group to be globally competitive in a low oil price environment.

2020 - 2022

Address short-term financial needs

- Accelerate asset disposals and urgently deliver Future Sasol to reset the Group before 2022
- Safely ramp-up LCCP units to expected value
- Stabilise business operations to pre-COVID-19 levels, focus on increased value extraction
- Sustainable reduction of working capital and sustenance capital
- Conserve cash to deleverage the balance sheet and reduce operating cost sustainably

2023 - 2025

Deliver on promises and return value to shareholders

- Deliver affordable gas supply to our operations from 2024, when we expect our supply from existing fields in Mozambique to start declining
- Focus on value extraction and organic growth of integrated value chains
- Achieve emission reductions and air quality goals

2025 onwards

Step-up growth to deliver on long-term strategic ambitions

- Portfolio enhancement through strategic acquisitions, mergers or partnerships
- Effectively introduce gas in wider Southern Africa and renewables solutions
- Position our Energy Business to lead the energy transition in Southern Africa
- Establish Sasol as notable global special chemicals player

Our capital allocation principles remain unchanged. Our immediate priorities are to strengthen the balance sheet, reducing net debt to EBITDA to below 1,5 times and reintroducing the dividend. Supporting the second phase of strategy execution, capital will be allocated to deliver on our commitments on GHG emission reductions and smaller value-accretive organic and merger and acquisition (M&A) growth opportunities. It is only in the third phase that capital will be allocated for larger growth opportunities competing with special dividends or share buy backs.

IR Refer to page 86 for capital allocation principles.

The role of the Board

We were guided in our strategy development by the Board. In 2020, the Board met twice to consider Sasol's operating context and the execution of strategy in a highly volatile macroeconomic environment. Directors reviewed the Group's emission reductions target to 2030 and the roadmap to achieving the target, considering the impact on society and business continuity. In May 2020, the Board endorsed the updated strategy which is aligned with the energy transition and powerful megatrends. The strategy aims to deliver sustainable returns to all stakeholders in the long term.

Aimed at aligning with the UN SDGs

In October 2019, we announced our absolute medium-term GHG emission reduction target to 2030. To support the achievement of this target, we developed an emission reduction roadmap and, in parallel, updated our strategy by considering a range of scenarios that cover a variety of possible future outcomes. While none of us can be certain which path the energy transition will take, we are confident that this honed strategy is more consistent with the Paris Agreement goals and are pleased with the progress made in 2020, including several initiatives, details of which are in our Climate Change Report CCR.

COMMITTED TO ENSURING STRATEGIC DELIVERY

Our clearly laid out ambitions are not without risk and uncertainties.

Securing affordable gas supply to transition our South African value chain is a key driver for long-term viability. In addition, having capital available for growth is a key success factor to grow our Chemicals Business.

To successfully meet our aspirations of Future Sasol and achieve our long term goals we will have to reset the Group to be competitive in a lower oil price environment.

ALIGNING OUR STRATEGY TO SUPPORT A MORE SUSTAINABLE PLANET

Together with our customers and collaboration partners and guided by the United Nations Sustainable Development Goals (SDGs), we are seeking to contribute to a more sustainable planet. Our updated strategy (Refer to page 12) positions us for resilience into the future, prioritising four UN SDGs and considering inputs from our many stakeholders. Ensuring our business is environmentally, socially and economically sustainable is a key imperative. This means making the strategic choices that allow Sasol to contribute meaningfully towards socio-economic development as well safeguard its own resilience in a lower-carbon future, even in a cash conservation drive. (Refer to SR and CCR for more detail)

Our focus is on four sustainability areas that are critical to our business and where we believe we can make a difference

Our focus areas	Prioritised relevant SDGs	Context	Progress in 2020
Safe and enduring operations	8 DECENT WORK AND ECONOMIC GROWTH	The six fatalities in 2020 had a devastating effect on families, colleagues and our organisation. We still believe zero harm is possible. Our focus on safety is now more necessary than ever as we orientate ourselves towards a 'new normal' of managing daily life and the constraints of staying safe in a COVID-19 world.	• We strengthened our efforts towards zero harm with executive intervention to focus on reinforcing safe behaviours with a mindset of 'safety because we care'. • Visibly felt leadership taking personal accountability for the effectiveness of the High Severity Incidents (HSI) programme. • CEO led introspection, supported by group-wide safety engagement with an increased focus on the implementation and sharing of learnings. • Rolled out initiatives to reset leadership behaviour and culture change. • Accelerated our culture transformation journey by implementing the action plans from the 2019 Heartbeat survey, with enhanced interventions and a dedicated focus on leadership.
Minimising our environmental footprint	12 RESPONSIBLE CONSUMPTION AND PRODUCTION	We depend on natural resources including coal, crude oil, natural gas and water for our business activities which have an unavoidable impact on the environment. However, we remain committed to minimising these impacts.	• Remained focused on addressing the sustainable use of plastics with membership of global Alliance to End Plastic Waste, the South African Initiative to End Plastic Waste and the KwaZulu-Natal Marine Waste Network South Coast. • Made progress on our air quality roadmaps and offsetting projects, we are reviewing the timing of spend in line with our response plan to enable our compliance with air quality regulations. (Refer to SR). • Continued to focus our efforts on reducing our water consumption for the long term; working on recycling and reuse of effluents; driving water partnership programmes with South Africa's Department of Water and Sanitation and host municipalities. (Refer to SR).
Resilience in a lower-carbon future	13 CLIMATE ACTION	Climate change is a pressing challenge affecting society and requiring a concerted response across the world. Adapting our business to the scale of changes that are necessary will not be easy, but we are committed to the journey ahead. (Refer to CCR)	• Developed comprehensive roadmap with a gas enabled pathway to achieve our 10% reduction of GHG emissions for South African operations by 2030 while embedding climate change management in mainstream decision-making (Refer to CCR). • Followed rigorous technology selection and evaluation process to ensure our roadmap is robust and credible. • Progress was made towards our air quality roadmaps and offsetting projects for compliance. • Developed marginal abatement cost, cash flow and associated risk profile for each option across the three pillars of 'reduce', 'transform' and 'shift'. (Refer to CCR). • Progressed offsets and Scope 3 programmes. • Incentivised delivery of the roadmap and critical levers that reduce emissions in the short and medium term.
Growing shared value	17 PARTNERSHIPS FOR THE GOALS	By understanding our stakeholders' issues and their desired outcomes, we identify areas in which we can invest to make a sustainable difference. (Refer to SR) We manage these in the following areas: • Environmental stewardship • Education • Skills development • Community development • Economic transformation and local content • Sasol for Good	• Continued to build constructive relationships with fenceline communities, governments, regulators and Non-governmental organisations, with a step-up in support during COVID-19 (Refer to page 52). • Spent R1,2 billion on social investment: 89% in South Africa, 9% in Mozambique and 2% in North America, Qatar and Nigeria. • Improved early learning developmental outcomes and school readiness. • Increased spend on Black-owned companies in South Africa to R26,3 billion from R19,2 billion, with a particular focus on Black women-owned companies, in support of economic transformation. • Continued with our dedicated programme focused on including smaller enterprises into our supply chain. • Increasing environmental awareness through stewardship programmes which contribute to building sustainable communities.

Our target

Reduce by 2030 the absolute GHG emissions from our South African operations by at least 10%, off our 2017 baseline

STREAMLINING OUR LEADERSHIP TEAM

To ensure that we deliver a resilient and sustainable Sasol, we have reviewed our Group Executive Committee (GEC) effective 1 November 2020, streamlining it by 25% and improving diversity. By leveraging the combined skills and experience of the eight executives, each with clearly defined and focused portfolios, we will put Sasol on a path to greater value creation and strengthen the trust of all our stakeholders.

Chief Executive Officer

Fleetwood Grobler

Our focus areas in 2020

- Intensifying our focus on safety in pursuit of our goal of zero harm
- Safely delivering and ramping up the Lake Charles Chemicals Project
- Developing an emission reduction roadmap to 2030 for our South African operations
- Deleveraging the balance sheet and liquidity management
- Monitoring impact of COVID-19 on the business and mitigating actions
- Updating our strategy and resetting the Group to become sustainably profitable in a low oil price environment
- Developing a revised approach to risk management
- Steering and guiding the asset disposal programme

Skills and experience of the GEC

- Upstream gas and oil
- Chemicals
- Mining
- Operations
- Finance, mergers and acquisitions
- Corporate governance and ethics
- Strategy and risk
- Safety
- Sustainability
- Retail fuels sector
- Human resources

EVP* Chemicals

Brad Griffith

Responsible for developing the Chemicals Business's plan and maintaining safe, reliable and sustainable operations across multiple geographies.

Also responsible for driving customer-led growth through innovative marketing and extending sales in existing and new businesses/regions.

EVP* Energy Operations

Bernard Klingenberg

Responsible for managing all South African operations as well as Mining.

Also responsible for maintaining safe, reliable, profitable and sustainable operations.

EVP* Energy Business

Priscillah Mabelane+

Responsible for the distribution, marketing and sales of liquid fuels and gas, sourcing renewable energy, as well as managing our gas-to-power initiative.

Securing new gas supply will be an important focus.

She is also responsible for driving sustainable customer-led growth in existing and new business.

Group Chief Financial Officer

Paul Victor

Responsible for ensuring appropriate capital allocation, financial discipline including accurate up-to-date reporting as well as Investor Relations and M&A activities.

He also oversees the Information Technology portfolio.

EVP* Strategy, Sustainability and Integrated Services

Vuyo Kahla

Responsible for managing portfolio strategy and sustainability.

His portfolio also includes leading corporate risk and SHE, assurance, legal and Intellectual Property services, company secretarial services, compliance and ethics as well as securities and exchange advisory and corporate disclosures.

EVP* Human Resources and Stakeholder Relations

Charlotte Mokoena

Responsible for securing senior talent management specifically at Executive and Senior Vice President level.

She is also focused on safeguarding and building strong national stakeholder relations, as well as protecting and enhancing Sasol's brand.

EVP* Sasol 2.0 Transformation**

Marius Brand

Responsible for securing a successful transformation to Future Sasol. Also responsible for delivery of the 2050 Greenhouse gas target setting and initial roadmap.

EVP* Energy Business and safety, health and environment

Maurice Radebe^

Maurice joined Sasol Oil (now part of the Energy Business) in January 2004 when Sasol acquired Exel Petroleum, where he was Managing Director (MD). He served as MD of Sasol Oil from 2006 to 2010 and was appointed to the GEC on 1 November 2010. He has had a stellar 16-year career with Sasol.

EVP* Upstream

Jon Harris

Appointed to the GEC in September 2017. Jon has been responsible for our coal mining business in South Africa and global exploration and production of oil and gas business.

In line with our revised operating model, after a successful tenure with the Group, Jon will leave Sasol at the end of December 2020.

Group Executive Committee diversity

Number of Executive Vice Presidents in new operating structure:

8 — 3 Executive Directors; 5 Executive Vice Presidents

Number of female Executive Vice Presidents:

2 — 25% Women

Number of Black Executive Vice Presidents as a percentage of total:

3 — 38% Black

* Executive Vice President (EVP)
** The role will be in place for up to 24 months
+ Effective 1 September 2020
^ Will retire on 30 September 2020

IMPLEMENTING A SUSTAINABLE FUTURE SASOL

By resetting our strategy, we defined our aspiration for Future Sasol. This is a company that is streamlined, focused and positioned to succeed with value realisation for all stakeholders, resilience in a lower-carbon world and enhanced cash generation. This will make Sasol a more attractive investment by delivering leading returns on the basis of low cost, high margins, capital discipline and business sustainability.

Future Sasol – Our Aspiration

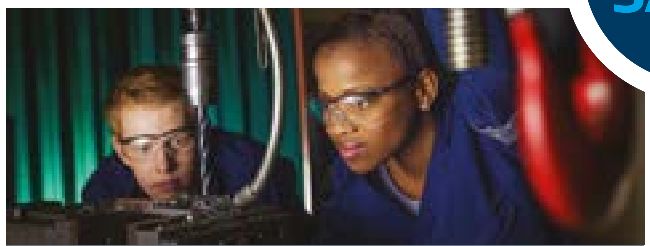
Distinct portfolio with differentiated capabilities

- **Distinct, focused and customer-centric** chemical and energy businesses responsible for their own profit and loss, management of resources and capabilities. Participation in select global markets to drive value-based growth
- **Leaner and fit-for-purpose** corporate centre to assist in setting strategic boundaries, allocating capital and focused enablement of businesses

A simpler, more agile organisation that provides a great place to work

- **Simple –** Empowered businesses which are market and profit focused, with fewer corporate centre interfaces
- **Agile –** Adopting more agile ways of working to facilitate problem-solving and customer innovation
- **Culture –** Diverse and inclusive workplace that energises and taps into our employees' full potential

FUTURE SASOL



A more modern Sasol leveraging our proprietary technologies and unique chemistry to deliver superior returns

- **Highly skilled people** with strong technical, engineering and marketing capabilities
- **Embracing digitalisation** to realise efficiencies and improve our customer offering
- **Solutions** for a better world through our unique chemistry

Delivering triple bottom line outcomes

- **People –** Enhancing employee value proposition and social upliftment of our communities, fostering strong relationships with stakeholders
- **Planet –** Advancing sustainability and product innovation to reduce our environmental impacts
- **Profit –** Leading total shareholder returns on the basis of low cost, high margins and capital discipline

A MORE RESILIENT FUTURE SASOL

Management steps to achieve a sustainable Future Sasol

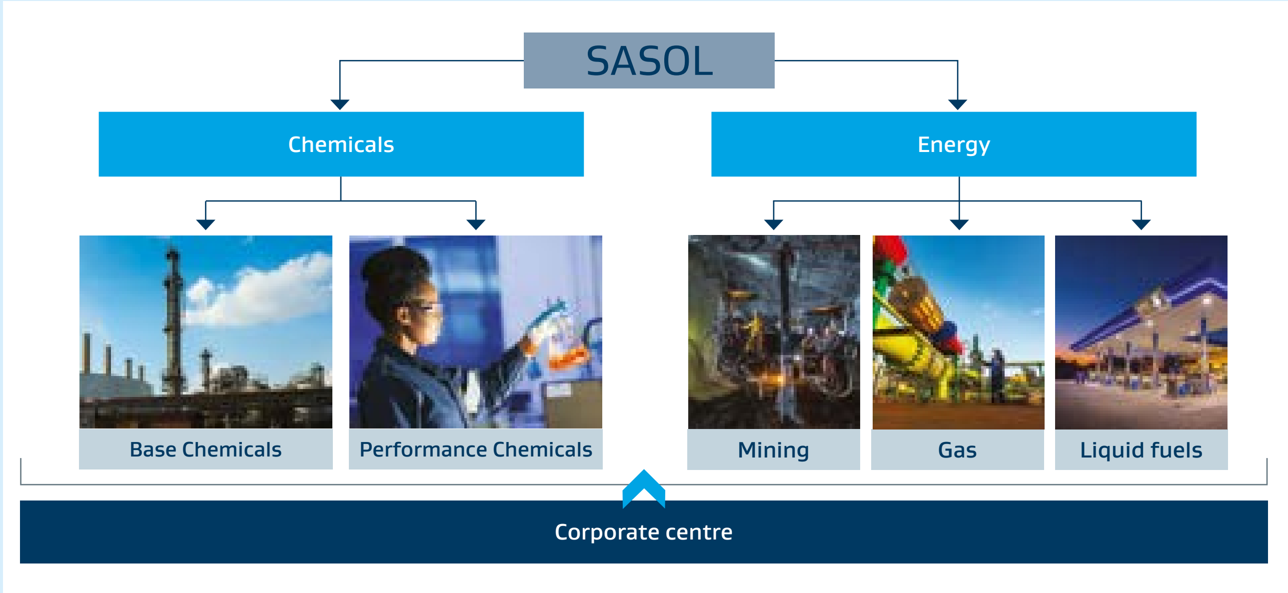
We are clear on what we are working towards, but we are under no illusions that the journey will be easy. Indeed, it will be challenging. It is a matter of much regret that not all our employees may be able to make the transition to the new Sasol. To succeed, we need to adopt new ways of working that are more streamlined, adopt a mindset that promotes efficiency and have a significantly smaller corporate centre.

The key management steps to achieve a sustainable Future Sasol:

- Revised the strategy (Refer to page 12)
- Define a new operating model
- Implemented a new leadership structure to execute on the new operating model (Refer to page 18)
- Continue our culture journey with focus on leadership behaviours and new ways of working
- Implement simple and efficient governance structures (Refer to page 60)
- Enhance free cash generation through margin enhancement, efficiencies, use of shared services and improved customer centricity
- Activate our 2030 GHG emission reduction roadmap

Revised operating model to execute on our reset strategy

Our new operating model is effective 1 November 2020 and aligns with the reset strategy. It consists of the two distinct profit and loss business units. A 25% reduction in the executive leadership will enable this new operating model. In parallel, an asset disposal programme is gaining momentum, shaping Sasol's future portfolio. We have a transformation office in place to coordinate transition in the next 24 months.



Future Sasol's targets

Future Sasol is aimed at making the Company sustainable in a low oil price environment and becoming an attractive investment to shareholders. To ensure we deliver on our plans, we are developing credible targets that are aimed at increasing free cash flow and enhancing our return on invested capital. This will be achieved through:

- Gross margin improvements.
- Reduction in cash costs through business optimisation and pursuing a global cost competitive position.
- Optimisation of sustenance capital through the use of predictive maintenance strategies and digitalisation.
- Maintaining optimal working capital levels.
- Creating of shared services to bring efficiencies and sharing of best practices.

These targets will be firmed up and articulated at our Investor Day Briefing in November 2020.

CHIEF FINANCIAL OFFICER'S STATEMENT

MANAGING THE BALANCE SHEET IN UNCERTAIN TIMES

Paul Victor
Chief Financial Officer

Q The oil price collapse and COVID-19 significantly impacted Sasol at a time when the balance sheet was over-leveraged. How did Sasol respond?

In the face of these sudden and unprecedented challenges, we took immediate steps to implement a comprehensive response plan to stabilise the business in the short term and raise cash of at least US$6 billion by the end of financial year 2021 to repay debt. This is being achieved through a combination of self-help measures, an expanded and accelerated asset divestment programme and a pending rights issue of up to US$2 billion.

Self-help management actions

We implemented a cash conservation programme focused on enhancing cash flow and cost competitiveness in a low oil price environment, with a US$2 billion cash delivery by 30 June 2021.

By year end, we exceeded our US$1 billion target for 2020 due to the diligent efforts of our teams, significant cost reduction, implementation of a cash 'war room' and careful management of capital expenditure. We reported a record 12.5% working capital measure – the lowest level to date.

Stepped-up asset disposal target

In 2017, we announced a review of our assets and the commencement of a disposal process to streamline the portfolio. As part of our 2020 comprehensive response plan, we are accelerating and expanding this programme that is aligned with balance sheet, shareholder value and strategic objectives. We aim to deliver proceeds in excess of US$2 billion by 2021. To date, we have secured proceeds of US$0,6 billion, including the sale of our 16 air separation units in Secunda.

We are clear that we will only dispose of assets at value and will not destroy long-term shareholder value.

Pursuing a rights issue

We are pursuing a rights issue of up to US$2 billion which will be executed in the second half of the 2021 financial year, subject to shareholders approval. This is a final step in the process to reset our capital structure. The exact amount of the rights issue and its timing is subject to prevailing operating and market conditions as well as other initiatives, such as further disposals and implementation of our Future Sasol that is aimed at enhancing cash flows and improving our cost competitive position.

The planned assets disposals combined with a rights issue and Future Sasol is expected to reset the debt structure of the Company to become more sustainable in the future.

Future Sasol

We are undertaking a purposeful and systematic review of our global cost competitiveness and business structure. This strategic reset is to deliver a focused and sustainable business for the future, so that we are a profitable business in an environment of sustained low oil prices. With sharpened focus on our two core Chemicals and Energy Businesses, it creates scope for sustainable shareholder value creation through shareholder returns and strategic investment.

Q Sasol's balance sheet is under extreme pressure. What are the immediate focus areas to restore the Group back to its targeted leverage levels?

To create headroom on the balance sheet and manage our debt facilities prudently, our immediate focus areas are:

1. **Reduce debt through self-help measures,** asset disposals and pursue a rights issue in second half of financial year 2021
2. Safely ramp-up and deliver the LCCP to **expected operating rates**
3. **Implement Future Sasol** to enhance cash flows
4. **Transform our asset portfolio in line with our strategic objectives** over the next 12 to 30 months

> Despite our short-term challenges, we believe that Sasol has a compelling investment proposition: it is enabled by our integrated value chains, highly skilled people, prudent financial risk management and the execution of our revised strategy.

Q What is Future Sasol and how will it reposition Sasol?

A key part of our comprehensive response plan is to look beyond the near-term measures and position the business for sustained profitability in a low oil price environment. The objective of Future Sasol is to build a resilient company that will be sustainably profitable in a low oil price environment. This will allow Sasol to deliver better for all its stakeholders, including taking an important role in the country's transition to a low-carbon economy. The revised strategy aims to have a greater focus on enhanced cash generation and value realisation for shareholders. These changes collectively add up to the most radical reset of the Company, in its 70 year history.

The key elements of the reset are:

First, the **shape and operating model** of Sasol will change. It will focus on two business units – Chemicals and Energy – each responsible for their own profit and loss, supported by a much smaller central, head office function. We acknowledge that we needed to streamline what was previously a complex and wide portfolio.

Second, the **financial returns** of Sasol will improve: the new Sasol has been designed to produce higher, sustainable cash flows from the revised portfolio of assets so that Sasol can operate in a US$45 per barrel oil environment. Increased ROIC will be driven by leveraging digitalisation, cost optimisations, margin improvements and reduction in overheads.

Improved returns are necessary to fund future growth and in order to pay dividends to shareholders.

Third, the new Sasol will not only look different – it will behave differently, requiring a change in culture and **'ways of working'**. The new Sasol will be more open to partnering arrangements with greater focus on delivering quick and cost-effective solutions. It will be more customer-focused in its orientation.

Fourth, the strategy of the new Sasol makes clear portfolio choices about **transitioning to a lower carbon business**. Sasol intends to play a leadership role in the country's energy transition, by helping develop gas as a key feedstock and renewables as a secondary energy source.

Fifth, the new Sasol will remain **committed to South Africa** and plans to work closely with government to align with the economic and energy goals of the country.

Q What shifts are required to achieve Future Sasol and what KPIs⁺ will you use to monitor performance?

We understand the shifts that will be required to move us from where we are today to the Future Sasol which is aligned with our long-term strategy. As a global chemicals and energy company, we believe we can return superior returns to shareholders in the long term by delivering on our strategic targets, applying our disciplined capital allocation framework and extracting further value from our existing assets.

Sasol today

Position us for sustainable growth

- Chemicals: grow specialty chemicals in attractive and differentiated end markets
- Upstream: pursue affordable gas
- Energy: grow our liquid fuels retail footprint in South Africa

Deliver strong cash flows from our foundation businesses

- Significant volume and cash flow growth from foundation businesses and the LCCP
- Enhance our cost effectiveness
- Cash fixed costs flat compared to prior year
- Continued investment to safely sustain our foundation businesses limited to US$1,5 billion per annum

Transform our asset portfolio to be fit-for-purpose

- Rigorous assets review, value-enhanced disposals and deliver sharpened capital allocation discipline

Future Sasol

√
- Increased focus on specialty chemicals with strong US and EU presence
- Focused to explore, develop and produce gas in Southern Africa

√
- Safe, predictable and reliable operations
- Improved production stability
- High ROIC* and profitability
- Improved free cash flows
- Attractive returns to shareholders

√ Prudent capital allocation
- Deleverage balance sheet to net debt/EBITDA to below 1,5x and targeted gearing of 30% over the long-term
- Deploy capital on quality growth contributing to profitability and growth targets and embedded learnings from LCCP
- Target a >45% dividend payout ratio when net debt to EBITDA is sustainably below 2,0x
- Excess capital devoted to shareholder returns through dividends and share buy-backs

⁺ Key performance indicators

* ROIC - Return on invested capital. Future Sasol's targets will be shared at the Investor Day briefing in November 2020.

CHIEF FINANCIAL OFFICER'S STATEMENT (continued)

To achieve our aspiration as set out in Future Sasol, which is aligned with our long-term strategic targets, we need to strengthen our current operations by focusing on:

- Reducing our cash fixed cost base to be globally competitive and align our overheads with the size of the portfolio;
- Ramping-up LCCP to expectations;
- Improving our project execution and rolling out the lessons learnt from the LCCP to other areas of the business;
- Ensuring that the LCCP fundamentals remain intact despite increased cost and schedule delays by focusing on productivity and process safety;
- Shifting product slate in integrated value chains to higher margin businesses;
- Maintaining an optimum level of sustenance capital spend;
- Improving our environmental performance and reducing our greenhouse gas emissions.

We are committed to improving cash flows from our base of high-quality, diversified assets, with only marginal levels of further capital investment and believe this can be achieved in the short- to medium-term from our digitalisation drive, continuing work to manage costs, as well as a focused review and optimisation of our portfolio. In the long term, we will enhance cash flows by ramping up the LCCP units in US and extracting more value from our oil and gas investments in Mozambique.

Q Future Sasol has very ambitious plans. What does that mean for the Group's balance sheet and capital structure?

We need to reduce our debt quantum to a more sustainable level and reshape the portfolio. We are in the process of identifying assets that are not strategically aligned or integrated or have returns that are below weighted average cost of capital (WACC) for disposal or closure. In a lower oil price environment, we cannot afford to run assets that do not meet our targeted return: it destroys value delivery to shareholders and our stakeholders.

For the remaining assets, we aim to improve the quality of returns through:

- **Margin improvements and reduced go-to-market costs;**
- **Cost improvement** through a new operating model, an organisational redesign, improved procurement processes, improved productivity and cost of doing business, digitalisation and other efficiencies;
- **Capital, working capital and cash management improvements;**
- Fit-for-purpose **functional design;** and
- More effective and efficient **governance structures** aimed at quicker decision-making.

Transitioning to Future Sasol will not be an easy task and will require Team Sasol to think outside the box in terms of new ways of working, embracing digitalisation and improving our margins. However this reset, together with our asset disposals and a rights issue of up to US$2 billion, will enable us to maintain a more manageable capital structure going forward.

Q After seven years of planning and construction, Sasol is now partnering on LCCP's Base Chemical assets. Why?

The LCCP remains a strategic asset in a good location near key markets. As indicated at our Capital Markets Day in 2017, Sasol was intending to grow the specialty chemicals business and participate only selectively in commodity chemicals. This was motivated by the fact that commodity chemicals typically have a high level of exposure to cyclical pricing.

Since 2017 the outlook for commodity chemicals has become much more challenging with ongoing oversupply now widely expected. This has been exacerbated by the recent, unexpected collapse in the oil price and the unprecedented global economic impact of the COVID-19 pandemic and its effect on Sasol.

As such, in June 2020, Sasol announced an updated strategy which aims to position Sasol to deliver sustainable, attractive, long-term shareholder returns with a focus on growing specialty chemicals globally and advancing energy solutions in Southern Africa.

The partnering on LCCP's Base Chemicals assets accelerates the focus on the specialty chemicals portfolio. We believe that this will help long-term value creation. The partnering will also reduce net debt and so provide a more sustainable capital structure.

Q With all the LCCP units now online, except for the LDPE facility, how does that impact the Group's balance sheet and income statement?

The LCCP remains a strategic component of our portfolio. The LCCP provides earnings diversification to the Group and access to US dollar cash flows which can be used to settle the US dollar debt. Having a diverse currency exposure in the balance sheet is important as it assists with the spreading of liquidity and currency risk.

Q Considering the targeted US$2 billion proceeds from the asset sales, why does Sasol still need to go ahead with a rights issue?

As the Group operates in different businesses and geographies, the future cash generation and resultant debt levels could vary vastly in cases where different asset disposal options are decided on. Proceeds from assets sold in South Africa would require approval from the South African Reserve Bank to pay off US dollar denominated debt and therefore the matching of currency from proceeds to reduce debt has to be carefully considered. It is also not clear on the timing of asset disposals, given the current economic conditions.

The disposal of a share in our Base Chemicals portfolio in the US represents a significant step forward in delivering the asset disposal lever of the Company's comprehensive response plan announced on 17 March 2020. Proceeds from the disposal, combined with the progress in achieving short-term cash improvement measures, should make a meaningful and positive impact on Sasol's financial prospects, principally as a result of the intended use of disposal proceeds to settle debt with payment obligations within the next 12 to 24 months.

The Company will also pursue a rights issue of up to US$2 billion in the second half of financial year 2021 as the final step of the response plan. The rights issue should allow Sasol to operate sustainably within its covenant thresholds and deliver on its strategy going forward. The exact amount of the rights issue and its timing is subject to prevailing operating and market conditions as well as other initiatives, such as further disposals, that Sasol may implement consistent with its strategic reset.

The planned asset disposals combined with such a rights issue and Future Sasol are expected to reset the debt structure of the Company at a lower level in order to make it more sustainable for the future.

Q Sasol has recorded significant impairments. What led to such big write-downs?

The impairments include R72,6 billion (US$4,2 billion) attributable to our Base Chemicals assets in US that have been classified as held for sale and R35,2 billion relating to our integrated South African value chain that have been significantly impacted by the decrease in crude oil prices, a further softening of global chemical prices and refining margins and lower market demand in a post-COVID-19 environment.

Q Sasol has moved from investment grade to sub-investment grade during the second half of 2020. What plans are in place to restore Sasol's investment grade?

Consistent with our long-term commitment to return to investment grade credit rating, we are engaging with ratings agencies regarding the progress on our comprehensive response plan. In the short term, we are constrained by a weak global macroeconomic environment in the oil and gas and chemicals sectors, as well as the sovereign ceiling.

Q When do you expect to resume dividend payments?

Dividend payments are an important part in the Group's capital allocation framework. However, given Sasol's current financial leverage and the risk of a prolonged period of economic uncertainty, the Board believes that it would be prudent to continue with the suspension of dividends. This will allow us to continue to protect our liquidity in the short-term and focus on reducing leverage in order to create a firm platform to execute our strategy and drive long-term shareholder returns. In addition, in accordance with the covenant amendment agreement with lenders, Sasol will not be in a position to declare a dividend for as long as net debt to EBITDA is above 3 times. We expect the balance sheet to regain flexibility following the implementation of our comprehensive response plan and will resume dividend payments when net debt to EBITDA is sustainably below 2 times.

Q What does the resetting of Sasol's strategy mean for the Group going forward?

Sasol will be a reshaped and tactically focused business. We have a high quality, well diversified global portfolio with a range of strategically advantaged assets and value chain integration. We believe that our portfolio will be positioned to be sustainably profitable in a low oil price environment, ensuring our ability to deliver value to stakeholders in the long term.

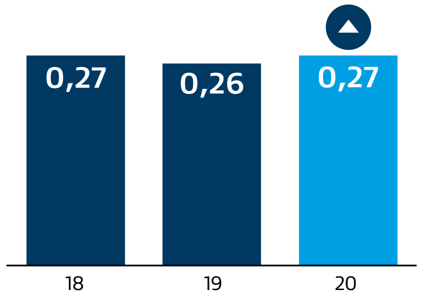
Our strategy is aimed at enhancing free cash flow, improving the sustainability of our operations and delivering attractive returns to our shareholders.

As with all multinationals, our focus on sustainability has become more pronounced. Our updated strategy reinforces our commitment to greening our facilities in Secunda by introducing renewable energy and achieving our target of reducing GHG emissions in South Africa by at least 10% by 2030.

OUR PERFORMANCE IN 2020

Safety is our top priority

Recordable Case Rate deteriorated to **0,27**, regrettably six fatalities



We create value in the communities in which we operate

- Broad-Based Black Economic Empowerment contributor status improved to **level 3** (level 4 in 2019)
- The Sasol South Africa Limited Board declared an interim dividend of **R17,34** per ordinary share to the benefit of Khanyisa shareholders
- Preferential procurement **R26,3 billion** up **37%** (2019: R19,2 billion)
- Skills and socio-economic development spend **R1,2 billion** (2019: R2 billion)

Advancing sustainability

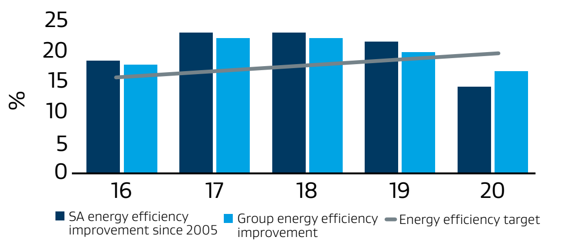
Sustainability is a **strategic imperative** for Sasol. We are **committed to driving excellence in ESG matters.** Our sustainability efforts are guided by our sustainability statement:

"Advancing chemical and energy solutions that contribute to a thriving planet, society and enterprise."

What sustainability means at Sasol

- Providing chemicals and energy in a responsible way
- Respecting people, their health and safety and the environment
- Contributing to the socio-economic development of the countries in which we operate

Energy efficiency – 14,3% improvement for the Group and 16,8% improvement for Sasol South Africa off the 2005 baseline



Target: 30% improvement off the 2005 baseline by 2030 for global operations

Lake Charles Chemicals Project

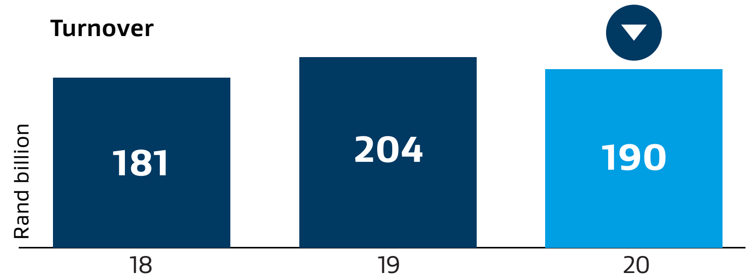
The ethoxylates (ETO) expansion, the Ziegler and alumina expansions and the new Guerbet unit achieved beneficial operation during 2020. As a result, 100% of LCCP's specialty chemicals units are online and 86% of total nameplate capacity of LCCP is operational.

Despite our short-term setbacks, **we are targeting an investment case that is anchored in creating sustainable value for our shareholders.** We know we need to enhance our project execution and governance controls and we are committed to doing this.

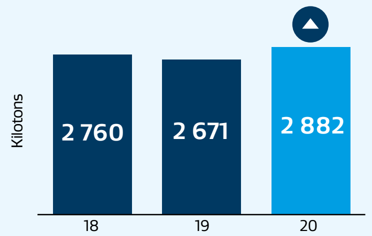
Financial performance

Our financial results were severely impacted by the sudden oil price collapse and spread of the COVID-19 pandemic.

Our revenue was over **R190 billion,** earnings were impacted by volatile macroeconomics and significant impairments of assets.

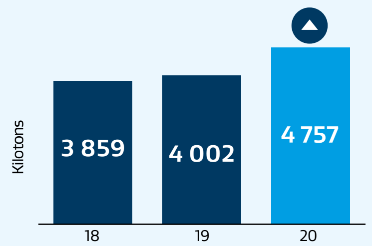


Performance Chemicals
Sales volumes



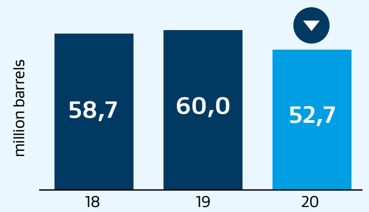
Total sales volumes increased by 8% compared to the prior year. Our advanced materials portfolio benefitted from higher sales of green coke (carbon) and our Wax portfolio benefitted from higher hard wax sales. Sales volumes of the organics business and other parts of advanced materials business were impacted by the COVID-19 lockdown.

Base Chemicals
Sales volumes



Sales volumes increased 19% largely as a result of the LLDPE# plant achieving beneficial operation in February 2019 and the new ethane cracker achieving beneficial operation in August 2019.

