



Attention: Mr Mactavish Makwarela

Secretariat of the Presidential Climate Commission (PCC)

Per electronic mail: mac@climatecommission.org.za
crispian@climatecommission.org.za

29 April 2022

Dear Mr Makwarela,

SASOL'S COMMENTS ON THE PCC's JUST TRANSITION FRAMEWORK

In response to the call for comments on the draft Just Transition Framework (“the Framework”), we attach Sasol’s response. We would like to take the opportunity to express our appreciation for the extensive work underway and particularly the development of the Framework. We strongly support the PCC and governments’ commitment to deliver on the country’s climate objectives enshrined in the National Determined Contribution (NDC) which must be undertaken in a manner that is fair and just. The transition cannot exacerbate the high levels of poverty, unemployment and inequality experienced today and, if leveraged appropriately, opportunities in the low carbon future can deliver a more sustainable and thriving South Africa. We see a clear path for Sasol to support the country by reducing our greenhouse gas (GHG) emissions and simultaneously accelerating action to advance the gas economy and develop the green hydrogen economy.

As you know, Sasol is undertaking a fundamental transformation of our business, called Future Sasol. We are aiming to achieve a 30% GHG reduction by 2030, off a 2017 baseline, and net zero emissions by 2050. The way we intend achieving our targets are reflected in our associated roadmaps.

The Future Sasol strategy focuses on decarbonising our operations, while preserving and growing value. Our transition will follow a gradual approach to minimise social and economic impacts. We are implementing a mix of energy and process efficiencies, investing in renewables and shifting to incremental natural gas as a transition feedstock up to 2030. Key components of our decarbonisation are gas in the medium term and green hydrogen in the long term.

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We are progressing opportunities to leverage some of the country's greatest endowments, including wind and sun for energy, platinum group metals, our mining expertise and relatively young population. As we pursue our gas ambitions, we are investing in green and brownfields green hydrogen projects that should deliver social and economic value for the country. Collaboration is key to reach the desired pace and scale of the Paris Agreement goal and in this regard, we have partnered with a range of stakeholders. Our initiatives are focusing on developing green hydrogen catalytic projects, including in Sasolburg, Secunda and the Northern Cape.

In 2023, the first volumes of green hydrogen are expected to be produced from our existing 60 MW electrolyser in Sasolburg. This green hydrogen project will anchor initial local demand in heavy-duty mobility, mining, city buses, green steel and back-up power. To further stimulate the green hydrogen sector, we have signed a Memorandum of Agreement (MOA) with the Gauteng Government to collaborate on the development of special economic zones (SEZs). We have several partners, including Imperial, Cellcentric and Toyota, focusing on the development of hydrogen mobility for heavy-duty long-haul trucks. At our Secunda Operations, we aim to produce sustainable products and demonstrate our capability in sustainable aviation fuels. Initially, we will utilise 400 MW of renewable energy for sustainable aviation fuels, potentially building up to 15 GW post 2040.

The Boegoebaai project has the potential to scale to a \$US10 billion investment bringing with it the potential for unprecedented economic growth and job creation opportunities in the Northern Cape region. At full capacity this plant could drive the development of 9 GW of dedicated renewable energy capacity. This, together with export sales from the facility could create up to 6 000 permanent jobs and more than 50 000 temporary jobs.

It is against this backdrop that we provide our comments on the Framework. For ease of reference we have summarised our salient comments below and attached as an addendum to this correspondence, our more detailed comments. Our comments are based on a review of the Framework document and the related presentation to Business Unity South Africa (BUSA) and the Energy Council. We also specifically directed our input on the questions relating to the at-risk sectors, outcomes and principles and planning instruments, as well as the private sector's responsibilities and the just transition focus areas.

While Sasol welcomes the Framework and its intended aims, we submit that for the Framework to be a practical policy tool, it must be unambiguous on what is in scope and what is not. It is critically important that role players' responsibilities and accountabilities be clearly detailed to avoid misalignment and enhance action towards the country's just transition objectives and goals. These two areas need further elaboration in the Framework.

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In support of this overarching feedback, we highlight the following:

- At the heart of the Just Transition is the principle of ensuring “*no one is left behind*”; this will require economic diversification and innovation. As such, it is critical that an enabling policy environment be developed to stimulate green industries, create a circular economy and support funding for research and development. Introducing mechanisms beyond tax incentives and penalties, such as the provision of grants, subsidies, loans and the establishment of Renewable Energy Development Zones (REDZs) and SEZs, to name a few, will incentivise the private sector to accelerate action. Further, the shift to cleaner energy sources and sustainable low carbon product slates will require different skills which also needs policy and regulatory intervention. Targeted upskilling and reskilling initiatives are therefore needed to enable existing industries to sustain or create further employment. This should be accentuated in the Framework.
- Greater emphasis should be placed on the immediate or ‘quick win’ priorities that deliver significant economic impact. These include removing barriers for the development of the green hydrogen economy and localisation of the renewable sector as a start. This will go some way in beginning to address the issues of inequality and unemployment. Existing policies that can be streamlined and leveraged must be identified and prioritised as underpinnings of the Framework’s recommendations for a just transition.
- Developing the green hydrogen ecosystem ranging from being an exporter to own use for decarbonising hard-to-abate sectors, such as transport and petrochemicals is critical. In this regard, the following is needed:
 1. Green Financing: By attracting international development institutions to urgently fund 'ready-to-go' catalytic projects for both the public and private sectors;
 2. Strategy Masterplan: South Africa needs a Hydrogen Strategy and Gas Masterplan, as well as a nationally coordinated approach with action plans and clear targets;
 3. Policy and Regulation: Regulatory consistency and enabling policies are critical to accelerate the development of low carbon industries. For example, driving international advocacy on key topics like carbon accounting to ensure South African products can meet 'green certification standards' while the country transitions;
 4. Intergovernmental Cooperation: Regional and international cooperation is needed to drive offtake enablement and unlock synergies e.g. in the European Union and East Asia; and

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5. Integrated Incentives: The development of enabling national incentives are critical to drive decarbonisation, attract investment, develop supporting infrastructure and build the capacity and skills required for the transition.
- Sasol is supportive of the view that the just transition should ensure that socio-economic issues are not exacerbated and where possible actions taken should aim to ameliorate these issues. To this end, provincial and local government must be capacitated and enabled to address infrastructure development, service delivery and energy and water availability, otherwise just transition imperatives will be impeded.
 - Alignment and coordination of lead government departments and agencies is paramount to achieve effective delivery and implementation of a just transition. Currently, fragmentation, misalignment and duplication of effort is being experienced at all levels of government on various initiatives. This is hindering action at pace and scale; and
 - Securing international support for South Africa's just transition is an imperative which extends beyond sourcing funds. This should focus on other areas of support, such as technology transfer, capacity building, trade cooperation and partnerships to also support the private sector. The PCC is ideally placed to identify how best to drive this across the full spectrum of issues to maximise the leveraging of the international community.

In conclusion, the Framework is needed and should set the tone and guardrails against which labour, government, industry, civil society and communities align. Sasol reaffirms our commitment to continued engagements with the PCC and we look forward to furthering our collaboration with you. Should you have any queries please do not hesitate to contact either of us.

Yours sincerely,
Signed by: Vuyo Kahla
Signed at: 2022-04-29 13:51:27 +02:00
Reason: I approve this document

_____  _____

Vuyo Kahla
EVP Strategy, Sustainability
and Integrated Services

Signed by: Marcel Mitchelson
Signed at: 2022-04-29 13:56:29 +02:00
Reason: I approve this document