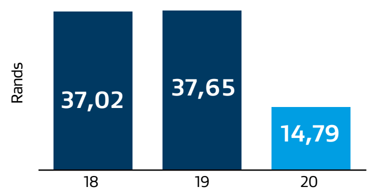
Energy
Liquid fuels sales volumes



Liquid fuels sales volumes decreased by 12% due to lower market demand resulting from the decline in the South African economy and the impact of the COVID-19 lockdown.

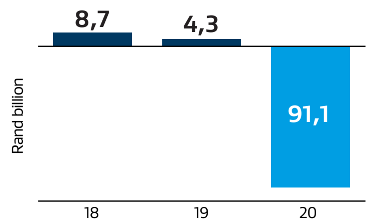
Core headline earnings per share decreased by

61% to R14,79



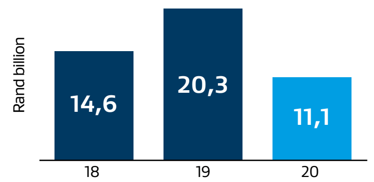
Attributable (loss)/ earnings of

R91,1 billion



Free cash flow before growth capital of

R11,1 billion



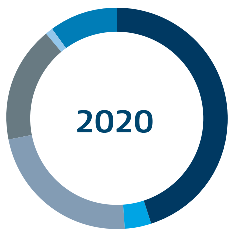
*Refer IBC for definition of core headline earnings.

Linear low-density polyethylene.

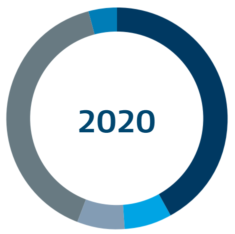
OUR OPERATING CONTEXT

As an integrated chemical and energy company, our ability to create value is closely connected to the macroeconomic environments of the countries in which we operate, most notably South Africa where we generate more than 80% of our earnings. The external operating context impacts our profitability and business continuity, risk management and the decisions we make on our strategy. It also informs our thinking on material matters. Our ability to create value depends on a number of key economic drivers, our response to them as well as their impact on our stakeholders.

Where we operate



Where we invest



Global markets

What happened

Trade tensions between United States and China as well as Brexit uncertainties contributed to global growth slowing to 2,9% in calendar 2019 (International Monetary Fund (IMF) World Economic Outlook 2020), the lowest growth since 2016.

More recently, the rapid spread of COVID-19 disrupted global trade and economic activity, confirming China's significant role in global supply chains and as a driver of global demand.

As the virus spread, lockdowns, supply chain disruptions and financial market dislocations led to a dramatic collapse in global economic activity.

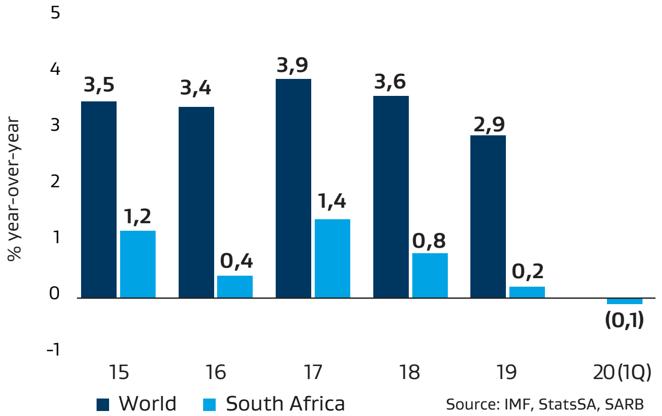
Outlook

The outlook remains highly uncertain. Ultimately, the virus's impact on global economic growth, and on the macroenvironment, will be driven by the speed with which it is contained, lockdowns are lifted, and measures are developed to address it. Aside from these, China/US trade tensions, the evolution of 'Brexit' and other geopolitical risks remain on the radar.

Currently, we expect the global and South African recessions to be the worst in recent history. The global economy is likely to contract by more than 3% in calendar 2020, with a recovery to around 4,5% growth in calendar 2021.

South Africa is likely to face an even worse recession, with the economy expected to contract by around 7% in calendar 2020 before showing a modest recovery in calendar 2021. The expected recession combined with a potential weak recovery could have lasting impacts on efforts to sustainably alleviate high levels of unemployment, poverty, and inequality.

World and South Africa GDP growth (%)



Source: IMF, StatsSA, SARB

Rand/US$ exchange rate

What happened

The South African economy was in recession before COVID-19 spread, with lockdown measures exacerbating already acute socio-economic and structural pressures.

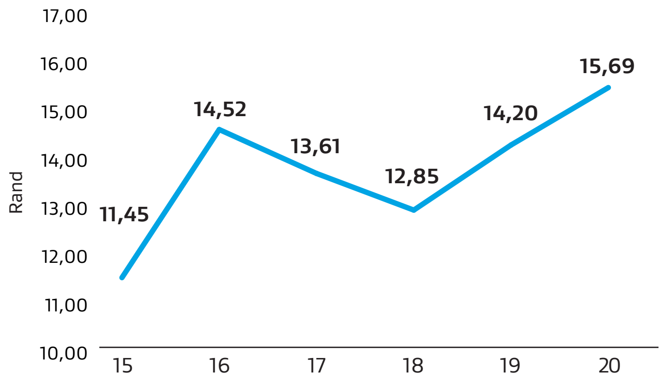
Weakening growth prospects, high debt levels and electricity supply constraints contributed to the country being downgraded further into sub-investment territory.

A combination of COVID-19 fears and domestic factors contributed to the average rand/US dollar exchange rate weakening to R15,69/US$ in 2020, the weakest level since 2016.

Outlook

The exchange rate could recover some lost ground once COVID-19-related fears subside and investors become more willing to invest in riskier assets and emerging economies. Our outlook for 2021 currently sees the exchange rate ranging between R16,00 and R17,00/US$.

Average exchange rate (US$/Rand)



Source: Reuters

Lower oil prices

What happened

Oil prices gave way as demand evaporated and excess supply came onto market due to the failure of Organisation of Petroleum Exporting Countries (OPEC) to reach a supply agreement at the beginning of March. With lower demand due to COVID-19 global travel restrictions, the risk of running out of physical storage capacity pushed the average Brent crude oil price to a low of US$19,02/bbl in April 2020.

The OPEC agreement to cut 9,7 MMb/d effective 1 May along with economic cuts by other non-OPEC producers including US and Canada, started the process to stabilise the oversupplied market.

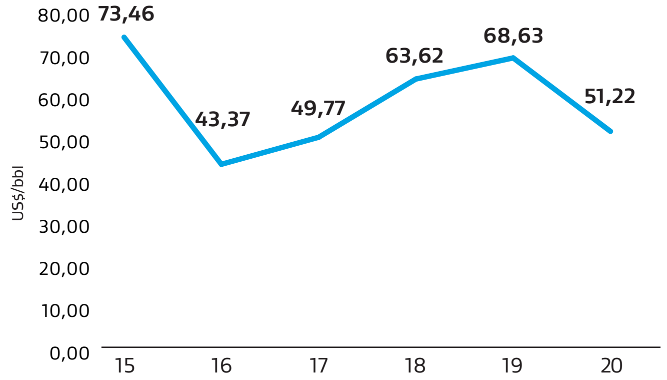
Dated Brent crude oil prices averaged US$51,22/bbl in 2020 – a 25% decrease from 2019 levels and a three-year low.

Global consumption decreased by an estimated 5 million barrels per day (MMb/d) to 94,4 MMb/d in 2020 year – largely due to the impact of COVID-19-related lockdowns that weakened economic activity, as well as road and air passenger transport.

Outlook

Given a significant overhang of inventory in the market and uncertainty regarding demand, we forecast muted price increases. We expect oil prices to range between US$35/bbl and US$45/bbl in 2021.

Average Brent crude oil (US$/bbl)



Source: Reuters

Down cycle in commodity chemical margins

What happened

The chemical industry, already in a down cycle, saw further contraction in demand for most commodity chemicals as a result of COVID-19. Ethane prices fell in the first six months of 2020 owing to ethane cracker start-up delays and increased propane and butane competition. This was accentuated by the oil price decline in March. However, concerns over falling tight oil production and associated ethane supply from the Permian caused ethane prices to rise above 20US$c/pg in May 2020.

The average base chemicals basket decreased from US$830/ton in 2019 to US$681/ton in 2020 as the oil price crash reduced the cost of naphtha-based chemicals production, reducing the cost advantage of ethane-based producers.

The lockdown in South Africa negatively impacted demand and feedstock supply as Secunda Synfuels Operations (SSO) operated at 75% capacity in the second half of 2020. The demand for solvents, particularly high purity alcohols due to virus-related applications, remains healthy.

Outlook

Increased commodity chemicals supply as new Chinese capacity comes online combined with weak near-term demand could keep chemical prices low in the short term. Oil price volatility and the current COVID-19 pandemic could add further pressure on both prices and volumes.

In the short to medium term, US ethane prices are also expected to remain volatile, driven by lower ethane availability as US tight oil production falls and remains below pre-COVID-19 levels. Additional cracker capacity will be brought online in 2021, increasing ethane demand. Lower competition from alternate feedstocks and higher gas prices also place upward pressure on ethane prices.

OUR OPERATING CONTEXT (continued)

IMPACT ON VALUE CREATION

- The spread of COVID-19 resulted in an unprecedented drop in fuel demand of almost 80% in March and April. This exacerbated an already-weak oil price, which further deteriorated in April. Our gearing moved out of the target range, as did our ratio of net debt to EBITDA. Sasol's share price dropped to its lowest level in 20 years. Credit ratings, particularly in the oil and gas sector, came under pressure. Sasol's rating was reduced to sub-investment grade. This resulted in an increase in our borrowing costs.
- Sasol and its partner in Natref, Total South Africa, decided to temporarily suspend production at Natref and cut back on production at Secunda Synfuels. The cut in production severely impacted our gross margins and revenue. We took advantage of the opportunity and accelerated maintenance work at both Synfuels and Natref to allow continuous operations in 2021. To respond the unprecedented oil price collapse and COVID-19 economic consequences, we announced a series of self-help measures for the short term (Refer to page 22).
- Lower spending, as well as the passing of our recent interim and final dividend had a negative impact on almost all of the capitals. With many employees sacrificing part of their salaries to assist the Group in overcoming the challenges, morale and talent retention were negatively affected.
- The reduced cash flows also led to some delays in our digitalisation programme, which we launched in 2018 to deliver enhanced safety, improved customer experience, increased efficiency and to create new value through innovation. COVID-19 did, however, trigger greater adoption of digital ways of working. The large-scale disruption of the pandemic also underscored the imperative to have a sustainable business that provides economic value as well as environmental and social value. Our approach to ESG matters affects Sasol's reputation, financial performance and sustainability. Finding the right balance will attract investor confidence and support, restore trust with stakeholders and secure our social licence to operate.
- While lower ethane prices in the early part of the calendar year supported margins, this reversed in May and June as ethane prices increased to above 20 US$ cents per gallon.

ACTIONS TO ADDRESS THE IMPACT OF THE ECONOMIC CRISIS

In the current economic crisis, with COVID-19 and low oil prices placing significant pressure on our already stretched balance sheet, we understand that we can only deliver sustainable value by creating focus in the organisation, realism around targets and plans and pursuing delivery in terms of volumes, targets and promises to our stakeholders. We understand the urgency of doing so and have assembled a dedicated team to drive a comprehensive response plan to mitigate these macroeconomic factors. We have employed scenarios to develop targets, which are focused on cash conservation and efficiency improvements. To date, we have developed plans for ~80% of the targets for 2021.

Our actions to address the operating context are:

- **Updating our strategy** – in driving focus, we acknowledged that we needed to streamline what was previously a complex and wide portfolio and our updated strategy is now anchored on two businesses and makes clear portfolio choice to transition to a lower-carbon business.
- **Implementing Future Sasol** to enhance cash flows and improve our global cost competitiveness position.
- **Conserving cash** of at least US$1 billion through EBITDA and capital savings in 2021. This is building off the just over US$1 billion cash conserved.
- **Secured proceeds of US$0,6 billion to 30 June 2020.**
- **Hedging our exposure to oil, US dollar and ethane** – oil hedges, targeting 80% of Synfuels' annual fuel production are currently in progress, US$5,4 billion of our US dollar exposure as at 30 June 2020 and 49% of our 2021 ethane exposure have been hedged.

IMPACT ON OUR LONG-TERM STRATEGY

Economies are expected to return to pre-COVID-19 activity levels within two to three years, with growing populations, a rise in the middle-class and increasing urbanisation likely to support growth in demand for energy and chemicals. However, positive climate change benefits, a potential increase in 'working from home' trends, further development of digitalisation and robotics and other efficiency gains are likely to have permanent effects on the long-term fuel and chemical demand outlooks. COVID-19-related experiences could accelerate some existing trends, implying that future demand needs to be met in a quicker, more sustainable and efficient way. These trends impact our strategy in several ways:

- The pressure for cleaner energy could increase the demand for gas, if affordable, within the South African energy mix. However, the scale and timing of Sasol and third-party gas developments for the medium to long term may be impacted by lower economic activity.
- While fuel (petrol, diesel and especially jet fuel), and chemical demand levels may remain depressed in the next year or two, we remain confident that there will be sufficient demand for these products to support our business into the future.
- Changing consumer preferences are likely to impact chemical demand growth – products associated with sanitisation, computer manufacturing, telecommunications and pharmaceuticals could create increased demand for solvents and other chemicals that are supplied into these markets.

Our updated strategy remains supported by the megatrends and is robust in a post-COVID-19 environment – managing the challenges that face our business in the short to medium term will remain difficult until COVID-19 is brought under control.

OUR BUSINESS MODEL AND GLOBAL PRESENCE

Our business model

1 SOURCE FEEDSTOCK – Upstream

Mining
Secunda, Sasolburg

Sourcing of gas
Mozambique: gas, Canada, Gabon: oil

2 MAKE PRODUCTS – Regional operating hubs

Operations
Secunda Synfuels, Secunda Chemicals, Sasolburg Operations, Satellite Operations, Natref, North American Operations, Eurasian Operations

3 SELL PRODUCTS – Strategic business units

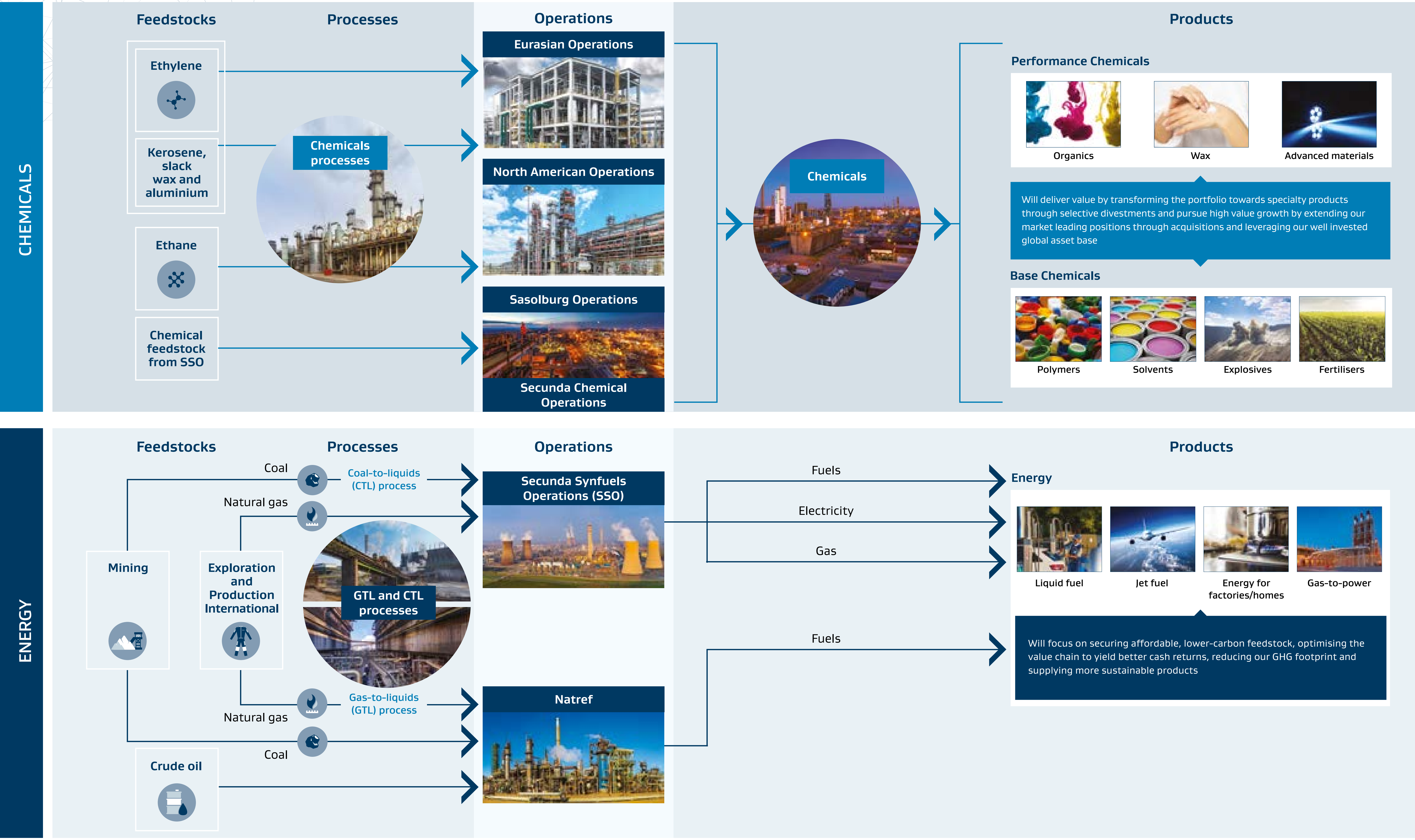
Energy
Liquid fuels, electricity, gas

Chemicals
Base Chemicals, Performance Chemicals

Supported by global corporate centre to enable business

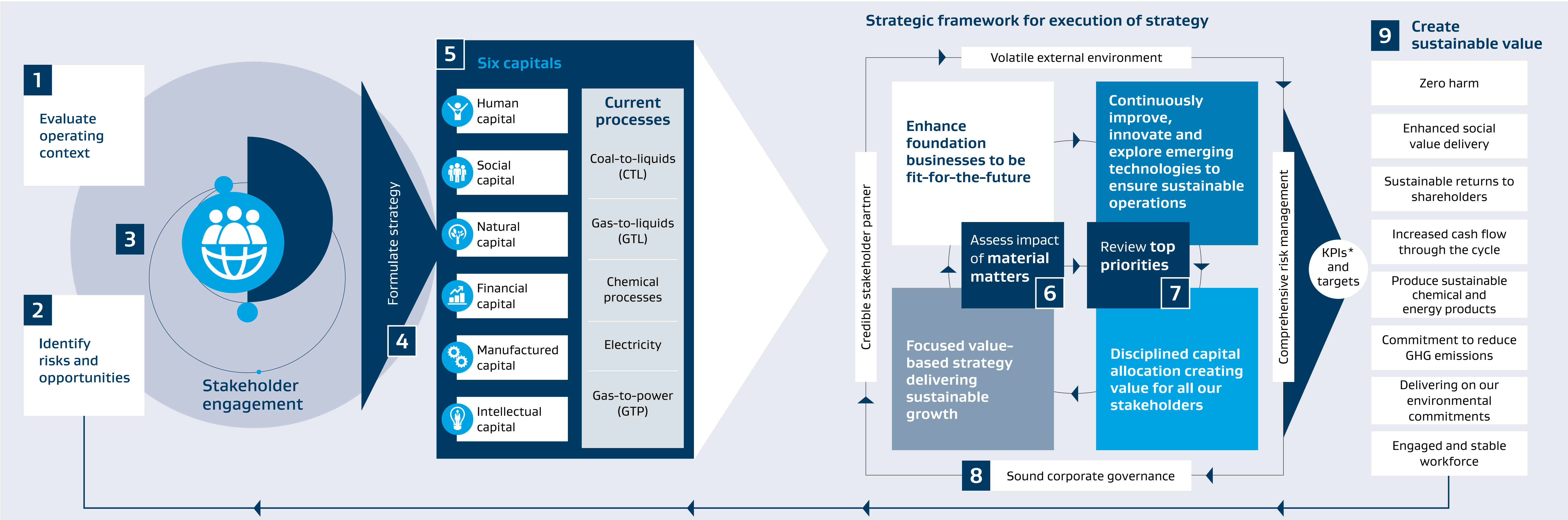
CREATING VALUE THROUGH TWO DISTINCT BUSINESSES

Our integrated value chains, centred on our gas-to-liquids, coal-to-liquids, ethane cracker and chemical processes, are at the heart of our differentiated value proposition. We continue to leverage off the benefits of the value chains, as well as improve our processes to ensure safe, reliable and efficient operations with reduced environmental impacts.



HOW WE CREATE VALUE

By managing our integrated value chains, we create value through our technologies and processes that convert feedstock into high-value products; our purpose is to create superior value for our customers, shareholders and other stakeholders. Through considering the impact of our operating context, relationships that are critical to our ability to create value and assessing the availability of resources, we identify risks and opportunities that can affect the delivery of our strategy. Our ongoing engagement with stakeholders enhances our reputation and improves our understanding of stakeholders' needs and interests to position us for a sustainable future.



1 Our operating context

The environment in which we operate impacts our ability to create value. This includes global growth trends, financial market volatilities, the COVID-19 pandemic, geopolitical tensions, operational challenges, chemical growth cycle dynamics and increasing environmental regulatory requirements. Refer to pages 28 to 31.

2 Identify risks and opportunities

Our strategy is impacted by risks that could materially impact the delivery of value to our stakeholders. The main purpose of risk management is to adequately position the organisation to understand and respond to the potential risks that could materially impact the execution of our strategy and value creation. Refer to pages 52 to 57.

3 Stakeholder engagement

We are reliant on being perceived as a credible stakeholder partner. Delivering value to stakeholders influences our reputation. Our success and sustainability depend on the support of our stakeholders and it is essential for us to understand and be responsive to their needs and interests. Refer to pages 44 to 47.

4 Our strategy

Future Sasol sets a clear path to deliver sustainable value in the near, medium and long term. We have a strong foundation business that will enable us to execute our strategy to grow in Chemicals and Energy. We recognise our responsibility to contribute towards a sustainable society and while we continue to entrench sustainability in our day-to-day decision-making, we are also embedding it into our strategy. Refer to pages 12 to 15.

5 Six capitals

When making decisions on how to manage and grow our business, we take into account the resources and relationships that are critical to our ability to create value. We refer to these as the six capitals. Inputs of each are needed for the effective production and delivery of our goods and services, thereby generating value for all our stakeholders.
Refer to pages 38 to 41.

6 Material matters

Material matters are those matters with the potential to affect our value creation and the achievement of our strategy in the short, medium or long term. These matters form the anchor of the content throughout this report.
Refer to pages 42 to 43.

7 Top priorities

The world is changing and we must change with it to remain relevant and competitive. In alignment with our strategy we formulate top priorities for the short term, which contribute to achieving our long-term strategy.
Refer to page 11.

8 Governance

We are a values-based organisation, committed to high standards of business integrity and ethics. Being accountable and responsible to all stakeholders is a priority. Refer to pages 60 to 65.

9 Create superior value

Our purpose is to create superior value for our customers, shareholders and other stakeholders. We use financial and non-financial KPIs* to measure the achievement of our strategic targets over the short, medium and long term. For details on the year's performance. Refer to pages 50 to 51.

*Key performance indicators

CREATING VALUE USING THE SIX CAPITALS

We create value, deliver on our strategy and advance some of the UN SDGs by transforming the stocks of capital through our business activities. Using our assets, skills and relationships, we build and operate facilities to convert hydrocarbon feedstock into a range of high-value product streams. We seek to operate and grow inclusively, responsibly and sustainably, thereby maximising value creation and minimising any negative impacts.

Impacted by:

- The **macroeconomic** environment
- Sourcing affordable **feedstock**
- Attracting and retaining **skills**
- Streamlining the **cost base**
- Developing solutions to **meet our sustainability goals**

RELEVANT SDGs

- 5 Gender equality; 8 Decent work and economic growth
- 11 Sustainable cities and communities; 17 Partnerships for the goals
- 13 Climate action
- 8 Decent work and economic growth
- 12 Responsible consumption and production
- 9 Industry, innovation and infrastructure; 12 Responsible consumption and production

INPUTS

- **Human** – High-performing, innovative and diverse people
- **Social** – A broad range of stakeholders
- **Natural** – Natural gas, coal, crude oil, ethane, air, water, land and energy
- **Financial** – Cash generated by operations, divestments, debt and equity financing
- **Manufactured** – World-class facilities and equipment
- **Intellectual** – Proprietary and licensed technologies, skills and experience

BUSINESS PROCESSES

Informed by our vision, values and governance, our business model supports the delivery of our new strategy

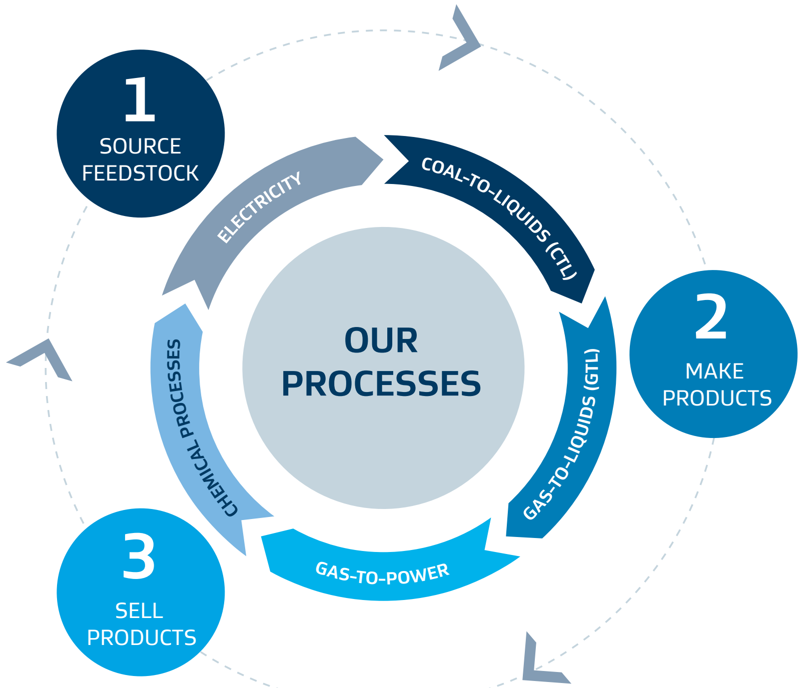
CHEMICALS

- Purchases feedstock
- Collaborates with customers
- Converts feedstock through chemical processes
- Sells to customers around the world

ENERGY

Our integrated value chain:

- Sources coal, gas and crude oil feedstock
- Converts these through our proprietary and licensed technologies
- Sells to customers in Southern Africa



By assessing our operating context (pages 28 to 31) and considering our material matters (pages 42 to 43) we work to improve our agility and secure our competitive advantage.

OUTPUTS

Products

- Chemicals used in industrial and consumer products.
- Liquid fuels used to move people and goods.
- Electricity used to power our operations as well as supplement electricity capacity in South Africa and Mozambique.

Emissions

- Total GHG emissions **66 015** kilotons CO_2e

KEY OUTCOMES

31 001 employees	Regrettably, **six** fatalities
Paid taxes of **R39,1 billion** in South Africa; **R1,8 billion** in Mozambique	Spent **R1,2 billion** on skills and socio-economic development
Achieved **Level 3** B-BBEE status	Recycled **157 484** thousand cubic meters of water and **83** kilotons of waste
Sought proposals to supply **600MW** of renewable energy	Conserved more than **US$1 billion** cash through the comprehensive response plan
Passed dividend	Secured proceeds of **US$1 billion** to August 2020
Temporarily suspended Natref production due to COVID-19; reduced Secunda production	LCCP reached **99%** overall completion
Invested **R1,2 billion** in research and development (R&D)	**0,8%** reduction in GHG emissions

VALUE CREATION

SUSTAINING VALUE AND OUR TRADE-OFFS

Apart from creating and preserving value, there are instances where value is diminished through our activities. When making decisions on how to manage our business, we consider the trade-offs between capitals: we aim to maximise positive outputs and outcomes and limit negative impacts.

	Key inputs*	Key outcomes and outputs*	Key actions	Trade-offs
Human	• Diverse Board. • Strong leadership team. • 30 670 permanent employees (31 112). • 331 non-permanent employees (317). • Investment in employee learning R967 million (R1 272 million).	• Six work-related employee fatalities (three). • RCR of 0,27 (0,26). • Wages and benefits R32 billion (R31,9 billion). • New cases of occupational disease 77 (66). • Limited COVID-19 infections to 130 by 30 June 2020.	• Hiring freeze, salary sacrifices, suspension of Sasol's contribution to retirement funds, no 2021 salary increases, Board fee reductions. • Progressed initiatives to improve our culture and remediate the LCCP material weaknesses. • Improved the Board's gender diversity.	• The loss of lives at Sasol impacted negatively on all capitals. Employee morale and social capital were hit by cost-cutting measures, however financial capital benefitted. • Employees working from home during COVID-19 supported intellectual capital.
Social	• Partnerships with customers, suppliers, business peers, research bodies. • Relationships with communities, governments, regulators, civil society. • Engagements with investors, shareholders. • A strong established brand.	• Paid taxes of R39,1 billion (R39,5 billion) in South Africa and R1,8 billion (R1,4 billion) in Mozambique. • Spent R1,2 billion (R2 billion) on skills and socio-economic development. • B-BBEE Level 3 (Level 4). • Black-owned spend R26,3 billion (R19,2 billion). • Valuation of B-BBEE transaction-Sasol Khanyisa was negatively impacted by lower earnings.	• Engaged stakeholders to develop our emission reductions roadmap, after a perceived lack of urgency on sustainability issues. • Engaged investors to understand concerns after failing to meet required support threshold for remuneration. • Supported local communities through meaningful contributions, including various initiatives during COVID-19 (Refer to pages 48 to 49).	• Investment in and donations to fenceline communities reduced financial capital, but will positively impact all capitals in the long term. • Sasol Khanyisa's lower valuation negatively impacted social and human capital. • Some new remuneration measures negatively impacted human capital but will ultimately benefit social capital.
Natural	• Coal to process (kilotons): 16 942 (17 038). • Crude oil processed (mm bbl): 17,2 (22,2). • Natural gas to process (bscf): 90 (90). • Total water used (thousand cubic meters): 142 614 (134 260). • Total energy used (thousand GJ) 413 776 (402 641).	• 112,4 bscf of natural gas from Mozambique (114 bscf). • 36,1 mm tons of saleable coal (36,1 mm tons). • GHG emissions 66 015 kt CO_2e (66 558 kt CO_2e). • Hazardous waste (kilotons) 333 (328 kt). • Non-hazardous waste (kilotons) 195 (237 kt). • Nitrogen oxides (kilotons) 135,8 (149,1 kt). • Sulphur oxides (kilotons) 196,3 (191,5 kt). • Recycled 157 484 thousand cubic metres of water (177 680 thousand cubic metres), and 83 kilotons of total waste (105 kt).	• Updated our strategy, removing upstream oil activities as a growth area. Mining is also not a growth area although it is still part of our integrated energy value chain. • Progressed work to secure affordable gas feedstock to continue our operations beyond 2024. • Prioritised a greater role for renewable energy in our operations.	• Impacted negatively on natural capital by using non-renewable resources and through our emissions and wastes. • Competition for natural resources impacted negatively on human and social capital. • By converting natural resources into value-added products, we boosted all other capitals. • Securing new gas supply will negatively impact our financial capital in the short term but will positively impact natural capital by reducing our GHG emissions.
Financial	• Market capitalisation R83 billion (R221 billion). • Debt raised R56 billion (R95 billion). • Equity R159 billion (R226 billion). • Finance income R0,9 billion (R0,8 billion). • Finance expense R7,3 billion (R1,3 billion). • Funding facilities R200 billion (R160 billion).	• Loss before interest and tax R111 billion (EBIT R9,7 billion). • Cash generated by operating activities R42,4 billion (R51,4 billion). • Headline loss per share R11,79 (HEPS R30,72). • Attributable loss R91,1 billion (earnings R4,3 billion). • Net debt to EBITDA 4,3 times (2,3 times). • Gearing 114,5% (56,3%). • Standard and Poor's (S&P) and Moody's reduced Sasol's credit rating to sub-investment grade.	• Managed our comprehensive response by focusing on self-help measures, asset disposals and transitioning to Future Sasol. • Conserved in excess of US$1 billion of cash and disposed of assets worth US$0,6 billion. • Passed interim and final dividend.	• Constrained balance sheet impacted manufactured capital as we were not able to execute comprehensively on our plans. Intellectual capital was affected by delays in implementing digital initiatives as funds were diverted to liquidity management and repaying debt. • Human capital felt impact of cost-saving measures, which benefitted financial capital. • Social capital was affected by no dividend payments.
Manufactured	• Property, plant and equipment R204 billion (R234 billion). • Assets under construction R28 billion (R128 billion). • Exploration, development, production, marketing and sales operations in 30 countries (31).	• 7 230 kilotons of saleable production (6 415 kt). • Secunda Synfuels production of 7 373 kilotons (7 619 kt). • Natref production 16,8 mm bbl (21,6 mm bbl). • 52,7 mm bbl of liquid fuels sales (60 mm bbl) in South Africa. • Capital expenditure R35,2 billion (R55,8 billion). • Depreciation and amortisation R22,6 billion (R18 billion). • Net impairment of assets R111,6 billion (R17,5 billion).	• Reached beneficial operation for LCCP's ethoxylates, Ziegler, Guerbet units; LDPE unit start-up delayed. • Temporarily suspended Natref production and reduced Secunda Synfuels Operations (SSO) production during COVID-19. During this time SSO successfully completed certain maintenance activities which allowed for the postponement of the September 2020 shutdown. • Divested 51% of our explosives business to Enaex. • Disposed of indirect equity interest in Escravos GTL.	• Growth in manufactured capital negatively impacted natural capital and, in the short term, financial capital. • Lower production had an adverse impact on our financial and social capital. • Investments to reduce the environmental footprint of facilities benefitted natural, intellectual, human and social capital, but came at a cost to financial capital.
Intellectual	• Skilled and experienced employees, industry thought leaders and experts. • Our 2 400 patented technologies. • Digital enablers to create value through innovation.	• New patents issued 130 (150). • Worldwide patents held 2 400 (2 500). • Corporate bursaries 455 (497). • Invested R1 233 million in research and development (R&D) (R966 million).	• Updated our strategy, using scenario planning to understand the Group's future state in a range of possible outcomes. • Reviewed our Remuneration Policy; changed it where appropriate. • Deployed technology and support to enable most employees to work from home.	• Under our revised strategy, we plan to support all capitals, but decision not to pursue growth in coal could impact negatively on human and social capital. • Reconsideration of remuneration at Sasol affected our human capital adversely but could benefit natural and social capital.

* 2019 comparative figures indicated in brackets.

MATERIAL MATTERS IMPACTING VALUE CREATION

Our material matters are issues that have the potential to impact, both positively and negatively, our value creation in the short, medium and long term. These material matters are aligned with our risk business imperatives. Managing them effectively could support or hinder our ability to execute our strategy and remain competitive.

Maximising value from foundation business

Why this is important

Typically, our foundation businesses are strong cash generators. But the oil price slide, unprecedented decline in demand for our liquid fuels as well as increasing overheads and high variable costs put pressure on these assets. With a highly leveraged balance sheet, the Board focused on maximising cash flows so as to manage liquidity and ensure we had the cash to service our business needs. We evaluated all levers to generate more cash – including increasing volumes through stable and reliable operations; postponing discretionary capital spend without putting the safety and integrity of our operations at risk; reducing external spend; and optimal planning.

We worked to build a strong, safe culture, reduce risks and minimise the potential impact of any incidents. Our reduced cash flows and cost-containment drive led to some delays in our digitalisation programme, however COVID-19 triggered greater adoption of digital ways of working.

Targets

- Zero harm at all our operations.
- Secunda Synfuels Operations production of between 7,7 – 7,8 million tons.
- Cash savings of US$1 billion in 2020 and a further US$1 billion planned in 2021.