pp *Marcel Mitchelson*

Charlotte Mokoena
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ADDENDUM

Detailed comments on the PCC draft Just Transition Framework

Issue	Comment	Recommendation/s
General comments		
Governance: general	The Framework runs the risk of being overloaded with all legacy issues being added which will hinder progress.	<ul style="list-style-type: none"> The document includes a large part of the issues that need to be addressed as a matter of course to ensure our economy functions effectively and achieves the required levels of growth. Including all of economic reform issues as part of the just transition disproportionately front end loads the Framework. The Framework should therefore clearly detail what is in scope and what is not.
Governance: roles and responsibilities Responsibilities in the just transition are spread and vary across the different spheres of government.	A number of government departments and state-owned enterprises are mentioned as being responsible for different aspects of the Framework.	<ul style="list-style-type: none"> Role clarity is required at national, provincial and municipal levels. Private sector responsibilities are clearly outlined in the Energy Council and BUSA presentations. Similarly, the roles of government must be clarified to ensure alignment and a coherent response to the just transition recognising that there will be nuances at local level e.g. Mpumalanga relative to the Northern Cape. The PCC's role is to develop a just transition approach for the country while government and other role-players will have to implement through enabling policies, measures and programmes. This should clearly be differentiated to not result in confusion and misplaced responsibilities.
Governance: alignment and implementation	Intergovernmental coordination and collaboration are key particularly in terms of implementation.	<ul style="list-style-type: none"> There are many existing initiatives underway that promote job creation, entrepreneurial opportunities,

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		<p>inclusivity, etc., albeit in an uncoordinated and fragmented way.</p> <ul style="list-style-type: none"> • The just transition implementation plan which should support the Framework must be integrated and take these initiatives into account. In this way, economies of scale can be achieved quicker, offering credibility and tangible proof points for access to funding and trust building. In this way leveraging of existing resources will be maximised. • Additional principles to support the Framework include preventing fragmentation and reinvention of existing initiatives and programmes. • Many companies have started implementing against their decarbonisation roadmaps with a focus on implementing projects that deliver lower GHG emissions, create and/or sustain employment and contribute to economic development. Of importance is the development of the green hydrogen economy, renewable energy sector and related manufacturing hubs and value chains. These sectors require support in the form of incentives, policies and other elements of an enabling environment to deliver its potential sooner. • Other existing initiatives that require redirecting to also deliver on the just transition imperative include but are not limited to the B-BBEE Codes of Good Practice and its Charter, employment equity plans, social and labour plans, localisation initiatives, Department of Trade Industry and Competition (DTIC) master plans etc.

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Governance: policy	An enabling and deliberate industrial policy framework is required.	<ul style="list-style-type: none"> • Each role player needs to understand how their mandate which must be streamlined or enhanced to deliver on the overall just transition imperative. This requires deliberate action through the Framework to achieve the requisite coordination. For example, development of the renewables sector requires the National Energy Regulator (NERSA) to issue licences at a faster pace, the DTIC to address the development of manufacturing hubs in the Industrial Policy and Action Plan (IPAP), as well as Department of Mineral Resources and Energy (DMRE) in terms of renewable thresholds and review of the Integrated Resource Plan (IRP). • Similarly, green hydrogen requires coordination such that various mandates are aligned to achieve a thriving and globally competitive sector.
Governance: stakeholder consultation and engagement	It is unclear how the Framework will be amended to include issues raised by communities. It is also unclear how the Framework will be used to engage the communities and if communities are expected to utilise this document as their frame of reference.	<ul style="list-style-type: none"> • To manage expectations, the PCC needs to expressly articulate its role, the support it is willing to provide as well as expectations from the communities and other key stakeholders.
Governance: provincial and local governance	Provincial and local government must focus on delivery of services/ infrastructure to communities and their specific regions.	<ul style="list-style-type: none"> • Service delivery and required infrastructure needs to be in place in order to facilitate a just transition. • Provincial and local government capacitation should be a key focus. • In our view, baseline issues such as service delivery, energy and water availability must be dealt with today, otherwise just transition imperatives will be impeded.

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Governance: monitoring and tracking performance	National agencies should take responsibility for monitoring progress of the just transition.	<ul style="list-style-type: none"> • Monitoring and evaluation (and transparency) of the efficacy of current and future just transition-related programmes is critical. • Already mandated national agencies' roles and responsibilities need to be clarified and documented such that the necessary monitoring and progress can be reported and funnelled to the right government departments for action. The Framework should articulate the priority agencies in this regard and what and how just transition indicators should be measured and monitored.
Governance: international support	International support for South Africa's just transition needs to be leveraged beyond funding to other areas including technology transfer and capacity support.	<ul style="list-style-type: none"> • The Just Energy Transition (JET) facility offers a start for much needed funding. The Presidential Finance Task Team is developing the mechanics for allocating funds. In this regard, a close working relationship between the PCC and the task team must continue so that a pipeline of bankable just transition projects can access financing support. • The PCC should recommend how international support can be incorporated into the just transition programmes. • The ambit of funding activities needs to span, technology development and transfer such as carbon capture utilisation and storage (CCUS), capacity building, economic growth stimulation (green hydrogen, gas, renewables, sustainable chemicals, green steel), incentives, grant, equity and debt.

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<p>Governance: national and international policy influence and advocacy</p>	<p>Providing overall policy and planning coherence in support of a just transition.</p>	<ul style="list-style-type: none"> • The Framework should provide clarity on how the PCC and government will advocate for local and international policies to consider the specific challenges faced by developing countries like South Africa. In addition, it should also detail how policies can be influenced to place South Africa in a position to leverage its best resources to enable just transition. • COP27 and the importance of this needs to be leveraged for further funding to demonstrate our investment potential. However, the hindrances to investment need to be addressed with urgency, such as infrastructure, taxes and industrial policy certainty, to name a few.
<p>Corporate governance: “setting a science-based emissions reduction target”:</p>	<p>Science-based target setting must be considered in its broadest sense, with recognition of fair share approaches and methodologies.</p>	<ul style="list-style-type: none"> • South Africa is a developing country and therefore achieving both sustainable economic development and growth and a reduction in GHG emissions must be acknowledged. • There are various science-based approaches such as Climate Action Tracker, International Energy Agency (IEA), Intergovernmental Panel on Climate Change (IPCC) and Science Based Target Initiative (SBTi). All of these approaches are legitimate and well-established science-based approaches.
Restorative justice		
<p>Restorative justice: principles and definition</p>	<p>Restorative justice is a key principle of the just transition. In our view the Framework should be interpreted and applied against the imperatives underpinning the redesign of South Africa’s economy to the benefit of</p>	<ul style="list-style-type: none"> • The aim of the Framework should not be to include financial compensation for legacy or historic issues as part of restorative justice. It is recommended that financial compensation should be expressly excluded to avoid any

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	<p>society at large. This is best encapsulated by the following four questions:</p> <ol style="list-style-type: none"> 1. How do we empower people and communities in the transition to a low-emissions economy? 2. How do we ensure that the most impacted do not get left behind? 3. How do we support the goals of social inclusion and decent work for all? 4. How do we continue to solve South Africa's triple challenges (inequality, poverty, and unemployment) based on the roadmap laid out in the National Development Plan? <p>Unless these questions are expressly answered there is a high likelihood that restorative justice can be perceived as only about financial compensation.</p>	<p>ambiguity and rather be dealt with through appropriate mechanisms.</p> <ul style="list-style-type: none"> • The just transition should focus on how these issues are not exacerbated and where possible improved as the transition unfolds. • It is recommended that the description of “restorative justice” be expanded to include “constructively enabling and supporting disadvantaged/impacted communities to meet their basic needs”. This needs to be undertaken to avoid confusion and ambiguity, as well the expectation that the just transition will deal with all the problems we face. • The means of achieving “restorative justice” should place emphasis on co-operative governance to ensure the leveraging of existing mechanisms, laws and regulations, such as the National Environmental Management Act (NEMA) and Broad-based Black Economic Empowerment (B-BBEE), to name a few.
Assumptions set – GDP growth	<p>The country has not achieved the required economic growth and increase in employment over many years. Is at least a 3.5% GDP increase realistic as a measure of success?</p>	<ul style="list-style-type: none"> • Assumptions regarding projected growth rates or fiscal space to implement solutions should be verified with National Treasury. • If assumptions do in fact deviate from government numbers, then applicable justification should be provided.
Restorative justice:	<p>The definition is broad and aims to address several critical issues that the country is grappling with.</p>	<ul style="list-style-type: none"> • In our view, addressing the challenges within the energy system is a critical priority, while not exacerbating the issues we face today and to the extent possible, ameliorating these issues for future prosperity. Energy security and