What we have done about this

- Took decisive action to make zero harm a reality by pursuing with greater vigour our programme to prevent high-severity injuries and fatalities.
- Brought forward to May 2020 the routine Secunda Synfuels' maintenance shutdown scheduled for September 2020, enabling continuous production in 2021.
- Brought forward routine maintenance work at Natref, after halting production in April. Re-started production at end June.
- Advanced our efforts to secure gas supply in line with our strategy.
- Sought interest from potential bidders to supply 600MW of renewable energy at Secunda and Sasolburg operations.
- Implemented a weekly 'cash war room' to track cash forecasts and spending.

Advancing sustainability

Why this is important

The disruption of COVID-19 underscored the imperative to have a sustainable business that provides economic as well as environmental and social value. Sasol's approach to ESG matters affects the Company's reputation, financial performance, and sustainability.

In October 2019, our Climate Change Report launched our transition framework for resilience. In 2020, we recognised the centrality of gas and renewables to sustain our operations. We developed a roadmap to achieve the 2030 target for our South African operations and embedded climate-change management in decision-making. Carbon taxes impact the viability of Sasol's business. For phase 1 of the Carbon Tax Act, our liability is between R800 million and R1 billion.

Finding a balance between the need for economic development, job creation, energy security and GHG emission reductions remains crucial. Sasol's active role will reinforce our relevance, in turn, attracting investor confidence, restoring trust and retaining our licence to operate.

Targets

- 30% global energy efficiency improvement by 2030, off a 2005 baseline.
- Maintain 302 million tons CO_2e based on a five year carbon budget by end of calendar year 2020.
- Reduce by 2030 the absolute GHG emissions from our South African operations by at least 10% off our 2017 baseline.

What we have done about this

- Achieved improvements of only 14,3% for Group operations towards our energy efficiency target of 30% improvement by 2030.
- By December 2019, Sasol used 226 Mt of our allocated 302 Mt CO_2e.
- Updated our strategy, making clear portfolio choices to transition to a lower-carbon business. These include the pursuit of gas and renewables and the decision to stop oil growth activities.
- Published our 2030 emission-reduction roadmap and secure affordable gas feedstock to continue our operations beyond 2024.
- Strengthened governance by broadening the mandate of the Chief Sustainability Officer.
- Assisted communities in the time of COVID-19: safeguarding frontline workers; fast-tracking bulk hand sanitiser donations; supporting first responders; and providing free online and interactive learning to scholars.

Eliminating fatalities and improving our culture

Why this is important

The loss of six lives in workplace incidents was tragic, impacting negatively on the Sasol community. A safe workplace is happier and more productive, where people are more motivated and engaged. We believe zero harm is indeed possible.

For this, we need to continuously strengthen our culture, with a focus on embedding the right behaviours. We need to ensure our leadership has the capability and capacity to enable a cultural transformation towards a diverse, inclusive, resilient and sustainable organisation. We want a culture that provides a stimulating environment where commitment supports employees' desire to achieve, enabling broader value creation. By asking employees to sacrifice part of their salaries to conserve cash, we impacted on staff morale and talent retention. Both are essential to build a Sasol that is fit-for-the-future.

Targets

- Zero harm.
- RCR of 0,27 in 2020.
- Improved culture.

What we have done about this

- Implemented a safety stand-down to underscore safety as a core value and top priority.
- Reviewed the effectiveness of the high-severity injuries programme at all operating model entities and established a 'fatality and high-severity injuries elimination taskforce'.
- Accelerated our culture transformation journey with enhanced interventions and strengthened capabilities and a dedicated focus on our GEC and leadership.
- Drove specific focus on the review of policies to ensure that Sasol remains an attractive brand and a conducive place to work and implemented our tone at the top interventions.

Managing market volatility and our self-help actions

Why this is important

Expenditure to complete the LCCP strained Sasol's finances, evidenced by the high level of debt and the suspension of the dividend. As we approached the LCCP's cash inflection point, COVID-19 lockdowns disrupted economic activity and led to unprecedented market volatility. Oil prices collapsed. Demand for fuel products fell steeply, impacting earnings and cash flows. Gearing moved out of the target range, as did our ratio of net debt to EBITDA. Sasol's share price dropped to its lowest level in 20 years. Our credit rating reduced to sub-investment grade. We amended our borrowing covenants and our borrowing costs increased. To reduce our debt, we announced a robust series of self-help measures for the short term.

Recent global events signalled a lower-for-longer oil price environment. We accelerated an update of our strategy and reset Sasol to be sustainably profitable at US$45/bbl. This will enable us to better withstand market volatility, earn our right to succeed and support overall value creation.

Targets

- Long-term gearing 30%.
- Long-term net debt/EBITDA 1,5x.
- To return to investment grade credit rating.
- At least US$2 billion in proceeds from asset disposals by end of financial year 2021 and pursuing a rights issue of up to US$2 billion in the second half of financial year 2021.

What we have done about this

- Engaged lenders successfully on obtaining a waiver for our covenant at 30 June 2020
- Reset Sasol's strategy for long-term value creation, implementing Future Sasol to achieve long term gearing and net debt to EBITDA targets.
- Announced a comprehensive response plan to generate at least US$6 billion by end-2021, targeting US$1 billion of cash savings by end-2020, which we achieved.
- Managed steep decline in fuel demand by reducing production by 25% at Secunda Synfuels Operations; suspended production at Natref; scaled back gas production in Mozambique; prioritised chemicals production from South Africa.
- Implemented business continuity plans to supply customers; stopped all non-essential work and suspended new projects; enforced a labour recruitment freeze.
- Expanded the scope of asset disposal programme.

Optimising our portfolio

Why this is important

In 2019 we started to commission the first units of the LCCP. In 2020 we brought more units online. Full delivery and ramp-up of the LCCP and an increase in earnings towards run-rate expectations are critical in unlocking value. They are an essential enabler of our strategy, in particular by strengthening our specialty chemicals portfolio and transforming Sasol's earnings profile and diversifying our risk.

Our asset disposal programme aims to ensure that our capital is invested effectively. In 2020 we expanded the programme's scope as we updated the strategy to focus on two distinct businesses. We made choices to stop all oil growth activities in West Africa and resize the upstream portfolio to focus on gas.

Targets

- LCCP total cost of US$12,8 billion.
- Proceeds from asset disposals exceeding US$2 billion.

What we have done about this

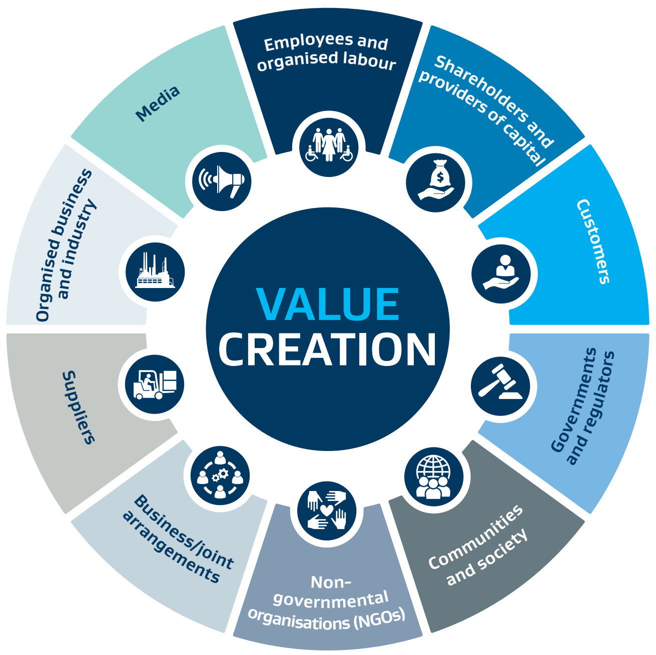
- LCCP total cost tracked US$12,8 billion at year-end, with all units online except for the LDPE which is expected in October 2020.
- Achieved overall project completion of the LCCP of 99% with an excellent safety performance.
- Brought the ethane cracker and five of the six downstream chemicals units online. The last unit is on track to start-up in October 2020.
- Completed the review of our portfolio; identified a number of assets for divestment or equity dilution. Set up a joint venture explosives business with Enaex and sold our indirect equity interest in the Escravos GTL in Nigeria. In July 2020, we agreed to sell our Secunda complex's air separation units for R8,5 billion.
- Secured proceeds from asset disposals of US$0,6bn to August 2020.
- By 2021, we expect to have achieved the majority of our targeted asset disposals, including the disposal of a share in the Base Chemical assets in the US.

ALIGNING WITH OUR STAKEHOLDERS

Our stakeholders

Our position regarding our stakeholders and wider society is clear: we aim to be transparent, deliver on expectations and co-develop solutions. In South Africa we play an important role in the economy as a significant contributor to gross domestic product (GDP), employment and by providing a large share of the country's liquid fuels demand.

We have a broad range of stakeholders who we impact and, who in turn, impact us. Given this interdependence, in making decisions we are mindful of their expectations. We recognise that trust is a key element of stakeholder relations, so we seek to build this through open dialogue. We endeavour to meet our commitments by being responsive and solutions-focused. We identify, assess and monitor stakeholders' expectations together with significant issues that could have a bearing on our operations and strategy, and track and provide regular feedback on our commitments and the issues that stakeholders raise.



Partnering facilitates the achievement of our strategic objectives and enhances our reputation and brand.

Our intention is to be a credible stakeholder partner and create sustainable shared value.

Fundamental issues of our key stakeholders:

Sustained low crude oil price	Lake Charles Chemicals Project (LCCP)	Balance sheet management	Sustainability and environmental, social and governance (ESG)	Effects of the COVID-19 pandemic	Safety and culture
Material matter	Material matter	Material matter	Material matter	Material matter	Material matter
Maximising value from foundation business	Maximising value from foundation business	Managing market volatility and self-help actions Optimising our portfolio	Advancing sustainability	Advancing sustainability	Eliminating fatalities and improving our culture
No returns to shareholders No capital for growth or expansion Liquidity of business Numerous cash conservation plans and cost reduction initiatives which deplete our human capital	Safely ramping up production units to expected levels Reduced internal rate of return (IRR) and cash flow generation Successful partnering on US Base Chemical assets	Affordability of capital projects and ability to service debt Portfolio transformation and asset disposals Management of key financial indicators • Debt to equity ratio • Net debt to EBITDA ratio • Dividend payment • Project financing • Loan covenants • Capital allocation	Greenhouse gas GHG) emissions and climate change Rehabilitation and water stewardship Operations' environmental impacts on air quality Employment opportunities Gas security as well as its role in climate change mitigation	Safety and health of employees Support to local communities and governments Impact on business and earnings	Employee safety Safety performance Fatalities High-severity injuries Occupational health A culture which entrenches values-based, purpose-led behaviours

Employees and organised labour

31 001 employees

83% South Africa-based	**76%** men
17% International	**24%** women

Value shared

R32 billion paid in wages and benefits

Enhancing our culture by focusing on **embedding the right behaviours**

40 hours volunteering leave per annum and employee for **SASOL FOR GOOD** initiatives

Why we engage

Enhancing our relationship with employees and organised labour remains important. The building and sustaining of sound employment relationships is boosted by our commitment to continuously review and reinforce our employee value proposition, so as to strengthen engagement and improve employee productivity.

How they perceive value

- Advancing diversity and inclusiveness.
- Fair remuneration and benefits, opportunities for career development and recognition.
- Safe and healthy working conditions.
- A true partnership and a collaborative approach to a sustainable future.
- Leaders who lead by example, are visible and nurturing.
- Ethical, honest, and open engagement.
- Enable opportunities to volunteer and participate in social development initiatives.
- Clear, consistent and easy-to-understand communication.

Our response

- Our vision, purpose, sustainability statement, culture and values commit us to non-discrimination and embracing diversity by ensuring our workplaces globally are inclusive, fair, open, flexible and supportive.
- Safety is a core value as well as a top priority and is integral to our culture.
- Participate in consultative and negotiation platforms on issues of mutual interest.
- Extensive consultations on how to transition the workforce to Future Sasol.
- Constructive engagements based on mutual respect to embed culture of accountability between parties in the quest for shared value.
- Adhere to and comply with all laws and uphold human rights.
- Continue to recognise and respect the right to collective bargaining.
- Communicate regularly on various channels.

Link to Sustainable Development Goals

ALIGNING WITH OUR STAKEHOLDERS (continued)

Shareholders and providers of capital

175 724 ordinary shareholders
203 694 BEE shareholders

Retail investors, asset management and retirement funds

Credit rating agencies: Moody's and Standard & Poor's

Bondholders

Investment analysts

Value shared

Updating strategy

Conserving cash

Asset disposals

R7,3 billion interest and fees paid to providers of capital

Why we engage

Consistent and clear communication relating to financial and strategic information enhances shareholders' expectations, establishes and maintains trust. By understanding and aligning with shareholders' suppositions and positioning our value proposition accordingly we are best placed to manage expectations.

How they perceive value

- Clear and consistent communication.
- Clear articulation of strategy.
- Progress on sustainability roadmaps to transition to a lower-carbon future.
- Disciplined capital allocation in line with strategic objectives.
- Robust business and resilient balance sheet.
- Resumption of dividend payments and share price recovery.
- Sound risk management and strong governance practices.
- Excellence in project execution and operations including safety standards.

Our response

- Committed to open and transparent communication and interaction specifically on our response measures.
- Equal treatment of all shareholders in terms of access to information, management and feedback.
- Regular engagement through conference calls, one-on-one meetings, roadshows, site visits and Investor/Capital Market Days.
- Meetings with senior management and Non-executive Directors when appropriate.
- Information released on the JSE's Stock Exchange News Service (SENS), major financial newswires (NYSE), media, our website and email alerts.
- Resume dividend when net debt to EBITDA is sustainably below 2,0x.
- Enterprise risk management process is well entrenched (Refer to page 52).
- Developed emission reduction roadmap to 2030 (refer CCR).
- Implementing Future Sasol to improve robustness of business and strength of balance sheet.

Link to Sustainable Development Goals

Governments and regulators

Governments in the countries in which we operate

Johannesburg Stock Exchange

Various regulatory authorities

United States Securities and Exchange Commission

Value shared

R39 billion paid in direct taxes in South Africa

Contribute **3,7%** to South Africa's gross domestic product (GDP*)

Joint venture **175MW-capacity** gas-to-power plant in Mozambique delivers electricity directly into the Mozambican power grid

R19 billion invested to sustain existing operations

Enabled approximately **70%** of self-generation electricity capacity

*IHS market study

Why we engage

To continue strengthening relations, as well as collaborate and shape policy that supports business and the broader economy.

How they perceive value

- Comply with relevant legislation.
- Operate safe and stable facilities in an environmentally compliant manner.
- Investment to create and sustain employment.; hire from and invest in local communities.
- Collaborate with local municipalities on various community upliftment projects in South Africa and Mozambique.
- Support national, provincial and local agenda, and in South Africa and Mozambique, focus on the alleviation of poverty and inequality as well as promote transformation and localisation.
- Deliver on our commitments.
- Clear, consistent and easy to understand communication.

Our response

- Comply with applicable legislation, including environmental obligations.
- Ensure safety remains a top priority, continue to pursue zero harm and eliminate fatalities.
- Support efforts to minimise environmental footprint.
- Cooperate, consult and provide input regarding issues that affect the economy, our activities and operations.
- Continue to invest in our operations in order to sustain output.
- Support country-specific priorities.
- Commitment to open and transparent dialogue supported by proactive engagement.

Link to Sustainable Development Goals

Customers

One third of our fuel is marketed through our 409 Retail Convenience Centres and commercial channels

More than **7 300** chemicals customers in over **120** countries

318 gas customers in South Africa

One third of electricity generated from our gas-to-power joint venture in Mozambique is supplied to the Mozambican market

Value shared

More than **7,6 million tons** of **chemical** products and **52,7 million barrels** of **liquid fuels** produced

Fast tracked production of **unique alcohol blend** as a result of increase demand for hygiene products

Support **product stewardship** and product stewardship education

Assisted our gas customers **reduce greenhouse gas emissions by approximately two million tons** per annum with supply of natural gas

Why we engage

Our customers are core to our business and we aim to influence their actions and perceptions. Being customer-centric, responsive to their needs and expectations, delivering exceptional service, as well as improving the overall customer experience supports our growth in delivery of product volume and thriving mutual value creation.

How they perceive value

- Sustainability of business.
- Deliver on brand promise.
- Recognition of the merit in building mutually beneficial long-term relationship.
- Constructive and transparent engagement to foster win-win relationships.
- Consistent and predictable delivery of high-quality products that meet specifications.
- Competitive and fair pricing.
- Doing business with ease – both personally and digitally.
- Collaborative effort in providing value-add solutions, including research and development.
- Understanding business needs.
- Proactive, clear and consistent communication.

Our response

- Our unwavering promise to our customers is real. We are resolute about continuously improving our customer service levels and being customer-centric.
- Our Customer Commitment Statement clearly articulates our pledge to customers.

Link to Sustainable Development Goals

Communities and society

Citizens of the countries in which we operate, our fenceline communities and non-governmental organisations

Suppliers

Partners

The environment on which citizens depend

Value shared

R1,2 billion invested in skills development and social investment programmes

Launched an **integrated response to COVID-19** and accelerated our response in the fight to combat the spread of virus

Why we engage

We recognise that our business sustainability is premised on the relationships we build with communities and the contributions we make to upliftment of the societies in which we operate. We aspire to be a credible partner of choice by building strong relationships with our communities.

How they perceive value

- Sustainability of business.
- Manage operations in a responsible way, minimise environmental impact and comply with relevant legislation.
- Ethical, honest and open engagement on issues of mutual interest.
- Contribute to improving the quality of people's lives.
- Enable sustainable economic participation.
- Constructive engagements which are followed by requisite and appropriate responses.

Our response

- Demonstrate our commitment to reducing greenhouse gas (GHG) emissions and transitioning to a lower-carbon economy.
- Ensuring just transition that takes social, economic and environmental matters into account.
- Ensuring safety remains a top priority.
- A multi-pronged approach to social investment that works to build capacity while providing long-term infrastructural and support programmes by focusing on:
  - education;
  - skills development;
  - community development;
  - economic transformation and local content;
  - environmental stewardship;
  - humanitarian support through Sasol for Good; and
  - selective sponsorships.
- Open, consultative and cooperative engagement.
- Our integrated COVID-19 response team implemented a number of actions to bolster the safety our communities and broader society.

Link to Sustainable Development Goals

OUR RESPONSE TO THE GLOBAL COVID-19 PANDEMIC

Partnering with and supporting our stakeholders to flatten the curve

As cases of the highly infectious COVID-19 grew globally, extraordinary measures were put in place to contain the infection and avoid a human catastrophe.

We pledged to play our part in supporting efforts to limit the spread of the virus. We acted swiftly and decisively, prioritising the health and safety of our employees, and of our fenceline communities. We implemented business continuity plans to ensure that we operated at planned levels as well as provided our customers with the products they required. We supported our suppliers to ensure continuous of service by continuing with essential services and providing aid where appropriate.

Our fuel and chemicals enable many industries that are integral to the provision of a range of basic goods and services. Because of this, most parts of our operations were designated 'essential services' and remained functioning. These included coal mining, fuel retailing and chemicals distribution.

We launched an integrated response to COVID-19 that prioritised activities to ensure the stability and safety of our operational facilities and fenceline communities, continuity of service providers and secure working from arrangements.
We established a group-wide COVID-19 response team, representing various functions, and mandated it to oversee and coordinate our various undertakings in support of our many stakeholders.

> When we look back on this time of uncertainty and disruption it will be humanity's contributions of compassion, generosity and courage that will be remembered and celebrated.

Employees and organised labour

Established a COVID-19 executive team and set up weekly meetings with the COVID-19 crisis working group. This integrated response prioritises activities to ensure the stability and safety of our operational facilities and our fenceline communities. Across the globe, our operations set up their own working groups to deal with the virus on the ground.

Set up a COVID-19 crisis working group, meeting three times a week and issuing daily reports to the executive and senior management on the state of the virus at Sasol. These give details by geography and operation of a wide range of data, including the number of active cases, recoveries and people who are self-isolating.

Enabled all office personnel globally to work from home and introduced guidelines for different work arrangements and leave types supported by online and field assistance.

To ensure the stability and safety of our operational facilities, we reset shifts and work schedules to support social distancing and de-crowding.

Reinforced our commitment to safety and conducted COVID-19 specific workplace risk assessments and implemented appropriate occupational health procedures and controls.

Elevated our focus on hygiene, sanitisation measures and social distancing in all our buildings and sites.

Provided medical and wellbeing support.

Put in place special protocols for high-risk employees and encouraged those with co-morbidities to declare them. Commissioned 'contact tracing' procedures with supporting technology to ensure effective and speedy response to infected employees.

Carried out extensive awareness and education communication as well as wellness campaigns including wellbeing support. Regular CEO webcasts kept employees informed.

Converted one of Mining's hostels into a quarantine and self-isolation facility for recovering employees and contractors.
Provided regular up-to-date information, plans and control measures to relevant trade unions.

Developed and produced World Health Organization-compliant hand sanitiser for our South African facilities and fenceline communities.

At 30 June 2020, we had:

- **130** cases
- **46** recoveries
- **84** isolation cases

Customers

Ensured seamless work transition of sales and marketing teams across the globe to working from home without disrupting our value chains and ensuring strong customer support in a volatile and disrupted market; enhanced our online support.

Responded to the significant increase in demand in South Africa for hygiene products by fast-tracking the production of a new blend of high purity ethanol which is suitable for the manufacturing of disinfectants and hand sanitisers; prioritised regional supply and maintained stable prices.

Simplified customer registration process for cash customers and added more resources to process applications and orders. As a result, added more than 125 new customers, mostly recommended by the Department of Trade, Industry and Competition (DTIC) as appointed suppliers for essential services.

Assisted convenience centres' sales by promoting online transacting and delivery through Mr Delivery and Uber Eats.

Extended credit payment terms to our franchisees and reviewed royalties.

Provided financial relief to our Liquified Petroleum Gas (LPG) business customers.

Governments and regulators

By consolidating our plans and partnering with governments at national and local level, health departments and the private sector we made a positive contribution to managing and containing the spread of the virus. In South Africa, partnerships include our work with the national Department of Education, the provincial Departments of Health, the local district command councils, local municipalities, as well as local chambers of commerce. In Mozambique and in Southwest Louisiana in United States, we affiliated with the provincial health directorates.

In South Africa we are an active member of Business for South Africa, supporting collaborative efforts with other businesses, government, trade unions and society – leveraging each one's expertise, resources and capabilities to address COVID-19-specific challenges.

Worked with Department of Trade, Industry and Competition (DTIC) and South African Revenue Service (SARS) to simplify the excise licence process in order for new manufacturers of hygiene products and hand sanitisers to handle undenatured ethanol.

Engaged constructively with National Treasury and SARS and made detailed submissions to secure tax relief as intended by the Disaster Management Tax Relief Bill given the impact of the macroeconomics and COVID-19 pandemic on business. Some of these submissions were supported by Business Unity South Africa (BUSA) and South African Petroleum Industry Association (SAPIA).

Collaborated with organised labour, labour authorities and industry associations to support transparent approach towards an aligned understanding and implementation of COVID-19 restrictions in the interest of the health and safety of our workforce.

Donated 500 000 litres of fuel to the Mozambican government's Ministry of Health to assist with its COVID-19 response.

Communities and society

We recognised our duty to step up and show support for those in need across our operating geographies and fenceline communities especially where there are significant socio-economic disparities and vulnerable communities specifically in Mozambique and South Africa. We donated various items to specifically support those at the frontline of the fight against COVID-19 and to resource quarantine and medical facilities in and around our fenceline communities. Our interventions included the following:

- Fast tracked the production of our new unique alcohol blend which is safe and suitable for the manufacture of disinfectants and hand sanitisers. We produced approximately 240 000 litres of sanitiser which was donated to our communities.
- Partnered with AngloGold Ashanti and Imperial Group to supply bulk hand sanitiser to staff and patients of major Gauteng provincial hospitals - Chris Hani Baragwanath Academic, Charlotte Maxeke Academic, Helen Joseph, Leratong hospitals as well as the Nelson Mandela Children's hospital.
- Donated over 900 000 litres of jet fuel, which was utilised by South Africa's national airline, South African Airways, for the repatriation of stranded people. Approximately 1 300 South African citizens were direct beneficiaries.
- Donated HazMat suits, hand sanitiser and hand soap to local government representatives who formed COVID-19 tracer teams in the Secunda community.
- Distributed educational and awareness communication.
- Sasol Foundation partnered with the Department of Basic Education (DBE) and Africa Teen Geeks to provide free online and interactive Science, Technology, Engineering and Mathematics (STEM) learning - impacting over 250 000 learners.
- In Secunda, the Department of Health's regional hospitals quarantine facility were supported with essential resources such as beds.
- Donated essential items such as blankets, linen and mattresses valued at approximately R1 million to the Mpumalanga Department of Health. In addition, we allocated ten administrators to assist the department with data capturing as part of the screening and testing process.
- Supported Provincial Departments of Health by providing three mobile science laboratory vehicles (one in Sasolburg, one in Gauteng and one in Secunda) to assist staff, community with screening and testing campaign. Two additional vehicles were made available to help with staff transportation in the Secunda area. We also provided 2 560 litres of fuel for these vehicles.
- Donated mobile accommodation and diesel generators to the South African National Defence Force and South African Police Services while they conducted COVID-19-related activities during lockdown in Secunda.
- Supported the Fezile Dabi District, Free State, Department of Health with donation of 2 700 FFP2 masks and 30 700 pairs of surgical gloves for use by healthcare workers.

NORTH AMERICA

- Pledged US$100 000 towards COVID-19 relief efforts, with an emphasis on supporting frontline emergency responders, healthcare professionals, educators and food service providers. Bulk was earmarked for the Southwest Louisiana community.
- Directing resources to City of Westlake public schools to assist educators transition to online learning.
- Partnered with McNeese State University's Small Business Centre to conduct virtual business courses.

MOZAMBIQUE

- Donated six multifunctional containers to the Provincial Health Department in Temane. These can be used for consultations or temporary hospital ward facilities.
- Made available 60 000 litres of hand sanitiser to local communities.

ITALY

- Together with industry partners we donated state-of-the art emergency medical equipment, for use in intensive care units, to Siracusa and Augusta hospitals.

SASOL FOR GOOD

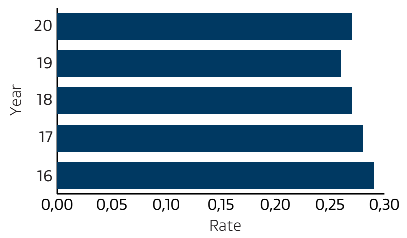
Employees answered the **'Call to Action'** using our **Sasol for Good** platform. At year end **R61 000** had been raised, benefitting ten accredited organisations.

OUR KEY PERFORMANCE INDICATORS

We have defined a number of targets to measure our performance. We continually monitor our performance against these targets and when necessary, revise them to take into account changes in the strategic outlook. Our short-term targets are aligned with our long-term strategic targets and are employed across the Group. They encompass both financial and non-financial indicators as well as quantitative and qualitative factors.

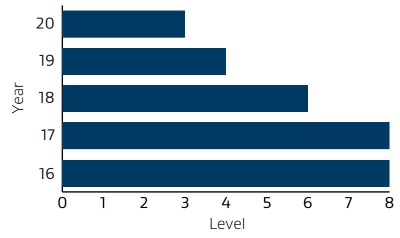
Sustaining business operations

Recordable Case Rate



Our Recordable Case Rate (RCR) has regressed slightly from 0,26 to 0,27 over the 12 month reporting period. There were six tragic fatalities in the Group. Each incident undergoes thorough investigation to determine the root cause and we apply learning to reinforce safe behaviours.

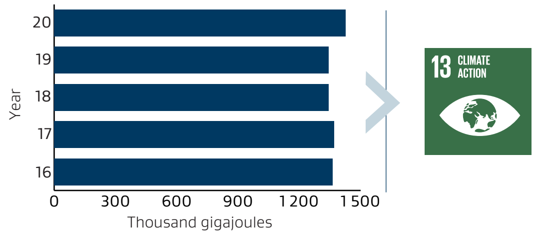
B-BBEE status



We continued to deliver on our commitments towards sustainable transformation and Broad-Based Black Economic Empowerment (B-BBEE) despite current macroeconomic challenges.

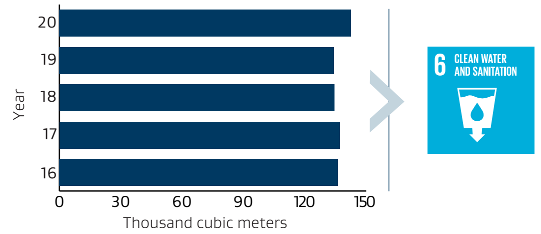
Managing our environmental matters

Total energy used



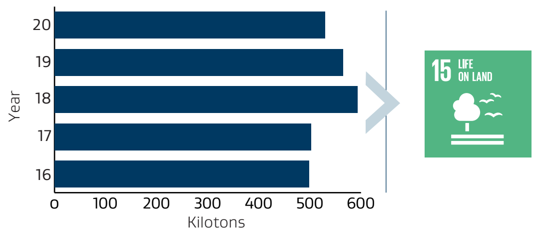
Achieved improvements of only 14,3% for our operations towards our energy efficiency target of 30% improvement by 2030. Unstable operations associated with COVID-19 and the low oil price adversely affected our energy requirements and consequently our performance.

Total water use



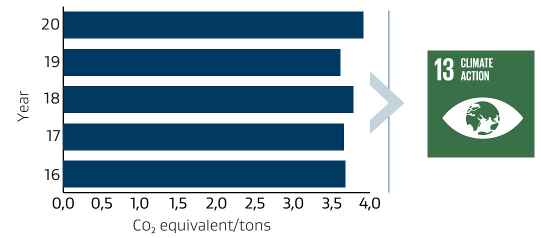
Our global water demand grew by about 6% in the past year due to the increase in water demand from new production assets in the US. Total water use increased from 134,2 million m³ in 2019 to 142,6 million m³ in 2020. The new water targets (2021 – 2025) will be 'context-based' and will focus on reducing the absolute volume of water used for production aligned with the 2015 baseline, without sacrificing production.

Total waste



Sasol's approach to waste management has undergone significant changes over the years in response to changing legislation and industry practices. The total waste generated decreased by 7% from 2019. Hazardous waste generation increased from 328 kt in 2019 to 333 kt in 2020. We generated 195 kt of non-hazardous waste, down from 237 kt in 2019.

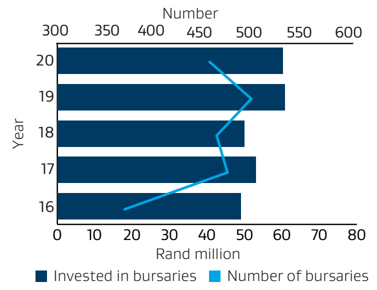
GHG intensity



Our GHG intensity (tons CO_2e per ton of production - meant for external sale) increased to 3,91 in 2020 from 3,61 in 2019.

Growing and developing our people

Bursaries granted

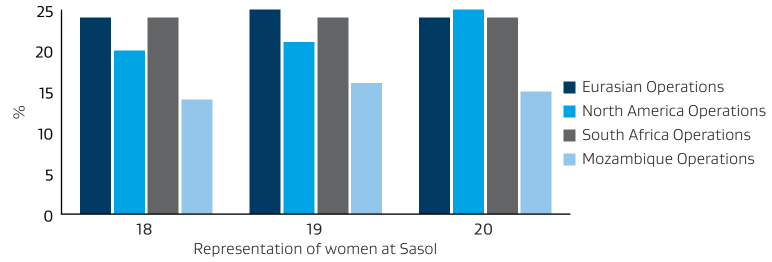


We continued awarding bursaries to top performing undergraduate and postgraduate students globally to secure and develop a critical talent pipeline of the future. During 2020, our bursary pool decreased from 497 in 2019 to 455. Our investment in the bursary scheme decreased marginally to R60,2 million.

*Excludes Sasol Global Foundation bursaries.

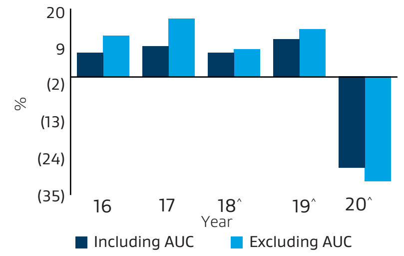
Gender diversity (%)

During 2020, one of our key priorities was to improve female representation across all layers of the organisation particularly senior leadership layers. To this end, female representation at Vice President and Senior Vice President layer increased by 11. We continued with the execution of our diversity-10-point-plan which provides a set of qualitative measures designed to enable the achievement of our diversity objectives, including the recruitment, development and retention of candidates from under-represented groups as well as measures to enhance gender equity in South Africa.



Financial risk and balance sheet management

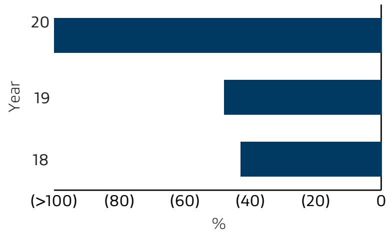
Return on invested capital (ROIC)



The Group's ROIC for 2020 was significantly impacted by the impairment of assets across most of our businesses. ROIC, excluding impairments improves to 1,3%. The decrease from prior year is mainly due to the lower Brent crude oil and product prices and the impact of COVID-19 on the macroeconomic environment. Our strategic reset is aimed at improving our ROIC to above WACC returns.

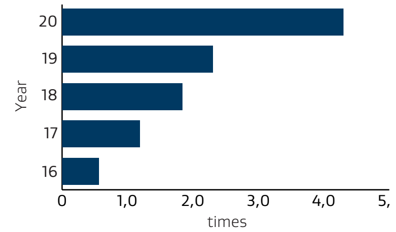
^ Excludes the ramp-up of the North American operations (LCCP)

Quality-based earnings growth % (in US$ real terms – 2017 baseline)



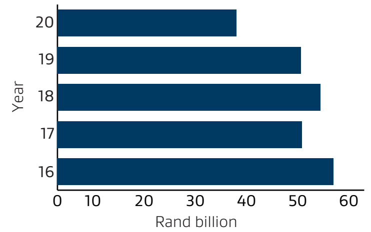
EBIT was severely impacted by the impairments of R111,6 billion, the low Brent crude oil and product prices, the translation impact of the weaker closing exchange rates, losses on our derivative and hedging activities and the economic consequences of COVID-19. Within a volatile and uncertain macroeconomic environment, the Group successfully delivered on its comprehensive response plan targets.

Net debt-to-EBITDA



Net debt: EBITDA ratio at 30 June 2020 of 4,3 times per the revolving credit facility and US dollar term loan covenant definition due to a weaker rand/US dollar closing exchange rate and lower adjusted EBITDA. To create flexibility in the balance sheet during our peak gearing period we have successfully engaged with our lenders to waiver our covenants as at 30 June 2020 and to lift our covenants from 3,0 times to 4,0 times of net debt: EBITDA at 31 December 2020.

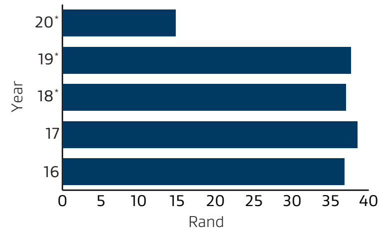
Adjusted EBITDA+



Adjusted EBITDA decreased due to the lower Brent crude oil and product prices and the economic consequences of COVID-19 impacting gross margin partially offset by a weaker rand/US dollar exchange rate and higher sales volumes from the LCCP units reaching beneficial operation.

+ 2019 have been restated to include all unrealised translation gains and losses and all realised and unrealised gains and losses on derivative and hedging activities. Refer to the inside back cover (IBC) for definition of Adjusted EBITDA.

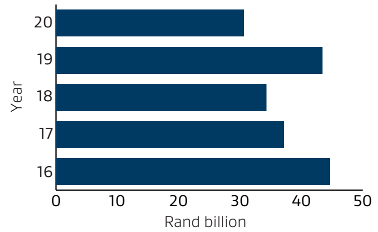
Core headline earnings per share (CHEPS)*



Our core HEPS* decreased mainly as a result of the impact of the lower Brent crude oil and product prices and the impact of COVID-19 on sales volumes partially offset by the weaker exchange rates and a strong cost performance.