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		energy poverty are critically important to redress some of the issues we face.
Restorative justice – gaps	Consideration should be given to the potential for mine land rehabilitation and mine water remediation as part of the just transition.	<ul style="list-style-type: none"> • Investment in mining land rehabilitation and mine water remediation needs to be considered. • Re-use of rehabilitated land for productive use could include agricultural or game farming, animal grazing, etc.
Restorative justice – principles	<p>It is not clear how outcomes related to addressing inequality and lowering the Gini co-efficient will be achieved and how will it be measured?</p> <p>In addition, it is not clear how implementation deliverables such as a funding model to achieve the projected outcomes will be developed?</p>	<ul style="list-style-type: none"> • By and large renewable projects are owned and developed by international corporations without necessarily prioritising localisation and to build skills in the country. • How will the Framework ensure that there is skills transfer to encourage full or co-ownership in South Africa and more specifically within at-risk communities so that new and sustained livelihoods are created. • In this regard we strongly believe the Framework supported by policy must be redirected to focus on mitigation technology interventions, such as renewables, green hydrogen and gas that can deliver at scale localisation benefits, value chain creation and transformation of the education system directed towards future skills requirements. • Serious consideration of innovative business models needs to be developed as a matter of urgency to “kick start” thinking and application in this area. • Sasol strongly supports the redirecting of policy and incentives to focus on diversification of current coal mining areas by rezoning for low carbon

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		<p>development, such as renewables and addressing regional price differences for example between cheaper production in Northern Cape vs. more expensive production in Mpumalanga (based on lower capacity factors).</p> <ul style="list-style-type: none"> • Encourage renewables uptake in coal areas that have readily available grid infrastructure. A low hanging fruit is ring-fencing the next bid window of the Renewable Energy Independent Power Producer Procurement Programme (REIPPP) to develop renewables in coal mining areas. • Some key questions that remain unanswered in the Framework that must be addressed for meaningful input are the following: <ol style="list-style-type: none"> 1. How will equitable ownership of productive and other assets be achieved, see example provided above? 2. Will the Framework propose a funding model to achieve restorative justice (i.e. socio-economic benefits, not just environmental sustainability)? 3. How will qualitative improvement in income inequality be achieved while phasing down coal?
Procedural justice		
<p>Procedural justice – principles Awareness of opportunities</p>	<p>The creation of networks and forums is mentioned. However, there is no mention of creating a public knowledge platform to promote access to information on the just transition. This is critically needed based on learnings from the community engagements.</p>	<ul style="list-style-type: none"> • While the objective in this regard is to promote procedural justice, communities that are at risk in coal mining areas are not fully aware of the opportunities that may arise from the energy transition. Targeted awareness campaigns by government, industry and NGOs in impacted communities on

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		<p>the opportunities that can arise if harnessed is of critical importance.</p> <ul style="list-style-type: none"> • In addition, the communities themselves have enormous experience on what works in the areas they live in, and this should be leveraged when opportunities and plans are crafted. • A public knowledge platform is strongly recommended to enable capacity building and knowledge management, while effectively communicating to ensure community members can readily air their views.
<p>Procedural justice – principle Communication on progress</p>	<p>The Framework refers to targets and the need for systems to monitor progress against targets. However, reporting on the progress of the just transition via forums and networks is also needed.</p>	<ul style="list-style-type: none"> • The scope of forums and networks needs to be expanded beyond the sharing of ideas but to also facilitate progress reporting on the just transition.
Distributive justice		
<p>Distributive justice - social support</p>	<p>Social protection mechanisms are limited as indicated in the Framework and in the case of the just transition other initiatives and measures must also be implemented.</p>	<ul style="list-style-type: none"> • Mechanisms that are prioritised must be supported by modelling that considers affordability as well as the need to graduate affected individuals from dependency to independence. • In this regard, expand the remit of social systems to include mechanisms that promote entrepreneurship, self-employment and subsidisation options, complemented by social protection funds for a specified period. • In parallel, focus should be placed on sectors that can grow employment and localise value chains, so that gainful employment opportunities are created, such as green hydrogen and its derivatives.