* 2019 has been restated to include all unrealised translation gains and losses and all realised and unrealised gains and losses on derivative and hedging activities. Refer IBC for definition of Core HEPS.

Cash available from operating activities



Cash available from operating activities decreased from R43,4 billion in 2019 to R30,6 billion in 2020. This is mainly due to lower Brent crude oil and product prices, the impact of COVID-19 on our sales volumes, higher finance costs and lower dividends received from our equity accounted investments. This was offset by the weaker exchange rate and a strong working capital and cost performance.

STRATEGICALLY MANAGING OUR GROUP TOP RISKS

In pursuing our goals towards creating, preserving and realising value for our stakeholders, within our enterprise risk management (ERM) framework, we aim to proactively manage risk and opportunities in a dynamic operating context. In 2019 and 2020 we faced challenges and risks associated with various events that significantly impacted our business, including COVID-19 and heightened macroeconomic volatility. We also incurred higher costs to complete the Lake Charles Chemicals Project (LCCP); had our credit ratings downgraded; saw our risk appetite metrics move outside tolerance levels; and are currently facing balance sheet and liquidity pressures amid business sustainability concerns.

Our mature ERM framework and actions, while being continually tested, are proving invaluable in countering the unprecedented risks facing Sasol. We are implementing Board-led responses to mitigate risks and minimise the short- to medium-term impacts on our business. We have reset our strategy to position for a more resilient Future Sasol, which is able to respond to longer-term sustainability risks.

We continue to focus our risk management process on ensuring the adequacy, appropriateness and effectiveness of our key responses to mitigate potential significant business impacts, and to ensure delivery on our committed targets.

Our enterprise risk management (ERM) process

Our Group top risks are identified in consideration of our strategy, and ever-changing internal and external operating context. We continue to ensure that we the strengthen the link between our strategy and Group top risks by applying our ERM process in the context of our key business imperatives, which provide the anchor for our Group top risks.

TOP RISKS INFORMED BY:
Strategy, internal and external operating context, and key business imperatives

KEY BUSINESS IMPERATIVES:
Business sustainability and earnings growth, long-term business viability, employee value proposition and stakeholder impact

ENTERPRISE RISK MANAGEMENT PROCESS

Identifying and reviewing our top risks

Our key business imperatives, aligned with our strategy, guide and inform our top risks. We regularly review our top risks with due consideration to our dynamic and changing internal and external operating context. We benchmark our top risks against available global, industry and peer company risk views.

Assessing, managing and responding to our top risks

We assess and understand the potential impact of our top risks through application of a materiality lens and manage the impact on our defined Group risk appetite and tolerance levels. We understand our capability to respond to our top risks by identifying and regularly reviewing the appropriateness and efficacy of our key responses.

Reporting on our top risks

We have regular reporting assurance reports to mandated governance and oversight structures. We communicate and report significant risks to external stakeholders in accordance with statutory and non-statutory requirements.

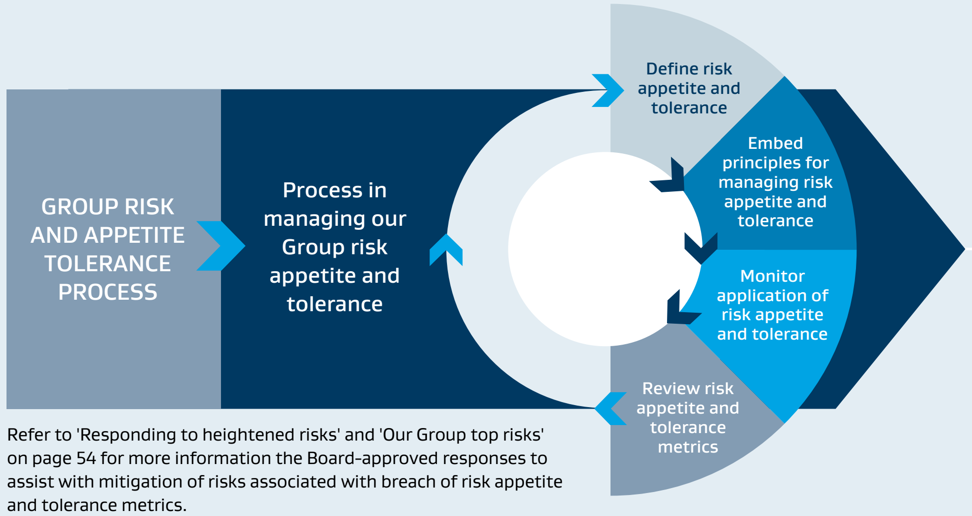
Risk management governance and assurance

We have mandated governance and oversight structures at Board and management level, with defined risk combined assurance management principles, obtain and provide internal, external, management and/or independent assurance on key responses on our risk management processes.

Applying our ERM process to identify, assess, manage, govern, assure and report on our top risks and respond to heightened risks being faced in the short, medium and long term

Managing our Group risk appetite and tolerance

To optimise financial returns and commitments to our stakeholders we proactively manage risks within set Group risk appetite and risk tolerance levels. We define risk appetite as the extent and type of risk we are willing to take in order to meet our strategic objectives. We define risk tolerance as the level of uncertainty we are prepared to accept and can cope with. It identifies the maximum boundary, beyond which we are unwilling to operate. In the short-to-medium term we anticipate that we will continue to operate with risk appetite metrics outside tolerance levels. We are actively managing exposures related to debt covenant breaches and implementing key responses aimed at deleveraging the balance sheet.



Refer to 'Responding to heightened risks' and 'Our Group top risks' on page 54 for more information the Board-approved responses to assist with mitigation of risks associated with breach of risk appetite and tolerance metrics.

Our risk appetite and tolerance metrics:

- Return on invested capital
- Earnings growth
- Net debt-to-EBITDA
- Gearing

Review of risk appetite and tolerance metrics considers the following:

- Changes in business conditions
- Changes to economic environment
- Evolving Group strategic priorities and portfolio changes
- Credible risk scenarios
- Changing competitive conditions

Governance and oversight of risk management

The Board and management's risk, assurance and reporting responsibilities are informed by our Risk Policy, Board Charter, governance framework and King IV™ requirements. In this year, we further enhanced the governance and oversight roles through reviewing and updating the Board and management Committees' terms of reference and extending risk reporting to all relevant Committees.

BOARD-LEVEL RISK GOVERNANCE AND OVERSIGHT

The Board is responsible for the strategic direction and control of the Group. It retains overall accountability for the governance of risk. The Board Committees are appropriately mandated to assist the Board in giving effect to its accountability. The Board receives regular updates on the significant risk areas facing the Group and plays a pivotal role in ensuring appropriate responses to the top risks and current heightened risks facing Sasol. The Board has also appointed independent advisors to assist with obtaining assurance on select key responses and management actions related to the heightened short-to-medium term financial and operational risks facing the Group.

- Board
- Board Committees

MANAGEMENT – LEVEL RISK GOVERNANCE AND OVERSIGHT

The Board delegates responsibility to implement and execute effective risk management to the Chief Executive Officer (CEO) and Group Executive Committee (GEC).

Executive Vice Presidents (EVPs) as members of the GEC are accountable for management of risks within their areas of responsibility, with delegated responsibility and ownership to their respective entities.

- CEO (and the GEC)
- GEC Sub-Committees
- EVPs
- EVPs and Entity Management

GROUP TOP RISKS*

ENTITY TOP RISKS*

*(Risk, Assurance and Reporting)

STRATEGICALLY MANAGING OUR GROUP TOP RISKS (continued)

Responding to heightened risks

Given these extraordinary times, with both external and internal pressures giving rise to a multitude of short-, medium- and longer-term risks, we have applied our ERM process to identify heightened risks and implement key responses aimed at mitigating exposures. The ERM process is iterative and aims to ensure that we continually assess our operating context to identify any new or emerging risks, and to assess adequacy of our key responses. The Board receives regular progress updates on the implementation of the identified key responses and adopts combined assurance principles to obtain assurance on the adequacy of management actions to mitigate associated risks.

	Heightened risks	Key responses
Short to medium term	• Volatile macroeconomics with oil price collapse, exchange rate fluctuations and COVID-19 impacting our people, product pricing and demand • Balance sheet under severe pressure resulting in significant impediments to investing in growth and ability to withstand market shocks • Liquidity pressures, solvency concerns and elevated gearing positions impacting going concern • Credit rating downgrades impacting cost of debt • Financial risk appetite metrics outside tolerance levels impacting debt covenants	• Delivery on 2020 and 2021 self-help measures covering EBIDTA, tax relief, capital and working capital levers targeting US$2 billion savings • Stepped-up asset disposals programme targeting >US$2 billion proceeds • Equity raise of up to US$2 billion, with size highly dependent on asset disposal progress, self-help measures and macroeconomic environment • Debt covenant management with our lenders agreeing to waive the covenant at June 2020 and lift the December 2020 covenant
Long term	• Lower-for-longer oil prices requiring a reset to generate attractive returns at US$45/bbl • Assets at risk of diminishing returns with lower return on invested capital (ROIC) due to lower oil prices and increased feedstock costs • Increasing stakeholder expectations with investors seeking more focused portfolios and higher value delivery • Increased focus on sustainability requiring transitioning to a lower-carbon economy	• Implementing Future Sasol • Reset strategy to advance our Chemicals and Energy business on a more sustainable basis and delivering maximum sustainable value for our stakeholders • Redesigning our operating model to be more market-focused and agile with streamlined cost structures • Advancing our transition to a lower-carbon economy with implementation of our three pillar emission reduction framework and emissions reduction roadmap

Our Group top risks

Our Group top risks comprise 11 top risk themes and our emerging risks on the watch-list, which span the four identified key business imperatives and are aligned with our strategy and business objectives. We assess our top risks using a materiality lens, which considers both quantitative and qualitative likelihood and impact criteria, thus ensuring a complete assessment across multiple dimensions.

TRACKING AND MONITORING EMERGING RISKS ON OUR WATCH-LIST

- Major public health crisis and **global pandemics**
- Asset **inflation**
- Global **security incidents**
- Disruptive/new technologies
- Energy mix of **primary energy sources**
- **Use of social media** as it relates to our stakeholder management and reputation
- New and changing **laws and regulations**
- Country-specific risks
- Potential implications for net zero carbon emission targets for our global operations

Our 11 top risk themes linked to key business imperatives

Key business imperatives	Group top risk themes	Group top risks	Key responses
Business sustainability and earnings growth	**Financial risks**	Include risks associated with macroeconomic factors impacting key business drivers; volatile commodity prices and exchange rates; short-term cost increases; credit rating downgrades; liquidity; solvency; gearing; going concern, debt covenant breaches; and tax liability and exposure (includes carbon tax)	• In addition to the responses in the section "Responding to heightened risks": – Group financial market risk management policy, processes and frameworks (includes hedging) – Group assumptions, budgeting, forecasting and scenario analysis processes – Global tax strategy and management – Management of relationships with lenders, credit rating agencies and tax authorities
	Safety and operational risks	Include risks associated with process safety, occupational safety, occupational health and product safety incidents, as well as various risks that could result in unplanned operational and reliability interruptions	• Zero harm SHE philosophy • High-severity incident management and fatality prevention programmes • Process safety, occupational safety, occupational health, environmental and product stewardship management systems • SHE risk management and incident management • One Sasol SHE Excellence Approach • Sasol Operations Management System including asset management • Critical assets, extreme weather, natural disaster, feedstock, supply chain and utility interruption set of key responses and processes • Insurance as a risk transfer mechanism • Group crisis management, emergency response and contingency planning
	Legal, regulatory and governance risks	Include risks associated with legal compliance in multiple jurisdictions; adherence to corporate governance requirements; changing policy and regulatory requirements in multiple jurisdictions; and challenges with regards to delivery on environmental commitments	• Multi-disciplinary compliance programmes • Sasol's Code of Conduct • Annual compliance certification • Annual compliance and governance training and awareness • Due diligence processes and screening tools • Governance policy, standards and procedures, including disclosure controls • Adherence to listing requirements • Monitor developments in policy, legislative and regulatory landscape to understand the impact on our business • Proactively engage with stakeholders to make appropriate disclosures • Deliver on committed environmental roadmaps and offset programmes
	Information management risks	Include risks associated with information and cyber security threats	• Information security controls, maturity roadmap, training and awareness • Monitor global cyber landscape to identify, detect, protect and respond to and recover from cyber breaches • Global information security management processes • Information technology security continuity plans

STRATEGICALLY MANAGING OUR GROUP TOP RISKS (continued)

Our Group top risks (continued)

Key business imperatives	Group top risk themes	Group top risks	Key responses
Long-term business viability	**Capital investment risks**	Include risks associated with project performance (cost, schedule and quality) driven by both internal delivery risks and risks arising from unexpected changes in the external environment; capital project portfolio; capital allocation; capital availability; and capital structuring	• Capital Project Excellence Programme • Phased de-risking and governance through the decision-enablement stage gate methodology • Projects and engineering standards • Update and track delivery on key investment parameters • Regular status review of capital projects • Continuous learning practices • Capital allocation strategy and principles • Asset review and classification processes
	Geopolitical risks	Include risks associated with operating in a range of countries and regions, with varying geopolitical, socio-economic and developmental landscapes, as well as civil unrest	• Monitor socio-economic developments and geopolitical events in host countries • Regular engagements with host governments, local authorities, communities, non-governmental organisations (NGOs), customers and suppliers • Group crisis management, emergency response and contingency planning • Country risk analysis
	Market risks	Include risks associated with our ability to remain competitive in current and future markets; changing global marketplace dynamics impacting supply and demand for products (including short- to medium-term demand collapses and longer-term market structural changes); technologies becoming uncompetitive; and access to feedstocks and markets	• Geographically diversified asset base, with a focus on growth in high value and differentiated markets • Competitor cost curve analysis and peer group benchmarking • Customer service, sales and marketing excellence programmes • Monitoring of developments in major markets including new competitor entrants, increased global capacity builds, consumer behaviour, supply and demand patterns, innovation and technological advances • Managing research and development portfolio and incrementally improving existing technology offering • Mozambique upstream gas strategy and the alternative gas supply programme. • Long-term ethane supply contracts • Securing coal mining rights • Developing stakeholder and partnering programme and programmatic approach to mergers and acquisitions
	Sustainability risks	Include risks associated with our ability to develop and implement an appropriate climate change mitigation response; increasing societal pressures; access to lower-carbon energies; and our ability to meet new and future policy and regulatory requirements. This is particularly challenging in South Africa	• Robust scenario analysis in a carbon-constrained world • Enhanced disclosure • Implementation of our three pillar emission reduction framework • Development of the 2030 emission-reduction roadmap and describing the gas pathway available to 2030 • Adaptation responses • Proactive stakeholder engagement, policy advocacy and tracking of the climate change landscape • Environmental compliance programs

Key business imperatives	Group top risk themes	Group top risks	Key responses
Employee value proposition	**People risks**	Include risks associated with our ability to ensure an enticing employee value proposition; retaining and attracting required skills for current and future business; maintaining a high-performance culture anchored in our values and ethics; with high levels of engagement and productivity; ensuring global diversity management; managing organisational change; and ensuring good labour relations (includes labour actions or disruptions)	• Integrated talent management strategies, framework, principles and standards • Competitive remuneration, employee value proposition, rewards and benefit frameworks and policies • Employee attraction, retention, development and succession processes and programmes • Culture transformation journey • Code of Conduct and value system • Employee wellbeing programmes • Employee engagement surveys and benchmarking • Proactive engagement with organised labour
Stakeholder impact	**Stakeholder risks**	Include risks associated with being a credible stakeholder partner with a good reputation; managing stakeholder relations across a broad spectrum of key stakeholders; upholding human rights; delivering on stakeholder commitments; and meeting transformation and local content objectives	• Regular engagement with key stakeholders • Tracking delivery on stakeholder commitments • Reputation management programme • Social investment programmes • Customer and supplier relationship management • B-BBEE ownership targets and meeting industry specific charters • Enterprise and supplier development and preferential procurement • Diversity, employment equity, skills development and social development plans • Local content strategies and plans in all our regions
All key business imperatives impacted	**COVID-19 risks**	Include risks associated with the impact of the COVID-19 pandemic on people, business, operations and markets including extended pandemic impacts on ability to operate and responding to lockdown market impacts	• People-centric responses Including social distancing; health and hygiene practices; personal protective equipment; testing and screening; and contact tracing • Compliance programmes • Scenario analysis • Business continuity assessments • Sasol for Good initiatives

Refer to Form 20-F 20-F, Sustainability Report SR, and Climate Change Report CCR for other risk disclosures.

HOW GOVERNANCE ADDS VALUE AT SASOL

Chairman
Sipho Nkosi

Our focus areas in 2020

- Safely delivering and ramping up the Lake Charles Chemicals Project
- Sustainability strategy
- Balance sheet and liquidity management
- Monitoring impact of COVID-19 on the business and management mitigating actions
- Approval of the revised strategy and resetting of the Group to become sustainably profitable in a low oil price environment
- Approving the revised approach to risk management
- Overseeing the asset disposal programme

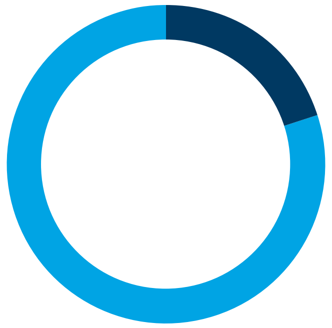
Skills and experience of the Board

- Upstream oil and gas
- Mining
- Chemicals
- Finance, mergers and acquisitions
- Corporate governance
- Strategy and risk
- Safety and ethics
- Sustainability

SASOL LIMITED BOARD

The Board is responsible for the strategic direction and control of the Group and sets the tone for ethical and effective leadership. It brings independent, informed and effective judgement and leadership to bear on material decisions.

Executive vs Non-Executive Directors



Executive	3
Non-Executives	12

Female representation

2020	40%
2022 target	40%

Tenure

12

0-5 years	7
5-9 years	4
9+ years	1

Historically disadvantaged individuals

2020	40%
Target	50%

GOVERNANCE OVERVIEW

Board of Directors

The Board steers and sets the direction of the Group and brings independent, informed and effective judgement and leadership to bear on material discussions and decisions reserved for the Board, while ensuring that strategy, risk, performance and sustainable development considerations are effectively integrated and appropriately balanced. It ensures that Sasol capitalises on its opportunities as an ethical, decisive and responsible corporate citizen and embraces and promotes value-creating governance through a deliberate and structured approach.

Board agenda:

Board meetings take place at least quarterly, and more regularly as needed. For the reporting period, the Board held its quarterly meetings, and an additional 12 special meetings.

The Board uses its meetings to discharge its governance and regulatory responsibilities. Meeting agendas are formal, follow a tailored work-plan agreed ahead of each meeting by the Chairman, President and Chief Executive Officer and the Company Secretary, with input from Board Committee Chairmen as appropriate. Meeting agendas comprise management reports on operational and financial performance as well as matters of strategy, risk and opportunity, Group governance, compliance and legal matters, and matters otherwise reserved for Board decision-making.

The Board is satisfied that it has fulfilled its responsibilities in accordance with its **Board Charter** for the reporting period.

Board Charter

The Board Charter (the Charter) provides for the roles, responsibilities, functions and powers of the Board, individual directors and the officials and executives of Sasol. The Charter further addresses the powers delegated to various Board Committees and the relevant principles of the Group's limits and delegations of authority and matters reserved for final decision-making or pre-approval by the Board. The Charter describes the policies and practices of the Board in respect of matters such as corporate governance, trading by Directors in the securities of the Company, declarations and conflicts of interest, Board meeting documentation and procedures, composition of the Board and the nomination, appointment, induction, training and evaluation of Directors and members of Board Committees.

Number of Board meetings:	Attendance record:
16	97%[+]

* Attendance record

- S Nkosi 88% ^ *
- S Westwell 94% # *
- MJ Cuambe 94% *
- GMB Kennealy 94% *
- NNA Matyumza 94 % *
- ZM Mkhize 94% *

^ Illness
\# Family bereavement
* Special Board meetings, other than quarterly meetings

Board Committees

The Board delegates certain responsibilities to well-structured Board Committees without abdicating accountability. The delegation is formal in terms of Board-approved Terms of Reference for each Committee underpinned by the Memorandum of Incorporation and the Board Charter. The Board appoints the members for the skills required to effectively provide strategic direction to the Sasol Group, as well as monitor and oversee the activities of the Group. The Board receives reports and minutes of each Committee meeting.

The Board has established a framework for the delegation of authority to the President and Chief Executive Officer, which also sets out the material decisions in respect of which it has reserved the decision-making authority as the Board of the ultimate holding Company of the Group. The composition, mandate and performance of the various Board Committees are reviewed at least annually, and contribute to the effective discharge of the Board's duties and responsibilities to grow and protect value for our stakeholders.

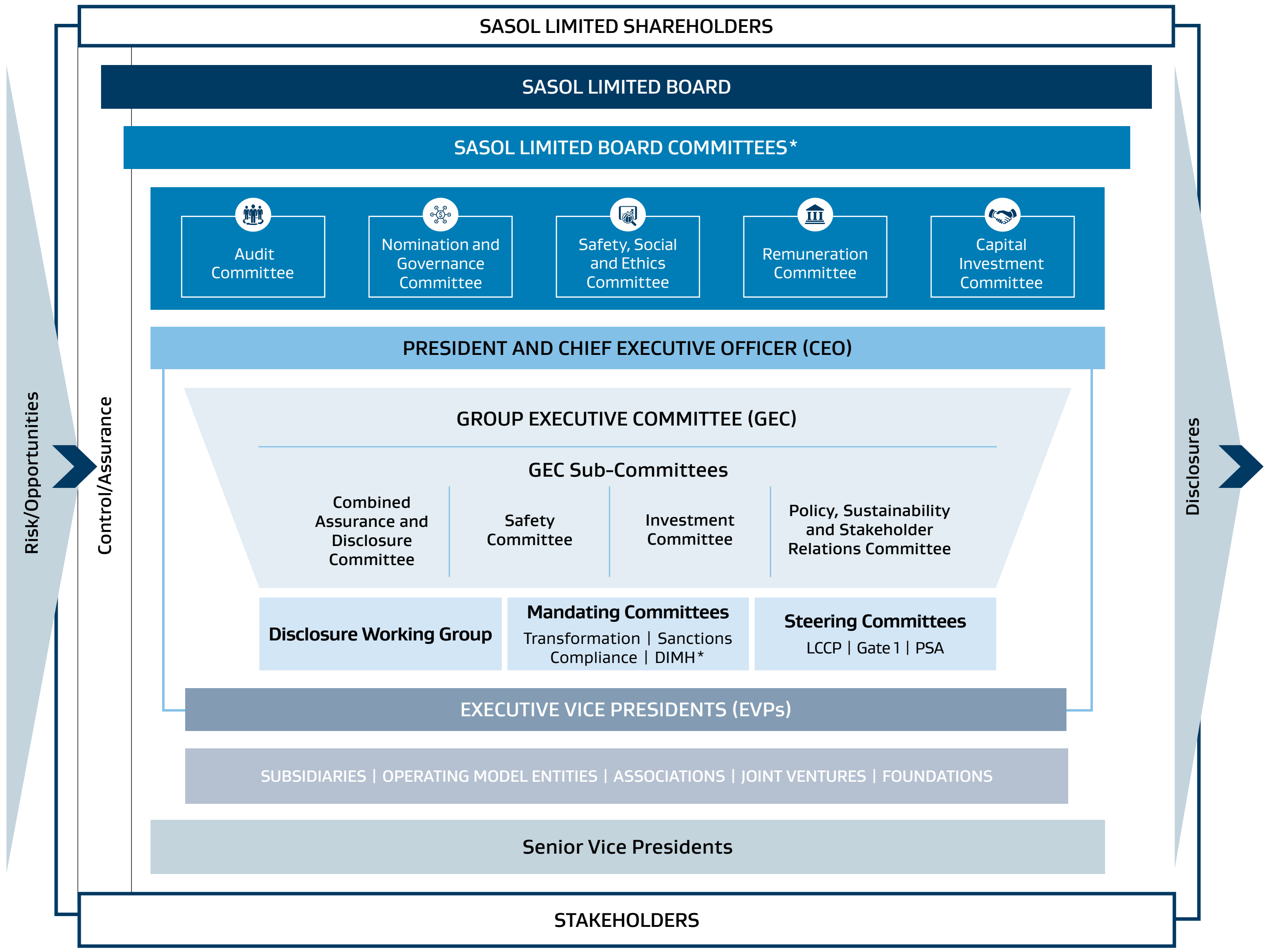
During the period under review, the Board formed two new Sub-Committees, the Gearing Sub-Committee and a Sub-Committee to consider Non-Binding Offers, and to deal with balance sheet management and asset disposals respectively.

Company Secretary

Ms MML Mokoka was appointed as the Company Secretary of Sasol Limited effective 1 November 2019. The decision to appoint or remove the Company Secretary is a Board decision. The Board was satisfied that Ms Mokoka holds the requisite knowledge and experience to fulfil the duties of Company Secretary.

The Company Secretary provides a central source of guidance and support to the Board and within the Company on matters of good governance and changes in legislation. The Board is aware of the duties of the Company Secretary and empowers her to fulfil those duties. As gatekeeper of good governance, the Company Secretary maintains an arm's length relationship with the Board and its Directors as far as is reasonably possible.

Governance framework



*The Board, at its meeting on 22 May 2020, resolved to dissolve the Digital, Information Management and Hedging Committee (DIMH) and to allocate the DIMH's financial market risk management and hedging mandate to the Audit Committee, and the DIMH's digital and information management mandate to the Capital Investment Committee.

Diversity

Effective oversight and decision-making require a range of perspectives. The Board recognises and embraces the benefits of having a diverse Board, and is committed to ensuring a diverse and inclusive culture at Board level where Directors believe that their views are heard and their concerns are attended to free from bias, discrimination and harassment.

Race, age and gender diversity, underpinned by the relevant skills as well as business, geographic and professional experience and background, enhance the composition of a truly diverse Board. All Board appointments are made on merit, having due regard for the benefits of diversity in its widest sense. In 2019 the Board set a target of 40% representation of women by 30 June 2022. This target was met early in 2020, with six women serving on the Board (40%), three of whom are Black. During May 2020, the Board confirmed its 2019 race-diversity target of a minimum representation of 50% Black Directors.

Number of South African Board members:

10

7 Non-Executive Directors

3 Executive Directors

GOVERNANCE OVERVIEW (continued)

Board Committees and their work in 2020

Audit Committee

Chairman
C Beggs

Members
KC Harper%
GMB Kennealy
NNA Matyumza
S Westwell

% Appointed effective 1 April 2020

Number of meetings: **5** Attendance **100%**

Committee focus in 2020

- Sasol's funding plan and securing flexibility with lenders on financial covenants.
- Decision to pass the interim and final dividend.
- Appointment of an international external advisor to the Board on balance sheet management during peak gearing, the Group's funding plan, risks related to going concern, the timing and successful execution of asset disposal transactions to ensure that the debt covenants are met as well as the credibility of the comprehensive response plan presented by management.
- Gearing Sub-Committee met four times.
- Quarterly financial statements; forecasts; budget; and solvency and liquidity and going concern assessments.
- External auditor's audit plan, reports and fees.
- Sasol Assurance Services plan, reports and resources
- Our suite of reports.

Refer to our Annual Financial Statements AFS for full report.

Link to material matter: Maximising value from foundation business; Optimising our portfolio

Nomination and Governance Committee

Chairman
SA Nkosi#

Members
M Flöel
MEK Nkeli
PJ Robertson
S Westwell

Chairman of Sasol Limited, effective 27 November 2019

Number of meetings: **5** Attendance **96%**

- Review of governance framework, delegations, Charters and terms of reference.
- Establishment of Gearing Sub-Committee in November 2019 and Asset Disposal Sub-Committee in May 2020.
- Methodology for evaluating the Board, Directors, Board Committees and the Company Secretary.
- Appointment of a new Non-executive Director, which improved the Board's gender diversity, and the appointment of a new Lead Independent Director.
- Executive succession planning and appointments, including of new President and CEO.
- Review of tenure of Directors, composition of Board Committees, skills matrix and categories of Directors as well as Directors' other commitments and their annual declarations of interest.
- Rotation and retirement of Sasol Limited Directors.
- Directors' induction and training programmes.

Link to material matter: Maximising value from foundation business

Safety, Social and Ethics Committee

Chairman
MBN Dube

Members
C Beggs
MJ Cuambe
FR Grobler*
VD Kahla*
ZM Mkhize
MEK Nkeli
S Westwell

* Appointed effective 1 November 2019

Number of meetings: **6** Attendance **100%**

- Sasol's safety performance considering the factors that gave rise to the six fatalities. In particular, we considered the safety performance at Mining and at operations in Mozambique.
- Reviews conducted to determine the maturity and effectiveness of our high-severity incident (HSI programme.
- Quarterly review of Sasol's management of sustainability issues.
- Developed emission-reduction roadmap to support our 2030 target for South African operations.
- Transforming Sasol's culture.
- Sasol's response to COVID-19.
- Sasol's impact in Mozambique.
- Sasol's position on the sustainable use of plastics.
- Defined framework and policy for business and human rights in Sasol.
- Review of Climate Change and Sustainability Report
- Supports the Board with the governance of ethics.

Refer to SR for the Report of the Chair of the Safety, Social and Ethics Committee.

Link to material matter: Eliminating fatalities and improving our culture; Advancing sustainability

Remuneration Committee

Chairman
MEK Nkeli

Members
SA Nkosi#
M Flöel
NNA Matyumza
PJ Robertson

Chairman of Sasol Limited, effective 27 November 2019

Number of meetings: **5** Attendance **96%**

- Review short-term and long-term incentive plan targets and design principles to ensure ongoing relevance.
- Recommended the severance package details for the previous Joint presidents and Chief Executive Officers (CEOs) and the appointment package details of the new President and CEO and new Executive Vice Presidents.
- Approved special retention plan in the absence of not paying short-term incentives (STIs) in 2019.
- Approved employee self-help measures including salary sacrifice, pension contribution sacrifice, no increases and STIs in 2020.
- Approved an approach for pay ratio reviews.
- Virtual roadshows and engagements with majority of investors to determine the reasons for dissenting votes on the 2019 Implementation Report.
- Recommended minimum shareholding requirements for Directors.
- Review status of healthcare and retirement plans in the Group.
- Review people retention risks and approved mitigating plans.
- Remuneration for Executive and Non-executive Directors.

IR Refer to Report of the Remuneration Committee pages 66 to 77.

Link to material matter: Managing market volatility and self-help actions

Capital Investment Committee

Chairman
S Westwell

Members
MJ Cuambe
MBN Dube
M Flöel
FR Grobler*
VD Kahla*
GMB Kennealy
PJ Robertson
P Victor

* Appointed effective 1 November 2019

Number of meetings: **5** Attendance **97%**

- Tracking the cost and schedule of the LCCP. Achieved all the beneficial operation dates and cost estimates as published in October 2019, except for LDPE unit.
- Monitoring the LCCP assurance reports.
- Divestments and updates on the Group's asset review. Asset Disposal Sub-Committee met twice in the year and ensured that assets were sold at value.
- Monitoring of progress of Mozambique projects and strategic approaches to developing large-scale natural gas import opportunities for South Africa.
- The Group's capital project excellence programme.

Link to material matter: Optimising our portfolio

Digital, Information Management and Hedging Committee^

Chairman
PJ Robertson

Members
C Beggs
FR Grobler*
VD Kahla*
NNA Matyumza
P Victor

* Appointed effective 1 November 2019

Number of meetings: **4** Attendance **100%**

- Considered Sasol's cyber security as well as new technologies, information management, digital intervention and related IT controls
- Provided direction and monitored Sasol's financial market risk management (hedging) policy, mandates and execution.

^ Committee dissolved from 2021. The responsibilities of this committee have been reallocated to the appropriate Board committees.

Link to material matter: Managing market volatility and self-help actions

GOVERNANCE OVERVIEW (continued)

Our Board of Directors

The Board's diversity and skills ensure that Sasol is steered to deliver growth to all our stakeholders. The careful selection of individual directors, to ensure the most appropriate combination of expertise and experience, underpins the effectiveness of the Board in fulfilling its role.

Sipho Nkosi#

INDEPENDENT NON-EXECUTIVE DIRECTOR AND CHAIRMAN (APPOINTED: 2019)

Date of birth: 1954 (66)
Nationality: South African
Qualifications: BCom, BCom Economics (Hons), MBA

Chairman of Sasol Limited, effective 27 November 2019

Fleetwood Grobler*

EXECUTIVE DIRECTOR (PRESIDENT AND CHIEF EXECUTIVE OFFICER) (APPOINTED: 2019)

Date of birth: 1961 (59)
Nationality: South African
Qualifications: BEng (Mech)

*President and CEO effective 1 November 2019

Paul Victor

EXECUTIVE DIRECTOR (CHIEF FINANCIAL OFFICER) (APPOINTED: 2016)

Date of birth: 1972 (48)
Nationality: South African
Qualifications: BCompt (Hons), CA(SA), International Tax Law (Hons)

Vuyo Kahla

EXECUTIVE DIRECTOR (APPOINTED 2019)

Date of birth: 1970 (50)
Nationality: South African
Qualifications: BA, LLB

Colin Beggs

INDEPENDENT NON-EXECUTIVE DIRECTOR (APPOINTED: 2009)

Date of birth: 1948 (72)
Nationality: South African
Qualifications: BCom (Hons), CA(SA)

Stephen Westwell^

INDEPENDENT NON-EXECUTIVE DIRECTOR AND LEAD INDEPENDENT DIRECTOR (APPOINTED: 2012)

Date of birth: 1958 (62)
Nationality: British
Qualifications: BSc (Mech Eng), MSc (Management), MBA

^ Lead Independent Director (effective 27 November 2019)

Muriel Dube

INDEPENDENT NON-EXECUTIVE DIRECTOR (APPOINTED: 2018)

Date of birth: 1972 (48)
Nationality: South African
Qualifications: BA (Human Sciences), BA (Hons) (Politics), MSc

Mpho Nkeli

INDEPENDENT NON-EXECUTIVE DIRECTOR (APPOINTED: 2017)

Date of birth: 1964 (56)
Nationality: South African
Qualifications: BSc (Environmental Science), MBA

Manuel Cuambe

INDEPENDENT NON-EXECUTIVE DIRECTOR (APPOINTED: 2016)

Date of birth: 1962 (58)
Nationality: Mozambican
Qualifications: BEng, Post-graduate Certificate in Management Studies

Kathy Harper

INDEPENDENT NON-EXECUTIVE DIRECTOR (APPOINTED: 2020)

Date of birth: 1963 (57)
Nationality: American
Qualifications: BSc (Industrial Management), MBA

Martina Flöel

INDEPENDENT NON-EXECUTIVE DIRECTOR (APPOINTED: 2018)

Date of birth: 1960 (60)
Nationality: German
Qualifications: M.Sc (Chemistry), PhD (Chemistry)

Moses Mkhize

INDEPENDENT NON-EXECUTIVE DIRECTOR (APPOINTED: 2011)

Date of birth: 1961 (59)
Nationality: South African
Qualifications: BCom (Hons), Higher Diploma (Electrical Engineering)

Trix Kennealy

INDEPENDENT NON-EXECUTIVE DIRECTOR (APPOINTED: 2017)

Date of birth: 1958 (62)
Nationality: South African
Qualifications: BCom (Accountancy), (Hons), CA(SA)

Peter Robertson

INDEPENDENT NON-EXECUTIVE DIRECTOR (APPOINTED: 2012)

Date of birth: 1947 (73)
Nationality: American and British
Qualifications: BSc (Mech Eng), MBA

Nomgando Matyumza

INDEPENDENT NON-EXECUTIVE DIRECTOR (APPOINTED: 2014)

Date of birth: 1963 (57)
Nationality: South African
Qualifications: BCom, BCompt (Hons), CA(SA), LLB

Audit Committee | Safety, Social and Ethics Committee | Capital Investment Committee | Nomination and Governance Committee | Remuneration Committee | Digital Information Management and Hedging Committee

Tenure and succession

The Board's succession plans aim to achieve an optimal balance between independence and continuity on both the Board and our Board Committees. It is for this reason that the Board extended the tenure of the Chairman of the Audit Committee following the review and confirmation of independence. The Board has determined that Directors may serve on the Board for up to nine years, extendable annually up to a maximum of 12 years.