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Broader, systemic issues that need to be addressed	Due to existing inequalities, women and youth may be neglected and left behind. As such women and youth empowerment needs to be a key focus area of the just transition.	<ul style="list-style-type: none"> • Policies need to respond to the needs of women and youth by targeting equitable participation and consideration of their specific vulnerabilities.
Distributive justice - economic diversification	Only small and local business support mechanisms are mentioned. The introduction of financial incentives by government stands to be a valuable tool in stimulating green industries, creating a circular economy and funding R&D.	<ul style="list-style-type: none"> • In the process of devising planning instruments for the just transition, medium to large businesses should also be addressed so that a larger sphere of impact can be achieved with inclusivity at its core. • It is critically important that incentives be created for business such as provision of grants, subsidies, loans, and tax relief programmes as industry cannot bear the associated costs and risks of the transition on their own. • Focused support in the form of Renewable Energy Development Zones (REDZs) and SEZs to be established in impacted areas to enable investment is required.
Distributive justice - fair outcomes	The interpretation of what is fair and just will differ amongst affected stakeholders.	<ul style="list-style-type: none"> • The Framework should provide guiding principles that interested and affected parties can subscribe to in delivering just transition initiatives and programmes. Otherwise, there may be misalignment between stakeholder expectations and the outcomes of the implemented initiatives and programmes.
Distributive justice - supporting innovation	Technological change is included as a core strategic component of the Framework. However, delivering on this will require a collaborative effort from the broader economy. Embedding just transition principles across inter-departmental and sectoral	<ul style="list-style-type: none"> • Private sector entities have the capacity to spend and complement state expenditure on innovation, therefore it is important that the country takes a deliberate approach and recognises how the private sector can

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	<p>policies can help mainstream innovation in the just transition as part of broader climate action.</p> <p>The Framework seems to place responsibility in government's hands e.g. advancing and coordinating technological changes – this is not necessarily only a government function.</p> <p>Equipping South Africa with skills, assets and opportunities to participate in industries of the future, with attention on impacted groups is critical.</p>	<p>contribute to innovation and accelerate technology uptake.</p> <ul style="list-style-type: none"> • In this regard, legislation must compel government to develop key components of the just transition that enable and support technology development and deployment e.g. strategic initiatives and funding. • Furthermore, the Framework should have a role in influencing skills development and the education system to ensure a shift in the calibre of graduates towards sustainable technologies.
Distributive justice – Public services/ infrastructure	<p>The structure of any tax incentives for investors should be focused on supporting impacted areas to enable investment and localisation.</p>	<ul style="list-style-type: none"> • The Framework should recommend focused support in the form of REDZs and SEZs to be established in impacted areas to enable both local and international investment.
	<p>It must be acknowledged that numerous towns rely on the capacity of large corporates to complement local government in service delivery. While not ideal, many mining towns rely on companies such as Sasol to provide public services and infrastructure (e.g. sanitation, roads, etc.).</p>	<ul style="list-style-type: none"> • The capacity of local government to supply required services must be increased. • Capacity building resources must be deployed to address the ability of the local municipalities to act and where possible funding must flow.
Risks and success aspects		
Risks - adaptation and resilience	<p>The social consequences that will result from infrastructure degradation due to climate change impacts are a major risk that South Africa will continue to encounter and address e.g. flooding in KZN.</p>	<ul style="list-style-type: none"> • The Framework needs to provide an outline for planning and funding that will ensure that the social consequences of droughts, floods, etc. are managed. • If a proactive approach is not adopted, the ability of communities to adapt to climate change impacts will be limited which will negate the efficacy of the just transition plans and programmes.

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<p>Risks - ability for Sasol and the energy-intensive refineries producing ferroalloys to sustain employment</p>	<p>The Framework makes specific assumptions around the capacity of certain industry to sustain employment into the long term.</p> <p>The Framework document states that– “Sasol and the energy-intensive refineries producing ferroalloys employing around 30,000 people can sustain current employment levels if they shift to alternative energy sources”.</p> <p>This statement is an assumption and needs to be supported by data and evidence.</p>	<ul style="list-style-type: none"> • Further analysis is critically needed to provide the evidentiary basis for some of the statements made. For example, the NBI is undertaking analysis on the just transition future economic outlook. This work can be leveraged once available. As companies shift to more sustainable energy sources and different product slates, the required skillsets may differ and to assume that a 1:1 shift in the type and quantum of skills is not easy to justify at this early stage of the unfolding transition. • Any assumption taken should be verified as this a critical step to validating projected outcomes.
<p>Risks - mitigation measures</p>	<p>The Framework should incorporate the need for detailed risk assessments.</p>	<ul style="list-style-type: none"> • The available resource pool is finite, and the country cannot rule out significant cost or poorly impacted programmes with outcomes that are not sustainable. • While large corporates will conduct their own risk assessments, similar risk assessments need to be conducted at the municipal level, to roll up into the broader national impact assessment and risk mitigation plans. • This is the only way a holistic government approach can be affected, together with labour, communities and business.
<p>Risks</p>	<p>The overall just transition will be placed at risk if we unable to attract financing and our policies are perceived to be uncertain or misaligned.</p>	<ul style="list-style-type: none"> • There is a need for policy certainty in order to attract both local and international investment. • The ability to attract financing on favourable terms is a crucial component for South Africa to manage the pace and scale of the transition.

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		<ul style="list-style-type: none"> Other areas lacking investment must also be addressed.
Risks – developing and deploying clean technologies competitively	<p>The energy system needs to readily integrate clean technologies at least cost with minimal disruptions.</p> <p>The economy requires reliable electricity which must be addressed as an immediate priority to enable a just transition.</p>	<ul style="list-style-type: none"> Transformation of the electricity sector must be accelerated to support faster integration of a diversified mix of low and lower-carbon technologies, e.g. renewables and more gas. A review of the IRP is needed to ensure it will achieve the national GHG reduction goals by 2030.
Risks – unstructured push for transition fossil fuels e.g. Gas	<p>For a just transition, a diversity of energy sources inclusive of gas, renewables and green hydrogen is needed.</p>	<ul style="list-style-type: none"> A diversity of energy sources are needed especially if sharing of resources and repurposing of existing infrastructure can be leveraged to reduce costs and risks of lock-in and stranded assets. For example, gas infrastructure can be repurposed for use in the green hydrogen economy.
Success measures – monitoring and tracking	<p>It must be recognised that numerous identified success measures are time-dependent so that accelerated economic growth may occur. This must be accompanied by job creation opportunities for the disrupted sectors, such that affected labour may take advantage of available opportunities.</p>	<ul style="list-style-type: none"> The Framework should incorporate clear tracking and monitoring measures (leading and lagging indicators) that consider timing of impacts and opportunities. In this way, a common reporting framework will assist in tracking the effectiveness of any given just transition initiative.
Success measures – breadth of initiatives	<p>The Framework should be clear on the programmes that are within scope. The Framework must leverage existing initiatives and build from that basis. For skills development, reskilling of workers is important. However, the preservation of job location may be too big a goal.</p> <p>The effectiveness of the education system requires focused attention regardless of the just transition but can</p>	<ul style="list-style-type: none"> For an effective just transition, the basis from which the country starts must be addressed. For example, the PCC stakeholder engagements demonstrated that at-risk communities are unable to focus on potential risks of the future until the problems of today are resolved. Basic service delivery, addressing hunger and living conditions is paramount. Strategies to start addressing this must be at the

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	<p>be ameliorated by applying just transition principles.</p> <p>Labour intensive industries: focus on areas where South Africa can have a competitive advantage - we should not try to compete with China who are already world leaders in cost and volume.</p>	<p>heart of any implementation plan. Clear roles, responsibilities and immediate actions for key role players particularly in local government must be detailed to enable just transition.</p> <ul style="list-style-type: none"> • The Framework needs to focus on the immediate priorities that can enable delivery of significant economic impact, such as policies and measures that unlock development of the green hydrogen economy and localise the renewable sector as a start to address some of the inequality and unemployment issues we are dealing with now.
<p>Seizing opportunities – localising value chains</p>	<p>Renewable energy production coupled with green hydrogen has the potential to assist in growing new supply chains in South Africa.</p>	<ul style="list-style-type: none"> • The Framework needs to focus on the immediate priorities that can enable delivery of significant economic impact, such as policies and measures that unlock development of the green hydrogen economy and localises the renewable sector as a start to address some of the inequality and unemployment issues we are dealing with now. • A large proportion of renewable jobs are temporary in nature. Therefore, the Framework must detail mechanisms to change the nature of these jobs into permanent jobs by localising manufacturing hubs in country where feasible. • Key enablers for some of the critical technologies that need to be adopted require supporting infrastructure including but not limited to development of hydrogen pipelines, energy storage as well as port and transport infrastructure.