Dr MSV Gantsho and Mr MJN Njeke retired from the Board, as Chairman and Lead Independent Director respectively, following Sasol's Annual General Meeting held on 27 November 2019. Mr SA Nkosi, who joined the Board during May 2019 as Independent Non-Executive Director and Chairman-designate, assumed the Board Chairmanship on 27 November 2019. The Board elected Mr S Westwell, who has served the Board since 2012, as Lead Independent Director.

NON-EXECUTIVE DIRECTORS TENURE

Tenure **9+ years**: 1

Tenure **5 – 9 years**: 4

Tenure **less than 5 years**: 7

Average tenure: **4,75 years**

Average age of Board members: **59 years**

Development, evaluation and assessment of independence

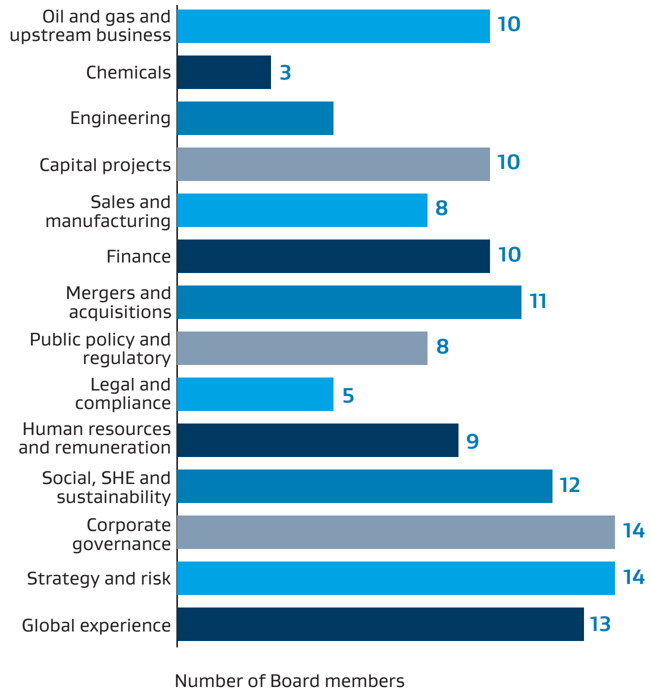
Ongoing training and development are an important contributor to an effective Board. The development of industry and group knowledge is a continuous process and Directors are briefed on, among others, information relevant to the business undertakings of the Group, including on matters specific to the sectors in which it conducts business, legal developments and changes in the risk and general business environment, as well as Directors' duties and responsibilities, on an on-going basis.

Newly appointed Directors are apprised of Sasol's business and their duties and responsibilities through a structured induction programme which includes site visits, meetings with management and induction material on topics related to, among others, governance and our business. The Board, its Committees as well as any Director, are entitled to seek independent professional advice concerning the Company's affairs and to gain access to any information they may require in discharging their duties as Directors.

During 2020 the Board had an opportunity for an internally facilitated evaluation workshop, aimed at reflection and discussion by the Board of its performance and that of its Committees, its members and Chair, as well the Company Secretary. The process focused on themes related to general Board governance, Board composition, Board culture and meeting dynamics, as well as relevant information and Board materials. In addition, the Board received a detailed update on the JSE Listing Requirements as part of its annual development programme.

The Board and its Nomination and Governance Committee specifically consider the independence of Directors and their other commitments when they are first appointed, as well as annually, or at any other time when a Director's circumstances change and warrant re-evaluation. This is done to determine whether a Director has sufficient time to discharge his or her duties effectively and is free from conflicts that cannot be managed satisfactorily. The Board was satisfied that all its Independent Non-Executive Directors met its independence criteria for the 2020 financial year.

SKILLS/EXPERIENCE



REPORT OF THE REMUNERATION COMMITTEE

KEY MESSAGES

- **Feedback on the 2019 Remuneration Policy and Implementation Report**
- **The impact of business performance** on leadership and remuneration
- **Key remuneration decisions** for 2020 and 2021

Dear stakeholder

This report highlights key components of Sasol's Remuneration Policy which we believe are aligned with the Group's strategy. It illustrates how the policy translated into reward outcomes in 2020 and where the Remuneration Committee (the Committee) had to use its discretion to deviate from the policy. The Committee reviews the policy annually to ensure that it remains relevant and continuously enables the attraction, motivation and retention of skilled resources while maintaining a balance with the interests of our many stakeholders.

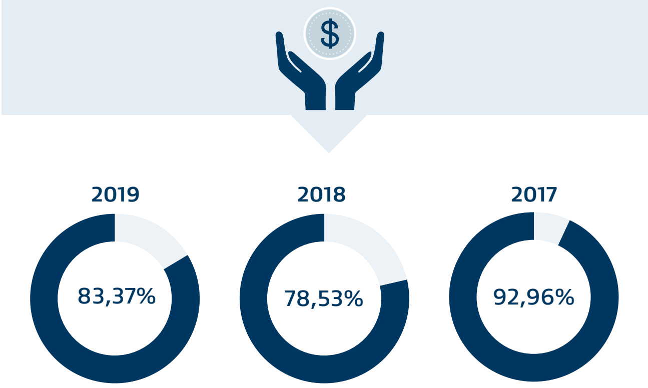
In the past two years, I have engaged with a number of interested parties on Sasol's Remuneration Policy and its implementation. This constructive dialogue has informed many decisions on remuneration. Some of these decisions were in the process of being implemented when the business faced additional challenges in the form of extreme market volatility as COVID-19 spread across the world. As Sasol started to feel the impact of high levels of debt related to the Lake Charles Chemicals Project (LCCP) in United States (US), it had to make many difficult decisions and had to do so swiftly. With no one able to forecast exactly how long it will take for the world to recover from the pandemic, which together with the sharp decrease in the Brent crude oil price, has had a significantly negative impact on Sasol in the last quarter specifically, we reconsidered our Remuneration Policy and reset it where appropriate.

Feedback on the Remuneration Policy and Implementation Report

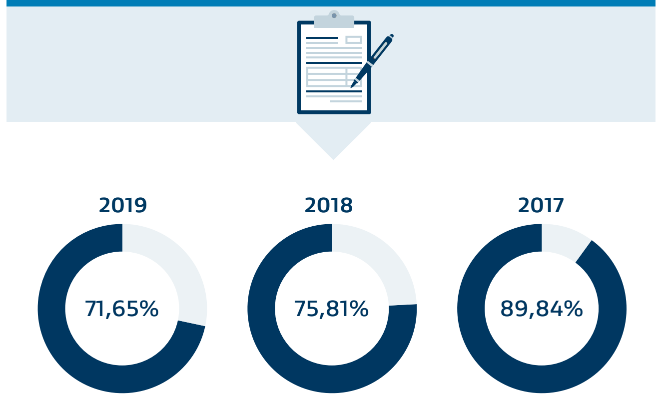
At our last Annual General Meeting (AGM), support for the Remuneration Policy increased from 78,53% to 83,37%. However, the Committee is disappointed that only 71,65% of shareholder votes were in favour of the 2019 Implementation Report. As we did not meet the 75% threshold of support, we embarked on a virtual roadshow to understand dissenting investors' concerns. This was so that we could understand the reasons for votes against the Implementation Report, explain the context for the decisions that were taken, and ensure in the planning for the next year that we thoroughly consider the feedback from our investors to improve the level of support from our shareholders.

Non-binding advisory votes on the Remuneration Policy and Implementation Report

Remuneration Policy



Implementation Report



The following table categorises shareholder concerns in broad themes as well as our responses to these concerns both for the year under review as well as the next financial year:

Shareholder concerns	Our responses in 2020 and 2021
Insufficient weighting on environmental targets and the exclusion of emission reduction targets from our incentive plans	**2021:** We will increase the weighting of environmental targets to 20% of the STI scorecard Measures that directly relate to the reduction of carbon emissions over the next few years will be included in the STI and LTI plans
The inclusion of core headline earnings rather than a measure over which management has more direct control	**2020:** The weighting attached to this target was reduced **2021:** This target will be removed from the STI scorecard
The weightings attached to the return on invested capital (ROIC) and the project delivery targets were too low	**2020:** The weightings for both targets were increased **2021:** The weighting attached to ROIC will be further increased
The threshold for relative total shareholder return (TSR) at the 40th percentile should be increased to the median of the comparator group	**2020/21:** The threshold for vesting to start will be the median TSR of the comparator group vs Sasol's TSR
The peer group used for remuneration benchmarking is no longer relevant	**2021:** The peer group to be reviewed to include more South African mining companies and smaller energy and chemical companies from Europe and US
Insufficient details provided regarding the setting of the cost reduction and volumes targets and the achievement thereof	**2020:** The volumes target was reviewed to only include volumes from key production facilities and the cost reduction target was reviewed – both should aid the disclosure of performance against these targets **2021:** Volumes produced will be changed to sales volumes and the cost reduction targets are aligned with the commitments made to shareholders regarding the strengthening of Sasol's financial situation

Our incentive plans for 2020 includes environmental targets relating to energy efficiency and a measure for fires, explosions and releases (FERs).

Our Climate Change roadmap published in August 2020 will inform the inclusion of more environmental targets in our short-term and long-term incentive plans. We take seriously our responsibility to ensure safe and profitable operations with a reduced impact on the environment. Indeed, reducing our carbon footprint is a key reason for the revision of the Group's strategy in the year.

We were encouraged by feedback that shareholders appreciated the detailed disclosures in our Remuneration Report, and that they supported the Board's decision to not pay short-term incentives to senior and executive management in respect of 2019 due to the cost and schedule overruns at the LCCP. In addition, from our recent engagements we gathered support for better alignment between our incentive plan targets and the Group's key priorities for 2021.

The impact of business performance on remuneration decisions

The 2020 year commenced with the investigation into the overruns at the LCCP, which resulted in an almost three-month delay in the release of our 2019 financial results. The Board appointed Mr Fleetwood Grobler as the new President and Chief Executive Officer (CEO), Mr Vuyo Kahla as an Executive Director, Mr Marius Brand as Executive Vice President (EVP) for Group Technology and Mr Brad Griffith as EVP for the Chemicals Business.

In October 2019, Mr Bongani Nqwababa and Mr Stephen Cornell, then Joint President and CEOs, agreed to an amicable mutual separation with the company. Effective 31 October 2019, Mr Nqwababa and Mr Cornell stepped down as Joint CEOs, and as Executive Directors of Sasol and its subsidiaries. As announced on 28 October 2019, the Board has identified neither misconduct nor incompetence on the part of the Joint CEOs. The Board mandated the Committee to agree on the separation terms for these two executives details of which are disclosed in this report.

The Committee ensured that the agreed separation packages were in line with market practice for executive separations. Both executives were placed on garden leave during the contractual six months' notice period and we granted an additional two months' employment on full salary to Mr Cornell to accommodate his school-going children before their repatriation to US. We agreed a separation package equal to approximately 12 months' salary for Mr Cornell and Mr Nqwababa respectively.

As the collapse in oil prices and weak economic activity due to the spread of COVID-19 exacerbated Sasol's stretched balance sheet, our new President and CEO acted swiftly to put in place a comprehensive response plan to stabilise the business. With employee-related costs making up approximately 50% of our cash fixed costs, we needed to make difficult remuneration-related decisions as part of the self-help measures to manage balance sheet challenges.

In April 2020, the Board approved the following measures as part of a comprehensive response plan:

- no short-term incentives for 2020, despite the fact that some of the targets had been met in respect of the targets set for 2020;
- immediate termination of all monetary recognition plans and employee support programmes;
- no salary increases for employees outside of collective bargaining units in October 2020;
- a headcount freeze on all permanent positions and a review of all non-permanent positions;
- a salary sacrifice of between 10% and 24% for 6 900 of our employees effective 1 May 2020 for a period of up to eight months which was suspended on 4 August due to the Company's improved liquidity position; and
- the suspension of the employer's contribution towards retirement funds for employees falling outside the collective bargaining structures, for a period up to eight months (subject to rule amendments being approved and this being a feasible lever in countries where we have operations). Following a review on 4 August 2020, the employer retirement fund contribution was reinstated due to the Company's improved liquidity position.

Report of the Remuneration Committee (continued)



The Board also agreed to a fee sacrifice of 20% on the NED Board and Committee fees for the duration of the employee sacrifice.

These decisions were not taken lightly, particularly as 4 000 of our senior employees had not received a short-term incentive the previous year despite the fact that many targets had been met, as well as the diminished value of long-term incentives. The Committee is grateful for the united support of employees during this extraordinarily challenging period and is concerned about the potential negative effect that these extreme measures could have on the retention of key employees. As a result, we are considering retention measures to prevent a potential exodus of scarce and critical skills.

Aligned with market practice, the Committee further recommended to the Board a differentiated approach to minimum shareholding requirements for the President and CEO, Chief Financial Officer and other Executive Directors. The annual LTI award to members of the Group Executive Committee GEC was postponed from the ordinary period following shortly after the disclosure of the Annual Financial Statements, to March 2020. The Committee wanted to ensure that all matters addressed in the Board review were closed out before the annual LTI awards were made. The vesting of the entire award will be subject to performance and time vesting conditions.

The short-term actions to ensure Sasol's survival in 2020 are clearly not sustainable for the long term. As a result, the President and CEO announced a strategic reset and appointed a new leadership team to enable more focused portfolios, reducing the GEC by 25%. The revised strategy and new operating model will allow for a streamlined, more focused and efficient organisation that is sustainably profitable at oil prices of US$45/barrel and is able to withstand shock events. This will also have an impact on the workforce.

2021 focus

Over the next year, we will focus on:

- Reviewing our Remuneration Policy given the impact of the macroeconomic challenges on reward practices globally. This includes simplification of the short-term incentive plan design and the inclusion of incentive targets to support efforts to strengthen the financial situation, our pursuit of zero harm and the climate change roadmap.
- Reviewing the long-term incentive plan design and the inclusion of environmental targets.
- Reviewing the combination of LTI instruments to include restricted share units (RSUs).
- Reviewing the minimum shareholding requirements for executives.
- Reviewing the peer group we use for benchmarking purposes.

Future considerations

Globally, there is an increased focus on pay gap reporting as many consider this to be a measure that promotes a fairer and more equal society. Many countries have made the disclosure of pay gaps and CEO pay ratios obligatory. The Committee has approved a methodology to track internal pay equity. Tracking pay ratios together with our commitment to ensuring at least a living wage to our employees, as well as many of our other human resources policies, form part of our commitment to social justice.

Use of consultants

During 2020, the Committee appointed Alvarez & Marsal Taxand UK LLP (A&M) as independent external advisors, the previous advisors to the Committee were AON. A&M is a UK-based firm that is a signatory to the UK Remuneration Consultants' Code of Conduct, that provides the Committee with input on Remuneration Policy, advice on global trends and assists in decision-making on proposals made by management. The Committee was comfortable with the advisors' independence over the past year.

In closing

The Committee is committed to ensuring that Sasol's Remuneration Policy and the implementation thereof is fair and responsible. There is no doubt that in the new year all of us will need to reset our expectations and look at reward-related matters in a different way. On behalf of the Committee, I would like to thank all our shareholders for your support, and trust that you will endorse our Remuneration Policy and Implementation Report at the next AGM.

Mpho Nkeli
Chairman of the Remuneration Committee

12 August 2020

This first part of the report describes the roles and responsibilities of management at Sasol and provides an overview of Sasol's Remuneration Philosophy and Policy, as well as remuneration elements.

For clarity, the following terms are used for reporting purposes:

Role	President and CEO	GEC – CFO, other Directors and Prescribed Officers	Senior Vice President (SVP) – Group leadership	Vice President (VP) – leadership	Senior management
Description	Enterprise-wide accountability for the Group, reporting to the Board.	The GEC has the ultimate authority within the organisation to set the strategy and direction for the Group.	SVPs have global or end-to-end responsibility for an operating model entity or Group function. Positions an operating model entity or function within the broadly defined business direction. Sets Group policy and frameworks. Contributes to the formulation of organisation-wide strategies.	VPs have regional or sector-specific responsibility for a portion of an operating model entity or Group function. Contribute to strategy formulation and then translates this into tactical plans, policies and processes.	Experienced professional, specialists and experienced tactical leaders. Drive the achievement of objectives through specialisation or management of resources.
Number of permanent employees	1	8	36	195	1 061

Remuneration Philosophy

- Sasol's Remuneration Philosophy is to use internally equitable and externally competitive salary, benefits and incentive structures to attract, retain and motivate qualified, skilled and engaged employees to work towards achieving our Group strategic objectives in a values-driven manner and create stakeholder value responsibly and sustainably.
- Strive to offer a balanced mix of remuneration programmes to all our employees – benchmarked to the market median, linked to performance-based outcomes and applied competence.
- Executive remuneration has a strong relationship with shareholders' interests.
- Entry-level salaries are determined by the Company and negotiated through collective bargaining structures and further enhanced by value-added benefits aligned with our employee value proposition. In all sectors our minimum wage is higher than what is generally considered a living wage in the geography or location.
- The mix and flexibility of our remuneration options depend on the type of positions in our organisational structure as well as geographical practices.
- Appropriate approval processes are in place to prevent conflicts of interest and to mitigate any risks that may unintentionally result from our remuneration programmes.
- The Committee is empowered to intervene in exceptional circumstances when formulaic outcomes appear to be inappropriate and/or not aligned with business performance.
- No form of unfair discrimination will be tolerated, and salary differentials are substantiated through defensible principles included in our Remuneration Policy.

Remuneration Policy

Our Remuneration Policy is a crucial enabler of Sasol's strategy. The objectives of our policy are sustainable high performance based on a values-driven organisational culture and aligning behaviour with the Company's risk management framework. The policy is designed in such a way that it strives to provide competitive, market-aligned pay while balancing the need for cost containment. Additionally, the policy aligns top management's interests with stakeholders' by promoting and measuring performance that drives long-term growth and sustainable value creation.

Remuneration Committee governance

Sasol complies with the relevant remuneration governance codes and statutes that apply in the various jurisdictions within which it operates. We apply recommended practices stated under Principle 14 of the King IV Code™. The Committee is appointed by the Board to assist in ensuring that the Group remunerates its employees fairly, responsibly and transparently by implementing affordable, competitive and fair reward practices to promote the achievement of strategic objectives and positive outcomes in the short-, medium- and long-term. A copy of the Committee's Terms of Reference as well as the Remuneration Policy is available on the Group's website.

The President and CEO, the EVP: Human Resources and Corporate Affairs and the Vice President: Global Rewards attend meetings of the Committee by invitation. Members of the Group Executive Committee (GEC) recuse themselves when their own remuneration is discussed. The Committee is supported by Mr David Tuch, A&M.

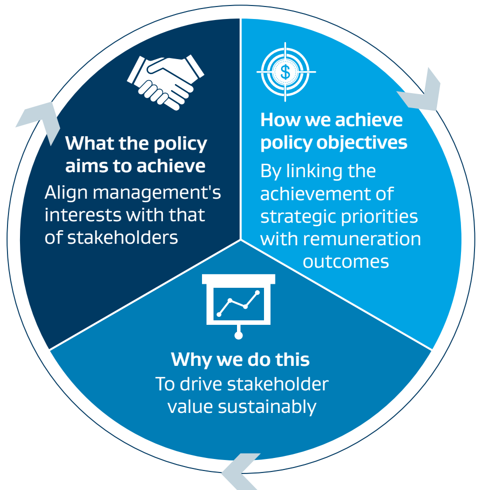
The President and CEO tables the performance outcomes of all Prescribed Officers to the Committee to inform the award and vesting of annual increases and incentives. The Chairman of the Board tables the performance outcomes and proposed rewards for the Executive Directors at the Committee which recommends it to the Board.

The Committee has used its discretion twice in the past year: to not award short-term incentives despite some of the targets being met, and the adjustment, for reasons of COVID-19, of the production volumes achievement in the long-term incentive vesting percentage for those LTIs that will vest in 2021.

Report of the Remuneration Committee (continued)

Enabling the achievement of key strategic priorities

Our Remuneration Policy sets the foundation for the development of fixed salary, variable pay plans and benefit structures that address our talent needs and enables the achievement of our strategy. Through our variable pay plans, we drive a high-performance culture where employees are encouraged to achieve targets set at an individual, Operating Model Entity (OME) and Group level. The Committee annually reviews the targets set for our short-term incentives (STIs) and long-term incentives (LTIs) to ensure that these are relevant and aligned with the business priorities.



The following table provides an overview of the remuneration elements and strategic intent of each component.

Fixed pay – Policy and strategic intent	Fixed pay – Application	Outcomes 2020
Basic salary or Total Guaranteed Package (TGP) depending on the location. Broad pay bands set with reference to location and sector median benchmarks that reflect the complexity and scale of our business to ensure that we attract and retain the talent required for successful operations. The Committee approves the cost of annual increases and considers market and economic data as well as affordability when making this decision. Mandates are provided for salary increase negotiations with recognised trade unions. **Strategic intent:** • **Attraction and retention of key employees** • **Internal equity and external competitiveness** • **Recognition of competence and individual performance**	Employees in countries other than South Africa and employees in the South African bargaining sectors are paid a base salary rather than a TGP. In South Africa, the minimum wage paid to our employees in the different sectors is compared with the living wage for a family as provided by Trading Economics to ensure that we pay a living wage to our employees. Salaries are paid monthly to all employees except for employees in United States and Canada who receive salary payments on a bi-weekly basis in line with local market practice. Employees who are promoted are considered for salary adjustments where justified. Performance aligned annual increases are processed for employees outside the collective bargaining sectors with effect from 1 October. Across the board increases for other employees are implemented with effect from 1 July.	An increased cost of 5,3% was approved for South African employees falling outside of the bargaining units and implemented on 1 October 2019. The total cost of increases for members of the Group Executive Committee was also within this approved cost. For our international jurisdictions, increases were aligned with the local market conditions and closely aligned with the forecast market movement. No annual increases will be awarded in 2021 to employees falling outside the bargaining units. 6 900 employees were asked to take a salary sacrifice effective 1 May 2020 for up to eight months; the sacrifice varied between 10% and 24% depending on the role category. This sacrifice has contributed significantly to our cash conservation efforts resulting in the suspension on 4 August 2020 due to the Company's improved liquidity position.

Benefits and allowances – Policy and strategic intent	Benefits and allowances – Application	Outcomes 2020
Benefits include, but are not limited to, membership of a retirement plan, healthcare and risk cover to which contributions are made by both the Company and the employee. Allowances are paid in terms of statutory compliance or as is applicable in a sector/jurisdiction. A number of special allowances including, inter alia housing, cost of living, home leave and child education are included in the Group's expatriate policy. **Strategic intent:** • **Compliance with legislation** • **Negotiated and contractual agreements** • **Strengthening of the employee value proposition**	Benefits are offered on retirement for reasons of sickness, disability or death. The beneficiaries of employees who pass away while in service receive an additional insurance cover the quantum depends on the retirement plan of which they were a member during service. Allowances are linked to roles within specific locations and are paid together with salaries. Expatriate allowances and benefits are offered to protect quality of life in the host country.	Sasol utilises different options to provide healthcare to employees and their families by means of medical insurance and/or public health plans, as well as additional insurance in countries where appropriate and market-related. All employees have healthcare cover in the event that they are infected by COVID-19. Special leave categories were introduced in 2020 to accommodate the lockdowns in the respective countries where we have a presence. No employees were asked to go on unpaid leave during lockdown periods or shutdown of operations. Sasol confirms that, in all countries where we have employees located that participate in retirement funds, the governance of these funds meets all local fiduciary requirements. All Defined Benefit Fund liabilities are appropriately detailed in Sasol's Statement of Financial Position. The employer contributions to retirement funds in US and South Africa (SA) were suspended for a period of up to eight months starting 1 May 2020 to assist with cash flow. Following a review on 4 August 2020, the employer retirement fund contribution was reinstated due to the Company's improved liquidity position.

Short-term incentive (STI) Policy	Short-term incentive (STI) Application	Outcomes 2020
A single structure is applied globally and paid annually in September after Committee approval. Most mining employees earn a production bonus which is accrued bi-weekly, linked to safely produce against mining targets. Target incentives align with market median. The STI structure consists of Group, entity, and individual performance targets set in advance of every financial year. The Committee can exercise its discretion to vary incentive outcomes as deemed appropriate and based on affordability.	Group, entity and individual performance targets are reviewed annually to ensure relevance, continuous improvement and alignment with the Group's strategic objectives which include safe, sustainable performance. Sustainability is a key performance objective and measured at Group and entity levels. In addition to the Group targets, the following objectives are included in entity and individual STI scorecards as applicable: safe transportation of hazardous chemicals, occupational health measures, carbon emissions, and leaks or spills of hazardous materials. These measures balance safety, environmental sustainability and operational performance criteria. Individual targets are agreed in the annual individual performance contracts, and performance against objectives is assessed bi-annually. Refer to pages 74 to 75 for detailed targets.	As part of the self-help measures announced in March 2020, a decision was supported not to pay short-term incentives to any employee for 2020, despite performance targets being achieved on Group, entity and individual level. This decision has reduced the cash fixed costs for the Group by approximately R2,5 billion.

Report of the Remuneration Committee (continued)

Long-term incentives – Policy and strategic intent	Long-term incentives – Application	Outcomes 2020
Equity- or cash-settled awards linked to the market value of a Sasol ordinary share (or American Depository Receipts (ADR) for the international employees), subject to vesting conditions for participants. The Committee governs LTI awards and considers these in respect of: • internal promotions to qualifying roles and external appointments; • annual awards to eligible employees; and • ad hoc discretionary awards Awards are linked to the role complexity and individual performance, and vesting is subject to service and additionally corporate performance targets for participants in leadership, senior leadership and top management positions. The vesting period is three years for participants in leadership and senior management. A split vesting period of three and five years applies to participants in Group leadership and top management. **Strategic intent:** • Alignment with group performance • Attraction and retention of senior employees and scarce and critical skills • Alignment with shareholders' long term interests and experience	LTIs form an important part of our pay mix and annual target LTI awards are annually reviewed to ensure market competitiveness. The equity- or cash-settled LTI plans give participants the opportunity, subject to vesting conditions, to receive Sasol ordinary shares or ADRs or the equivalent cash value of share linked LTI awards. Participants have the option to sell or retain the shares after the vesting period. Executive Directors are required to retain vested shares until minimum shareholding requirements have been met. The Committee annually considers the corporate performance targets (CPTs) and the vesting of the 2020 LTI awards are subject to the following targets: • Return on invested capital • Total shareholders' return • Increase in production volumes over headcount Refer to pages 74 to 75 for detailed targets. In 2020, the annual LTI award was granted to participants excluding members of the GEC, on 29 October 2019. The annual LTI award for members of the GEC was delayed to 4 March 2020 until all matters raised in the Board review were closed out. The on-appointment awards for the President and CEO as well as the newly appointed EVPs were also made on this date.	100% of LTIs awarded to members of the GEC are subject to the achievement of corporate performance targets. The Committee assessed that overall performance of the LTI awards made in 2016 was achieved at 47% of target. Of these, 50% vested and were delivered to the executives in the form of equity or cash with the remaining 50% due to vest after a further two years in 2022. Participants who leave the service of the Group for reasons other than retirement, retrenchment, by death, disability or ill-health, or for any other reason approved by the Committee, will forfeit the awards not vested or of which all performance and time conditions have not been met.

Minimum shareholding requirements

On 1 November 2019, Mr VD Kahla was appointed as Executive Director and was replaced as Company Secretary for Sasol Limited by Ms MML Mokoka. The Committee recommended to the Board that the share ownership requirement for the positions of President and Chief Executive Officer, the Chief Financial Officer and other Executive Directors, be differentiated, and approved the following requirements:

- **President and Chief Executive Officer:** 300% of annual pensionable remuneration
- **Chief Financial Officer:** 200% of annual pensionable remuneration
- **Other Executive Directors:** 100% of annual pensionable remuneration

The requirement must typically be achieved within five years from the date of appointment unless otherwise agreed by the Board. Due to the extended voluntary closed period that the Group was in during 2020, it was agreed that for Mr VD Kahla, the five-year period will only start once the closed period lifts in 2021. The Board has further considered that due to the low levels of achievement against the CPTs over the past five years in particular, that the five-year period for Mr P Victor, be extended. In the meantime, the Board expects that all after-tax vested shares from previously granted LTI awards be retained until the minimum shareholding requirement has been met.

Executive service contracts

- The President and Chief Executive Officer is appointed on a three-year contract which can be extended by 12 months if mutually agreed.
- Members of the Group Executive Committee have permanent employment contracts with notice periods of three to six months. The contracts provide for salary and benefits as well as participation in incentive plans on the basis of Group and individual performance as approved by the Board. Executive Vice Presidents who are members of the South African Sasol Pension Fund are required to retire from the Group and as Directors of the Board at the age of 60, unless they are requested by the Board to extend their term. Perquisites available to the members of the GEC are disclosed in the Remuneration Implementation Report (Implementation Report).

Non-Executive Director fees

Non-Executive Directors (NEDs) are appointed to the Sasol Limited Board based on their competencies as well as insight and experience appropriate to assist the Group in setting the strategy and assessing performance against key priorities. Consequently, fees are set at levels to attract and retain the calibre of directors necessary to contribute to a highly effective board. They do not receive short-term incentives, nor do they participate in long-term incentive plans. No arrangement exists for compensation in respect of loss of office.

NEDs are paid a fixed annual fee in respect of their Board membership, as well as supplementary fees for Committee membership and an additional Committee fee for special purpose Committees of the Board. Actual fees and the fee structure are reviewed annually. A travel allowance, approved by shareholders, is payable for international travel but will only be implemented in 2021 to the extent that NEDs will be required to travel internationally.

In 2018, following consultations with our large institutional investors, the Committee proposed a single currency fee structure which was approved at the 2018 November AGM. The new structure has been phased in for our resident NEDs. The Board agreed to defer the last adjustment to the new fee structure by one year to 1 July 2021. Where current NEDs' fees are higher than the new single currency fee structure, their fees are kept unchanged.

Following the outbreak of COVID-19 across the world, NEDs volunteered fee sacrifices of between 20% and 40% in support of our cash conservation efforts effective from April 2020.

No increase in fees will be requested at the November 2020 AGM.

Annual Non-Executive Directors' fees:

	2020		
	Fees incl. VAT with effect from 16 November 2018[2, 3]		
	Chairman[1]	Member	Rate
Board	$445 000	$150 000	Annual
Audit Committee	$25 000	$20 000	Annual
Remuneration Committee	$20 000	$12 000	Annual
Capital Investment Committee	$16 000	$11 000	Annual
Digital, IM and Hedging Committee	$16 000	$11 000	Annual
Nomination and Governance Committee	$16 000	$11 000	Annual
Safety, Social and Ethics Committee	$16 000	$11 000	Annual
Lead Independent Director	–	$40 000	Annual
Travel allowance – less than 10 hours travel[4]	–	$5 000	Once off payable per cycle
Travel allowance – between 10 and 15 hours travel[4]	–	$10 000	Once off payable per cycle
Travel allowance – more than 15 hours travel[4]	–	$15 000	Once off payable per cycle
Special purpose Ad hoc Committee meetings	$2 000	$2 000	Per meeting

1. Chairman of the Board fee, inclusive of all fees payable for attendance or membership of Board Committees and directorship of the Company.
2. Fees including VAT are being phased in over a period of two to three years with effect from 16 November 2018.
3. For the fee structure applicable from 16 November 2018 for non-resident Non-Executive Directors, the following rules apply: where the total prior year fees inclusive of VAT (on a like-for-like basis), are higher that the new structure, the previous fee will be retained to ensure that the Non-Executive Director is not financially worse off with the implementation of the new fee structure.
4. Travel allowance implemented with effect from 2021 as appropriate, when international travel is required.

The section that follows provides an overview of the implementation of the Remuneration Policy. It also sets out the relationship between Company performance and Executive Directors' and Prescribed Officers' remuneration outcomes against incentive plan targets as well as progress against minimum shareholding requirements. The report also details the remuneration paid to the former Joint President and CEOs in terms of the mutual separation agreements concluded.

The tables in this section provide information on all amounts received or receivable by members of the GEC (including the current President and CEO and the former Joint Presidents and CEOs, other Directors and Prescribed Officers).

Report of the Remuneration Committee (continued)

REMUNERATION IMPLEMENTATION REPORT

Remuneration as a strategic enabler

To drive our top priorities, which are aligned with the delivery of our strategy, our executives' remuneration is linked to key performance indicators marking progress on these priorities.

Strategic targets*

ROIC
(US$) >12% through the cycle
>2% uplift by 2022

EBIT growth
(US$ real) >5% CAGR through the cycle

Dividend returns stepping up payout to 40% of core HEPS (2,5x cover) by 2022 thereafter moving payout towards 45% (2,2x cover)

Zero harm
at all our operations globally

Culture
ensuring engagement and growth of all our employees

* Future Sasol targets will be firmed up and articulated at our Investor Day briefing in November 2020.

Our top priorities

Our Group top priorities are determined annually by our Group Executive Committee in response to the environment in which we operate and focus the organisation on those key deliverables that will bring us closer to realising our strategy.

Our Group strategic priorities for 2020 were:

- Pursue zero harm
- Nurture our foundation business
- Sustainable growth and future investment
- Resilient organisation
- Drive customer, operational and capital excellence

Short-term incentives (STI)

ESG measures

2020 GEC STI targets[1]	Link to value creation	Weighting %	2020 Achievement	Weighted score %	2019	2018
High-severity injuries (HSIs)	Given our commitment and approach to safety we believe zero harm is possible	5%	**3 HSIs**	**6%**	2 high-severity injuries	6 injuries
Penalty for fatalities		–	**6 fatalities**	**(18%)**	3	4
Year-on-year increase in cash fixed cost (CFC) not to exceed 5,5%	Enhancing our foundation business to remain relevant and competitive by improving our gross margin, reducing our cost base and optimising our balance sheet	20%	**Increased by 0%**	**30%**	CFC 1,6% below target	Above target 18,22% working capital and gross margin 4% below target 3,66%
Year-on-year growth in core headline earnings		25%	**Decreased by 38%**	**0%**	Core headline earnings increased by 5,6%	Below threshold 0%
Year-on-year growth in production volumes from key plants	Improving production volumes in our foundation businesses and ramp-up production from our new facilities in the Lake Charles Chemicals Complex to increase earnings and ROIC	15%	**Decreased by 5%**	**0%**	0,8% below 2018	0,9% growth 13,5%
LCCP delivery within schedule and budget	Delivering projects within estimated time and budget to improve capital investments and project practices to increase business value	15%	**Did not achieve the committed schedule but costs remained within approved budget given in May 2019 to the market**	**3%**	6 milestones missed	On target 5%
To achieve 23,63 out of 27 on the Preferential Procurement scorecard	The aim of the PP scorecard is to encourage the usage of Black-owned professional services and entrepreneurs as suppliers while encouraging measured entities to empower themselves on the principles of B-BBEE	5%	**Over-achieved against the preferential procurement target**	**6%**	20,79 out of 25	Exceed stretch target 7,5%
Appointment of African and Coloured employees in senior positions	Integral to our culture is that we value and promote diversity and inclusion while growing the Company	5%	**Under-achieved against the employment equity target due to employment and promotion freeze**		53% of opportunities utilised	49% of opportunities utilised 0%
Significant fires, explosions and releases (FERs)	The decrease in the number of significant fires, explosions and releases (FERs) is important to us as it ensures safe and reliable operations and improves energy efficiency	5%	**23 FERs**	**0%**	19 FERs	RCR: 5% 15 FERs 7,5%
1% improvement in energy efficiency (South African operations)	We have a long-standing commitment towards promoting energy efficiency (EE) as a key business driver. We strive to continuously improve the EE of all our manufacturing operations in support of asset integrity, and we are committed to the global Energy Productivity 100 initiative	5%	**0,2% energy efficiency improvement**	**1%**	3% improvement	0,4% energy efficiency improvement 2,6%
GEC STI score		**100%**		**28,3%**	**65,70%**	**63,01%**

As part of a comprehensive response plan, no short-term incentives were paid for 2020, despite the fact that some of the targets had been met.