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<p>Seizing opportunities – South Africa's strategic positioning in the international market</p>	<p>The Framework should enable the alignment and amendments of identified policies that increase the country's competitiveness and reduces GHG emissions. For example, the Automotive Production and Development Programme (APDP) could be adjusted to support the production of clean-energy vehicles and promote local production of batteries and fast-charging technologies.</p>	<ul style="list-style-type: none"> • An identification and prioritisation of existing policies must be undertaken to underpin the Framework's recommendations. • In addition, it is strongly recommended that focus be placed on developing a green hydrogen ecosystem ranging from being an exporter, to own use of green hydrogen for decarbonisation of hard-to-abate sectors such as transport and petrochemicals. • A collaborative partnership model must be articulated between government and the private sector to deliver the ambitions of just transition. • Collaboration and partnerships across the hydrogen value chain will be critical for South Africa to move at speed and capture the full value of the opportunity. It is critical that the Framework identify opportunities that support development of this sector, including: <ol style="list-style-type: none"> 1. Green financing: by attracting international development institutions to urgently fund 'ready-to-go' catalytic projects; 2. Strategy masterplan: South Africa needs a hydrogen strategy and gas masterplan and a nationally coordinated approach with action plans and clear targets.; 3. Policy and regulation: regulatory consistency and enabling policies to accelerate the development of low carbon industries. For example, driving international advocacy on key topics like carbon accounting to ensure South African products meet 'green certification standards';

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		<p>4. Intergovernmental cooperation: regional and international cooperation to drive offtake enablement and unlock synergies e.g. In the EU East Asia; and</p> <p>5. Integrated incentives: the development of enabling national incentives are critical that drives decarbonisation, attracts investment, develops supporting infrastructure and builds the capacity and skills required for the transition.</p>
<p>Seizing opportunities – South Africa's strategic positioning in the international market</p>	<p>Identify high impact economic opportunities and detail the roles, responsibilities and actions that remove barriers to development of these at pace and scale.</p> <p>A lower carbon transition fuel in the form of gas is needed while low carbon and zero carbon opportunities are being developed to kick start the transition to meet the NDC commitments. Renewables are intermittent, not at scale and green hydrogen is currently costly and unlikely to be economically viable before 2030.</p>	<ul style="list-style-type: none"> • The Framework should be utilised to identify those resources that provide South Africa with a long-term competitive advantage (e.g. solar and wind), and devise strategies on how the government, SoEs and the private sector will be supported to leverage these for job creation and greener products exportation (e.g. green hydrogen and its derivatives). • Recommendations to unlock gas as a transition fuel should form part of the Framework to enable a net zero future by 2050. • We believe that South Africa is well positioned to actively participate in the green hydrogen economy and has a competitive advantage in this regard. This coupled with Sasol's proprietary Fischer-Tropsch technologies opens the country's potential to play a leading role in the production of sustainable aviation fuels. South Africa's total green hydrogen potential could reach 4 to 7 million tons by 2050, with over 3 million tons of export opportunity. This can catalyse the roll-out of more than 50 gigawatts of renewable energy for South Africa, potentially contributing

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		hundreds of billions per annum to our economy and creating significant job opportunities through the value chain to 2050.
Planning and implementation instruments - requires new information systems	The Framework advocates for the introduction of new information management systems. This needs further elaboration.	<ul style="list-style-type: none"> <li data-bbox="928 541 1411 726">• The initial priority should be to apply existing information management systems in a way that data interpretation is appropriate for the needs of the just transition.

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