Long-term incentives (LTI)

LTI corporate performance targets (CPT)[2]	Link to value creation	Weighting %	2020 Achievement	Weighted score %	2019	2018
1% Growth in production volumes/headcount (compound over the vesting period)	Through production improvements and an efficient workforce we increase earnings for our shareholders	25%	**1% compound growth on base**	**26%**	1,45% improvement on base	Achieved stretch target 50%
Three-year average ROIC (excluding assets under construction) at 1,3 times WACC	ROIC reflects on earnings return measure in respect of capital investments, effective capital allocation and driving timely project completion	25%	**(8%) three-year average**	**0%**	Three year average ROIC (excl. AUC) at 9,14%	N/A
Sasol TSR vs MSCI World Chemical Index @ 60th percentile	Total shareholder return (TSR) is a measure of the performance of the Group's share price over time, and combines both share price appreciation and dividends paid to indicate the total value created in alignment with shareholders	25%	**Below threshold**	**0%**	6th percentile of the index	Below threshold 0%
Sasol TSR vs MSCI World Energy Index @ 60th percentile		25%	**Below threshold**	**0%**	41st percentile of the index	Above threshold 19%
GEC CPT score for LTI				**26%**	**47%**	**69%**

Refer to our Annual Financial Statements AFS pages 38 and 39 respectively.

Remuneration Implementation Report (continued)

The following section provides information on how the reward outcomes were determined for Executive Directors:

Executive Directors:

a. Remuneration and benefits approved and paid in respect of 2020 for Executive Directors

	FR Grobler[3,4,5] (CEO and President)		P Victor[6,8] (CFO)		VD Kahla[7,8] (Executive Director)	
Executive Directors	**2020 R'000**	2019 R'000	**2020 R'000**	2019 R'000	**2020 R'000**	2019 R'000
Salary	**7 114**	–	**6 678**	4 655	**4 143**	–
Risk and retirement funding	**501**	–	**919**	2 686	**428**	–
Vehicle benefit	**57**	–	**100**	100	**–**	–
Healthcare	**130**	–	**100**	94	**68**	–
Vehicle insurance fringe benefit	**4**	–	**6**	6	**4**	–
Security benefits	**–**	–	**–**	–	**484**	–
Other benefits	**2 176**	–	**31**	7	**1**	–
Total salary and benefits	**9 982**	–	**7 834**	7 548	**5 128**	–
Annual short-term incentive[1]	**–**	–	**–**	–	**–**	–
Long-term incentive gains[2]	**725**	–	**1 143**	6 880	**789**	–
Total annual remuneration	**10 707**	–	**8 977**	14 428	**5 917**	–

1. No STI payment was approved for 2020.
2. Long-term incentives for 2020 represent the award made on 22 September 2017. The illustrative amount is calculated in terms of the number of LTIs x Corporate performance target achieved (26%) x closing share price on 12 August 2020. The actual vesting date for the annual awards is 22 September 2020; subject to the company being in an open period. Dividend equivalents accrue at the end of the vesting period, to the extent that the LTIs vest. 50% of the vested LTIs and accrued dividends will be released on 22 September 2020 and the balance in September 2022, subject to the rules of the LTI plan. As there are no further performance conditions attached to the balance of the 50%, the full amount is disclosed in the single figure table.
3. Mr Grobler was appointed as President and CEO effective 1 November 2019.
4. Mr Grobler agreed to a voluntary contribution of 30% of his salary to the South Africa Solidarity Fund with effect from 1 May 2020 until 31 July 2020.
5. Other benefits for Mr Grobler relate to his period as an expatriate and include accommodation (R331 152), utilities (R9 677), home leave allowance (R250 169), relocation expenses (R463 663), subsidised business transport (R3 699), tax consulting fees (R73 319), employer contributions to German statutory funds (R8 074) and tax on expatriate benefits(R1 036 479).
6. Other benefits for Mr Victor include meals on premises (R6 750) and subsidised business transport (R24 455).
7. Mr Kahla was appointed as an Executive Director with effect from 1 November 2019.
8. Messrs Victor and Kahla have voluntarily agreed to a salary sacrifice of 20% with effect from 1 May 2020 to assist with Company self-help measures announced in March 2020. This is in addition to the suspension of employer contributions to the pension fund.

b. Progress against minimum shareholding requirement (MSR):

							Unvested awards subject to continued employment only until 2021/2022 (excluding accrued dividend equivalents[2])			
Beneficial shareholding	Minimum Shareholding Requirement (MSR)	MSR achievement period (CY)	Beneficial share-holding 30 June 2020[1]	Post tax vesting – September 2020[3]	Beneficial shareholding value (including September 2020 post tax vesting)	% MSR achieved	Number of shares to vest – 26 September 2021	Number of shares to vest – 22 September 2022	Total number of vested shares subject only to continued employment	Pre-tax value of vested shares subject only to continued employment[3]
FR Grobler	R22 050 000	2024	R5 887 153	R611 221	R6 498 374	29%	4 230	1 933	6 163	R814 749
P Victor	R8 680 000	2021	R3 000 034	R498 078	R3 498 112	40%	10 575	3 047	13 622	R1 800 828
VD Kahla	R5 098 706	2025	R0	R708 168	R708 168	14%	4 230	2 105	6 335	R837 487

1. Beneficial shareholding balance as at 30 June 2020 valued at the acquisition price at vesting date.
2. Corporate performance conditions have been applied, the shares are subject to continued employment. This table excludes LTIs to vest in 2022 and 2023 that are subject to CPTs.
3. Value at closing price on 30 June 2020 (R132,20).

The following section provides information on how the reward outcomes were determined for the Prescribed Officers:

Prescribed Officers

a. Remuneration and benefits approved and paid in respect of 2020 for Prescribed Officers

Mr Grobler was on an expatriate assignment from South Africa to Germany and earned his salary in euro for the period 1 July 2019 to 31 October 2019. Mr Harris is on an expatriate assignment from United Kingdom (UK) to South Africa and earns his salary in British pounds sterling.

The salary lines for expatriates include the cost of tax equalisation and additionally reflect the depreciation of the South African currency against the currency of payment.

	HC Brand[4]		BV Griffith[5,6]		FR Grobler[7,8]		JR Harris[9]	
Prescribed Officers	**2020 R'000**	2019 R'000	**2020 R'000**	2019 R'000	**2020 R'000**	2019 R'000	**2020 R'000**	2019 R'000
Salary[3]	**2 789**	766	**4 804**	–	**3 113**	8 391	**9 831**	9 458
Risk and retirement funding	**1 770**	224	**279**	–	**295**	823	**516**	462
Vehicle benefit	**234**	58	**–**	–	**77**	228	**319**	254
Healthcare	**89**	22	**218**	–	**64**	195	**223**	195
Vehicle insurance fringe benefit	**6**	2	**–**	–	**2**	6	**–**	–
Security benefit	**–**	–	**–**	–	**–**	–	**12**	14
Other benefits	**502**	188	**268**	–	**552**	2 037	**2 622**	2 180
Total salary and benefits	**5 390**	1 260	**5 569**	–	**4 103**	11 680	**13 523**	12 563
Annual short-term incentive[1]	**–**	–	**–**	–	**–**	–	**–**	–
Long-term incentive gains[2]	**709**	3 028	**811**	–	**–**	2 752	**764**	–
Total annual remuneration	**6 099**	4 288	**6 380**	–	**4 103**	14 432	**14 287**	12 563

	VD Kahla[10]		BE Klingenberg		CK Mokoena[11]		M Radebe[12]	
Prescribed Officers	**2020 R'000**	2019 R'000	**2020 R'000**	2019 R'000	**2020 R'000**	2019 R'000	**2020 R'000**	2019 R'000
Salary[3]	**2 047**	5 901	**5 885**	5 771	**4 954**	4 789	**4 849**	4 726
Risk and retirement funding	**245**	772	**1 958**	1 971	**736**	772	**755**	764
Vehicle benefit	**–**	–	**212**	212	**–**	–	**264**	264
Healthcare	**32**	94	**100**	94	**23**	–	**100**	94
Vehicle insurance fringe benefit	**2**	6	**6**	6	**–**	–	**6**	6
Security benefit	**–**	490	**384**	363	**71**	103	**44**	–
Other benefits	**–**	–	**–**	–	**774**	13	**110**	–
Total salary and benefits	**2 326**	7 263	**8 545**	8 417	**6 558**	5 677	**6 128**	5 854
Annual short-term incentive[1]	**–**	–	**–**	–	**–**	–	**–**	–
Long-term incentive gains[2]	**–**	2 752	**942**	3 363	**357**	2 229	**618**	2 752
Total annual remuneration	**2 326**	10 015	**9 487**	11 780	**6 915**	7 906	**6 746**	8 606

Remuneration Implementation Report (continued)

a. Remuneration and benefits approved and paid in respect of 2020 for Prescribed Officers (continued)

Prescribed Officers	SJ Schoeman[13, 14] 2019 R'000
Salary	9 533
Risk and retirement funding	585
Vehicle benefit	264
Healthcare	283
Vehicle insurance fringe benefit	6
Security benefit	–
Other benefits	4 103
Total salary and benefits	14 774
Annual short-term incentive	–
Long-term incentive gains	2 752
Total annual remuneration	17 526

1. No STI payment was approved for 2020.
2. Long-term incentives for 2020 represent the award made on 22 September 2017. The illustrative amount is calculated in terms of the number of LTIs x Corporate performance target achieved (GEC:26%; SVP:56%) x closing share price on 12 August 2020. The actual vesting date for the annual awards is 22 September 2020 subject to the company being in an open period. Dividend equivalents accrue at the end of the vesting period, to the extent that the LTIs vest. 50% of the vested LTIs and accrued dividends will be released on 22 September 2020 and the balance in September 2022, subject to the rules of the LTI plan. As there are no further performance conditions attached to the balance of the 50%, the full amount is disclosed in the single figure table.
3. Prescribed Officers have voluntarily agreed to a salary sacrifice of at least 20% with effect from 1 May 2020 to assist with the Company self- help measures announced in March 2020. This is in addition to the suspension of employer contributions to the pension fund.
4. Mr Brand was appointed as the Acting EVP: Group Technology for the period 1 July 2019 to 29 February 2020 and included in Other benefits is an Acting Allowance of R500 000 for this period, meals on premises (R1 500). Mr Brand was appointed as EVP: Sustainability and Technology with effect from 1 March 2020.
5. Mr Griffith was appointed as EVP: Chemicals Business with effect from 1 November 2019.
6. Other benefits for Mr Griffith include tax advisory services (R43 825) and employer contributions to US statutory funds (R224 635).
7. Mr Grobler's earnings are reflected for the period until 31 October 2019. He was appointed as President and CEO with effect from 1 November 2019.
8. Other benefits for Mr Grobler relate to his period as an expatriate and include accommodation (R196 465), utilities (R13 097), social security (R10 969), tax consulting fees (R14 010) transport allowance (R1 309) and tax on expatriate benefits (R316 199).
9. Other benefits for Mr Harris under his expatriate contract include home leave allowance (R118 740), utilities allowance (R31 372), tax consulting fees (R10 449), accommodation (R800 052) and tax on expatriate benefits (R1 661 326).
10. Mr Kahla's earnings are reflected for the period until 31 October 2019. He was appointed as an Executive Director with effect from 1 November 2019.
11. Other benefits for Ms Mokoena include meals on premises (R7 000), subsidised business transport (R17 221) and the final portion of a staggered sign on award (R750 000).
12. Other benefits for Mr Radebe include subsidised business transport (R110 281).
13. Mr SJ Schoeman stepped down as a Prescribed Officer with effect from 31 March 2019. Pursuant to his stepping down, Sasol took certain actions against him which Mr Schoeman challenged. The dispute went into private arbitration in September 2019 and was settled in April 2020 for an amount of R7,6m. The details of the settlement are confidential between the parties.
14. Other benefits for Mr SJ Schoeman include accommodation (R1 079 715), home leave allowance (R368 239), tax consulting fees (R176 024), social security taxes (R227 590), medicare taxes (R660 988) and tax on expatriate benefits and allowances (R1 590 168).

b. Beneficial shareholding

The aggregate beneficial shareholding at 30 June 2020 of the Directors of the Company and the Prescribed Officers and their associates (none of whom have a holding greater than 1%) in the issued ordinary share capital of the Company are detailed in the following tables:

Beneficial shareholding[5]	2020 Total beneficial shareholding	2019 Total beneficial shareholding
Executive Directors[1]		
FR Grobler[2]	**16 441**	13 500
P Victor	**8 739**	1 549
Non-Executive Directors[4]		
SA Nkosi[3]	**6**	–
MDN Dube	**24**	24
NNA Matyumza	**–**	6
ZM Mkhize	**181**	181
Total	**25 391**	15 260

1. Unvested long-term incentives for Executive Directors not included.
2. Mr Grobler appointed as President and CEO with effect from 1 November 2019.
3. Mr Nkosi joined the Board on 1 May 2019 and was appointed Chairman on 27 November 2019.
4. Direct beneficial shareholding comprises of Sasol BEE ordinary shares.
5. There have been no changes to Directors' beneficial interest between 30 June 2020 and date of this report

Beneficial shareholding[1]	2020 Total beneficial shareholding[1]	2019 Total beneficial shareholding[1]
Prescribed Officers		
HC Brand[2]	**17 700**	17 700
M Radebe	**15 762**	15 762
Total	**33 462**	33 462

1. Unvested long-term incentives not included.
2. Mr Brand was appointed as the Acting EVP: Group Technology for the period 1 July 2019 to 29 February 2020 and as EVP: Sustainability and Technology with effect from 1 March 2020.

Former Joint President and CEOs

Messrs. Cornell and Nqwababa agreed with the Board to terminate their employment. The Board has acknowledged, following an external investigation, that there was no personal wrongdoing on their part. The remuneration and benefits earned during their tenure as Joint President and CEOs in addition to the mutual separation detail is set out in the table below:

a. Remuneration and benefits approved and paid in respect of 2020 for the former Joint President and CEOs

	SR Cornell[1, 2, 3]		B Nqwababa[4, 5]	
Executive Directors	**2020 R'000**	2019 R'000	**2020 R'000**	2019 R'000
Salary	**20 808**	17 918	**8 470**	9 621
Risk and Retirement funding	**10 773**	825	**909**	1 029
Vehicle benefit	**400**	332	**–**	–
Healthcare	**453**	362	**76**	87
Vehicle insurance fringe benefit	**–**	–	**5**	6
Security benefit	**1 008**	1 228	**588**	467
Other benefits	**11 698**	7 498	**909**	27
Mutual separation	**21 658**	–	**14 389**	–
Total salary and benefits	**66 798**	28 163	**25 346**	11 237
Annual short-term incentive	**–**	–	**–**	–
Long-term incentive gains[6]	**1 861**	8 972	**1 904**	9 173
Total annual remuneration	**68 659**	37 135	**27 250**	20 410

1. Mr Cornell exited with effect from 30 June 2020.
2. Mr Cornell participated in an individual Senior Executive Retirement Plan (SERP) in order to adjust for differences between the benefits that would have been payable under his previous employer's Defined Benefit retirement fund and the benefits payable under the retirement programmes of Sasol (USA) Corporation. The SERP benefit (R9 707 538) is included in Risk and Retirement funding and was payable following his mutual separation.
3. Other benefits for Mr Cornell under his expatriate contract include accommodation (R1 380 514), subsidised business transport (R27 469), school fees (R225 209), private accommodation (R52 309), leave encashment on termination (R1 348 852), relocation expenses (R1 746 021), employer contributions to US statutory funds (R712 160), final tranche of a staggered sign on payment (R2 984 416), tax assistance (R71 801) and tax on expatriate benefits (R3 149 125).
4. Mr Nqwababa exited with effect from 30 April 2020.
5. Other benefits for Mr Nqwababa include leave encashment on termination (R853 039), subsidised business transport (R31 184) and private accommodation (R25 156).
6. In terms of the LTI Plan rules, Messrs Cornell and Nqwababa retain their LTI awards subject to the normal vesting criteria and corporate performance targets; the LTIs are not subject to accelerated vesting. Long-term incentives for 2020 represent the award made on 22 September 2017. The illustrative amount is calculated in terms of the number of LTIs x corporate performance target achieved (26%) x closing share price on 12 August 2020. The actual vesting date for the annual awards is 22 September 2020; subject to the Company being in an open period. Dividend equivalents accrue at the end of the vesting period, to the extent that the LTIs vest. 50% of the vested LTIs and accrued dividends will be released on 22 September 2020 and the balance in September 2022, subject to the rules of the LTI plan. As there are no further performance conditions attached to the balance of the 50%, the full amount is disclosed in the single figure table.

PERFORMANCE OVERVIEW

KEY MESSAGES

- **Resetting Sasol** to create sustainable value in the long term sheet
- **Actively managing** available liquidity and funding arrangements
- **Expanding and accelerating** our asset disposal programme
- **Dividend remains suspended** to protect the balance sheet

Sasol has been severely impacted by the economic consequences of the COVID-19 pandemic and lower oil and chemical prices, with a decline in both our sales volumes and margins. Given the impact, we are safeguarding our liquidity headroom and protecting Sasol's balance sheet by focusing on our comprehensive response strategy.

Dear stakeholder

Overview

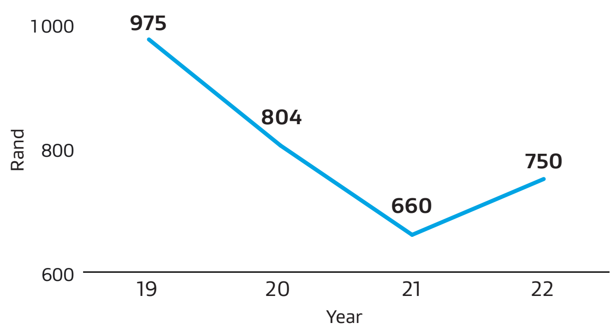
In 2020, we exceeded our cash conservation target of US$1 billion, largely through capital and working capital optimisation and cost savings measures, consisting of mainly human capital levers. This is testament to the resilience and commitment of 'Team Sasol' who worked tirelessly to deliver on this strong performance. In addition, we expanded and accelerated our asset divestment programme and realised R4,3 billion in disposal proceeds by 30 June 2020. We have committed plans to conserve a further US$1 billion in cash in 2021.

IR Refer to President and Chief Executive Officer's Statement on pages 8 to 10 for detail on our comprehensive response plan.

In 2020, oil prices averaged at US$51/bbl, with a high of US$70/bbl in January 2020 and a low of US$13/bbl in April 2020. The oil price collapse significantly impacted on our margins and we expect that oil prices will remain low for the next 12 to 18 months as the impact of COVID-19 becomes better understood. Oil markets remain exposed to shifts in geopolitical risks as well as supply and demand movements.

Within this context, our foundation businesses delivered resilient results with a strong volume, cash fixed cost and working capital performance. As our Energy Business felt the effects of the supply and demand shocks that led to lower crude oil prices and product differentials, our Chemical businesses maintained robust results on some products, ensuring a level of resilience in our cash flows.

Rand crude oil price forecast



The global chemicals industry was heavily impacted by adverse macroeconomic developments: the US-China trade dispute, the oil price crash and the unfolding COVID-19 pandemic, leading to unprecedented economic disruptions and extreme price and demand volatility across most of our markets and product portfolios. In commodity chemicals, prices diluted further due to increased global capacities, particularly for polymers. Against this challenging backdrop, our Chemicals Business delivered a solid performance, benefitting from its diverse global portfolio and value-chain integration. It is expected that markets will remain volatile for the remainder of this calendar year with rebalancing of supply-demand occurring at varying speed in different regions, depending on COVID-19 mitigation and economic stimulus packages.

During 2020, the rand/US dollar exchange rate averaged R15,69 compared to R14,20 in the prior year. The weaker average rand/US dollar exchange rate significantly benefitted on the results of our Chemicals business, which is more exposed to foreign currency sales and capital expenditure.

As Sasol's balance sheet reached peak gearing of 114,5% at 30 June 2020, we implemented several focused management actions as part of our comprehensive response plan to improve our liquidity position. We had to make decisions to protect and strengthen the balance sheet, some of which negatively impacted on employee morale, growth and investor perceptions. Through this difficult period, we continued to manage the balance sheet and position the Company to create a more sustainable capital structure going forward through Future Sasol. We expect the balance sheet to remain constrained over the next two years, allowing for very little expansion or growth.

Key drivers impacting our results

Sasol's integrated risk management process enabled us to monitor and respond to the volatile macroeconomic environment. We continued to closely monitor the progress of our strategic objectives by considering and planning for various likely financial scenarios in determining whether the risk is within the limits of our risk tolerance and risk appetite as well as testing the robustness of our mitigation actions. In order to assess the impact of the operating environment on our business, it is important to understand those factors that affect the delivery of our results.

Risk	Impact on value creation	Response
Credit market risk and liquidity	Our current leverage impacts the liquidity available to us and our cost of obtaining funding.	• Funding requirements are continuously monitored and regular engagements with lenders are held to ensure that we maintain appropriate levels of liquidity. • Our comprehensive response plan to strengthen our liquidity.
Volatile markets and exchange rates	We are significantly impacted by the rand/US dollar exchange rate, with our product prices based largely on global prices quoted in US dollars and a large portion of our capital investments being in US dollars.	• We use forward exchange contracts to hedge foreign currency-denominated transactions. • We further entered into zero-cost collars for US$5,4 billion for 2021, to cover 62% of our exposure. This hedging strategy enables us to better predict cash flows.
Crude oil	Our Energy business is exposed to the selling price of fuel that is significantly influenced by the crude oil price.	• We use crude oil futures to protect against adverse effects of short-term oil price volatility. • To date we have entered into hedges against the downside risk in the crude oil price. Oil hedges, targeting 80% of Synfuels' annual fuel production, are currently in progress.
Chemical prices	Our chemical products follow a typical demand cycle. Higher demand results in higher margins introducing new production capacity, at which point margins decrease. Over the longer term, most commodity chemical prices tend to track crude oil prices.	• To ensure resilience throughout industry cycles and oil price volatility, we strive to have a diverse portfolio of assets and, wherever possible, to invest in the value chain from raw materials to final products, expanding our footprint in differentiated markets.
Gas prices	Natural gas is a key feedstock in certain of our South African businesses. A higher gas price would reduce our profitability.	• In times of lower demand for gas, we utilise the gas available from Mozambique internally in our integrated value chain.
Executing on capital projects	Failure to deliver projects within cost and schedule negates our return on invested capital and could result in impairments.	• Our capital allocation principles guide how we systematically invest capital. • We are applying guidelines developed through lessons learnt from the LCCP in future projects. • The Investment Committee reviews the robustness of assumptions and tracks milestones.
Our cost base	Our significant cost base is under constant pressure from inflationary increases in the countries in which we operate.	• We maintain a strict focus on cost and are targeting a more streamlined cost base with Future Sasol.

PERFORMANCE OVERVIEW (continued)

2020 financial performance

Operational performance

SOUTH AFRICAN OPERATIONS

- **Secunda Synfuels Operations (SSO) impacted by reduced fuel demand;** 3% decrease in production
- **Natref production decreased 22%,** due to suspension of production in early April
- **Successful completion of SSO shutdown** and Natref maintenance work originally planned for 2021
- **Mining production down 4%** impacted by ongoing geological complexities

NORTH AMERICAN OPERATIONS

- **The cracker and five of the six downstream units at** the LCCP are now online
- **LLDPE plant** running at nameplate capacity
- **HDPE plant** continues to produce volumes at the upper end of design capacity

EURASIAN OPERATIONS

- **Production increased marginally,** despite planned outages and lower demand for alcohols and waxes
- **Ramp-up in production** at new ETO unit in Nanjing, China
- **ORYX GTL achieved utilisation of 57%** due to extended shutdown

Sales performance

ENERGY

- **Liquid fuels and natural gas sales volumes decreased** by 12% and 8% respectively due to lower market demand
- **Liquid fuels volumes** of 52,7 million barrels exceeded market guidance, with quicker demand recovery

PERFORMANCE CHEMICALS

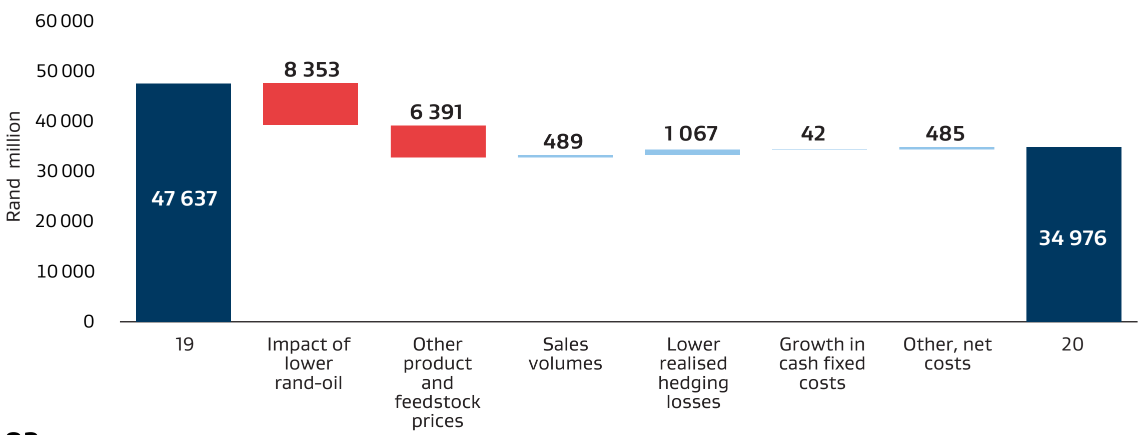
- **Sales volumes increased** by 8% with contributions from US EO/EG and ETO plants
- **Advanced material portfolio** benefitted from higher sales of green coke (carbon) and increased hard wax sales
- **Excluding LCCP, organic sales volumes** down 3% on soft macro environment

BASE CHEMICALS

- **Sales volumes increased** by 19% driven by increased US polymers contribution
- **Foundation business sales volumes down 3%** on lower demand and associated lower SSO production rates
- **Commodity chemical prices** soft with average basket sales price down 18%

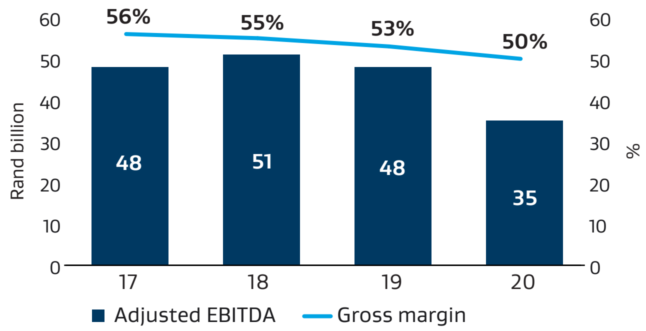
Adjusted earnings before interest, tax, depreciation and amortisation (Adjusted EBITDA) decreased by 27% compared to the prior year due to the decrease in crude oil prices and further softening of global chemical prices and refining.

Adjusted EBITDA



Earnings before interest and tax (EBIT) of R9,7 billion in the prior year decreased to a loss before interest and tax (LBIT) of R111,0 billion due to the significant remeasurement items of R110,8 billion recorded in 2020 resulting mainly from the lower oil prices and the economic consequences of the COVID-19 pandemic.

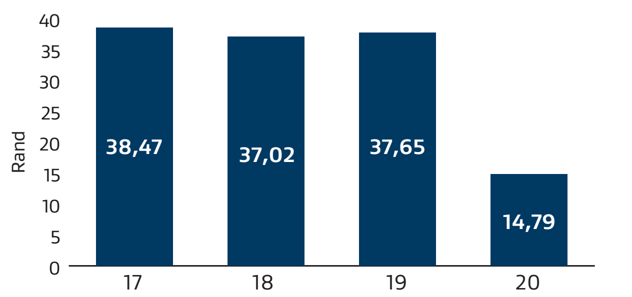
Adjusted EBITDA and gross margin



Core headline earnings per share (CHEPS) decreased 61% to R14,79 driven by an 18% decrease in the rand per barrel oil price. A price compared to the prior year. A positive core earnings still supports our cash flow generating ability from our foundation businesses.

The Sasol Limited Board considers core headline earnings as an appropriate indicator of the sustainable operating performance of the Group.

Core HEPS (Rand)

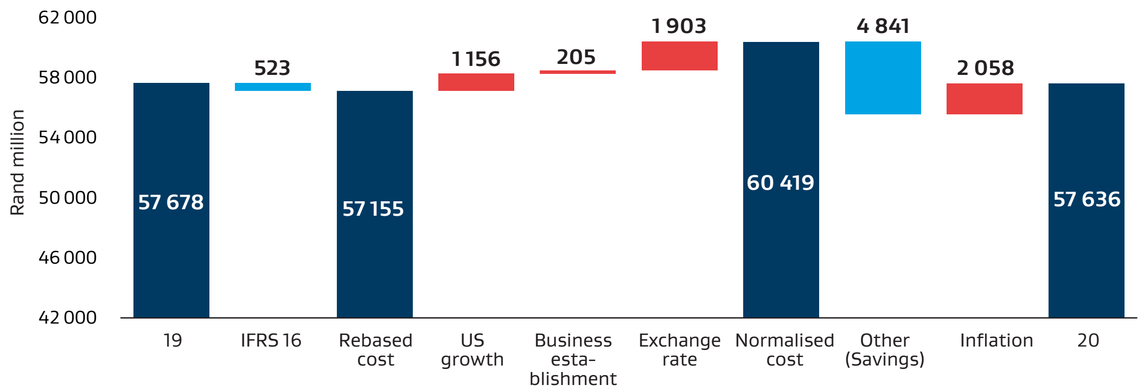


Significant operational items include impairments of R111,6 billion and losses on derivative instruments of R7,0 billion. The impairments include R72,6 billion (US$4,2 billion) that has been recognised on our Base Chemicals portfolio within Sasol Chemicals USA (that has been classified as held for sale) and R35,2 billion relating to our integrated South African value chain that has been significantly impacted by the decrease in crude oil prices, a further softening of global chemical prices and refining margins and lower market demand in a post-COVID-19 environment.

The losses on derivative instruments relate mainly to instruments entered to protect the Company against currency volatility that were negatively impacted by the significant weakening of the rand exchange rate during the second half of the financial year.

Turning to our cost performance, cash fixed cost, as summarised in the graph below, remained flat when compared to the prior year as we implemented our comprehensive response plan focusing on cash fixed cost reduction, which included human capital levers as part of our effort on enhancing cash flow and cost competitiveness in a low oil price environment. The cost reductions realised (R4,8 billion) which together with the impact of adopting IFRS 16 more than offset the increase in cost driven by LCCP ramp up costs of R1,2 billion and the impact of a weaker exchange rate (R1,9 billion). Normalised for these effects, cash fixed cost decreased by 4,6%. We are of the view that our cost management processes remain robust to protect and improve our cost competitive position and still position us in managing our cost base to within our inflation target, while ensuring that we maintain safe and sustainable operations.

Cost performance



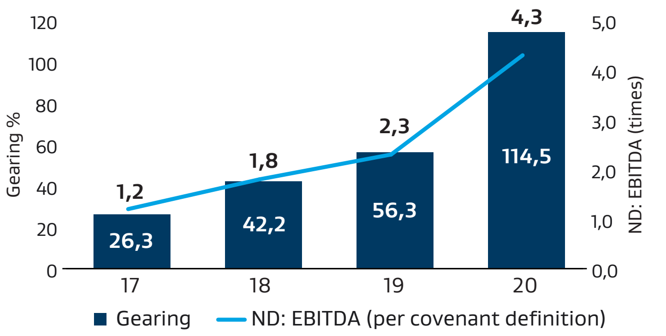
Our financial position

The unprecedented set of combined challenges driven by the COVID-19 pandemic and the significant decline in the crude oil price have come at a time when Sasol is in a peak gearing phase as the LCCP is being completed. To protect the balance sheet, Sasol implemented a comprehensive response plan to enhance cash flow and reposition the balance sheet to be resilient in a sustained low oil price environment. The measures undertaken to reposition the company include a cash conservation programme, a value-driven asset disposal programme, potential partnering for Sasol's US Base Chemicals assets, a rights issue of up to US$2 billion in the second half of financial year 2021 and active balance sheet management to maintain a healthy liquidity position and a balanced debt maturity profile as Sasol works towards restoring an optimal capital structure.

Our gearing increased to 114,5% during the year given the significantly weaker closing exchange rate of R17,33, the impairments recognised during the year and the capital expenditure on the LCCP.

PERFORMANCE OVERVIEW (continued)

Gearing and net debt to EBITDA



Deleveraging the balance sheet is one of our highest priorities to ensure business sustainability and positions us for the future to deliver value to our shareholders and stakeholders. This is essential for an industry operating in a volatile operating environment marked by swings in commodity prices and currency rates, as well as the potential for technology disruption.

Managing our funding

The immediate focus is to bring leverage back in line with our target levels and mitigate the impacts of the current market volatility to preserve the underlying value in the business. To create flexibility in Sasol's balance sheet during our peak gearing period we have successfully engaged with our lenders to waive our covenants as at 30 June 2020 and to lift our covenants from 3 times to 4 times net debt: EBITDA at 31 December 2020. This additional flexibility is consistent with Sasol's broader capital allocation framework and subject to conditions which are customary for such covenant amendments. These include provisions to prioritise debt reduction at this time, commitments that there will be no dividend payments nor acquisitions while our leverage is above 3,0 times Net debt: EBITDA and that the 2021 capital expenditure will not exceed the forecast level of R21 billion by more than 10%. Sasol will also reduce, while continuing to maintain a strong liquidity position, the size of its facilities as debt levels reduce. Our net debt: EBITDA ratio at 30 June 2020, based on the revolving credit facility and US dollar term loan covenant definition, was 4,3 times.

During the year we secured incremental US dollar liquidity through a US$1 billion syndicated loan facility for up to 18 months, and bilateral facilities (with a combined quantum of US$250 million) with a tenor of two years, enhancing our US dollar liquidity position. In the South African market, we have both bank loan facilities and an R8,0 billion Domestic Medium-Term Note (DMTN) programme which was established in 2017. In August 2019, we issued our inaugural paper to the value of R2,2 billion in the local debt market under this DMTN programme.

As at 30 June 2020, our liquidity headroom was in excess of US$2,5 billion well above our outlook to maintain liquidity in excess of US$1 billion. We continue to assess our mix of funding instruments to ensure that we have funding from a range of sources and a balanced maturity profile.

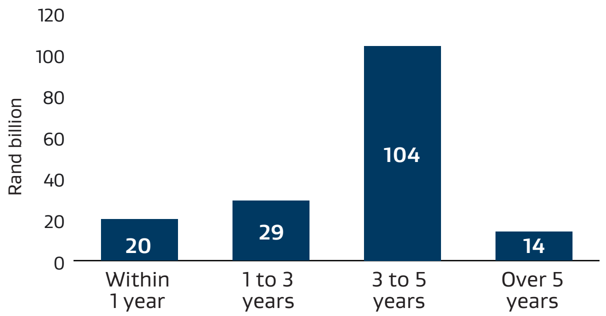
Depending on the progress made on other elements of the response plan, Sasol will pursue a rights issue of up to US$2 billion in the second half of financial year 2021.

Net debt increased by R50 billion in 2020 to R175 billion mainly due to the funding of the LCCP and the impact of the weaker exchange rate on our US dollar debt funding, with 93% of our debt now US dollar denominated due to the funding of the LCCP. Our long-term capital expansion projects are financed by a combination of floating and fixed-rate long-term debt, as well as internally generated funds.

	2020 Rm	2019 Rm	2018 Rm
Long-term debt	**147 511**	127 350	89 411
Short-term debt*	**43 468**	3 783	14 709
Lease liabilities	**15 825**	7 445	7 280
Bank overdraft	**645**	58	89
Total debt & lease liabilities	**207 449**	138 636	111 489
Less cash (excluding cash restricted for use)	**32 932**	13 387	15 148
Net debt	**174 517**	125 249	96 341

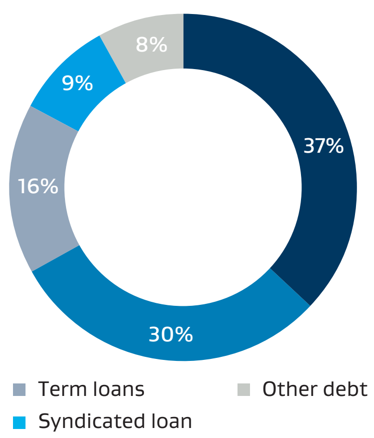
* Include short-term portion of long-term debt of R19 686 million

Long-term debt maturity profile (R'bn)*



* Excludes lease liabilities

Debt funding mix (%)



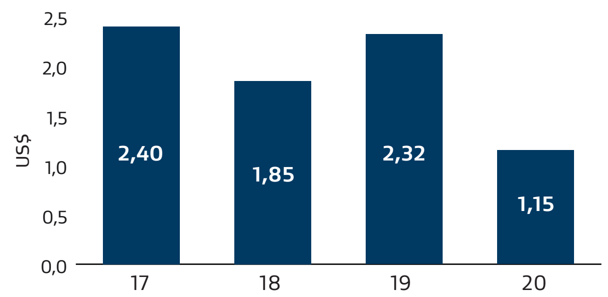
To fund our future growth ambitions, we aim to have a gearing ratio of at least 30%. This will mean having to source the appropriate funding mix at the most attractive rates in the market. We have implemented a dynamic funding plan which is based on our latest assumptions and capital requirements. We review the plan on an ongoing basis and report on it to the Audit Committee to ensure that we have sufficient liquidity and headroom on the balance sheet in the foreseeable future.

Cash generation

Our foundation business is capable of generating positive cash flows in a low oil price environment with cash generated by operating activities of R42,4 billion during the year, decreasing 18% compared with R51,4 billion in the prior year. This is largely attributable to the unfavourable Brent crude oil prices and lower sales volumes. This was partly offset by another strong working capital and cost performance from the foundation business. Working capital decreased by R5,8 billion during the year mainly as a result of focused management actions.

Our free cash flow generated before growth capital decreased by 45% from the prior year as a result of the lower cash flow from operations of R12,4 billion, partly offset by a decrease in working capital and reduced sustenance capital spend.

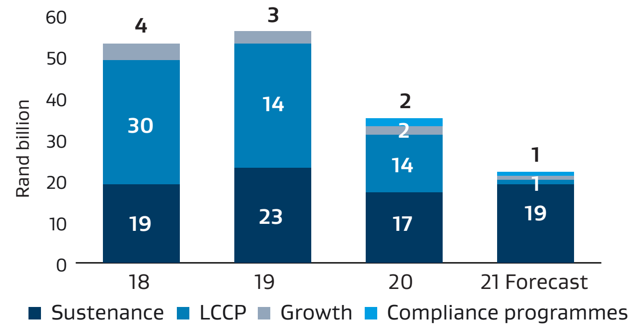
Free cash flow per share (before growth) (US$)



Capital portfolio

Our increase in leverage is mainly due to our increased capital spend where we have made capital investments of R282 billion over the past five years, mainly in projects in South Africa, Mozambique and the United States. Capital expenditure in 2020 of R35 billion has come down from its peak as the LCCP nears completion, with R16 billion related to growth capital, including R14 billion (US$0,9 billion) on the LCCP, and R19 billion related to sustenance capital to ensure safe and reliable operations.

Capital expenditure (R'bn)



Growth capital spend will be reduced post the LCCP in support of our strategic objectives to deleverage the balance and to grow shareholder value through increased dividend returns. We target to prudently manage the sustenance capital basket for the foundation business at approximately R20 billion per annum in real terms, however safe and reliable operations remain sacrosanct.

Refer to our Annual Financial Statements AFS for details of additions to our non-current assets in notes 19 to 20.

We have reviewed our asset portfolio to focus only on assets that can generate attractive returns through the cycle and are core to our long-term strategic focus, identifying assets for disposal with proceeds exceeding US$2 billion. The process to accelerate our asset disposal programme has yielded good progress for several of these assets despite the macro environment volatility, with transactions that make a substantial contribution to our targeted divestments already agreed and the potential of other disposals being assessed. We are being highly disciplined and will execute any disposal in line with the balance sheet, shareholder value and strategic objectives.

Hedging activity

Our hedging programme is a key component of our financial risk management framework to provide certainty as we manage peak gearing and ensure sufficient liquidity for the Group. We follow a probabilistic approach to hedging our key exposures to exchange rate, oil and ethane. In the second quarter of financial year 2020, we were unable to secure oil hedges at acceptable premiums. For the first quarter of 2021, approximately 80% of SSO's liquid fuels exposure was hedged, translating to six million barrels. For our hedging programme relating to rand/US dollar, US$5,4 billion of our rand/US dollar, exposure as at 30 June 2020 have been hedged. Similarly, 49% of our ethane price exposure has already been hedged out of a target of 65%.

Solvency and liquidity

The Group meets its financing requirements through a combination of cash generated from its operations and short- and long-term borrowings. However, as a result of the liquidity constraints, weak trading environments and the risk of a second COVID-19 outbreak, the Board undertook a comprehensive assessment of the Group and Company, including their solvency and liquidity statuses.

Solvency

At 30 June 2020, after impairments, the valuations of the Group's assets indicate that their fair values exceed their carrying values as well as the external debt. The asset base of the Group comprises mainly tangible assets with significant value, reflected in the records of the underlying businesses.

As such, the Board is of the view that given the significant headroom in the fair value of the assets over the fair value of the liabilities (including contingent liabilities), the Company and Group are solvent as at 30 June 2020 and at the date of approving the Annual Financial Statements.

Liquidity management

Although still cash positive, the Group has limited cash flow available to cover operating expenses, interest and capital expenditure at 30 June 2020. As outlined, this was mainly due to the oil price collapse and COVID-19 economic impacts which came at a time when the balance sheet was at peak gearing. Additionally, the Group's credit rating was downgraded as a result of the impact of the COVID-19 pandemic on global growth and the volatility in the oil price. The ability of the Group to meet its debt covenant requirements at 31 December 2020 and 30 June 2021 and repay debt as it becomes due is dependent on the timing and quantum of cash flows from operations, the ability to realise cash through a combination of asset disposals, or part thereof, and the successful raising of equity.

PERFORMANCE OVERVIEW (continued)

To address the risk of short-term cash pressure, management has taken the following steps to stabilise the business and improve the liquidity position:

- **Revising the strategy** – Clear portfolio choices, including a decision to stop all oil growth activities in West Africa has resulted in immediate cash and capital savings which will be sustainable, beyond 2020;
- **Weekly 'cash war room'** – On a weekly basis, management reviewed the monthly cash forecast relative to actions being taken to reduce or defer cash outflows, and understand the forecast cash position of the Company for the next six months;
- **Hedging activities** – The Group continued to execute on its hedging programme and focused on covering its exposure to oil, the Rand/US dollar exchange rate and ethane prices as the three key drivers which impact on profitability;
- **Cost reduction** – The necessity and quantum of expenditure in this fiscal year was challenged on a top down and bottoms up basis and a substantial cost reduction work stream was implemented to reduce external spend with a focus on all discretionary expenditure;
- **Human capital levers** – A moratorium was implemented on external recruitment to fill non-critical vacancies and on the use of hired labour and consultants for non-critical activities. In parallel, short-term incentive payments were ceased for 2020 whilst salary sacrifices were implemented on a sliding scale with suspension of employer contributions to the various retirement funds for an initial period of eight months up to December 2020;
- **Capital optimisation** – Capital expenditure was reduced substantially by curtailing discretionary capital whilst keeping sustenance capital at the minimum level required to ensure safe and reliable operations. Capital in excess of R5 billion was deferred in 2020 through prioritisation using a risk-based approach and use of digitalisation;
- **Working capital** – The Group has been able to contribute positively to cash on hand through the recovery of long outstanding debtors, managing of payables and maintaining an optimal inventory levels. Working capital is, and continues to be, tracked and measured on a monthly basis; and
- **Tax** – Certain tax payments were deferred as part of a COVID-19 cash relief measures as agreed with the relevant tax authorities.

We remain focused on and committed to the strategic reset (Future Sasol) that is aimed at sustainably unlocking cash through gross margin improvements, cash cost reduction, significant reduction in overheads at the Corporate Office and optimisation of capital expenditure by 2025. The planned asset disposals combined with a rights issue and Future Sasol are expected to result in a more sustainable and resilient capital structure and improved shareholder returns.

Sasol's credit rating was reduced to sub-investment grade given the risk of a prolonged period of economic uncertainty, weaker commodity prices, increased volatility and an uncertain demand outlook. On 30 March 2020, S&P Global Ratings downgraded Sasol's credit rating to a 'BB' with a negative outlook. Similarly Moody's Investors Service (Moody's) downgraded Sasol's global scale long-term issuer ratings on 31 March 2020 to 'Ba2', placing the company under review for a downgrade. Sasol's national scale long-term rating was changed from Aa1.za to Aa2.za

We signed a covenant waiver with our lenders in June 2020. In the waiver agreement, the lenders agreed to waive the covenant at June 2020 and lift the December 2020 covenant from a Net debt:EBITDA of 3,0 times to 4,0 times. The Net debt: EBITDA covenant at 30 June 2021 is 3,0 times. This additional flexibility is consistent with Sasol's broader capital allocation framework and subject to conditions which are customary for such covenant amendments.

Rehabilitation provisions

We recognise rehabilitation provisions for the full future restoration and rehabilitation of production facilities to the end of its economic lives. The majority of these activities will occur in the long-term and the requirements that will have to be met in future might be uncertain. Judgement is required in estimating future cost and cash outflows, discount rates, settlement dates, technology and legal requirements. At 30 June 2020, our rehabilitation provisions increased from R14,9 billion to R18,7 billion mainly attributable to changes in discount rates.

Capital allocation principles

As we consider capital allocation decisions, we are guided by key financial risk and return metrics such as our gearing and liquidity levels, as well as the return on invested capital, with the ultimate objective to deliver maximum sustainable return to shareholders. The two key overarching objectives in the capital allocation framework are, to protect and strengthen the balance sheet and then to focus on value-based capital allocation.

Protecting our licence to operate and ensuring the integrity and reliability of our assets is our first priority. After deleveraging the balance sheet our next priority will be to evaluate where we will derive the most value for our shareholders, considering the following levers that will be competing equally for capital:

- **value-based growth** through projects or merger and acquisitions transactions;
- **value returned to shareholders** through a targeted dividend payout ratio from 2,5 times (40% payout) to 2,2 times (45% payout); and lastly consider further
- **value returned to shareholders** through special dividends and/or share buy-back programmes.

Before we consider investing in large projects with long lead times, in the short to medium term, we will rather pursue small- to medium-sized projects (either organic or inorganic) which require capital of less than US$500 million and US$1 billion respectively. Mega projects are not within our short- to medium-term focus and in future will only be considered in partnerships and once we have built a track record of successful smaller- to medium-sized investments.

We are committed to a more balanced approach in returning value to shareholders through the ups and downs of the commodity cycle. This includes stepping up dividend payments on a sustainable basis to the lower end of the dividend cover range, as well as pursuing a consistent share buy-back programme to counter the effects of any corporate actions, ensuring that share dilution impacts on shareholders are minimised.

Outlook for 2021

The current economic climate is highly volatile and uncertain, with it remaining difficult to reliably estimate the evolving impact of the coronavirus pandemic, as well as future measures to contain it. Consequently, there is significant uncertainty regarding our near term outlook for prices and product demand. While these factors that may impact our results are outside our control, our focus remains firmly on our comprehensive response plan to strengthen our finances.

Our guidance is based on the following assumptions:

- Rand/US dollar exchange rate to range between R16,00 and R17,00 and average Brent crude oil price to remain between US$35/bbl and US$45/bbl;
- The impact of the COVID-19 pandemic is expected to continue to drive short-term to near-term volatility; and
- Management achieving the targets set in terms of our comprehensive response plan to generate at least US$6 billion by the end of 2021

We expect an overall solid operational performance for the year ending 30 June 2021, with:

- SSO volumes of 7,7 to 7,8 million tons;
- Liquid fuels sales of approximately 54 to 55 million barrels;
- Natref production units of between 520 to 550 m^3/h;
- Base Chemicals overall sales volumes to be 3% to 5% higher than 2020. Excluding US polymers products, sales volumes to be 1% to 2% higher than 2020;
- Performance Chemicals overall sales volumes to be 3% to 5% higher than the prior year. Excluding LCCP produced products, sales volumes to be flat or slightly below the prior year;
- The LDPE unit is expected to reach beneficial operation before the end of October 2020 and therefore all LCCP units online during 2021;
- Gas production volumes from the Petroleum Production Agreement licence area in Mozambique to be 114 to 118 bscf;
- We expect to achieve a utilisation rate of 75% to 80% at ORYX GTL in Qatar due to an extended planned shutdown;
- Normalised cash fixed costs to remain within inflation;
- Capital expenditure of R21 billion for 2021. Capital estimates may change as a result of exchange rate volatility and other factors; and
- Net debt: EBITDA to be below covenant. Macroeconomic volatility may continue have an impact on the covenant level if a sudden further unexpected deterioration is experienced.

Shareholder returns

Sasol's shareholder base consists primarily of large institutional shareholders, with varying investment styles, concentrated in South Africa. Our aim is to achieve a broad correlation between the distribution of our shareholder base and the sources of cash-generation for the Group. As our international portfolio is expanding with the LCCP we will specifically target a larger number of US-based investors in future.

We aim to return value to our shareholders by way of both dividends and share price appreciation over time, measured as total shareholder return (TSR). Sasol's TSR for the five-year period ending 30 June 2020 was -58% in rand terms and -70% in US dollar terms, which is in the bottom range of our peers.

Sasol's share price fell to its lowest level in over 20 years as the economic fallout from the spread of COVID-19 placed further strain on Sasol's financial position. The collapse in crude oil prices, impacted by a price war between global producers, further contributed to the lower share price performance. To maximise TSR, the Group has put measures in place to:

- **actively manage the balance sheet** to address short-term liquidity requirements;
- **execute on our response plan and self-help measures** to restore financial stability;
- **accelerate and expand our asset disposal programme;**
- **advance our strategic reset** to deliver long-term value creation; and
- **execute per our disciplined capital allocation framework** for improving shareholder returns.

Dividends

Dividend payments are an important part in our capital allocation framework. However, given our current financial leverage and the risk of a prolonged period of economic uncertainty, the Board believes that it would be prudent to continue with the suspension of dividends. This will allow us to continue to protect our liquidity in the short-term and focus on reducing leverage in order to create a firm platform to execute our strategy and drive long-term shareholder returns. In addition, in accordance with the covenant amendment agreement with lenders, we will not be in a position to declare a dividend for as long as net debt: EBITDA is above 3,0 times. We expect the balance sheet to regain flexibility following the implementation of our comprehensive response plan.

Change in accounting standard

The Group adopted the new accounting standard IFRS 16, Leases, effective 1 July 2019, resulting in an increase in the recognition of lease liabilities and corresponding right-of-use assets, negatively impacting our financial leverage ratios. On implementation, additional lease liabilities of R8,3 billion have been recognised in the statement of financial position with corresponding right-of-use assets of R8,6 billion. The additional lease liabilities added approximately 4% on gearing.

Acknowledgement

I would like to thank the Board and the Group Executive Committee for their continued support and leadership as we deal with the unprecedented impact of this exceptionally challenging environment. I also would like to acknowledge the finance team for its hard work and dedication in supporting the business to manage liquidity, strengthening our balance sheet and reducing cost. Finally, to our shareholders I would like to confirm that we are actively working towards addressing the short-term factors impacting the Company so that we can unlock sustainable value for the future.

Paul Victor
Chief Financial Officer

21 August 2020

PERFORMANCE OVERVIEW (continued)

Statement of financial position analysis

at 30 June

	2020 Rm	2019 Rm	2018 Rm
Assets			
Property, plant and equipment	204 470	233 549	167 457
Assets under construction	27 802	127 764	165 361
Right of use assets	13 816	–	–
Goodwill and other intangible assets	2 800	3 357	2 687
Equity accounted investments	11 812	9 866	10 991
Post-retirement benefit assets	467	1 274	1 498
Deferred tax assets	31 665	8 563	4 096
Other long-term assets	8 361	7 580	5 888
Non-current assets	**301 193**	391 953	357 978
Inventories	27 801	29 646	29 364
Trade and other receivables	30 516	29 308	33 031
Short-term financial assets	645	630	1 621
Cash and cash equivalents	34 739	15 877	17 128
Current assets	**93 701**	75 461	81 144
Assets in disposal groups held for sale	84 268	2 554	113
Total assets	**479 162**	469 968	439 235
Equity and liabilities			
Shareholders' equity	154 307	219 910	222 985
Non-controlling interests	4 941	5 885	5 623
Total equity	**159 248**	225 795	228 608
Long-term debt	147 511	127 350	89 411
Finance leases	15 825	7 445	7 280
Long-term provisions	21 857	17 622	15 160
Post-retirement benefit obligations	14 691	12 708	11 900
Long-term deferred income	842	924	879
Long-term financial liabilities	5 620	1 440	133
Deferred tax liabilities	20 450	27 586	25 908
Non-current liabilities	**226 796**	195 075	150 671
Short-term debt	43 468	3 783	14 709
Trade and other payables	35 757	40 505	39 468
Short-term financial liabilities	4 271	765	1 926
Other current liabilities	3 446	3 499	3 728
Bank overdraft	645	58	89
Current liabilities	**87 587**	48 610	59 920
Liabilities in disposal groups held for sale	5 531	488	36
Total equity and liabilities	**479 162**	469 968	439 235

Non-current assets
R301 billion

Current assets
R94 billion

Total assets
R479 billion

Commentary

Property, plant and equipment and assets under construction
Additions to non-current assets amounted to R35,2 billion, this includes R14 billion (US$0,9 billion) relating to the LCCP. Projects capitalised that moved from assets under construction to property, plant and equipment amounted to R127,9 billion, this includes the ethoxylates (ETO) expansion that achieved beneficial operation in January 2020, the alcohol expansion and the alumina expansion, as well as the new Guerbet unit that achieved beneficial operation in June 2020.

Impairment of assets
The unprecedented set of combined challenges driven by COVID-19 and the significant decline in the crude oil price triggered impairments tests to determine whether the carrying value of our assets are recoverable:

- Base Chemicals recognised a total of R18,1 billion of impairments related to our foundation business and in the US, an impairment of R53,2 billion, (US$3,1 billion) relating to a combination of assets within Sasol Chemicals USA which have been classified as held for sale at 30 June 2020.
- Energy recognised impairments of R3,8 billion and R8,6 billion respectively in relation to our Synref and Sasref cash generating units.
- Performance Chemicals' South African and Eurasian wax businesses recognised impairments of R4,6 billion and R2,8 billion respectively. An impairment of R19,6 billion (US$1,1 billion) has been recognised on our proportion of the shared assets related to the Base Chemicals portfolio with Sasol Chemicals USA.

Assets in disposal group held for sale
We targeted assets for divestment in 2020 including:

- 16 air separation units, located in Secunda;
- Base Chemicals assets in the US for a potential partnering arrangement; and
- Our 50% shareholding in Republic of Mozambique Pipeline Investment Company.

Working capital
Working capital decreased by R5,8 billion during the year mainly as a result of focused management actions.

Equity
Shareholders' equity was negatively impacted by the decrease in earnings for the year.

Debt
Our total debt was R189,7 billion compared to R130,9 billion as at 30 June 2019, with approximately R174,6 billion (US$10,1 billion) denominated in US dollar. The balance sheet is highly geared, requiring a reduction in US dollar denominated debt in order to achieve a targeted net debt: EBITDA of less than 2,0 times and gearing of 30%, which we believe would be sustainable with oil at approximately US$45 per barrel (in real terms). Through our comprehensive response plan we have taken immediate steps to reset our capital structure by targeting to generate at least US$6 billion by the end of 2021.

Income statement analysis

for the year ended 30 June

	2020 Rm	2019 Rm	2018 Rm
Turnover	190 367	203 576	181 461
Materials, energy and consumables used	(90 109)	(90 589)	(76 606)
Selling and distribution costs	(8 388)	(7 836)	(7 060)
Maintenance expenditure	(10 493)	(10 227)	(9 163)
Employee-related expenditure	(30 667)	(29 928)	(27 468)
Exploration expenditure and feasibility costs	(608)	(663)	(352)
Depreciation and amortisation	(22 575)	(17 968)	(16 425)
Other expenses and income	(27 376)	(19 097)	(15 316)
Translation gains/(losses)	(6 542)	604	(11)
Other operating expenses and income	(20 834)	(19 701)	(15 305)
Equity accounted profits, net of tax	(347)	1 074	1 443
Operating(loss)/profit before remeasurement items and Sasol Khanyisa share-based payment	**(196)**	28 342	30 514
Remeasurement items affecting operating profit	(110 834)	(18 645)	(9 901)
Sasol Khanyisa share-based payment affecting operating profit	–	-	(2 866)
(Loss)/earnings before interest and tax ((LBIT)/EBIT)	**(111 030)**	9 697	17 747
Finance income	922	787	1 716
Finance costs	(7 303)	(1 253)	(3 759)
(Loss)/earnings before tax	**(117 411)**	9 231	15 704
Taxation	26 139	(3 157)	(5 558)
(Loss)/earnings for the year	**(91 272)**	6 074	10 146
Attributable to			
Owners of Sasol Limited	(91 109)	4 298	8 729
Non-controlling interests in subsidiaries	(163)	1 776	1 417
	(91 272)	6 074	10 146
Per share information	**Rand**	Rand	Rand
Basic (loss)/earnings per share	(147,45)	6,97	14,26
Diluted (loss)/earnings per share	(147,45)	6,93	14,18

Loss attributable to shareholders
Sasol's earnings for the year were severely impacted by the economic consequences of COVID-19 and lower oil prices coupled with the Lake Charles Chemicals Project (LCCP) still being in a ramp-up phase. This resulted in a further decline in both our sales volumes and margins in an already softer macroeconomic environment.

Turnover
R190 billion

Loss for a year
R91,3 billion

Impairments of
R111,6 billion

Commentary

Turnover
Turnover decreased by 6% mainly due to:

- Liquid fuels and natural gas sales volumes decreased by 12% and 8% respectively due to lower market demand resulting from the decline in the South African economy and the impact of the COVID-19 lockdown;
- 8% increase in total sales volumes in Performance Chemicals compared to the prior year, mainly due the advanced materials portfolio that benefitted from higher sales of green coke (carbon) as well as higher hard wax sales; and
- 19% increase in sales volumes in Base Chemicals mainly as a result of the linear low-density polyethylene (LLDPE) plant achieving beneficial operation in February 2019 and the ethane cracker achieving beneficial operation in August 2019, negated an 18% decrease in the US$/ton basket sales price.

Materials, energy and consumables used
Decrease of 1% mainly due to lower feedstock costs and lower sales volumes in the Energy Business.

Employee-related expenditure
Excluding the impact of the share based payment, our employee costs decreased by 1% compared to 2019, mainly due to the non-payment of short-term incentives to middle management and higher in 2020, salary sacrifice for May and June, negated by inflationary salary increases.

Other operating expenses and income
Increase of 6% mainly relates to derivative losses of R7 billion partly offset by decrease in rehabilitation provisions (R2,1 billion) and rentals previously classified as operating leases (R1,3 billion) that are now capitalised.

Remeasurement items
For remeasurement items analysis refer to property plant and equipment and assets under construction.

Taxation
Our effective corporate tax rate decreased from 34,2% to 22,3%. The effective corporate tax rate is 5,7% lower than the South African corporate income tax rate of 28%.

PERFORMANCE OVERVIEW (continued)

Statement of cash flows
for the year ended 30 June

	2020 Rm	2019 Rm	2018 Rm
Cash receipts from customers	196 798	203 613	178 672
Cash paid to suppliers and employees	(154 414)	(152 215)	(135 795)
Cash generated by operating activities	42 384	51 398	42 877
Dividends received from equity accounted investments	208	1 506	1 702
Finance income received	792	682	1 565
Finance costs paid	(7 154)	(6 222)	(4 797)
Tax paid	(5 659)	(3 946)	(7 041)
Cash available from operating activities	30 571	43 418	34 306
Dividends paid	(31)	(9 952)	(7 952)
Dividends paid to non-controlling shareholders in subsidiaries	(810)	(1 523)	(725)
Cash retained from operating activities	29 730	31 943	25 629
Total additions to non-current assets	(41 935)	(56 734)	(55 891)
Additions to non-current assets	(35 164)	(55 800)	(53 384)
Decrease in capital project-related payables	(6 771)	(934)	(2 507)
Cash movements in equity-accounted investments	(284)	(66)	(164)
Proceeds on disposals and scrappings	4 285	567	2 280
Acquisition of interest in equity accounted investment	(512)	-	-
Purchase of investments	(121)	(222)	(124)
Other net cash flow from investing activities	17	(89)	(80)
Cash used in investing activities	(38 550)	(56 412)	(53 979)
Proceeds from long-term debt	36 487	93 884	24 961
Repayments of long-term debt	(28 335)	(69 655)	(9 199)
Repayment of lease liabilities	(2 061)	(345)	-
Proceeds from short-term debt	19 998	977	1 957
Repayments of short-term debt	(977)	(1 730)	(2 607)
Cash generated by financing activities	25 112	23 131	15 112
Translation effects on cash and cash equivalents	3 607	162	954
Increase/(decrease) in cash and cash equivalents	19 899	(1 176)	(12 284)
Cash and cash equivalents at beginning of year	15 819	17 039	29 323
Reclassification to held for sale and other long-term investments	(1 624)	(44)	–
Cash and cash equivalents at end of year	34 096	15 819	17 039

Refer to our Annual Financial Statements AFS for detailed notes and disclosures.

Cash generated by operating activities
R42 billion

Proceeds on asset disposals
R4,3 billion

Commentary

Cash generated by operating activities
Decreased by 18% to R42,4 billion. This was largely due to the softer macroeconomic environment during the first six months of the year which was further impacted by the economic consequences from the pandemic and lower oil prices during the second half of the year coupled with the LCCP still being in a ramp-up phase. The decrease was partially negated by another strong working capital and cost performance from the foundation business.

Additions to non-current assets
Actual capital expenditure, including accruals, amounted to R35 billion. This includes R14 billion (US$0,9 billion) relating to the LCCP and is in line with our internal targets.

Proceeds on disposals and scrappings
Includes proceeds received from the disposal of our investment in Sasol Huntsman GmbH & co KG (R1,5 billion), partial disposal of Explosives business (R991 million) and our investment in EGTL (R875 million).

Proceeds and repayment of debt
Relates mainly to loans raised to fund US growth projects and the US$1,5 billion repayments on the revolving credit facility of Sasol Financing International. Proceeds from short-term debt includes R17 billion relating to the US$1 billion syndicated loan facility raised in November 2019, repayable in June 2021.

Cash and cash equivalents
Our net cash on hand position increased from R15,8 billion as at 30 June 2019 to R34,1 billion mainly due to proceeds received from the US$1 billion syndicated loan as well as draw downs on the revolving credit facility negated by LCCP capital expenditure for the year.

OPERATIONAL PERFORMANCE SUMMARY

Performance Chemicals

Performance	2020	2019
Turnover (Rm)	68 333	67 389
Loss before Interest and Tax (LBIT) (Rm)	(24 455)	(7 040)
Total assets (Rm)*	160 419	151 956
Number of employees	5 815	5 667
Safety (Recordable Case Rate)	0,21	0,12
GHG emissions (CO_2 equivalents) (kilotons)	–	–
Water use (1 000m³)	–	–

Base Chemicals

Performance	2020	2019
Turnover (Rm)	51 868	48 113
Loss before Interest and Tax (LBIT) (Rm)	(70 804)	(1 431)
Total assets (Rm)*	123 057	160 638
Number of employees	7 923	8 090
Safety (Recordable Case Rate)	0,24	0,40
GHG emissions (CO_2 equivalents) (kilotons)	5	6
Water use (1 000m³)	3	1

Energy

Performance	2020	2019
Turnover (Rm)	66 994	82 977
(Loss)/earnings before Interest and Tax (LBIT/EBIT) (Rm)	(6 678)	16 566
Total assets (Rm)*	71 063	87 052
Number of employees	5 094	5 118
Safety (Recordable Case Rate)	0,10	0,10
GHG emissions (CO_2 equivalents) (kilotons)	5	6
Water use (1 000m³)	1	1

Mining

Performance	2020	2019
Turnover (Rm)	1 343	3 222
Earnings before Interest and Tax (EBIT) (Rm)	2 756	4 701
Total assets (Rm)*	29 265	28 294
Number of employees	7 433	7 402
Safety (Recordable Case Rate)	0,59	0,43
GHG emissions (CO_2 equivalents) (kilotons)	804	822
Water use (1 000m³)	1 431	1 520

Exploration and Production International

Performance	2020	2019
Turnover (Rm)	1 829	1 815
Earnings/(loss) before Interest and Tax (EBIT/LBIT) (Rm)	1 197	(889)
Total assets (Rm)*	19 847	16 017
Number of employees	424	419
Safety (Recordable Case Rate)	0,14	0,12
GHG emissions (CO_2 equivalents) (kilotons)	261	261
Water use (1 000m³)	99	85

Operations

Performance	2020	2019
Safety (Recordable Case Rate)	0,23	0,27
GHG emissions (CO_2 equivalents) (kilotons)	64 940	65 440
Water use (1 000m³)	141 080	132 572

* Excluded deferred tax assets and post-retirement benefit assets.

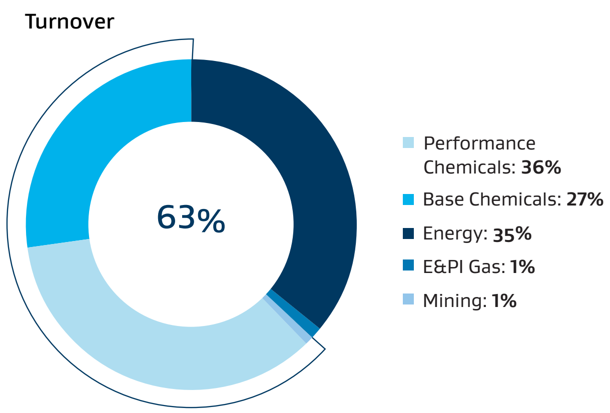
CHEMICALS AT A GLANCE

Brad Griffith
EVP Chemicals

Overview

Our Chemicals business has the broadest integrated alcohols and surfactants portfolio in the world and a strong reputation in essential care markets. Along with our leadership position in specialty aluminas, we offer specialty, performance-based chemicals and tailor-made solutions to customers in a wide range of industrial applications. We are focused on transforming our portfolio to accelerate high-value growth by extending our market-leading positions. Our cash-generating Base Chemical's assets are well positioned and leverage advantaged feedstocks with broad market access. Focused on maximising the value of these assets, we are selectively differentiating into higher value products and applications, further improving our competitiveness and delivering increased sales volumes from our investments completed in China and US. We are expanding our participation in the circular economy by supporting solutions to eliminate waste and enable the continual use of resources.

Chemicals Business contribution



Operations

Chemicals sources feedstock from Sasol's integrated value chain and third parties and operates facilities in a number of locations, including:

- **Sasolburg and Secunda, South Africa**
- **Louisiana, Texas, Arizona and Pennsylvania, United States**
- **Brunsbüttel, Hamburg and Marl, Germany**
- **Augusta, Terranova and Sarroch, Italy**
- **Novaky, Slovakia; Linz, Austria; and Birkenhead, United Kingdom**
- **Nanjing, China**

Chemicals
- Base Chemicals
- Performance Chemicals

Key revenue drivers

Performance Chemicals:
- Supply and demand dynamics driven by global megatrends such as urbanisation, mobility and growing population with surging food needs, but also impacted by macroeconomic fluctuations in the short-term
- Constant product differentiation, innovation and customer-centricity
- Foreign exchange rates, especially the rand vs the US dollar and euro

Base Chemicals:
- Sales volumes are largely driven by production availability including production rates achieved and shutdowns experienced
- Supply and demand dynamics driven by the macroeconomic environment, geopolitical tension, new production capacities and to a lesser extent the price of oil
- Foreign exchange rates, especially the rand vs the US dollar and euro

Key cost drivers

Performance Chemicals:
- Feedstock prices such as crude oil, palm kernel oil, US ethane and northwest Europe-based ethylene
- Cost inflation on other variable or fixed costs, partly varying per region or operational set-up and mitigated specifically by our integrated multiple asset sites (IMASs) in Secunda, Sasolburg, Lake Charles, Augusta, Marl and Brunsbüttel

Base Chemicals:
- Feedstock prices such as coal, gas in South Africa and ethane in US
- Cost inflation on other variable or fixed costs, partly varying per region or operational set-up and mitigated specifically by our IMAS sites in Secunda, Sasolburg, Marl and Lake Charles

Key environmental, social and governance (ESG) considerations

- Safety, particularly in starting up LCCP
- Enhanced support especially in US and South Africa to assist in fight against spread of COVID-19
- Contributing to fenceline communities
- Reducing GHG emissions
- Working to end plastic waste
- Product stewardship

Advancing our strategy in phases

Strategic objectives
- Optimise existing assets
- Grow specialty chemicals in differentiated markets

ESG focus areas
- Guide plastics waste management, educate consumers on use of plastics, and collect to reduce, recycle and re-use

Strategic focus areas for the immediate term to 2022

- **Align our business to powerful megatrends** and growth markets and reduce costs through new operating model
- **Unlock value through divestitures,** generating cash for growth in high-value chemicals
- **Ramp-up LCCP to full value,** focusing on placing product from our new Ziegler and Guerbet units and execute partnering for Base Chemicals assets
- **Prepare for growth by prioritising research and development** as well as innovation that furthers our unique chemistry and capabilities

Strategic focus areas for the medium term to 2025

- **Maximise value from existing assets** and pursue organic growth of integrated value chains
- **Pursue small mergers and acquisitions** and partnerships that complement our expertise in advanced materials and performance solutions
- **Position to our preferred portfolio as leader in essential care chemicals,** leading advanced materials player as well as specialty chemicals player in select markets

Chemicals

Base Chemicals markets commodity chemicals from our upstream Fischer-Tropsch (FT) ethylene and propylene value chains. Performance Chemicals markets commodity and differentiated chemicals including organics, advanced materials and wax value chains.

Salient features

- **Robust volume performance despite** soft macroeconomics and headwinds from COVID-19 impacting the global economy
- **Safety performance deteriorated** with two tragic fatalities
- Declared beneficial operation on the ethane cracker, ethoxylate expansion, Ziegler and Guerbet alcohol units in Lake Charles
- Supported South Africa in its fight against the spread of the COVID-19 pandemic by **developing a unique alcohol-based chemical blend and partnering with other organisations to produce and distribute hand sanitisers** within South Africa and Mozambique
- Continued to progress on **execution of plastics sustainability work including reducing waste at our Sasol sites,** introducing KwaZulu-Natal waste management concepts, concluding the PACKA-CHING recycling partnership and supporting various clean-up campaigns
- Made excellent progress on **digital initiatives such as use of data analytics for improved process efficiency,** joining the new Knowde online marketplace and continuing the roll out of our customer relationship management tool

Performance summary

Operations

Production volumes from our North American Operations increased by more than 100% following the start-up of the LCCP ethane cracker in August 2019 and the ethoxylates (ETO) expansion units in January 2020. In addition, the Ziegler and Guerbet alcohols units reached beneficial operation (BO) in June 2020. The cracker produced at an average rate of above 80% of nameplate capacity in the fourth quarter while the linear low-density polyethylene (LLDPE) unit produced at nameplate capacity during the same time.

Production volumes from our Eurasian assets, normalised for the mid-year disposal of the Sasol Wilmar Joint Operation, increased by 0,3%. These were supported by additional alkylate production from our Italian operations and improved surfactant volumes from all facilities, notably the new ETO unit in Nanjing. COVID-19 did however impact production at our Terranova and Nanjing facilities, with both units temporarily shut down.

Performance Chemicals

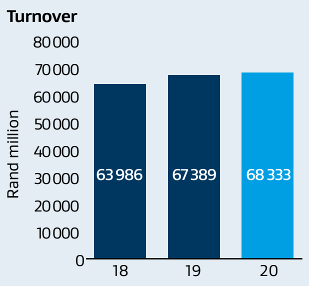
Sales volumes increased by 8% as the LCCP EO/EG plant produced as planned while the new LCCP ETO unit ramped up smoothly, facing robust demand. The increased volumes were especially visible in our advanced materials portfolio which benefitted from higher sales of green coke (carbon) and in our wax division with higher hard wax sales supported by a competitor's unplanned outage. Sales of organics and other parts of advanced materials were impacted by the lockdowns, especially in end-market segments such as automotive, energy and construction, partly offset by the stronger demand seen in detergent and cleaning products.

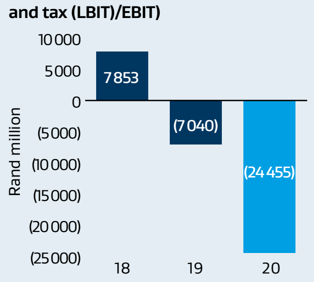
LBIT in the prior year of R7,0 billion increased by R17,5 billion to R24,5 billion mainly due to higher impairments recognised during the year (R27,7 billion) compared to R13,1 billion in the prior year, the COVID-19 impact on an already soft global economic environment and R2,6 billion of losses attributable to the LCCP while in the ramp-up phase. Our South African wax business recognised an impairment of R4,6 billion mainly due to higher gas feedstock cost outlook deriving from increased long-term gas purchase prices. Our Eurasian wax businesses recognised an impairment of R2,8 billion mainly due to a lower wax selling price outlook and increased competition. An impairment of R19,6 billion (US$1,1 billion) has been recognised on the assets within Sasol Chemicals USA which have been classified as held for sale.

Base Chemicals

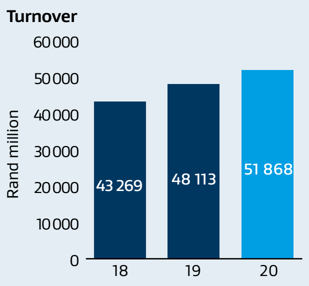
Base Chemicals' sales volumes increased 19% largely as a result of the LLDPE plant achieving beneficial operation in February 2019 and the new ethane cracker achieving BO in August 2019. The Base Chemicals foundation business (excluding Polymers US products) sales volumes for 2020 were 3% below the prior year mainly as a result of lower last quarter 2020 sales. The fourth quarter of 2020 sales were significantly impacted by the COVID-19 pandemic resulting in lower market demand and associated lower SSO production rates. Base Chemicals' average sales basket price for 2020 decreased by 18% compared to prior year putting downward pressure on margins. Softer commodity chemical prices were experienced across most of our sales regions and products, largely attributable to weaker global demand, increased global capacity, particularly for polymers and more recently in the last quarter of 2020 the low oil price environment and COVID-19. As a result of lower prices offset by a weaker rand exchange rate, losses of R2,3 billion attributable to the LCCP while in the ramp-up phase and impairments of R71,3 billion, LBIT for the year of R70,8 billion increased by R69,4 billion compared to the prior year. Impairments were recognised within both the South African and US integrated value chains. The impairments in South Africa were equal to R18,1 billion and recognised across a number of cash generating units mainly attributable to softer international sales prices in the short to medium term and higher costs associated with feedstocks and utilities. In US, impairments of R53,2 billion (US$3,1 billion) has been recognised on the assets within Sasol Chemicals USA which have been classified as held for sale, reducing the carrying value to its fair value less cost to sell.

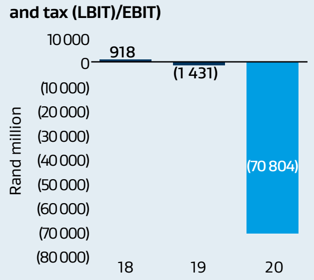
Performance Chemicals





Base Chemicals





Safety update

We recorded two tragic work-related fatalities in the year, one at Sasolburg and the other at Secunda operations, despite our commitment to zero harm. We undertook a holistic review of our safety approach and established a fatality and high-severity injuries elimination task force to develop processes and systems aligned with our safety focus areas.

Impact of COVID-19 and response

Lockdown restrictions, temporary shutdowns and reduced run-rates impacted production, however we ensured reliable supply to the market by shifting production to other sites where possible, reducing inventory and continually moving our product to storage facilities close to customers. Where necessary, we also introduced different channels to market, including selling to large distributors to manage logistics bottlenecks. Throughout, we remained close to our customers while seamlessly transitioning our employees to safely working from home, without disrupting our value chains. Demand for various products changed depending on the application and geographic location: demand was lower for polymers (e.g. construction industry) and explosives (e.g. non-coal mine closures) while demand for solvents remained strong especially for pure alcohols sold into the hygiene market. In US, lower oil production in the US shale basins led to higher ethane prices, negatively impacting ethylene costs and associated downstream margins. Through it all, the value of a balanced product portfolio and global sales presence was reinforced.

Delivering on our strategic objectives

2020 was a significant year for our Chemicals portfolio, which reached important milestones at the LCCP. Our world-scale 1,5 million ton per year ethane cracker we had commissioned five of the six downstream chemical units. The start-up of the Ziegler and Guerbet units in June brought the online capacity of the LCCP's specialty chemicals units to 100% and the LCCP's total online nameplate capacity to 86%. Only the LDPE plant still needs start-up with BO expected in the second half of calendar year 2020.

The Ziegler unit is an extension of the existing Ziegler plant in Lake Charles and is the largest of its kind in the world, strengthening Sasol's significant economies of scale and leveraging our deep technical and operating experience.

The additional alumina capacity from the unit will enable Sasol to supply the increasing market demand for tailor-made, high purity alumina products used in a variety of market applications such as catalysts, coatings, ceramics and abrasives. The new Guerbet unit is Sasol's second – the other one is in Brunsbüttel, Germany. Having a Guerbet alcohol production site in Europe and in North America is a key competitive advantage as it provides our customers with expanded access to a more efficient global supply chain.

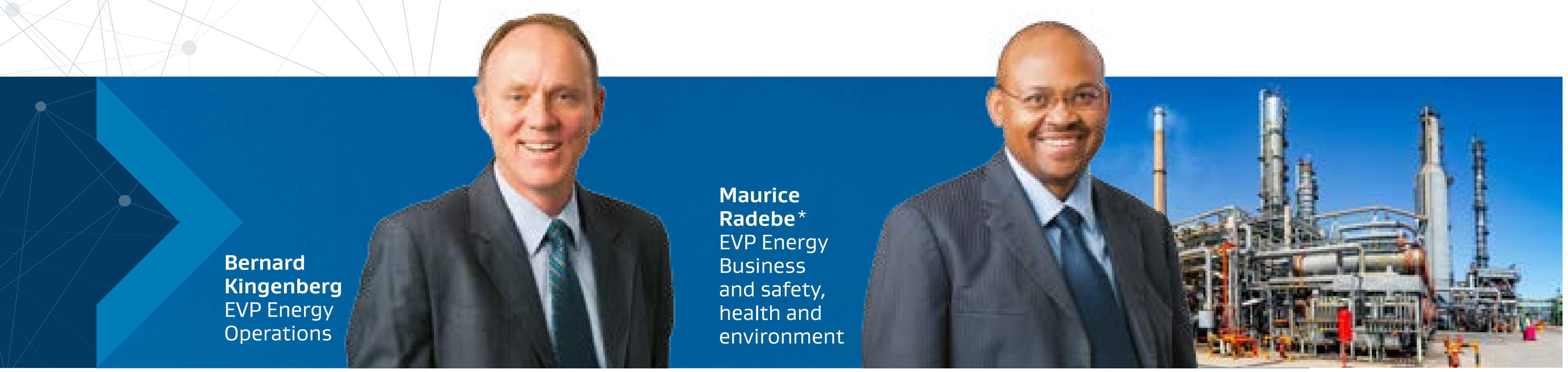
Other ways in which we delivered on our strategic objectives included the transfer of our explosives business as a going concern to a new joint venture with Enaex S.A.. This was part of our partnering and accelerated asset divestiture programme.

We also continued to identify areas of growth and innovation in key end-markets where we have industry-leading technologies, competitive feedstocks and market applications. In addition, we progressed various plastics sustainability efforts across our sites and geographies.

Looking ahead

- **Expect the negative impact of COVID-19 on demand, prices and value chains** to continue in automotive, energy and construction markets, but this should be partly offset by stronger demand in the markets for detergents, cleaning and hygiene products.
- Focus on **ramping-up the new LCCP Ziegler and Guerbet units and placing all product in the market,** as well as starting-up the LCCP's LDPE unit, supporting sales.
- Streamline the business to drive **efficiency and cost discipline,** without losing focus on customer-centricity.
- Continue to prioritise **growth and innovation initiatives,** including digitalisation efforts, enhancing the customer experience and optimising decision-making across operations, planning, and marketing and sales.
- Deliver on our **partnering and accelerated divestitures** programme to unlock value and generate cash for growth in high-value chemicals.

ENERGY AT A GLANCE



Bernard Kingenberg
EVP Energy Operations

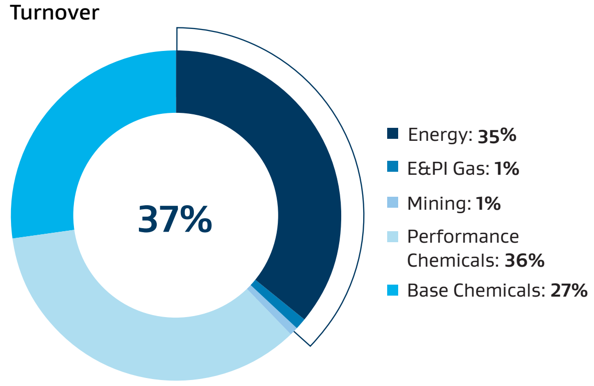
Maurice Radebe*
EVP Energy Business and safety, health and environment

* Will retire on 30 September 2020

Overview

Operating in Southern Africa, Energy is focused on securing low-cost and lower-carbon feedstock; maintaining safe and reliable operations; and supplying sustainable energy and chemical products in the region. Here we will improve the economic value and cost competitiveness of our assets and reduce the greenhouse gas (GHG) footprint of our facilities. Securing affordable gas supply and implementing renewables are key, as are driving higher margins and improving our consumer brand in retail fuels. This business has a number of competitive advantages: quality assets with access to affordable feedstock, the largest producer and off-taker of gas in South Africa and a respected and strong Southern African fuels brand.

Energy Business contribution



Operations

Energy operates an integrated value chain, with feedstock sourced from Mining and Gas and processed at our operations in Secunda and Sasolburg:

- **Secunda Operations**
- **Sasolburg Operations**
- **Natref**

We also have associated assets outside South Africa. These include the Petroleum Production Agreement (PPA) in Mozambique, ORYX GTL in Qatar and the 175MW Central Térmica de Ressano Garcia power plant in Mozambique.

Energy
- Mining
- Gas
- Liquid fuels
- Electricity

Key revenue drivers

- **Liquid fuel products:** The Basic Fuel Price (crude oil prices, differentials and the rand/dollar exchange rate), the refining margin as well as wholesale, commercial and retail marketing margins.
- **Gas:** In Mozambique, demand from within Sasol as well as from external customers. In Gabon and Canada, volumes are limited by available wells. In South Africa, revenue is driven by the value of gas relative to other energy sources (electricity, coal, and diesel) and transmission and distribution tariffs earned from Sasol gas-owned infrastructure.
- **Electricity:** All electricity generated by the Central Termica de Ressano Garcia's 175MW plant is sold to Mozambican state-owned EDM under a long-term agreement.
- **Coal:** Demand from internal and external customers, including for seaborne thermal coal.

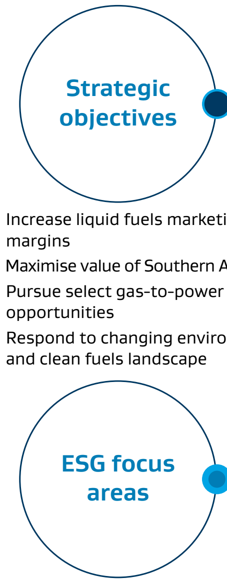
Key cost drivers

- **Fuel products:** The cost of crude oil, coal and gas. The cost of gas fluctuates with crude oil prices and the rand/dollar exchange rate.
- **Gas:** Operational cost of Sasol's producing assets as well as labour and maintenance. Exchange rates play a significant role as more than 60% of the cost of gas is in foreign currency translated to rand for reporting purposes. Development related to securing new gas supplies.
- **Electricity:** Cost of crude oil, coal, gas and renewables.
- **Coal:** Levels of productivity, safety and maintenance; inventory and requirement for external coal purchases.

Key environmental, social and governance (ESG) considerations

- Safety.
- Promoting diversity, transformation and social upliftment.
- Contributing to fenceline communities, including through employment and supplier development.
- Reducing GHG emissions.
- Complying with atmospheric emission targets.
- Improving energy efficiency.
- Meeting water-use efficiency targets.
- Maintaining highest levels of governance.

Advancing our strategy in phases



Strategic objectives

- Increase liquid fuels marketing margins
- Maximise value of Southern Africa gas
- Pursue select gas-to-power opportunities
- Respond to changing environmental and clean fuels landscape

ESG focus areas

- Contribute to economic growth
- Safety
- Reduce GHG emissions
- Comply with atmospheric emission targets

Strategic focus areas for the immediate term to 2022

- **Maximise gas supply from Mozambique with partners;** develop resources and pursue exploration opportunities
- **Increase value of liquid fuels:** shift volumes to higher-yielding products and markets, pursue organic retail growth, improve the value proposition to commercial customers
- Identify and develop alternative sources of low-cost gas

Strategic focus areas for the medium term to 2025

- **Increase value of liquid fuels: shift volumes to higher yielding products and markets,** pursue organic retail growth and improve the value proposition to commercial customers
- Secure affordable supply of gas; grow a profitable gas portfolio in Southern Africa and secure commercially sustainable gas with potential options being the import of LNG, **a gas pipeline from Rovuma Basin** to South Africa or a combination thereof
- **Enable a cleaner environment** by pursuing initiatives such as an optimal clean fuels solution, reducing sulphur content in fuel oil and reducing scope 3 emissions
- **Develop the Southern Africa gas market,** including through gas-to-power
- **Promote renewable solar photovoltaic and wind power**

Mining

Mining is responsible for producing coal feedstock for our Southern Africa integrated value chain to convert coal into higher-value products

Salient features

- **Safety performance** deteriorated with **three** tragic fatalities
- Actively worked to **restore coal inventory levels** after production challenges in the first half of the year
- Secured approval for **Impumelelo Colliery mining right** and environmental management plan
- **Extended home ownership programme,** bringing the number of beneficiaries to 233
- **Appointed the first woman general manager** of a mine in South Africa
- **EBIT decreased by 41% to R2,8 billion;** normalised unit cost of production increased 11% above inflation to R347/ton

Safety update

We recorded three tragic work-related fatalities in the year despite our commitment to zero harm. We undertook a holistic review of our safety approach and established a fatality and high-severity injuries elimination task force to develop processes and systems aligned with our safety focus areas. We appointed DuPont Sustainable Solutions to assist with the implementation of a safety coaching programme for our leadership team and support our operational teams in fostering risk reduction and continuous improvement.

Impact of COVID-19 and response

Committed to ensuring that our employees, contractors and communities remain safe during this uncertain time, we implemented a detailed COVID-19 response plan including preventative measures and scenario-based plans. Our response plans and mitigating protocols enabled us to continue operations with minimal interruption in 2020.

Delivering on our strategic objectives

Sasol is committed to reducing our greenhouse gas footprint and has developed a roadmap to achieve a 10% reduction in emissions from South African operations by 2030. However, in South Africa, we are heavily dependent on coal as a feedstock and as such have to ensure that we can sustainably source and deliver coal to our operations at the lowest cost.

In 2020, we obtained approval to incorporate over 9 000 hectares of additional reserves into the existing Secunda mining area, significantly extending the life-of-mine and in so doing completing our 2050 reserve acquisition initiative.

We continued to prioritise our community relationships, assisting municipalities with various infrastructure projects. We also extended home ownership among employees to bring the total number of beneficiaries to 233.

To further improve the efficiency of our mines and increase productivity, we continued with our Siyenza initiative. This programme is aimed at mitigating the greater complexity of mining geology as well as the complex mining processes impacting on productivity. It entails creating integrated operations, introducing 24/7 operations, fundamentally changing our operating system and organisational culture to improve safety, increase productivity and reduce our cost base.

Looking ahead

- **Identify opportunities to improve our safety performance,** focusing on preventing falls of ground and improving the effectiveness of proximity detection systems
- **Implement a new integrated operating model** centred around 24/7 operations
- **Deploy new stonework equipment** to improve our capacity and modernise our planning and scheduling systems
- **Continue to monitor and manage the impact of COVID-19** on our people and our business
- **Conclude wage agreement with unions** to ensure labour stability

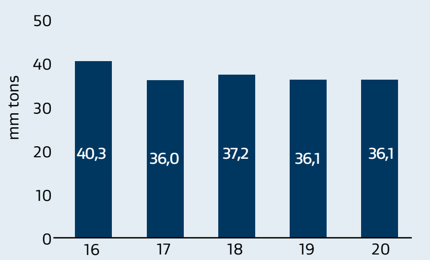
Performance summary

Productivity improved during the second half of the year, with the full year productivity rate of 1 148 t/cm/s, in line with previous market guidance. Overall, this was 4% lower than the previous year due to infrastructure downtime, safety incidents and the ongoing geological complexity challenges at our Syferfontein and Sigma Collieries.

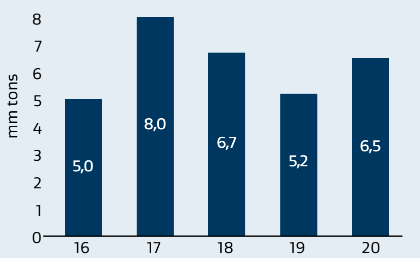
Operational improvements during the last six months, together with the temporary reductions in demand from both internal and external customers enabled us to increase our inventory levels to above our internal target levels. This allowed us to cease additional external purchases during the last quarter of the year.

EBIT decreased by 41% to R2,8 billion compared to the prior year, mainly as a result of a deterioration in export coal prices, lower export sales volumes and higher external coal purchases early during the year which were partially negated by the strong operational performance during the second half enabling us to build-up stockpile levels. External sales were 41% lower compared to the prior year due to the diversion of export quality coal to our Secunda Synfuels Operations (SSO) value chain during the first half and a temporary reduction in customer demand in second half due to the pandemic. Internal customer demand returned to pre-COVID-19 levels during June 2020. Our normalised mining unit cost increased by 11% to R347/ton due to lower overall production levels, above-inflation labour related cost increases and higher depreciation for the year.

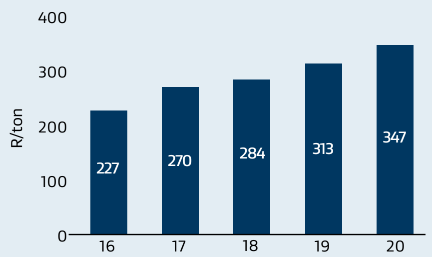
Saleable production



External purchases



Normalised unit cost per production ton



Sourcing of upstream gas

Gas is central to our revised strategy. By securing affordable gas feedstock, we aim to reduce our GHG footprint and supply sustainable lower-carbon products in Southern Africa

Salient features

- Strong **safety performance,** with RCR of 0,14
- **EBIT increased more than 100% to R1,2 billion due to lower asset retirement obligation cost,** lower depreciation and increased volumes from Gabon offset by lower prices and lower gas off-take in Mozambique as a result of the spread of COVID-19
- **Social investment of R110,2 million in Mozambique,** including restoration of Inhambane ferryboat damaged in Cyclone Dineo and repair of a key national road
- **Delivered three successful development wells in Etame Marin Permit asset in Gabon,** increasing production from 12 000 bpd to 20 000 bpd, exceeding expectations
- **Completed and submitted PSA field development plan,** paving the way to securing additional gas to our value chain and delivering good returns on this integrated gas, LPG and oil development

Adopting a gas-centric strategy in Southern Africa

As supply from our existing gas reserves start to decline from financial year 2024, we are investigating options to optimise current Southern Mozambique upstream assets as well as secure new affordable gas supplies such as importing LNG in the transition towards securing more pipeline gas from Mozambique. With our upstream exploration and development efforts focused on southern Mozambique gas supply in line with the revised strategy, we have decided to no longer pursue oil growth in West Africa. This supports our need for a more sustainable portfolio, focused on core activities and with lower emissions.

Progressing our strategic objectives in 2020

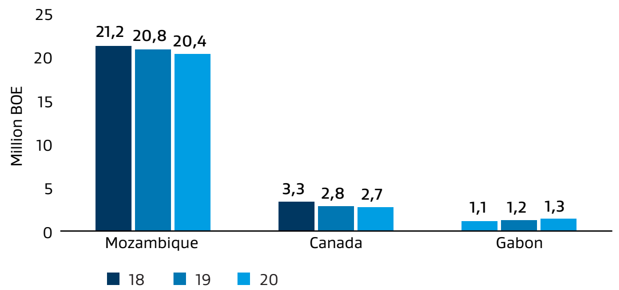
- **Commenced drilling campaign in southern Mozambique to drill new infill wells, repair existing ones and plug and abandon wells that are considered unsafe or which had reached the end of their economic lives.** COVID-19 lockdown restrictions led to a temporary suspension of the campaign, which will restart during the first half of the new year when these restrictions are lifted
- **Completed seismic data acquisition of the PT5-C block in southern Mozambique,** early indications are encouraging for potential new gas discoveries that can be quickly and easily tied back to our existing production plant
- **Submitted field development plan for Production Sharing Agreement (PSA) licence to the government of Mozambique,** progressing our plans to augment our current gas supplies
- **Established a new dedicated team to confirm alternative gas supply options** and initiated engagements with key private and public sector stakeholders to enable growth of the Southern Africa gas delivery system. Focusing on securing affordable additional gas supply through development of cost-effective gas import infrastructure (LNG importation and/or gas supply from Rovuma via pipeline), promoting stakeholder alignment and regional gas cooperation, promoting larger gas utilisation anchored on new gas to power facilities, proposing and maintaining an enabling regulatory framework and promoting development of cost-effective gas import infrastructure
- **Worked extensively on the potential conversion of Secunda Synfuels Operations to facilitate greater use of natural gas in its processes**
- Actively pursued the divestment of assets that are not aligned with our updated strategy

Impact of COVID-19 and response

Volumes

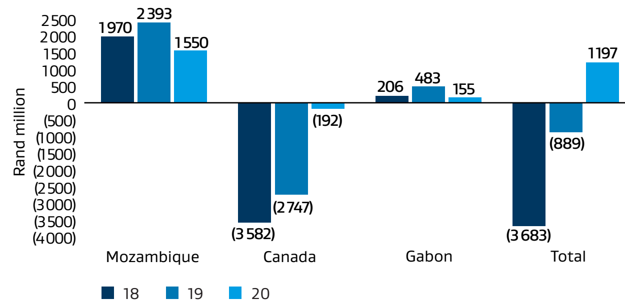
Our production volumes were negatively impacted by COVID-19 in Mozambique.

Production volumes



Travel restrictions under the COVID-19 regulations led to a suspension of our Mozambique drilling campaign in March 2020. By implementing a rigorous business continuity plan and strict hygiene protocols, our production facilities in Mozambique and Gabon continued to operate. By year-end, one employee had been infected with COVID-19. In support of the government of Mozambique's fight against the pandemic we donated 60 000 litres of hand sanitiser as well as 500 000 litres of fuel for emergency vehicles in Inhambane.

Earnings of producing assets



Securing gas for our operations from 2024+

Our new alternative gas supply team got to work to understand alternative gas supply options for our markets and operations in Southern Africa to address the forecast decline in production from our fields in Mozambique from the 2024 financial year which informed the development of the Group's revised gas-centric strategy.

On the demand side, within Sasol, our teams carried out extensive work on the potential conversion of Secunda Synfuels Operations to use more gas as feedstock,in line with our emission-reduction framework, including a 10% reduction in GHG emissions by 2030 and further reductions up to 2050. We also considered the potential external gas demand outlook for among others industrial transportation and power generation in South Africa.

Looking ahead

- **Develop a detailed business and execution plan** for affordable gas supply options
- **Continue external engagement with potential gas import infrastructure developers** and gas suppliers to promote higher utilisation of gas, and the government of Mozambique and South Africa
- **Progress front-end engineering and design for third tranche of infill wells** in the Petroleum Production Agreement (PPA) licence area, extending current gas supply
- **Continue to engage with government of Mozambique** on the PSA field development plan
- **Take final investment decision on the integrated PSA project** and begin its execution
- **Restart Mozambique drilling campaign** once COVID-19 restrictions are eased
- **Complete data processing on PT5-C block onshore Mozambique,** providing first estimate of gas potential
- **Deliver on development agreement targets** for the fenceline communities in Mozambique

Energy liquid fuels and gas marketing

In Southern Africa, the Energy Business markets and sells liquid fuels, pipeline gas and electricity. Internationally, we manage Sasol's gas-to liquids (GTL) investment in Qatar.

Salient features

- Opened **five new retail convenience centres**
- Progressed our efforts to develop **a cost-effective solution to meet new clean fuels requirements**
- **Advanced our renewable energy activities** - issued a request for information from potential bidders to supply 600MW of renewable energy to our Secunda facilities
- Unprecedented **drop in demand for liquid fuels** due to **COVID-19 required drastic measures**
- **Engaged with NERSA** on methodology for **maximum gas prices**
- **Reported LBIT of R6,7 billion** from 2019's EBIT of R16,6 billion
- **ORYX GTL capacity utilisation declined to 57%** after extended shutdown
- Disposed of our indirect equity investment in Escravos GTL

NERSA matter

We submitted comments to the National Energy Regulator of South Africa (NERSA) on the possible approaches it may take to establish a new methodology to determine maximum gas prices. We also participated in public hearings. These followed the decision in 2019 by the Constitutional Court that overturned NERSA's price methodology, in place since 2014. The contractual agreements with Sasol Gas customers remain in place until a new framework is approved. However, the implementation of a new NERSA-approved maximum gas price – which would apply retrospectively from March 2014 – could have a material adverse effect on our business.

Safety update

Regretfully we recorded one tragic work-related fatality at Secunda Synfuels Operations, despite our commitment to zero harm. Our recordable case rate (RCR) improved to 0,10 for the year. The fires, explosions and releases severity rate (FER-SR) improved by 15% to 6,0 compared to 7,1 in the prior period.

Performance summary

Operations

Total liquid fuels and chemical production volumes at SSO decreased compared to the prior year due to reduced liquid fuels and product demand during the last quarter of the year. During this time, SSO successfully completed certain maintenance activities, which allowed for the postponement of the September 2020 shutdown. Natref production was 22% lower compared to the prior year, mainly due to the temporary suspension of production with effect from 9 April 2020 resulting from the decrease in fuel demand in South Africa.

Energy

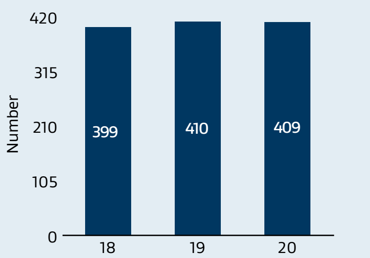
Liquid fuels and natural gas sales volumes decreased by 12% and 8% respectively due to lower market demand resulting from the decline in the South African economy and the impact of the COVID-19 lockdown. Liquid fuels sales volumes of 52,7 million barrels exceeded the previous market guidance of approximately 50 to 51 million barrels due to a quicker recovery in fuel demand as a result of the earlier than anticipated easing of the lockdown regulations.

We recorded a loss before interest and tax (LBIT) of R6,7 billion for the year which is R23,2 billion lower compared to the prior year EBIT of R16,6 billion. Our gross margin percentage decreased from 43% to 38% mainly due to lower average Brent crude oil prices, lower sales volumes resulting from the impact of the extended COVID-19 lockdown, a weak Southern African economic performance and lower refining margins which was partially offset by the impact of a weaker rand/US dollar exchange rate. Cash fixed cost were 1% below inflation due to focused management actions.

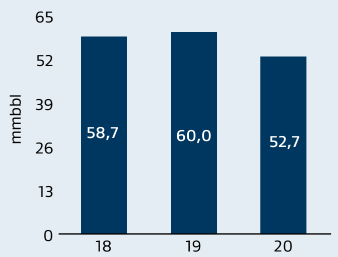
We recognised an impairment of R3,8 billion related to our Synref cash generating unit (CGU) mainly due to a significant decrease in our crude oil prices outlook for the short to medium term, an increase in the weighted average cost of capital (WACC) rate and gas feedstock cost due to increased prices. For our Sasref CGU an impairment of R8,6 billion was recognised mainly due to lower assumed refining margins over the longer term and a loss in margin as a result of structural change where fuel components previously provided through to the Sasref CGU will be utilised within the Synref CGU.

ORYX GTL contributed R338 million to EBIT, a R793 million decrease from R1 131 million the prior year and achieved a utilisation rate of 57% due to the extended shutdown. Train 1 resumed operation at the beginning of June 2020 and is currently in stable operation. Inspection work performed at the start of the train 2 shutdown in January 2020 resulted in an extension of the required shutdown duration, therefore we expect train 2 to be back in operation during the second quarter of 2021.

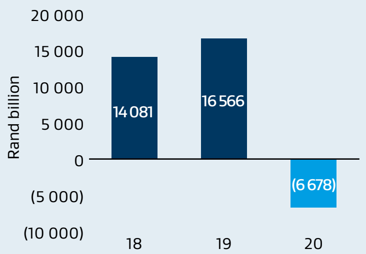
Retail convenience centres



Liquid fuels sales



(Loss)/Earnings before interest and tax (LBIT)/EBIT)



Impact of COVID-19 and response

We moved swiftly to address the dramatic impact of COVID-19 on liquid fuels demand by suspending production in early April at our Natref joint venture and by reducing the production of Secunda Synfuels Operations (SSO) by 25%. In June we restarted Natref production and ramped-up SSO to full capacity.

Delivering on our strategic objectives

During the year, we opened five new retail convenience centres (RCCs) in South Africa. This is despite challenging market conditions due to increasing prices and reduced petrol demand.

Sasol remains one of the strongest retail fuels brands in South Africa, supported by our advertising campaign 'This is GlugGlug®'. We marketed a third of Sasol fuels' production through our own retail outlets and commercial channels, benefitting from the wider associated margins. We are reviewing our customer offering and evaluating the impact of COVID-19 on consumer behaviour as well as advanced mobility.

We made significant progress in developing a cost-effective solution to meet new market and regulatory requirements for cleaner fuels from SSO and started work on the first of numerous projects. We are confident that we will be ready for the cleaner fuel specifications at a cost that is acceptable to all of our shareholders.

We are also reshaping our portfolio. In 2017, Sasol announced that it will not be investing in new gas-to-liquid greenfield projects therefore, we have disposed of our indirect equity interest in the Escravos GTL facility.

In July 2020 we signed an exclusive negotiation agreement with Air Liquide for the sale of our 16 air separation units, including the cooling tower linked to the train 16, located in Secunda, the proceeds will total approximately R8,5 billion.

Looking ahead

- **Progress organic retail** growth by opening ten new retail sites in 2021
- **Improve retail offering with greater focus on customer needs,** advanced mobility solutions and leveraging our infrastructure
- **Ensure reliable supply** to our customers in line with increasing demand as lockdown restrictions are eased
- **Increase value proposition** to commercial customers by offering fit-for-purpose, targeted segmental solutions
- **Respond and manage implications** of NERSA decisions on Sasol Gas prices and trading margin
- **Advance the procurement of 600 MW of renewable energy**
- Execute **Clean Fuels 2 and octane solutions** for Secunda and Natref facilities, within cash flow constraints
- Maximise value from **Southern African gas business**

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United States of America

Direct purchase plan
J.P. Morgan offers a convenient way for you to buy ADRs through the GID Program ("Program"). If you wish to participate or review the Program brochure, please visit adr.com/shareholder. At the bottom of the page click on View All Plans and select Sasol Limited to request an enrolment kit or you can call 1-800-990-1135 or 1-651-453-2128.

With the Program, you can:

- Purchase ADSs without a personal broker
- Increase your ADS ownership by automatically reinvesting your cash dividends
- Purchase additional ADSs at any time or on a regular basis through optional cash investments
- Own and transfer your ADSs without holding or delivering paper certificates

Questions or correspondence about Global Invest Direct
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Shareholders' diary

Annual General Meeting	Friday, 20 November 2020

Forward-looking statements disclaimer

Sasol may, in this document, make certain statements that are not historical facts and relate to analyses and other information which are based on forecasts of future results and estimates of amounts not yet determinable. These statements may also relate to our future prospects, expectations, developments and business strategies. Examples of such forward-looking statements include, but are not limited to, the impact of the novel coronavirus (COVID-19) pandemic on Sasol's business, results of operations, financial condition and liquidity and statements regarding the effectiveness of any actions taken by Sasol to address or limit any impact of COVID-19 on its business; statements regarding exchange rate fluctuations, changing crude oil prices , volume growth, increases in market share, total shareholder return, executing our growth projects (including LCCP), oil and gas reserves, cost reductions, our climate change strategy and business performance outlook. Words such as "believe", "anticipate", "expect", "intend", "seek", "will", "plan", "could", "may", "endeavour", "target", "forecast" and "project" and similar expressions are intended to identify such forward-looking statements, but are not the exclusive means of identifying such statements. By their very nature, forward-looking statements involve inherent risks and uncertainties, both general and specific, and there are risks that the predictions, forecasts, projections and other forward-looking statements will not be achieved. If one or more of these risks materialise, or should underlying assumptions prove incorrect, our actual results may differ materially from those anticipated. You should understand that a number of important factors could cause actual results to differ materially from the plans, objectives, expectations, estimates and intentions expressed in such forward-looking statements. These factors and others are discussed more fully in our most recent annual report on Form 20-F filed on 24 August 2020 and in other filings with the United States Securities and Exchange Commission. The list of factors discussed therein is not exhaustive; when relying on forward-looking statements to make investment decisions, you should carefully consider both these factors and other uncertainties and events. 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.

Abbreviations

Core headline earnings per share (CHEPS)

Core HEPS is calculated by adjusting headline earnings per share with certain once-off items (provision for tax litigation matters and LCCP cash fixed cost with limited corresponding gross margin), year-end close adjustments and depreciation and amortisation of capital projects (exceeding R4 billion) which have reached beneficial operation and are still ramping up, and share-based payments on implementation of B-BBEE transactions. Year-end close adjustments include unrealised net losses/(gains) on all derivatives and hedging activities and unrealised translation losses arising on the translation of monetary assets and liabilities into functional currency in order to remove volatility from earnings from year to year.

Adjusted earnings before interest, tax, depreciation and amortisation (EBITDA)

Adjusted EBITDA is calculated by adjusting EBIT for depreciation and amortisation, share-based payments, remeasurement items, movement in environmental provisions due to discount rate changes, unrealised net losses/(gains) on all derivatives and hedging activities and unrealised translation losses arising on the translation of monetary assets and liabilities into functional currency.

EBIT – Earnings before interest and tax

ESG – Environmental, social and governance

ETO – Ethoxylates

GHG – Greenhouse gas

LCCP – Lake Charles Chemicals Project

LBIT – Loss before interest and tax

HSI – High-severity injury

SDG – Sustainable Development Goal

SHE – Safety, health and environment

US – United States

Please note

A billion is defined as a thousand million. All references to years refer to the financial year ended 30 June. Any reference to a calendar year is articulated as such.